

*City of Berea, Ohio*  
*Mayor Cyril M. Kleem*



Berea Kiwanis' Pavilion at Coe Lake

*Comprehensive Annual Financial Report*  
*For the year ended December 31, 2016*





# Dave Yost • Auditor of State

City Council  
City of Berea  
11 Berea Commons  
Berea, Ohio 44017

We have reviewed the *Independent Auditor's Report* of the City of Berea, Cuyahoga County, prepared by Rea & Associates, Inc., for the audit period January 1, 2016 through December 31, 2016. 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 Berea is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

August 29, 2017

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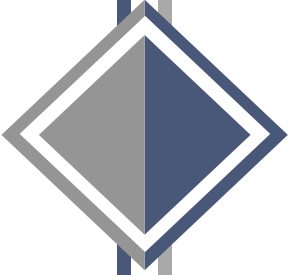
**CITY OF BEREA  
CUYAHOGA COUNTY, OHIO**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

Issued By: Department of Finance  
Dana J. Kavander, CPA  
Director of Finance





# INTRODUCTORY SECTION





**City of Berea**  
**Cuyahoga County, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2016*

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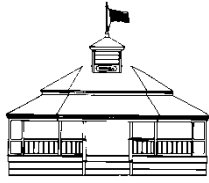
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# CITY OF BEREA

*“The Grindstone City”*

**Cyril M. Kleem**  
*Mayor*

**Dana J. Kavander, CPA**  
**Director of Finance**

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June 20, 2017

Honorable Mayor Cyril M. Kleem,  
Members of City Council, and  
Citizens of Berea, Ohio

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Berea, Ohio for the year ended December 31, 2016.

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and the Ohio Revised Code Section 117.38 which requires cities to file unaudited general purpose external financial statements with the Auditor of State within 150 days of fiscal year end.

Management assumes full responsibility for both the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Rea & Associates, Inc., has issued an unmodified (“clean”) opinion on the City of Berea’s financial statements for the year ended December 31, 2016. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **History of Berea**

Berea earned its name by the flip of a coin on September 27, 1836. Berea grew from an agricultural area to a quarry town in 1840. John Baldwin is credited with the discovery of a lathe to cut slabs of stone into grindstone, thus making “Berea sandstone” world famous. The grindstones were used to

sharpen tools for farm, home and industry. The large sandstone from Berea quarries were used in prestigious buildings in the United States and abroad. In the 1940's, grindstones were replaced with carbon grinding wheels, and cement was being used more often in construction. The City holds a "Grindstone Festival" every year to honor its past. (Berea Historical Society and "Men of Grit and Greatness" by W. F. Holzworth)

## **General Information**

Situated in the southwest portion of Cuyahoga County, Berea is ten miles from downtown Cleveland. The City's population from the 2010 Federal Census was 19,093 residents. Total land area is approximately 6.5 square miles.

The City's immediate access to three State and U.S. highways and Interstate highways: I-71, I-80 and I-480 makes Berea an attractive location for residents and commercial enterprise. The City is served by Norfolk-Southern and CSX railroads and is adjacent to areas served by Amtrak railroad. Cleveland Hopkins International Airport, located within three miles of the City, and Burke Lakefront Airport, located within 15 miles of the City, add to the desirability of the area.

Baldwin Wallace University (formerly Baldwin Wallace College) founded in 1845, a private liberal arts college well known for its Conservatory of Music, is located in the City. Within commuting distance of the City are several public and private two-year and four-year colleges and universities, including Case Western Reserve University, Cleveland State University, Cuyahoga Community College, John Carroll University, Kent State University, Lorain County Community College, Notre Dame College, Ursuline College, Oberlin College and the University of Akron.

The City utilizes over 80 acres of City-owned park land to house a variety of recreational facilities including an outdoor municipal pool, playgrounds, and softball and football fields. The Coe Lake recreation area features paddle boats, nature trails and an outdoor science education center along with a gazebo, pavilion and beach area. The City also boasts approximately 370 acres of the Cleveland Metroparks System. The Metroparks' Rocky River Reservation contains the Wallace and Baldwin Lakes for swimming, boating, ice skating, and fishing along with all-purpose trails for biking, jogging, hiking and physical fitness facilities. Other features of the Reservation include the Berea Falls Scenic Overlook, Music Mound, hiking trails, horseback riding trails, and the Wallace Lake, Baldwin Lake, and South Baldwin picnic areas.

## **Form of Government**

The City of Berea operates under and is governed by the laws of the State of Ohio and its own Charter which was first adopted by the electorate in 1960. The Charter has been and may be amended by the voters from time to time. A nine-member Charter Review Committee reviews the Charter every five years, and the next review will be in 2021. The charter provides for a mayor-council form of government. Legislative authority is vested in a seven-member council. The Council is composed of two members elected at-large and five members who are elected by wards, for two-year terms. The presiding officer is the President of Council, who is elected at-large by the electors for a two-year term. All members of Council serve in a part-time capacity.

The City's chief executive and administrative officer is the Mayor who is elected to a four-year term and serves in a full-time capacity. The Mayor may also veto legislation passed by Council. A two-thirds vote of all members of Council will override a veto.

The Berea Municipal Court provides judicial services for the City of Berea. The jurisdiction of the Court, as established by the Ohio Revised Code, encompasses the contiguous communities of Berea, Brook Park, Middleburg Heights, Strongsville, Olmsted Falls, Olmsted Township, parts of the Ohio Turnpike and Cleveland Metroparks.

Established by charter, the municipal government consists of six departments (Police, Fire, Service, Recreation, Law and Finance). In addition, the Building department and the Community Development, Engineering, and Housing Services departments were established by the Mayor. The Police and Fire departments are headed by the Director of Public Safety. Each department has a director, who reports directly to the Mayor. All directors work closely with the Mayor in providing the citizens of Berea with the highest quality of services while maintaining efficiency and cost effectiveness.

The **Police Department** enforces local, state, and federal laws in addition to protecting citizens and their property. The department takes a community oriented policing approach that has been met with great success. Numerous programs are offered to citizens and students. The department, under the direction of the Director of Public Safety and headed by the Chief of Police, consists of three bureaus. The Patrol Division oversees the staff of patrol officers. The Services Operational Division oversees the dispatch, Drug Abuse Resistance Education, Animal Control, Parking Control, Auxiliary, School Guards, Jail operations, and firearms training. The Detective Bureau oversees the City's investigative services and the Youth Diversion program. The Police Department is a member of the Southwest Council of Governments' Southwest Enforcement Bureau (SEB), a regional SWAT team. The SEB team is made up of 18 member communities who provide money and manpower for equipment and operations for the tactical division, bomb technicians, hostage negotiations, snipers and medics. In 2015, the City began the Community Engagement Unit (CEU). The CEU is designed to foster relationships between police and community organizations. The CEU works with at-risk youth, senior citizens, business owners and the students, faculty and staff of Baldwin Wallace University plus various civic and religious groups in the community.

The **Fire Department** provides fire suppression, emergency medical services, Hazmat response, extrication, and search and rescue, placing a strong emphasis on fire prevention, community involvement and education. The Director of Public Safety oversees the Chief of Fire who leads the department. The department has 2 fully equipped advanced-life-support rescue squads, two pumpers and a 110-foot Aerial Tower. The Fire Department is a member of the Southwest Council of Governments' Southwest Emergency Response Team (SERT). The SERT team is made up of 19 member communities, the Cleveland Metroparks, and the Northeast Ohio Regional Sewer District to provide money and manpower for equipment and operations for a hazardous response team, specialized water and land based rescue teams, a fire investigation unit and a tactical EMS team.

The **Service Department** is comprised of several divisions administered by a director. The City Service Division is responsible for the maintenance of all City vehicles, buildings, traffic lights and signs, public grounds, tree trimming, snow and leaf removal. The Storm Sewers and Drains Division maintain proper drainage control. The Street Paving and Repair Division handle the non-contractual maintenance of City streets. The Street Striping Division is responsible for the painting

of street lines and markings. The Forestry Division oversees the forestry services and the annual tree planting. The City outsources its rubbish and recycling services. The City has its own water plant, which is also handled by the Service Department. The water plant has a supply division and a distribution division, which ensures the water supply is safe and the water lines are properly maintained. The Sewer division oversees the collection of sewage and the maintenance of the City's sewer lines.

The **Recreation Department** provides numerous recreational activities and programs throughout the year. The City has a recreation center, which includes an indoor pool, sauna, steam room, racquetball courts, running/walking track, exercise equipment, weight room, basketball courts, and various multi-purpose rooms. The recreation center offers many classes and programs to residents and non-residents. The department also oversees the outdoor pool and paddleboats at the City's Coe Lake. The Recreation Department also supervises several baseball/softball fields and maintains several playgrounds throughout the City. The Recreation Department's Youth Sports Commission helps strengthen the community bonds through youth sports programs and activities that embrace and help develop future Berea-Midpark Titans' players.

The **Law Department** advises the Mayor, Council, and all departments on legal matters concerning the City. The department prepares all contracts, legislation, and legal documents. This department's prosecutors prosecute City of Berea traffic and criminal cases in the Berea Municipal Court.

The **Finance Department** handles several functions administered by a director. The Finance Department is responsible for the accurate recording of all receipts and disbursements. The department issues bi-weekly payroll and maintains the capital asset system. The department compiles the annual appropriations, the tax budget, the Comprehensive Annual Financial Report, and assists the Mayor in all financial decisions. The City's computer operations are also managed through the Finance Department. This includes the maintenance of all City computer and electronic equipment. The Finance Department handles the billing and collection for the City's water department and the Northeast Ohio Regional Sewer District. This department also handles all purchasing needed to maintain operations for all departments. In addition to overseeing these duties, the Director of Finance is also the City's Tax Administrator and utilizes the Regional Income Tax Agency to oversee the collection and distribution of the City's income tax.

The **Building Department** is responsible for interpreting and enforcing all building codes in the City. The department also issues permits and citations, conducts site inspections, and licenses all contractors. This department is responsible for the implementation of plans and programs that promote the comprehensive and orderly development of the City.

The **Community Development, Engineering, Housing and Social Services Departments** oversee the community division, the engineering division and the housing and social services division. The Community Development Division works in conjunction with the Planning Commission, Board of Zoning Appeals, and the Heritage Architectural Review Board as well as works on community relations and redevelopment issues. The Engineering Division ensures that all contractors working in Berea meet the general engineering requirements of the City. This department controls the review and implementation of plans and programs relating to the City's infrastructure. The Housing and Social Services Division provides programs and assistance to older adults and numerous residents. The division handles the various senior programs, special events throughout the year, Berea



Community Outreach Program, and various housing programs. The Housing and Social Services Division also handles the rental of the City's outdoor gazebo and pavilion area.

## **Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated, however, only governmental funds are required to be reported. 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 object level (personal services and other) within each department in the general fund and at the object level (personal services and other) for all other 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 Director of Finance. The amounts reported as the original budgeted amounts on the budgetary statement 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 statement reflect the amounts on the final amended certificate of estimated resources issued during 2016.

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, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

## **Economic Condition and Outlook**

Location is one of the greatest assets of the City of Berea. As a major suburb of the City of Cleveland, its proximity to Cleveland Hopkins International Airport and easy access to three interstate highways has contributed to the City's continued economic growth.

Front Street on the City's north end was re-engineered with an overpass over CSX and Norfolk Southern railroad tracks resulting in a substantial reduction of traffic congestion due to the significant increase in train traffic. The City has purchased deteriorated property in this area and has demolished buildings in anticipation of future development in this area. This area is minutes from the Cleveland airport and IX Center, as well as major highways. The City has developed the North End Revitalization Plan to assist in the overall plan for economic development in this City's north-end gateway and main thoroughfare. This area is in transition and the City has developed a marketing plan to assist in discussions to revitalize and develop this uptown area.

The City's north end is also the location of the Cleveland Browns headquarters and training facility. The City and the Cleveland Browns are committed to working together to ensure the team remains a vital part of Berea's community. The City of Berea owns the Cleveland Browns headquarters and training facility and has worked with the Browns to amend their agreement. The lease terms extend through 2040 with an opt-out clause after 2028. The Browns made over \$15 million in capital improvements in 2016 and agree to provide various charitable commitments to the community.

In 2016, the City has seen an increase in commercial growth as well as expansion of existing businesses and development of new business opportunities including:

- The PAC Machine Group built a 25,000 square foot addition on Berea Industrial Parkway at their existing manufacturing plant. This addition was the result of PAC electing to cease operations at its Texas based plant and move all of their jobs to Berea. In addition, PAC decided to expand in Berea rather than at its plant in Wisconsin.
- Talent Tool and Die built a 13,000 square foot addition to its manufacturing plant on Berea Industrial Parkway. With its ever growing customer base, Talent Tool was in need of additional space to manufacture metal parts that are used in golf carts.
- On West Bagley Road, Petrasek Properties broke ground on a new 4,370 square foot professional office building to house Synergy Sports and Massage after demolishing an older underutilized commercial structure. This state of the art facility features massage rooms, cryotherapy, sensory deprivation pods and aerial arts such as zero gravity yoga. Synergy Sports is anticipated to move into their new facility in spring 2017.
- In 2016, Berea Council and Planning Commission approved a planned unit development for a new 99 unit senior apartment building called the Villas of Berea. The upscale housing will feature one and two bedroom apartments and will be located on Sheldon Road. Groundbreaking will begin in 2017.
- A downtown restaurant space was vacated two years ago. In 2016, a new restaurant operator signed a lease to open a 6,500 square foot Bar-B-Que restaurant and bar in this space. The new restaurant is expected to open in fall 2017.
- The Cuyahoga County Department of Development awarded a Storefront Renovation Grant to the City of Berea in 2016. As an effort to achieve goals established in the 2010 City of Berea Master Plan, the Economic Development worked with three existing businesses; Boca Loca Burrito Factory, Campus Grille, and Mike's Bar and Grill to build outdoor dining areas. Each restaurant paid for 35% of the project costs while the County paid 50% and the City paid 15%. These outdoor dining areas are now being used by residents and visitors to Downtown Berea.
- In 2016, the City held one educational seminar for its manufacturing and industrial businesses. For the retail, restaurant, and office businesses, the City held 3 small business development seminars.

**Current Year Projects:** In 2016, the City's road program totaled almost \$2.2 million dollars and included repairs and replacements to 16 roads. The biggest road project was to the Bluegrass development area and will entail a complete reconstruction of the streets in this residential neighborhood.

Fair Street saw Phase 1 of the construction project to replace the water, storm water, and sanitary sewer lines along the north end of the street. The project will be completed in 2017 and Phase 2 will begin and go into 2018.

West Center Street Bridge will begin its replacement in 2016 and it should be completed by 2018. This bridge is in the center of downtown and is the third of four bridges that have been replaced in this area. The cost of the replacement bridge is \$3.5 million.

The City is undertaking a multi-year program to upgrade its parks and playgrounds and create a destination location for outdoor venues. In 2016, the area received a new pavilion which will include separate areas for several parties, a fireplace, and outdoor patio. The area also saw improvements to the City's outdoor pool including a new pool shed and fencing. Future phases to the area will include amphitheater seating, a central plaza, lighting and electrical upgrades, gazebo enhancements, and a stage.

The City began a citywide project to upgrade the City's water meter system with new electronically read meters for all properties. This \$1.7 million project was substantially completed by the end of 2016 with a few larger meters replaced in early 2017. This project will improve the efficiency to the water/sewer billing process and allow future improvements in billing to be considered.

The Berea Municipal Court began construction of an addition to the municipal building by adding a second floor above the police station for a new courtroom, offices, waiting area, restrooms and judge's chambers as well as renovations to the probation department offices. The construction was completed in 2016.

**Future Outlook:** The future economic outlook for the City of Berea is encouraging. Despite Berea being an older community, most thought the City could not expand and grow. However, the City has seen significant changes. Several years ago, the City annexed land and additional housing was developed along with two smaller developments which has helped bring higher tax bracket taxpayers that Berea has been seeking. The City anticipates continued development in both residential and commercial areas throughout the City.

The City's north end is currently under a transformation. The City has developed a North End Revitalization Plan to assist in the overall plan for economic development at the City's north end gateway after a \$24 million railroad overpass project was completed on the main thoroughfare through the City's north end. The City has purchased several parcels to assist in the overall revitalization plan and has developed a marketing plan to assist in discussions with developers to revitalize and develop this uptown area. This area is minutes to the Cleveland Hopkins' International Airport as well as easy access to several interstates. The north end is the north gateway to the City and its options are endless. The City has hired a company to assist in developing a plan for this area and anticipate some exciting improvements in this area in future development and new businesses.

The City implemented improved exterior maintenance. This has resulted in encouraging residents to make exterior improvements throughout the City and has assisted the City in offsetting some of the effects from the decline in countywide property values due to the depressed economy. The City has also initiated several grant programs to assist seniors and low-income residents make the necessary improvements to their homes.

The City and the Cleveland Browns are undertaking additional renovations to the First Avenue Revitalization Area which includes the Cleveland Browns Headquarters and Training Facility. The City of Berea and the Cleveland Browns have partnered up to make significant improvements to the

Cleveland Browns headquarters as well as the City investing in improvements to infrastructure in this area. The City of Berea owns the Cleveland Browns Headquarters and Training Facility and has a long-term lease with the Browns through 2040. The Browns have also agreed to various charitable commitments. The City of Berea and the Cleveland Browns remain committed to the partnership and working together for the betterment of the community.

**Future Projects:** The Mayor has created a Planning and Development Council made up of residents and department heads to review various improvements to the City. The Council has reviewed gateways and wayfinding signage improvements, an analysis of City parks and playgrounds, as well as improvements to the historical City downtown and Coe Lake area. The Council was involved in the various park and playground improvements as well as the gateway improvements and will continue to assist with ideas for the Coe Lake area improvements.

The City's Coe Lake area continues to see an ambitious project to create a destination location for outdoor venues. In 2017, future phases to the area will include amphitheater seating, a central plaza, lighting and electrical upgrades, gazebo enhancements, and a stage.

## **Long-Term Financial Planning**

The City maintains a Fund Balance Policy. The purpose of the Fund Balance Policy is to establish a fund balance/retained earnings policy that is tailored to the needs of the City and to ensure against unanticipated events that would adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. This policy was created to establish long-term goals for building and reserving the City's General Fund Balance, to commit funds for anticipated retirement payouts, and to establish a General Fund Rainy Day Fund for additional long-term stability. The City's primary goal was to begin committing funds for the retirement payouts. The City will continue to maintain the funds needed to meet anticipated retirement payouts while also working towards meeting its goal of a General Fund unassigned balance that exceeds 15% of annual operating expenditures and other financing uses (transfers). The third reserve was designed to reserve at least one month of annual operating expenditures and other financing uses (transfers) for a Rainy Day Committed Fund Balance.

The City has committed to maintaining a positive General Fund balance and the establishment of the reserves. The Finance Department reviews all monetary transactions on an on-going basis and works diligently to monitor revenues and reprioritize expenditures so that all fund balances, especially the General Fund, maintain optimal balances.

The City developed a Six-Year Capital Plan. The capital plan looks at the City's departmental needs during this time period and the possible funding available. The plan is heavily focused on infrastructure improvements with over \$33 million dollars of improvements with a minimal change in total debt outstanding. The capital plan will be reviewed and updated periodically.

## Other Information

**GFOA Certificate of Achievement Award:** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Berea, Ohio for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2015. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

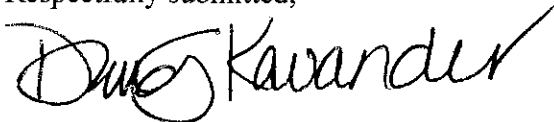
In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose content conforms to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Berea began preparing the Comprehensive Annual Financial Report and began submitting the report for the award twelve years ago. The City has received the Certificate of Achievement for the last twelve consecutive years. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgments:** The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Department of Finance. I would like to express my appreciation to all staff members who have contributed or assisted in its preparation. Appreciation is also expressed to all City departments for their cooperation and assistance. I would also like to acknowledge the cooperation of the team from Rea and Associates, Inc., who assisted the finance department in the preparation of the financial report and their staff for conducting a thorough audit of our finances.

In closing, I would like to thank the Mayor, the members of Berea City Council and the citizens of our fine community, for without your continued support, the preparation of this report would not have been possible.

Respectfully submitted,



Dana J. Kavander, CPA  
Director of Finance

**CITY OF BEREA, OHIO  
PRINCIPAL OFFICIALS  
DECEMBER 31, 2016**

**ELECTED OFFICIALS**

Mayor  
President of Council  
Council Member-at-Large  
Council Member-at-Large  
Council Member - Ward 1  
Council Member - Ward 2  
Council Member - Ward 3  
Council Member - Ward 4  
Council Member - Ward 5

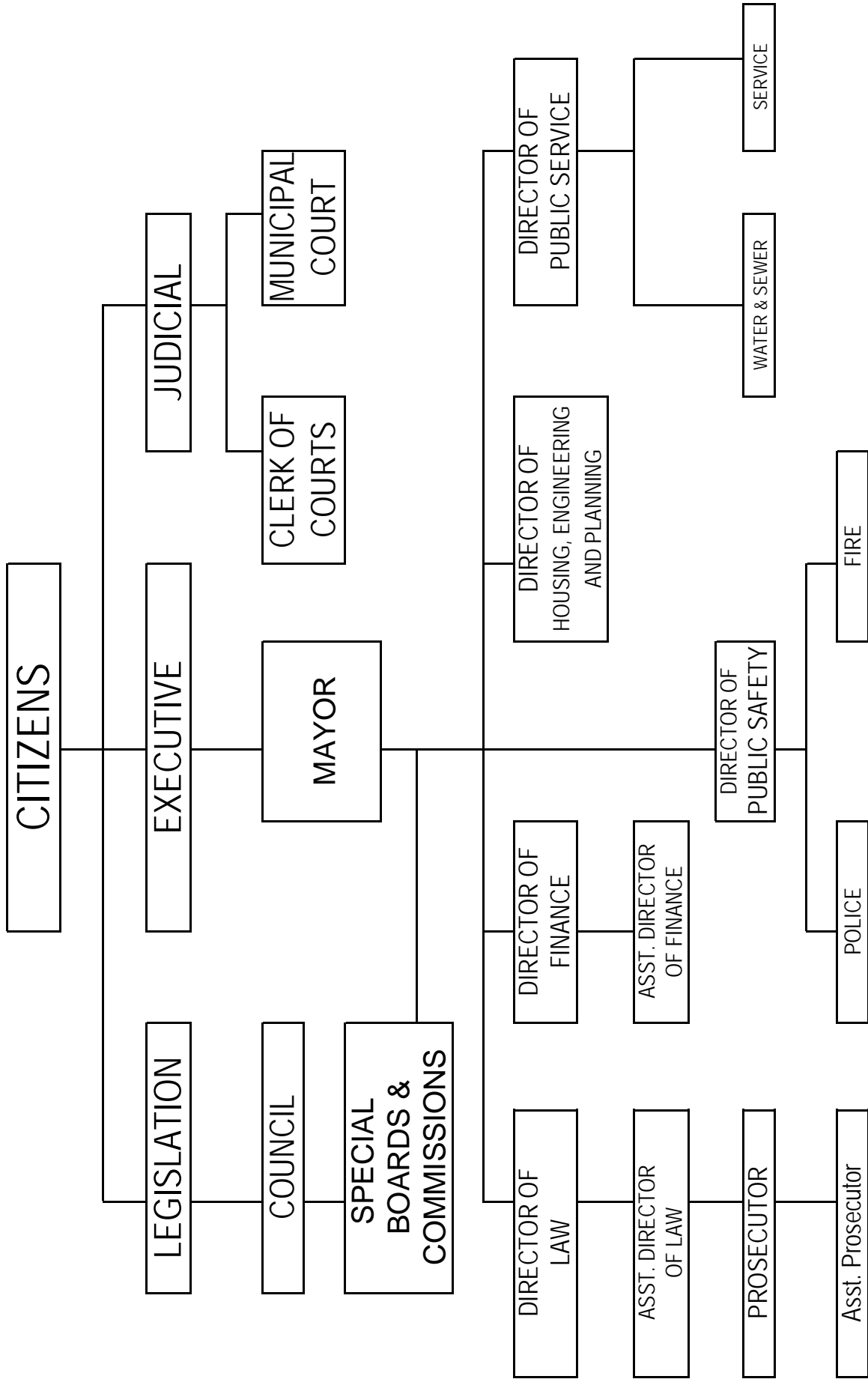
Cyril M. Kleem  
Mary K. Brown  
Bill Devito  
Gene Zacharyasz  
Margarette S. Key  
Nick Haschka  
Jim Maxwell  
Cheryl A. Banaszak  
Rick Skoczen

**APPOINTED OFFICIALS**

Director of Finance  
Director of Law/Director of Public Safety  
Director of Public Service  
Director of Recreation & Community Services  
Director of Housing, Engineering, and Planning

Dana J. Kavander  
Barbara Jones  
Paul Anzalone  
Marty Compton  
Matthew J. Madzy

CITY OF BEREA, OHIO  
ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

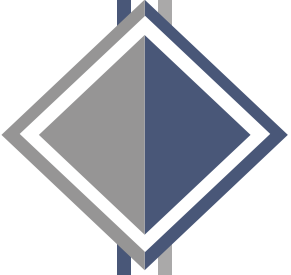
**City of Berea  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO





# FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

June 20, 2017

To the Honorable Mayor and City Council  
City of Berea  
Cuyahoga County, Ohio  
11 Berea Commons  
Berea, OH 44017

### **Report on the Financial Statements**

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 Berea, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the City's Proportionate Share of the Net Pension Liability, and Schedule of City Contributions on pages 5-15, 77, and 78-79, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other 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 fund financial statements and schedules and introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2017 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 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 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 City's internal control over financial reporting and compliance.

*Hea & Associates, Inc.*

Medina, Ohio

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**City of Berea**  
**Cuyahoga County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*(Unaudited)*

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The discussion and analysis of the City of Berea's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2016. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements, and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

***Financial Highlights***

Key financial highlights for 2016 are as follows:

- In total, net position increased \$5.2 million over 2015. Net position of governmental activities increased \$6.2 million and net position of business-type activities decreased \$1.0 million.
- Total capital assets increased \$16.7 million in 2016. Capital assets of governmental activities increased \$17.2 mainly due to \$18.1 million in construction in progress for several improvement projects. Capital assets of business-type activities decreased \$0.5 million from 2015 due to depreciation expense exceeding acquisitions.
- Outstanding debt decreased from \$41.0 million to \$37.2 million due to principal payments exceeding new issuances during 2016. The City refunded \$2.8 million of various purpose bonds.

***Using this Comprehensive Annual Financial Report (CAFR)***

This report is designed to allow the reader to look at the financial activities of the City of Berea as a whole and is intended to allow the reader to obtain a summary view or a more detailed view of the City's operations, as they prefer.

The Statement of Net Position and the Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2016 and how they affected the operations of the City as a whole.

***Reporting the City of Berea as a Whole***

***Statement of Net Position and the Statement of Activities***

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column. In the case of the City of Berea, the general fund is by far the most significant fund. Business-type funds consist of the water revenue and sewer revenue funds.

**City of Berea**  
**Cuyahoga County**  
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A question typically asked about the City's finances is "How did we do financially during 2016?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all non-fiduciary assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the City is divided into two distinct kinds of activities:

- **Governmental Activities** - Most of the City's programs and services are reported here, including general government, security of persons and property, public health, community and economic development, leisure time activities and transportation.
- **Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water revenue and sewer revenue funds are reported as business activities.

***Reporting the City of Berea's Most Significant Funds***

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been safeguarded for specific activities or objectives. The City uses many funds to account for financial transactions. However, these fund financial statements focus on the City's most significant funds. The City's major governmental funds are the general fund, the general bond retirement fund and the general capital improvement fund.

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



**City of Berea**  
**Cuyahoga County**  
*Management's Discussion and Analysis*  
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**Proprietary Funds** Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match, except for the internal service fund allocations.

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

**The City of Berea as a Whole**

Recall that the Statement of Net Position provides the perspective of the City as a whole. Table 1 provides a summary of the City's net position for 2016 compared to 2015:

**Table 1**  
**Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Current and Other Assets	\$ 21,801,012	\$ 28,949,961	\$ 3,062,379	\$ 3,320,031	\$ 24,863,391	\$ 32,269,992
Net Pension Asset	0	1,265	0	303	0	1,568
Capital Assets	91,014,539	73,787,885	36,500,036	36,989,782	127,514,575	110,777,667
<i>Total Assets</i>	<u>112,815,551</u>	<u>102,739,111</u>	<u>39,562,415</u>	<u>40,310,116</u>	<u>152,377,966</u>	<u>143,049,227</u>
Deferred Outflows of Resources	6,121,227	2,179,378	615,664	201,828	6,736,891	2,381,206
<b>Liabilities</b>						
Other Liabilities	8,439,957	1,168,275	349,119	1,099,322	8,789,076	2,267,597
Long-Term Liabilities:						
Due Within One Year	8,292,535	12,284,415	661,402	642,053	8,953,937	12,926,468
Due in More Than One Year:						
Net Pension Liability	20,104,431	15,244,687	1,593,371	1,174,935	21,697,802	16,419,622
Other Amounts	17,988,660	18,685,225	12,122,568	11,193,100	30,111,228	29,878,325
<i>Total Liabilities</i>	<u>54,825,583</u>	<u>47,382,602</u>	<u>14,726,460</u>	<u>14,109,410</u>	<u>69,552,043</u>	<u>61,492,012</u>
Deferred Inflows of Resources	3,965,036	3,628,708	504,035	446,476	4,469,071	4,075,184
<b>Net Position</b>						
Net Investment in Capital Assets	60,290,157	52,594,409	25,111,856	25,256,979	85,402,013	77,851,388
Restricted	2,797,723	6,824,938	22,905	0	2,820,628	6,824,938
Unrestricted	(2,941,721)	(5,512,168)	(187,177)	699,079	(3,128,898)	(4,813,089)
<i>Total Net Position</i>	<u>\$ 60,146,159</u>	<u>\$ 53,907,179</u>	<u>\$ 24,947,584</u>	<u>\$ 25,956,058</u>	<u>\$ 85,093,743</u>	<u>\$ 79,863,237</u>

The City adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*, which significantly revised accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension.

**City of Berea**  
**Cuyahoga County**  
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*(Unaudited)*

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

Under the standards required by GASB 68, the net pension asset/liability equals the City's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

**City of Berea**  
**Cuyahoga County**  
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At year end, capital assets represented 84 percent of total assets. Capital assets include land, intangibles, land improvements, buildings, building improvements, machinery and equipment, furniture and fixtures, vehicles, infrastructure and construction in progress. Net investment in capital assets were \$85.4 million at December 31, 2016, with \$60.3 million in governmental activities and \$25.1 million in business-type activities. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, \$2.8 million represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is a deficit balance of \$3.1 million, which is primarily caused by GASB 68.

Cash in governmental activities decreased \$8.1 million from 2015, mainly due to the use of loan proceeds for construction projects which contributed to the \$17.2 million increase in capital assets. Deferred outflows for pension and net pension liability increased \$3.9 million and \$4.9 million, respectively, over 2015. Governmental activities outstanding debt decreased \$4.7 million from 2015, due to debt service payments exceeding new issuances. The City's current liabilities increased by \$7.3 million primarily due to the issuance of short term notes related to the Brown's training facility. Governmental activities had an increase in net position of \$6.2 million over 2015.

Business-type activities had a decrease in net position of \$1.0 million from 2015. Cash decreased \$0.5 million, partially due to costs for construction in progress which also accounts for the increase of \$0.8 million in capital assets. Deferred outflows for pension and net pension liability each increased \$0.4 million over 2015 and intergovernmental payables decreased \$0.8 million from payment of a reimbursement due to the County.

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**City of Berea**  
**Cuyahoga County**  
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In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2016 and 2015.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
<i>Program Revenues:</i>						
Charges for Services and Sales	\$ 5,199,062	\$ 5,012,757	\$ 3,516,868	\$ 3,299,022	\$ 8,715,930	\$ 8,311,779
Operating Grants, Contributions and Interest	1,140,770	916,465	74,695	75,620	1,215,465	992,085
Capital Grants	8,267,911	1,537,891	609,773	12,621	8,877,684	1,550,512
<i>General Revenues:</i>						
Property Taxes	3,716,240	3,824,591	449,682	450,379	4,165,922	4,274,970
Income Taxes	13,048,547	11,813,246	0	0	13,048,547	11,813,246
Other Taxes	307,904	336,730	0	0	307,904	336,730
Grants and Entitlements	833,594	988,566	0	0	833,594	988,566
Investment Earnings	206,755	101,924	0	0	206,755	101,924
Miscellaneous	96,362	51,988	0	0	96,362	51,988
<i>Total Revenues</i>	<u>32,817,145</u>	<u>24,584,158</u>	<u>4,651,018</u>	<u>3,837,642</u>	<u>37,468,163</u>	<u>28,421,800</u>
<b>Program Expenses</b>						
General Government	8,331,714	7,664,155	0	0	8,331,714	7,664,155
Security of Persons and Property	8,565,299	7,359,179	0	0	8,565,299	7,359,179
Public Health	118,279	151,785	0	0	118,279	151,785
Leisure Time Services	3,340,337	2,919,372	0	0	3,340,337	2,919,372
Community Development	388,886	353,620	0	0	388,886	353,620
Public Works	1,266,920	1,247,527	0	0	1,266,920	1,247,527
Transportation	3,786,704	3,420,711	0	0	3,786,704	3,420,711
Interest and Fiscal Charges	648,626	582,951	0	0	648,626	582,951
<i>Enterprise Operations:</i>						
Water Revenue	0	0	5,000,349	3,976,228	5,000,349	3,976,228
Sewer Revenue	0	0	790,543	954,252	790,543	954,252
<i>Total Program Expenses</i>	<u>26,446,765</u>	<u>23,699,300</u>	<u>5,790,892</u>	<u>4,930,480</u>	<u>32,237,657</u>	<u>28,629,780</u>
<i>Increase (Decrease) in Net Position</i>	6,370,380	884,858	(1,139,874)	(1,092,838)	5,230,506	(207,980)
Transfers	(131,400)	(1,160,000)	131,400	1,160,000	0	0
<i>Change in Net Position</i>	6,238,980	(275,142)	(1,008,474)	67,162	5,230,506	(207,980)
<i>Net Position Beginning of Year</i>	<u>53,907,179</u>	<u>54,182,321</u>	<u>25,956,058</u>	<u>25,888,896</u>	<u>79,863,237</u>	<u>80,071,217</u>
<i>Net Position End of Year</i>	<u>\$ 60,146,159</u>	<u>\$ 53,907,179</u>	<u>\$ 24,947,584</u>	<u>\$ 25,956,058</u>	<u>\$ 85,093,743</u>	<u>\$ 79,863,237</u>

**City of Berea**  
**Cuyahoga County**  
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*(Unaudited)*

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**Governmental Activities**

The funding for the governmental activities comes from several different sources, the most significant being the municipal income tax. Other prominent sources are property and other taxes, grants, charges for services and investment interest.

