

CITY OF BEREA, OHIO

Mayor Cyril M. Kleem

Westbridge, Elmwood, Oakdale and Parkway Drive waterline, sewerline, sidewalk and roadway project



Comprehensive Annual Financial Report

For the Year Ended December 31, 2013



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, 2013 through December 31, 2013. 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

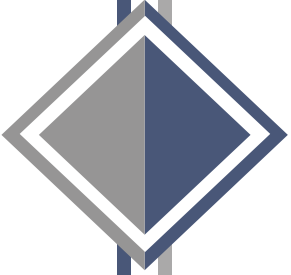
July 8, 2014

This page intentionally left blank.

CITY OF BEREA, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2013**

ISSUED BY: DEPARTMENT OF FINANCE
DANA KAVANDER, CPA, CPFA, CFE, CIA
DIRECTOR OF FINANCE



INTRODUCTORY SECTION

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2013

Table of Contents

Introductory Section	Page
Table of Contents	i
Letter of Transmittal	v
List of Principal Officials.....	xiii
Organizational Chart.....	xiv
Certificate of Achievement for Excellence in Financial Reporting	xv
Financial Section	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund	22
Statement of Fund Net Position – Proprietary Funds	23
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	24

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2013

Table of Contents (continued)

Statement of Cash Flows – Proprietary Funds	25
Statement of Assets and Liabilities – Agency Funds	26
Notes to the Basic Financial Statements	27
Combining Statements and Individual Fund Schedules:	
Combining Statements - Nonmajor Funds:	
Description of Funds	68
Combining Balance Sheet – Nonmajor Governmental Funds	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	73
Combining Balance Sheet – Nonmajor Special Revenue Funds	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	80
Combining Balance Sheet – Nonmajor Capital Projects Funds	86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	88
Governmental Funds Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
General Fund	91
General Bond Retirement Fund	95
General Capital Improvement Fund	96
Recreation Fund	97
State Highway Fund	98
Street Maintenance Fund.....	99
Fire Pension Fund	100
Police Pension Fund	101
Safe Students Fund	102
DARE Grant Fund	103
Animal Control Fund.....	104
Street Lighting Fund.....	105
Berea Welfare Fund.....	106
Special Events Fund	107
Senior Services Fund.....	108

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2013

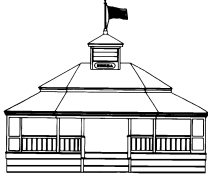
Table of Contents (continued)

Community Hospital Fund	109
Community Development Block Grant Fund.....	110
Municipal Vehicle Tax Levy Fund.....	111
Law Enforcement Fund.....	112
Municipal Court Fund	113
Municipal Court Health Insurance Fund	114
Probation Fund	115
Indigent Drivers Alcohol Treatment Fund	116
DUI Education Fund	117
Theft Division Fund	118
Indigent Driving School Fund	119
DUS Diversion Fund	120
Court Computer Fund	121
Court Computer Research Fund	122
Court Special Projects Fund	123
Indigent Defendant Alcohol Monitoring Fund	124
State Highway Patrol Fund	125
Safety Capital Improvement Fund	126
Recreation Capital Improvement Fund	127
Neighborhood Improvement Fund	128
Court Capital Improvement Fund	129
Combining Statements – Internal Service Funds:	
Description of Funds	131
Combining Statement of Fund Net Position –Internal Service Funds	132
Combining Statement of Revenues, Expenses and Changes in Fund Net Position –Internal Service Funds	133
Combining Statement of Cash Flows –Internal Service Funds	134
Combining Statements - Agency Funds:	
Description of Funds	135
Combining Statement of Assets and Liabilities - Agency Funds	136
Combining Statement of Changes in Assets and Liabilities – Agency Funds	138
Statistical Section	
Net Position by Component - Last Ten Years (Accrual Basis of Accounting)	S-2

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2013

Table of Contents (continued)

Changes in Net Position - Last Ten Fiscal Years (Accrual Basis of Accounting).....	S-4
Fund Balances, Governmental Funds	
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)	S-8
Changes in Fund Balances of Governmental Funds	
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)	S-10
Property Tax Rates – Direct and Overlapping	
Governments (per \$1,000 of Assessed Valuation) – Last Ten Years.....	S-12
Assessed Valuation and Estimated Actual Values of Taxable Property	
- Last Ten Years	S-14
Property Tax Levies and Collections - Last Ten Years	S-16
Principal Taxpayers - Real Estate Tax – 2013 and 2004	S-17
Principal Taxpayers - Municipal Tax – 2013 and 2006.....	S-18
Principal Employers – 2013 and 2007	S-19
Income Tax Revenue Base and Collections – Last Ten Years	S-20
Ratio of Outstanding Debt to Total Personal Income and Debt	
Per Capita – Last Ten Years	S-22
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded	
Debt per Capita – Last Ten Years	S-24
Computation of Direct and Overlapping Governmental Activities Debt.....	S-25
Legal Debt Margin – Last Ten Years.....	S-26
Demographic and Economic Statistics – Last Ten Years	S-28
Full-Time Equivalent City Government Employees by Function/ Program – Last Ten Years.....	S-30
Operating Indicators by Function/Program – Last Ten Years	S-32
Capital Assets Statistics by Function/Program – Last Ten Years.....	S-36



CITY OF BEREA

"The Grindstone City"

Cyril M. Kleem
Mayor

11 Berea Commons
Berea, Ohio 44017

Dana J. Kavander, CPA
Director of Finance

Phone: 440-826-5889
Fax: 440-234-5630
Website www.cityofberea.org
Email dkavander@cityofberea.org

June 16, 2014

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, 2013.

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, 2013. The independent auditors' 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 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, and 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 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 department 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 **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 **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 insures the water supply's safe and the water lines are properly maintained. The department also handles the billing and collection for the City's water department and the Northeast Ohio Regional Sewer District. 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 **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** 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. 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 insures 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 that participate and volunteer their time. 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 as well as assistance to qualifying seniors, handicapped and disabled residents with free snow removal.

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. The City has seen an increase in commercial growth on the west side of the City as a result of the Bagley Road underpass project. Bagley Road was re-engineered as an underpass under the CSX railroad tracks. This has resulted in less traffic congestion due to the significant increase in train traffic and has opened the area up for significant economic growth with the improvement and expansion of existing businesses as well as the development of new business opportunities. The Helwig Whistle Stop retail space was developed featuring restaurants, office space and a day care center. Additional stand-alone retail and restaurant businesses have been added to this area as well as storefront improvements to existing commercial businesses.

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. This area is in transition and future development opportunities are numerous.

The City's north end is also the location of the Cleveland Browns headquarters and training facility. Spring training is a great opportunity to bring football fans to Berea to watch the team prepare for their season. The Cleveland Browns continue to play a vital role in Berea's community. The City is committed to working with the Cleveland Browns to ensure the team remains a vital part of our community.

The City's Rocco J. Colonna Industrial Park has continued to be an important contribution to the City's commercial employment and economic tax base with its many light industrial businesses. A commercial strip on the corridor includes a health food restaurant and Gold's Gym. Several businesses in the Rocco J. Colonna Industrial Park are currently expanding their buildings. Low interest rates have made it possible for area businesses to consider expansion opportunities. The City of Berea continues to be in high demand for businesses looking for new locations to open a new business or to relocate their current business.

Current Year Projects: In 2013, the City's road program totaled almost one million dollars and included 22 roads. The biggest road project was in the Westbridge, Elmwood, Oakdale and Parkway Drive area and entailed a complete reconstruction of the streets as well as water lines, storm sewer lines, and sanitary sewer lines in this residential neighborhood. In addition, the North Rocky River Drive area also saw a complete reconstruction of Depot Street and North Rocky River Drive from Bagley Road to Depot Street.

The City is undertaking some renovations to the First Avenue Revitalization Area which includes the Cleveland Browns Training Facility. The Cleveland Browns spent over \$3.5 million in improvements to the City owned facility to accommodate an additional 68 employees as well as a new radio studio to broadcast the radio program, *Cleveland Browns Daily* among other programs at the facility. The City has invested over \$800,000 towards improvements to this area as part of its continuing program of improvements to the First Avenue Revitalization Area.

Future Outlook: The future economic outlook for the City of Berea is encouraging. Despite the sagging economic condition nationwide, and 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 another smaller development which has helped bring higher tax bracket taxpayers that Berea has been seeking. The City anticipates continued development in both residential and commercial areas in both the City's north and western portions of the City.

The City has completed both of its major railroad underpass/overpass projects. The completion of the overpass and underpass has resulted in an opportunity for new development. The completion of the western underpass brought new construction and development to the commercial area. The northern overpass that was recently completed includes increased land development opportunities. 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 and leasing ordinances. 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.

Future Projects:

The City is undertaking additional renovations to the First Avenue Revitalization Area which includes the Cleveland Browns Headquarters and Training Facility. The City and the Cleveland Browns have partnered up to make significant improvements to the Cleveland Browns headquarters as well as the City investing in improvements in infrastructure in this area.

The Berea Municipal Court hopes to construct a new municipal court in the future. The project is currently in the planning stage. No location has been finalized at this time.

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. Several parks have been redesigned with plans to begin McKelvey Park in 2014. In addition, plans are being reviewed for an amphitheater or outdoor stage overlooking the City's Coe Lake with construction scheduled in 2015.

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 reserve 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 reserving 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 undesignated 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 Designated 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 which encompasses 2013 through 2018. 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, 2012. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

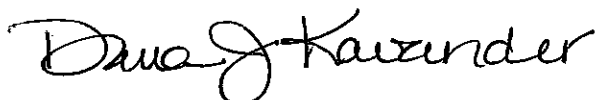
In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose content conforms to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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 eleven years ago. The City has received the Certificate of Achievement for the last eleven 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 conducted 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,

A handwritten signature in black ink that reads "Dana J. Kavander". The signature is written in a cursive style with a large, stylized initial "D".

Dana J. Kavander, CPA, CFE, CIA
Director of Finance

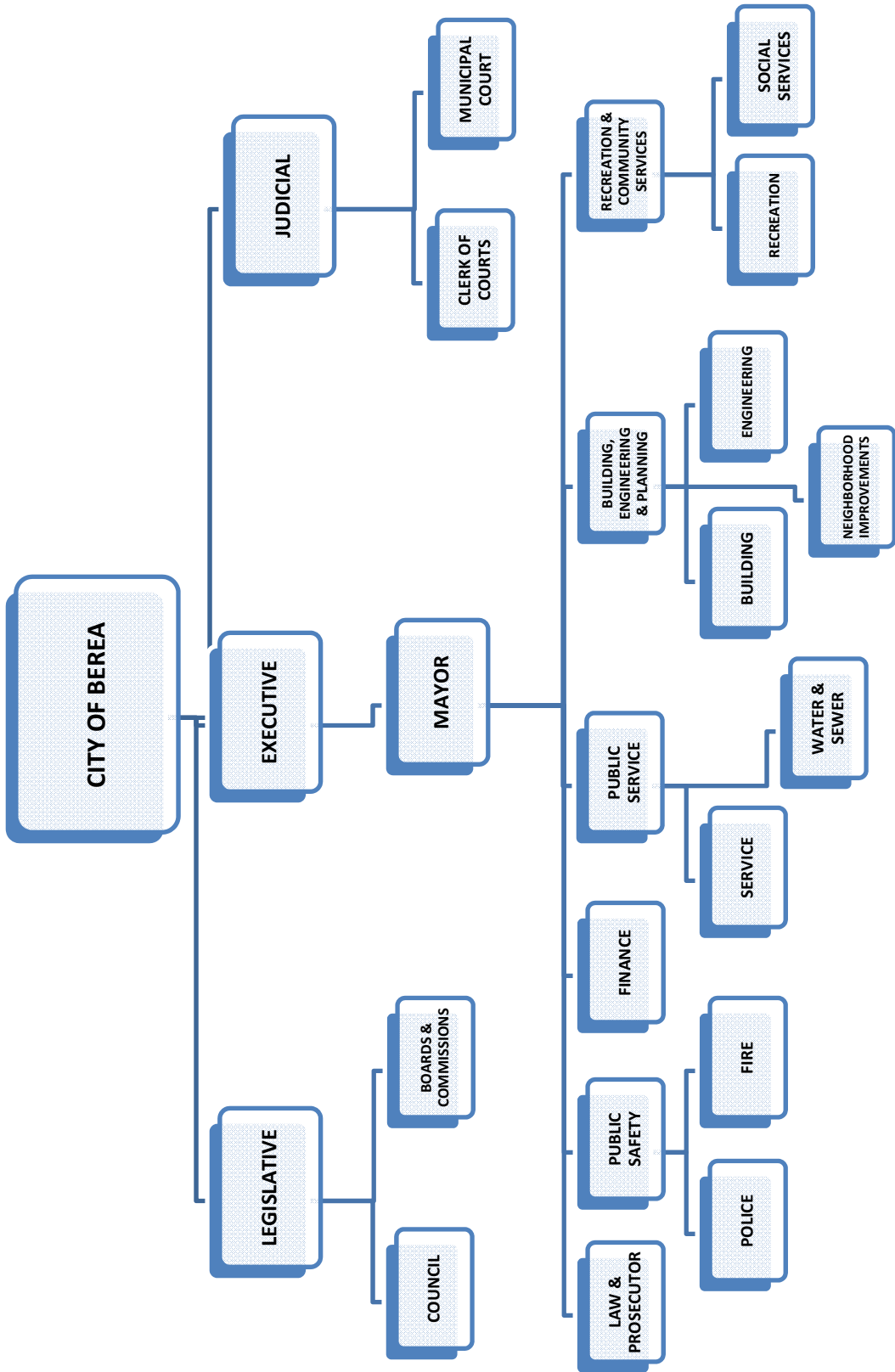
**CITY OF BEREA, OHIO
PRINCIPAL OFFICIALS
DECEMBER 31, 2013**

ELECTED OFFICIALS

Mayor	Cyril M. Kleem
President of Council	Mary K. Brown
Council Member-at-Large	Dale Lange
Council Member-at-Large	Dean W. Van Dress
Council Member - Ward 1	Margarette S. Key
Council Member - Ward 2	Nick Haschka
Council Member - Ward 3	Jim Maxwell
Council Member - Ward 4	Cheryl A. Banaszak
Council Member - Ward 5	Richard T. Malott

APPOINTED OFFICIALS

Director of Finance	Dana J. Kavander
Director of Law	James N. Walters, III
Director of Public Safety	Kenneth Adams
Director of Public Service	Sandra Vozar
Director of Recreation & Community Services	Robert Pochatek
Director of Housing, Engineering, and Planning	Matthew J. Madzy





Government Finance Officers Association

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

Presented to

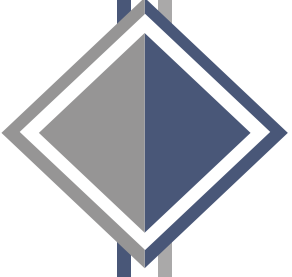
**City of Berea
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

This Page Intentionally Left Blank



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

June 16, 2014

To the Honorable Mayor and City Council
City of Berea
Cuyahoga County, Ohio

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, 2013, 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, 2013, 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 on pages 5–13 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 introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor 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 nonmajor 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2014 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 the City's internal control over financial reporting and compliance.

Hea & Associates, Inc.

Medina, Ohio

This Page Intentionally Left Blank

City of Berea
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

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, 2013. 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 2013 are as follows:

- In total, net position increased \$3.2 million, which represents a 3 percent increase from 2012. Net position of governmental activities increased \$2.9 million. Net position of business-type activities increased \$.2 million.
- Total capital assets increased \$3.4 million in 2013. Capital assets of governmental activities increased \$2.9 million from property rehabilitation and road projects and improvements to the Cleveland Brown's facility. Capital assets of business-type activities increased \$.5 million due to waterline and storm sewer improvements.
- Outstanding debt increased from \$30.6 million to \$32.3 million due to a \$4 million bond issue and additional bond anticipation notes issued during 2013.

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 2013 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
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

A question typically asked about the City's finances "How did we do financially during 2013?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by 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 and sewer 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.

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.

City of Berea
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

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 2013 compared to 2012:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and Other Assets	\$ 21,239,344	\$ 19,336,756	\$ 3,883,813	\$ 4,205,652	\$ 25,123,157	\$ 23,542,408
Capital Assets	74,437,357	71,540,804	37,671,043	37,185,523	112,108,400	108,726,327
<i>Total Assets</i>	<u>95,676,701</u>	<u>90,877,560</u>	<u>41,554,856</u>	<u>41,391,175</u>	<u>137,231,557</u>	<u>132,268,735</u>
Liabilities						
Long-Term Liabilities	19,672,885	17,975,981	14,153,866	14,197,189	33,826,751	32,173,170
Other Liabilities	1,268,179	1,233,623	339,592	354,953	1,607,771	1,588,576
<i>Total Liabilities</i>	<u>20,941,064</u>	<u>19,209,604</u>	<u>14,493,458</u>	<u>14,552,142</u>	<u>35,434,522</u>	<u>33,761,746</u>
Deferred Inflows of Resources	<u>3,661,261</u>	<u>3,536,013</u>	<u>442,043</u>	<u>429,283</u>	<u>4,103,304</u>	<u>3,965,296</u>
Net Position						
Net Investment in Capital Assets	57,752,563	57,295,806	23,626,242	23,368,937	81,378,805	80,664,743
Restricted	6,514,958	4,919,131	0	0	6,514,958	4,919,131
Unrestricted	<u>6,806,855</u>	<u>5,917,006</u>	<u>2,993,113</u>	<u>3,040,813</u>	<u>9,799,968</u>	<u>8,957,819</u>
<i>Total Net Position</i>	<u>\$ 71,074,376</u>	<u>\$ 68,131,943</u>	<u>\$ 26,619,355</u>	<u>\$ 26,409,750</u>	<u>\$ 97,693,731</u>	<u>\$ 94,541,693</u>

At year end, capital assets represented 82 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. The net investment in capital assets is \$81.4 million at December 31, 2013, with \$57.8 million in governmental activities and \$23.6 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, \$6.5 million or 7 percent, represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position of \$9.8 million may be used to meet the government's ongoing obligations to citizens and creditors.