The City's income tax is at a rate of 2.0 percent. Both residents of the City and non-residents who work inside the City are subject to the income tax. However if residents work in a locality that has a municipal income tax, the City provides 100 percent credit up to 1.5 percent of the amount paid to another City.

Governmental revenue is comprised of program revenue and general revenue. General revenues include grants and entitlements, such as local government funds. Governmental activities are primarily funded with the combination of property tax, income tax and intergovernmental revenues. The City monitors its sources of revenues very closely for fluctuations.

Revenues increased \$8.2 million over 2015, \$6.7 million of which was in capital grants and contributions. The City received capital contributions from the Cleveland Browns organization for improvements to the training facility. Income taxes paid by the organization also increased over the prior year which contributed to a portion of the \$1.2 million increase in income tax. This portion of the increase was transferred to the debt service fund to be used to pay down related debt.

Expenses increased \$2.7 million from 2015. Nearly all expenses increased with the largest being security of persons and property which increased \$1.2 million from 2015. This is partially due to an increase in net pension liability for Ohio Police and Fire. The largest program functions of the City were for general government, which represents approximately 32 percent of program expenses in 2016 and security of persons and property, which includes the police and fire departments and also represents approximately 32 percent of program expenses.

**Business-Type Activities**

Business-type activities include water and sewer operations. The revenues are generated primarily from charges for services. In 2016, charges for services of \$3.5 million accounted for 76 percent of the business type revenues. The \$0.6 million increase in capital grants was due to new OWDA and OPWC grants for water and sewer projects. The total expenses for the utilities were \$5.8 million, which is an increase of \$1.0 million over 2015, mainly due to a water meter upgrade initiative that was not capitalized. The business-type activities had a decrease in net position of \$1.0 million from 2015.

***The City's Funds***

***Governmental Funds***

Information about the City's governmental funds begins on page 20. These funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of \$25.4 million and expenditures of \$47.2 million. The funds are monitored constantly with adjustments made throughout the year in budgets to accommodate yearly revenues.

The general fund's net change in fund balance for 2016 was an increase of \$0.8 million partially due to an increase in income tax revenue.

**City of Berea**  
**Cuyahoga County**  
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*(Unaudited)*

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The fund balance of the general bond retirement fund decreased \$6.9 million due to the payoff of a \$7 million long-term note, related to the Browns' training facility, with a short term issuance.

The general capital improvement fund had a decrease in fund balance of \$6.7 million from 2015. Prior year loan proceeds were expended for construction costs for City projects.

***Proprietary Funds***

The City's proprietary funds provide the same type of information found in the government-wide financial statements for the business-type activities, but in more detail.

Unrestricted net position of the water revenue fund at the end of the year was a deficit of \$0.5 million and the unrestricted net position of the sewer revenue fund was \$0.3 million. The water revenue fund had a decrease in net position of \$1.3 million, partially due contractual services costs for the City wide water meter upgrade initiative that were not capitalized. The sewer revenue fund had an increase in net position of \$0.3 million, partially due to capital contributions to cover costs of projects.

***General Fund Budgeting Highlights***

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

During the course of 2016, the City amended its general fund budget. All recommendations for appropriation changes come to Council from the City Finance Director. The Finance Committee of Council reviews them, and they make their recommendation to the Council as a whole.

For the general fund, the actual revenue of \$16.2 million was \$22,596 more than final budget basis revenue. Original budget revenue estimates of \$15.9 million was \$0.3 million less than final budget revenue, with income taxes originally estimated lower.

Final expenditure appropriations of \$12.5 million were \$0.2 million higher than the actual expenditures of \$12.3 million, as cost savings were recognized for general government and security of persons and property throughout the year. Original expenditure appropriations were \$72,603 higher than final appropriations.

There were no significant variances to discuss within other financing sources and uses.

**City of Berea**  
**Cuyahoga County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
(Unaudited)

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of year 2016, the City had \$127.5 million invested in capital assets, net of depreciation. A total of \$91.0 million of this was for governmental activities and \$36.5 million being attributable to business-type activities. Table 3 shows fiscal year 2016 balances compared with 2015.

**Table 3**  
**Capital Assets at December 31**  
**(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 11,285,261	\$ 11,143,427	\$ 93,181	\$ 93,181	\$ 11,378,442	\$ 11,236,608
Intangible	2,183,636	2,183,636	1,154,237	1,154,237	3,337,873	3,337,873
Land Improvements	3,067,334	2,186,987	34,950	71,732	3,102,284	2,258,719
Buildings	5,295,327	5,624,100	2,413,311	2,533,423	7,708,638	8,157,523
Building Improvements	9,964,057	10,606,961	1,673,267	1,776,572	11,637,324	12,383,533
Machinery and Equipment	1,621,801	1,221,100	2,308,287	2,551,242	3,930,088	3,772,342
Furniture and Fixtures	9,879	18,092	6,600	8,160	16,479	26,252
Vehicles	931,839	455,590	6,488	15,926	938,327	471,516
Bridges	5,696,300	5,976,132	0	0	5,696,300	5,976,132
Roads	24,906,258	25,098,744	0	0	24,906,258	25,098,744
Sidewalks	900,775	990,446	0	0	900,775	990,446
Traffic Signals	3,069,744	3,210,857	0	0	3,069,744	3,210,857
Water Lines	0	0	9,268,386	9,519,440	9,268,386	9,519,440
Storm Sewers	0	0	10,582,463	10,857,157	10,582,463	10,857,157
Sanitary Sewers	0	0	8,142,689	8,371,262	8,142,689	8,371,262
Construction in Progress	22,082,328	5,071,813	816,177	37,450	22,898,505	5,109,263
<i>Total</i>	<u>\$ 91,014,539</u>	<u>\$ 73,787,885</u>	<u>\$ 36,500,036</u>	<u>\$ 36,989,782</u>	<u>\$ 127,514,575</u>	<u>\$ 110,777,667</u>

The \$17.2 million increase in capital assets of governmental activities was attributable to construction in progress mainly for improvements for the Brown's organization and City parks and playgrounds. The \$0.5 million decrease in business-type activities is due to depreciation and disposals exceeding current year acquisitions. See Note 8 for additional information about the capital assets of the City.

**City of Berea**  
**Cuyahoga County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*(Unaudited)*

**Debt**

The outstanding debt for the City as of December 31, 2016 was \$37.2 million. See Note 12 for additional details. The City maintains an Aa2 rating from Moody's for general obligation debt. Table 4 summarizes outstanding debt.

**Table 4**  
**Outstanding Debt at December 31**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<i>General Obligation Bonds:</i>						
2006 Various Purpose Bonds	\$ 0	\$ 3,495,000	\$ 0	\$ 0	\$ 0	\$ 3,495,000
2010 Various Purpose Bonds	2,275,000	2,340,000	0	0	2,275,000	2,340,000
2013 Various Purpose Bonds	3,705,000	3,805,000	0	0	3,705,000	3,805,000
2015 Various Purpose Bonds	6,515,000	6,748,000	120,000	122,000	6,635,000	6,870,000
2016 Refunding Bonds	2,870,000	0	0	0	2,870,000	0
<i>Other Obligations:</i>						
OWDA Loans	0	0	11,065,553	9,997,280	11,065,553	9,997,280
OPWC Loans	1,922,038	2,025,628	1,217,573	1,290,238	3,139,611	3,315,866
Loan Payable	0	0	271,648	291,052	271,648	291,052
Bond Anticipation Notes	6,642,500	10,795,500	0	0	6,642,500	10,795,500
Capital Leases	618,176	66,600	0	32,233	618,176	98,833
<b>Totals</b>	<b>\$ 24,547,714</b>	<b>\$ 29,275,728</b>	<b>\$ 12,674,774</b>	<b>\$ 11,732,803</b>	<b>\$ 37,222,488</b>	<b>\$ 41,008,531</b>

In 2016, the City issued \$6.6 million in various purpose notes to fund general and recreation improvement projects and \$2.9 million in refunding general obligation bonds to refund \$2.8 million in various purpose bonds.

**Current Financial Related Activities**

The City is financially stable despite the national economic situation. Over the past few years the City has experienced a reduction in revenues and has had to reevaluate the way it provides its services to the residents. 2016 saw a slight increase in property taxes and income tax as the economy begins a slow recovery. We have maintained our commitment to a strong, fiscally responsible financial plan to live within our means. With the loss of revenue in the City's general fund due to cuts in the distribution of local government funds at the State level, the elimination of inheritance tax, and the reduction in property values throughout Cuyahoga County and in various areas of the country, the City is evaluating its expenditures for a reduction in costs. The City analyzed its operations to control expenditures and maintain stability in its fund balances. The City will continue its plan to be fiscally responsible and to review all departmental budgets for improvements in efficiency and effectiveness and to look for ways to reduce operational costs.



**City of Berea**  
**Cuyahoga County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*(Unaudited)*

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The City of Berea owns the Cleveland Browns Headquarters and Training Facility and had a long-term lease with the Cleveland Browns through 2040; however, the lease included an opt-out clause beginning in 2020. The City and the Cleveland Browns entered into an agreement in 2015 that extended the lease through the 2028 season before any opt-out clause. In 2016, the Cleveland Browns invested over \$15 million in improvements to the facility and the City agreed to borrow \$7 million towards the costs of these improvements. In addition, the City has agreed to provide an income tax rebate to the Cleveland Browns of 40 percent of their annual growth on income tax above a \$2.6 million base for the years 2015 through 2028. For 2016 there was no rebate. The rebated income tax funds can only be used towards capital improvements to the facility and cannot be used toward the general operations of the Browns. The Browns have also agreed to various charitable commitments to the community including making the training facility's field house available for City use in connection with various nonprofit or public, community sports activities for 15 days a year, donation of certain office and athletic training equipment for its use, two football-related events that will be open to the public, production of three videos that promote the City of Berea, and various other public appearances. The City of Berea and the Cleveland Browns remain committed to the partnership and working together for the betterment of the community.

The City is undertaking a multi-year program to upgrade its parks and playgrounds and create a destination location for outdoor venues. In 2016, the area received a new pavilion which included separate areas for several parties, a fireplace, and outdoor patio. The area also saw improvements to the City's outdoor pool including a new pool shed and fencing. Future phases to the area will include amphitheater seating, a central plaza, lighting and electrical upgrades, gazebo enhancements, and a stage.

The City began a citywide project to upgrade the City's water meter system with new electronically read meters for all properties. This \$1.7 million project was mostly completed in 2016 with a few larger meters replaced in early 2017. This project will improve the efficiency to the water/sewer billing process and allow future improvements in billing to be considered.

In 2016, the Berea Municipal Court began construction of an addition to the municipal building by adding a second floor above the police station for a new courtroom, offices, waiting area, restrooms and judge's chambers as well as renovations to the probation department offices.

***Contacting the City's Finance Department***

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Director of Finance, Dana J. Kavander, CPA, City of Berea, 11 Berea Commons, Berea, Ohio 44017, e-mail [dkavander@cityofberea.org](mailto:dkavander@cityofberea.org) or telephone 440-826-5889. We also offer information regarding our City on our web site, [www.cityofberea.org](http://www.cityofberea.org).

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**City of Berea**  
**Cuyahoga County, Ohio**  
*Statement of Net Position*  
*December 31, 2016*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Investments	\$ 10,073,072	\$ 961,882	\$ 11,034,954
Cash and Investments with Escrow Agents	186,159	0	186,159
Accounts Receivable	529,920	1,528,423	2,058,343
Intergovernmental Receivable	853,929	31,460	885,389
Taxes Receivable	7,593,148	466,595	8,059,743
Special Assessments Receivable	633,644	0	633,644
Loans Receivable	1,317,324	0	1,317,324
Prepaid Items	268,774	0	268,774
Materials and Supplies Inventory	212,042	74,019	286,061
Deposits	133,000	0	133,000
Non-Depreciable Capital Assets	35,551,225	2,063,595	37,614,820
Depreciable Capital Assets, Net	55,463,314	34,436,441	89,899,755
<i>Total Assets</i>	<u>112,815,551</u>	<u>39,562,415</u>	<u>152,377,966</u>
<b>Deferred Outflow of Resources</b>			
Pension	6,121,227	615,664	6,736,891
<b>Liabilities</b>			
Accounts Payable	294,610	64,363	358,973
Accrued Wages	515,090	58,463	573,553
Contracts Payable	106,182	22,905	129,087
Intergovernmental Payable	318,790	33,079	351,869
Accrued Interest Payable	108,694	170,309	279,003
Claims Payable	96,591	0	96,591
Notes Payable	7,000,000	0	7,000,000
Long-Term Liabilities:			
Due Within One Year	8,292,535	661,402	8,953,937
Due In More Than One Year:			
Net Pension Liability (See Note 9)	20,104,431	1,593,371	21,697,802
Other Amounts Due in More Than One Year	17,988,660	12,122,568	30,111,228
<i>Total Liabilities</i>	<u>54,825,583</u>	<u>14,726,460</u>	<u>69,552,043</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes Levied for the Next Year	3,648,337	437,842	4,086,179
Pension	316,699	66,193	382,892
<i>Total Deferred Inflows of Resources</i>	<u>3,965,036</u>	<u>504,035</u>	<u>4,469,071</u>
<b>Net Position</b>			
Net Investment in Capital Assets	60,290,157	25,111,856	85,402,013
Restricted for:			
Capital Outlay	95,998	22,905	118,903
Street Lighting	1,000,015	0	1,000,015
Street Maintenance and Repair	509,831	0	509,831
Court Operations and Capital Outlay	464,471	0	464,471
Security Operations	98,668	0	98,668
Drug and Alcohol Programs	609,676	0	609,676
Other Purposes	19,064	0	19,064
Unrestricted	(2,941,721)	(187,177)	(3,128,898)
<i>Total Net Position</i>	<u>\$ 60,146,159</u>	<u>\$ 24,947,584</u>	<u>\$ 85,093,743</u>

See accompanying notes to the basic financial statements.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2016

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
<b>Governmental Activities</b>				
General Government	\$ 8,331,714	\$ 2,907,910	\$ 138,625	\$ 0
Security of Persons and Property	8,565,299	1,169,955	137,757	0
Public Health	118,279	0	31,443	0
Leisure Time Services	3,340,337	691,324	2,206	7,374,955
Community Development	388,886	37,322	4,000	158,233
Public Works	1,266,920	0	0	0
Transportation	3,786,704	392,551	826,739	734,723
Interest and Fiscal Charges	648,626	0	0	0
<i>Total Governmental Activities</i>	<u>26,446,765</u>	<u>5,199,062</u>	<u>1,140,770</u>	<u>8,267,911</u>
<b>Business-Type Activities</b>				
Water Revenue	5,000,349	2,741,241	74,695	254,996
Sewer Revenue	790,543	775,627	0	354,777
<i>Total Business-Type Activities</i>	<u>5,790,892</u>	<u>3,516,868</u>	<u>74,695</u>	<u>609,773</u>
<i>Total Primary Government</i>	<u>\$ 32,237,657</u>	<u>\$ 8,715,930</u>	<u>\$ 1,215,465</u>	<u>\$ 8,877,684</u>

**General Revenues:**

Property Taxes Levied for:

General Purposes

Police and Fire Pension

Community Hospital

Debt Service

Water Improvements

Income Taxes Levied for:

General Purposes

Other Taxes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

*Change in Net Position*

*Net Position Beginning of 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
\$ (5,285,179)	\$ 0	\$ (5,285,179)
(7,257,587)	0	(7,257,587)
(86,836)	0	(86,836)
4,728,148	0	4,728,148
(189,331)	0	(189,331)
(1,266,920)	0	(1,266,920)
(1,832,691)	0	(1,832,691)
(648,626)	0	(648,626)
<u>(11,839,022)</u>	<u>0</u>	<u>(11,839,022)</u>
0	(1,929,417)	(1,929,417)
<u>0</u>	<u>339,861</u>	<u>339,861</u>
0	(1,589,556)	(1,589,556)
<u>(11,839,022)</u>	<u>(1,589,556)</u>	<u>(13,428,578)</u>
1,582,799	0	1,582,799
642,464	0	642,464
84,399	0	84,399
1,406,578	0	1,406,578
0	449,682	449,682
13,048,547	0	13,048,547
307,904	0	307,904
833,594	0	833,594
206,755	0	206,755
96,362	0	96,362
<u>18,209,402</u>	<u>449,682</u>	<u>18,659,084</u>
<u>(131,400)</u>	<u>131,400</u>	<u>0</u>
<u>18,078,002</u>	<u>581,082</u>	<u>18,659,084</u>
6,238,980	(1,008,474)	5,230,506
<u>53,907,179</u>	<u>25,956,058</u>	<u>79,863,237</u>
<u>\$ 60,146,159</u>	<u>\$ 24,947,584</u>	<u>\$ 85,093,743</u>

See accompanying notes to the basic financial statements.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2016*

	General	General Bond Retirement	General Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Investments	\$ 3,354,145	\$ 2,227,640	\$ 918,993	\$ 2,752,427	\$ 9,253,205
Cash and Investments with Escrow Agents	0	0	186,159	0	186,159
Accounts Receivable	427,750	0	0	92,404	520,154
Intergovernmental Receivable	352,982	99,870	6,905	394,172	853,929
Taxes Receivable	5,351,817	1,485,734	0	755,597	7,593,148
Interfund Receivable	0	750,000	0	0	750,000
Special Assessments Receivable	33,361	0	0	600,283	633,644
Loans Receivable	0	0	1,317,324	0	1,317,324
Materials and Supplies Inventory	20,418	0	0	191,624	212,042
Deposits	0	0	133,000	0	133,000
<i>Total Assets</i>	<u>\$ 9,540,473</u>	<u>\$ 4,563,244</u>	<u>\$ 2,562,381</u>	<u>\$ 4,786,507</u>	<u>\$ 21,452,605</u>
<b>Liabilities</b>					
Accounts Payable	\$ 192,425	\$ 0	\$ 0	\$ 91,534	\$ 283,959
Accrued Wages	448,429	0	0	66,661	515,090
Contracts Payable	0	0	20,390	85,792	106,182
Intergovernmental Payable	154,920	0	0	163,870	318,790
Interfund Payable	0	0	750,000	0	750,000
Notes Payable	0	7,000,000	0	0	7,000,000
<i>Total Liabilities</i>	<u>795,774</u>	<u>7,000,000</u>	<u>770,390</u>	<u>407,857</u>	<u>8,974,021</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes Levied for the Next Year	1,544,958	1,394,212	0	709,167	3,648,337
Delinquent Property Taxes	100,896	91,522	0	46,430	238,848
Income Taxes	1,369,423	0	0	0	1,369,423
Unavailable Revenue	437,851	99,870	0	878,383	1,416,104
<i>Total Deferred Inflows of Resources</i>	<u>3,453,128</u>	<u>1,585,604</u>	<u>0</u>	<u>1,633,980</u>	<u>6,672,712</u>
<b>Fund Balances</b>					
Nonspendable	63,365	0	0	191,624	254,989
Restricted	0	0	0	1,747,703	1,747,703
Committed	1,341,207	0	1,791,991	876,591	4,009,789
Assigned	104,751	0	0	0	104,751
Unassigned	3,782,248	(4,022,360)	0	(71,248)	(311,360)
<i>Total Fund Balances</i>	<u>5,291,571</u>	<u>(4,022,360)</u>	<u>1,791,991</u>	<u>2,744,670</u>	<u>5,805,872</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 9,540,473</u>	<u>\$ 4,563,244</u>	<u>\$ 2,562,381</u>	<u>\$ 4,786,507</u>	<u>\$ 21,452,605</u>

See accompanying notes to the basic financial statements.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Reconciliation of Total Governmental Fund Balances to*  
*Net Position of Governmental Activities*  
*December 31, 2016*

<b>Total Governmental Fund Balances</b>		\$ 5,805,872
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		91,014,539
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	\$ 238,848	
Income Taxes	1,369,423	
Intergovernmental	659,011	
Special Assessments	633,644	
Charges for Services	123,449	3,024,375
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		991,165
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(108,694)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred Outflows - Pension	6,121,227	
Deferred Inflows - Pension	(316,699)	
Net Pension Liability	(20,104,431)	(14,299,903)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(15,365,000)	
OPWC Loans	(1,922,038)	
Bond Anticipation Notes	(6,642,500)	
Bond Premium	(434,586)	
Police and Fire Pension	(187,865)	
Capital Leases	(618,176)	
Compensated Absences	(1,111,030)	(26,281,195)
 <i>Net Position of Governmental Activities</i>		 \$ 60,146,159

See accompanying notes to the basic financial statements.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2016*

	General	General Bond Retirement	General Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$ 1,585,233	\$ 1,408,836	\$ 0	\$ 727,994	\$ 3,722,063
Income Taxes	12,964,761	0	0	0	12,964,761
Other Local Taxes	307,904	0	0	0	307,904
Special Assessments	23,441	0	0	673,809	697,250
Charges for Services	328,558	0	0	842,431	1,170,989
Licenses and Permits	434,269	0	0	34,832	469,101
Fines and Forfeitures	1,622,969	0	0	1,148,870	2,771,839
Intergovernmental	704,322	238,948	814,738	1,063,540	2,821,548
Interest	206,755	11,884	0	3,994	222,633
Rent	0	0	87,266	1,300	88,566
Contributions and Donations	0	0	0	55,275	55,275
Reimbursements	36,180	0	0	0	36,180
Other	57,737	0	0	2,637	60,374
<i>Total Revenues</i>	<u>18,272,129</u>	<u>1,659,668</u>	<u>902,004</u>	<u>4,554,682</u>	<u>25,388,483</u>
<b>Expenditures</b>					
Current:					
General Government	6,191,061	46,307	0	861,579	7,098,947
Security of Persons and Property	5,484,326	0	0	1,684,769	7,169,095
Public Health	0	0	0	118,279	118,279
Leisure Time Services	505,905	0	0	1,676,456	2,182,361
Community Development	365,529	0	0	0	365,529
Public Works	1,238,247	0	0	0	1,238,247
Transportation	0	0	0	844,553	844,553
Capital Outlay	0	0	11,289,349	4,040,101	15,329,450
Debt Service:					
Principal Retirement	0	12,023,678	106,378	6,597	12,136,653
Interest and Fiscal Charges	0	697,425	19,752	8,195	725,372
Bond Issuance Costs	0	41,350	0	0	41,350
<i>Total Expenditures</i>	<u>13,785,068</u>	<u>12,808,760</u>	<u>11,415,479</u>	<u>9,240,529</u>	<u>47,249,836</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,487,061</u>	<u>(11,149,092)</u>	<u>(10,513,475)</u>	<u>(4,685,847)</u>	<u>(21,861,353)</u>
<b>Other Financing Sources (Uses)</b>					
Inception of Capital Lease	0	0	657,954	0	657,954
Proceeds from Sale of Assets	0	0	13,240	0	13,240
Issuance of General Obligation Bonds	0	2,875,000	0	0	2,875,000
Issuance of OPWC Loans	0	0	1,588	0	1,588
Premium on Debt Issuance	0	107,690	0	0	107,690
Payment to Refunded Bond Escrow Agent	0	(2,775,000)	0	0	(2,775,000)
Issuance of Bond Anticipation Notes	0	3,542,500	2,585,000	515,000	6,642,500
Transfers In	0	500,000	563,800	2,531,000	3,594,800
Transfers Out	(3,724,200)	(2,000)	0	0	(3,726,200)
<i>Total Other Financing Sources (Uses)</i>	<u>(3,724,200)</u>	<u>4,248,190</u>	<u>3,821,582</u>	<u>3,046,000</u>	<u>7,391,572</u>
<i>Net Change in Fund Balance</i>	762,861	(6,900,902)	(6,691,893)	(1,639,847)	(14,469,781)
<i>Fund Balance Beginning of Year</i>	<u>4,528,710</u>	<u>2,878,542</u>	<u>8,483,884</u>	<u>4,384,517</u>	<u>20,275,653</u>
<i>Fund Balance End of Year</i>	<u>\$ 5,291,571</u>	<u>\$ (4,022,360)</u>	<u>\$ 1,791,991</u>	<u>\$ 2,744,670</u>	<u>\$ 5,805,872</u>

See accompanying notes to the basic financial statements.



**City of Berea**  
**Cuyahoga County, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2016*

<b>Net Change in Fund Balances - Total Governmental Funds</b>		\$ (14,469,781)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	\$ 21,838,546	
Current Year Depreciation	<u>(4,611,892)</u>	17,226,654
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	(5,823)	
Income Tax	12,651	
Intergovernmental	(7,088)	
Charges for Services	71,135	
Special Assessments	<u>(17,168)</u>	53,707
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	1,123,000	
OPWC Loans	105,178	
Bond Anticipation Notes	10,795,500	
Capital Lease	106,378	
Police and Fire Pension	<u>6,597</u>	12,136,653
Issuance of refunding bonds results in expenditures and other financing sources and uses in the governmental funds, but these transactions are reflected in the statement of net position as long-term assets and liabilities.		
Payment to Refund Bond Escrow Agent	2,775,000	
Proceeds of Refunding Bonds	<u>(2,875,000)</u>	(100,000)
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
OPWC Loans	(1,588)	
Bond Anticipation Notes	<u>(6,642,500)</u>	(6,644,088)
In the statement of activities, interest is accrued on outstanding bonds, and bond premiums are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	(17,856)	
Amortization of Premium on Bonds (net)	<u>28,262</u>	10,406
Inception of capital lease in the governmental funds that increase long-term liabilities in the statement of net assets are not reported as revenues.		
		(657,954)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		1,624,743
Except for amount reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities.		
		(2,774,258)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		(92,674)
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		<u>(74,428)</u>
<i>Change in Net Position of Governmental Activities</i>		<u>\$ 6,238,980</u>

See accompanying notes to the basic financial statements.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2016*

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$ 1,522,001	\$ 1,585,233	\$ 1,585,233	\$ 0
Income Taxes	12,007,090	12,515,952	12,515,952	0
Other Local Taxes	365,000	307,273	307,273	0
Special Assessments	12,000	23,441	23,441	0
Charges for Services	363,169	367,955	367,955	0
Licenses and Permits	570,000	427,961	434,269	6,308
Fines and Forfeitures	78,000	68,183	71,658	3,475
Intergovernmental	687,829	707,634	707,634	0
Interest	164,392	183,499	196,312	12,813
Rent	50,000	0	0	0
Refunds and Reimbursements	25,000	16,030	16,030	0
Other	70,002	8,875	8,875	0
<i>Total Revenues</i>	<u>15,914,483</u>	<u>16,212,036</u>	<u>16,234,632</u>	<u>22,596</u>
<b>Expenditures</b>				
Current:				
General Government	5,099,556	4,899,133	4,743,709	155,424
Security of Persons and Property	5,433,613	5,520,113	5,471,855	48,258
Leisure Time Services	497,900	516,400	511,472	4,928
Community Development	370,398	366,448	362,945	3,503
Public Works	1,207,865	1,234,635	1,231,754	2,881
<i>Total Expenditures</i>	<u>12,609,332</u>	<u>12,536,729</u>	<u>12,321,735</u>	<u>214,994</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,305,151</u>	<u>3,675,307</u>	<u>3,912,897</u>	<u>237,590</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	0	150,000	150,000	0
Transfers Out	(3,304,200)	(3,724,200)	(3,724,200)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(3,304,200)</u>	<u>(3,574,200)</u>	<u>(3,574,200)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	951	101,107	338,697	237,590
<i>Fund Balance Beginning of Year</i>	2,693,137	2,693,137	2,693,137	0
Prior Year Encumbrances Appropriated	47,496	47,496	47,496	0
<i>Fund Balance End of Year</i>	<u>\$ 2,741,584</u>	<u>\$ 2,841,740</u>	<u>\$ 3,079,330</u>	<u>\$ 237,590</u>

See accompanying notes to the basic financial statements.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2016*

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Revenue	Sewer Revenue	Total	
<b>Assets</b>				
<i>Current Assets:</i>				
Equity in Pooled Cash and Investments	\$ 767,048	\$ 194,834	\$ 961,882	\$ 819,867
Accounts Receivable	1,080,651	447,772	1,528,423	9,766
Intergovernmental Receivable	31,460	0	31,460	0
Taxes Receivable	466,595	0	466,595	0
Prepaid Items	0	0	0	268,774
Materials and Supplies Inventory	74,019	0	74,019	0
<i>Total Current Assets</i>	<u>2,419,773</u>	<u>642,606</u>	<u>3,062,379</u>	<u>1,098,407</u>
<i>Non-Current Assets:</i>				
Non-Depreciable Capital Assets	1,238,097	825,498	2,063,595	0
Depreciable Capital Assets, Net	22,522,724	11,913,717	34,436,441	0
<i>Total Non-Current Assets</i>	<u>23,760,821</u>	<u>12,739,215</u>	<u>36,500,036</u>	<u>0</u>
<i>Total Assets</i>	<u>26,180,594</u>	<u>13,381,821</u>	<u>39,562,415</u>	<u>1,098,407</u>
<b>Deferred Outflow of Resources</b>				
Pension	496,211	119,453	615,664	0
<b>Liabilities</b>				
<i>Current Liabilities:</i>				
Accounts Payable	61,118	3,245	64,363	10,651
Accrued Wages	42,897	15,566	58,463	0
Contracts Payable	9,578	13,327	22,905	0
Intergovernmental Payable	25,418	7,661	33,079	0
Accrued Interest Payable	124,424	45,885	170,309	0
Claims Payable	0	0	0	96,591
Compensated Absences Payable	6,780	2,058	8,838	0
Loans Payable	0	19,404	19,404	0
OPWC Loans Payable	679	74,777	75,456	0
OWDA Loans Payable	369,060	183,644	552,704	0
General Obligation Bonds Payable	5,000	0	5,000	0
<i>Total Current Liabilities</i>	<u>644,954</u>	<u>365,567</u>	<u>1,010,521</u>	<u>107,242</u>
<i>Long-Term Liabilities:</i>				
Compensated Absences Payable - Net of Current Portion	75,940	24,418	100,358	0
Loans Payable - Net of Current Portion	0	252,244	252,244	0
OPWC Loans Payable - Net of Current Portion	13,709	1,128,408	1,142,117	0
OWDA Loans Payable - Net of Current Portion	8,308,419	2,204,430	10,512,849	0
General Obligation Bonds Payable - Net of Current Portion	115,000	0	115,000	0
Net Pension Liability (See Note 9)	1,284,221	309,150	1,593,371	0
<i>Total Long-Term Liabilities</i>	<u>9,797,289</u>	<u>3,918,650</u>	<u>13,715,939</u>	<u>0</u>
<i>Total Liabilities</i>	<u>10,442,243</u>	<u>4,284,217</u>	<u>14,726,460</u>	<u>107,242</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes Levied for the Next Year	437,842	0	437,842	0
Pension	53,350	12,843	66,193	0
<i>Total Deferred Inflows of Resources</i>	<u>491,192</u>	<u>12,843</u>	<u>504,035</u>	<u>0</u>
<b>Net Position</b>				
Net Investment in Capital Assets	16,248,875	8,862,981	25,111,856	0
Restricted for Capital Outlay	9,578	13,327	22,905	0
Unrestricted	(515,083)	327,906	(187,177)	991,165
<i>Total Net Position</i>	<u>\$ 15,743,370</u>	<u>\$ 9,204,214</u>	<u>\$ 24,947,584</u>	<u>\$ 991,165</u>

See accompanying notes to the basic financial statements.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Proprietary Funds*  
*For the Year Ended December 31, 2016*

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Revenue	Sewer Revenue	Totals	
<b>Operating Revenues</b>				
Charges for Services	\$ 2,741,241	\$ 775,627	\$ 3,516,868	\$ 2,615,345
Reimbursements	0	0	0	75,400
Other	0	0	0	5,375
<i>Total Operating Revenues</i>	<u>2,741,241</u>	<u>775,627</u>	<u>3,516,868</u>	<u>2,696,120</u>
<b>Operating Expenses</b>				
Personal Services	1,407,896	333,011	1,740,907	0
Contractual Services	1,784,173	24,347	1,808,520	1,162,402
Materials and Supplies	484,285	13,536	497,821	0
Claims	0	0	0	1,615,774
Depreciation	1,069,498	291,892	1,361,390	0
Other	14,581	4,836	19,417	10,618
<i>Total Operating Expenses</i>	<u>4,760,433</u>	<u>667,622</u>	<u>5,428,055</u>	<u>2,788,794</u>
<i>Operating Income (Loss)</i>	<u>(2,019,192)</u>	<u>108,005</u>	<u>(1,911,187)</u>	<u>(92,674)</u>
<b>Non-Operating Revenues (Expense)</b>				
Intergovernmental	74,695	0	74,695	0
Property Taxes	449,682	0	449,682	0
Interest and Fiscal Charges	(239,916)	(122,921)	(362,837)	0
<i>Total Non-Operating Revenues (Expense)</i>	<u>284,461</u>	<u>(122,921)</u>	<u>161,540</u>	<u>0</u>
<i>Income (Loss) Before Capital Contributions and Transfers</i>	<u>(1,734,731)</u>	<u>(14,916)</u>	<u>(1,749,647)</u>	<u>(92,674)</u>
Capital Contributions	254,996	354,777	609,773	0
Transfers In	131,400	0	131,400	0
<i>Change in Net Position</i>	<u>(1,348,335)</u>	<u>339,861</u>	<u>(1,008,474)</u>	<u>(92,674)</u>
<i>Net Position Beginning of Year</i>	<u>17,091,705</u>	<u>8,864,353</u>	<u>25,956,058</u>	<u>1,083,839</u>
<i>Net Position End of Year</i>	<u>\$ 15,743,370</u>	<u>\$ 9,204,214</u>	<u>\$ 24,947,584</u>	<u>\$ 991,165</u>

See accompanying notes to the basic financial statements.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2016

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Revenue	Sewer Revenue	Totals	
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$ 2,671,504	\$ 760,425	\$ 3,431,929	\$ 2,680,979
Cash Payments to Suppliers for Goods and Services	(515,079)	(13,536)	(528,615)	0
Cash Payments to Employees for Services and Benefits	(1,343,312)	(335,725)	(1,679,037)	0
Cash Payments for Contractual Services	(2,532,505)	(14,650)	(2,547,155)	(1,431,143)
Cash Payments for Claims	0	0	0	(1,589,400)
Other Cash Receipts	0	0	0	5,375
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(1,719,392)</u>	<u>396,514</u>	<u>(1,322,878)</u>	<u>(334,189)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Intergovernmental Revenue	75,471	0	75,471	0
Property Taxes	450,433	0	450,433	0
Advances Out	0	(150,000)	(150,000)	0
Transfers In	131,400	0	131,400	0
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>657,304</u>	<u>(150,000)</u>	<u>507,304</u>	<u>0</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Capital Grants	254,996	354,777	609,773	0
Proceeds of OPWC Loans	812	1,130	1,942	0
Proceeds of OWDA Loans	1,293,514	275,000	1,568,514	0
Acquisition of Capital Assets	(258,453)	(613,191)	(871,644)	0
Principal Payments on Debt and Leases	(377,881)	(269,052)	(646,933)	0
Interest Payments on Debt and Leases	(252,988)	(127,048)	(380,036)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>660,000</u>	<u>(378,384)</u>	<u>281,616</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	(402,088)	(131,870)	(533,958)	(334,189)
<i>Cash and Investments Beginning of Year</i>	1,169,136	326,704	1,495,840	1,154,056
<i>Cash and Investments End of Year</i>	<u>\$ 767,048</u>	<u>\$ 194,834</u>	<u>\$ 961,882</u>	<u>\$ 819,867</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>				
Operating Income (Loss)	\$ (2,019,192)	\$ 108,005	\$ (1,911,187)	\$ (92,674)
Adjustments:				
Depreciation	1,069,498	291,892	1,361,390	0
(Increase) Decrease in Assets and Deferred Outflows:				
Accounts Receivable	(69,737)	(15,202)	(84,939)	(9,766)
Prepaid Items	0	0	0	(268,774)
Materials and Supplies Inventory	(30,794)	0	(30,794)	0
Net Pension Asset	240	63	303	0
Deferred Outflows - Pension	(336,626)	(77,210)	(413,836)	0
Increase (Decrease) in Liabilities and Deferred Inflows:				
Accounts Payable	25,408	1,206	26,614	10,651
Accrued Wages	7,380	2,770	10,150	0
Contracts Payable	0	13,327	13,327	0
Compensated Absences Payable	6,666	180	6,846	0
Intergovernmental Payable	(764,397)	(250)	(764,647)	0
Deferred Inflows - Pension	36,956	8,503	45,459	0
Net Pension Liability	355,206	63,230	418,436	0
Claims Payable	0	0	0	26,374
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u>\$ (1,719,392)</u>	<u>\$ 396,514</u>	<u>\$ (1,322,878)</u>	<u>\$ (334,189)</u>

**Noncash Capital Financing Activities:**

As of December 31, 2016 the water fund recorded an OWDA fee and capitalized interest of \$15,985 as an increase in loan balance.