Total assets in the governmental activities increased by \$4.8 million. Taxes receivable increased \$.8 million over 2013, \$.6 million of which is income taxes which can fluctuate from year to year. Capital assets increased \$2.9 million due to acquisitions exceeding depreciation in 2013. Liabilities increased

City of Berea
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

\$1.7 million from 2012 due to debt issuance exceeding annual debt service payments in 2013. Net position in the governmental activities increased \$2.9 million over 2012.

Business-type activities had an increase in net position of \$.2 million over 2012.

Table 2 shows the changes in net position for fiscal year 2013 and 2012.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$ 4,679,933	\$ 4,748,576	\$ 3,357,807	\$ 3,420,686	\$ 8,037,740	\$ 8,169,262
Operating Grants	1,172,432	976,221	0	0	1,172,432	976,221
Capital Grants	4,607,262	761,383	0	166,142	4,607,262	927,525
<i>General Revenues:</i>						
Property Taxes	3,907,499	3,984,161	456,699	448,972	4,364,198	4,433,133
Income Taxes	11,876,563	11,446,700	0	0	11,876,563	11,446,700
Other Taxes	272,968	278,888	0	0	272,968	278,888
Grants and Entitlements	1,317,382	1,244,125	74,604	63,815	1,391,986	1,307,940
Investment Earnings	15,527	128,363	0	0	15,527	128,363
Miscellaneous	88,056	57,616	1,010	9,902	89,066	67,518
<i>Total Revenues</i>	<u>27,937,622</u>	<u>23,626,033</u>	<u>3,890,120</u>	<u>4,109,517</u>	<u>31,827,742</u>	<u>27,735,550</u>
Program Expenses						
General Government	7,164,279	6,992,774	0	0	7,164,279	6,992,774
Security of Persons and Property	6,852,063	6,755,965	0	0	6,852,063	6,755,965
Public Health	134,122	155,326	0	0	134,122	155,326
Leisure Time Services	4,534,669	3,262,399	0	0	4,534,669	3,262,399
Community Development	396,804	465,302	0	0	396,804	465,302
Public Works	1,167,454	1,167,636	0	0	1,167,454	1,167,636
Transportation	3,346,244	4,557,209	0	0	3,346,244	4,557,209
Interest and Fiscal Charges	450,406	435,179	0	0	450,406	435,179
Bond Issuance Costs	138,238	0	0	0	138,238	0
<i>Enterprise Operations:</i>						
Water	0	0	3,652,775	3,655,963	3,652,775	3,655,963
Sanitation	0	0	838,650	922,985	838,650	922,985
<i>Total Program Expenses</i>	<u>24,184,279</u>	<u>23,791,790</u>	<u>4,491,425</u>	<u>4,578,948</u>	<u>28,675,704</u>	<u>28,370,738</u>
<i>Increase (Decrease) in Net Position</i>	3,753,343	(165,757)	(601,305)	(469,431)	3,152,038	(635,188)
Transfers	(810,910)	(261,000)	810,910	261,000	0	0
<i>Change in Net Position</i>	2,942,433	(426,757)	209,605	(208,431)	3,152,038	(635,188)
<i>Net Position Beginning of Year</i>	<u>68,131,943</u>	<u>68,558,700</u>	<u>26,409,750</u>	<u>26,618,181</u>	<u>94,541,693</u>	<u>95,176,881</u>
<i>Net Position End of Year</i>	<u>\$ 71,074,376</u>	<u>\$ 68,131,943</u>	<u>\$ 26,619,355</u>	<u>\$ 26,409,750</u>	<u>\$ 97,693,731</u>	<u>\$ 94,541,693</u>

City of Berea
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

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 taxes, grants and entitlements, 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 or the amount paid to another City.

General revenues include grants and entitlements, such as local government funds. With the combination of property tax, income tax and intergovernmental funding all expenses in the governmental activities are funded. The City monitors its sources of revenues very closely for fluctuations.

Revenues increased \$4.3 million over 2012, \$3.8 million of which was due to capital grants from outside sources.

Expenses increased \$.4 million over 2012. Leisure time services increased \$1.3 million over 2012, mainly from a loss on the disposal of assets in the Cleveland Brown's facility. This was offset by a decrease of \$1.2 million in transportation expenses. Timing and need of road improvements and maintenance can fluctuate annually. The largest program function of the City was for general government, which represents approximately 30 percent of program expenses in 2013. The next largest program function relates to security of persons and property, which includes the police and fire departments and represents approximately 28 percent of program expenses. General government and security of persons and property expenses increased \$.2 million and \$.1 million, respectively over 2012.

Business-Type Activities

Business-type activities include water and sewer operations. The revenues are generated primarily from charges for services. In 2013, charges for services of \$3.4 million accounted for 86 percent of the business type revenues. The total expenses for the utilities were \$4.5 million in 2013. The business-type activities had an increase in net position of \$.2 million over 2012.

The City's Funds

Governmental Funds

Information about the City's governmental funds begins on page 18. These funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of \$22.9 million and expenditures of \$29.4 million. The funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

The general fund's net change in fund balance for fiscal year 2013 was an increase of \$89,108. Expenditures in 2013 decreased by \$.5 million with general government and security of persons and property accounting for the decrease.

The fund balance of the general bond retirement fund increased by \$.1 million due to the timing of revenues to cover principal payments.

City of Berea
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

The general capital improvement fund had a decrease in fund balance of \$81,905 due to the timing of revenues to cover expenditures.

Other governmental funds had an increase in fund balance of \$.4 million, primarily due to transfers in from general fund.

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 fund at the end of the year amounted to \$2.3 million and the unrestricted net position of the sewer fund were \$.7 million. The decrease in net position for the water fund was \$.5 million, partially due to transfer of capital assets to governmental activities of \$.8 million. The sewer fund had an increase in net position of \$.7 million due to the unused portion of a transfer in from general fund.

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 2013, 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 \$14.8 million was just over \$22,000 more than final budget basis revenue. Original budget revenue estimates of \$14.3 million were \$.5 million less than final budget revenue with income taxes being originally estimated lower.

Final expenditure appropriations of \$11.3 million were \$.1 million higher than the actual expenditures of \$11.2 million, as cost savings were recognized for general government and security of persons and property throughout the year. Original expenditure appropriations were \$28,728 over final appropriations.

City of Berea
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

At the end of year 2013, the City had \$112.1 million invested in capital assets. A total of \$74.4 million of this was for governmental activities and \$37.7 million being attributable to business-type activities. Table 3 shows fiscal year 2013 balances compared with 2012.

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 9,317,472	\$ 8,535,201	\$ 93,181	\$ 93,181	\$ 9,410,653	\$ 8,628,382
Intangible	2,183,636	2,183,636	1,154,237	1,154,237	3,337,873	3,337,873
Land Improvements	2,392,764	2,344,542	158,639	183,812	2,551,403	2,528,354
Buildings	6,133,773	6,869,050	2,773,646	2,893,758	8,907,419	9,762,808
Building and Other Improvements	11,549,765	9,019,052	1,776,814	1,866,805	13,326,579	10,885,857
Machinery and Equipment	1,356,373	1,491,431	2,846,400	3,023,660	4,202,773	4,515,091
Furniture and Fixtures	43,006	65,134	14,298	20,820	57,304	85,954
Vehicles	599,790	701,771	39,497	56,148	639,287	757,919
Bridges	6,535,797	6,815,629	0	0	6,535,797	6,815,629
Roads	26,849,844	27,198,739	0	0	26,849,844	27,198,739
Sidewalks	1,169,787	1,259,458	0	0	1,169,787	1,259,458
Traffic Signals	3,482,327	3,623,263	0	0	3,482,327	3,623,263
Water Lines	0	0	8,761,513	8,261,245	8,761,513	8,261,245
Storm Sewers	0	0	11,296,219	11,132,903	11,296,219	11,132,903
Sanitary Sewers	0	0	8,705,020	8,293,632	8,705,020	8,293,632
Construction in Progress	2,823,023	1,433,898	51,579	205,322	2,874,602	1,639,220
Total	\$ 74,437,357	\$ 71,540,804	\$ 37,671,043	\$ 37,185,523	\$ 112,108,400	\$ 108,726,327

The \$2.9 million increase in capital assets of governmental activities was attributable to current year acquisitions exceeding depreciation and disposals. The \$.5 million increase in business-type activities is due to current year acquisitions exceeding depreciation and disposals. See Note 9 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, 2013
(Unaudited)

Debt

The outstanding debt for the City as of December 31, 2013 was \$32.3 million. See Note 13 for additional details. Table 4 summarizes outstanding debt.

Table 4
Outstanding Debt, at December 31

	Governmental Activities		Business-Type Activities Activities		Total	
	2013	2012	2013	2012	2013	2012
<i>General Obligation Bonds:</i>						
1993 Various Purpose Bonds	\$ 0	\$ 140,000	\$ 0	\$ 0	\$ 0	\$ 140,000
2006 Various Purpose Bonds	4,850,000	5,500,000	0	0	4,850,000	5,500,000
2010 Various Purpose Bonds	2,530,000	2,595,000	0	0	2,530,000	2,595,000
2013 Various Purpose Bonds	4,005,000	0	0	0	4,005,000	0
<i>Other Obligations:</i>						
Urban Renewal Bonds	0	50,000	0	0	0	50,000
OWDA Loans	0	0	11,147,766	11,216,680	11,147,766	11,216,680
OPWC Loans	0	0	1,355,625	869,483	1,355,625	869,483
Loan Payable	2,093,417	1,957,419	329,859	349,263	2,423,276	2,306,682
Bond Anticipation Notes	4,514,500	6,112,550	1,138,000	1,537,450	5,652,500	7,650,000
Capital Leases	214,233	164,023	92,690	121,025	306,923	285,048
Totals	<u>\$ 18,207,150</u>	<u>\$ 16,518,992</u>	<u>\$ 14,063,940</u>	<u>\$ 14,093,901</u>	<u>\$ 32,271,090</u>	<u>\$ 30,612,893</u>

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. 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 loss of property tax revenues due to a reduction in property values throughout the County and in various areas of the country, the City is evaluating its expenditures for a reduction in costs. The City has seen a slight reduction in wages due to pending retirements with limited replacements and a reduction in expenditures for departmental budgets. 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 costs to offset losses in revenues.

The City has continued its stance on improvements to the City's infrastructure. The ability to apply for grants in combination with the non-interest loans has continued to prove that the City has made a serious commitment to actively look for funds to assist in the improvements needed for our community. The City has undertaken several key projects to improve the neighborhoods throughout the City including improvements to the Polish Village area, the replacement of two of the four bridges in downtown Berea,

City of Berea
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

continuing improvements to supplement the \$6.5 million dollars spent on the City's water treatment plant, and water line, storm sewer, and sanitary sewer improvements to the City's Westbridge, Elmwood, Oakdale, and Parkway Drive area.

While the cost increases for medical insurance are unavoidable in today's environment, the City is working diligently to maintain a high level of coverage for its employees at the lowest cost possible. Several years ago, the City developed a self-funded insurance program and has been able to minimize its cost increases and reduce its health care costs. All employees who are eligible for health insurance contribute fifteen (15%) percent of the actual costs of the insurance. The City has also created a Health Insurance Committee, which is made up of a member from each union and one person from the non-union sector, to review costs and consider cost-saving measures to contain the premiums for health insurance.

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 is completed on the main thoroughfare through the City's north end. The City is currently in discussions with developers to assist in the revitalization and development of the City's north end now that the railroad overpass project has been completed.

The City developed a Fund Balance Policy to establish criteria for growing its general fund balance and support future retirements. This policy fits well into the City's overall plan for fiscal responsibility and financial management. The City also developed a six-year Capital Improvement Plan to review upcoming capital projects through 2018 and to review funding sources for these projects. The City continues to be fiscally responsible with a plan of over \$33 million in capital improvements over the six-year planning period without increasing its outstanding debt.

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, CPFA, CFE, CIA, City of Berea, 11 Berea Commons, Berea, Ohio 44017, e-mail dkavander@cityofberea.org or telephone 440-826-5889. We also offer information regarding our City on our web site, www.cityofberea.org.

This Page Intentionally Left Blank

City of Berea
Cuyahoga County, Ohio
Statement of Net Position
December 31, 2013

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 9,324,946	\$ 1,799,156	\$ 11,124,102
Accounts Receivable	474,316	1,514,149	1,988,465
Intergovernmental Receivable	1,145,094	31,742	1,176,836
Taxes Receivable	7,830,034	479,090	8,309,124
Special Assessments Receivable	664,746	0	664,746
Loans Receivable	1,463,693	0	1,463,693
Prepaid Items	3,564	9,842	13,406
Materials and Supplies Inventory	158,051	49,834	207,885
Inventory Held for Resale	174,900	0	174,900
Non-Depreciable Capital Assets	14,324,131	1,298,997	15,623,128
Depreciable Capital Assets, Net	60,113,226	36,372,046	96,485,272
<i>Total Assets</i>	<u>95,676,701</u>	<u>41,554,856</u>	<u>137,231,557</u>
Liabilities			
Accounts Payable	376,526	27,602	404,128
Accrued Wages	338,221	37,999	376,220
Intergovernmental Payable	281,140	36,238	317,378
Accrued Interest Payable	62,972	237,753	300,725
Claims Payable	209,320	0	209,320
Long-Term Liabilities:			
Due Within One Year	5,659,689	1,921,427	7,581,116
Due in More Than One Year	14,013,196	12,232,439	26,245,635
<i>Total Liabilities</i>	<u>20,941,064</u>	<u>14,493,458</u>	<u>35,434,522</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	3,661,261	442,043	4,103,304
<i>Total Deferred Inflows of Resources</i>	<u>3,661,261</u>	<u>442,043</u>	<u>4,103,304</u>
Net Position			
Net Investment in Capital Assets	57,752,563	23,626,242	81,378,805
Restricted for:			
Debt Service	2,779,034	0	2,779,034
Street Lighting	872,108	0	872,108
Street Maintenance and Repair	527,701	0	527,701
Court Operations and Capital Outlay	1,417,252	0	1,417,252
Security Operations	147,168	0	147,168
Drug and Alcohol Programs	418,540	0	418,540
Other Purposes	353,155	0	353,155
Unrestricted	6,806,855	2,993,113	9,799,968
<i>Total Net Position</i>	<u>\$ 71,074,376</u>	<u>\$ 26,619,355</u>	<u>\$ 97,693,731</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Activities
For the Year Ended December 31, 2013

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities				
General Government	\$ 7,164,279	\$ 2,661,404	\$ 118,308	\$ 941,534
Security of Persons and Property	6,852,063	1,156,701	42,888	0
Public Health	134,122	0	27,618	0
Leisure Time Services	4,534,669	577,155	0	3,665,728
Community Development	396,804	36,471	300	0
Public Works	1,167,454	0	0	0
Transportation	3,346,244	248,202	983,318	0
Interest and Fiscal Charges	450,406	0	0	0
Bond Issuance Costs	138,238	0	0	0
<i>Total Governmental Activities</i>	<u>24,184,279</u>	<u>4,679,933</u>	<u>1,172,432</u>	<u>4,607,262</u>
Business-Type Activities				
Water	3,652,775	2,591,376	0	0
Sewer	838,650	766,431	0	0
<i>Total Business-Type Activities</i>	<u>4,491,425</u>	<u>3,357,807</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$ 28,675,704</u>	<u>\$ 8,037,740</u>	<u>\$ 1,172,432</u>	<u>\$ 4,607,262</u>

General Revenues:

Property Taxes Levied for:

- General Purposes
- Police and Fire Pension
- 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
\$ (3,443,033)	\$ 0	\$ (3,443,033)
(5,652,474)	0	(5,652,474)
(106,504)	0	(106,504)
(291,786)	0	(291,786)
(360,033)	0	(360,033)
(1,167,454)	0	(1,167,454)
(2,114,724)	0	(2,114,724)
(450,406)	0	(450,406)
(138,238)	0	(138,238)
(13,724,652)	0	(13,724,652)
0	(1,061,399)	(1,061,399)
0	(72,219)	(72,219)
0	(1,133,618)	(1,133,618)
(13,724,652)	(1,133,618)	(14,858,270)
1,664,090	0	1,664,090
757,542	0	757,542
1,485,867	0	1,485,867
0	456,699	456,699
11,876,563	0	11,876,563
272,968	0	272,968
1,317,382	74,604	1,391,986
15,527	0	15,527
88,056	1,010	89,066
17,477,995	532,313	18,010,308
(810,910)	810,910	0
16,667,085	1,343,223	18,010,308
2,942,433	209,605	3,152,038
68,131,943	26,409,750	94,541,693
\$ 71,074,376	\$ 26,619,355	\$ 97,693,731

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Balance Sheet
Governmental Funds
December 31, 2013