As of December 31, 2016 the sewer fund recorded an OWDA fee of \$2,463 as an increase in loan balance.

See accompanying notes to the basic financial statements.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2016*

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	<u>Agency Funds</u>
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 1,392,538
Cash in Segregated Accounts	397,905
Accounts Receivable	<u>1,852,992</u>
<i>Total Assets</i>	<u><u>\$ 3,643,435</u></u>
<b>Liabilities</b>	
Accounts Payable	\$ 983,185
Due to Other Governments	2,275,896
Deposits Held and Due to Others	<u>384,354</u>
<i>Total Liabilities</i>	<u><u>\$ 3,643,435</u></u>

See accompanying notes to the basic financial statements.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

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**NOTE 1 - DESCRIPTION OF THE CITY AND THE REPORTING ENTITY**

The City of Berea, (the “City”) is a home rule municipal corporation, established under the laws of the State of Ohio and operates under its own Charter. The current Charter, which provides for a Mayor-Council form of government, was originally adopted May 3, 1960. Elected officials include seven Council members, Council president and a Mayor.

**The Reporting Entity**

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the City are not misleading. The City’s primary government consists of all funds and departments which are not legally separate from the City. For the City, this includes the departments that provide the following services: police and fire protection, emergency medical, street maintenance, sanitation, planning and zoning, parks and recreation, water treatment, and general administrative services.

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

The City participates in several jointly governed organizations, including the Northeast Ohio Public Energy Council, the Southwest Council of Governments, the Southwest General Health Center, the Woodvale Union Cemetery and Regional Income Tax Agency. A jointly governed organization is managed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility on the part of the participating governments. These organizations are presented in Note 17 to the basic financial statements.

**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 most significant of the City’s accounting policies are described below.

**Basis of Presentation**

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

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

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***Government-wide Financial Statements*** - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. Other 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 of the goods or services offered by the program, grants and contributions, that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business 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. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

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

*General Fund* - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund also accounts for the activities related to the municipal income tax levy collections passed by ordinance in November 1992. One-fourth of income tax revenues are collected in the municipal income tax fund and are designated for water, sewer, recreation, debt and capital expenditures.



**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

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These funds cannot be spent for any other reason. The allocation (which may exclude any particular purpose mentioned in any one year) to the five areas is designated annually during the budgeting process approved by Council. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter of the City of Berea and/or the general laws of Ohio.

*General Bond Retirement Fund* - The general bond retirement fund is used to account for the accumulation of resources for, and the payment of general long-term principal, interest, and related costs, other than those paid by proprietary funds.

*General Capital Improvement Fund* - The general capital improvement fund is used to account for financial resources designated for the acquisition or major repair of infrastructure or capital assets.

The other governmental funds of the City account for grants and other resources to which the City is bound to observe constraints imposed upon the use of the resources.

***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 and services. The following are the City's major enterprise funds.

*Water Revenue Fund* - The water revenue fund is used to account for the operation of the water treatment plant and distribution of water to the residents and commercial users of the City and some residents of the county.

*Sewer Revenue Fund* - The sewer revenue fund is used to account for the operations of the sewage collection operations.

*Internal Service Funds* - The internal service funds are used to 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 three internal service funds account for funds reserved to finance a self insurance program for hospitalization benefits and a self insurance program for property and liability losses and to account for the payment of worker's compensation insurance.

***Fiduciary Funds*** - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are agency funds that account for regional sewer collections, contract retainer, deposits held for contractors and developers, Ohio Board of Building Standards fees, municipal court collections for the Metropark and municipal court collections.

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**Measurement Focus**

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

***Fund Financial Statements*** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the 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 and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of the proprietary activities.

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows 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 sixty 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 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources

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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, admissions tax, cable TV franchise fees, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), fines and forfeitures, interest, grants and entitlements, and rentals.

***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 represent a consumption of net position 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 pension. The deferred outflows of resources related to pension are explained in Note 9.

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 position 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, income taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance fiscal year 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and 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 may include delinquent property taxes, income taxes, special assessments and intergovernmental. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 9).

### **Cash and Investments**

To improve cash management, cash received by the City is pooled. Each fund's pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. Interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements. For purpose of the statement of cash flows, the proprietary funds' share of equity in pooled certificates of deposit are considered to be cash equivalents.

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest bearing depository accounts are presented on the Statement of Fiduciary Assets and Liabilities as "Cash in Segregated Accounts" since they are not required to be deposited into the City's treasury.

During 2016, investments were limited to money market funds, negotiable certificates of deposit, Federal Farm Credit Bank, and State Treasury Asset Reserve of Ohio (STAR Ohio).

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During 2016, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, Certain External Investment Pools and Pool Participants. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the Ohio Revised Code and the Berea Municipal Code. Interest revenue credited to the general fund during 2016 amounted to \$206,755, which includes \$181,752 assigned from other City funds. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are presented on the financial statements as "Equity in Pooled Cash and Investments." Investments with an original maturity of more than three months that are not made from the pool are reported as "Investments."

The City also has an escrow account for unspent proceeds on a capital lease which is presented on the financial statement as "Cash and Investments with Escrow Agent."

### **Materials and Supplies Inventory**

Inventories are valued at cost using the first-in, first-out (FIFO) method. Inventories are recorded as expenditures when consumed rather than when purchased.

### **Deposits**

Deposits represent monies paid toward the purchase of property on a land installment contract.

### **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.

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All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. Intangible assets are recorded at cost. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of roads, storm sewers, sanitary sewers, water lines, bridges, traffic signals, and sidewalks and includes infrastructure acquired prior to December 31, 1980. 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, intangibles 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:

	<u>Years</u>
Land Improvements	10 - 50
Buildings	40
Building Improvements	7 - 50
Machinery and Equipment	2 - 20
Furniture and Fixtures	7 - 10
Vehicles	3 - 20
Infrastructure	10 - 50

**Interfund Balances**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivables/Payables."

**Compensated Absences**

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those employees that the City has identified as probable of receiving payment in the future. 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 policies.

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**Pensions**

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

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide 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, and are reported as obligations of the funds. However, claims and judgments, compensated absences and net pension liability 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 are recognized as a liability on the fund financial statements when due.

**Fund Balance**

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

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

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

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

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*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. The City Council has, by resolution, authorized the Finance Director to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

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

The City's fund balance policy establishes the unassigned fund balance at no less than 5 percent of annual operating expenditures and other financing uses and transfers.

### **Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At December 31, 2016, there was no net position restricted by enabling legislation.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

### **Operating Revenues and Expenses**

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

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**Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. In the government-wide financial statements, capital contributions are recorded as capital grants and contributions. In 2016, the governmental activities received capital contributions in the amount of \$7,374,955 from outside sources and business-type activities received \$609,773.

**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.

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

**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 of these occurred in 2016.

**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.

**Budgetary Data**

All funds, except agency funds, are legally required to be budgeted and appropriated, however, only governmental funds are required to be reported. 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 object level (personal services and other) within each department in the general fund and at the object level (personal services and other) for all other funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.



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The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director of Finance. The amounts reported as the original budgeted amounts on the budgetary statement 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 statement reflect the amounts on the final amended certificate of estimated resources issued during 2016.

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, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

### **Implementation of New Accounting Principles**

For the year ended December 31, 2016, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

GASB Statement No. 72 clarifies the definition of fair value for financial reporting purposes, establishes general principles for measuring fair value, provides additional fair value application guidance, and enhances disclosures about fair value measurements. These changes were incorporated in the City's fiscal year 2016 note disclosures; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also clarifies the application of certain provisions of GASB Statements 67 and 68. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the City.

GASB Statement No. 76 reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the City.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The implementation of this statement did not result in any change in the City's financial statements as the City does not have any material GASB Statement No. 77 tax abatements.

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GASB Statement No. 78 amends the scope of GASB Statement No. 68 to exclude certain multiple-employer defined benefit pension plans provided to employees of state and local governments on the basis that obtaining the measurements and other information required by GASB Statement No. 68 was not feasible. The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the City.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance also establishes additional note disclosure requirements for governments that participate in those pools. The City participates in STAR Ohio which implemented GASB Statement No. 79 for fiscal year 2016. The City incorporated the corresponding GASB 79 guidance into their fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

**NOTE 3 – FUND BALANCE**

Fund balance can be 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 governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Fund Balance	General Fund	General Bond Retirement Fund	General Capital Improvement Fund	Other Governmental Funds	Total
<u>Nonspendable:</u>					
Unclaimed Monies	\$ 42,947	\$ 0	\$ 0	\$ 0	\$ 42,947
Inventory for Consumption	20,418	0	0	191,624	212,042
Total Nonspendable	<u>63,365</u>	<u>0</u>	<u>0</u>	<u>191,624</u>	<u>254,989</u>
<u>Restricted for:</u>					
Court Operations and Capital Outlay	0	0	0	473,455	473,455
Drug and Alcohol Programs	0	0	0	609,676	609,676
Security Operations and Programs	0	0	0	98,668	98,668
Street Improvement and Repair	0	0	0	166,172	166,172
Street Lighting	0	0	0	399,732	399,732
Total Restricted	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,747,703</u>	<u>1,747,703</u>

*(continued)*

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Fund Balance	General Fund	General Bond Retirement Fund	General Capital Improvement Fund	Other Governmental Funds	Total
<u>Committed to:</u>					
Income Tax (See Note 6)	777,892	0	0	0	777,892
Retirements	319,963	0	0	0	319,963
Recreational Programs	0	0	0	32,905	32,905
Court Operations and Capital Outlay	243,352	0	0	0	243,352
Neighborhood Capital Improvement	0	0	0	10,932	10,932
Community Programs	0	0	0	18,483	18,483
Recreation Capital Outlay	0	0	0	747,018	747,018
Safety Equipment Capital Outlay	0	0	0	67,253	67,253
General Capital Improvements	0	0	1,791,991	0	1,791,991
Total Committed	<u>1,341,207</u>	<u>0</u>	<u>1,791,991</u>	<u>876,591</u>	<u>4,009,789</u>
<u>Assigned for:</u>					
Encumbrances:					
General Government	11,328	0	0	0	11,328
Security of Persons and Property	22,211	0	0	0	22,211
Leisure Time Activities	650	0	0	0	650
Community Development	389	0	0	0	389
Public Works	978	0	0	0	978
Subsequent Year Appropriations	69,195	0	0	0	69,195
Total Assigned	<u>104,751</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>104,751</u>
Unassigned (Deficit)	<u>3,782,248</u>	<u>(4,022,360)</u>	<u>0</u>	<u>(71,248) *</u>	<u>(311,360)</u>
Total Fund Balance (Deficit)	<u>\$ 5,291,571</u>	<u>\$ (4,022,360)</u>	<u>\$ 1,791,991</u>	<u>\$ 2,744,670</u>	<u>\$ 5,805,872</u>

\* Fund balances at December 31, 2016 included individual fund deficits of \$48,629 and \$22,619 in the fire pension and police pension funds, respectively.

The deficits in these governmental funds, including the general bond retirement fund, resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and will provide transfers when cash is required, not when accruals occur.

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

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

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than a restriction, commitment or assignment of fund balance (GAAP).
4. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets (budget).

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

**Net Change in Fund Balance**

	General Fund
GAAP Basis	\$ 762,861
Net Adjustment for Revenue Accruals	2,943,803
Net Adjustment for Expenditure Accruals	(2,975,181)
Funds Budgeted Elsewhere **	(341,150)
Adjustment for Encumbrances	(51,636)
Budget Basis	\$ 338,697

\*\* As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the animal control, municipal court and unclaimed monies funds.

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**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

Inactive deposits are public deposits that Council has identified as not required for use within the current two-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.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, 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 two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in the first two bullets 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

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6. The State Treasurer's investment pool (STAR Ohio and STAR Plus);
7. Certain banker's acceptances and commercial paper notes in an amount not to exceed 40 percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate note interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of the City's cash and deposits is provided by the Federal Deposit Insurance Corporation, as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all uninsured public deposits. The face value of the pooled collateral must equal at least 105 percent of uninsured public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

**Cash with Escrow Agent:** The City has \$186,159 in unspent proceeds on a lease which is included as "Cash and Investments with Escrow Agents."

**Cash on Hand** - At December 31, 2016 the City had \$10,600 in undeposited cash on hand, which is included as part of "Equity in Pooled Cash and Investments."

**Deposits** - At year-end, the carrying amount of the City's deposits was \$993,333 and the bank balance was \$1,786,905. Of the bank balance:

1. \$970,435 was covered by Federal depository insurance, by collateral held by the City, or by collateral held by the City's agent in the name of the City; and
2. \$816,470 was exposed to custodial credit risk as described above. Although the securities were held by the pledging financial institutions' trust department in the City's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

The municipal court bond fund is maintained separately from the City's deposits. The carrying amount of the deposits was \$397,905 ("Cash in Segregated Accounts") and the bank balance was \$412,747. Of the bank balance, \$250,000 was covered by Federal depository insurance and \$162,747 was exposed to custodial credit risk as described above.

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**Investments** - The City has a formal investment policy. The objective of the policy shall be the preservation of capital and protection of principal while earning investment interest. Safety of principal is the primary objective of the investment program. All investments are in an internal investment pool.

The City's investments at year end were as follows:

Global Ratings	Investment	Measurement Amount	Investment Maturities (in years)			% Total
			Less than 1	1-3	More than 3	
AAAm	STAR Ohio	\$ 26,181	\$ 26,181	\$ 0	\$ 0	0.23%
***	Negotiable Certificates of Deposit	10,895,451	1,255,670	1,040,393	8,599,388	95.38%
AA+	Federal Farm Credit Bank	499,705	0	499,705	0	4.37%
A+	JP Morgan Money Market	2,222	2,222	0	0	0.02%
		<u>\$ 11,423,559</u>	<u>\$ 1,284,073</u>	<u>\$ 1,540,098</u>	<u>\$ 8,599,388</u>	<u>100.0%</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the City's recurring fair value measurements as of December 31, 2016. As discussed further in Note 2, STAR Ohio is reported at its share price. The money market investment is valued at cost. All other investments of the City are valued using quoted market prices (Level 1 inputs).

**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 5 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 payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of December 31, 2016, is 52 days and carries a rating of AAAm by S&P Global Ratings.

**Credit Risk** - The credit risk of the City's investments is in the table above. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

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***Custodial Credit Risk*** - For an investment, custodial risk is that risk that, in the event of the failure of the counterparty, the City will no longer be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment in repurchase agreements is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the City. 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.

***Concentration of Credit Risk*** - The City places no limit on the amount it may invest in any one issuer. The investment percentages are listed above.

**NOTE 6 – RECEIVABLES**

Receivables at December 31, 2016 consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, loans, outstanding advances, and accounts (billings for utility service). No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

Special assessments and delinquent special assessments will primarily be collected in more than one year and amount to \$33,361 in the general fund and \$600,283 in other governmental funds.

**Income Taxes**

The City levies and collects an income tax of 2 percent on all income earned within the City, as well as on income of residents earned outside the City. In the latter case, the City allows a credit of 100 percent up to 1-1/2 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax at least quarterly to the Regional Income Tax Agency, who administers the City's income tax collections. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

The City, by ordinance, allocates income tax revenues and expenditures for collecting, administering, and enforcing the tax to the general fund (75 percent) and to the municipal income tax fund (25 percent). The income tax revenues collected in the municipal income tax fund are designated for water, sewer, recreation, debt, and capital expenditures. The funds cannot be spent for any other reason. The allocation to the four areas is designated annually during the budgetary process approved by Council. Total cash basis income tax collections for 2016 were \$12,515,952, which was allocated at \$9,386,964 to the general fund and \$3,128,988 to the municipal income tax fund. The municipal income tax fund has been combined with the general fund for GAAP and budgetary-basis for reporting purposes. On the accrual basis, income tax revenue was \$13,048,547 in the governmental activities. At year end, the municipal income tax fund had \$777,892 in committed funds, for financial statement purposes, that will be allocated to other funds as approved by the municipal income tax levy.



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**Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2016 for real and public utility property taxes represents collections of the 2015 taxes.

2016 real property taxes were levied after October 1, 2016 on the assessed value as of January 1, 2016, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2016 public utility property taxes which became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2016, was \$16.80 per \$1,000 of assessed valuation. The assessed values of real property and public utility tangible property upon which 2016 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 361,714,810
Public Utilities - Real	69,270
Public Utilities - Personal	<u>9,572,450</u>
Total	<u>\$ 371,356,530</u>

The County Fiscal Officer collects property taxes on behalf of all taxing districts within the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2016, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2016 operations is offset to deferred inflows of resources – property taxes levied for the next year. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

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**Loans Receivable**

The City is reporting a long-term loan receivable related to the Eastland Road Construction project. During 2005, the Cities of Berea, Middleburg Heights and Brook Park, along with Cuyahoga County, entered into an agreement that involves various improvements between Bagley Road and State Route 237. As part of this agreement, the City has entered into a loan agreement with the Ohio Public Works Commission (OPWC) in the amount of \$1,900,900 to help fund some of the construction costs. Although the City of Berea is obligated for the entire loan, the agreement between the cities obligates the City of Middleburg Heights (43 percent) and the City of Brook Park (34 percent) to make semi-annual debt service payments to the City of Berea to help make the annual debt service payments to OPWC.

As of December 31, 2016, there is a long-term OWPC loan payable by the City in the amount of \$1,758,332 (See Note 12). A corresponding long-term loan receivable has been reported in the City's financial statements in the amount of \$1,317,324, which represents the combined amount owed by the City of Middleburg Heights and the City of Brook Park to the City. These loans are classified as loans receivable on the balance sheet, considered collectible in full, and are expected to be collected in more than one year.

**NOTE 7 - INTERFUND BALANCES AND TRANSFERS**

**Interfund Balances**

The account balances reported in the fund financial statements for "interfund receivable" and "interfund payable" as of December 31, 2016 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Bond Retirement Fund	\$ 750,000	0
General Capital Improvement Fund	0	750,000
Total	\$ 750,000	\$ 750,000

Interfund receivables and payables can result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made.

In March 2016, the City paid \$1,000,000 to pay off the treasury investment issued in 2015. The City then issued a new treasury investment in the amount of \$750,000, which was authorized under Chapter 133.29 of the Ohio Revised Code between the general bond retirement fund and the general capital improvement fund. The purpose of this treasury investment was to finance the costs of urban renewal projects until the issuance of urban renewal bonds. This note matures in March 2017 with an interest rate of 1.00 percent.

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**Interfund Transfers**

Transfers Out	Transfers In			Total
	Bond Retirement	Nonmajor Governmental	Water Revenue	
General Fund	\$ 500,000	\$ 345,000	\$ 0	\$ 845,000
General Bond Retirement	0	0	2,000	2,000
<b>Total</b>	<b>\$ 500,000</b>	<b>\$ 345,000</b>	<b>\$ 2,000</b>	<b>\$ 847,000</b>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations or debt service; to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed. In 1992, the voters authorized the municipal income tax levy. Proceeds from the levy are recorded in the general fund, for financial statement purposes, and can be transferred out for water, sewer, recreation, debt and capital expenditures as approved annually by Council. These funds cannot be spent for any other reason. The following transfers out were made from the general fund to reallocate income tax money:

Fund	Amount
Recreation Fund	\$ 1,005,000
Recreation Capital Improvement Fund	611,000
General Capital Improvement Fund	563,800
Neighborhood Capital Improvement Fund	570,000
Water Revenue Fund	129,400
<b>Total</b>	<b>\$ 2,879,200</b>

In addition, the general fund transferred \$135,000 to the street maintenance and repair fund, \$120,000 to the fire pension fund and \$90,000 to the police pension fund. The general bond retirement fund transferred \$2,000 to the water revenue fund to pay debt issues relating to water and sewer improvements. The City has a voted debt levy that can be used for any type of debt.

In 2016, the internal transfers between entity-wide activities are as follows:

	Transfers	
	Governmental Activities	Business-Type Activities
Cash Transfers	\$ (131,400)	\$ 131,400

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**NOTE 8 - CAPITAL ASSETS**

A summary of changes in capital assets during 2016 follows:

	Balance 1/1/16	Additions	Reductions	Balance 12/31/16
<b>Governmental Activities</b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$11,143,427	\$ 141,834	\$ 0	\$11,285,261
Intangible	2,183,636	0	0	2,183,636
Construction in Progress	5,071,813	18,091,454	(1,080,939)	22,082,328
<i>Total Capital Assets Not Being Depreciated</i>	<u>18,398,876</u>	<u>18,233,288</u>	<u>(1,080,939)</u>	<u>35,551,225</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	9,542,636	1,154,352	0	10,696,988
Buildings	14,515,873	10,000	0	14,525,873
Building Improvements	27,343,203	183,104	0	27,526,307
Machinery and Equipment	5,608,873	677,025	0	6,285,898
Furniture and Fixtures	1,006,917	0	0	1,006,917
Vehicles	2,026,113	640,193	(20,000)	2,646,306
Infrastructure:				
Bridges	9,087,509	0	0	9,087,509
Roads	50,754,454	2,021,523	0	52,775,977
Sidewalks	1,793,411	0	0	1,793,411
Traffic Signals	4,238,674	0	0	4,238,674
<i>Total Capital Assets Being Depreciated</i>	<u>125,917,663</u>	<u>4,686,197</u>	<u>(20,000)</u>	<u>130,583,860</u>
<i>Accumulated Depreciation</i>				
Land Improvements	(7,355,649)	(274,005)	0	(7,629,654)
Buildings	(8,891,773)	(338,773)	0	(9,230,546)
Building Improvements	(16,736,242)	(826,008)	0	(17,562,250)
Machinery and Equipment	(4,387,773)	(276,324)	0	(4,664,097)
Furniture and Fixtures	(988,825)	(8,213)	0	(997,038)
Vehicles	(1,570,523)	(163,944)	20,000	(1,714,467)
Infrastructure:				
Bridges	(3,111,377)	(279,832)	0	(3,391,209)
Roads	(25,655,710)	(2,214,009)	0	(27,869,719)
Sidewalks	(802,965)	(89,671)	0	(892,636)
Traffic Signals	(1,027,817)	(141,113)	0	(1,168,930)
<i>Total Accumulated Depreciation</i>	<u>(70,528,654)</u>	<u>(4,611,892)</u>	<u>20,000</u>	<u>(75,120,546)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>55,389,009</u>	<u>74,305</u>	<u>0</u>	<u>55,463,314</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$73,787,885</u>	<u>\$18,307,593</u>	<u>\$ (1,080,939)</u>	<u>\$91,014,539</u>

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	Balance 1/1/16	Additions	Reductions	Balance 12/31/16
<b>Business-Type Activities</b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 93,181	\$ 0	\$ 0	\$ 93,181
Intangible	1,154,237	0	0	1,154,237
Construction in Progress	37,450	816,177	(37,450)	816,177
<i>Total Capital Assets Not Being Depreciated</i>	<u>1,284,868</u>	<u>816,177</u>	<u>(37,450)</u>	<u>2,063,595</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	959,509	0	0	959,509
Buildings	4,941,378	0	0	4,941,378
Building Improvements	2,346,842	0	0	2,346,842
Machinery and Equipment	5,497,125	0	0	5,497,125
Furniture and Fixtures	49,252	0	0	49,252
Vehicles	129,524	0	0	129,524
Infrastructure:				
Water Lines	12,282,207	0	0	12,282,207
Storm Sewers	14,993,339	92,917	0	15,086,256
Sanitary Sewers	11,428,649	0	0	11,428,649
<i>Total Capital Assets Being Depreciated</i>	<u>52,627,825</u>	<u>92,917</u>	<u>0</u>	<u>52,720,742</u>
<i>Accumulated Depreciation</i>				
Land Improvements	(887,777)	(36,782)	0	(924,559)
Buildings	(2,407,955)	(120,112)	0	(2,528,067)
Building Improvements	(570,270)	(103,305)	0	(673,575)
Machinery and Equipment	(2,945,883)	(242,955)	0	(3,188,838)
Furniture and Fixtures	(41,092)	(1,560)	0	(42,652)
Vehicles	(113,598)	(9,438)	0	(123,036)
Infrastructure:				
Water Lines	(2,762,767)	(251,054)	0	(3,013,821)
Storm Sewers	(4,136,182)	(367,611)	0	(4,503,793)
Sanitary Sewers	(3,057,387)	(228,573)	0	(3,285,960)
<i>Total Accumulated Depreciation</i>	<u>(16,922,911)</u>	<u>(1,361,390)</u>	<u>0</u>	<u>(18,284,301)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>35,704,914</u>	<u>(1,268,473)</u>	<u>0</u>	<u>34,436,441</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$36,989,782</u>	<u>\$ (452,296)</u>	<u>\$ (37,450)</u>	<u>\$36,500,036</u>

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Depreciation expense was charged to governmental activities as follows:

	<u>Depreciation</u>
Security of Persons and Property	\$ 385,396
Leisure Time Services	921,946
Public Works	26,663
Transportation	2,572,902
General Government	<u>704,985</u>
Total Depreciation Expense	<u>\$ 4,611,892</u>

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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 CAFR referenced above for additional information):

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a 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.

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

	State and Local
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.00 %
Employee	10.00 %
<b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	12.00 %
Post-employment Health Care Benefits	2.00
Total Employer	14.00 %
Employee	10.00 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$768,481 for 2016. Of this amount, \$131,822 is reported as an intergovernmental payable.

***Plan Description – Ohio Police & Fire Pension Fund (OPF)***

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.



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Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF 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 after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 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.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF 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 retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

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

	Police	Firefighters
<b>2016 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 <b>2016 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
 Employee	 12.25 %	 11.50 %

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Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$1,003,574 for 2016. Of this amount \$183,147 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 for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. 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		Total
	Traditional Plan	OPF	
Proportionate Share of the Net Pension Liability	\$ 8,312,127	\$ 13,385,675	\$ 21,697,802
Proportion of the Net Pension Liability	0.04798800%	0.20807600%	
Pension Expense	\$ 1,083,171	\$ 1,888,761	\$ 2,971,932

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS		Total
	Traditional Plan	OPF	
<b>Deferred Outflows of Resources</b>			
Net Difference between Projected and Actual Earnings on Pension Plan Investments	\$ 2,443,246	\$ 2,178,674	\$ 4,621,920
Changes in Proportionate Share	0	342,916	342,916
City Contributions Subsequent to the Measurement Date	768,481	1,003,574	1,772,055
<b>Total Deferred Outflows of Resources</b>	<b>\$ 3,211,727</b>	<b>\$ 3,525,164</b>	<b>\$ 6,736,891</b>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 160,607	\$ 37,586	\$ 198,193
Changes in Proportionate Share	184,699	0	184,699
<b>Total Deferred Inflows of Resources</b>	<b>\$ 345,306</b>	<b>\$ 37,586</b>	<b>\$ 382,892</b>

\$1,772,055 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or addition of the net pension asset in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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Year Ending December 31:	OPERS		Total
	Traditional Plan	OPF	
2017	\$ 449,141	\$ 632,535	\$ 1,081,676
2018	488,207	632,535	1,120,742
2019	607,685	632,537	1,240,222
2020	552,907	516,392	1,069,299
2021	0	58,831	58,831
Thereafter	0	11,174	11,174
	<u>\$ 2,097,940</u>	<u>\$ 2,484,004</u>	<u>\$ 4,581,944</u>

***Actuarial Assumptions - OPERS***

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<u>Actuarial Information</u>	<u>Traditional Pension Plan</u>
Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 percent to 10.05 percent, including wage inflation at 3.75 percent
COLA or Ad Hoc COLA	3.00 percent, simple
Investment Rate of Return	8.00 percent
Actuarial Cost Method	Individual Entry Age

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

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term 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.

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OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust 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 and the VEBA Trust. 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 money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.40 percent for 2015.

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 table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other Investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.27 %</u>

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

**Sensitivity of the City's Proportionate Share of the Net Pension Liability 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 eight 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 (seven percent) or one-percentage-point higher (nine percent) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
City's proportionate share of the net pension liability:	\$ 13,243,248	8,312,127	\$ 4,152,882

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***Actuarial Assumptions – OPF***

OPF's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, 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.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11.00 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent, simple

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

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2015 are summarized below:

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Asset Class	Target Allocation	10 Year Expected Real Rate of Return**	30 Year Expected Real Rate of Return**
Domestic Equity	16.00	4.47 %	7.80 %
Non-US Equity	16.00	4.47	8.00
Core Fixed Income*	20.00	1.62	5.35
Global Inflation Protected*	20.00	1.33	4.73
High Yield	15.00	3.39	7.21
Real Estate	12.00	3.93	7.43
Private Markets	8.00	6.98	10.73
Timber	5.00	4.92	7.35
Master Limited Partnerships	8.00	7.03	10.75
Total	120.00	%	

Note: Assumptions are geometric.

\* levered 2x

\*\* Numbers include inflation

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF'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 1.2 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 8.25 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 earnings were calculated using the longer-term assumed investment rate of return 8.25 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 8.25 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 (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability:	\$ 17,653,912	\$ 13,385,675	\$ 9,770,058

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**NOTE 10 - POST-EMPLOYMENT BENEFITS**

***Ohio Public Employees Retirement System***

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains two cost-sharing multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2015 CAFR details.

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

OPERS issues a stand-alone 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 post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, 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.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent

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during calendar year 2016 as recommended by OPERS' actuary. The 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 to the VEBA for participants in the Member-Directed Plan for 2016 was 4.0 percent.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2016, 2015, and 2014 were \$128,080, \$119,744 and \$123,670, respectively. For 2016, 83 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

***Ohio Police and Fire Pension Fund***

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OPF. OPF provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OPF provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 45.

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

OPF issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OPF, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OPF's website at [www.op-f.org](http://www.op-f.org).

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

OPF maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.



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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. The portion of employer contribution allocated to health care was 0.5 percent of covered payroll from January 1, 2016 through December 31, 2016. 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 and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OPF, which were allocated to fund post-employment health care benefits, for police and firefighters were \$12,456 and \$11,282 for the year ended December 31, 2016, \$11,683 and \$9,549 for the year ended December 31, 2015, and \$10,985 and \$8,909 for the year ended December 31, 2014. 81 percent has been contributed for police and 83 percent has been contributed for firefighters for 2016. The full amount has been contributed for 2015 and 2014.

**NOTE 11 - COMPENSATED ABSENCES**

The criteria for determining vacation and sick leave components are derived from negotiated agreements, City ordinances and State laws. Vacation leave is earned at varying rates depending upon length of service and standard work week. Vacation leave is vested in the employee on January 1 of each year. Vacation time not taken by the end of the calendar year will be paid to the employee in the preceding January at the prior year's rate.