	General	General Bond Retirement	General Capital Improvement	All Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Investments	\$ 2,836,799	\$ 2,024,373	\$ 623,599	\$ 3,023,484	\$ 8,508,255
Accounts Receivable	353,535	0	0	94,925	448,460
Intergovernmental Receivable	391,311	100,893	6,003	646,887	1,145,094
Taxes Receivable	5,535,603	1,522,817	0	771,614	7,830,034
Special Assessments Receivable	17,101	11,014	0	636,631	664,746
Loans Receivable	0	0	1,463,693	0	1,463,693
Interfund Receivable	0	525,000	0	0	525,000
Prepaid Items	3,564	0	0	0	3,564
Materials and Supplies Inventory	24,352	0	0	133,699	158,051
Inventory Held for Resale	0	0	174,900	0	174,900
<i>Total Assets</i>	<u>9,162,265</u>	<u>4,184,097</u>	<u>2,268,195</u>	<u>5,307,240</u>	<u>20,921,797</u>
Liabilities					
Accounts Payable	\$ 158,689	\$ 0	\$ 155,000	\$ 59,069	\$ 372,758
Accrued Wages	303,005	0	0	35,216	338,221
Intergovernmental Payable	183,514	0	0	97,626	281,140
Interfund Payable	0	0	525,000	0	525,000
<i>Total Liabilities</i>	<u>645,208</u>	<u>0</u>	<u>680,000</u>	<u>191,911</u>	<u>1,517,119</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	1,544,103	1,405,063	0	712,095	3,661,261
Unavailable Revenue - Delinquent Property Taxes	128,917	117,754	0	59,519	306,190
Unavailable Revenue - Income Taxes	1,772,983	0	0	0	1,772,983
Unavailable Revenue - Other	443,641	111,907	0	911,748	1,467,296
<i>Total Deferred Inflows of Resources</i>	<u>3,889,644</u>	<u>1,634,724</u>	<u>0</u>	<u>1,683,362</u>	<u>7,207,730</u>
Fund Balances					
Nonspendable	79,091	0	174,900	133,699	387,690
Restricted	0	2,549,373	0	2,743,866	5,293,239
Committed	1,094,998	0	1,413,295	579,001	3,087,294
Assigned	269,616	0	0	0	269,616
Unassigned	3,183,708	0	0	(24,599)	3,159,109
<i>Total Fund Balances</i>	<u>4,627,413</u>	<u>2,549,373</u>	<u>1,588,195</u>	<u>3,431,967</u>	<u>12,196,948</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 9,162,265</u>	<u>\$ 4,184,097</u>	<u>\$ 2,268,195</u>	<u>\$ 5,307,240</u>	<u>\$ 20,921,797</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, 2013

Total Governmental Fund Balances		\$ 12,196,948
 <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.		74,437,357
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	\$ 306,190	
Income Tax	1,772,983	
Intergovernmental	684,254	
Special Assessments	664,746	
Charges for Services	118,296	3,546,469
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.		629,459
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(62,972)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(11,385,000)	
OPWC Loans	(2,093,417)	
Bond Anticipation Notes	(4,514,500)	
Bond Premium	(155,570)	
Police and Fire Pension	(206,851)	
Capital Leases	(214,233)	
Compensated Absences	(1,103,314)	(19,672,885)
<i>Net Position of Governmental Activities</i>		\$ 71,074,376

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, 2013

	General	General Bond Retirement	General Capital Improvement	All Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$ 1,570,362	\$ 1,422,010	\$ 0	\$ 719,455	\$ 3,711,827
Income Taxes	11,114,942	0	0	0	11,114,942
Other Local Taxes	272,968	0	0	0	272,968
Special Assessments	8,408	10,279	0	676,392	695,079
Charges for Services	212,080	0	0	771,487	983,567
Licenses and Permits	350,281	0	0	42,994	393,275
Fines and Forfeitures	1,447,728	0	0	981,135	2,428,863
Intergovernmental	859,159	237,093	570,605	1,259,802	2,926,659
Interest	15,527	10,000	0	3,521	29,048
Rent	148,552	0	0	20,668	169,220
Contributions and Donations	0	0	0	52,163	52,163
Reimbursements	11,540	0	0	2,478	14,018
Other	56,310	0	195	10,550	67,055
<i>Total Revenues</i>	<u>16,067,857</u>	<u>1,679,382</u>	<u>570,800</u>	<u>4,540,645</u>	<u>22,858,684</u>
Expenditures					
Current:					
General Government	5,733,006	10,776	0	687,779	6,431,561
Security of Persons and Property	4,763,904	0	0	1,741,466	6,505,370
Public Health	0	0	0	134,122	134,122
Leisure Time Services	481,573	0	0	1,370,540	1,852,113
Community Development	404,860	0	0	0	404,860
Public Works	1,148,881	0	0	0	1,148,881
Transportation	0	0	0	776,220	776,220
Capital Outlay	0	0	2,830,333	1,541,406	4,371,739
Debt Service:					
Principal Retirement	0	7,017,550	118,875	5,813	7,142,238
Interest and Fiscal Charges	0	436,867	23,280	8,978	469,125
Bond Issuance Costs	0	138,238	0	0	138,238
<i>Total Expenditures</i>	<u>12,532,224</u>	<u>7,603,431</u>	<u>2,972,488</u>	<u>6,266,324</u>	<u>29,374,467</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,535,633</u>	<u>(5,924,049)</u>	<u>(2,401,688)</u>	<u>(1,725,679)</u>	<u>(6,515,783)</u>
Other Financing Sources (Uses)					
Inception of Capital Lease	0	0	158,952	0	158,952
Proceeds from Sale of Capital Assets	0	0	20,700	0	20,700
General Obligation Bonds Issued	0	4,005,000	0	0	4,005,000
Proceeds from OPWC Loans	0	0	146,131	0	146,131
Premium on Debt Issuance	0	88,152	0	0	88,152
Proceeds from Notes Issued	0	3,484,500	750,000	280,000	4,514,500
Transfers In	0	0	1,244,000	1,888,525	3,132,525
Transfers Out	(3,446,525)	(1,537,450)	0	0	(4,983,975)
<i>Total Other Financing Sources (Uses)</i>	<u>(3,446,525)</u>	<u>6,040,202</u>	<u>2,319,783</u>	<u>2,168,525</u>	<u>7,081,985</u>
<i>Net Change in Fund Balance</i>	89,108	116,153	(81,905)	442,846	566,202
<i>Fund Balance Beginning of Year</i>	<u>4,538,305</u>	<u>2,433,220</u>	<u>1,670,100</u>	<u>2,989,121</u>	<u>11,630,746</u>
<i>Fund Balance End of Year</i>	<u>\$ 4,627,413</u>	<u>\$ 2,549,373</u>	<u>\$ 1,588,195</u>	<u>\$ 3,431,967</u>	<u>\$ 12,196,948</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, 2013*

Net Change in Fund Balances - Total Governmental Funds	\$	566,202
 <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. This is the amount by which additions exceeded depreciation in the current period.		
Capital Asset Additions	\$ 9,093,733	
Current Year Depreciation	<u>(4,508,404)</u>	4,585,329
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(1,688,776)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	77,252	
Income Tax	693,431	
Intergovernmental	(53,688)	
Charges for Services	68,191	
Special Assessments	<u>7,224</u>	792,410
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	855,000	
Urban Renewal Bonds	50,000	
OPWC Loans	10,133	
Bond Anticipation Notes	6,112,550	
Capital Lease	108,742	
Police and Fire Pension	<u>5,813</u>	7,142,238
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
General Obligation Bonds	(4,005,000)	
OPWC Loans	(146,131)	
Bond Anticipation Notes	(4,514,500)	
Capital Lease	<u>(158,952)</u>	(8,824,583)
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	7,781	
Amortization of Premium on Bonds - Net of Issuance	<u>(77,214)</u>	(69,433)
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.		
		376,391
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>62,655</u>
<i>Change in Net Position of Governmental Activities</i>	\$	<u><u>2,942,433</u></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, 2013

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property Taxes	\$ 1,571,042	\$ 1,570,362	\$ 1,570,362	\$ 0
Income Taxes	10,950,697	11,224,907	11,224,907	0
Other Local Taxes	272,000	273,331	273,331	0
Special Assessments	8,000	8,408	8,408	0
Charges for Services	321,727	216,244	216,244	0
Licenses and Permits	335,000	350,281	350,281	0
Fines and Forfeitures	100,000	95,326	95,326	0
Intergovernmental	505,745	798,732	798,732	0
Interest	100,000	74,755	74,755	0
Rent	126,273	126,273	148,552	22,279
Other	25,440	29,829	29,829	0
<i>Total Revenues</i>	<u>14,315,924</u>	<u>14,768,448</u>	<u>14,790,727</u>	<u>22,279</u>
Expenditures				
Current:				
General Government	4,517,179	4,490,181	4,413,646	76,535
Security of Persons and Property	4,846,692	4,826,692	4,753,922	72,770
Leisure Time Services	480,728	484,448	482,214	2,234
Community Development	405,276	407,871	403,550	4,321
Public Works	1,124,811	1,136,766	1,136,425	341
<i>Total Expenditures</i>	<u>11,374,686</u>	<u>11,345,958</u>	<u>11,189,757</u>	<u>156,201</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,941,238</u>	<u>3,422,490</u>	<u>3,600,970</u>	<u>178,480</u>
Other Financing Sources (Uses)				
Advances In	100,000	92,625	92,625	0
Advances Out	(100,000)	(92,625)	(92,625)	0
Transfers Out	(3,454,000)	(3,454,000)	(3,454,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(3,454,000)</u>	<u>(3,454,000)</u>	<u>(3,454,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(512,762)	(31,510)	146,970	178,480
<i>Fund Balance Beginning of Year</i>	2,535,959	2,535,959	2,535,959	0
Prior Year Encumbrances Appropriated	56,343	56,343	56,343	0
<i>Fund Balance End of Year</i>	<u>\$ 2,079,540</u>	<u>\$ 2,560,792</u>	<u>\$ 2,739,272</u>	<u>\$ 178,480</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2013

	Enterprise Funds			Governmental Activities -
	Water Revenue	Sewer Revenue	Total	Internal Service Fund
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Investments	\$ 1,309,229	\$ 489,927	\$ 1,799,156	\$ 816,691
Accounts Receivable	1,098,102	416,047	1,514,149	25,856
Intergovernmental Receivable	31,742	0	31,742	0
Taxes Receivable	479,090	0	479,090	0
Prepaid Items	9,842	0	9,842	0
Materials and Supplies Inventory	49,834	0	49,834	0
<i>Total Current Assets</i>	<u>2,977,839</u>	<u>905,974</u>	<u>3,883,813</u>	<u>842,547</u>
<i>Non-Current Assets:</i>				
Non-Depreciable Capital Assets	993,773	305,224	1,298,997	0
Depreciable Capital Assets, Net	24,078,905	12,293,141	36,372,046	0
<i>Total Non-Current Assets</i>	<u>25,072,678</u>	<u>12,598,365</u>	<u>37,671,043</u>	<u>0</u>
<i>Total Assets</i>	<u>28,050,517</u>	<u>13,504,339</u>	<u>41,554,856</u>	<u>842,547</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	26,503	1,099	27,602	3,768
Accrued Wages	33,146	4,853	37,999	0
Intergovernmental Payable	29,946	6,292	36,238	0
Accrued Interest Payable	175,202	62,551	237,753	0
Claims Payable	0	0	0	209,320
Compensated Absences Payable	13,565	2,985	16,550	0
Capital Leases Payable	29,579	0	29,579	0
Bond Anticipation Notes Payable	1,038,000	100,000	1,138,000	0
Loans Payable	0	19,404	19,404	0
OPWC Loans Payable	0	54,004	54,004	0
OWDA Loans Payable	480,065	183,825	663,890	0
<i>Total Current Liabilities</i>	<u>1,826,006</u>	<u>435,013</u>	<u>2,261,019</u>	<u>213,088</u>
<i>Long-Term Liabilities:</i>				
Compensated Absences Payable - Net of Current Portion	53,691	19,685	73,376	0
Capital Leases Payable - Net of Current Portion	63,111	0	63,111	0
Loans Payable - Net of Current Portion	0	310,455	310,455	0
OPWC Loans Payable - Net of Current Portion	13,576	1,288,045	1,301,621	0
OWDA Loans Payable - Net of Current Portion	8,042,377	2,441,499	10,483,876	0
<i>Total Long-Term Liabilities</i>	<u>8,172,755</u>	<u>4,059,684</u>	<u>12,232,439</u>	<u>0</u>
<i>Total Liabilities</i>	<u>9,998,761</u>	<u>4,494,697</u>	<u>14,493,458</u>	<u>213,088</u>
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	442,043	0	442,043	0
<i>Total Deferred Inflows of Resources</i>	<u>442,043</u>	<u>0</u>	<u>442,043</u>	<u>0</u>
Net Position				
Net Investment in Capital Assets	15,326,759	8,299,483	23,626,242	0
Unrestricted	2,282,954	710,159	2,993,113	629,459
<i>Total Net Position</i>	<u>\$ 17,609,713</u>	<u>\$ 9,009,642</u>	<u>\$ 26,619,355</u>	<u>\$ 629,459</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, 2013

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Revenue	Sewer Revenue	Totals	
Operating Revenues				
Charges for Services	\$ 2,591,376	\$ 766,431	\$ 3,357,807	\$ 2,973,094
Reimbursements	0	0	0	468,066
Other	1,010	0	1,010	198
<i>Total Operating Revenues</i>	2,592,386	766,431	3,358,817	3,441,358
Operating Expenses				
Personal Services	1,468,813	332,436	1,801,249	0
Contractual Services	282,090	43,769	325,859	896,102
Materials and Supplies	540,764	29,547	570,311	0
Claims	0	0	0	2,167,201
Depreciation	1,003,962	308,722	1,312,684	0
Other	8,647	3,322	11,969	1,664
<i>Total Operating Expenses</i>	3,304,276	717,796	4,022,072	3,064,967
<i>Operating Income (Loss)</i>	(711,890)	48,635	(663,255)	376,391
Non-Operating Revenues (Expense)				
Intergovernmental	74,604	0	74,604	0
Property Taxes	456,699	0	456,699	0
Interest and Fiscal Charges	(348,499)	(120,854)	(469,353)	0
<i>Total Non-Operating Revenues (Expense)</i>	182,804	(120,854)	61,950	0
<i>Income (Loss) Before Transfers</i>	(529,086)	(72,219)	(601,305)	376,391
Transfers In	862,450	989,000	1,851,450	0
Transfers Out - Capital Assets	(785,945)	(254,595)	(1,040,540)	0
<i>Change in Net Position</i>	(452,581)	662,186	209,605	376,391
<i>Net Position Beginning of Year</i>	18,062,294	8,347,456	26,409,750	253,068
<i>Net Position End of Year</i>	\$ 17,609,713	\$ 9,009,642	\$ 26,619,355	\$ 629,459

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, 2013

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Revenue	Sewer Revenue	Totals	
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 2,544,467	\$ 734,364	\$ 3,278,831	\$ 3,415,502
Cash Payments to Suppliers for Goods and Services	(513,981)	(29,547)	(543,528)	0
Cash Payments to Employees for Services and Benefits	(1,500,006)	(311,296)	(1,811,302)	0
Cash Payments for Contractual Services	(288,852)	(47,536)	(336,388)	(893,998)
Cash Payments for Claims	0	0	0	(2,106,225)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>241,628</u>	<u>345,985</u>	<u>587,613</u>	<u>415,279</u>
Cash Flows from Noncapital Financing Activities				
Intergovernmental Revenue	74,586	0	74,586	0
Property Taxes	447,374	0	447,374	0
Transfers In	862,450	989,000	1,851,450	0
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>1,384,410</u>	<u>989,000</u>	<u>2,373,410</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities				
Proceeds of Bond Anticipation Notes	1,038,000	100,000	1,138,000	0
Proceeds of OPWC Loans	0	540,145	540,145	0
Proceeds of OWD A Loans	567,395	0	567,395	0
Acquisition of Capital Assets	(1,439,741)	(1,401,416)	(2,841,157)	0
Principal Payments on Debt and Leases	(1,286,937)	(988,564)	(2,275,501)	0
Interest Payments on Debt and Leases	(357,086)	(129,964)	(487,050)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(1,478,369)</u>	<u>(1,879,799)</u>	<u>(3,358,168)</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	147,669	(544,814)	(397,145)	415,279
<i>Cash and Investments Beginning of Year</i>	1,161,560	1,034,741	2,196,301	401,412
<i>Cash and Investments End of Year</i>	<u>\$ 1,309,229</u>	<u>\$ 489,927</u>	<u>\$ 1,799,156</u>	<u>\$ 816,691</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$ (711,890)	\$ 48,635	\$ (663,255)	\$ 376,391
Adjustments:				
Depreciation	1,003,962	308,722	1,312,684	0
Loss on Disposal of Capital Assets	0	2,413	2,413	0
(Increase) Decrease in Assets:				
Accounts Receivable	(47,919)	(32,067)	(79,986)	(25,856)
Materials and Supplies Inventory	26,783	0	26,783	0
Increase (Decrease) in Liabilities:				
Accounts Payable	1,885	(2,858)	(973)	3,768
Accrued Wages	6,976	59	7,035	0
Compensated Absences Payable	(33,380)	20,018	(13,362)	0
Intergovernmental Payable	(4,789)	1,063	(3,726)	0
Claims Payable	0	0	0	60,976
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u>\$ 241,628</u>	<u>\$ 345,985</u>	<u>\$ 587,613</u>	<u>\$ 415,279</u>

Noncash Capital Financing Activities:

As of December 31, 2013, the water and sewer revenue funds transferred capital assets to governmental activities in the amount of \$785,945 and \$254,595, respectively.

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Assets and Liabilities
Agency Funds
December 31, 2013

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Investments	\$ 893,502
Equity in Cash Segregated	120,297
Accounts Receivable	<u>1,465,547</u>
<i>Total Assets</i>	<u><u>\$ 2,479,346</u></u>
Liabilities	
Accounts Payable	\$ 667,177
Due to Other Governments	1,617,088
Deposits Held and Due to Others	<u>195,081</u>
<i>Total Liabilities</i>	<u><u>\$ 2,479,346</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, 2013

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.

A. Basis of Presentation

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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.

B. Fund Accounting

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

Governmental Funds - Governmental funds are those 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. The income tax revenues collected in the municipal income tax fund are designated for water, recreation, debt and capital expenditures. These funds cannot be spent for any other reason. The allocation to the four areas is designated annually during the budgeting

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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 the one-half of the City's admission tax revenues and other 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 and treatment plant 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 comp 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, deposits held for contractors and developers, Ohio Board of Building Standards fees, municipal court collections for the Metropark and municipal court collections.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

C. Measurement Focus

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

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

D. Basis of Accounting

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

Revenues - Exchanges 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 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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 Inflows of Resources and Deferred Outflows of Resources

A deferred inflow of resources is an acquisition of assets by the City that is applicable to a future reporting period. A deferred outflow of resources is a consumption of assets by the City that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance 2014 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows of resources. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at December 31, 2013, are recorded as deferred inflows of resources in governmental funds.

On governmental fund financial statements receivables that will not be collected within the available period have been reported as a deferred inflow of resources.

On the accrual basis of accounting, unamortized deferred charges on debt refunding are reported as a deferred outflow of resources.

E. 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' shares 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 "Equity in Pooled Cash Segregated" since they are not required to be deposited into the City's treasury.

Investments are reported at fair value which is based on quoted market prices.

During 2013, investments were limited to money market funds, negotiable certificates of deposit, Federal Farm Credit, Federal Home Loan Bank and Federal National Mortgage government bonds and State Treasury Asset Reserve of Ohio (STAROhio).

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2013.

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 2013 amounted to \$15,527, which includes \$11,960 assigned from other City funds. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 6, "Cash, Cash Equivalents and Investments."

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".

F. 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.

G. Inventory Held for Resale

Inventory held for resale represents properties purchased by or donated to the City. These properties are valued based upon the purchase price plus any costs of maintenance, rehabilitation or demolition of homes on the properties. The City holds the properties until they are sold.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2013, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five-thousand dollars. The City's infrastructure consists of roads, storm sewers, sanitary sewers, water lines, bridges, traffic signals, and sidewalks and

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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, intangible 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

J. Interfund Balances

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

K. Compensated Absences

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

L. Accrued Liabilities and Long-Term Obligations

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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

M. 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.

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

N. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of assets. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City did not report any balances restricted by enabling legislation.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted balances are available.

O. 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.

P. 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 2013, the governmental activities received capital contributions in the amount \$4,607,262 from outside sources.

Q. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after 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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type occurred in 2013.

S. 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.

T. 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.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director of Finance. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2013.

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.

U. Changes in Accounting Principles

For the year ended December 31, 2013, the City has implemented Statement No. 61, "*The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34,*" Statement No. 65, "*Items Previously Reported as Assets and Liabilities*" and Statement No. 66, "*Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62.*"

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

GASB Statement No. 61 modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, the display of component units presentation and certain disclosure requirements. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the City's 2013 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the City's financial statements.

NOTE 3 – ACCOUNTABILITY

Fund balances at December 31, 2013 included the following individual fund deficits:

	Deficit Fund Balance
<i>Other Governmental Funds:</i>	
Fire Pension Fund	\$ 8,337
Police Pension fund	<u>16,262</u>
	<u>\$ 24,599</u>

The deficits in these funds 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 – 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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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	\$ 51,175	\$ 0	\$ 0	\$ 0	\$ 51,175
Inventory for Consumption	24,352	0	0	133,699	158,051
Inventory for Resale	0	0	174,900	0	174,900
Prepays	3,564	0	0	0	3,564
Total Nonspendable	79,091	0	174,900	133,699	387,690
<u>Restricted for:</u>					
Bond Retirement	0	2,549,373	0	0	2,549,373
Community Improvement	0	0	0	150,000	150,000
Court Operations and Capital Outlay	0	0	0	1,420,546	1,420,546
Drug and Alcohol Programs	0	0	0	418,540	418,540
Security Operations and Programs	0	0	0	147,168	147,168
Street Improvement and Repair	0	0	0	249,834	249,834
Street Lighting	0	0	0	242,882	242,882
Other Programs	0	0	0	114,896	114,896
Total Restricted	0	2,549,373	0	2,743,866	5,293,239
<u>Committed to:</u>					
Income Tax (See Note 7.A.)	707,463	0	0	0	707,463
Retirements	320,310	0	0	0	320,310
Recreational Programs	0	0	0	46,256	46,256
Court Operations and Capital Outlay	67,225	0	0	0	67,225
Neighborhood Capital Improvement	0	0	0	62,029	62,029
Community Programs	0	0	0	61,266	61,266
Recreation Capital Outlay	0	0	0	143,217	143,217
Safety Equipment Capital Outlay	0	0	0	266,233	266,233
General Capital Improvements	0	0	1,413,295	0	1,413,295
Total Committed	1,094,998	0	1,413,295	579,001	3,087,294
<u>Assigned for:</u>					
Encumbrances:					
General Government	4,856	0	0	0	4,856
Security of Persons and Property	12,692	0	0	0	12,692
Leisure Time Activities	963	0	0	0	963
Community Development	1,426	0	0	0	1,426
Public Works	2,519	0	0	0	2,519
Subsequent Year Appropriations	247,160	0	0	0	247,160
Total Assigned	269,616	0	0	0	269,616
Unassigned (Deficit)	3,183,708	0	0	(24,599)	3,159,109
Total Fund Balance (Deficit)	\$ 4,627,413	\$ 2,549,373	\$ 1,588,195	\$ 3,431,967	\$ 12,196,948

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 5 - 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.

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 as an assignment of fund balance (GAAP).
4. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. 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 **
GAAP Basis	\$ 89,108
Net Adjustment for Revenue Accruals	87,132
Advance In	92,625
Advance Out	(92,625)
Net Adjustment for Expenditure Accruals	(29,675)
Funds Budgeted Elsewhere	24,093
Encumbrances	(23,688)
Budget Basis	\$ 146,970

** 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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 6 - CASH, CASH EQUIVALENTS, 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
6. The State Treasurer's investment pool (STAR Ohio and STAR Plus);

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

7. Certain banker's acceptances and commercial paper notes in an amount not to exceed 25% of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt 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 on Hand - At December 31, 2013 the City had \$10,500 in undeposited cash on hand, which is included in the balance sheet of the City as part of "Equity in Pooled Cash and Investments".

Deposits - At year-end, the carrying amount of the City's deposits was \$1,622,632 and the bank balance was \$1,750,968. Of the bank balance:

1. \$1,032,721 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. \$718,247 was uninsured and uncollateralized. 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 carrying amount of the municipal court bond fund was \$120,297 ("Equity in Pooled Cash Segregated") and the bank balance was \$201,925. This fund is maintained separately and is fully insured.

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. The City follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investments Pools*, and records all its investments at fair value. All investments are in an internal investment pool.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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

Standard & Poor's	Investment	Fair Value	(in years)			% Total
			Less than 1	1 - 4	5 - 6	
AAAm	STAROhio	\$ 66,251	\$ 66,251	\$ 0	\$ 0	0.6%
***	Negotiable Certificates of Deposit	6,880,415	871,900	4,095,453	1,913,062	66.3%
	U.S. Agency Notes:					
AAA	Federal Home Loan Bank	2,198,213	0	0	2,198,213	21.2%
AAA	Federal Farm Credit	490,835	0	0	490,835	4.7%
AAA	Federal National Mortgage Assn.	253,443	0	0	253,443	2.4%
A+	JP Morgan Money Market	494,957	494,957	0	0	4.8%
A+	Multi-Bank Securities Money Market	358	358	0	0	0.0%
		<u>\$ 10,384,472</u>	<u>\$ 1,433,466</u>	<u>\$ 4,095,453</u>	<u>\$ 4,855,553</u>	<u>100.0%</u>

*** Fully insured under FDIC

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, 2013, is 53 days and carries a rating of AAAM by Standard and Poor's.

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. The City has no investment policy that would further limit its investment choices.

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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 7 – RECEIVABLES

Receivables at December 31, 2013 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 \$17,101 in the general fund, \$11,014 in the general bond retirement fund and \$636,631 in other governmental funds.

A. 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%) and to the municipal income tax fund (25%). The income tax revenues collected in the municipal income tax fund is designated for water, 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 2013 were \$11,224,907, which was allocated at \$8,418,680 to the general fund and \$2,806,227 to the municipal income tax fund. The municipal income tax fund has been combined with the general fund for reporting purposes. On the accrual basis, income tax revenue was \$11,876,563 in the governmental activities. At year end, the municipal income tax fund had \$707,463 in unencumbered committed funds, for financial statement purposes, that will be allocated to other funds as approved by the municipal income tax levy.

B. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2013 for real and public utility property taxes represents collections of the 2012 taxes.

2013 real property taxes were levied after October 1, 2013 on the assessed value as of January 1, 2013, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2014.

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. 2013 public utility property taxes which became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phased out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property was eliminated in calendar year 2010. The tax was phased out by reducing the assessment rate on the property each year. The bill replaced the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2010, the City was fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements are being phased out. On June 30, 2011, House Bill No. 153 was signed into law, which further reduced the amounts of these reimbursements.

The full tax rate for all City operations for the year ended December 31, 2013, was \$16.80 per \$1,000 of assessed valuation. The assessed values of real property upon which 2013 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$ 373,560,500
Public Utilities - Real	73,420
Public Utilities - Personal	8,242,980
 Total	 \$ 381,876,900

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.

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

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Berea. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility real and tangible personal property taxes, and outstanding delinquencies which became measurable as of December 31, 2013, and for which there is an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2013 operations is offset to deferred inflows of resources – property taxes. 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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

C. 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 annual debt service payments to the City of Berea to help make the annual debt service payments to OPWC.

As of December 31, 2013, there is a long-term OWPC loan payable by the City in the amount of \$1,900,900 (See Note 13). A corresponding long-term loan receivable has been reported in the City's financial statements in the amount of \$1,463,693, which represents the combined amount owed (77 percent) 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 8 - INTERFUND TRANSFERS

Transfers Out	Transfers In				Total
	General Capital Improvement	Nonmajor Governmental	Water Revenue	Sewer Revenue	
General Fund	\$ 1,244,000	\$ 1,888,525	\$ 65,000	\$ 249,000	\$ 3,446,525
General Bond Retirement	0	0	797,450	740,000	1,537,450
Total	<u>\$ 1,244,000</u>	<u>\$ 1,888,525</u>	<u>\$ 862,450</u>	<u>\$ 989,000</u>	<u>\$ 4,983,975</u>

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 voter's 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, 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:

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Fund	Amount
Recreation Fund	\$ 770,000
Recreation Capital Improvement Fund	170,500
General Capital Improvement Fund	1,244,000
Safety Capital Improvement Fund	55,000
Neighborhood Capital Improvement Fund	520,000
Water Revenue Fund	65,000
Sewer Revenue Fund	249,000
Total	\$ 3,073,500

In addition, the general fund transferred \$98,025 to the street maintenance and repair fund, \$135,000 to the fire pension fund and \$140,000 to the police pension fund for expenditures.

The general bond retirement fund transferred \$797,450 to the water revenue fund and \$740,000 to the sewer 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 2013, the internal transfers between entity-wide activities are as follows:

	Transfers	
	Governmental Activities	Business-Type Activities
Cash Transfers	\$ (1,851,450)	\$ 1,851,450
Capital Asset Transfers:		
Sewer Fund to Governmental Activities	254,595	(254,595)
Water Fund to Governmental Activities	785,945	(785,945)
	\$ (810,910)	\$ 810,910

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 9 - CAPITAL ASSETS

A summary of changes in capital assets during 2013 follows:

	Balance 12/31/12	Additions	Reductions	Balance 12/31/13
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 8,535,201	\$ 782,271	\$ 0	\$ 9,317,472
Intangible	2,183,636	0	0	2,183,636
Construction in Progress	1,433,898	1,427,513	(38,388)	2,823,023
<i>Total Capital Assets Not Being Depreciated</i>	<u>12,152,735</u>	<u>2,209,784</u>	<u>(38,388)</u>	<u>14,324,131</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	8,767,328	437,085	0	9,204,413
Buildings	14,779,553	0	(428,495)	14,351,058
Building Improvements	24,383,793	4,754,433	(2,468,470)	26,669,756
Machinery and Equipment	5,219,960	105,635	(90,240)	5,235,355
Furniture and Fixtures	996,917	0	0	996,917
Vehicles	1,858,410	80,649	(65,138)	1,873,921
Infrastructure:				
Bridges	9,087,509	0	0	9,087,509
Roads	47,238,170	1,544,535	(362,956)	48,419,749
Sidewalks	1,793,411	0	0	1,793,411
Traffic Signals	4,228,094	0	0	4,228,094
<i>Total Capital Assets Being Depreciated</i>	<u>118,353,145</u>	<u>6,922,337</u>	<u>(3,415,299)</u>	<u>121,860,183</u>
<i>Accumulated Depreciation</i>				
Land Improvements	(6,422,786)	(388,863)	0	(6,811,649)
Buildings	(7,910,503)	(334,153)	27,371	(8,217,285)
Building Improvements	(15,364,741)	(936,068)	1,180,818	(15,119,991)
Machinery and Equipment	(3,728,529)	(240,693)	90,240	(3,878,982)
Furniture and Fixtures	(931,783)	(22,128)	0	(953,911)
Vehicles	(1,156,639)	(182,630)	65,138	(1,274,131)
Infrastructure:				
Bridges	(2,271,880)	(279,832)	0	(2,551,712)
Roads	(20,039,431)	(1,893,430)	362,956	(21,569,905)
Sidewalks	(533,953)	(89,671)	0	(623,624)
Traffic Signals	(604,831)	(140,936)	0	(745,767)
<i>Total Accumulated Depreciation</i>	<u>(58,965,076)</u>	<u>(4,508,404)</u>	<u>1,726,523</u>	<u>(61,746,957)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>59,388,069</u>	<u>2,413,933</u>	<u>(1,688,776)</u>	<u>60,113,226</u>
Governmental Activities Capital Assets, Net	<u>\$71,540,804</u>	<u>\$ 4,623,717</u>	<u>\$ (1,727,164)</u>	<u>\$74,437,357</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

	Balance 12/31/12	Additions	Reductions	Balance 12/31/13
Business-Type Activities				
<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	205,322	2,575,301	(2,729,044) *	51,579
<i>Total Capital Assets Not Being Depreciated</i>	<u>1,452,740</u>	<u>2,575,301</u>	<u>(2,729,044)</u>	<u>1,298,997</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	924,694	34,815	0	959,509
Buildings	4,941,378	0	0	4,941,378
Building Improvements	2,147,132	0	0	2,147,132
Machinery and Equipment	5,213,393	57,883	0	5,271,276
Furniture and Fixtures	49,252	0	0	49,252
Vehicles	157,597	0	(28,073)	129,524
Infrastructure:				
Water Lines	10,335,321	711,335	0	11,046,656
Storm Sewers	14,166,542	510,811	0	14,677,353
Sanitary Sewers	10,698,559	639,516	0	11,338,075
<i>Total Capital Assets Being Depreciated</i>	<u>48,633,868</u>	<u>1,954,360</u>	<u>(28,073)</u>	<u>50,560,155</u>
<i>Accumulated Depreciation</i>				
Land Improvements	(740,882)	(59,988)	0	(800,870)
Buildings	(2,047,620)	(120,112)	0	(2,167,732)
Building Improvements	(280,327)	(89,991)	0	(370,318)
Machinery and Equipment	(2,189,733)	(235,143)	0	(2,424,876)
Furniture and Fixtures	(28,432)	(6,522)	0	(34,954)
Vehicles	(101,449)	(14,238)	25,660	(90,027)
Infrastructure:				
Water Lines	(2,074,076)	(211,067)	0	(2,285,143)
Storm Sewers	(3,033,639)	(347,495)	0	(3,381,134)
Sanitary Sewers	(2,404,927)	(228,128)	0	(2,633,055)
<i>Total Accumulated Depreciation</i>	<u>(12,901,085)</u>	<u>(1,312,684)</u>	<u>25,660</u>	<u>(14,188,109)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>35,732,783</u>	<u>641,676</u>	<u>(2,413)</u>	<u>36,372,046</u>
Business-Type Activities Capital				
Assets, Net	<u>\$37,185,523</u>	<u>\$ 3,216,977</u>	<u>\$ (2,731,457)</u>	<u>\$37,671,043</u>

* Reductions in construction in progress include \$1,040,540 transferred to governmental activities.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Depreciation expense was charged to governmental activities as follows:

	<u>Depreciation</u>
Security of Persons and Property	\$ 385,640
Leisure Time Activities	1,411,709
Public Works	18,080
Transportation	2,297,406
General Government	<u>395,569</u>
Total Depreciation Expense	<u>\$ 4,508,404</u>

NOTE 10 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Plan Description – The City participates 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 in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

For the year ended December 31, 2013, members in state and local classifications contributed 10.0 percent of covered payroll while public safety and law enforcement members contributed 12.0 percent and 12.6 percent, respectively.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

The City's 2013 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.1 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional and Combined Plans was 1.0 percent during calendar year 2013. Effective January 1, 2014, the portion of employer contributions allocated to health care was raised to 2 percent for both plans.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011, were \$777,837, \$600,228, and \$621,568, respectively. For 2013, 92.2 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011. Contributions made to the Member-Directed Plan for 2013 were \$5,116 made by the City and \$3,654 made by the plan members.

Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – From January 1, 2013 through July 1, 2013, plan members were required to contribute 10 percent of their annual covered salary. From July 2, 2013 through December 31, 2013, plan members were required to contribute 10.75 percent of their annual covered salary. Throughout 2013, employers were required to contribute 19.5 percent and 24 percent respectively for police officers and firefighters. The City's contributions to OP&F for police and firefighters were \$347,627 and \$358,228 for the year ended December 31, 2013, \$290,129 and \$305,107 for the year ended December 31, 2012, and \$303,368 and \$333,372 for the year ended December 31, 2011, respectively. 93.0 percent for police and 92.5 percent for firefighters has been contributed for 2013. The full amount has been contributed for 2012 and 2011.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and firefighters in 1967. As of December 31, 2013, the unfunded liability of the City was \$206,851, payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary.

Social Security System

As of December 31, 2013, none of the Council members have elected to be covered by Social Security rather than OPERS.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 11 - POSTEMPLOYMENT 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 a cost-sharing multiple-employer defined benefit post-employment health care plan, which includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed plan do not qualify for ancillary benefits, including post-employment 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 10 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.

The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. 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/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

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 OPERS is set aside for the funding of post-retirement health care coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed at a rate of 14.0 percent of covered payroll, 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 members do not make contributions to the OPEB Plan.