For all employees, except for firefighters, sick leave is earned at the rate of four and one sixteenth hours per bi-weekly pay period. Firefighters earn sick leave at the rate of 24 hours, which equals one tour of duty, per month. Each employee with 10 - 20 years of service with the City is paid for one-third of the employee's earned unused sick leave, not to exceed 360 hours, or 17 tours of duty for firefighters, upon separation from the City. Each employee with 20 or more years of service with the City is paid for one-third of the employee's earned unused sick leave, limited to 63 tours for firefighters, upon separation from the City. Payments upon retirement for union employees will be paid over three years. The full balance may be transferred to another governmental agency if not taken upon separation.

Firefighters with 20 or more years of service with the City may elect to sell back up to 12 tours of duty of accumulated sick leave in any one calendar year. The firefighter will be paid at their current pay rate multiplied by one-third of the total number sick leave hours sold back.

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**NOTE 12 - LONG-TERM OBLIGATIONS**

The original issue date, maturity date, interest rate and original issuance amount for each of the City's long-term obligations follows:

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<b>General Obligation Bonds</b>				
2006 Various Purpose Refunding Bonds	2006	2026	3.75%	\$ 7,365,000
2010 Various Purpose Bonds	2010	2030	2.00% - 4.375%	2,725,000
2013 Various Purpose Bonds	2013	2033	1.50%-4.00%	4,005,000
2015 Various Purpose Bonds	2015	2035	2.00%-4.00%	6,870,000
2016 Various Purpose Bonds	2016	2026	4.00-4.25%	2,875,000
<b>OPWC Loans</b>				
Sewer	2005	2025	0.00%	370,069
Sewer	2007	2027	0.00%	710,000
Sewer	2011	2030	0.00%	61,500
Sewer	2013	2045	0.00%	600,000
Sewer	2016		0.00%	235,200 *
Water	2011	2031	0.00%	41,000
Water	2016		0.00%	169,050 *
Governmental Activities	2009	2029	0.00%	1,900,900
Governmental Activities	2012	2032	0.00%	202,650
Governmental Activities	2016		0.00%	330,750 *
<b>OWDA Loans</b>				
Sewer	1997	2022	6.11%	700,000
Sewer	1999	2019	5.54%	705,173
Sewer	2004	2034	4.66%	1,200,000
Sewer	2005	2036	3.75%	713,940
Sewer	2008	2024	4.28%	345,251
Sewer	2011	2022	3.49%	123,902
Sewer	2015	2035	2.91%	275,963
Sewer	2016	2037	2.52%	700,027 *
<b>OWDA Loans</b>				
Water	2006	2027	4.42%	1,156,254
Water	2007	2038	4.17%	1,109,436
Water	2007	2028	3.25%	1,930,593
Water	2008	2038	4.78%	1,105,020
Water	2009	2030	3.70%	3,802,756
Water	2011	2042	3.49%	915,008
Water	2016	2037	2.46%	1,710,056 *

\*The total loan (project) is not yet 100% complete.

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A schedule of changes in long-term obligations of the City during 2016 follows:

	Balance 1/1/16	Additions	Reductions	Refunding	Balance 12/31/16	Due Within One Year
<b>Governmental Activities</b>						
<i>General Obligation Bonds</i>						
2006 Various Purpose Bonds	\$ 3,495,000	\$ 0	\$ (720,000)	\$ (2,775,000)	\$ 0	\$ 0
2010 Various Purpose Bonds	2,340,000	0	(65,000)	0	2,275,000	65,000
2013 Various Purpose Bonds	3,805,000	0	(100,000)	0	3,705,000	100,000
2015 Various Purpose Bonds	6,748,000	0	(233,000)	0	6,515,000	235,000
2016 Refunding Bonds	0	2,875,000	(5,000)	0	2,870,000	790,000
<i>Total General Obligation Bonds</i>	<u>16,388,000</u>	<u>2,875,000</u>	<u>(1,123,000)</u>	<u>(2,775,000)</u>	<u>15,365,000</u>	<u>1,190,000</u>
<i>Bond Anticipation Notes</i>						
1.00% Various Improvement Notes	3,294,500	0	(3,294,500)	0	0	0
1.00% Various Improvement Notes	450,000	0	(450,000)	0	0	0
1.00% Various Improvement Notes	51,000	0	(51,000)	0	0	0
1.50% Various Improvement Notes	0	3,542,500	0	0	3,542,500	3,542,500
1.50% Various Improvement Notes	0	2,585,000	0	0	2,585,000	2,585,000
1.50% Various Improvement Notes	0	515,000	0	0	515,000	515,000
1.76% Various Improvement Notes	7,000,000	0	(7,000,000)	0	0	0
<i>Total Bond Anticipation Notes</i>	<u>10,795,500</u>	<u>6,642,500</u>	<u>(10,795,500)</u>	<u>0</u>	<u>6,642,500</u>	<u>6,642,500</u>
<i>OPWC Loans Payable</i>						
2009 Road Improvements	1,853,377	0	(95,045)	0	1,758,332	95,045
2012 Bridge Replacement	172,251	0	(10,133)	0	162,118	10,133
2016 Fair Street	0	1,588	0	0	1,588	0
<i>Total OPWC Loans</i>	<u>2,025,628</u>	<u>1,588</u>	<u>(105,178)</u>	<u>0</u>	<u>1,922,038</u>	<u>105,178</u>
<i>Net Pension Liability</i>						
OPERS	4,892,893	1,825,863	0	0	6,718,756	0
OPF	10,351,794	3,033,881	0	0	13,385,675	0
<i>Total Net Pension Liability</i>	<u>15,244,687</u>	<u>4,859,744</u>	<u>0</u>	<u>0</u>	<u>20,104,431</u>	<u>0</u>
<i>Other Long Term Obligations</i>						
<i>Capital Lease Obligations:</i>						
Caterpillar	66,600	0	(32,775)	0	33,825	33,825
Various Equipment and Vehicles	0	382,954	(73,603)	0	309,351	75,067
Various Equipment and Vehicles	0	275,000	0	0	275,000	52,896
<i>Total Capital Lease Obligations</i>	<u>66,600</u>	<u>657,954</u>	<u>(106,378)</u>	<u>0</u>	<u>618,176</u>	<u>161,788</u>
Unamortized Bond Premiums	462,848	0	(28,262)	0	434,586	28,262
Compensated Absences	1,036,602	211,621	(137,193)	0	1,111,030	158,093
Police and Fire Pension Liability	194,462	0	(6,597)	0	187,865	6,714
<i>Total Other Long Term Obligations</i>	<u>1,760,512</u>	<u>869,575</u>	<u>(278,430)</u>	<u>0</u>	<u>2,351,657</u>	<u>354,857</u>
<b>Total Governmental Activities</b>	<u>\$ 46,214,327</u>	<u>\$ 15,248,407</u>	<u>\$ (12,302,108)</u>	<u>\$ (2,775,000)</u>	<u>\$ 46,385,626</u>	<u>\$ 8,292,535</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

	Balance 1/1/16	Additions	Reductions	Balance 12/31/16	Due Within One Year
<b>Business-Type Activities</b>					
<i>General Obligation Bonds</i>					
2015 Various Purpose Bonds	\$ 122,000	\$ 0	\$ (2,000)	\$ 120,000	\$ 5,000
<i>OWDA Loans</i>					
Water	616,727	0	(42,187)	574,540	44,073
Water	945,098	0	(26,011)	919,087	27,106
Water	1,343,567	0	(88,701)	1,254,866	91,607
Water	931,407	0	(22,942)	908,465	24,052
Water	3,095,551	0	(157,673)	2,937,878	163,561
Water	779,278	0	(6,134)	773,144	18,661
Water	0	1,309,499	0	1,309,499	0
Sewer	307,688	0	(36,533)	271,155	38,765
Sewer	183,474	0	(49,040)	134,434	51,757
Sewer	934,572	0	(31,482)	903,090	32,967
Sewer	575,540	0	(18,432)	557,108	19,130
Sewer	198,098	0	(17,302)	180,796	18,051
Sewer	85,317	0	(11,910)	73,407	12,329
Sewer	963	275,000	(10,342)	265,621	10,645
Sewer	0	2,463	0	2,463	0
<i>Total OWDA Loans</i>	<u>9,997,280</u>	<u>1,586,962</u>	<u>(518,689)</u>	<u>11,065,553</u>	<u>552,704</u>
<i>OPWC Loans</i>					
Sewer	194,284	0	(18,503)	175,781	18,504
Sewer	479,250	0	(35,500)	443,750	35,500
Sewer	20,364	0	(849)	19,515	1,018
Sewer	582,764	0	(19,755)	563,009	19,755
Sewer	0	1,130	0	1,130	0
Water	13,576	0	0	13,576	679
Water	0	812	0	812	0
<i>Total OPWC Loans</i>	<u>1,290,238</u>	<u>1,942</u>	<u>(74,607)</u>	<u>1,217,573</u>	<u>75,456</u>
Loan Payable	<u>291,052</u>	<u>0</u>	<u>(19,404)</u>	<u>271,648</u>	<u>19,404</u>
<i>Net Pension Liability</i>					
Water Revenue	929,015	355,206	0	1,284,221	0
Sewer Revenue	245,920	63,230	0	309,150	0
<i>Total Net Pension Liability</i>	<u>1,174,935</u>	<u>418,436</u>	<u>0</u>	<u>1,593,371</u>	<u>0</u>
<i>Other Long Term Obligations</i>					
Capital Lease Obligation:					
International	32,233	0	(32,233)	0	0
Compensated Absences	102,350	11,021	(4,175)	109,196	8,838
<i>Total Other Long Term Obligations</i>	<u>134,583</u>	<u>11,021</u>	<u>(36,408)</u>	<u>109,196</u>	<u>8,838</u>
<b>Total Business-Type Activities</b>	<u>\$ 13,010,088</u>	<u>\$ 2,018,361</u>	<u>\$ (651,108)</u>	<u>\$ 14,377,341</u>	<u>\$ 661,402</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

*General Obligation Bonds* - General obligations bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. The general obligation bonds will be retired from the general obligation debt service fund and water revenue fund. The general obligation bonds outstanding as of December 31, 2016 are to be repaid from both voted and unvoted property taxes levied on all taxable property located within the City, municipal income taxes, and transfers from the water revenue fund for exempt properties. Exempt properties include organizations exempt from taxation, such as colleges and churches, as well as property outside the City's jurisdiction who are provided water services from the City. The City assesses these exempt properties through a surcharge on their water bills to pay for the debt.

In March 2010, the City issued general obligation bonds in the amount of \$2.725 million for permanent improvements. The bonds maturing on or after December 1, 2030 are subject to prior redemption, by and at the sole option of the City, either in whole or in part (as selected by the City), and in integral multiples of \$5,000 on any date on or after December 1, 2019, at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date. Term bonds maturing in 2020, 2025 and 2030 are subject to mandatory prior redemption.

<u>2020 Term Bonds</u>		<u>2025 Term Bonds</u>		<u>2030 Term Bonds</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2017	\$ 65,000	2021	\$ 195,000	2026	\$ 135,000
2018	65,000	2022	200,000	2027	140,000
2019	180,000	2023	210,000	2028	145,000
2020	185,000	2024	220,000	2029	150,000
		2025	225,000	2030	160,000

In March 2013, the City issued general obligation bonds in the amount of \$4.0 million for permanent improvements. The bonds maturing on or after December 1, 2022 are subject to optional redemption by the City beginning December 1, 2021 and Term Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100 percent of the principal amount redeemed plus interest accrued to the redemption date.

Serial Bonds

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2017	\$ 100,000	2021	\$ 260,000
2018	100,000	2022	270,000
2019	245,000	2023	270,000
2020	250,000		

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

<u>2025 Term Bonds</u>		<u>2028 Term Bonds</u>		<u>2031 Term Bonds</u>		<u>2033 Term Bonds</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2024	\$210,000	2026	\$ 235,000	2029	\$ 230,000	2032	\$ 190,000
2025	220,000	2027	225,000	2030	240,000	2033	195,000
		2028	225,000	2031	240,000		

On March 24, 2015, the City issued \$6,870,000 in Various Purpose General Obligation Bonds at an average interest rate of 3.24 percent with a premium of \$346,478. These bonds will be used to retire existing bond anticipation notes and will mature in 2035.

On August 18, 2016, the City issued \$2,875,000 in current refunding general obligation bonds at an average interest rate of 1.7 percent. The proceeds of the bonds were used to refund \$2,775,000 of the City's outstanding 2006 Various Purpose Bonds. The bonds were issued for a 10 year period with final maturity at December 1, 2026.

**OWDA Loans** - The Ohio Water Development Authority (OWDA) loans will be paid from user charges from the appropriate enterprise fund.

**OPWC Loan** - The Ohio Public Works Commission (OPWC) loans are zero percent loans and paid from the general capital improvement fund, which includes resources related to loans receivable (See Note 6) and the water and sewer enterprise funds.

The City has pledged future net customer revenue to repay \$9,753,591 and \$1,215,631 in OWDA and OPWC loans, respectively. Current year principal and interest payments, as a percentage of net customer revenues, on all OWDA and OPWC loans were a deficit of 894 percent. The percentage is expected to decrease in the future as expansion projects begin operations in years to come. The total principal and interest remaining to be paid on all OWDA and OPWC loans is \$13,352,102 and \$1,487,279, respectively, which includes the full principal and interest payments on the fully drawn down loans. Principal and interest paid for the current year and total net available revenues were \$947,637 and \$105,980, respectively.

**Loan Payable** - During 2008, the City entered into an agreement with the City of Olmsted Falls, Ohio for a joint construction project on Lindberg/Westlawn Road. As part of this agreement, the City agreed to make annual debt service payments to the City of Olmsted Falls to cover annual debt service payments from a loan the City of Olmsted Falls entered into with OPWC in order to provide funding for the project.

**Notes Payable** - In 2016, the City issued \$6,642,500 in various purpose bond anticipation notes to retire maturing notes, purchase vehicles and equipment for various departments and improvement and construction projects. This issue included a premium of \$54,070 which was expensed. In 2016, the City also issued \$7,000,000 in bond anticipation notes for the purpose of improving City-owned administrative offices, training facility and surrounding grounds leased to the Cleveland Browns. The notes will be paid by the general bond retirement fund.

**Net Pension Liability** - The City pays obligations related to employee compensation from the fund benefitting from their service, which is typically general, sewer and water funds. For additional information related to the net pension liability, see Note 9 to the basic financial statements.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

**Other Long-Term Obligations** - The compensated absences liability will be paid from the general fund, the recreation fund, the street construction, maintenance and repair fund, the probation services fund, and the water and sewer revenue funds. Capital leases are paid from the general capital improvement fund and water revenue fund.

The police and fire pension liability will be paid by voted property taxes levied on all taxable property located within the City from the police pension and fire pension special revenue funds.

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2016 are as follows:

**Governmental Activities**

Year	General Obligation Bonds		OPWC (2)	Totals	
	Principal	Interest	Principal	Principal	Interest
2017	\$ 1,190,000	\$ 449,890	\$ 105,178	\$ 1,295,178	\$ 449,890
2018	1,200,000	427,886	105,178	1,305,178	427,886
2019	840,000	403,511	105,178	945,178	403,511
2020	940,000	382,727	105,178	1,045,178	382,727
2021	970,000	354,564	105,178	1,075,178	354,564
2022 - 2026	4,735,000	1,327,058	525,886	5,260,886	1,327,058
2027 - 2031	3,750,000	596,112	525,885	4,275,885	596,112
2032 - 2035	1,740,000	60,200	342,789	2,082,789	60,200
<b>Total</b>	<b>\$ 15,365,000</b>	<b>\$ 4,001,948</b>	<b>\$ 1,920,450</b>	<b>\$ 17,285,450</b>	<b>\$ 4,001,948</b>

On March 16, 2017, payment is due in full on the various purpose bond anticipation notes in the amount of \$6,642,500 plus interest at 1.5 percent.

**Business-Type Activities**

Year	OWDA (1)		OPWC (2)	Loan	General Obligation Bond		Total	
	Principal	Interest	Principal	Principal	Principal	Interest	Principal	Interest
2017	\$ 552,704	\$ 384,257	\$ 75,456	\$ 19,404	\$ 5,000	\$ 4,012	\$ 652,564	\$ 388,269
2018	575,786	361,174	75,456	19,404	5,000	3,912	675,646	365,086
2019	570,276	337,082	75,456	19,404	5,000	3,812	670,136	340,894
2020	564,163	310,593	75,456	19,404	5,000	3,712	664,023	314,305
2021	587,028	290,723	75,456	19,404	5,000	3,712	686,888	294,435
2022 - 2026	2,960,221	1,099,305	368,018	97,016	25,000	3,612	3,450,255	1,102,917
2027 - 2031	2,311,918	556,304	196,009	77,612	30,000	16,050	2,615,539	572,354
2032 - 2036	1,166,680	218,886	106,410	0	40,000	11,853	1,313,090	230,739
2037 - 2041	420,503	39,024	98,774	0	0	4,000	519,277	43,024
2042 - 2045	44,312	1,163	69,141	0	0	0	113,453	1,163
<b>Total</b>	<b>\$9,753,591</b>	<b>\$ 3,598,511</b>	<b>\$1,215,631</b>	<b>\$271,648</b>	<b>\$ 120,000</b>	<b>\$ 54,675</b>	<b>\$ 11,360,870</b>	<b>\$ 3,653,186</b>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

(1) OWDA loans issued in 2016 have not been fully drawn down, thus there are no amortization schedules available. The net balance of the loans drawn totaling \$1,311,962 are reported as long term obligations due in more than one year and are not included in the above maturity schedule. There are no payments due within one year.

(2) OPWC loans issued in 2016 have not been fully drawn down, thus there is no amortization schedule available. The balances of the loans drawn total \$1,588 (governmental) and \$1,942 (business-type) are reported as long term obligations due in more than one year.

**NOTE 13 – NOTES PAYABLE**

A summary of the note transactions for the year ended December 31, 2016 follows:

	Balance 1/1/2016	Additions	Reductions	Balance 12/31/2016
1.88 % Various Improvement Notes	\$ 0	\$ 7,000,000	\$ 0	\$ 7,000,000

In 2016, the City issued \$7,000,000 in Various Improvement Bond Anticipation Notes. On October 7, 2017, payment is due in full in the amount of \$7,000,000 plus interest at 1.88 percent.

**NOTE 14 - CAPITAL LEASES**

The City is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the capital assets and the long-term debt liabilities in the governmental activities.

During 2016, the City entered into a lease-purchase agreement for vehicles and equipment for \$382,954. The City is leasing the equipment from US Bancorp and will make annual lease payments. Assets acquired by the lease have been capitalized as vehicles and equipment.

During 2016, the City entered into a lease-purchase agreement for vehicles and equipment for \$275,000. The City is leasing the equipment from US Bancorp and will make annual lease payments. Assets acquired by the lease will be capitalized as vehicles and equipment.

Assets acquired by lease amount to \$818,054 with accumulated depreciation as of December 31, 2016 of \$172,250.

All items are long-term agreement leases, which meets the criteria of a capital lease as they transfer benefits and risks of ownership to the lessee.



**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

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The future minimum lease payments required under capital leases are as follows:

Year Ending December 31,	Amount
2016	\$ 174,388
2017	139,482
2018	139,482
2019	139,481
2020	58,259
Minimum Lease Payments	651,092
Less Amount Representing Interest	(32,916)
Present Value of Net Lease Payments	\$ 618,176

**NOTE 15 - OPERATING LEASES - LESSOR DISCLOSURE**

The City leases space on its water tower for cellular antennae. The lease revenue due in 2016 amounted to \$88,566.

**NOTE 16 - RISK MANAGEMENT**

**Property and Liability Insurance**

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicles, and general liability risks 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 2016, the City contracted with Public Entities Pool of Ohio for claims in excess of coverage provided by the fund for all risk of loss. Under this program, the general liability and property losses are covered to \$25,000 and \$50,000 respectively. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The City maintains a property and liability insurance internal service fund to account for and finance its uninsured and insured risk of loss. The general fund, recreation and street maintenance special revenue funds and the water revenue and sewer revenue enterprise funds participate in the program and make payments to the property and liability insurance internal service fund based on estimates of the amounts needed to pay prior year and current year claims. Settled claims have not exceeded this coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

The City has no claims liability at December 31, 2016 or 2015.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

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**Medical Benefits**

The City has elected to provide employee medical, surgical, prescription drug, dental, and vision benefits. The City maintains a self-insurance internal services fund to account for this program. The plan provides medical/surgical coverage with certain deductibles, co-pays and maximum benefits as noted in the plan. The dental/vision benefits are also subject to certain deductibles, co-pays and maximum benefits as noted in the plan. The prescription drug plan utilizes a \$10 generic, \$20 brand name deductible per prescription. The plan is administered by United Healthcare/UMR and overseen by The Fedeli Group. All claims are reviewed by United Healthcare/UMR and the City before claims are paid by the City. All of the above limitations are subject to certain guidelines and restrictions.

The City pays into the self-insurance internal service fund \$1,720 for family coverage and \$668 for single coverage per month. The premium is charged to the fund that records the salary expenditure of the covered employee. The premium is based upon historical cost data provided by the insurance carriers. Employees contribute 10 percent of the prior year's actual costs for health insurance through a payroll deduction. Employees contributed \$171.98 for family coverage or \$70.20 for single coverage for medical, dental and vision.

The claims liability of \$96,591 reported in the medical benefits internal service fund at December 31, 2016 is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims cost, including estimates of cost relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include unallocated claim adjustment expenses. Changes in the medical benefits internal service fund's claims liability amount in 2015 and 2016 were as follows and typically are retired within three months of year end:

	Balance January 1	Current Year Claims	Claim Payments	Balance December 31
2015	\$ 224,400	\$ 1,888,414	\$ 2,042,597	\$ 70,217
2016	\$ 70,217	\$ 1,615,774	\$ 1,589,400	\$ 96,591

**Workers' Compensation**

The City participates in the Workers' Compensation Retrospective Rating Plan for its workers compensation coverage. The City maintains a Workers Compensation internal service fund to account for this program, whereby various departments contribute premiums which are used to pay claim settlements and purchase specified insurance policies.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

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**NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS**

**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 entities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting, and designating management. Budgets are adopted by the Board. Each city's degree of control is limited to its representation on the Board.

The Council has established two subsidiary organizations, the Southwest Emergency Response Team (SERT), which provides hazardous material protection and assistance, technical rescue including water rescue and land-based components, fire investigation and tactical EMS services; and the Southwest Enforcement Bureau (SEB), which provides specially trained officers to respond to incidents where special weapons and tactics are needed, including SWAT, Bomb Squad, Crisis Negotiations and Tactical EMS. In 2016, the City of Berea contributed \$16,000 to the Council. The Council's financial statements may be obtained by contacting Dana J. Kavander, Executive Director, 11 Berea Commons, Berea, Ohio 44017.

**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, the president and the executive vice president of the corporations, 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 2016, the City of Berea contributed \$96,239.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

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**Woodvale Union Cemetery**

The Woodvale Union Cemetery is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Woodvale Union Cemetery provides burial grounds and burial services to the public. The Cemetery is a jointly governed organization among the communities of Berea and Middleburg Heights.

The Cemetery is governed by a joint council consisting of the council members from both member communities. The joint council elects and appoints the members of the Board of Trustees. The members of the Board of Trustees consist of the following: one elected member of the legislative body from each of the political subdivisions, and one appointed resident from either of the political subdivisions who is not a member of the legislative body.

The joint council exercises control over the operation of the Cemetery through budgeting, appropriating, and contracting. The Board of Trustees control daily operations of the Cemetery. Each city's control is limited to its representation on the Joint Council. In 2016, the City of Berea contributed \$10,000 to the Cemetery for operations.

**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 electricity. NOPEC is currently comprised of over 100 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time ensuring stability in prices by entering into long-term contracts with suppliers to provide electricity 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 eight-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. The City of Berea did not contribute to NOPEC during 2016. Financial information can be obtained by contacting Ron McVoy, the Board Chairman, at 175 South Main Street, Akron, Ohio 44308 or at the website [www.nopecinfo.org](http://www.nopecinfo.org).

**Regional Income Tax Agency**

In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) to administer tax collection and enforcement concerns facing member cities and villages. The first official act of the RCOG was to form the Regional Income Tax Agency (RITA) to administer the income tax ordinances of any Ohio municipality that joins the agency through the RCOG. Today, RITA serves as the income tax collection agency for over 250 municipalities throughout the State of Ohio. Financial information may be obtained by writing to RITA, 10107 Brecksville Road, Brecksville, Ohio 44141.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

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**NOTE 18 – CONTINGENCIES**

**Litigation**

The City of Berea is a party to several legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. In those cases where a loss is probable and measurable, a liability has been recognized. It is the opinion of the City that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial position of the City.

**Grants**

The disbursement of funds received under federal and state grants generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any potential disallowed claims resulting from such an audit could become a liability of the City. However, City management believes any such disallowed claims would be immaterial on the overall financial position of the City at December 31, 2016.

**NOTE 19 – COMMITMENTS**

**Encumbrance Commitments**

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

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 46,213
General Capital Improvement Fund	294,992
Nonmajor Governmental Funds	<u>171,594</u>
	<u>\$ 512,799</u>

**Contractual Commitments**

As of December 31, 2016, the City had a contractual commitment in the amount of \$151,600 for a land installment contract.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

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**NOTE 20 – SUBSEQUENT EVENTS**

On March 24, 2017, the City refinanced a treasury investment in the amount of \$600,000 at an interest rate of 1.0 percent to finance the costs of urban renewal projects until the issuance of urban renewal bonds. This note matures on March 23, 2018.

On March 15, 2017, the City issued Various Purpose Bond Anticipation Notes in the amount of \$8,800,900 at an interest rate of 2.0 percent to finance the costs of constructing improvements. These notes mature on March 15, 2018.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the Net Pension Liability*  
*Last Three Years (1)*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b><i>Ohio Public Employees' Retirement System (OPERS)</i></b>			
City's Proportion of the Net Pension Liability	0.0479880%	0.0503090%	0.0503090%
City's Proportionate Share of the Net Pension Liability	\$ 8,312,127	\$ 6,067,828	\$ 5,930,776
City's Covered-Employee Payroll	\$ 5,972,592	\$ 6,167,933	\$ 5,968,754
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	139.17%	98.38%	99.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%
<b><i>Ohio Police and Fire Pension Fund (OPF)</i></b>			
City's Proportion of the Net Pension Liability	0.2080760%	0.1998255%	0.1998255%
City's Proportionate Share of the Net Pension Liability	\$ 13,385,675	\$ 10,351,794	\$ 9,732,129
City's Covered-Employee Payroll	\$ 4,246,290	\$ 3,978,838	\$ 3,980,738
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	315.23%	260.17%	244.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	72.20%	73.00%

(1) Information prior to 2014 is not available.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*Last Ten Years*

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b><i>Ohio Public Employees' Retirement System (OPERS)</i></b>				
Contractually Required Contribution	\$ 768,481	\$ 716,711	\$ 740,152	\$ 775,938
Contributions in Relation to the Contractually Required Contribution	<u>(768,481)</u>	<u>(716,711)</u>	<u>(740,152)</u>	<u>(775,938)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City's covered-employee payroll	\$ 6,404,008	\$ 5,972,592	\$ 6,167,933	\$ 5,968,754
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%
<b><i>Ohio Police and Fire Pension Fund (OPF)</i></b>				
Contractually Required Contribution	\$ 1,003,574	\$ 892,732	\$ 836,257	\$ 705,855
Contributions in relation to the contractually required contribution	<u>(1,003,574)</u>	<u>(892,732)</u>	<u>(836,257)</u>	<u>(705,855)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City's covered-employee payroll	\$ 4,747,571	\$ 4,246,290	\$ 3,978,838	\$ 3,980,738
Contributions as a percentage of covered-employee payroll	21.14%	21.02%	21.02%	17.73%

(n/a) Information prior to 2013 is not available.



<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
\$ 595,236	\$ 636,740	\$ 628,677	\$ 622,699	\$ 597,850	\$ 585,601
<u>(595,236)</u>	<u>(636,740)</u>	<u>(628,677)</u>	<u>(622,699)</u>	<u>(597,850)</u>	<u>(585,601)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 4,044,258	\$ 4,311,948	\$ 4,263,870	\$ 4,234,396	\$ 4,069,347	\$ 3,975,977
14.72%	14.77%	14.74%	14.71%	14.69%	14.73%

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**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

**THE FOLLOWING COMBINING STATEMENTS  
AND SCHEDULES INCLUDE -  
MAJOR AND NON-MAJOR  
GOVERNMENTAL FUNDS,  
PROPRIETARY FUNDS AND  
FIDUCIARY FUNDS**

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statements –*  
*Nonmajor Funds*

**Nonmajor Special Revenue Funds**

The Special Revenue Funds are used to account for the proceeds of specific sources that are legally restricted or committed to expenditure for specified purposes. With the implementation of GASB No. 54, the animal control and municipal court special revenue funds have been classified with the general fund for GAAP reporting purposes. However, these funds have their own legally adopted budget. As a result, an Individual Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual have been presented for these funds. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

***Recreation Fund***

To account for fees collected and income tax levied for the purpose of paying the costs of acquiring, constructing, improving, operating or maintaining the City's recreational facilities and programs.

***State Highway Fund***

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

***Street Maintenance Fund***

To account for that portion of the State gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

***Fire Pension Fund***

To accumulate property taxes levied for the payment of current employer contributions for fire disability and pension benefits and the accrued liability.

***Police Pension Fund***

To accumulate property taxes levied for the payment of current employer contributions for police disability and pension benefits and the accrued liability.

***Safe Students Fund***

To account for revenues received from school districts, grants and donations for school resource officers, training and equipment needs for the safety of students.

***Public Safety Fund***

To account for revenues received from Cuyahoga County and other potential grantors and donors for operating and capital expenditures relating to public safety, including the community engagement unit.

***Animal Control Fund***

To account for revenues generated from animal control activities. This fund is classified with general fund for GAAP reporting purposes.

***Street Lighting Fund***

To account for special assessments levied to pay the costs of street lighting in certain areas of the City.

***Berea Welfare Fund***

To account for donations and expenditures incurred for Berea welfare assistance.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statements –*  
*Nonmajor Funds*

**Nonmajor Special Revenue Funds**

***Community Hospital Fund***

To account for a special property tax levied to provide resources to support a health care facility.

***Community Development Block Grant Fund***

To account for revenues received from the federal government and expenditures incurred as prescribed under the Community Development Block Grant Program.

***Municipal Vehicle Tax Levy Fund***

To account for the additional motor vehicle registration fees designated for maintenance and repair to streets within the City.

***Law Enforcement Fund***

To account for monies seized from criminals by law enforcement officials in the course of their work and restricted, by State statute, for expenditures that would enhance the police department.

***Municipal Court Fund***

To account for funds received and expended by the Berea Municipal Court. This fund is classified with general fund for GAAP reporting purposes.

***Municipal Court Health Insurance Fund***

To account for court costs used to fund the cost of health insurance coverage for court employees.

***Probation Services Fund***

To account for court fees, restricted for the operation of the Court Probation Program.

***Indigent Driver Alcohol Treatment Fund***

To account for the resources obtained from DUI fines and designated, by state statute, for a state approved alcohol treatment program.

***DUI Education Fund***

To account for court fees obtained from DUI cases and restricted by State statute, for expenditures that would enhance DUI education.

***Theft Diversion Fund***

To account for court costs used to fund the cost of theft diversion programs.

***Indigent Driving School Fund***

To account for court fees, restricted for the payment of driving school fees charged to indigent defendants.

***DUS Diversion Fund***

To account for court fees obtained from DUS cases restricted for the operation of the Court's DUS Diversion Program.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statements –*  
*Nonmajor Funds*

**Nonmajor Special Revenue Funds**

***Court Computer Fund***

To account for court fees, restricted for the use and maintenance of the computers within the Berea Municipal Court, Clerk of Courts Office.

***Court Computer Research Fund***

To account for court fees, restricted for the use and maintenance of the computers within the Berea Municipal Court, Judge's Office.

***Court Special Projects Fund***

To account for court fees, restricted for the use of special projects within the Berea Municipal Court.

***Indigent Defendant Alcohol Monitoring Fund***

To account for court costs used to fund a portion of the costs of indigent defendant alcohol monitoring.

***State Highway Patrol Fund***

To account for the resources obtained from state highway fines and designated, by state statute, for expenditures that would enhance the law library.

***Municipal Court Magistrates Fund***

To account for court costs used to fund a portion of the costs of magistrates program established by the Berea Municipal Court.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statements –*  
*Nonmajor Funds*

**Nonmajor Capital Projects Funds**

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

***Safety Capital Improvement Fund***

To account for revenue earmarked for improvements to the Police and Fire Department and the acquisition of capital equipment.

***Recreation Capital Improvement Fund***

To account for monies borrowed or earmarked for capital improvements for recreational purposes.

***Neighborhood Improvement Fund***

To collect revenues related to housing and building code inspections and expend the funds on improvements within the neighborhood for such things as sidewalks, signage, buildings, property improvements, etc.

***Court Capital Improvement Fund***

To account for monies received and expended for the construction of a municipal court building.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2016*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Investments	\$ 1,587,662	\$ 1,164,765	\$ 2,752,427
Accounts Receivable	68,671	23,733	92,404
Intergovernmental Receivable	394,172	0	394,172
Taxes Receivable	755,597	0	755,597
Special Assessments Receivable	600,283	0	600,283
Materials and Supplies Inventory	191,624	0	191,624
<i>Total Assets</i>	<u>\$ 3,598,009</u>	<u>\$ 1,188,498</u>	<u>\$ 4,786,507</u>
<b>Liabilities</b>			
Accounts Payable	\$ 88,335	\$ 3,199	\$ 91,534
Accrued Wages	54,461	12,200	66,661
Contracts Payable	7,095	78,697	85,792
Intergovernmental Payable	157,160	6,710	163,870
<i>Total Liabilities</i>	<u>307,051</u>	<u>100,806</u>	<u>407,857</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes Levied for the Next Year	709,167	0	709,167
Delinquent Property Taxes	46,430	0	46,430
Unavailable Revenue	878,383	0	878,383
<i>Total Deferred Inflows of Resources</i>	<u>1,633,980</u>	<u>0</u>	<u>1,633,980</u>
<b>Fund Balances</b>			
Nonspendable	191,624	0	191,624
Restricted	1,485,214	262,489	1,747,703
Committed	51,388	825,203	876,591
Unassigned	(71,248)	0	(71,248)
<i>Total Fund Balances</i>	<u>1,656,978</u>	<u>1,087,692</u>	<u>2,744,670</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 3,598,009</u>	<u>\$ 1,188,498</u>	<u>\$ 4,786,507</u>



**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in*  
*Fund Balances - Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2016*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Property Taxes	\$ 727,994	\$ 0	\$ 727,994
Special Assessments	673,809	0	673,809
Charges for Services	691,731	150,700	842,431
Licenses and Permits	0	34,832	34,832
Fines and Forfeitures	843,585	305,285	1,148,870
Intergovernmental	1,063,540	0	1,063,540
Interest	3,994	0	3,994
Rent	0	1,300	1,300
Contributions and Donations	51,275	4,000	55,275
Other	2,637	0	2,637
<i>Total Revenues</i>	<u>4,058,565</u>	<u>496,117</u>	<u>4,554,682</u>
<b>Expenditures</b>			
Current:			
General Government	861,579	0	861,579
Security of Persons and Property	1,684,769	0	1,684,769
Public Health	118,279	0	118,279
Leisure Time Services	1,676,456	0	1,676,456
Transportation	844,553	0	844,553
Capital Outlay	158,233	3,881,868	4,040,101
Debt Service:			
Principal Retirement	6,597	0	6,597
Interest and Fiscal Charges	8,195	0	8,195
<i>Total Expenditures</i>	<u>5,358,661</u>	<u>3,881,868</u>	<u>9,240,529</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,300,096)	(3,385,751)	(4,685,847)
<b>Other Financing Sources (Uses)</b>			
Issuance of Bond Anticipation Notes	0	515,000	515,000
Transfers In	1,350,000	1,181,000	2,531,000
<i>Total Other Financing Sources (Uses)</i>	<u>1,350,000</u>	<u>1,696,000</u>	<u>3,046,000</u>
<i>Net Change in Fund Balances</i>	49,904	(1,689,751)	(1,639,847)
<i>Fund Balances Beginning of Year</i>	<u>1,607,074</u>	<u>2,777,443</u>	<u>4,384,517</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,656,978</u>	<u>\$ 1,087,692</u>	<u>\$ 2,744,670</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2016*

	Recreation Fund	State Highway Fund	Street Maintenance Fund	Fire Pension Fund	Police Pension Fund
<b>Assets</b>					
Equity in Pooled Cash and Investments	\$ 84,027	\$ 19,203	\$ 46,699	\$ 16,588	\$ 40,629
Accounts Receivable	18,437	0	0	0	0
Intergovernmental Receivable	0	25,572	315,422	22,471	22,471
Taxes Receivable	0	0	0	333,815	333,815
Special Assessments Receivable	0	0	0	0	0
Materials and Supplies Inventory	0	0	191,624	0	0
<i>Total Assets</i>	<u>\$ 102,464</u>	<u>\$ 44,775</u>	<u>\$ 553,745</u>	<u>\$ 372,874</u>	<u>\$ 396,915</u>
<b>Liabilities</b>					
Accounts Payable	\$ 33,745	\$ 0	\$ 1,933	\$ 0	\$ 0
Accrued Wages	22,477	0	22,262	0	0
Contracts Payable	0	0	0	0	0
Intergovernmental Payable	13,337	0	9,646	65,217	63,248
<i>Total Liabilities</i>	<u>69,559</u>	<u>0</u>	<u>33,841</u>	<u>65,217</u>	<u>63,248</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes Levied for the Next Year	0	0	0	313,248	313,248
Delinquent Property Taxes	0	0	0	20,567	20,567
Unavailable Revenue	0	17,125	211,249	22,471	22,471
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>17,125</u>	<u>211,249</u>	<u>356,286</u>	<u>356,286</u>
<b>Fund Balances</b>					
Nonspendable	0	0	191,624	0	0
Restricted	0	27,650	117,031	0	0
Committed	32,905	0	0	0	0
Unassigned	0	0	0	(48,629)	(22,619)
<i>Total Fund Balances (Deficit)</i>	<u>32,905</u>	<u>27,650</u>	<u>308,655</u>	<u>(48,629)</u>	<u>(22,619)</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 102,464</u>	<u>\$ 44,775</u>	<u>\$ 553,745</u>	<u>\$ 372,874</u>	<u>\$ 396,915</u>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2016*

	Safe Students Fund	Public Safety Fund	Street Lighting Fund	Berea Welfare Fund	Community Hospital Fund
<b>Assets</b>					
Equity in Pooled Cash and Investments	\$ 0	\$ 27,101	\$ 455,649	\$ 18,483	\$ 0
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	4,784
Taxes Receivable	0	0	0	0	87,967
Special Assessments Receivable	0	0	600,283	0	0
Materials and Supplies Inventory	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 0</u>	<u>\$ 27,101</u>	<u>\$ 1,055,932</u>	<u>\$ 18,483</u>	<u>\$ 92,751</u>
<b>Liabilities</b>					
Accounts Payable	\$ 0	\$ 92	\$ 48,822	\$ 0	\$ 0
Accrued Wages	0	0	0	0	0
Contracts Payable	0	0	7,095	0	0
Intergovernmental Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>92</u>	<u>55,917</u>	<u>0</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes Levied for the Next Year	0	0	0	0	82,671
Delinquent Property Taxes	0	0	0	0	5,296
Unavailable Revenue	0	0	600,283	0	4,784
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>600,283</u>	<u>0</u>	<u>92,751</u>
<b>Fund Balances</b>					
Nonspendable	0	0	0	0	0
Restricted	0	27,009	399,732	0	0
Committed	0	0	0	18,483	0
Unassigned	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>27,009</u>	<u>399,732</u>	<u>18,483</u>	<u>0</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 0</u>	<u>\$ 27,101</u>	<u>\$ 1,055,932</u>	<u>\$ 18,483</u>	<u>\$ 92,751</u>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2016*

	Community Development Block Grant Fund	Municipal Vehicle Tax Levy Fund	Law Enforcement Fund	Municipal Court Health Insurance Fund	Probation Services Fund
<b>Assets</b>					
Equity in Pooled Cash and Investments	\$ 0	\$ 18,039	\$ 4,223	\$ 19,336	\$ 2,258
Accounts Receivable	0	0	0	4,202	14,523
Intergovernmental Receivable	0	3,452	0	0	0
Taxes Receivable	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 0</u>	<u>\$ 21,491</u>	<u>\$ 4,223</u>	<u>\$ 23,538</u>	<u>\$ 16,781</u>
<b>Liabilities</b>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 535
Accrued Wages	0	0	0	0	6,558
Contracts Payable	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	3,760
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,853</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes Levied for the Next Year	0	0	0	0	0
Delinquent Property Taxes	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>					
Nonspendable	0	0	0	0	0
Restricted	0	21,491	4,223	23,538	5,928
Committed	0	0	0	0	0
Unassigned	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>21,491</u>	<u>4,223</u>	<u>23,538</u>	<u>5,928</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 0</u>	<u>\$ 21,491</u>	<u>\$ 4,223</u>	<u>\$ 23,538</u>	<u>\$ 16,781</u>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2016*

	Indigent Driver Alcohol Treatment Fund	DUI Education Fund	Theft Diversion Fund	Indigent Driving School Fund	DUS Diversion Fund	Court Computer Fund
<b>Assets</b>						
Equity in Pooled Cash and Investments	\$ 469,710	\$ 19,744	\$ 26,130	\$ 1,028	\$ 33,802	\$ 83,669
Accounts Receivable	3,197	303	1,865	0	850	8,242
Intergovernmental Receivable	0	0	0	0	0	0
Taxes Receivable	0	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 472,907</u>	<u>\$ 20,047</u>	<u>\$ 27,995</u>	<u>\$ 1,028</u>	<u>\$ 34,652</u>	<u>\$ 91,911</u>
<b>Liabilities</b>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 615
Accrued Wages	0	0	530	0	548	0
Contracts Payable	0	0	0	0	0	0
Intergovernmental Payable	0	0	305	0	315	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>835</u>	<u>0</u>	<u>863</u>	<u>615</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes Levied for the Next Year	0	0	0	0	0	0
Delinquent Property Taxes	0	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>						
Nonspendable	0	0	0	0	0	0
Restricted	472,907	20,047	27,160	1,028	33,789	91,296
Committed	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>472,907</u>	<u>20,047</u>	<u>27,160</u>	<u>1,028</u>	<u>33,789</u>	<u>91,296</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 472,907</u>	<u>\$ 20,047</u>	<u>\$ 27,995</u>	<u>\$ 1,028</u>	<u>\$ 34,652</u>	<u>\$ 91,911</u>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2016*

	Court Computer Research Fund	Court Special Projects Fund	Indigent Defendant Alcohol Monitoring Fund	State Highway Patrol Fund	Municipal Court Magistrates Fund	Total Nonmajor Special Revenue Funds
<b>Assets</b>						
Equity in Pooled Cash and Investments	\$ 22,613	\$ 56,070	\$ 114,845	\$ 441	\$ 7,375	\$ 1,587,662
Accounts Receivable	2,495	8,563	849	118	5,027	68,671
Intergovernmental Receivable	0	0	0	0	0	394,172
Taxes Receivable	0	0	0	0	0	755,597
Special Assessments Receivable	0	0	0	0	0	600,283
Materials and Supplies Inventory	0	0	0	0	0	191,624
<i>Total Assets</i>	<u>\$ 25,108</u>	<u>\$ 64,633</u>	<u>\$ 115,694</u>	<u>\$ 559</u>	<u>\$ 12,402</u>	<u>\$ 3,598,009</u>
<b>Liabilities</b>						
Accounts Payable	\$ 615	\$ 1,978	\$ 0	\$ 0	\$ 0	\$ 88,335
Accrued Wages	0	0	0	0	2,086	54,461
Contracts Payable	0	0	0	0	0	7,095
Intergovernmental Payable	0	0	0	0	1,332	157,160
<i>Total Liabilities</i>	<u>615</u>	<u>1,978</u>	<u>0</u>	<u>0</u>	<u>3,418</u>	<u>307,051</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes Levied for the Next Year	0	0	0	0	0	709,167
Delinquent Property Taxes	0	0	0	0	0	46,430
Unavailable Revenue	0	0	0	0	0	878,383
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,633,980</u>
<b>Fund Balances</b>						
Nonspendable	0	0	0	0	0	191,624
Restricted	24,493	62,655	115,694	559	8,984	1,485,214
Committed	0	0	0	0	0	51,388
Unassigned	0	0	0	0	0	(71,248)
<i>Total Fund Balances (Deficit)</i>	<u>24,493</u>	<u>62,655</u>	<u>115,694</u>	<u>559</u>	<u>8,984</u>	<u>1,656,978</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 25,108</u>	<u>\$ 64,633</u>	<u>\$ 115,694</u>	<u>\$ 559</u>	<u>\$ 12,402</u>	<u>\$ 3,598,009</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2016*

	Recreation Fund	State Highway Fund	Street Maintenance Fund	Fire Pension Fund	Police Pension Fund
<b>Revenues</b>					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 321,739	\$ 321,739
Special Assessments	0	0	0	0	0
Charges for Services	691,731	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	0	51,131	630,629	53,908	53,908
Interest	0	1,353	2,641	0	0
Contributions and Donations	500	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>692,231</u>	<u>52,484</u>	<u>633,270</u>	<u>375,647</u>	<u>375,647</u>
<b>Expenditures</b>					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	0	0	541,523	485,789
Public Health	0	0	0	0	0
Leisure Time Services	1,676,456	0	0	0	0
Transportation	0	65,000	744,553	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	1,694	4,903
Interest and Fiscal Charges	0	0	0	2,104	6,091
<i>Total Expenditures</i>	<u>1,676,456</u>	<u>65,000</u>	<u>744,553</u>	<u>545,321</u>	<u>496,783</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(984,225)	(12,516)	(111,283)	(169,674)	(121,136)
<b>Other Financing Sources (Uses)</b>					
Transfers In	<u>1,005,000</u>	<u>0</u>	<u>135,000</u>	<u>120,000</u>	<u>90,000</u>
<i>Net Change in Fund Balances</i>	20,775	(12,516)	23,717	(49,674)	(31,136)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>12,130</u>	<u>40,166</u>	<u>284,938</u>	<u>1,045</u>	<u>8,517</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 32,905</u>	<u>\$ 27,650</u>	<u>\$ 308,655</u>	<u>\$ (48,629)</u>	<u>\$ (22,619)</u>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2016*

	Safe Students Fund	Public Safety Fund	Street Lighting Fund	Berea Welfare Fund	Community Hospital Fund
<b>Revenues</b>					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 84,516
Special Assessments	0	0	673,809	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	20,000	0	0	0	11,724
Interest	0	0	0	0	0
Contributions and Donations	0	31,050	0	19,725	0
Other	0	0	0	2,597	0
<i>Total Revenues</i>	<u>20,000</u>	<u>31,050</u>	<u>673,809</u>	<u>22,322</u>	<u>96,240</u>
<b>Expenditures</b>					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	20,000	4,041	633,416	0	0
Public Health	0	0	0	22,039	96,240
Leisure Time Services	0	0	0	0	0
Transportation	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>20,000</u>	<u>4,041</u>	<u>633,416</u>	<u>22,039</u>	<u>96,240</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	27,009	40,393	283	0
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	0	27,009	40,393	283	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>359,339</u>	<u>18,200</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 27,009</u>	<u>\$ 399,732</u>	<u>\$ 18,483</u>	<u>\$ 0</u>

*(continued)*



**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2016*

	Community Development Block Grant Fund	Municipal Vehicle Tax Levy Fund	Law Enforcement Fund	Municipal Court Health Insurance Fund	Probation Services Fund
<b>Revenues</b>					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Assessments	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	0	0	60,535	274,680
Intergovernmental	158,233	40,007	0	0	0
Interest	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Other	0	0	40	0	0
<i>Total Revenues</i>	<u>158,233</u>	<u>40,007</u>	<u>40</u>	<u>60,535</u>	<u>274,680</u>
<b>Expenditures</b>					
Current:					
General Government	0	0	0	42,461	280,475
Security of Persons and Property	0	0	0	0	0
Public Health	0	0	0	0	0
Leisure Time Services	0	0	0	0	0
Transportation	0	35,000	0	0	0
Capital Outlay	158,233	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>158,233</u>	<u>35,000</u>	<u>0</u>	<u>42,461</u>	<u>280,475</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	5,007	40	18,074	(5,795)
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	0	5,007	40	18,074	(5,795)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>16,484</u>	<u>4,183</u>	<u>5,464</u>	<u>11,723</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 21,491</u>	<u>\$ 4,223</u>	<u>\$ 23,538</u>	<u>\$ 5,928</u>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2016*

	Indigent Driver Alcohol Treatment Fund	DUI Education Fund	Theft Diversion Fund	Indigent Driving School Fund	DUS Diversion Fund	Court Computer Fund
<b>Revenues</b>						
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Assessments	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	0
Fines and Forfeitures	87,779	2,381	15,924	0	28,575	121,005
Intergovernmental	0	0	0	0	0	44,000
Interest	0	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	0
Other	0	0	0	0	0	0
<i>Total Revenues</i>	<u>87,779</u>	<u>2,381</u>	<u>15,924</u>	<u>0</u>	<u>28,575</u>	<u>165,005</u>
<b>Expenditures</b>						
Current:						
General Government	29,191	0	15,857	0	25,431	121,890
Security of Persons and Property	0	0	0	0	0	0
Public Health	0	0	0	0	0	0
Leisure Time Services	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>29,191</u>	<u>0</u>	<u>15,857</u>	<u>0</u>	<u>25,431</u>	<u>121,890</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	58,588	2,381	67	0	3,144	43,115
<b>Other Financing Sources (Uses)</b>						
Transfers In	0	0	0	0	0	0
<i>Net Change in Fund Balances</i>	58,588	2,381	67	0	3,144	43,115
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>414,319</u>	<u>17,666</u>	<u>27,093</u>	<u>1,028</u>	<u>30,645</u>	<u>48,181</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 472,907</u>	<u>\$ 20,047</u>	<u>\$ 27,160</u>	<u>\$ 1,028</u>	<u>\$ 33,789</u>	<u>\$ 91,296</u>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2016*

	Court Computer Research Fund	Court Special Projects Fund	Indigent Defendant Alcohol Monitoring Fund	State Highway Patrol Fund	Municipal Court Magistrates Fund	Total Nonmajor Special Revenue Funds
<b>Revenues</b>						
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 727,994
Special Assessments	0	0	0	0	0	673,809
Charges for Services	0	0	0	0	0	691,731
Fines and Forfeitures	36,474	123,422	15,320	3,404	74,086	843,585
Intergovernmental	0	0	0	0	0	1,063,540
Interest	0	0	0	0	0	3,994
Contributions and Donations	0	0	0	0	0	51,275
Other	0	0	0	0	0	2,637
<i>Total Revenues</i>	<u>36,474</u>	<u>123,422</u>	<u>15,320</u>	<u>3,404</u>	<u>74,086</u>	<u>4,058,565</u>
<b>Expenditures</b>						
Current:						
General Government	132,674	127,300	8,341	4,784	73,175	861,579
Security of Persons and Property	0	0	0	0	0	1,684,769
Public Health	0	0	0	0	0	118,279
Leisure Time Services	0	0	0	0	0	1,676,456
Transportation	0	0	0	0	0	844,553
Capital Outlay	0	0	0	0	0	158,233
Debt Service:						
Principal Retirement	0	0	0	0	0	6,597
Interest and Fiscal Charges	0	0	0	0	0	8,195
<i>Total Expenditures</i>	<u>132,674</u>	<u>127,300</u>	<u>8,341</u>	<u>4,784</u>	<u>73,175</u>	<u>5,358,661</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(96,200)	(3,878)	6,979	(1,380)	911	(1,300,096)
<b>Other Financing Sources (Uses)</b>						
Transfers In	0	0	0	0	0	1,350,000
<i>Net Change in Fund Balances</i>	(96,200)	(3,878)	6,979	(1,380)	911	49,904
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>120,693</u>	<u>66,533</u>	<u>108,715</u>	<u>1,939</u>	<u>8,073</u>	<u>1,607,074</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 24,493</u>	<u>\$ 62,655</u>	<u>\$ 115,694</u>	<u>\$ 559</u>	<u>\$ 8,984</u>	<u>\$ 1,656,978</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2016*

	Safety Capital Improvement Fund	Recreation Capital Improvement Fund	Neighborhood Improvement Fund
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets</b>			
Equity in Pooled Cash and Investments	\$ 67,253	\$ 761,843	\$ 30,046
Accounts Receivable	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$ 67,253</u></u>	<u><u>\$ 761,843</u></u>	<u><u>\$ 30,046</u></u>
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 2,995	\$ 204
Accrued Wages	0	0	12,200
Contracts Payable	0	11,830	0
Intergovernmental Payable	<u>0</u>	<u>0</u>	<u>6,710</u>
<i>Total Liabilities</i>	<u>0</u>	<u>14,825</u>	<u>19,114</u>
<b>Fund Balances</b>			
Restricted	0	0	0
Committed	<u>67,253</u>	<u>747,018</u>	<u>10,932</u>
<i>Total Fund Balances (Deficit)</i>	<u>67,253</u>	<u>747,018</u>	<u>10,932</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$ 67,253</u></u>	<u><u>\$ 761,843</u></u>	<u><u>\$ 30,046</u></u>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2016*

	<u>Court Capital Improvement Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Assets</b>		
Equity in Pooled Cash and Investments	\$ 305,623	\$ 1,164,765
Accounts Receivable	23,733	23,733
	<u>                    </u>	<u>                    </u>
<i>Total Assets</i>	<u>\$ 329,356</u>	<u>\$ 1,188,498</u>
<b>Liabilities</b>		
Accounts Payable	\$ 0	\$ 3,199
Accrued Wages	0	12,200
Contracts Payable	66,867	78,697
Intergovernmental Payable	0	6,710
	<u>                    </u>	<u>                    </u>
<i>Total Liabilities</i>	<u>66,867</u>	<u>100,806</u>
<b>Fund Balances</b>		
Restricted	262,489	262,489
Committed	0	825,203
	<u>                    </u>	<u>                    </u>
<i>Total Fund Balances (Deficit)</i>	<u>262,489</u>	<u>1,087,692</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 329,356</u>	<u>\$ 1,188,498</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2016*

	Safety Capital Improvement Fund	Recreation Capital Improvement Fund	Neighborhood Improvement Fund
<b>Revenues</b>			
Charges for Services	\$ 150,700	\$ 0	\$ 0
Licenses and Permits	0	0	34,832
Fines and Forfeitures	0	0	0
Rent	0	1,300	0
Contributions and Donations	0	0	4,000
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	150,700	1,300	38,832
	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>			
Capital Outlay	634,231	1,006,929	682,514
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	634,231	1,006,929	682,514
	<hr/>	<hr/>	<hr/>
<i>Excess of Revenues Over (Under) Expenditures</i>	(483,531)	(1,005,629)	(643,682)
	<hr/>	<hr/>	<hr/>
<b>Other Financing Sources (Uses)</b>			
Issuance of Bond Anticipation Notes	0	515,000	0
Transfers In	0	611,000	570,000
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	0	1,126,000	570,000
	<hr/>	<hr/>	<hr/>
<i>Net Change in Fund Balances</i>	(483,531)	120,371	(73,682)
	<hr/>	<hr/>	<hr/>
<i>Fund Balances Beginning of Year</i>	550,784	626,647	84,614
	<hr/>	<hr/>	<hr/>
<i>Fund Balances End of Year</i>	\$ 67,253	\$ 747,018	\$ 10,932
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2016*

	Court Capital Improvement Fund	Total Nonmajor Capital Projects Funds
<b>Revenues</b>		
Charges for Services	\$ 0	\$ 150,700
Licenses and Permits	0	34,832
Fines and Forfeitures	305,285	305,285
Rent	0	1,300
Contributions and Donations	0	4,000
	<hr/>	<hr/>
<i>Total Revenues</i>	305,285	496,117
	<hr/>	<hr/>
<b>Expenditures</b>		
Capital Outlay	1,558,194	3,881,868
	<hr/>	<hr/>
<i>Total Expenditures</i>	1,558,194	3,881,868
	<hr/>	<hr/>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,252,909)	(3,385,751)
	<hr/>	<hr/>
<b>Other Financing Sources (Uses)</b>		
Issuance of Bond Anticipation Notes	0	515,000
Transfers In	0	1,181,000
	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	0	1,696,000
	<hr/>	<hr/>
<i>Net Change in Fund Balances</i>	(1,252,909)	(1,689,751)
	<hr/>	<hr/>
<i>Fund Balances Beginning of Year</i>	1,515,398	2,777,443
	<hr/>	<hr/>
<i>Fund Balances End of Year</i>	\$ 262,489	\$ 1,087,692
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**INDIVIDUAL FUND SCHEDULES OF  
REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE-  
BUDGET (NON-GAAP BASIS) AND ACTUAL**

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$ 1,585,233	\$ 1,585,233	\$ 0
Income Taxes	12,515,952	12,515,952	0
Other Local Taxes	307,273	307,273	0
Special Assessments	23,441	23,441	0
Intergovernmental	367,955	367,955	0
Charges for Services	427,961	434,269	6,308
Licenses and Permits	68,183	71,658	3,475
Fines and Forfeitures	707,634	707,634	0
Interest	183,499	196,312	12,813
Refunds and Reimbursements	16,030	16,030	0
Other	8,875	8,875	0
<i>Total Revenues</i>	<u>16,212,036</u>	<u>16,234,632</u>	<u>22,596</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Police Department:			
Personal Services	2,635,316	2,615,324	19,992
Other	592,900	586,248	6,652
Total Police Department	<u>3,228,216</u>	<u>3,201,572</u>	<u>26,644</u>
Fire:			
Personal Services	2,181,597	2,166,362	15,235
Other	110,300	103,921	6,379
Total Fire Department	<u>2,291,897</u>	<u>2,270,283</u>	<u>21,614</u>
Total Security of Persons and Property	<u>5,520,113</u>	<u>5,471,855</u>	<u>48,258</u>
Leisure Time Services:			
Municipal Signage:			
Personal Services	69,500	68,459	1,041
Other	14,400	14,364	36
Total Municipal Signage	<u>83,900</u>	<u>82,823</u>	<u>1,077</u>
Public Grounds:			
Personal Services	377,000	375,282	1,718
Other	55,500	53,367	2,133
Total Public Grounds	<u>432,500</u>	<u>428,649</u>	<u>3,851</u>
Total Leisure Time Services	<u>516,400</u>	<u>511,472</u>	<u>4,928</u>
Community Development:			
Building Department:			
Personal Services	91,842	91,361	481
Other	73,550	72,667	883
Total Building Department	<u>165,392</u>	<u>164,028</u>	<u>1,364</u>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
Engineering Department:			
Personal Services	179,906	178,452	1,454
Other	21,150	20,465	685
Total Engineering Department	<u>201,056</u>	<u>198,917</u>	<u>2,139</u>
Total Community Development	<u>366,448</u>	<u>362,945</u>	<u>3,503</u>
Public Works:			
Storm Sewers and Drains:			
Personal Services	34,700	34,051	649
Other	7,920	7,489	431
Total Storm Sewers and Drains	<u>42,620</u>	<u>41,540</u>	<u>1,080</u>
Refuse Collection and Disposal:			
Other	888,000	887,614	386
Leaf Collection:			
Personal Services	58,000	57,614	386
Other	15,650	15,415	235
Total Leaf Collection	<u>73,650</u>	<u>73,029</u>	<u>621</u>
Snow Removal:			
Personal Services	66,865	66,488	377
Other	163,500	163,083	417
Total Snow Removal	<u>230,365</u>	<u>229,571</u>	<u>794</u>
Total Public Works	<u>1,234,635</u>	<u>1,231,754</u>	<u>2,881</u>
General Government:			
Council:			
Personal Services	136,609	136,386	223
Other	5,700	4,615	1,085
Total Council	<u>142,309</u>	<u>141,001</u>	<u>1,308</u>
Mayor:			
Personal Services	118,500	117,705	795
Other	5,200	1,684	3,516
Total Mayor	<u>123,700</u>	<u>119,389</u>	<u>4,311</u>
Finance			
Personal Services	321,085	316,800	4,285
Other	12,725	10,574	2,151
Total Finance	<u>333,810</u>	<u>327,374</u>	<u>6,436</u>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
Law:			
Personal Services	266,461	263,739	2,722
Other	22,190	19,939	2,251
Total Law	<u>288,651</u>	<u>283,678</u>	<u>4,973</u>
Civil Service Commission:			
Other	5,875	2,607	3,268
Public Safety:			
Personal Services	38,383	37,752	631
Other	13,750	9,674	4,076
Total Public Safety	<u>52,133</u>	<u>47,426</u>	<u>4,707</u>
Municipal Fleet and Equipment:			
Personal Services	175,645	170,918	4,727
Other	191,660	183,489	8,171
Total Municipal Fleet and Equipment	<u>367,305</u>	<u>354,407</u>	<u>12,898</u>
Municipal Building:			
Personal Services	94,435	89,154	5,281
Other	392,997	388,201	4,796
Total Municipal Building	<u>487,432</u>	<u>477,355</u>	<u>10,077</u>
Service Administration:			
Personal Services	132,830	131,529	1,301
Other	12,320	11,936	384
Total Service Administration	<u>145,150</u>	<u>143,465</u>	<u>1,685</u>
Planning and Development:			
Other	15,900	9,522	6,378
Administration:			
Personal Services	1,877,568	1,836,658	40,910
Other	1,059,300	1,000,827	58,473
Total Administration	<u>2,936,868</u>	<u>2,837,485</u>	<u>99,383</u>
Total General Government	<u>4,899,133</u>	<u>4,743,709</u>	<u>155,424</u>
<i>Total Expenditures</i>	<u>12,536,729</u>	<u>12,321,735</u>	<u>214,994</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,675,307</u>	<u>3,912,897</u>	<u>237,590</u>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Other Financing Sources (Uses)</b>			
Advances In	150,000	150,000	0
Transfers Out	(3,724,200)	(3,724,200)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(3,574,200)</u>	<u>(3,574,200)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	101,107	338,697	237,590
<i>Fund Balance (Deficit) Beginning of Year</i>	2,693,137	2,693,137	0
Prior Year Encumbrances Appropriated	47,496	47,496	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 2,841,740</u>	<u>\$ 3,079,330</u>	<u>\$ 237,590</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Bond Retirement Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$ 1,408,836	\$ 1,408,836	\$ 0
Intergovernmental	238,948	238,948	0
Investment Income	11,884	11,884	0
<i>Total Revenues</i>	<u>1,659,668</u>	<u>1,659,668</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government			
Other	136,172	46,307	89,865
Debt Service:			
Principal Retirement	12,066,609	12,025,178	41,431
Interest and Fiscal Charges	697,925	697,925	0
Bond Issuance Costs	41,350	41,350	0
Total Debt Service	<u>12,805,884</u>	<u>12,764,453</u>	<u>41,431</u>
<i>Total Expenditures</i>	<u>12,942,056</u>	<u>12,810,760</u>	<u>131,296</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(11,282,388)</u>	<u>(11,151,092)</u>	<u>131,296</u>
<b>Other Financing Sources (Uses)</b>			
Issuance of General Obligation Bonds	2,875,000	2,875,000	0
Issuance of Notes	10,542,500	10,542,500	0
Premium on Debt Issued	107,690	107,690	0
Payment to Refunded Bond Escrow Agent	(2,775,000)	(2,775,000)	0
Transfers In	500,000	500,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>11,250,190</u>	<u>11,250,190</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(32,198)	99,098	131,296
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>2,878,541</u>	<u>2,878,541</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 2,846,343</u>	<u>\$ 2,977,639</u>	<u>\$ 131,296</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Capital Improvement Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 685,850	\$ 691,850	\$ 6,000
Rent	87,266	87,266	0
Other	44,836	89,342	44,506
<i>Total Revenues</i>	<u>817,952</u>	<u>868,458</u>	<u>50,506</u>
<b>Expenditures</b>			
Capital Outlay	11,233,839	11,055,163	178,676
Debt Service:			
Principal Retirement	1,116,578	1,106,378	10,200
Interest and Fiscal Charges	19,752	19,752	0
Total Debt Service	<u>1,136,330</u>	<u>1,126,130</u>	<u>10,200</u>
<i>Total Expenditures</i>	<u>12,370,169</u>	<u>12,181,293</u>	<u>188,876</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(11,552,217)</u>	<u>(11,312,835)</u>	<u>239,382</u>
<b>Other Financing Sources (Uses)</b>			
Issuance of Internal Notes	750,000	750,000	0
Issuance of Notes	2,585,000	2,585,000	0
Proceeds from Sale of Assets	13,240	13,240	0
Proceeds of OPWC Loans	1,588	1,588	0
Transfers In	563,800	563,800	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,913,628</u>	<u>3,913,628</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(7,638,589)	(7,399,207)	239,382
<i>Fund Balance (Deficit) Beginning of Year</i>	7,819,699	7,819,699	0
Prior Year Encumbrances Appropriated	<u>184,593</u>	<u>184,593</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 365,703</u>	<u>\$ 605,085</u>	<u>\$ 239,382</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Charges for Services	\$ 681,492	\$ 684,825	\$ 3,333
Other	500	500	0
<i>Total Revenues</i>	<u>681,992</u>	<u>685,325</u>	<u>3,333</u>
<b>Expenditures</b>			
Current:			
Leisure Time Activities:			
Personal Services	896,680	880,558	16,122
Other	825,430	801,521	23,909
<i>Total Expenditures</i>	<u>1,722,110</u>	<u>1,682,079</u>	<u>40,031</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,040,118)</u>	<u>(996,754)</u>	<u>43,364</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	1,005,000	1,005,000	0
<i>Net Change in Fund Balance</i>	(35,118)	8,246	43,364
<i>Fund Balance (Deficit) Beginning of Year</i>	40,624	40,624	0
<i>Prior Year Encumbrances Appropriated</i>	10,817	10,817	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 16,323</u>	<u>\$ 59,687</u>	<u>\$ 43,364</u>



**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Highway Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 50,835	\$ 50,971	\$ 136
Investment Income	1,353	1,353	0
<i>Total Revenues</i>	<u>52,188</u>	<u>52,324</u>	<u>136</u>
<b>Expenditures</b>			
Current:			
Transportation			
Other	70,000	65,000	5,000
<i>Total Expenditures</i>	<u>70,000</u>	<u>65,000</u>	<u>5,000</u>
<i>Net Change in Fund Balance</i>	(17,812)	(12,676)	5,136
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>31,878</u>	<u>31,878</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 14,066</u>	<u>\$ 19,202</u>	<u>\$ 5,136</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Maintenance Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 628,642	\$ 628,642	\$ 0
Investment Income	2,308	2,641	333
<i>Total Revenues</i>	<u>630,950</u>	<u>631,283</u>	<u>333</u>
<b>Expenditures</b>			
Current:			
Transportation			
Personal Services	609,029	603,865	5,164
Other	181,850	177,367	4,483
<i>Total Expenditures</i>	<u>790,879</u>	<u>781,232</u>	<u>9,647</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(159,929)</u>	<u>(149,949)</u>	<u>9,980</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	135,000	135,000	0
<i>Net Change in Fund Balance</i>	(24,929)	(14,949)	9,980
<i>Fund Balance (Deficit) Beginning of Year</i>	58,867	58,867	0
<i>Prior Year Encumbrances Appropriated</i>	2,781	2,781	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 36,719</u>	<u>\$ 46,699</u>	<u>\$ 9,980</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Pension Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$ 321,739	\$ 321,739	\$ 0
Intergovernmental	53,908	53,908	0
<i>Total Revenues</i>	<u>375,647</u>	<u>375,647</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Personal Services	522,000	513,003	8,997
<i>Total Expenditures</i>	<u>522,000</u>	<u>513,003</u>	<u>8,997</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(146,353)</u>	<u>(137,356)</u>	<u>8,997</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	120,000	120,000	0
<i>Net Change in Fund Balance</i>	(26,353)	(17,356)	8,997
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>33,943</u>	<u>33,943</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 7,590</u>	<u>\$ 16,587</u>	<u>\$ 8,997</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Pension Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$ 321,739	\$ 321,739	\$ 0
Intergovernmental	53,908	53,908	0
<i>Total Revenues</i>	<u>375,647</u>	<u>375,647</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Personal Services	481,000	465,763	15,237
<i>Total Expenditures</i>	<u>481,000</u>	<u>465,763</u>	<u>15,237</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(105,353)</u>	<u>(90,116)</u>	<u>15,237</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	90,000	90,000	0
<i>Net Change in Fund Balance</i>	(15,353)	(116)	15,237
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>40,745</u>	<u>40,745</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 25,392</u>	<u>\$ 40,629</u>	<u>\$ 15,237</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Safe Students Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Contributions and Donations	\$ 20,000	\$ 20,000	\$ 0
<i>Total Revenues</i>	<u>20,000</u>	<u>20,000</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Other	20,000	20,000	0
<i>Total Expenditures</i>	<u>20,000</u>	<u>20,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public Safety Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 31,050	\$ 31,050	\$ 0
<i>Total Revenues</i>	<u>31,050</u>	<u>31,050</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Personal Services	5,000	4,776	224
<i>Total Expenditures</i>	<u>5,000</u>	<u>4,776</u>	<u>224</u>
<i>Net Change in Fund Balance</i>	26,050	26,274	(224)
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 26,050</u>	<u>\$ 26,274</u>	<u>\$ (224)</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Animal Control Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 400	\$ 400	\$ 0
<i>Total Revenues</i>	<u>400</u>	<u>400</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Other	240	240	0
<i>Total Expenditures</i>	<u>240</u>	<u>240</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	160	160	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>10</u>	<u>10</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 170</u></u>	<u><u>\$ 170</u></u>	<u><u>\$ 0</u></u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Lighting Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Special Assessments	\$ 673,809	\$ 673,809	\$ 0
<i>Total Revenues</i>	<u>673,809</u>	<u>673,809</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Other	882,000	637,629	244,371
<i>Total Expenditures</i>	<u>882,000</u>	<u>637,629</u>	<u>244,371</u>
<i>Net Change in Fund Balance</i>	(208,191)	36,180	244,371
<i>Fund Balance (Deficit) Beginning of Year</i>	333,930	333,930	0
Prior Year Encumbrances Appropriated	<u>70,659</u>	<u>70,659</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 196,398</u>	<u>\$ 440,769</u>	<u>\$ 244,371</u>