OPERS' Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional and Combined Plans was 1.0 percent during calendar year 2013.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and coverage selected.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$59,808, \$242,229 and \$248,610, respectively. For 2013, 92.2 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

Ohio Police and Fire Pension Fund

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

OP&F 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 OP&F meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement 45.

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required 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.

OP&F 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 OP&F Board of Trustees.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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 contributions allocated to health care was 4.69 percent of covered payroll from January 1, 2013 through May 31, 2013 and 2.85 percent from June 1, 2013 through December 31, 2013. 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 OP&F Board of Trustees also is 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 OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$80,582 and \$63,600 for the year ended December 31, 2013, \$153,598 and \$119,390 for the year ended December 31, 2012, and \$160,607 and \$130,450 for the year ended December 31, 2011. 93.0 percent has been contributed for police and 92.5 percent has been contributed for firefighters for 2013. The full amount has been contributed for 2012 and 2011.

NOTE 12 - 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 rates vary 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 sixteenths 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. The payment 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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 13 - 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:

	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
General Obligation Bonds				
1993 Various Purpose Bonds	1993	2013	4.68%	\$ 2,878,603
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
Urban Renewal Bonds				
First Avenue Community Bonds	1992	2013	4.68%	650,000
OPWC Loans				
Sewer	2005	2025	0.00%	370,069
Sewer	2007	2027	0.00%	710,000
Sewer	2011	2030	0.00%	61,500 *
Sewer	2013	2043	0.00%	600,000 *
Water	2011	2031	0.00%	41,000 *
Governmental Activities	2009	2029	0.00%	1,900,900 *
Governmental Activities	2012	2032	0.00%	202,650
OWDA Loans				
Sewer	1994	2014	4.56%	465,000
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
OWDA Loans				
Water	1994	2014	6.72%	1,135,000
Water	2000	2014	5.56%	550,000
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%	3,783,447 *
Water	2011	2042	3.49%	914,952 *

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

A schedule of changes in long-term obligations of the City during 2013 follows:

	Balance 12/31/12	Additions	Reductions	Balance 12/31/13	Due Within One Year
Governmental Activities					
<i>General Obligation Bonds</i>					
1993 Various Purpose Bonds	\$ 140,000	\$ 0	\$ (140,000)	\$ 0	\$ 0
2006 Various Purpose Bonds	5,500,000	0	(650,000)	4,850,000	665,000
2010 Various Purpose Bonds	2,595,000	0	(65,000)	2,530,000	85,000
2013 Various Purpose Bonds	0	4,005,000	0	4,005,000	100,000
<i>Total General Obligation Bonds</i>	<u>8,235,000</u>	<u>4,005,000</u>	<u>(855,000)</u>	<u>11,385,000</u>	<u>850,000</u>
<i>Urban Renewal Bonds</i>					
2004 First Avenue Community Bonds	50,000	0	(50,000)	0	0
<i>Bond Anticipation Notes</i>					
1.05% Various Improvement Notes	4,850,000	0	(4,850,000)	0	0
1.05% Various Improvement Notes	849,250	0	(849,250)	0	0
1.05% Various Improvement Notes	251,800	0	(251,800)	0	0
1.05% Various Improvement Notes	161,500	0	(161,500)	0	0
1.00% Various Improvement Notes	0	3,484,500	0	3,484,500	3,484,500
1.00% Various Improvement Notes	0	750,000	0	750,000	750,000
1.00% Various Improvement Notes	0	100,000	0	100,000	100,000
1.00% Various Improvement Notes	0	180,000	0	180,000	180,000
<i>Total Bond Anticipation Notes</i>	<u>6,112,550</u>	<u>4,514,500</u>	<u>(6,112,550)</u>	<u>4,514,500</u>	<u>4,514,500</u>
<i>OPWC Loans Payable</i>					
2009 Road Improvements	1,754,769	146,131	0	1,900,900	0
2012 Bridge Replacement	202,650	0	(10,133)	192,517	10,133
<i>Total OPWC Loans</i>	<u>1,957,419</u>	<u>146,131</u>	<u>(10,133)</u>	<u>2,093,417</u>	<u>10,133</u>
<i>Other Long Term Obligations</i>					
<i>Capital Lease Obligations:</i>					
Roller	6,082	0	(6,082)	0	0
Plow Tractor	51,543	0	(25,094)	26,449	26,449
International Truck	20,415	0	(20,415)	0	0
Asphalt Truck	85,983	0	(27,331)	58,652	28,640
Caterpillar	0	158,952	(29,820)	129,132	30,774
<i>Total Capital Lease Obligations</i>	<u>164,023</u>	<u>158,952</u>	<u>(108,742)</u>	<u>214,233</u>	<u>85,863</u>
Unamortized Bond Premium	78,356	88,152	(10,938)	155,570	10,938
Compensated Absences	1,165,969	125,628	(188,283)	1,103,314	182,358
Police and Fire Pension Liability	212,664	0	(5,813)	206,851	5,897
<i>Total Other Long Term Obligations</i>	<u>1,621,012</u>	<u>372,732</u>	<u>(313,776)</u>	<u>1,679,968</u>	<u>285,056</u>
Total Governmental Activities	<u>\$ 17,975,981</u>	<u>\$ 9,038,363</u>	<u>\$ (7,341,459)</u>	<u>\$ 19,672,885</u>	<u>\$ 5,659,689</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

	Balance 12/31/12	Additions	Reductions	Balance 12/31/13	Due Within One Year
Business-Type Activities					
<i>OWDA Loans</i>					
Water	\$ 101,897	\$ 0	\$ (49,552)	\$ 52,345	\$ 52,345
Water	190,233	0	(92,033)	98,200	98,200
Water	732,767	0	(37,002)	695,765	38,655
Water	1,016,988	0	(22,982)	994,006	23,949
Water	1,592,179	0	(80,756)	1,511,423	82,730
Water	994,076	0	(19,911)	974,165	20,874
Water	3,535,325	0	(141,251)	3,394,074	145,182
Water	252,734	567,395	(17,665)	802,464	18,130
Sewer	67,499	0	(32,982)	34,517	34,517
Sewer	405,141	0	(30,578)	374,563	32,446
Sewer	315,683	0	(41,716)	273,967	44,027
Sewer	1,020,768	0	(27,419)	993,349	28,712
Sewer	626,900	0	(16,488)	610,412	17,112
Sewer	245,818	0	(15,238)	230,580	15,897
Sewer	118,672	0	(10,736)	107,936	11,114
<i>Total OWDA Loans</i>	<u>11,216,680</u>	<u>567,395</u>	<u>(636,309)</u>	<u>11,147,766</u>	<u>663,890</u>
<i>OPWC Loans</i>					
Sewer	249,793	0	(18,503)	231,290	18,504
Sewer	585,750	0	(35,500)	550,250	35,500
Sewer	20,364	0	0	20,364	0
Sewer	0	540,145	0	540,145	0
Water	13,576	0	0	13,576	0
<i>Total OPWC Loans</i>	<u>869,483</u>	<u>540,145</u>	<u>(54,003)</u>	<u>1,355,625</u>	<u>54,004</u>
Loan Payable	349,263	0	(19,404)	329,859	19,404
<i>Bond Anticipation Note</i>					
1.05% Various Improvement Note	797,450	0	(797,450)	0	0
1.00% Various Improvement Note	740,000	0	(740,000)	0	0
1.00% Various Improvement Note	0	1,038,000	0	1,038,000	1,038,000
1.00% Various Improvement Note	0	100,000	0	100,000	100,000
<i>Total Bond Anticipation Notes</i>	<u>1,537,450</u>	<u>1,138,000</u>	<u>(1,537,450)</u>	<u>1,138,000</u>	<u>1,138,000</u>
<i>Other Long Term Obligations</i>					
<i>Capital Lease Obligations:</i>					
International	121,025	0	(28,335)	92,690	29,579
Compensated Absences	103,288	15,215	(28,577)	89,926	16,550
<i>Total Other Long Term Obligations</i>	<u>224,313</u>	<u>15,215</u>	<u>(56,912)</u>	<u>182,616</u>	<u>46,129</u>
Total Business-Type Activities	<u>\$ 14,197,189</u>	<u>\$ 2,260,755</u>	<u>\$ (2,304,078)</u>	<u>\$ 14,153,866</u>	<u>\$ 1,921,427</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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. The general obligation bonds outstanding as of December 31, 2013 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.

Serial Bonds

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$ 85,000	2015	\$ 105,000

<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>
2016	\$ 65,000	2021	\$ 195,000	2026	\$ 135,000
2017	65,000	2022	200,000	2027	140,000
2018	65,000	2023	210,000	2028	145,000
2019	180,000	2024	220,000	2029	150,000
2020	185,000	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>
2014	\$ 100,000	2019	\$ 245,000
2015	100,000	2020	250,000
2016	100,000	2021	260,000
2017	100,000	2022	270,000
2018	100,000	2023	270,000

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

<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
2024	220,000	2027	225,000	2030	240,000	2033	195,000
		2028	225,000	2031	240,000		

Urban Renewal Bonds - Urban renewal bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. Urban renewal bonds are to be repaid from property taxes approved for that purpose, and were retired from the general obligation debt service fund in December 2013.

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 a zero percent loan and paid from the general capital improvement fund, which includes resources related to loans receivable (See Note 7.D.) and the sewer enterprise fund. The governmental OPWC project is not completed. There is no amortization schedule available, and it has been excluded from the following amortization schedule.

The City has pledged future net customer revenue to repay \$5,439,806 and \$1,355,625 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 61.2 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 \$7,927,563 and \$835,543, 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 \$955,435 and \$1,560,732, 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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Notes Payable - In 2013, the City issued \$4,514,500 in Various Purposes Notes to acquire real estate for municipal projects, purchase vehicles and equipment for various departments, improvement and construction projects, and replacing waterlines. The notes will be paid by the general bond retirement fund, the general improvement fund, the safety capital improvement fund, the recreation capital improvement fund, the water revenue fund and the sewer revenue fund.

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.

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

The City has the ability to issue \$7,497,533 of additional debt without obtaining voter approval. Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2013 are as follows:

Governmental Activities

Year	General Obligation Bonds		OPWC (1)	Totals	
	Principal	Interest	Principal	Principal	Interest
2014	\$ 850,000	\$ 403,756	\$ 10,133	\$ 860,133	\$ 403,756
2015	895,000	375,620	10,133	905,133	375,620
2016	885,000	345,752	10,133	895,133	345,752
2017	910,000	313,176	10,133	920,133	313,176
2018	930,000	277,738	10,133	940,133	277,738
2019 - 2023	3,055,000	1,002,249	50,664	3,105,664	1,002,249
2024 - 2028	2,455,000	481,971	50,660	2,505,660	481,971
2029 - 2033	1,405,000	132,862	40,528	1,445,528	132,862
Total	<u>\$ 11,385,000</u>	<u>\$ 3,333,124</u>	<u>\$ 192,517</u>	<u>\$ 11,577,517</u>	<u>\$ 3,333,124</u>

(1) OPWC loan issued in 2009 has not been fully drawn down, thus there are no amortization schedules available. The balance of the loan drawn totaling \$1,900,900 is reported as long term obligations due in more than one year.

On March 26, 2014, payment is due in full on the bond anticipation notes in the amounts of \$5,652,500 plus interest at 1.00 percent.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Business-Type Activities

Year	OWDA (1)		OPWC (2)	Loan	Total	
	Principal	Interest	Principal	Principal	Principal	Interest
2014	\$ 663,890	\$ 454,158	\$ 54,004	\$ 19,404	\$ 737,298	\$ 454,158
2015	244,036	226,731	54,004	19,404	317,444	226,731
2016	255,839	214,928	54,004	19,404	329,247	214,928
2017	268,230	202,535	54,004	19,404	341,638	202,535
2018	281,234	189,530	54,004	19,404	354,642	189,530
2019 - 2023	1,253,163	753,723	270,020	97,017	1,620,200	753,723
2024 - 2028	1,023,332	490,817	223,749	97,017	1,344,098	490,817
2029 - 2033	951,387	282,911	17,750	38,805	1,007,942	282,911
2034 - 2038	744,737	78,614	0	0	744,737	78,614
Total	\$ 5,685,848	\$ 2,893,947	\$ 781,539	\$ 329,859	\$ 6,797,246	\$ 2,893,947

- (1) OWDA loans issued in 2007, 2009 and 2011 have not been fully drawn down, thus there are no amortization schedules available. Some of these loans will have retirement payments in 2013 totaling \$246,012, and are reported as long term obligations due within one year. The balance of the loans drawn totaling \$5,461,918 are reported as long term obligations due in more than one year.
- (2) OPWC loans issued in 2011 and 2013 have not been fully drawn down, thus there are no amortization schedules available. The balance of the loans drawn totaling \$574,086 are reported as long term obligations due in more than one year.

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 and business-type activities, respectively. Capitalized assets acquired under capital leases are all classified as machinery and equipment. 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, 2013

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

Governmental Activities

Year Ending December 31,	Plow Tractor	Asphalt Truck	Caterpillar	Total
2014	\$ 27,877	\$ 31,449	\$ 34,906	\$ 94,232
2015	0	31,449	34,906	66,355
2016	0	0	34,906	34,906
2017	0	0	34,906	34,906
Minimum Lease Payments	27,877	62,898	139,624	230,399
Less Amount Representing Interest	(1,428)	(4,246)	(10,492)	(16,166)
Present Value of Net Lease Payments	<u>\$ 26,449</u>	<u>\$ 58,652</u>	<u>\$ 129,132</u>	<u>\$ 214,233</u>

Business-Type Activities

Year Ending December 31,	International
2014	\$ 33,648
2015	33,648
2016	33,648
Minimum Lease Payments	\$ 100,944
Less Amount Representing Interest	(8,254)
Present Value of Net Lease Payments	<u>\$ 92,690</u>

NOTE 15 - OPERATING LEASES - LESSOR DISCLOSURE

The City leases space on its water tower for cellular antennae. The lease revenue due in 2013 amounted to \$126,273.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 16 - RISK MANAGEMENT

A. 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 2013, the City contracted with The Hoffman Group to manage its insurance coverage through Travelers Insurance Companies (through June 30, 2013) and with Public Entities Pool of Ohio effective July 1, 2013 for claims in excess of coverage provided by the fund for all risk of loss. Under our programs, 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. There has not been a significant reduction in coverage from the prior year.

The City has no claims liability at December 31, 2013 or 2012.

B. 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 \$5 generic, \$10 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 \$1,244 for family coverage and \$558 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 15 percent of the prior year's actual costs for health insurance through a payroll deduction. Employees contributed \$80.46 for single coverage or \$197.10 for family coverage for medical, dental and vision.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

The claims liability of \$209,320 reported in the medical benefits internal service fund at December 31, 2013 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. Changes in the medical benefits internal service fund's claims liability amount in 2012 and 2013 were as follows and typically are retired within three months of year end:

	Balance January 1	Current Year Claims	Claim Payments	Balance December 31
2012	\$ 111,411	\$ 1,715,563	\$ 1,678,630	\$ 148,344
2013	\$ 148,344	\$ 2,167,201	\$ 2,106,225	\$ 209,320

C. 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.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

A. 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 nineteen 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, fire investigation and tactical EMS services, and the Southwest Enforcement Bureau (SEB), which provides extra assistance to cities in the form of a SWAT team. In 2013, the City of Berea contributed \$15,000 to the Council. The Council's financial statements may be obtained by contacting Dana J. Kavander, Treasurer, 11 Berea Commons, Berea, Ohio 44017.

B. 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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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 2013, the City of Berea contributed \$97,817. Financial information may be obtained by writing to the Southwest General Health Center, 18697 Bagley Road, Middleburg Heights, Ohio 44130.

C. 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 2013 the City of Berea contributed \$10,000 to the Cemetery for operations.

D. Northeast Ohio Public Energy Council

The City is 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 174 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 insuring 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 ten-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting NOPEC, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

E. Regional Income Tax Agency

In 1971, thirty-eight municipalities joined together to organize a Regional Council of Governments (RCOG) to administer tax collection and enforcement concerns facing member cities and villages. The first official act of the RCOG was to form the Regional Income Tax Agency (RITA). Today, RITA services as the income tax collection agency for 227 municipalities throughout the State of Ohio. Financial information may be obtained by writing to RITA, 10107 Brecksville Road, Brecksville, Ohio 44141.

NOTE 18 – CONTINGENCIES

A. 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.

B. 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, 2013.

NOTE 19 – 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	\$ 22,456
General Capital Improvement Fund	169,971
Nonmajor Governmental Funds	<u>184,937</u>
	<u>\$ 377,364</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

NOTE 20 – INTERFUND BALANCES

The account balances reported in the fund financial statements for “interfund receivable” and “interfund payable” as of December 31, 2013 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Bond Retirement Fund	\$ 525,000	\$ 0
General Capital Improvement Fund	0	525,000
Total	\$ 525,000	\$ 525,000

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 2013, the City issued a treasury investment in the amount of \$1,000,000, 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. A payment of \$475,000 was made during 2013. This note matures on March 27, 2014 with an interest rate of 1.00%.

NOTE 21 – SUBSEQUENT EVENT

On March 25, 2014, the City issued \$8,627,500 in Bond Anticipation Notes (BANs) at an interest rate of .75 percent. These BANs will be used to retire BANs outstanding at December 31, 2013 and finance various capital improvements and will mature on March 25, 2015.

On March 27, 2014, the City issued a treasury investment in the amount of \$1,000,000 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 27, 2015.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND 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 a percentage of the monies received from delinquent real estate tax assessment collections. Half of the money is to be distributed to the prosecutor and the other half to the treasurer to be used for the collection of delinquent property taxes and assessments.

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.

DARE Grant Fund

To account for revenues received from the State Attorney General's Office and expenditures incurred as prescribed under the DARE Grant Program.

Animal Control Fund

To account for revenues generated from animal control activities.

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

Special Events Fund

To account for revenues and expenditures for Berea special events.

Senior Services Fund

To account for revenues and expenditures for senior programs.

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.