**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Berea Welfare Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Contributions and Donations	\$ 19,725	\$ 19,725	\$ 0
Other	2,597	2,597	0
<i>Total Revenues</i>	<u>22,322</u>	<u>22,322</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Public Health and Welfare:			
Other	26,500	25,266	1,234
<i>Total Expenditures</i>	<u>26,500</u>	<u>25,266</u>	<u>1,234</u>
<i>Net Change in Fund Balance</i>	(4,178)	(2,944)	1,234
<i>Fund Balance (Deficit) Beginning of Year</i>	17,232	17,232	0
Prior Year Encumbrances Appropriated	968	968	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 14,022</u>	<u>\$ 15,256</u>	<u>\$ 1,234</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Community Hospital Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$ 84,516	\$ 84,516	\$ 0
Intergovernmental	11,724	11,724	0
<i>Total Revenues</i>	<u>96,240</u>	<u>96,240</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Public Health and Welfare:			
Other	96,240	96,240	0
<i>Total Expenditures</i>	<u>96,240</u>	<u>96,240</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Community Development Block Grant Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 158,233	\$ 158,233	\$ 0
<i>Total Revenues</i>	<u>158,233</u>	<u>158,233</u>	<u>0</u>
<b>Expenditures</b>			
Capital Outlay	158,233	158,233	0
<i>Total Expenditures</i>	<u>158,233</u>	<u>158,233</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Vehicle Tax Levy Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 39,768	\$ 39,768	\$ 0
<i>Total Revenues</i>	<u>39,768</u>	<u>39,768</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Transportation:			
Other	50,000	35,000	15,000
<i>Total Expenditures</i>	<u>50,000</u>	<u>35,000</u>	<u>15,000</u>
<i>Net Change in Fund Balance</i>	(10,232)	4,768	15,000
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>13,273</u>	<u>13,273</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 3,041</u></u>	<u><u>\$ 18,041</u></u>	<u><u>\$ 15,000</u></u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 40	\$ 40	\$ 0
<i>Total Revenues</i>	<u>40</u>	<u>40</u>	<u>0</u>
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	40	40	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>4,183</u>	<u>4,183</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 4,223</u></u>	<u><u>\$ 4,223</u></u>	<u><u>\$ 0</u></u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Court Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 1,575,943	\$ 1,575,943	\$ 0
Refunds and Reimbursements	20,150	20,150	0
<i>Total Revenues</i>	<u>1,596,093</u>	<u>1,596,093</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Municipal Court:			
Personal Services	1,267,320	1,247,184	20,136
Other	210,625	206,540	4,085
<i>Total Expenditures</i>	<u>1,477,945</u>	<u>1,453,724</u>	<u>24,221</u>
<i>Net Change in Fund Balance</i>	118,148	142,369	24,221
<i>Fund Balance (Deficit) Beginning of Year</i>	36,541	36,541	0
Prior Year Encumbrances Appropriated	<u>3,799</u>	<u>3,799</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 158,488</u>	<u>\$ 182,709</u>	<u>\$ 24,221</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Court Health Insurance Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 61,650	\$ 61,650	\$ 0
<i>Total Revenues</i>	<u>61,650</u>	<u>61,650</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Other	45,000	42,461	2,539
<i>Total Expenditures</i>	<u>45,000</u>	<u>42,461</u>	<u>2,539</u>
<i>Net Change in Fund Balance</i>	16,650	19,189	2,539
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>147</u>	<u>147</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 16,797</u></u>	<u><u>\$ 19,336</u></u>	<u><u>\$ 2,539</u></u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Probation Services Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 280,876	\$ 280,876	\$ 0
<i>Total Revenues</i>	<u>280,876</u>	<u>280,876</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Personal Services	244,481	244,297	184
Other	38,400	38,327	73
<i>Total Expenditures</i>	<u>282,881</u>	<u>282,624</u>	<u>257</u>
<i>Net Change in Fund Balance</i>	(2,005)	(1,748)	257
<i>Fund Balance (Deficit) Beginning of Year</i>	795	795	0
Prior Year Encumbrances Appropriated	<u>1,310</u>	<u>1,310</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 100</u>	<u>\$ 357</u>	<u>\$ 257</u>



**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Indigent Driver Alcohol Treatment Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 86,311	\$ 86,311	\$ 0
<i>Total Revenues</i>	<u>86,311</u>	<u>86,311</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Other	72,000	60,941	11,059
<i>Total Expenditures</i>	<u>72,000</u>	<u>60,941</u>	<u>11,059</u>
<i>Net Change in Fund Balance</i>	14,311	25,370	11,059
<i>Fund Balance (Deficit) Beginning of Year</i>	409,016	409,016	0
Prior Year Encumbrances Appropriated	<u>3,575</u>	<u>3,575</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 426,902</u>	<u>\$ 437,961</u>	<u>\$ 11,059</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*DUI Education Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 2,078	\$ 2,078	\$ 0
<i>Total Revenues</i>	<u>2,078</u>	<u>2,078</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Other	17,500	0	17,500
<i>Total Expenditures</i>	<u>17,500</u>	<u>0</u>	<u>17,500</u>
<i>Net Change in Fund Balance</i>	(15,422)	2,078	17,500
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>17,665</u>	<u>17,665</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 2,243</u></u>	<u><u>\$ 19,743</u></u>	<u><u>\$ 17,500</u></u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Theft Diversion Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 15,140	\$ 15,140	\$ 0
<i>Total Revenues</i>	<u>15,140</u>	<u>15,140</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Personal Services	19,381	15,882	3,499
Other	<u>1,000</u>	<u>0</u>	<u>1,000</u>
<i>Total Expenditures</i>	<u>20,381</u>	<u>15,882</u>	<u>4,499</u>
<i>Net Change in Fund Balance</i>	(5,241)	(742)	4,499
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>26,872</u>	<u>26,872</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 21,631</u></u>	<u><u>\$ 26,130</u></u>	<u><u>\$ 4,499</u></u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Indigent Driving School Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>	\$ 0	\$ 0	\$ 0
<b>Expenditures</b>			
Current:			
General Government:			
Other	1,028	0	1,028
<i>Total Expenditures</i>	1,028	0	1,028
<i>Net Change in Fund Balance</i>	(1,028)	0	1,028
<i>Fund Balance (Deficit) Beginning of Year</i>	1,028	1,028	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 1,028</u>	<u>\$ 1,028</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*DUS Diversion Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 31,438	\$ 31,438	\$ 0
<i>Total Revenues</i>	<u>31,438</u>	<u>31,438</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Council:			
Personal Services	29,072	25,616	3,456
Other	20,000	0	20,000
<i>Total Expenditures</i>	<u>49,072</u>	<u>25,616</u>	<u>23,456</u>
<i>Net Change in Fund Balance</i>	(17,634)	5,822	23,456
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>27,980</u>	<u>27,980</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 10,346</u></u>	<u><u>\$ 33,802</u></u>	<u><u>\$ 23,456</u></u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Court Computer Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 123,448	\$ 123,448	\$ 0
Fines and Forfeitures	44,000	44,000	0
<i>Total Revenues</i>	<u>167,448</u>	<u>167,448</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Other	127,000	125,267	1,733
<i>Total Expenditures</i>	<u>127,000</u>	<u>125,267</u>	<u>1,733</u>
<i>Net Change in Fund Balance</i>	40,448	42,181	1,733
<i>Fund Balance (Deficit) Beginning of Year</i>	35,166	35,166	0
Prior Year Encumbrances Appropriated	4,350	4,350	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 79,964</u>	<u>\$ 81,697</u>	<u>\$ 1,733</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Court Computer Research Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 37,200	\$ 37,200	\$ 0
<i>Total Revenues</i>	<u>37,200</u>	<u>37,200</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Other	150,000	133,510	16,490
<i>Total Expenditures</i>	<u>150,000</u>	<u>133,510</u>	<u>16,490</u>
<i>Net Change in Fund Balance</i>	(112,800)	(96,310)	16,490
<i>Fund Balance (Deficit) Beginning of Year</i>	116,940	116,940	0
Prior Year Encumbrances Appropriated	<u>672</u>	<u>672</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 4,812</u>	<u>\$ 21,302</u>	<u>\$ 16,490</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Court Special Projects Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 125,767	\$ 125,767	\$ 0
<i>Total Revenues</i>	<u>125,767</u>	<u>125,767</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Other	180,000	131,270	48,730
<i>Total Expenditures</i>	<u>180,000</u>	<u>131,270</u>	<u>48,730</u>
<i>Net Change in Fund Balance</i>	(54,233)	(5,503)	48,730
<i>Fund Balance (Deficit) Beginning of Year</i>	45,943	45,943	0
Prior Year Encumbrances Appropriated	<u>11,266</u>	<u>11,266</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 2,976</u>	<u>\$ 51,706</u>	<u>\$ 48,730</u>



**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Indigent Defendant Alcohol Monitoring Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 16,021	\$ 16,021	\$ 0
<i>Total Revenues</i>	<u>16,021</u>	<u>16,021</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Other	100,000	15,474	84,526
<i>Total Expenditures</i>	<u>100,000</u>	<u>15,474</u>	<u>84,526</u>
<i>Net Change in Fund Balance</i>	(83,979)	547	84,526
<i>Fund Balance (Deficit) Beginning of Year</i>	106,445	106,445	0
Prior Year Encumbrances Appropriated	<u>720</u>	<u>720</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 23,186</u>	<u>\$ 107,712</u>	<u>\$ 84,526</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Highway Patrol Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 3,286	\$ 3,286	\$ 0
<i>Total Revenues</i>	<u>3,286</u>	<u>3,286</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Other	4,785	4,785	0
<i>Total Expenditures</i>	<u>4,785</u>	<u>4,785</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,499)	(1,499)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>1,939</u>	<u>1,939</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 440</u>	<u>\$ 440</u>	<u>\$ 0</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Court Magistrates Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 75,480	\$ 75,480	\$ 0
<i>Total Revenues</i>	<u>75,480</u>	<u>75,480</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Personal Services	73,194	72,924	270
Other	1,476	0	1,476
<i>Total Expenditures</i>	<u>74,670</u>	<u>72,924</u>	<u>1,746</u>
<i>Net Change in Fund Balance</i>	810	2,556	1,746
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>4,819</u>	<u>4,819</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 5,629</u>	<u>\$ 7,375</u>	<u>\$ 1,746</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Safety Capital Improvement Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Charges for Services	\$ 150,700	\$ 150,700	\$ 0
<i>Total Revenues</i>	<u>150,700</u>	<u>150,700</u>	<u>0</u>
<b>Expenditures</b>			
Capital Outlay:			
Other	701,483	654,413	47,070
<i>Total Expenditures</i>	<u>701,483</u>	<u>654,413</u>	<u>47,070</u>
<i>Net Change in Fund Balance</i>	(550,783)	(503,713)	47,070
<i>Fund Balance (Deficit) Beginning of Year</i>	519,355	519,355	0
Prior Year Encumbrances Appropriated	<u>31,428</u>	<u>31,428</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 47,070</u>	<u>\$ 47,070</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation Capital Improvement Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Rent	\$ 0	\$ 1,300	\$ 1,300
<i>Total Revenues</i>	<u>0</u>	<u>1,300</u>	<u>1,300</u>
<b>Expenditures</b>			
Capital Outlay:			
Other	1,092,049	1,058,036	34,013
<i>Total Expenditures</i>	<u>1,092,049</u>	<u>1,058,036</u>	<u>34,013</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,092,049)</u>	<u>(1,056,736)</u>	<u>35,313</u>
<b>Other Financing Sources (Uses)</b>			
Issuance of Notes	515,000	515,000	0
Transfers In	611,000	611,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,126,000</u>	<u>1,126,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	33,951	69,264	35,313
<i>Fund Balance (Deficit) Beginning of Year</i>	118,644	118,644	0
<i>Prior Year Encumbrances Appropriated</i>	<u>508,002</u>	<u>508,002</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 660,597</u>	<u>\$ 695,910</u>	<u>\$ 35,313</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Neighborhood Improvement Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Licenses and Permits	\$ 34,357	\$ 34,832	\$ 475
Contributions and Donations	4,000	4,000	0
<i>Total Revenues</i>	<u>38,357</u>	<u>38,832</u>	<u>475</u>
<b>Expenditures</b>			
Capital Outlay:			
Personal Services	485,777	479,882	5,895
Other	232,779	219,945	12,834
<i>Total Expenditures</i>	<u>718,556</u>	<u>699,827</u>	<u>18,729</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(680,199)</u>	<u>(660,995)</u>	<u>19,204</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	570,000	570,000	0
<i>Net Change in Fund Balance</i>	(110,199)	(90,995)	19,204
<i>Fund Balance (Deficit) Beginning of Year</i>	114,188	114,188	0
Prior Year Encumbrances Appropriated	4,538	4,538	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 8,527</u>	<u>\$ 27,731</u>	<u>\$ 19,204</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Court Capital Improvement Fund*  
*For the Year Ended December 31, 2016*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Licenses and Permits	\$ 302,502	\$ 302,502	\$ 0
<i>Total Revenues</i>	<u>302,502</u>	<u>302,502</u>	<u>0</u>
<b>Expenditures</b>			
Capital Outlay:			
Other	1,734,448	1,614,531	119,917
<i>Total Expenditures</i>	<u>1,734,448</u>	<u>1,614,531</u>	<u>119,917</u>
<i>Net Change in Fund Balance</i>	(1,431,946)	(1,312,029)	119,917
<i>Fund Balance (Deficit) Beginning of Year</i>	165,265	165,265	0
Prior Year Encumbrances Appropriated	<u>1,329,183</u>	<u>1,329,183</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 62,502</u>	<u>\$ 182,419</u>	<u>\$ 119,917</u>

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**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statements -*  
*Internal Service Funds*

These funds are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost-reimbursement basis.

***Medical Benefits Fund***

To account for the operation of the City's self-insurance program for employee health benefits.

***Property/Liability Insurance Fund***

To account for the operation of the City's self-insurance program for property and liability insurance.

***Workers Compensation Fund***

To account for the payment of the City's workers compensation insurance.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Fund Net Position*  
*Internal Service Funds*  
*December 31, 2016*

	Medical Benefits Fund	Property/ Liability Insurance Fund	Workers Compensation Fund	Totals
<b>Assets</b>				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 225,667	\$ 20,436	\$ 573,764	\$ 819,867
Accounts Receivable	4,391	0	5,375	9,766
Prepaid Items	0	0	268,774	268,774
<i>Total Assets</i>	<u>230,058</u>	<u>20,436</u>	<u>847,913</u>	<u>1,098,407</u>
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable	9,726	925	0	10,651
Claims Payable	96,591	0	0	96,591
<i>Total Liabilities</i>	<u>106,317</u>	<u>925</u>	<u>0</u>	<u>107,242</u>
<b>Net Position</b>				
Unrestricted (Deficit)	<u>\$ 123,741</u>	<u>\$ 19,511</u>	<u>\$ 847,913</u>	<u>\$ 991,165</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Revenues, Expenses*  
*and Changes in Fund Net Position*  
*Internal Service Funds*  
*For the Year Ended December 31, 2016*

	Medical Benefits Fund	Property/ Liability Insurance Fund	Workers Compensation Fund	Totals
<b>Operating Revenues</b>				
Charges for Services	\$ 1,850,660	\$ 380,000	\$ 384,685	\$ 2,615,345
Reimbursements	59,124	16,276	0	75,400
Other	0	0	5,375	5,375
<i>Total Operating Revenues</i>	<u>1,909,784</u>	<u>396,276</u>	<u>390,060</u>	<u>2,696,120</u>
<b>Operating Expenses</b>				
Contractual Services	479,808	374,357	308,237	1,162,402
Claims	1,587,948	27,826	0	1,615,774
Other	5,708	4,910	0	10,618
<i>Total Operating Expenses</i>	<u>2,073,464</u>	<u>407,093</u>	<u>308,237</u>	<u>2,788,794</u>
<i>Operating Income (Loss)</i>	(163,680)	(10,817)	81,823	(92,674)
<i>Net Position Beginning of Year</i>	<u>287,421</u>	<u>30,328</u>	<u>766,090</u>	<u>1,083,839</u>
<i>Net Position End of Year</i>	<u>\$ 123,741</u>	<u>\$ 19,511</u>	<u>\$ 847,913</u>	<u>\$ 991,165</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Cash Flow-*  
*Internal Service Funds*  
*December 31, 2016*

	Medical Benefits Fund	Property/ Liability Insurance Fund	Workers Compensation Fund	Total Internal Service Funds
<b>Cash Flows From Operating Activities</b>				
Cash Received from Customers	\$ 1,905,393	\$ 396,276	\$ 379,310	\$ 2,680,979
Cash Payments for Contractual Services	(475,790)	(378,342)	(577,011)	(1,431,143)
Cash Payments for Claims	(1,561,574)	(27,826)	0	(1,589,400)
Other Cash Receipts	0	0	5,375	5,375
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>(131,971)</u>	<u>(9,892)</u>	<u>(192,326)</u>	<u>(334,189)</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	(131,971)	(9,892)	(192,326)	(334,189)
<i>Cash and Investments Beginning of Year</i>	<u>357,638</u>	<u>30,328</u>	<u>766,090</u>	<u>1,154,056</u>
<i>Cash and Investments End of Year</i>	<u>\$ 225,667</u>	<u>\$ 20,436</u>	<u>\$ 573,764</u>	<u>\$ 819,867</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities</b>				
Operating Income (Loss)	\$ (163,680)	\$ (10,817)	\$ 81,823	\$ (92,674)
Adjustments:				
(Increase) Decrease in Assets:				
Accounts Receivable	(4,391)	0	(5,375)	(9,766)
Prepays	0	0	(268,774)	(268,774)
Increase (Decrease) in Liabilities:				
Accounts Payable	9,726	925	0	10,651
Claims Payable	26,374	0	0	26,374
<i>Total Adjustments</i>	<u>31,709</u>	<u>925</u>	<u>(274,149)</u>	<u>(241,515)</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ (131,971)</u>	<u>\$ (9,892)</u>	<u>\$ (192,326)</u>	<u>\$ (334,189)</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statements –*  
*Agency Funds*

***Fiduciary Funds***

To account for assets held by the City as an agency for individuals, private organizations, other governmental units, and other funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

***Agency Funds***

***Regional Sewer Fund***

To account for the collection of revenues to be remitted to the Northeast Ohio Regional Sewer District.

***Contract Retainer Fund***

To account for monies withheld from payments on construction contracts, to ensure compliance regarding the project, with the City.

***Guarantee Deposits Fund***

To account for the deposits made by builders to ensure compliance with building codes.

***Ohio Board of Building Standards Fund***

To account for state building fees collected from builders and disbursed to the State Board of Building Standards.

***Metroparks Fund***

To account for the collection and distribution of revenue received from the municipal court for the Metroparks.

***Municipal Court Fund***

To account for the collection and distribution of revenue associated with the operations of the Berea Municipal Court.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Assets and Liabilities*  
*Agency Funds*  
*December 31, 2016*

	<u>Regional Sewer</u>	<u>Contract Retainer</u>	<u>Guarantee Deposits</u>	<u>Ohio Board of Building Standards</u>
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 1,002,737	\$ 329,789	\$ 54,565	\$ 158
Cash in Segregated Accounts	0	0	0	0
Accounts Receivable	<u>1,852,992</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$ 2,855,729</u></u>	<u><u>\$ 329,789</u></u>	<u><u>\$ 54,565</u></u>	<u><u>\$ 158</u></u>
<b>Liabilities</b>				
Accounts Payable	\$ 983,185	\$ 0	\$ 0	\$ 0
Due to Other Governments	1,872,544	0	0	158
Deposits Held and Due to Others	<u>0</u>	<u>329,789</u>	<u>54,565</u>	<u>0</u>
<i>Total Liabilities</i>	<u><u>\$ 2,855,729</u></u>	<u><u>\$ 329,789</u></u>	<u><u>\$ 54,565</u></u>	<u><u>\$ 158</u></u>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Assets and Liabilities*  
*Agency Funds*  
*December 31, 2016*

	Metroparks	Municipal Court	Totals
<b>Assets</b>			
Equity in Pooled Cash and Investments	\$ 5,289	\$ 0	\$ 1,392,538
Cash in Segregated Accounts	0	397,905	397,905
Accounts Receivable	0	0	1,852,992
<i>Total Assets</i>	<i>\$ 5,289</i>	<i>\$ 397,905</i>	<i>\$ 3,643,435</i>
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 983,185
Due to Other Governments	5,289	397,905	2,275,896
Deposits Held and Due to Others	0	0	384,354
<i>Total Liabilities</i>	<i>\$ 5,289</i>	<i>\$ 397,905</i>	<i>\$ 3,643,435</i>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2016*

	Beginning Balance 1/1/2016	Additions	Reductions	Ending Balance 12/31/2016
<b>Regional Sewer</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 984,373	\$ 4,276,661	\$ 4,258,297	\$ 1,002,737
Accounts Receivable	1,693,378	1,852,992	1,693,378	1,852,992
<i>Total Assets</i>	<u>\$ 2,677,751</u>	<u>\$ 6,129,653</u>	<u>\$ 5,951,675</u>	<u>\$ 2,855,729</u>
<b>Liabilities</b>				
Accounts Payable	\$ 865,498	\$ 983,185	\$ 865,498	\$ 983,185
Due to Other Governments	1,812,253	865,498	805,207	1,872,544
<i>Total Liabilities</i>	<u>\$ 2,677,751</u>	<u>\$ 1,848,683</u>	<u>\$ 1,670,705</u>	<u>\$ 2,855,729</u>
<b>Contract Retainer</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 177,664	\$ 320,165	\$ 168,040	\$ 329,789
<i>Total Assets</i>	<u>\$ 177,664</u>	<u>\$ 320,165</u>	<u>\$ 168,040</u>	<u>\$ 329,789</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 177,664	\$ 320,165	\$ 168,040	\$ 329,789
<i>Total Liabilities</i>	<u>\$ 177,664</u>	<u>\$ 320,165</u>	<u>\$ 168,040</u>	<u>\$ 329,789</u>
<b>Guarantee Deposits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 89,746	\$ 45,188	\$ 80,369	\$ 54,565
<i>Total Assets</i>	<u>\$ 89,746</u>	<u>\$ 45,188</u>	<u>\$ 80,369</u>	<u>\$ 54,565</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 89,746	\$ 45,188	\$ 80,369	\$ 54,565
<i>Total Liabilities</i>	<u>\$ 89,746</u>	<u>\$ 45,188</u>	<u>\$ 80,369</u>	<u>\$ 54,565</u>

*(continued)*



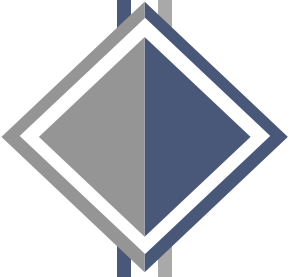
**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2016*

	Beginning Balance 1/1/2016	Additions	Reductions	Ending Balance 12/31/2016
<b>Ohio Board of Building Standards</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 327	\$ 4,276	\$ 4,445	\$ 158
<i>Total Assets</i>	<u>\$ 327</u>	<u>\$ 4,276</u>	<u>\$ 4,445</u>	<u>\$ 158</u>
<b>Liabilities</b>				
Due to Other Governments	\$ 327	\$ 4,276	\$ 4,445	\$ 158
<i>Total Liabilities</i>	<u>\$ 327</u>	<u>\$ 4,276</u>	<u>\$ 4,445</u>	<u>\$ 158</u>
<b>Metroparks</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 5,028	\$ 5,753	\$ 5,492	\$ 5,289
<i>Total Assets</i>	<u>\$ 5,028</u>	<u>\$ 5,753</u>	<u>\$ 5,492</u>	<u>\$ 5,289</u>
<b>Liabilities</b>				
Due to Other Governments	\$ 5,028	\$ 5,753	\$ 5,492	\$ 5,289
<i>Total Liabilities</i>	<u>\$ 5,028</u>	<u>\$ 5,753</u>	<u>\$ 5,492</u>	<u>\$ 5,289</u>
<b>Municipal Court</b>				
<b>Assets</b>				
Cash in Segregated Accounts	\$ 428,536	\$ 4,611,053	\$ 4,641,684	\$ 397,905
<i>Total Assets</i>	<u>\$ 428,536</u>	<u>\$ 4,611,053</u>	<u>\$ 4,641,684</u>	<u>\$ 397,905</u>
<b>Liabilities</b>				
Due to Other Governments	\$ 428,536	\$ 4,611,053	\$ 4,641,684	\$ 397,905
<i>Total Liabilities</i>	<u>\$ 428,536</u>	<u>\$ 4,611,053</u>	<u>\$ 4,641,684</u>	<u>\$ 397,905</u>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2016*

	Beginning Balance 1/1/2016	Additions	Reductions	Ending Balance 12/31/2016
<b>Total Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 1,257,138	\$ 4,652,043	\$ 4,516,643	\$ 1,392,538
Cash in Segregated Accounts	428,536	4,611,053	4,641,684	397,905
Accounts Receivable	1,693,378	1,852,992	1,693,378	1,852,992
	<u>1,693,378</u>	<u>1,852,992</u>	<u>1,693,378</u>	<u>1,852,992</u>
<i>Total Assets</i>	<u>\$ 3,379,052</u>	<u>\$ 11,116,088</u>	<u>\$ 10,851,705</u>	<u>\$ 3,643,435</u>
<b>Liabilities</b>				
Accounts Payable	\$ 865,498	\$ 983,185	\$ 865,498	\$ 983,185
Due to Other Governments	2,246,144	5,486,580	5,456,828	2,275,896
Deposits Held and Due to Others	267,410	365,353	248,409	384,354
	<u>267,410</u>	<u>365,353</u>	<u>248,409</u>	<u>384,354</u>
<i>Total Liabilities</i>	<u>\$ 3,379,052</u>	<u>\$ 6,835,118</u>	<u>\$ 6,570,735</u>	<u>\$ 3,643,435</u>



# STATISTICAL SECTION



## Statistical Section

This part of the City of Berea, Ohio's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S-2 - S-11
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue source; the property tax and the municipal income tax.	S-12 - S-21
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S-22 - S-29
<b>Economic and Demographic Information</b>	
These schedules offer economic and demographic indicators to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S-30 - S-31
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the service the City provides and the activities it performs.	S-32 - S-39

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**NOTE:**

With the implementation of GASB no. 54 for 2011, there have been minor reclassifications of funds (example special revenue funds consolidated with the general fund for GAAP purposes). Prior year amounts have not been adjusted to reflect this change.

During 2013, the City implemented GASB 65. Prior year amounts have not been adjusted to reflect this change.

With the implementation of GASB 68 in 2015, the calculation of pension expense has changed; however, government-wide expenses for 2014 and prior years were not restated to reflect this change.

**City of Berea, Ohio**  
*Net Position By Component*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

	2016	2015	Restated 2014	2013
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 60,290,157	\$ 52,594,409	\$ 55,271,913	\$ 57,752,563
Restricted:				
Capital Projects	95,998	0	0	0
Debt Service	0	2,983,819	2,973,127	2,779,034
Street Lighting	1,000,015	980,414	969,411	872,108
Street Maintenance and Repair	509,831	468,849	445,028	527,701
Court Operations and Capital Outlay	464,471	1,756,269	1,667,683	1,417,252
Security Operations	98,668	75,583	107,601	147,168
Drug and Alcohol Programs	609,676	541,728	468,872	418,540
Other Purposes *	19,064	18,276	187,931	353,155
Unrestricted	<u>(2,941,721)</u>	<u>(5,512,168)</u>	<u>(7,909,245)</u>	<u>6,806,855</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 60,146,159</u>	<u>\$ 53,907,179</u>	<u>\$ 54,182,321</u>	<u>\$ 71,074,376</u>
<b>Business Type - Activities</b>				
Net Investment in Capital Assets	\$ 25,111,856	\$ 25,256,979	\$ 23,457,040	\$ 23,626,242
Restricted:				
Renewal and Replacement	22,905	0	0	0
Unrestricted	<u>(187,177)</u>	<u>699,079</u>	<u>2,431,856</u>	<u>2,993,113</u>
<b>Total Business-Type Activities Net Position</b>	<u>\$ 24,947,584</u>	<u>\$ 25,956,058</u>	<u>\$ 25,888,896</u>	<u>\$ 26,619,355</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	\$ 85,402,013	\$ 77,851,388	\$ 78,728,953	\$ 81,378,805
Restricted	2,820,628	6,824,938	6,819,653	6,514,958
Unrestricted	<u>(3,128,898)</u>	<u>(4,813,089)</u>	<u>(5,477,389)</u>	<u>9,799,968</u>
<b>Total Primary Government Net Position</b>	<u>\$ 85,093,743</u>	<u>\$ 79,863,237</u>	<u>\$ 80,071,217</u>	<u>\$ 97,693,731</u>

\* Note: Restricted for street lighting and restricted for street maintenance and repair have been separately displayed starting in 2008, court operations was separated in 2011 and security and drug and alcohol programs were separated in 2013. These were previously included in restricted for other purposes.