FEMA Grant Fund

To account for revenues received from the federal government and expenditures incurred as prescribed under the FEMA 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.

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 Drivers 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.

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

Nonmajor Special Revenue Funds

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.

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, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Investments	\$ 1,363,426	\$ 1,660,058	\$ 3,023,484
Accounts Receivable	75,685	19,240	94,925
Intergovernmental Receivable	646,887	0	646,887
Taxes Receivable	771,614	0	771,614
Special Assessments Receivable	629,226	7,405	636,631
Loans Receivable	0	0	0
Materials and Supplies Inventory	133,564	135	133,699
<i>Total Assets</i>	<u>\$ 3,620,402</u>	<u>\$ 1,686,838</u>	<u>\$ 5,307,240</u>
Liabilities			
Accounts Payable	\$ 57,934	\$ 1,135	\$ 59,069
Accrued Wages	30,263	4,953	35,216
Intergovernmental Payable	91,779	5,847	97,626
<i>Total Liabilities</i>	<u>179,976</u>	<u>11,935</u>	<u>191,911</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	712,095	0	712,095
Unavailable Revenue - Delinquent Property Taxes	59,519	0	59,519
Unavailable Revenue - Other	904,343	7,405	911,748
<i>Total Deferred Inflows of Resources</i>	<u>1,675,957</u>	<u>7,405</u>	<u>1,683,362</u>
Fund Balances			
Nonspendable	133,564	135	133,699
Restricted	1,547,982	1,195,884	2,743,866
Committed	107,522	471,479	579,001
Unassigned	(24,599)	0	(24,599)
<i>Total Fund Balances</i>	<u>1,764,469</u>	<u>1,667,498</u>	<u>3,431,967</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 3,620,402</u>	<u>\$ 1,686,838</u>	<u>\$ 5,307,240</u>

City of Berea
Cuyahoga County, Ohio
Combining Statements of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$ 719,455	\$ 0	\$ 719,455
Special Assessments	676,392	0	676,392
Charges for Services	556,487	215,000	771,487
Licenses and Permits	0	42,994	42,994
Fines and Forfeitures	732,933	248,202	981,135
Intergovernmental	1,253,632	6,170	1,259,802
Interest	3,521	0	3,521
Rent	0	20,668	20,668
Contributions and Donations	47,618	4,545	52,163
Reimbursements	2,478	0	2,478
Other	9,307	1,243	10,550
<i>Total Revenues</i>	<u>4,001,823</u>	<u>538,822</u>	<u>4,540,645</u>
Expenditures			
Current:			
General Government	687,779	0	687,779
Security of Persons and Property	1,741,466	0	1,741,466
Public Health	134,122	0	134,122
Leisure Time Services	1,370,540	0	1,370,540
Transportation	776,220	0	776,220
Capital Outlay	142,395	1,399,011	1,541,406
Debt Service:			
Principal Retirement	5,813	0	5,813
Interest and Fiscal Charges	8,978	0	8,978
<i>Total Expenditures</i>	<u>4,867,313</u>	<u>1,399,011</u>	<u>6,266,324</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(865,490)	(860,189)	(1,725,679)
Other Financing Sources (Uses)			
Proceeds from Notes Issued	0	280,000	280,000
Transfers In	1,143,025	745,500	1,888,525
<i>Total Other Financing Sources (Uses)</i>	<u>1,143,025</u>	<u>1,025,500</u>	<u>2,168,525</u>
<i>Net Change in Fund Balances</i>	277,535	165,311	442,846
<i>Fund Balances Beginning of Year</i>	<u>1,486,934</u>	<u>1,502,187</u>	<u>2,989,121</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,764,469</u>	<u>\$ 1,667,498</u>	<u>\$ 3,431,967</u>

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Recreation Fund	State Highway Fund	Street Maintenance Fund	Fire Pension Fund	Police Pension Fund
Assets					
Equity in Pooled Cash and Investments	\$ 88,700	\$ 7,042	\$ 120,271	\$ 21,844	\$ 15,368
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	0	25,163	310,370	22,673	22,673
Taxes Receivable	0	0	0	342,207	342,207
Special Assessments Receivable	0	0	0	0	0
Materials and Supplies Inventory	1,792	0	131,772	0	0
<i>Total Assets</i>	<u>\$ 90,492</u>	<u>\$ 32,205</u>	<u>\$ 562,413</u>	<u>\$ 386,724</u>	<u>\$ 380,248</u>
Liabilities					
Accounts Payable	\$ 13,885	\$ 0	\$ 78	\$ 0	\$ 0
Accrued Wages	12,980	0	10,862	0	0
Intergovernmental Payable	15,579	0	8,177	30,181	31,630
<i>Total Liabilities</i>	<u>42,444</u>	<u>0</u>	<u>19,117</u>	<u>30,181</u>	<u>31,630</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	0	0	0	315,745	315,745
Unavailable Revenue - Delinquent Property Taxes	0	0	0	26,462	26,462
Unavailable Revenue - Other	0	16,879	208,193	22,673	22,673
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>16,879</u>	<u>208,193</u>	<u>364,880</u>	<u>364,880</u>
Fund Balances					
Nonspendable	1,792	0	131,772	0	0
Restricted	0	15,326	203,331	0	0
Committed	46,256	0	0	0	0
Unassigned	0	0	0	(8,337)	(16,262)
<i>Total Fund Balances (Deficit)</i>	<u>48,048</u>	<u>15,326</u>	<u>335,103</u>	<u>(8,337)</u>	<u>(16,262)</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 90,492</u>	<u>\$ 32,205</u>	<u>\$ 562,413</u>	<u>\$ 386,724</u>	<u>\$ 380,248</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Safe Students Fund	DARE Grant Fund	Street Lighting Fund	Berea Welfare Fund	Special Events Fund
Assets					
Equity in Pooled Cash and Investments	\$ 0	\$ 4,290	\$ 285,021	\$ 62,708	\$ 0
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	0
Taxes Receivable	0	0	0	0	0
Special Assessments Receivable	0	0	629,226	0	0
Materials and Supplies Inventory	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 0</u>	<u>\$ 4,290</u>	<u>\$ 914,247</u>	<u>\$ 62,708</u>	<u>\$ 0</u>
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 42,139	\$ 1,442	\$ 0
Accrued Wages	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>42,139</u>	<u>1,442</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	0	0	0	0	0
Unavailable Revenue - Delinquent Property Taxes	0	0	0	0	0
Unavailable Revenue - Other	0	0	629,226	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>629,226</u>	<u>0</u>	<u>0</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	0	4,290	242,882	0	0
Committed	0	0	0	61,266	0
Unassigned	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>4,290</u>	<u>242,882</u>	<u>61,266</u>	<u>0</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 0</u>	<u>\$ 4,290</u>	<u>\$ 914,247</u>	<u>\$ 62,708</u>	<u>\$ 0</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Senior Services Fund	Community Hospital Fund	Community Development Block Grant Fund	FEMA Grant Fund	Municipal Vehicle Tax Levy Fund
Assets					
Equity in Pooled Cash and Investments	\$ 0	\$ 6,588	\$ 0	\$ 0	\$ 28,176
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	0	4,699	150,000	108,308	3,001
Taxes Receivable	0	87,200	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>\$ 98,487</u>	<u>\$ 150,000</u>	<u>\$ 108,308</u>	<u>\$ 31,177</u>
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	0	80,605	0	0	0
Unavailable Revenue - Delinquent Property Taxes	0	6,595	0	0	0
Unavailable Revenue - Other	0	4,699	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>91,899</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	0	6,588	150,000	108,308	31,177
Committed	0	0	0	0	0
Unassigned	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>6,588</u>	<u>150,000</u>	<u>108,308</u>	<u>31,177</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 0</u>	<u>\$ 98,487</u>	<u>\$ 150,000</u>	<u>\$ 108,308</u>	<u>\$ 31,177</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Law Enforcement Fund	Municipal Court Health Insurance Fund	Probation Services Fund	Indigent Driving School Fund	DUI Education Fund
Assets					
Equity in Pooled Cash and Investments	\$ 19,139	\$ 6,593	\$ 65,716	\$ 297,300	\$ 14,111
Accounts Receivable	0	3,652	23,596	18,063	0
Intergovernmental Receivable	0	0	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>\$ 19,139</u>	<u>\$ 10,245</u>	<u>\$ 89,312</u>	<u>\$ 315,363</u>	<u>\$ 14,111</u>
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 390	\$ 0	\$ 0
Accrued Wages	0	0	4,357	0	0
Intergovernmental Payable	0	0	4,375	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>9,122</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0
Special Assessments Revenue Not Available	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>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	19,139	10,245	80,190	315,363	14,111
Committed	0	0	0	0	0
Unassigned	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>19,139</u>	<u>10,245</u>	<u>80,190</u>	<u>315,363</u>	<u>14,111</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 19,139</u>	<u>\$ 10,245</u>	<u>\$ 89,312</u>	<u>\$ 315,363</u>	<u>\$ 14,111</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Theft Division Fund	Indigent Driving School Fund	DUS Diversion Fund	Court Computer Fund	Court Computer Research Fund
Assets					
Equity in Pooled Cash and Investments	\$ 2,800	\$ 1,028	\$ 42,332	\$ 42,796	\$ 116,211
Accounts Receivable	844	0	3,130	9,544	2,852
Intergovernmental Receivable	0	0	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>\$ 3,644</u>	<u>\$ 1,028</u>	<u>\$ 45,462</u>	<u>\$ 52,340</u>	<u>\$ 119,063</u>
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages	0	0	810	856	398
Intergovernmental Payable	0	0	765	827	245
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>1,575</u>	<u>1,683</u>	<u>643</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	0	0	0	0	0
Unavailable Revenue - Delinquent Property Taxes	0	0	0	0	0
Unavailable Revenue - Other	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>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	3,644	1,028	43,887	50,657	118,420
Committed	0	0	0	0	0
Unassigned	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>3,644</u>	<u>1,028</u>	<u>43,887</u>	<u>50,657</u>	<u>118,420</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 3,644</u>	<u>\$ 1,028</u>	<u>\$ 45,462</u>	<u>\$ 52,340</u>	<u>\$ 119,063</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Court Special Projects Fund	Indigent Defendant Alcohol Monitoring Fund	State Highway Patrol Fund	Municipal Court Magistrates Fund	Total Nonmajor Special Revenue Funds
Assets					
Equity in Pooled Cash and Investments	\$ 32,619	\$ 82,465	\$ 308	\$ 0	\$ 1,363,426
Accounts Receivable	9,427	1,283	0	3,294	75,685
Intergovernmental Receivable	0	0	0	0	646,887
Taxes Receivable	0	0	0	0	771,614
Special Assessments Receivable	0	0	0	0	629,226
Materials and Supplies Inventory	0	0	0	0	133,564
<i>Total Assets</i>	<u>\$ 42,046</u>	<u>\$ 83,748</u>	<u>\$ 308</u>	<u>\$ 3,294</u>	<u>\$ 3,620,402</u>
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 57,934
Accrued Wages	0	0	0	0	30,263
Intergovernmental Payable	0	0	0	0	91,779
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>179,976</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	0	0	0	0	712,095
Unavailable Revenue - Delinquent Property Taxes	0	0	0	0	59,519
Unavailable Revenue - Other	0	0	0	0	904,343
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,675,957</u>
Fund Balances					
Nonspendable	0	0	0	0	133,564
Restricted	42,046	83,748	308	3,294	1,547,982
Committed	0	0	0	0	107,522
Unassigned	0	0	0	0	(24,599)
<i>Total Fund Balances (Deficit)</i>	<u>42,046</u>	<u>83,748</u>	<u>308</u>	<u>3,294</u>	<u>1,764,469</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 42,046</u>	<u>\$ 83,748</u>	<u>\$ 308</u>	<u>\$ 3,294</u>	<u>\$ 3,620,402</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, 2013

	Recreation Fund	State Highway Fund	Street Maintenance Fund	Fire Pension Fund	Police Pension Fund
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 319,553	\$ 319,553
Special Assessments	0	0	0	0	0
Charges for Services	556,487	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	0	51,460	634,687	53,277	53,277
Interest	0	1,079	2,442	0	0
Contributions and Donations	0	0	0	0	0
Reimbursements	2,478	0	0	0	0
Other	9,307	0	0	0	0
<i>Total Revenues</i>	<u>568,272</u>	<u>52,539</u>	<u>637,129</u>	<u>372,830</u>	<u>372,830</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	0	0	420,487	429,767
Public Health	0	0	0	0	0
Leisure Time Services	1,370,540	0	0	0	0
Transportation	0	55,000	691,220	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	1,492	4,321
Interest and Fiscal Charges	0	0	0	2,306	6,672
<i>Total Expenditures</i>	<u>1,370,540</u>	<u>55,000</u>	<u>691,220</u>	<u>424,285</u>	<u>440,760</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(802,268)	(2,461)	(54,091)	(51,455)	(67,930)
Other Financing Sources (Uses)					
Transfers In	770,000	0	98,025	135,000	140,000
<i>Net Change in Fund Balances</i>	(32,268)	(2,461)	43,934	83,545	72,070
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>80,316</u>	<u>17,787</u>	<u>291,169</u>	<u>(91,882)</u>	<u>(88,332)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 48,048</u>	<u>\$ 15,326</u>	<u>\$ 335,103</u>	<u>\$ (8,337)</u>	<u>\$ (16,262)</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, 2013

	Safe Students Fund	DARE Grant Fund	Street Lighting Fund	Berea Welfare Fund	Special Events Fund
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Assessments	0	0	676,392	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	0	4,290	0	0	0
Interest	0	0	0	0	0
Contributions and Donations	20,000	0	0	27,618	0
Reimbursements	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>20,000</u>	<u>4,290</u>	<u>676,392</u>	<u>27,618</u>	<u>0</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	20,000	0	871,133	0	0
Public Health	0	0	0	28,202	1,874
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>0</u>	<u>871,133</u>	<u>28,202</u>	<u>1,874</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	4,290	(194,741)	(584)	(1,874)
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	0	4,290	(194,741)	(584)	(1,874)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>437,623</u>	<u>61,850</u>	<u>1,874</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 4,290</u>	<u>\$ 242,882</u>	<u>\$ 61,266</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, 2013

	Senior Services Fund	Community Hospital Fund	Community Development Block Grant Fund	FEMA Grant Fund	Municipal Vehicle Tax Levy Fund
Revenues					
Property Taxes	\$ 0	\$ 80,349	\$ 0	\$ 0	\$ 0
Special Assessments	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	0	17,167	292,395	108,308	38,771
Interest	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Reimbursements	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>97,516</u>	<u>292,395</u>	<u>108,308</u>	<u>38,771</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	0	0	0	0
Public Health	7,432	96,614	0	0	0
Leisure Time Services	0	0	0	0	0
Transportation	0	0	0	0	30,000
Capital Outlay	0	0	142,395	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>7,432</u>	<u>96,614</u>	<u>142,395</u>	<u>0</u>	<u>30,000</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(7,432)	902	150,000	108,308	8,771
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	(7,432)	902	150,000	108,308	8,771
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>7,432</u>	<u>5,686</u>	<u>0</u>	<u>0</u>	<u>22,406</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 6,588</u>	<u>\$ 150,000</u>	<u>\$ 108,308</u>	<u>\$ 31,177</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, 2013

	Law Enforcement Fund	Municipal Court Health Insurance Fund	Probation Services Fund	Indigent Driving School Fund	DUI Education Fund
Revenues					
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	535	50,651	286,802	80,249	1,599
Intergovernmental	0	0	0	0	0
Interest	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Reimbursements	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>535</u>	<u>50,651</u>	<u>286,802</u>	<u>80,249</u>	<u>1,599</u>
Expenditures					
Current:					
General Government	0	40,406	292,339	35,667	0
Security of Persons and Property	79	0	0	0	0
Public Health	0	0	0	0	0
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>79</u>	<u>40,406</u>	<u>292,339</u>	<u>35,667</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	456	10,245	(5,537)	44,582	1,599
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	456	10,245	(5,537)	44,582	1,599
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>18,683</u>	<u>0</u>	<u>85,727</u>	<u>270,781</u>	<u>12,512</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 19,139</u>	<u>\$ 10,245</u>	<u>\$ 80,190</u>	<u>\$ 315,363</u>	<u>\$ 14,111</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, 2013

	Theft Division Fund	Indigent Driving School Fund	DUS Diversion Fund	Court Computer Fund	Court Computer Research Fund
Revenues					
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	3,644	0	32,514	127,007	37,568
Intergovernmental	0	0	0	0	0
Interest	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Reimbursements	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>3,644</u>	<u>0</u>	<u>32,514</u>	<u>127,007</u>	<u>37,568</u>
Expenditures					
Current:					
General Government	0	0	34,037	117,163	46,604
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	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>0</u>	<u>0</u>	<u>34,037</u>	<u>117,163</u>	<u>46,604</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	3,644	0	(1,523)	9,844	(9,036)
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	3,644	0	(1,523)	9,844	(9,036)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>1,028</u>	<u>45,410</u>	<u>40,813</u>	<u>127,456</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 3,644</u>	<u>\$ 1,028</u>	<u>\$ 43,887</u>	<u>\$ 50,657</u>	<u>\$ 118,420</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, 2013

	Court Special Projects Fund	Indigent Defendant Alcohol Monitoring Fund	State Highway Patrol Fund	Muni Court Magistrates Fund	Total Nonmajor Special Revenue Funds
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 719,455
Special Assessments	0	0	0	0	676,392
Charges for Services	0	0	0	0	556,487
Fines and Forfeitures	82,443	21,676	4,951	3,294	732,933
Intergovernmental	0	0	0	0	1,253,632
Interest	0	0	0	0	3,521
Contributions and Donations	0	0	0	0	47,618
Reimbursements	0	0	0	0	2,478
Other	0	0	0	0	9,307
<i>Total Revenues</i>	<u>82,443</u>	<u>21,676</u>	<u>4,951</u>	<u>3,294</u>	<u>4,001,823</u>
Expenditures					
Current:					
General Government	111,331	5,589	4,643	0	687,779
Security of Persons and Property	0	0	0	0	1,741,466
Public Health	0	0	0	0	134,122
Leisure Time Services	0	0	0	0	1,370,540
Transportation	0	0	0	0	776,220
Capital Outlay	0	0	0	0	142,395
Debt Service:					
Principal Retirement	0	0	0	0	5,813
Interest and Fiscal Charges	0	0	0	0	8,978
<i>Total Expenditures</i>	<u>111,331</u>	<u>5,589</u>	<u>4,643</u>	<u>0</u>	<u>4,867,313</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(28,888)	16,087	308	3,294	(865,490)
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	1,143,025
<i>Net Change in Fund Balances</i>	(28,888)	16,087	308	3,294	277,535
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>70,934</u>	<u>67,661</u>	<u>0</u>	<u>0</u>	<u>1,486,934</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 42,046</u>	<u>\$ 83,748</u>	<u>\$ 308</u>	<u>\$ 3,294</u>	<u>\$ 1,764,469</u>

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2013

	Safety Capital Improvement Fund	Recreation Capital Improvement Fund	Neighborhood Improvement Fund
	<u> </u>	<u> </u>	<u> </u>
Assets			
Equity in Pooled Cash and Investments	\$ 267,368	\$ 143,217	\$ 72,829
Accounts Receivable	0	0	0
Intergovernmental Receivable	0	0	0
Special Assessments Receivable	0	0	7,405
Loans Receivable	0	0	0
Materials and Supplies Inventory	0	0	135
Inventory Held for Resale	0	0	0
	<u> </u>	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>\$ 267,368</u>	<u>\$ 143,217</u>	<u>\$ 80,369</u>
Liabilities			
Accounts Payable	\$ 1,135	\$ 0	\$ 0
Accrued Wages	0	0	4,953
Intergovernmental Payable	0	0	5,847
Interfund Payable	0	0	0
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u>1,135</u>	<u>0</u>	<u>10,800</u>
Deferred Inflows of Resources			
Unavailable Revenue - Other	0	0	7,405
	<u> </u>	<u> </u>	<u> </u>
Fund Balances			
Nonspendable	0	0	135
Restricted	0	0	0
Committed	266,233	143,217	62,029
	<u> </u>	<u> </u>	<u> </u>
<i>Total Fund Balances (Deficit)</i>	<u>266,233</u>	<u>143,217</u>	<u>62,164</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 267,368</u>	<u>\$ 143,217</u>	<u>\$ 80,369</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2013

	<u>Court Capital Improvement Fund</u>	<u>Totals</u>
Assets		
Equity in Pooled Cash and Investments	\$ 1,176,644	\$ 1,660,058
Accounts Receivable	19,240	19,240
Intergovernmental Receivable	0	0
Special Assessments Receivable	0	7,405
Loans Receivable	0	0
Materials and Supplies Inventory	0	135
Inventory Held for Resale	0	0
<i>Total Assets</i>	<u>\$ 1,195,884</u>	<u>\$ 1,686,838</u>
Liabilities		
Accounts Payable	\$ 0	\$ 1,135
Accrued Wages	0	4,953
Intergovernmental Payable	0	5,847
Interfund Payable	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>11,935</u>
Deferred Inflows of Resources		
Unavailable Revenue - Other	<u>0</u>	<u>7,405</u>
Fund Balances		
Nonspendable	0	135
Restricted	1,195,884	1,195,884
Committed	0	471,479
<i>Total Fund Balances (Deficit)</i>	<u>1,195,884</u>	<u>1,667,498</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 1,195,884</u>	<u>\$ 1,686,838</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, 2013

	Safety Capital Improvement Fund	Recreation Capital Improvement Fund	Neighborhood Improvement Fund
Revenues			
Charges for Services	\$ 215,000	\$ 0	\$ 0
Licenses and Permits	0	0	42,994
Fines and Forfeitures	0	0	0
Intergovernmental	6,170	0	0
Rent	0	20,668	0
Contributions and Donations	4,245	0	300
Other	1,243	0	0
<i>Total Revenues</i>	<u>226,658</u>	<u>20,668</u>	<u>43,294</u>
Expenditures			
Capital Outlay	450,092	342,876	601,433
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>450,092</u>	<u>342,876</u>	<u>601,433</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(223,434)</u>	<u>(322,208)</u>	<u>(558,139)</u>
Other Financing Sources (Uses)			
Inception of Capital Lease	0	0	0
Proceeds from Sale of Capital Assets	0	0	0
Proceeds from OPWC Loans	0	0	0
Proceeds from Notes Issued	100,000	180,000	0
Transfers In	55,000	170,500	520,000
<i>Total Other Financing Sources (Uses)</i>	<u>155,000</u>	<u>350,500</u>	<u>520,000</u>
<i>Net Change in Fund Balances</i>	(68,434)	28,292	(38,139)
<i>Fund Balances Beginning of Year</i>	<u>334,667</u>	<u>114,925</u>	<u>100,303</u>
<i>Fund Balances End of Year</i>	<u>\$ 266,233</u>	<u>\$ 143,217</u>	<u>\$ 62,164</u>

(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, 2013

	<u>Court Capital Improvement Fund</u>	<u>Totals</u>
Revenues		
Charges for Services	\$ 0	\$ 215,000
Licenses and Permits	0	42,994
Fines and Forfeitures	248,202	248,202
Intergovernmental	0	6,170
Rent	0	20,668
Contributions and Donations	0	4,545
Other	0	1,243
<i>Total Revenues</i>	<u>248,202</u>	<u>538,822</u>
Expenditures		
Capital Outlay	4,610	1,399,011
Debt Service:		
Principal Retirement	0	0
Interest and Fiscal Charges	0	0
<i>Total Expenditures</i>	<u>4,610</u>	<u>1,399,011</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>243,592</u>	<u>(860,189)</u>
Other Financing Sources (Uses)		
Inception of Capital Lease	0	0
Proceeds from Sale of Capital Assets	0	0
Proceeds from OPWC Loans	0	0
Proceeds from Notes Issued	0	280,000
Transfers In	0	745,500
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>1,025,500</u>
<i>Net Change in Fund Balances</i>	243,592	165,311
<i>Fund Balances Beginning of Year</i>	<u>952,292</u>	<u>1,502,187</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,195,884</u>	<u>\$ 1,667,498</u>

**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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 1,570,362	\$ 1,570,362	\$ 0
Municipal Income Taxes	11,224,907	11,224,907	0
Other Local Taxes	273,331	273,331	0
Special Assessments	8,408	8,408	0
Intergovernmental	798,732	798,732	0
Charges for Services	216,244	216,244	0
Fees, Licenses and Permits	350,281	350,281	0
Fines and Forfeitures	95,326	95,326	0
Investment Income	74,755	74,755	0
Rent	126,273	148,552	22,279
Other	29,829	29,829	0
<i>Total Revenues</i>	<u>14,768,448</u>	<u>14,790,727</u>	<u>22,279</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police Department:			
Personal Services	2,733,130	2,686,935	46,195
Other	233,900	214,615	19,285
Total Police Department	<u>2,967,030</u>	<u>2,901,550</u>	<u>65,480</u>
Fire:			
Personal Services	1,788,452	1,783,422	5,030
Other	71,210	68,950	2,260
Total Fire Department	<u>1,859,662</u>	<u>1,852,372</u>	<u>7,290</u>
Total Security of Persons and Property	<u>4,826,692</u>	<u>4,753,922</u>	<u>72,770</u>
Leisure Time Activities:			
Municipal Signage:			
Personal Services	94,158	92,495	1,663
Other	16,900	16,855	45
Total Municipal Signage	<u>111,058</u>	<u>109,350</u>	<u>1,708</u>
Public Grounds:			
Personal Services	303,130	303,071	59
Other	70,260	69,793	467
Total Public Grounds	<u>373,390</u>	<u>372,864</u>	<u>526</u>
Total Leisure Time Activities	<u>484,448</u>	<u>482,214</u>	<u>2,234</u>
Community Development:			
Building Department:			
Personal Services	244,301	240,347	3,954
Other	24,615	24,389	226
Total Building Department	<u>268,916</u>	<u>264,736</u>	<u>4,180</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, 2013

	Final Budget	Actual	Variance with Final Budget
Engineering Department:			
Personal Services	118,525	118,484	41
Other	20,430	20,330	100
Total Engineering Department	138,955	138,814	141
Total Community Development	407,871	403,550	4,321
Public Works:			
Storm Sewers and Drains:			
Personal Services	35,461	35,387	74
Other	12,800	12,791	9
Total Storm Sewers and Drains	48,261	48,178	83
Refuse Collection and Disposal:			
Other	882,555	882,552	3
Total Refuse Collections and Disposal	882,555	882,552	3
Leaf Collection:			
Personal Services	48,950	48,849	101
Other	8,000	7,974	26
Total Leaf Collection	56,950	56,823	127
Snow Removal:			
Personal Services	63,150	63,115	35
Other	85,850	85,757	93
Total Snow Removal	149,000	148,872	128
Total Public Works	1,136,766	1,136,425	341
General Government:			
Council:			
Personal Services	129,860	129,703	157
Other	4,960	4,565	395
Total Council	134,820	134,268	552
Mayor:			
Personal Services	115,307	115,088	219
Other	4,850	857	3,993
Total Mayor	120,157	115,945	4,212
Finance			
Personal Services	296,054	295,008	1,046
Other	11,000	8,121	2,879
Total Finance	307,054	303,129	3,925

(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, 2013

	Final Budget	Actual	Variance with Final Budget
Law:			
Personal Services	162,431	159,932	2,499
Other	17,550	7,816	9,734
Total Law	<u>179,981</u>	<u>167,748</u>	<u>12,233</u>
Public Safety:			
Personal Services	45,275	43,830	1,445
Other	11,415	8,659	2,756
Total Public Safety	<u>56,690</u>	<u>52,489</u>	<u>4,201</u>
Municipal Fleet and Equipment:			
Personal Services	163,725	163,663	62
Other	224,240	221,656	2,584
Total Municipal Fleet and Equipment	<u>387,965</u>	<u>385,319</u>	<u>2,646</u>
Municipal Building:			
Personal Services	25,750	25,694	56
Other	461,950	461,109	841
Total Municipal Building	<u>487,700</u>	<u>486,803</u>	<u>897</u>
Service Administration:			
Personal Services	80,654	78,221	2,433
Other	10,900	10,247	653
Total Service Administration	<u>91,554</u>	<u>88,468</u>	<u>3,086</u>
Planning and Development:			
Other	11,500	10,328	1,172
Total Planning and Development	<u>11,500</u>	<u>10,328</u>	<u>1,172</u>
Administration:			
Personal Services	1,699,047	1,698,135	912
Other	1,013,713	971,014	42,699
Total Administration	<u>2,712,760</u>	<u>2,669,149</u>	<u>43,611</u>
Total General Government	<u>4,490,181</u>	<u>4,413,646</u>	<u>76,535</u>
<i>Total Expenditures</i>	<u>11,345,958</u>	<u>11,189,757</u>	<u>156,201</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,422,490</u>	<u>3,600,970</u>	<u>178,480</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, 2013