2012	Restated 2011	Restated 2010	2009	Restated 2008	2007
\$ 57,295,806	\$ 58,992,954	\$ 61,091,099	\$ 59,019,083	\$ 54,735,567	\$ 53,184,519
0	673,065	915,815	2,486,092	301,374	0
2,642,411	2,347,649	1,292,551	1,104,494	905,303	680,940
1,042,402	1,067,706	1,055,354	1,093,595	755,289	0
478,130	446,422	376,397	395,710	304,989	0
306,864	386,601	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
449,324	167,605	701,198	628,634	703,967	2,096,437
5,917,006	4,476,698	3,736,574	2,022,870	4,320,878	1,338,161
<u>\$ 68,131,943</u>	<u>\$ 68,558,700</u>	<u>\$ 69,168,988</u>	<u>\$ 66,750,478</u>	<u>\$ 62,027,367</u>	<u>\$ 57,300,057</u>
\$ 23,368,937	\$ 24,600,139	\$ 20,243,615	\$ 19,919,357	\$ 20,018,990	\$ 19,953,368
0	0	0	0	0	0
3,040,813	2,018,042	2,326,082	2,274,499	1,815,540	1,612,870
<u>\$ 26,409,750</u>	<u>\$ 26,618,181</u>	<u>\$ 22,569,697</u>	<u>\$ 22,193,856</u>	<u>\$ 21,834,530</u>	<u>\$ 21,566,238</u>
\$ 80,664,743	\$ 83,593,093	\$ 81,334,714	\$ 78,938,440	\$ 74,754,557	\$ 73,137,887
4,919,131	5,089,048	4,341,315	5,708,525	2,970,922	2,777,377
8,957,819	6,494,740	6,062,656	4,297,369	6,136,418	2,951,031
<u>\$ 94,541,693</u>	<u>\$ 95,176,881</u>	<u>\$ 91,738,685</u>	<u>\$ 88,944,334</u>	<u>\$ 83,861,897</u>	<u>\$ 78,866,295</u>

**City of Berea, Ohio**  
*Changes in Net Position*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

	2016	2015	2014	2013
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$ 2,907,910	\$ 2,884,065	\$ 2,678,278	\$ 2,661,404
Security of Persons and Property	1,169,955	1,136,291	1,166,634	1,156,701
Public Health	0	4,203	7,848	0
Leisure Time Services	691,324	700,292	643,457	577,155
Community Development	37,322	41,245	32,363	36,471
Public Works	0	0	0	0
Basic Utility	392,551	0	0	0
Transportation	0	246,661	256,028	248,202
Subtotal - Charges for Services	<u>5,199,062</u>	<u>5,012,757</u>	<u>4,784,608</u>	<u>4,679,933</u>
Operating Grants and Contributions:				
General Government	138,625	10,000	10,000	118,308
Security of Persons and Property	137,757	89,870	107,585	42,888
Public Health	31,443	15,708	22,263	27,618
Leisure Time Services	2,206	4,500	0	0
Community Development	4,000	4,861	0	300
Public Works	0	0	0	0
Transportation	826,739	791,526	804,587	983,318
Subtotal - Operating Grants and Contributions	<u>1,140,770</u>	<u>916,465</u>	<u>944,435</u>	<u>1,172,432</u>
Capital Grants and Contributions:				
General Government	0	0	0	941,534
Security of Persons and Property	0	0	0	0
Leisure Time Services	7,374,955	1,191,998	0	3,665,728
Community Development	158,233	0	0	0
Transportation	734,723	345,893	0	0
Subtotal - Capital Grants and Contributions	<u>8,267,911</u>	<u>1,537,891</u>	<u>0</u>	<u>4,607,262</u>
<i>Total Governmental Activities Program Revenues</i>	<u>14,607,743</u>	<u>7,467,113</u>	<u>5,729,043</u>	<u>10,459,627</u>
Business-Type Activities:				
Charges for Services:				
Water	2,741,241	2,507,159	2,496,104	2,591,376
Sewer	775,627	791,863	743,737	766,431
Operating Grants and Contributions				
Water	74,695	75,620	74,177	74,604
Capital Grants and Contributions				
Water	254,996	7,343	0	0
Sewer	354,777	5,278	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>4,201,336</u>	<u>3,387,263</u>	<u>3,314,018</u>	<u>3,432,411</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 18,809,079</u>	<u>\$ 10,854,376</u>	<u>\$ 9,043,061</u>	<u>\$ 13,892,038</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	\$ 8,331,714	\$ 7,664,155	\$ 8,291,476	\$ 7,164,279
Security of Persons and Property	8,565,299	7,359,179	6,753,040	6,852,063
Public Health	118,279	151,785	151,971	134,122
Leisure Time Services	3,340,337	2,919,372	3,223,496	4,534,669
Community Development	388,886	353,620	514,483	396,804
Public Works	1,266,920	1,247,527	1,243,488	1,167,454
Transportation	3,786,704	3,420,711	3,965,988	3,346,244
Interest and Fiscal Charges	648,626	582,951	478,972	588,644
<i>Total Governmental Activities Expenses</i>	<u>26,446,765</u>	<u>23,699,300</u>	<u>24,622,914</u>	<u>24,184,279</u>



2012	Restated 2011	2010	2009	Restated 2008	2007
\$ 2,707,588	\$ 2,427,949	\$ 2,635,408	\$ 2,544,724	\$ 2,391,999	\$ 2,743,431
1,182,585	994,746	1,047,395	1,383,581	1,091,201	510,215
33,801	22,574	39,309	0	0	0
541,377	529,841	477,076	409,457	424,726	413,284
26,005	62,478	33,774	33,534	27,237	461,435
0	0	0	0	0	6,715
0	0	0	0	0	43
257,220	228,046	296,627	486,980	679,167	0
4,748,576	4,265,634	4,529,589	4,858,276	4,614,330	4,135,123
25,000	106,815	64,590	0	4,000	0
79,039	5,428	39,925	24,364	21,521	120,903
46,060	59,250	75,831	80,728	0	0
17,223	8,035	58,733	19,375	0	500
0	0	0	65,293	0	0
0	0	0	0	225,000	0
808,899	718,812	856,311	702,977	1,029,496	728,512
976,221	898,340	1,095,390	892,737	1,280,017	849,915
0	0	0	0	0	0
0	0	0	2,487,993	0	0
0	0	0	0	0	0
0	0	0	10,670	0	0
761,383	725,879	3,418,094	2,277,761	237,222	4,860,546
761,383	725,879	3,418,094	4,776,424	237,222	4,860,546
6,486,180	5,889,853	9,043,073	10,527,437	6,131,569	9,845,584
2,663,002	2,698,896	2,578,894	2,768,562	2,581,125	3,039,350
757,684	693,806	656,827	721,397	762,686	838,176
63,815	81,972	0	0	0	0
91,142	0	606,839	8,600	906,530	1,459,661
75,000	0	466,728	99,486	204,882	306,210
3,650,643	3,474,674	4,309,288	3,598,045	4,455,223	5,643,397
\$ 10,136,823	\$ 9,364,527	\$ 13,352,361	\$ 14,125,482	\$ 10,586,792	\$ 15,488,981
\$ 6,992,774	\$ 6,201,327	\$ 7,766,608	\$ 6,543,797	\$ 6,075,079	\$ 7,354,994
6,755,965	6,441,638	6,974,204	6,883,839	6,756,475	6,438,828
155,326	187,320	211,300	119,132	122,080	120,472
3,262,399	2,714,029	3,559,520	3,005,421	3,207,018	3,373,362
465,302	455,883	543,755	496,548	502,423	542,237
1,167,636	1,370,499	1,337,335	1,121,553	1,265,014	1,262,949
4,557,209	1,335,639	2,965,627	2,936,864	2,631,003	2,548,409
435,179	450,989	613,938	668,099	563,320	1,070,332
23,791,790	19,157,324	23,972,287	21,775,253	21,122,412	22,711,583

(continued)

**City of Berea, Ohio**  
*Changes in Net Position*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

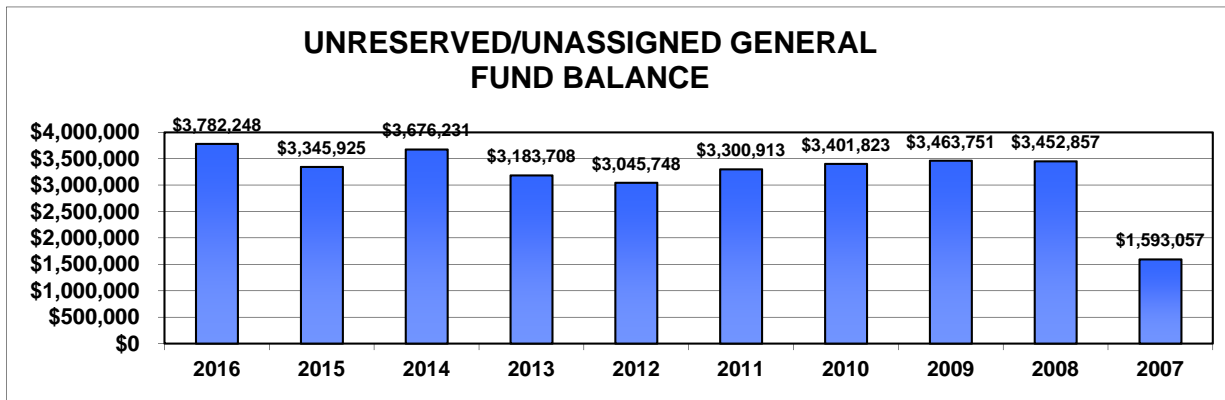
	2016	2015	2014	2013
Business-Type Activities				
Water	\$ 5,000,349	\$ 3,976,228	\$ 3,705,293	\$ 3,652,775
Sewer	790,543	954,252	946,637	838,650
<i>Total Business-Type Activities Expenses</i>	<u>5,790,892</u>	<u>4,930,480</u>	<u>4,651,930</u>	<u>4,491,425</u>
<i>Total Primary Government Program Expenses</i>	<u>32,237,657</u>	<u>28,629,780</u>	<u>29,274,844</u>	<u>28,675,704</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(11,839,022)	(16,232,187)	(18,893,871)	(13,724,652)
Business-Type Activities	<u>(1,589,556)</u>	<u>(1,543,217)</u>	<u>(1,337,912)</u>	<u>(1,059,014)</u>
<i>Total Primary Government Net Expense</i>	<u>(13,428,578)</u>	<u>(17,775,404)</u>	<u>(20,231,783)</u>	<u>(14,783,666)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	\$ 1,582,799	\$ 1,723,505	\$ 1,547,123	\$ 1,664,090
Other Purposes *	2,133,441	2,101,086	2,297,347	2,243,409
Municipal Income Taxes levied for:				
General Purposes	13,048,547	11,813,246	11,050,350	11,876,563
Special Revenue	0	0	0	0
Grants and Entitlements not Restricted to				
Specific Programs	833,594	988,566	1,068,337	1,317,382
Investment Income	206,755	101,924	119,998	15,527
Other Taxes	307,904	336,730	284,641	272,968
Miscellaneous	96,362	51,988	51,552	88,056
Extraordinary Item	0	0	(174,900)	0
Transfers	<u>(131,400)</u>	<u>(1,160,000)</u>	<u>(1,163,000)</u>	<u>(810,910)</u>
<i>Total Governmental Activities</i>	<u>18,078,002</u>	<u>15,957,045</u>	<u>15,081,448</u>	<u>16,667,085</u>
Business-Type Activities				
Municipal Income Taxes levied for:				
Other Purpose - Debt Service	0	0	0	0
Property Taxes levied for:				
Water Improvements	449,682	450,379	449,104	456,699
Investment Income	0	0	0	0
Transfers	131,400	1,160,000	1,163,000	810,910
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,010</u>
<i>Total Business-Type Activities</i>	<u>581,082</u>	<u>1,610,379</u>	<u>1,612,104</u>	<u>1,268,619</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>18,659,084</u>	<u>17,567,424</u>	<u>16,693,552</u>	<u>17,935,704</u>
<b>Change in Net Position</b>				
Governmental Activities	6,238,980	(275,142)	(3,812,423)	2,942,433
Business-Type Activities	<u>(1,008,474)</u>	<u>67,162</u>	<u>274,192</u>	<u>209,605</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$ 5,230,506</u>	<u>\$ (207,980)</u>	<u>\$ (3,538,231)</u>	<u>\$ 3,152,038</u>

\* Includes Police and Fire Pension and Debt Service

2012	2011	2010	2009	Restated 2008	2007
\$ 3,655,963 922,985	\$ 3,580,655 481,780	\$ 3,658,374 700,903	\$ 3,639,102 873,591	\$ 3,650,419 1,005,252	\$ 3,048,752 914,222
4,578,948	4,062,435	4,359,277	4,512,693	4,655,671	3,962,974
28,370,738	23,219,759	28,331,564	26,287,946	25,778,083	26,674,557
(17,305,610) (928,305)	(13,267,471) (587,761)	(14,929,214) (49,989)	(11,247,816) (914,648)	(14,990,843) (200,448)	(12,865,999) 1,680,423
(18,233,915)	(13,855,232)	(14,979,203)	(12,162,464)	(15,191,291)	(11,185,576)
\$ 1,643,154 2,341,007	\$ 1,669,355 2,394,337	\$ 1,572,247 2,310,144	\$ 1,915,871 2,562,258	\$ 1,948,775 2,290,617	\$ 2,161,447 2,766,840
11,446,700 0	10,601,210 0	10,479,704 0	9,993,755 0	11,126,645 0	7,292,340 2,430,779
1,244,125 128,363 278,888 57,616 0 (261,000)	1,675,190 137,585 260,819 94,120 0 (4,175,433)	2,307,793 136,442 283,047 201,081 0 32,922	1,777,548 124,123 199,128 128,338 0 (730,094)	2,224,225 199,120 267,231 104,854 0 (132,000)	2,072,711 252,034 5,903 184,150 0 (75,000)
16,878,853	12,657,183	17,323,380	15,970,927	18,029,467	17,091,204
0	0	0	0	0	51,425
448,972 0 261,000 9,902	458,166 0 4,175,433 2,646	453,075 0 (32,922) 5,677	480,309 0 730,094 63,571	486,477 0 132,000 63,936	0 25,441 75,000 0
719,874	4,636,245	425,830	1,273,974	682,413	151,866
17,598,727	17,293,428	17,749,210	17,244,901	18,711,880	17,243,070
(426,757) (208,431)	(610,288) 4,048,484	2,394,166 375,841	4,723,111 359,326	3,038,624 481,965	4,225,205 1,832,289
\$ (635,188)	\$ 3,438,196	\$ 2,770,007	\$ 5,082,437	\$ 3,520,589	\$ 6,057,494

**City of Berea, Ohio**  
*Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(Modified Accrual Basis of Accounting)*

	2016	2015	2014	2013
<b>General Fund</b>				
Reserved	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved	0	0	0	0
Nonspendable	63,365	70,707	79,707	79,091
Committed	1,341,207	989,402	906,735	1,094,998
Assigned	104,751	122,676	16,501	269,616
Unassigned	3,782,248	3,345,925	3,676,231	3,183,708
<b>Total General Fund</b>	<b>5,291,571</b>	<b>4,528,710</b>	<b>4,679,174</b>	<b>4,627,413</b>
<b>All Other Governmental Funds</b>				
Reserved	0	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue funds	0	0	0	0
Debt Service funds	0	0	0	0
Capital Projects funds	0	0	0	0
Nonspendable	191,624	152,760	140,227	308,599
Restricted	1,747,703	5,817,924	5,628,560	5,293,239
Committed	2,668,582	9,776,259	2,568,923	1,992,296
Unassigned	(4,093,608)	0	(10,775)	(24,599)
<b>Total All Other Governmental Funds</b>	<b>514,301</b>	<b>15,746,943</b>	<b>8,326,935</b>	<b>7,569,535</b>
<b>Total Governmental Funds</b>	<b>\$ 5,805,872</b>	<b>\$ 20,275,653</b>	<b>\$ 13,006,109</b>	<b>\$ 12,196,948</b>



2012	Restated 2011	Restated 2010	2009	2008	2007
\$ 0	\$ 0	\$ 0	\$ 159,796	\$ 160,007	\$ 43,543
0	0	0	3,463,751	3,452,857	1,593,057
43,383	47,891	24,344	0	0	0
1,274,241	927,075	831,180	0	0	0
174,933	6,106	0	0	0	0
3,045,748	3,300,913	3,401,823	0	0	0
4,538,305	4,281,985	4,257,347	3,623,547	3,612,864	1,636,600
0	0	0	639,238	124,821	275,090
0	0	0	954,698	703,632	855,636
0	0	0	847,063	679,284	468,848
0	0	0	1,893,439	(2,447,748)	(324,100)
165,852	145,798	1,088,175	0	0	0
4,736,896	4,511,298	4,307,437	0	0	0
2,369,907	1,663,444	490,670	0	0	0
(180,214)	(234,632)	(230,943)	0	0	0
7,092,441	6,085,908	5,655,339	4,334,438	(940,011)	1,275,474
\$ 11,630,746	\$ 10,367,893	\$ 9,912,686	\$ 7,957,985	\$ 2,672,853	\$ 2,912,074

**City of Berea, Ohio**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(Modified Accrual Basis of Accounting)*

	2016	2015	2014	2013	2012
<b>Revenues</b>					
Property and Other Taxes	\$ 4,029,967	\$ 4,108,059	\$ 4,013,444	\$ 3,984,795	\$ 4,185,749
Municipal Income Taxes	12,964,761	11,522,435	11,823,354	11,114,942	10,758,113
Special Assessments	697,250	690,267	687,958	695,079	688,970
Charges for Services	1,170,989	1,090,799	1,046,221	983,567	1,151,937
Licenses and Permits	469,101	501,837	359,641	393,275	397,561
Fines and Forfeitures	2,771,839	2,561,010	2,536,488	2,428,863	2,481,137
Intergovernmental	2,821,548	2,383,109	2,083,875	2,926,659	2,842,680
Interest	222,633	115,730	134,515	29,048	158,337
Contributions and Donations	55,275	28,411	51,111	52,163	45,230
Other	185,120	175,675	159,448	250,293	68,545
<i>Total Revenues</i>	<u>25,388,483</u>	<u>23,177,332</u>	<u>22,896,055</u>	<u>22,858,684</u>	<u>22,778,259</u>
<b>Expenditures</b>					
Current:					
General Government	7,098,947	7,218,501	7,183,125	6,431,561	6,767,192
Security of Persons and Property	7,169,095	6,873,297	6,354,515	6,505,370	6,431,807
Public Health	118,279	151,785	151,971	134,122	155,326
Leisure Time Services	2,182,361	2,138,513	2,034,896	1,852,113	1,781,720
Community Development	365,529	372,423	291,721	404,860	462,267
Public Works	1,238,247	1,217,697	1,215,079	1,148,881	1,144,731
Transportation	844,553	902,569	925,472	776,220	799,062
Capital Outlay	15,329,450	4,687,901	4,152,414	4,371,739	3,479,757
Debt Service:					
Principal Retirement	12,136,653	8,488,251	5,466,560	7,142,238	6,309,664
Interest and Fiscal Charges	766,722 *	613,929	486,428	607,363	480,758
<i>Total Expenditures</i>	<u>47,249,836</u>	<u>32,664,866</u>	<u>28,262,181</u>	<u>29,374,467</u>	<u>27,812,284</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(21,861,353)</u>	<u>(9,487,534)</u>	<u>(5,366,126)</u>	<u>(6,515,783)</u>	<u>(5,034,025)</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds from Sale of Assets	13,240	0	2,722	20,700	3,025
Issuance of General Obligation Bonds	2,875,000	6,748,000	0	4,005,000	0
Premium on Debt Issuance	107,690	373,578	42,965	88,152	45,518
Payment to Refunding Bond Escrow Agent	(2,775,000)	0	0	0	0
Issuance of Notes	6,642,500	10,795,500	7,467,500	4,514,500	6,112,550
Inception of Capital Lease	657,954	0	0	158,952	0
Issuance of Loans	1,588	0	0	146,131	202,650
Discount on Debt Issued	0	0	0	0	0
Transfers In	3,594,800	3,426,000	3,347,410	3,132,525	2,988,224
Transfers Out	(3,726,200)	(4,586,000)	(4,510,410)	(4,983,975)	(3,249,224)
<i>Total Other Financing Sources (Uses)</i>	<u>7,391,572</u>	<u>16,757,078</u>	<u>6,350,187</u>	<u>7,081,985</u>	<u>6,102,743</u>
Extraordinary Item	<u>0</u>	<u>0</u>	<u>(174,900)</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$ (14,469,781)</u>	<u>\$ 7,269,544</u>	<u>\$ 809,161</u>	<u>\$ 566,202</u>	<u>\$ 1,068,718</u>
Debt Service as a Percentage of Noncapital Expenditures	50%	33%	23%	38%	26%

\* This amount includes \$41,350 in bond issuance costs

	2011	2010	2009	2008	2007
\$	4,187,409	\$ 4,167,796	\$ 4,270,718	\$ 4,647,207	\$ 6,062,620
	10,454,513	10,922,715	10,181,318	10,928,016	8,828,219
	682,786	700,167	517,918	844,993	607,345
	1,056,890	1,113,097	993,872	1,066,019	1,140,431
	363,372	480,979	408,421	274,645	599,923
	2,189,582	2,364,651	2,443,123	2,385,269	2,242,271
	2,897,594	3,274,546	3,402,160	2,979,611	5,788,912
	137,585	136,442	124,123	199,120	252,079
	62,932	258,686	94,495	200,000	0
	116,901	165,369	175,973	272,233	139,107
	<u>22,149,564</u>	<u>23,584,448</u>	<u>22,612,121</u>	<u>23,797,113</u>	<u>25,660,907</u>
	6,714,835	6,791,331	6,329,229	6,588,316	7,344,938
	6,458,138	6,663,889	6,474,662	6,419,429	6,199,605
	187,320	211,300	119,132	122,080	120,472
	1,614,757	1,544,300	1,610,617	1,625,000	1,772,479
	471,003	503,772	505,093	534,163	547,564
	1,350,451	1,327,127	1,089,789	1,236,211	1,241,619
	851,322	890,006	884,337	833,147	966,443
	3,113,744	3,195,787	3,430,872	5,804,880	5,895,586
	5,324,475	7,241,978	2,275,311	1,172,101	1,260,146
	503,506	623,917	545,979	548,167	958,072
	<u>26,589,551</u>	<u>28,993,407</u>	<u>23,265,021</u>	<u>24,883,494</u>	<u>26,306,924</u>
	<u>(4,439,987)</u>	<u>(5,408,959)</u>	<u>(652,900)</u>	<u>(1,086,381)</u>	<u>(646,017)</u>
	0	1,817	10,578	4,160	2,292
	0	2,725,000	0	0	0
	5,703	14,728	0	0	0
	0	0	0	0	0
	4,810,000	3,850,000	5,850,000	975,000	0
	0	136,953	212,598	0	156,075
	459,491	817,961	362,056	0	0
	0	(34,143)	0	0	0
	3,495,100	2,615,670	7,637,068	2,104,000	2,982,479
	<u>(3,875,100)</u>	<u>(2,788,670)</u>	<u>(8,134,268)</u>	<u>(2,236,000)</u>	<u>(3,057,479)</u>
	<u>4,895,194</u>	<u>7,339,316</u>	<u>5,938,032</u>	<u>847,160</u>	<u>83,367</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$	<u>455,207</u>	<u>\$ 1,930,357</u>	<u>\$ 5,285,132</u>	<u>\$ (239,221)</u>	<u>\$ (562,650)</u>
	24%	33%	18%	10%	12%

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

<u>Year</u>	<u>City of Berea</u>					<u>Berea School District</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Water Revenue</u>	<u>Debt Service</u>	<u>Total</u>	
2016	7.95	3.00	1.40	4.45	16.80	82.20
2015	7.95	3.00	1.40	4.45	16.80	78.00
2014	7.95	3.00	1.40	4.45	16.80	78.70
2013	7.95	3.00	1.40	4.45	16.80	78.90
2012	7.95	3.00	1.40	4.45	16.80	78.90
2011	7.95	3.00	1.40	4.85	17.20	75.00
2010	7.95	3.00	1.40	4.85	17.20	75.00
2009	8.15	3.00	1.40	4.65	17.20	74.90
2008	8.55	3.00	1.40	5.65	18.60	74.90
2007	8.55	3.00	1.40	5.65	18.60	74.90

Source: Cuyahoga County Fiscal Officer

Notes: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Charter millage is consistently applied to all types of property.

The real property tax rates for the voted levies of the overlapping taxing districts are reduced so that inflationary increases in value do not generate additional revenue.

Overlapping rates are those of local and county governments that apply to property owners within the City.

- (1) Cleveland Metropolitan Park District, Cuyahoga Community College District, Cleveland-Cuyahoga Port Authority, Cuyahoga County Library and Cuyahoga County Services.



<u>Olmsted Falls School District</u>	<u>Polaris JVSD</u>	<u>Cuyahoga Co &amp; Special Taxing Districts (1)</u>
100.40	3.09	23.43
102.20	2.40	23.43
102.20	2.40	23.43
102.20	2.40	20.80
102.20	2.40	20.80
93.00	2.40	20.80
93.00	2.40	20.60
91.90	2.40	20.60
91.80	2.40	20.20
89.80	2.40	20.20

**City of Berea, Ohio**  
*Assessed Valuation and Estimated Actual Values of Taxable Property*  
*Last Ten Years*

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Public Utility	
			Assessed Value	Estimated Actual Value
2016	\$ 361,784,080	\$ 1,033,668,800	\$ 9,572,450	\$ 10,877,784
2015	360,410,630	1,029,744,657	8,980,160	10,204,727
2014	370,843,110	1,059,551,743	8,714,150	9,902,443
2013	373,633,920	1,067,525,486	8,242,980	9,367,023
2012	375,142,810	1,071,836,600	6,823,640	7,754,136
2011	369,786,280	1,056,532,229	6,522,740	7,412,205
2010	368,473,230	1,052,780,657	6,323,310	7,185,580
2009	382,502,610	1,092,864,600	6,122,200	6,957,045
2008	383,481,630	1,095,661,800	5,884,150	6,686,534
2007	373,920,320	1,068,343,771	9,363,610	10,640,466

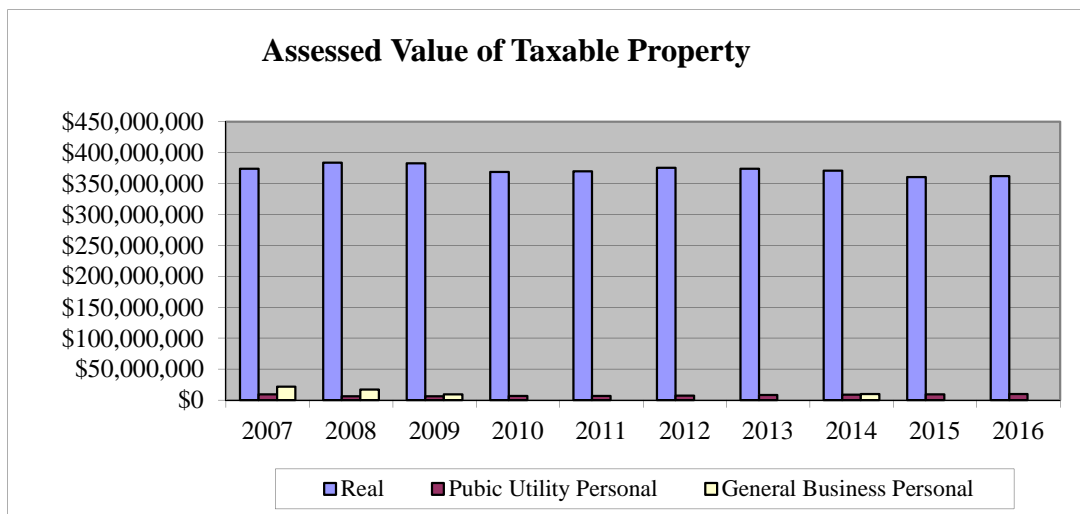
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2010.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed.

Source: Ohio Department of Taxation  
 (1) Cuyahoga County Fiscal Officer

<b>Tangible Personal Property</b>						
<b>General Business</b>			<b>Total</b>			
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Ratio</b>	<b>Total Direct Tax Rate (1)</b>	
\$ 0	\$ 0	\$ 371,356,530	\$ 1,044,546,584	35.55	16.80	
0	0	369,390,790	1,039,949,384	35.52	16.80	
0	0	379,557,260	1,069,454,186	35.49	16.80	
0	0	381,876,900	1,076,892,508	35.46	16.80	
0	0	381,966,450	1,079,590,736	35.38	16.80	
0	0	376,309,020	1,063,944,433	35.37	17.20	
0	0	374,796,540	1,059,966,237	35.36	17.20	
9,177,032	146,832,512	397,801,842	1,246,654,157	31.91	17.20	
16,798,744	89,593,301	406,164,524	1,191,941,635	34.08	18.60	
21,763,047	116,069,584	405,046,977	1,195,053,821	33.89	18.60	



**City of Berea, Ohio**  
*Property Tax Levies and Collections*  
*Last Ten Years*

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections to Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy (2)	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2016	\$ 4,776,087	\$ 4,606,276	96.44%	\$ 140,313	\$ 4,746,589	99.38%	\$ 267,600	5.60%
2015	4,904,908	4,650,168	94.81	166,405	4,816,573	98.20	274,176	5.59
2014	4,960,785	4,589,981	92.53	155,960	4,745,941	95.67	340,201	6.86
2013	5,109,458	4,584,738	89.73	231,718	4,816,456	94.27	343,237	6.72
2012	5,120,268	4,808,337	93.91	176,746	4,985,083	97.36	245,275	4.79
2011	5,352,662	4,800,181	89.68	188,563	4,988,744	93.20	320,968	6.00
2010	5,288,742	4,739,815	89.62	176,105	4,915,920	92.95	368,250	6.96
2009	5,139,255	4,938,884	96.10	137,428	5,076,312	98.78	335,461	6.53
2008	5,225,363	4,997,094	95.63	205,661	5,202,755	108.85	334,638	6.40
2007	5,317,600	4,990,340	93.85	146,396	5,136,736	106.95	491,651	9.25

Source: Cuyahoga County Fiscal Officer

(1) State reimbursement of rollback and homestead exemptions are included.

(2) The County information does not provide the applicable year when a delinquency is collected. Thus the "total collections" represent the total collections for the year instead of total collections of a particular tax year. As a result "total collection as a percent of a total levy" can exceed 100% in any particular year. The City is currently working with the County to obtain delinquent taxes by collection year. The County maintains all of this information, thus the City is reliant on the County to develop the accounting procedures and system capabilities to provide this information.

**City of Berea, Ohio**  
*Principal Taxpayers - Real Estate Tax*  
 2016 and 2007

Taxpayer	2016	
	Real Property Assessed Valuation (1)	Percentage Of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 6,133,270	1.70%
Tower in the Park LTD	3,180,520	0.88%
Berea Properties Company	2,267,480	0.63%
West Valley Plaza	2,072,460	0.57%
OHI Asset II LLC	1,988,560	0.55%
Columbia Gas	1,900,670	0.53%
Echo Berea Associates, LLC	1,558,700	0.43%
American Transmission System	1,505,190	0.42%
A&F Machine Products Co.	1,441,870	0.40%
680 North LLC	1,441,440	0.40%
<b>Total</b>	<b>\$ 23,490,160</b>	<b>6.51%</b>
<b>Total Assessed Valuation</b>	<b>\$ 361,784,080</b>	

Taxpayer	2007	
	Real Property Assessed Valuation (1)	Percentage Of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 4,181,270	1.12%
Tower in the Park LTD	4,027,980	1.08%
OHI Asset II LLC	2,795,210	0.75%
Berea Properties Co.	2,763,990	0.74%
West Valley Plaza	2,726,580	0.73%
Berea Square Co., LLC	1,873,380	0.50%
A&F Machine Products Co.	1,860,430	0.50%
Tuthill Corporation	1,713,600	0.46%
680 North LLC	1,662,500	0.44%
Berea Lake Towers	1,490,660	0.40%
<b>Total</b>	<b>\$ 25,095,600</b>	<b>6.72%</b>
<b>Total Assessed Valuation</b>	<b>\$ 373,920,320</b>	

Source: County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2016 and 2007 collections were based.

**City of Berea, Ohio**  
*Principal Taxpayers - Municipal Tax*  
 2016 and 2007

Taxpayer	<u>2016</u>	
	Tax	Percentage of Tax Collected
Cleveland Browns Football	\$ 2,979,897	23.87%
Baldwin Wallace College	988,224	7.92%
Berea City School District	423,447	3.39%
Ohio Guidestone	252,486	2.02%
OHNH EMP LLC	210,128	1.68%
City of Berea	199,920	1.60%
Ohio Turnpike Commission	159,588	1.28%
Sound Com Corp	123,515	0.99%
Standby Screw Machine Products	115,528	0.93%
Estabrook Corp	104,357	0.84%
<b>Total</b>	<b>\$ 5,557,090</b>	<b>44.52%</b>
<b>Total Tax Collected</b>	<b>\$ 12,484,319</b>	

Taxpayer	<u>2007</u>	
	Tax	Percentage of Tax Collected
Cleveland Browns Football	\$ 2,182,952	21.54%
Baldwin Wallace College	746,312	7.37%
Berea City School District	513,870	5.07%
City of Berea	213,990	2.11%
Berea Childrens Home	184,764	1.82%
Ohio Turnpike Commission	150,395	1.48%
ABNF LLC	140,301	1.38%
ColorMatrix Corp.	138,118	1.36%
Standby Screw Machine Products	134,215	1.32%
Tuthill Corporation	106,474	1.05%
<b>Total</b>	<b>\$ 4,511,391</b>	<b>44.50%</b>
<b>Total Tax Collected</b>	<b>\$ 10,132,495</b>	

Source: Regional Income Tax Agency

## City of Berea, Ohio

### Principal Employers

*2016 and 2007*

<i>2016</i>		
Employer	Number of Employees	Percentage of Total City Employment
Baldwin Wallace University	3,116	26.92%
OHNH EMP LLC	687	5.94%
Berea City School District	637	5.50%
Guidestone	620	5.36%
Cleveland Browns Football	539	4.66%
Ohio Turnpike Commission	467	4.03%
City of Berea	297	2.57%
Standby Screw Machine Products	180	1.56%
HOYA Lens of Chicago	142	1.23%
CORSA Performance	121	1.05%
<b>Total</b>	<b>6,806</b>	<b>58.82%</b>
Total Employment within the City	<b>11,574</b>	
<i>2007</i>		
Employer	Number of Employees	Percentage of Total City Employment
Baldwin Wallace College	1,260	9.24%
Berea City School District	595	4.36%
Berea Childrens Home	510	3.74%
Cleveland Browns Football	367	2.69%
City of Berea	248	1.82%
Riser Foods Company	209	1.53%
Standby Screw Machine Products	205	1.50%
ColorMatrix Corp.	133	0.98%
Jaco Manufacturing Co.	132	0.97%
Ohio Turnpike Commission	116	0.85%
<b>Total</b>	<b>3,775</b>	<b>27.68%</b>
Total Employment within the City	<b>13,637</b>	

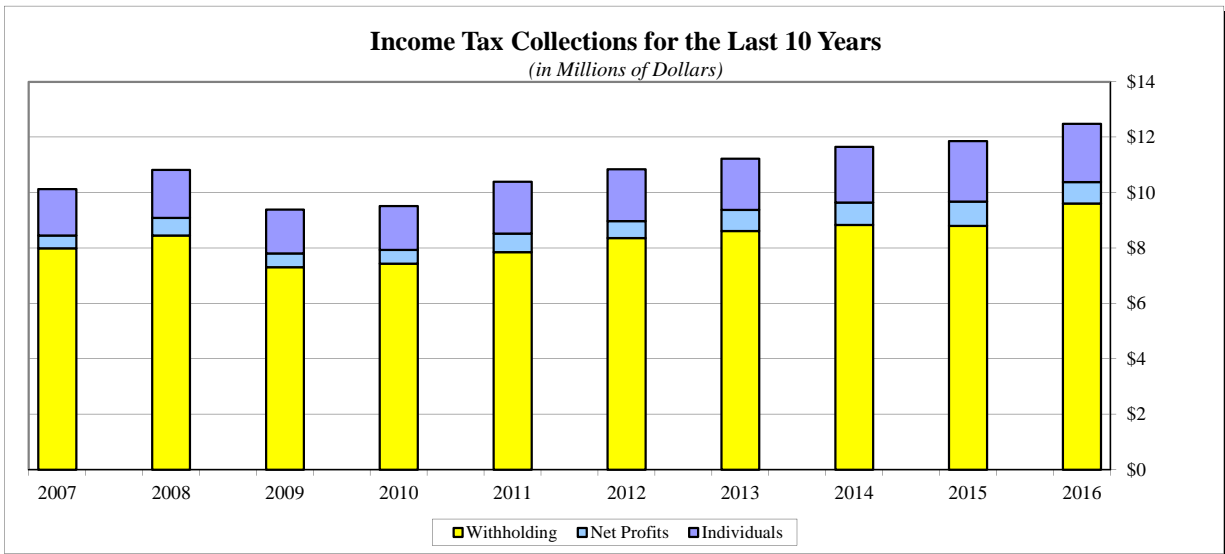
Source: Regional Income Tax Agency

**City of Berea, Ohio**  
*Income Tax Revenue Base and Collections*  
*Last Ten Years*

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits
2016	2.00%	\$ 12,484,319	\$ 9,610,022	76.98%	\$ 770,752	6.17%
2015	2.00	11,855,447	8,802,385	74.25	875,618	7.39
2014	2.00	11,647,041	8,840,177	75.90	803,005	6.89
2013	2.00	11,221,745	8,620,645	76.82	752,151	6.70
2012	2.00	10,842,275	8,361,782	77.12	616,294	5.68
2011	2.00	10,392,189	7,855,099	75.59	670,592	6.45
2010	2.00	9,521,371	7,434,689	78.08	502,912	5.28
2009	2.00	9,393,556	7,307,157	77.79	497,722	5.30
2008	2.00	10,826,647	8,454,463	78.09	633,225	5.85
2007	2.00	10,132,495	7,987,336	78.83	466,872	4.61

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.

Source: Regional Income Tax Agency





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	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
\$	2,103,545	16.85%
	2,177,444	18.36
	2,003,858	17.20
	1,848,949	16.48
	1,864,200	17.19
	1,866,498	17.96
	1,583,770	16.63
	1,588,677	16.91
	1,738,959	16.06
	1,678,287	16.56

**City of Berea, Ohio**  
*Ratio of Outstanding Debt to  
Total Personal Income and Debt Per Capita  
Last Ten Years*

Year	Governmental Activities				
	General Obligation Debt	Urban Renewal Bond	Capital Lease	Notes Payable	OPWC
2016	\$ 15,799,586	\$ 0	\$ 618,176	\$ 6,642,500	\$ 1,922,038
2015	16,850,848	0	66,600	10,795,500	2,025,628
2014	10,679,632	0	128,370	7,467,500	2,083,284
2013	11,540,570	0	214,233	4,514,500	2,093,417
2012	8,235,000	50,000	164,023	6,112,550	1,957,419
2011	9,410,000	270,000	263,112	4,810,000	1,943,695
2010	10,545,000	480,000	387,241	3,850,000	1,484,204
2009	8,875,000	680,000	382,140	5,850,000	666,243
2008	9,875,000	870,000	274,940	5,825,000	0
2007	10,770,000	1,050,000	367,330	1,750,000	0

Source: City Financial Records

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements.  
(1) See the schedule of Demographic and Economic Statistics for personal income and population data.

Business-Type Activities

General Obligation Debt	Capital Lease	Loan Payable	Note Payable	OWDA and OPWC	Total Primary Government	Total Personal Income	Percentage of Personal Income(1)	Per Capita(1)
\$ 120,000	\$ 0	\$ 271,648	\$ 0	\$ 12,283,126	\$ 37,657,074	\$ 462,718,855	8.14%	\$ 1,972
122,000	32,233	291,052	0	11,287,518	41,471,379	462,718,855	8.96%	2,172
0	63,111	320,157	1,160,000	11,856,305	33,758,359	462,718,855	7.30%	1,768
0	92,690	329,859	1,138,000	12,503,391	32,426,660	462,718,855	7.01%	1,698
0	121,025	349,263	1,537,450	12,086,163	30,612,893	462,718,855	6.62%	1,603
0	148,169	388,070	40,000	12,973,559	30,246,605	462,718,855	6.54%	1,584
0	26,526	388,070	0	13,280,182	30,441,223	443,702,227	6.86%	1,594
0	109,048	388,070	0	10,243,260	27,193,761	406,709,550	6.69%	1,447
0	187,205	0	25,000	10,161,094	27,218,239	406,709,550	6.69%	1,449
0	261,225	0	0	7,428,347	21,626,902	406,709,550	5.32%	999

**City of Berea, Ohio**  
*Pledged Revenue Coverage*  
*Water and Sewer OPWC and OWDA Loans*  
*Last Six Years*

Year	Charges for Services	Direct Operating Expenses (1)	Net Revenues Available	Debt Service		
				Principal	Interest	Coverage
2016	\$ 3,516,868	\$ 3,410,888	\$ 105,980	\$ 593,298	\$ 354,339	(894.17)%
2015	3,299,022	1,491,418	1,807,604	543,327	391,262	51.70%
2014	3,239,841	2,297,266	942,575	471,851	246,788	76.24%
2013	3,357,807	1,797,075	1,560,732	690,312	265,123	61.22%
2012	3,420,686	1,801,973	1,618,713	585,262	290,561	54.11%
2011	3,392,702	2,006,213	1,386,489	369,340	242,894	44.16%

Source: City Financial Records

- (1) Direct operating expenses do not include depreciation and amortization expense.
- (2) 10 years of information will be presented when it is available.

**City of Berea, Ohio**  
*Ratio of Net General Bonded Debt to  
Assessed Value and Net Bonded Debt Per Capita  
Last Ten Years*

Year	(1) Population	Assessed Valuation(2)	Gross Bonded Debt(3)	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
2016	19,093	\$ 371,356,530	\$ 22,562,086	\$ 0	\$ 22,562,086	6.08%	\$ 1,181.69
2015	19,093	369,390,790	27,768,348	2,878,542	24,889,806	6.74	1,303.61
2014	19,093	379,557,260	19,307,132	2,812,637	16,494,495	4.35	863.90
2013	19,093	381,876,900	17,193,070	2,549,373	14,643,697	3.83	766.97
2012	19,093	381,966,450	15,935,000	2,433,220	13,501,780	3.53	707.16
2011	19,093	376,309,020	14,530,000	2,107,573	12,422,427	3.30	650.63
2010	19,093	374,796,540	14,875,000	1,036,136	13,838,864	3.69	724.81
2009	18,970	397,801,842	15,405,000	847,063	14,557,937	3.66	767.42
2008	18,970	406,164,524	11,720,000	679,284	11,040,716	2.72	582.01
2007	18,970	405,046,977	13,570,000	468,848	13,101,152	3.23	697.24

(1) Source: U.S. Bureau of Census

(2) Source: Cuyahoga County Fiscal Officer

(3) Includes all general obligation bonded debt and bond anticipation notes and premiums.

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**City of Berea, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2016*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct</b>			
City of Berea	\$ 24,982,300	100.00%	\$ 24,982,300
<i>Total Direct Debt</i>	<u>24,982,300</u>		<u>24,982,300</u>
<b>Overlapping</b>			
Berea City School District	3,980,000	26.67%	1,061,466
Olmsted Falls School District	11,914,960	4.72%	562,386
Polaris Career Center	2,525,000	7.86%	198,465
Cuyahoga County	<u>164,560,000</u>	1.34%	<u>2,205,104</u>
<i>Total Overlapping Debt</i>	<u>182,979,960</u>		<u>4,027,421</u>
<b>Grand Total</b>	<u>\$ 207,962,260</u>		<u>\$ 29,009,721</u>

Source: Ohio Municipal Advisory Council  
City Financial Records

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

**City of Berea, Ohio**

*Legal Debt Margin*

*Last Ten Years*

	2016	2015	2014	2013
Total Assessed Property Value	\$ 371,356,530	\$ 369,390,790	\$ 379,557,260	\$ 381,876,900
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	38,992,436	38,786,033	39,853,512	40,097,075
Debt Outstanding:				
General Obligation Bonds and Notes	22,562,086	27,768,348	18,147,132	16,055,070
Total Gross Indebtedness	22,562,086	27,768,348	18,147,132	16,055,070
Less:				
General Obligation Bonds and Notes	0	(7,000,000)	0	0
Amount Available in Debt Service Fund	0	(2,878,542)	(2,812,637)	(2,549,373)
Total Net Debt Applicable to Debt Limit	22,562,086	17,889,806	15,334,495	13,505,697
Legal Debt Margin Within 10 ½ % Limitations	\$ 16,430,350	\$ 20,896,227	\$ 24,519,017	\$ 26,591,378
Legal Debt Margin as a Percentage of the Debt Limit	42.14%	53.88%	61.52%	66.32%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	20,424,609	20,316,493	20,875,649	21,003,230
Total Gross Indebtedness	22,562,086	27,768,348	18,147,132	16,055,070
Less:				
General Obligation Bonds and Notes	0	(7,000,000)	0	0
Amount Available in Debt Service Fund	0	(2,878,542)	(2,812,637)	(2,549,373)
Net Debt Within 5 ½ % Limitations	22,562,086	17,889,806	15,334,495	13,505,697
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$ (2,137,477)	\$ 2,426,687	\$ 5,541,154	\$ 7,497,533
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	-10.47%	11.94%	26.54%	35.70%

Source: City Financial Records



2012	2011	2010	2009	2008	2007
<u>\$ 381,966,450</u>	<u>\$ 376,309,020</u>	<u>\$ 374,796,540</u>	<u>\$ 397,801,842</u>	<u>\$ 406,164,524</u>	<u>\$ 405,046,977</u>
<u>40,106,477</u>	<u>39,512,447</u>	<u>39,353,637</u>	<u>41,769,193</u>	<u>42,647,275</u>	<u>42,529,933</u>
<u>14,397,550</u>	<u>14,530,000</u>	<u>14,875,000</u>	<u>15,405,000</u>	<u>11,720,000</u>	<u>13,570,000</u>
<u>14,397,550</u>	<u>14,530,000</u>	<u>14,875,000</u>	<u>15,405,000</u>	<u>11,720,000</u>	<u>13,570,000</u>
<u>(50,000)</u>	<u>(270,000)</u>	<u>(480,000)</u>	<u>(680,000)</u>	<u>(870,000)</u>	<u>(1,050,000)</u>
<u>(2,433,220)</u>	<u>(2,107,573)</u>	<u>(1,036,136)</u>	<u>(847,063)</u>	<u>(679,284)</u>	<u>(468,848)</u>
<u>11,914,330</u>	<u>12,152,427</u>	<u>13,358,864</u>	<u>13,877,937</u>	<u>10,170,716</u>	<u>12,051,152</u>
<u>\$ 28,192,147</u>	<u>\$ 27,360,020</u>	<u>\$ 25,994,773</u>	<u>\$ 27,891,256</u>	<u>\$ 32,476,559</u>	<u>\$ 30,478,781</u>
70.29%	69.24%	66.05%	66.77%	76.15%	71.66%
<u>21,008,155</u>	<u>20,696,996</u>	<u>20,613,810</u>	<u>21,879,101</u>	<u>22,339,049</u>	<u>22,277,584</u>
<u>14,397,550</u>	<u>14,530,000</u>	<u>14,875,000</u>	<u>15,405,000</u>	<u>11,720,000</u>	<u>13,570,000</u>
<u>(50,000)</u>	<u>(270,000)</u>	<u>(480,000)</u>	<u>(680,000)</u>	<u>(870,000)</u>	<u>(1,050,000)</u>
<u>(2,433,220)</u>	<u>(2,107,573)</u>	<u>(1,036,136)</u>	<u>(847,063)</u>	<u>(679,284)</u>	<u>(468,848)</u>
<u>11,914,330</u>	<u>12,152,427</u>	<u>13,358,864</u>	<u>13,877,937</u>	<u>10,170,716</u>	<u>12,051,152</u>
<u>\$ 9,093,825</u>	<u>\$ 8,544,569</u>	<u>\$ 7,254,946</u>	<u>\$ 8,001,164</u>	<u>\$ 12,168,333</u>	<u>\$ 10,226,432</u>
43.29%	41.28%	35.19%	36.57%	54.47%	45.90%

**City of Berea, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2016	19,093	\$ 462,718,855	\$ 24,235	\$ 50,278	37.1
2015	19,093	462,718,855	24,235	50,278	37.1
2014	19,093	462,718,855	24,235	50,278	37.1
2013	19,093	462,718,855	24,235	50,278	37.1
2012	19,093	462,718,855	24,235	50,278	37.1
2011	19,093	462,718,855	24,235	50,278	37.1
2010	19,093	443,702,227	23,239	46,522	35.9
2009	18,790	406,709,550	21,645	45,615	36.1
2008	18,790	406,709,550	21,645	45,615	36.1
2007	18,790	406,709,550	21,645	45,615	36.1

The unemployment rate for the City is not available, but is considered to be similar to the County rate.

(1) Source: U. S. Census

(a) 2000 Federal Census

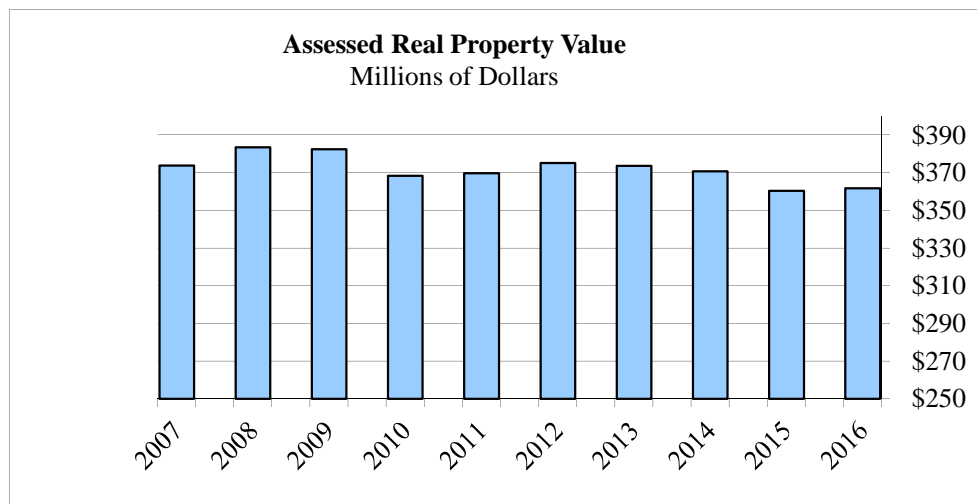
(b) 2010 Federal Census

(2) Source: Ohio Department of Education

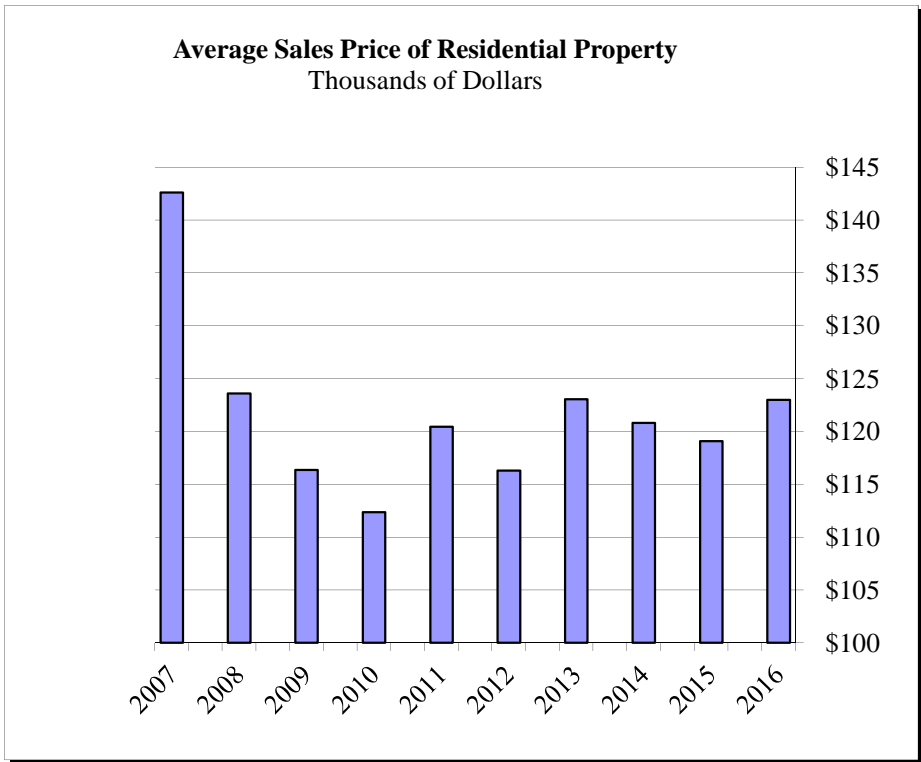
(3) Source: Bureau of Labor Statistics

(4) Source: Cuyahoga County Auditor

(5) Computation of per capita personal income multiplied by population



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Real Property Value (4)
3,350	6,537	5.3%	\$ 123,000	\$ 361,784,080
3,350	6,736	4.0%	119,100	360,416,630
3,350	6,910	6.0%	120,821	370,843,110
3,350	7,111	7.2%	123,056	373,633,920
3,350	7,121	8.6%	116,313	375,142,810
3,350	7,000	8.0%	120,453	369,786,280
3,450	7,099	8.6%	112,380	368,473,230
3,365	7,181	10.2%	116,352	382,502,610
3,365	7,500	7.1%	123,603	383,481,630
3,365	7,713	6.2%	142,614	373,920,320



**City of Berea, Ohio**  
*Full-Time Equivalent City Government Employees by Function/Program*  
*Last Ten Years*

Function/Program	2016	2015	2014	2013	2012
General Government					
Council	5.0	5.0	5.0	5.0	5.0
Finance	4.5	4.5	4.5	4.5	4.5
Law	4.0	3.5	2.0	1.0	1.0
Administration	19.0	10.5	11.0	6.5	6.0
Engineer	3.0	3.5	3.5	3.0	2.0
Civil Service	0.0	0.0	0.0	0.0	0.0
Court	30.0	28.0	30.5	28.0	29.5
Public Building	2.5	2.0	2.0	8.5	6.5
Security of Persons and Property					
Police	31.0	28.0	30.0	31.5	30.5
Police - Auxiliary	3.5	3.5	3.5	2.5	4.0
Police - Dispatchers/Office	2.5	4.0	7.0	8.0	7.5
Police - Animal Wardens	0.5	0.5	0.5	1.0	0.5
Police - School guards/Parking Control	1.5	1.5	1.5	2.0	1.5
Fire	23.0	23.0	22.0	21.0	21.0
Fire - Secretary - Other	0.0	0.0	0.0	0.0	0.0
Leisure Time Services					
Recreation - Admin	16.0	15.5	16.5	15.5	19.0
Recreation - Programs	14.0	13.5	14.5	13.5	15.0
Recreation - Pools	23.0	24.5	21.5	19.5	18.0
Jitney	4.5	3.0	3.0	3.5	3.5
Transportation					
Service	30.0	33.0	30.0	32.0	30.0
Basic Utility Services					
Water	13.5	12.5	12.5	14.5	15.0
Totals:	<u>231.0</u>	<u>219.5</u>	<u>221.0</u>	<u>221.0</u>	<u>220.0</u>

**Source:** City Payroll Department W2 Audit Listing

**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

2011	2010	2009	2008	2007
5.0	6.0	5.0	7.0	5.0
4.5	4.5	4.5	5.0	7.0
2.0	2.0	2.0	2.0	4.0
5.5	8.0	6.0	4.5	5.0
2.0	2.0	2.0	2.0	3.0
0.0	0.0	0.0	0.0	0.0
30.0	30.5	28.5	29.5	27.0
8.5	7.0	9.0	15.5	5.5
30.5	32.0	32.0	33.0	32.0
4.0	4.0	4.0	4.0	4.5
7.5	7.5	7.5	8.5	9.0
0.5	1.0	1.0	1.0	1.0
1.5	2.0	2.5	3.0	3.5
22.0	23.0	23.0	24.0	22.0
0.0	0.0	0.0	0.0	0.0
16.0	21.0	14.0	16.5	15.0
15.0	11.0	9.0	14.0	14.0
23.0	22.5	16.5	21.0	23.0
3.5	3.5	2.5	2.0	2.0
32.0	34.0	36.0	35.5	41.0
14.0	21.0	20.5	21.0	17.5
<u>227.0</u>	<u>242.5</u>	<u>225.5</u>	<u>249.0</u>	<u>241.0</u>

**City of Berea, Ohio**  
*Operating Indicators by Function/Program*  
*Last Ten Years*

Function/Program	2016	2015	2014	2013
<b>General Government</b>				
<i>Council and Clerk(1)</i>				
Number of Ordinances Passed	66	70	75	71
Number of Resolutions Passed	34	15	17	15
<i>Finance Department(2)</i>				
Number of checks/ vouchers issued	3,445	3,316	3,389	1,806
Amount of checks written (Accounts Payable - in thousands)	\$ 23,116	\$ 16,619	\$ 17,269	\$ 19,028
General Fund Interest earnings (cash basis)	\$ 193,312	\$ 129,245	\$ 128,796	\$ 74,755
Number of Journal Entries issued	515	417	304	315
Number of Budget Adjustments issued	8	6	6	5
Agency Ratings - Moody's Financial Services	AA2	AA2	AA2	AA2
General Fund Receipts (cash basis in thousands)	\$ 13,158	\$ 12,808	\$ 12,160	\$ 12,216
General Fund Expenditures (cash basis in thousands)	\$ 13,121	\$ 12,665	\$ 12,043	\$ 11,812
General Fund Cash Balances (in thousands)	\$ 1,981	\$ 1,996	\$ 1,853	\$ 1,735
<i>Municipal Court(3)</i>				
Total Civil/Small claims cases filed	2,030	2,762	2,908	2,697
Number of Berea civil/small claims cases	399	566	589	577
Total Criminal cases filed	2,145	2,364	2,316	1,963
Number of Berea felony cases	53	38	30	22
Number of Berea misdemeanor cases	401	387	385	410
<i>Civil Service(4)</i>				
Number of police entry tests administered	1	0	1	0
Number of fire entry tests administered	0	0	0	0
Number of police promotional tests administered	0	0	2	0
Number of fire promotional tests administered	0	0	0	0
Number of hires of Police Officers from certified lists	2	4	1	0
Number of hires of Fire/Medics from certified lists	0	1	2	0
Number of promotions from police certified lists	0	1	4	0
Number of promotions from fire certified lists	0	1	0	0
<b>Security of Persons &amp; Property</b>				
<i>Police(5)</i>				
Total Calls for Services	18,144	16,219	9,202	7,553
Number of traffic citations issued	1,598	989	1,523	1,898
Number of parking citations issued	2,519	1,135	1,608	1,898
Number of criminal arrests	1,374	750	1,176	1,186
Animal Warden service calls responded to per annual report	222	664	349	230
Police Dept. Auxiliary hours worked	2,102	2,096	2,128	2,089
DUI Arrests	137	65	97	82
Motor Vehicle Accidents	276	231	327	298
Property damage accidents/Self reported traffic accidents	89	106	101	90
<i>Fire(6)</i>				
EMS Calls	2,742	1,919	1,916	1,755
Ambulance Billing Collections (net)	\$ 453,662	\$ 410,456	\$ 427,296	\$ 404,008
Fire Calls	615	617	565	426
Fires with Loss	10	11	43	28
Fires with Losses exceeding \$10K	7	6	0	2
Fire Losses \$	\$ 750,000	\$ 351,500	\$ 5,300	\$ 60,000
Fire Safety Inspections	244	180	300	350

	2012	2011	2010	2009	2008	2007
	74	53	66	67	61	62
	16	15	15	19	17	15
	3,396	3,456	3,494	3,329	4,951	3,404
\$	16,298	\$ 15,718	\$ 16,403	\$ 16,312	\$ 18,700	\$ 28,113
\$	96,590	\$ 116,562	\$ 148,186	\$ 131,865	\$ 188,798	\$ 178,482
	278	266	280	288	295	244
	6	5	4	6	6	5
	AA2	AA2	AA2	AA3	AA3	AA3
\$	13,720	\$ 13,596	\$ 13,823	\$ 13,742	\$ 13,986	\$ 40,747
\$	13,519	\$ 13,646	\$ 13,759	\$ 14,289	\$ 13,922	\$ 38,785
\$	1,331	\$ 1,130	\$ 1,180	\$ 1,116	\$ 1,084	\$ 5,702
	2,529	3,183	3,462	3,598	4,245	3,802
	576	802	817	812	882	871
	1,900	1,641	1,539	1,773	1,992	2,175
	4	9	9	30	61	57
	445	390	400	436	557	507
	1	0	145	0	104	0
	1	0	179	0	118	0
	0	0	2	0	0	0
	2	0	1	0	0	0
	2	3	0	0	1	1
	2	6	0	0	2	0
	0	2	0	0	0	0
	1	5	0	0	0	0
	8,094	28,192	24,723	28,663	31,970	31,904
	2,334	1,666	1,995	1,964	2,520	2,548
	2,479	2,289	2,156	2,096	2,343	2,515
	1,429	1,243	1,335	1,435	1,623	1,497
	1,720	1,163	1,209	1,360	702	341
	2,229	2,137	2,209	1,971	2,209	3,473
	85	95	97	96	113	113
	292	274	305	330	363	338
	84	90	88	40	110	175
	1,689	1,715	1,622	1,555	1,550	1,539
\$	385,006	\$ 355,938	\$ 351,982	\$ 328,363	\$ 292,052	\$ 318,208
	441	254	227	227	243	262
	19	6	5	12	8	10
	3	4	2	5	4	6
\$	714,500	\$ 286,250	\$ 210,100	\$ 314,400	\$ 193,500	\$ 390,095
	230	836	876	738	748	756

(continued)

**City of Berea, Ohio**  
*Operating Indicators by Function/Program*  
*Last Ten Years*

Function/Program	2016	2015	2014	2013
<b>Leisure Time Services</b>				
<i>Recreation(2)</i>				
Outdoor swimming pool receipts	\$ 108,372	\$ 97,645	\$ 87,834	\$ 83,694
Membership receipts	\$ 163,084	\$ 171,594	\$ 173,949	\$ 188,740
Program fees	\$ 237,832	\$ 228,339	\$ 172,533	\$ 151,096
(Includes indoor and outdoor rec programs)				
<i>Building Department(7)</i>				
Construction Permits Issued	1,453	1,439	1,235	1,278
Estimated Value of Construction	\$ 27,238,831	\$ 19,280,049	\$ 14,571,224	\$ 18,812,145
Amount of Revenue generated from permits	\$ 361,469	\$ 386,808	\$ 175,946	\$ 274,278
Number of contract registrations issued	574	579	513	527
Amount of Revenue generated from contract registrations	\$ 67,500	\$ 70,750	\$ 64,125	\$ 65,875
Number of rental inspections performed*	735	289	587	529
Number of point of sale inspections	382	254	344	192
<i>Engineer Contracted Services(8)</i>				
Dollar amount of Construction overseen by Engineer	\$ 4,237,877	\$ 3,433,017	\$ 2,071,675	\$ 3,755,000
<b>Transportation(8,10)</b>				
Street Improvements - asphalt overlay (linear feet)	10,510	10,510	10,560	10,510
Street Repair (Curbs, aprons, berms, asphalt) (hours)	14,245	14,778	14,831	11,057
Municipal Signs (hours)	2,524	2,656	2,223	3,567
Paint Striping (hours)	198	561	448	1,146
Street Cleaning (hours)	710	838	733	1,037
Snow & Ice Removal regular hours	1,429	2,452	3,004	1,290
Snow & Ice Removal overtime hours	624	544	1,099	729
Sewer Crew (hours)	4,737	5,647	6,291	6,149
Leaf collection (hours)	1,907	2,000	1,836	1,907
Number of Trees Planted per year	55	0	78	105
Tons of snow melting salt purchased (Nov-Mar)	3,014	3,048	4,900	2,971
Cost of salt purchased	\$ 125,742	\$ 155,555	\$ 149,046	\$ 94,943
<b>Water Department(9)</b>				
Average Water Rate per 1000 gallons of water used	\$ 4.09	\$ 4.09	\$ 4.09	\$ 4.09
<b>Wastewater Department(9)</b>				
Average Wastewater Rates per 1000 gallons of water used	\$ 10.65	\$ 9.57	\$ 8.63	\$ 7.75
Average daily flow (Millions of gallons per day)	1.90	2.00	2.00	2.20

- 1 **Source:** City of Berea Council
- 2 **Source:** City of Berea Finance Department
- 3 **Source:** Berea Municipal Court
- 4 **Source:** City of Berea Law Department
- 5 **Source:** Berea Police Department
- 6 **Source:** Berea Fire Department
- 7 **Source:** City of Berea Building Department  
 \*2008 includes reinspections of single & multifamily homes
- 8 **Source:** City of Berea Service Department
- 9 **Source:** City of Berea Water Department  
 Based on Regular Residential Minimum Consumption
- 10 **Source:** City of Berea Payroll Department



2012	2011	2010	2009	2008	2007
\$ 94,715	\$ 87,184	\$ 78,107	\$ 80,418	\$ 84,039	\$ 76,324
\$ 187,664	\$ 188,758	\$ 199,473	\$ 166,046	\$ 157,699	\$ 157,693
\$ 149,361	\$ 119,983	\$ 82,992	\$ 66,515	\$ 62,162	\$ 44,416
1,365	1,481	1,551	1,673	1,738	1,533
\$ 31,824,793	\$ 36,768,876	\$ 34,130,240	\$ 77,870,198	\$ 25,573,472	\$ 9,901,081
\$ 289,842	\$ 299,738	\$ 431,117	\$ 625,070	\$ 739,580	\$ 618,813
560	570	523	548	534	543
\$ 56,000	\$ 57,000	\$ 50,100	\$ 54,800	\$ 53,400	\$ 54,300
481	470	198	146	674	245
190	169	183	200	224	241
\$ 1,779,077	\$ 1,625,020	\$ 5,707,254	\$ 2,813,504	\$ 5,149,826	\$ 6,427,990
4,752	13,186	10,757	21,200	6,434	17,108
12,675	15,609	16,455	17,611	16,122	20,005
4,169	4,023	3,972	3,599	3,518	3,597
2,022	1,948	2,028	1,267	977	1,580
1,732	1,714	1,993	2,033	1,375	1,662
89	1,717	1,381	2,016	4,722	3,324
600	689	1,158	977	1,563	1,771
2,973	4,403	5,164	5,589	7,642	6,990
1,300	1,605	1,831	2,346	2,365	2,226
118	101	58	60	37	173
1,866	3,081	3,979	3,439	4,895	3,980
\$ 85,076	\$ 142,537	\$ 180,833	\$ 198,600	\$ 193,940	\$ 164,208
\$ 4.71	\$ 4.71	\$ 4.09	\$ 4.09	\$ 4.09	\$ 4.09
\$ 7.01	\$ 6.40	\$ 6.33	\$ 6.33	\$ 5.06	\$ 4.35
1.96	2.04	2.00	2.07	2.10	2.15

**City of Berea, Ohio**  
*Capital Assets Statistics by Function/Program*  
*Last Ten Years*

Function/Program	2016	2015	2014	2013
<b>General Government</b>				
Number of Buildings	4	4	4	4
Square footage of Buildings:				
City Hall/Municipal Court	20,900	17,000	17,000	17,000
Water Plant	19,100	19,100	19,100	19,100
Service Garage	25,400	25,400	25,400	25,400
Recreation Center	33,000	33,000	33,000	33,000
Administrative Vehicles	8	10	10	11
Inspection Vehicles	4	4	4	3
Municipal Court Vehicles	1	1	1	1
<b>Police</b>				
Stations	1	1	1	1
Square footage of station	9,700	9,700	9,700	9,700
Vehicles	28	28	28	24
<b>Fire</b>				
Stations	1	1	1	1
Square footage of station	7,900	7,900	7,900	7,900
Vehicles:				
Aerial Tower	1	1	1	1
Pumpers	2	2	2	2
Rescue Ambulances	2	2	2	2
Utility	1	1	1	0
Staff vehicles	2	2	2	2
<b>Recreation</b>				
Number of Parks	5	5	5	5
Number of Pools	2	2	2	2
Number of Racquetball Courts	1	1	1	1
Number of Basketball Courts	3	3	3	3
Number of Baseball Diamonds	4	4	4	4
Number of Soccer Fields	3	3	3	3
Number of Playground Areas	6	6	5	5
Number of Vehicles	5	4	4	4
<b>Other Public Works</b>				
Streets (miles)	73.4	73.4	73.4	89.8
Service Vehicles	40	35	35	38
<b>Wastewater</b>				
Sanitary Sewers (miles)	75.5	75.5	75.5	76.2
Storm Sewers (miles)	90.5	90.5	90.5	53.5
Vehicles	2	2	2	2
<b>Water Department</b>				
Water Lines (miles)	84.0	84.0	84.0	83.9
Vehicles	8	6	6	7

Source: City of Berea Service Department

2012	2011	2010	2009	2008	2007
4	4	4	4	4	4
17,000	17,000	17,000	17,000	14,500	14,500
19,100	19,100	19,100	19,100	2,075	2,075
25,400	25,400	25,400	25,400	3,000	3,000
33,000	33,000	33,000	33,000	30,000	30,000
12	11	9	11	6	3
3	3	3	3	3	6
1	1	1	1	1	1
1	1	1	1	1	1
9,700	9,700	9,700	9,700	9,700	9,700
26	22	23	22	24	N/A
1	1	1	1	1	1
7,900	7,900	7,900	7,900	5,000	5,000
1	1	1	1	1	1
3	2	2	2	2	2
3	3	3	2	2	2
1	1	1	1	1	1
2	2	2	2	2	2
5	5	5	5	5	5
2	2	2	2	2	2
1	1	2	2	2	2
3	2	2	2	2	2
4	4	4	4	4	4
3	3	2	2	2	2
5	4	4	4	4	4
4	3	2	3	6	5
90.3	90.3	89.9	89.8	89.8	86.0
42	43	39	34	38	25
73.5	73.5	73.5	73.5	73.5	73.5
53.5	53.5	73.5	53.4	73.5	73.5
2	2	2	2	2	2
80.3	80.3	77.0	79.7	77.0	77.0
8	7	6	6	5	5

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City of Berea  
Cuyahoga County, Ohio

*Report Issued Pursuant to Government Auditing  
Standards*

For the Year Ended  
December 31, 2016

**CITY OF BEREA**  
**CUYAHOGA COUNTY, OHIO**  
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June 20, 2017

To the Honorable Mayor and City Council  
City of Berea  
Cuyahoga County, Ohio  
11 Berea Commons  
Berea, OH 44017

**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***

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 Berea, Cuyahoga County, Ohio (the City) as of and for the year ended December 31, 2016, 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 20, 2017.

**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 may exist that have not been identified.

**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 is 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rea & Associates, Inc.*

Medina, Ohio





# Dave Yost • Auditor of State

CITY OF BEREA

CUYAHOGA COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
SEPTEMBER 12, 2017