	Final Budget	Actual	Variance with Final Budget
Other Financing Sources (Uses)			
Advances In	92,625	92,625	0
Advances Out	(92,625)	(92,625)	0
Transfers Out	(3,454,000)	(3,454,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(3,454,000)</u>	<u>(3,454,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(31,510)	146,970	178,480
<i>Fund Balance (Deficit) Beginning of Year</i>	2,535,959	2,535,959	0
Prior Year Encumbrances Appropriated	<u>56,343</u>	<u>56,343</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 2,560,792</u>	<u>\$ 2,739,272</u>	<u>\$ 178,480</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 Bond
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 1,422,010	\$ 1,422,010	\$ 0
Intergovernmental	237,093	237,093	0
Investment Income	10,000	10,000	0
Special Assessments	10,279	10,279	0
<i>Total Revenues</i>	<u>1,679,382</u>	<u>1,679,382</u>	<u>0</u>
Expenditures			
Current:			
General Government			
Other	16,762	16,130	632
Debt Service			
Principal Retirement	8,555,000	8,555,000	0
Interest and Fiscal Charges	479,361	479,148	213
Bond Issuance Costs	138,238	138,238	0
Total Debt Service	<u>9,172,599</u>	<u>9,172,386</u>	<u>213</u>
<i>Total Expenditures</i>	<u>9,189,361</u>	<u>9,188,516</u>	<u>845</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(7,509,979)</u>	<u>(7,509,134)</u>	<u>845</u>
Other Financing Sources (Uses)			
Proceeds of Bonds	4,005,000	4,005,000	0
Proceeds of Notes	3,484,500	3,484,500	0
Premium on Debt Issued	130,433	130,433	0
<i>Total Other Financing Sources (Uses)</i>	<u>7,619,933</u>	<u>7,619,933</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	109,954	110,799	845
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>2,438,573</u>	<u>2,438,573</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 2,548,527</u>	<u>\$ 2,549,372</u>	<u>\$ 845</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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 613,060	\$ 613,060	\$ 0
Other	195	195	0
<i>Total Revenues</i>	<u>613,255</u>	<u>613,255</u>	<u>0</u>
Expenditures			
Capital Outlay	2,990,154	2,973,773	16,381
Debt Service:			
Principal Retirement	1,594,134	1,593,876	258
Interest and Fiscal Charges	23,279	23,279	0
Total Debt Service	<u>1,617,413</u>	<u>1,617,155</u>	<u>258</u>
<i>Total Expenditures</i>	<u>4,607,567</u>	<u>4,590,928</u>	<u>16,639</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,994,312)</u>	<u>(3,977,673)</u>	<u>16,639</u>
Other Financing Sources (Uses)			
General Obligation Bonds Issued	1,250,000	1,250,000	0
Proceeds of Notes	750,000	750,000	0
Proceeds from Sale of Assets	20,700	20,700	0
Proceeds of OPWC Loans	107,014	146,131	39,117
Transfers In	<u>1,244,000</u>	<u>1,244,000</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>3,371,714</u>	<u>3,410,831</u>	<u>39,117</u>
<i>Net Change in Fund Balance</i>	(622,598)	(566,842)	55,756
<i>Fund Balance (Deficit) Beginning of Year</i>	973,409	973,409	0
<i>Prior Year Encumbrances Appropriated</i>	<u>47,060</u>	<u>47,060</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 397,871</u>	<u>\$ 453,627</u>	<u>\$ 55,756</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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$ 556,487	\$ 556,487	\$ 0
Reimbursements	2,478	2,478	0
Other	9,307	9,307	0
<i>Total Revenues</i>	<u>568,272</u>	<u>568,272</u>	<u>0</u>
Expenditures			
Current:			
Leisure Time Activities:			
Personal Services	791,780	772,022	19,758
Other	635,316	616,787	18,529
<i>Total Expenditures</i>	<u>1,427,096</u>	<u>1,388,809</u>	<u>38,287</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(858,824)</u>	<u>(820,537)</u>	<u>38,287</u>
Other Financing Sources (Uses)			
Transfers In	770,000	770,000	0
<i>Net Change in Fund Balance</i>	(88,824)	(50,537)	38,287
<i>Fund Balance (Deficit) Beginning of Year</i>	123,635	123,635	0
Prior Year Encumbrances Appropriated	1,497	1,497	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 36,308</u>	<u>\$ 74,595</u>	<u>\$ 38,287</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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 50,622	\$ 50,622	\$ 0
Investment Income	1,079	1,079	0
<i>Total Revenues</i>	<u>51,701</u>	<u>51,701</u>	<u>0</u>
Expenditures			
Current:			
Transportation			
Other	55,000	55,000	0
<i>Total Expenditures</i>	<u>55,000</u>	<u>55,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(3,299)	(3,299)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>10,340</u>	<u>10,340</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 7,041</u>	<u>\$ 7,041</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
Street Maintenance Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 624,344	\$ 624,344	\$ 0
Investment Income	2,442	2,442	0
<i>Total Revenues</i>	<u>626,786</u>	<u>626,786</u>	<u>0</u>
Expenditures			
Current:			
Transportation			
Personal Services	596,706	559,121	37,585
Other	138,000	122,049	15,951
<i>Total Expenditures</i>	<u>734,706</u>	<u>681,170</u>	<u>53,536</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(107,920)</u>	<u>(54,384)</u>	<u>53,536</u>
Other Financing Sources (Uses)			
Transfers In	98,025	98,025	0
<i>Net Change in Fund Balance</i>	(9,895)	43,641	53,536
<i>Fund Balance (Deficit) Beginning of Year</i>	66,234	66,234	0
Prior Year Encumbrances Appropriated	7,138	7,138	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 63,477</u>	<u>\$ 117,013</u>	<u>\$ 53,536</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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 319,553	\$ 319,553	\$ 0
Intergovernmental	53,277	53,277	0
<i>Total Revenues</i>	<u>372,830</u>	<u>372,830</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Personal Services	499,906	497,903	2,003
<i>Total Expenditures</i>	<u>499,906</u>	<u>497,903</u>	<u>2,003</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(127,076)</u>	<u>(125,073)</u>	<u>2,003</u>
Other Financing Sources (Uses)			
Transfers In	135,000	135,000	0
<i>Net Change in Fund Balance</i>	7,924	9,927	2,003
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>11,916</u>	<u>11,916</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 19,840</u>	<u>\$ 21,843</u>	<u>\$ 2,003</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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 319,553	\$ 319,553	\$ 0
Intergovernmental	53,277	53,277	0
<i>Total Revenues</i>	<u>372,830</u>	<u>372,830</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Personal Services	519,563	516,205	3,358
<i>Total Expenditures</i>	<u>519,563</u>	<u>516,205</u>	<u>3,358</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(146,733)</u>	<u>(143,375)</u>	<u>3,358</u>
Other Financing Sources (Uses)			
Transfers In	140,000	140,000	0
<i>Net Change in Fund Balance</i>	(6,733)	(3,375)	3,358
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>18,743</u>	<u>18,743</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 12,010</u>	<u>\$ 15,368</u>	<u>\$ 3,358</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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Contributions and Donations	\$ 20,000	\$ 20,000	\$ 0
<i>Total Revenues</i>	<u>20,000</u>	<u>20,000</u>	<u>0</u>
Expenditures			
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
DARE Grant Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 4,290	\$ 4,290	\$ 0
<i>Total Revenues</i>	<u>4,290</u>	<u>4,290</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	4,290	4,290	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>\$ 4,290</u></u>	<u><u>\$ 4,290</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
Animal Control Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 320	\$ 320	\$ 0
<i>Total Revenues</i>	<u>320</u>	<u>320</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	<u>275</u>	<u>275</u>	<u>0</u>
<i>Total Expenditures</i>	<u>275</u>	<u>275</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	45	45	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>20</u>	<u>20</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 65</u></u>	<u><u>\$ 65</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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Special Assessments	\$ 676,392	\$ 676,392	\$ 0
<i>Total Revenues</i>	<u>676,392</u>	<u>676,392</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	967,400	901,300	66,100
<i>Total Expenditures</i>	<u>967,400</u>	<u>901,300</u>	<u>66,100</u>
<i>Net Change in Fund Balance</i>	(291,008)	(224,908)	66,100
<i>Fund Balance (Deficit) Beginning of Year</i>	429,012	429,012	0
Prior Year Encumbrances Appropriated	<u>55,956</u>	<u>55,956</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 193,960</u>	<u>\$ 260,060</u>	<u>\$ 66,100</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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Contributions and Donations	\$ 27,618	\$ 27,618	\$ 0
<i>Total Revenues</i>	<u>27,618</u>	<u>27,618</u>	<u>0</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	54,063	34,285	19,778
<i>Total Expenditures</i>	<u>54,063</u>	<u>34,285</u>	<u>19,778</u>
<i>Net Change in Fund Balance</i>	(26,445)	(6,667)	19,778
<i>Fund Balance (Deficit) Beginning of Year</i>	64,465	64,465	0
Prior Year Encumbrances Appropriated	<u>199</u>	<u>199</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 38,219</u>	<u>\$ 57,997</u>	<u>\$ 19,778</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Events Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures			
Current:			
Public Health and Welfare:			
Other	1,874	1,874	0
<i>Total Expenditures</i>	1,874	1,874	0
<i>Net Change in Fund Balance</i>	(1,874)	(1,874)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	1,708	1,708	0
Prior Year Encumbrances Appropriated	166	166	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 0</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
Senior Services Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures			
Current:			
Public Health and Welfare:			
Other	7,432	7,432	0
<i>Total Expenditures</i>	7,432	7,432	0
<i>Net Change in Fund Balance</i>	(7,432)	(7,432)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	6,256	6,256	0
Prior Year Encumbrances Appropriated	1,176	1,176	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 0</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
Community Hospital Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 80,349	\$ 80,349	\$ 0
Intergovernmental	17,167	17,167	0
<i>Total Revenues</i>	<u>97,516</u>	<u>97,516</u>	<u>0</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	97,817	97,817	0
<i>Total Expenditures</i>	<u>97,817</u>	<u>97,817</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(301)	(301)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>6,889</u>	<u>6,889</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 6,588</u>	<u>\$ 6,588</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
Community Development Block Grant Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 226,059	\$ 142,395	\$ (83,664)
<i>Total Revenues</i>	<u>226,059</u>	<u>142,395</u>	<u>(83,664)</u>
Expenditures			
Capital Outlay	226,059	142,395	83,664
<i>Total Expenditures</i>	<u>226,059</u>	<u>142,395</u>	<u>83,664</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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 38,683	\$ 38,683	\$ 0
<i>Total Revenues</i>	<u>38,683</u>	<u>38,683</u>	<u>0</u>
Expenditures			
Current:			
Transportation:			
Other	45,000	30,000	15,000
<i>Total Expenditures</i>	<u>45,000</u>	<u>30,000</u>	<u>15,000</u>
<i>Net Change in Fund Balance</i>	(6,317)	8,683	15,000
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>19,495</u>	<u>19,495</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 13,178</u></u>	<u><u>\$ 28,178</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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 535	\$ 535	\$ 0
<i>Total Revenues</i>	<u>535</u>	<u>535</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	18,652	79	18,573
<i>Total Expenditures</i>	<u>18,652</u>	<u>79</u>	<u>18,573</u>
<i>Net Change in Fund Balance</i>	(18,117)	456	18,573
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>18,683</u>	<u>18,683</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 566</u>	<u>\$ 19,139</u>	<u>\$ 18,573</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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 1,347,243	\$ 1,347,243	\$ 0
Refunds and Reimbursements	19,345	19,345	0
<i>Total Revenues</i>	<u>1,366,588</u>	<u>1,366,588</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Municipal Court:			
Personal Services	1,246,201	1,238,917	7,284
Other	126,000	125,330	670
<i>Total Expenditures</i>	<u>1,372,201</u>	<u>1,364,247</u>	<u>7,954</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,613)</u>	<u>2,341</u>	<u>(7,954)</u>
Other Financing Sources (Uses)			
Advances In	92,625	92,625	0
Advances Out	(92,625)	(92,625)	0
Transfers In	7,475	7,475	0
<i>Total Other Financing Sources (Uses)</i>	<u>7,475</u>	<u>7,475</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,862	9,816	7,954
<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>\$ 1,862</u></u>	<u><u>\$ 9,816</u></u>	<u><u>\$ 7,954</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 Health Insurance Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 46,999	\$ 46,999	\$ 0
<i>Total Revenues</i>	<u>46,999</u>	<u>46,999</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	46,613	40,406	6,207
<i>Total Expenditures</i>	<u>46,613</u>	<u>40,406</u>	<u>6,207</u>
<i>Net Change in Fund Balance</i>	386	6,593	6,207
<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>\$ 386</u>	<u>\$ 6,593</u>	<u>\$ 6,207</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Probation Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 291,391	\$ 291,391	\$ 0
<i>Total Revenues</i>	<u>291,391</u>	<u>291,391</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	261,487	254,909	6,578
Other	74,514	37,332	37,182
<i>Total Expenditures</i>	<u>336,001</u>	<u>292,241</u>	<u>43,760</u>
<i>Net Change in Fund Balance</i>	(44,610)	(850)	43,760
<i>Fund Balance (Deficit) Beginning of Year</i>	65,889	65,889	0
Prior Year Encumbrances Appropriated	<u>100</u>	<u>100</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 21,379</u></u>	<u><u>\$ 65,139</u></u>	<u><u>\$ 43,760</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Alcohol Treatment Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 65,386	\$ 65,386	\$ 0
<i>Total Revenues</i>	<u>65,386</u>	<u>65,386</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	275,062	45,334	229,728
<i>Total Expenditures</i>	<u>275,062</u>	<u>45,334</u>	<u>229,728</u>
<i>Net Change in Fund Balance</i>	(209,676)	20,052	229,728
<i>Fund Balance (Deficit) Beginning of Year</i>	265,157	265,157	0
Prior Year Encumbrances Appropriated	<u>2,425</u>	<u>2,425</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 57,906</u>	<u>\$ 287,634</u>	<u>\$ 229,728</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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 1,599	\$ 1,599	\$ 0
<i>Total Revenues</i>	<u>1,599</u>	<u>1,599</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	12,512	0	12,512
<i>Total Expenditures</i>	<u>12,512</u>	<u>0</u>	<u>12,512</u>
<i>Net Change in Fund Balance</i>	(10,913)	1,599	12,512
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>12,511</u>	<u>12,511</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 1,598</u></u>	<u><u>\$ 14,110</u></u>	<u><u>\$ 12,512</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Theft Division Fund
For the Year Ended December 31, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fines and Forfeitures	\$ 2,800	\$ 2,800	\$ 0
<i>Total Revenues</i>	<u>2,800</u>	<u>2,800</u>	<u>0</u>
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	2,800	2,800	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>\$ 2,800</u></u>	<u><u>\$ 2,800</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
Indigent Driving School Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures			
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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 30,757	\$ 30,757	\$ 0
<i>Total Revenues</i>	<u>30,757</u>	<u>30,757</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Council:			
Personal Services	42,610	34,304	8,306
<i>Total Expenditures</i>	<u>42,610</u>	<u>34,304</u>	<u>8,306</u>
<i>Net Change in Fund Balance</i>	(11,853)	(3,547)	8,306
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>45,879</u>	<u>45,879</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 34,026</u>	<u>\$ 42,332</u>	<u>\$ 8,306</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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 126,233	\$ 126,233	\$ 0
<i>Total Revenues</i>	<u>126,233</u>	<u>126,233</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	45,687	45,575	112
Other	109,090	72,089	37,001
<i>Total Expenditures</i>	<u>154,777</u>	<u>117,664</u>	<u>37,113</u>
<i>Net Change in Fund Balance</i>	(28,544)	8,569	37,113
<i>Fund Balance (Deficit) Beginning of Year</i>	33,323	33,323	0
Prior Year Encumbrances Appropriated	<u>327</u>	<u>327</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 5,106</u>	<u>\$ 42,219</u>	<u>\$ 37,113</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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 37,361	\$ 37,361	\$ 0
<i>Total Revenues</i>	<u>37,361</u>	<u>37,361</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	20,875	14,883	5,992
Other	17,874	17,733	141
<i>Total Expenditures</i>	<u>38,749</u>	<u>32,616</u>	<u>6,133</u>
<i>Net Change in Fund Balance</i>	(1,388)	4,745	6,133
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>111,466</u>	<u>111,466</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 110,078</u>	<u>\$ 116,211</u>	<u>\$ 6,133</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, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 81,774	\$ 81,774	\$ 0
<i>Total Revenues</i>	<u>81,774</u>	<u>81,774</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	135,000	127,057	7,943
<i>Total Expenditures</i>	<u>135,000</u>	<u>127,057</u>	<u>7,943</u>
<i>Net Change in Fund Balance</i>	(53,226)	(45,283)	7,943
<i>Fund Balance (Deficit) Beginning of Year</i>	66,234	66,234	0
Prior Year Encumbrances Appropriated	<u>2,497</u>	<u>2,497</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 15,505</u>	<u>\$ 23,448</u>	<u>\$ 7,943</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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 22,276	\$ 22,276	\$ 0
<i>Total Revenues</i>	<u>22,276</u>	<u>22,276</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	64,000	8,639	55,361
<i>Total Expenditures</i>	<u>64,000</u>	<u>8,639</u>	<u>55,361</u>
<i>Net Change in Fund Balance</i>	(41,724)	13,637	55,361
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>65,778</u>	<u>65,778</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 24,054</u>	<u>\$ 79,415</u>	<u>\$ 55,361</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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 4,951	\$ 4,951	\$ 0
<i>Total Revenues</i>	<u>4,951</u>	<u>4,951</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	4,643	4,643	0
<i>Total Expenditures</i>	<u>4,643</u>	<u>4,643</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	308	308	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>\$ 308</u></u>	<u><u>\$ 308</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
Safety Capital Improvement Fund
For the Year Ended December 31, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 62,344	\$ 62,344	\$ 0
Charges for Services	215,000	215,000	0
Contributions and Donations	4,245	4,245	0
Other	1,243	1,243	0
<i>Total Revenues</i>	<u>282,832</u>	<u>282,832</u>	<u>0</u>
Expenditures			
Capital Outlay	495,515	475,365	20,150
<i>Total Expenditures</i>	<u>495,515</u>	<u>475,365</u>	<u>20,150</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(212,683)</u>	<u>(192,533)</u>	<u>20,150</u>
Other Financing Sources (Uses)			
Proceeds of Notes	100,000	100,000	0
Transfers In	55,000	55,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>155,000</u>	<u>155,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(57,683)	(37,533)	20,150
<i>Fund Balance (Deficit) Beginning of Year</i>	183,310	183,310	0
<i>Prior Year Encumbrances Appropriated</i>	<u>101,772</u>	<u>101,772</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 227,399</u>	<u>\$ 247,549</u>	<u>\$ 20,150</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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Rent	\$ 42,947	\$ 20,668	\$ (22,279)
<i>Total Revenues</i>	<u>42,947</u>	<u>20,668</u>	<u>(22,279)</u>
Expenditures			
Capital Outlay	454,923	421,618	33,305
<i>Total Expenditures</i>	<u>454,923</u>	<u>421,618</u>	<u>33,305</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(411,976)</u>	<u>(400,950)</u>	<u>11,026</u>
Other Financing Sources (Uses)			
Proceeds of Notes	180,000	180,000	0
Transfers In	170,500	170,500	0
<i>Total Other Financing Sources (Uses)</i>	<u>350,500</u>	<u>350,500</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(61,476)	(50,450)	11,026
<i>Fund Balance (Deficit) Beginning of Year</i>	104,965	104,965	0
<i>Prior Year Encumbrances Appropriated</i>	9,959	9,959	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 53,448</u>	<u>\$ 64,474</u>	<u>\$ 11,026</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, 2013

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fees, Licenses and Permits	\$ 42,994	\$ 42,994	\$ 0
Other	300	300	0
<i>Total Revenues</i>	<u>43,294</u>	<u>43,294</u>	<u>0</u>
Expenditures			
Capital Outlay:			
Personal Services	354,040	332,238	21,802
Other	315,100	301,320	13,780
<i>Total Expenditures</i>	<u>669,140</u>	<u>633,558</u>	<u>35,582</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(625,846)</u>	<u>(590,264)</u>	<u>35,582</u>
Other Financing Sources (Uses)			
Transfers In	520,000	520,000	0
<i>Net Change in Fund Balance</i>	(105,846)	(70,264)	35,582
<i>Fund Balance (Deficit) Beginning of Year</i>	116,237	116,237	0
Prior Year Encumbrances Appropriated	1,203	1,203	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 11,594</u>	<u>\$ 47,176</u>	<u>\$ 35,582</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fees, Licenses and Permits	\$ 246,749	\$ 246,749	\$ 0
<i>Total Revenues</i>	<u>246,749</u>	<u>246,749</u>	<u>0</u>
Expenditures			
Capital Outlay	<u>50,000</u>	<u>4,610</u>	<u>45,390</u>
<i>Total Expenditures</i>	<u>50,000</u>	<u>4,610</u>	<u>45,390</u>
<i>Net Change in Fund Balance</i>	196,749	242,139	(45,390)
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>934,505</u>	<u>934,505</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 1,131,254</u>	<u>\$ 1,176,644</u>	<u>\$ (45,390)</u>

This Page Intentionally Left Blank

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.

Cuyahoga County, Ohio
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2013

	Medical Benefits Fund	Property/ Liability Insurance Fund	Workers Compensation Fund	Totals
Assets				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 348,867	\$ 80,414	\$ 387,410	\$ 816,691
Accounts Receivable	25,856	0	0	25,856
<i>Total Assets</i>	<u>\$ 374,723</u>	<u>\$ 80,414</u>	<u>\$ 387,410</u>	<u>\$ 842,547</u>
Liabilities				
Current Liabilities:				
Accounts Payable	\$ 0	\$ 3,768	\$ 0	\$ 3,768
Claims Payable	209,320	0	0	209,320
<i>Total Current Liabilities</i>	<u>209,320</u>	<u>3,768</u>	<u>0</u>	<u>213,088</u>
Net Position				
Unrestricted (Deficit)	<u>\$ 165,403</u>	<u>\$ 76,646</u>	<u>\$ 387,410</u>	<u>\$ 629,459</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, 2013

	Medical Benefits Fund	Proprietary/ Liability Insurance Fund	Workers Compensation Fund	Totals
Operating Revenues				
Charges for Services	\$ 2,073,765	\$ 486,000	\$ 413,329	\$ 2,973,094
Reimbursements	450,603	17,463	0	468,066
Other	198	0	0	198
<i>Total Operating Revenues</i>	<u>2,524,566</u>	<u>503,463</u>	<u>413,329</u>	<u>3,441,358</u>
Operating Expenses				
Contractual Services	274,752	403,560	217,790	896,102
Claims	2,142,071	25,130	0	2,167,201
Other	1,664	0	0	1,664
<i>Total Operating Expenses</i>	<u>2,418,487</u>	<u>428,690</u>	<u>217,790</u>	<u>3,064,967</u>
<i>Change in Net Position</i>	106,079	74,773	195,539	376,391
<i>Net Position Beginning of Year</i>	<u>59,324</u>	<u>1,873</u>	<u>191,871</u>	<u>253,068</u>
<i>Net Position End of Year</i>	<u>\$ 165,403</u>	<u>\$ 76,646</u>	<u>\$ 387,410</u>	<u>\$ 629,459</u>

City of Berea
Cuyahoga County, Ohio
Statement of Cash Flows-
Internal Service Funds
December 31, 2013

	Medical Benefits Fund	Property/ Liability Insurance Fund	Workers Compensation Fund	Total Internal Service Funds
Cash Flows From Operating Activities				
Cash Received from Customers	\$ 2,498,710	\$ 503,463	\$ 413,329	\$ 3,415,502
Cash Payments for Contractual and Other Services	(276,416)	(399,792)	(217,790)	(893,998)
Cash Payments for Claims	<u>(2,081,095)</u>	<u>(25,130)</u>	<u>0</u>	<u>(2,106,225)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	141,199	78,541	195,539	415,279
<i>Cash and Investments Beginning of Year</i>	<u>207,668</u>	<u>1,873</u>	<u>191,871</u>	<u>401,412</u>
<i>Cash and Investments End of Year</i>	<u>\$ 348,867</u>	<u>\$ 80,414</u>	<u>\$ 387,410</u>	<u>\$ 816,691</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities				
Operating Income (Loss)	\$ 106,079	\$ 74,773	\$ 195,539	\$ 376,391
Adjustments:				
(Increase) Decrease in Assets:				
Accounts Receivable	(25,856)	0	0	(25,856)
Increase (Decrease) in Liabilities:				
Accounts Payable	0	3,768	0	3,768
Claims Payable	<u>60,976</u>	<u>0</u>	<u>0</u>	<u>60,976</u>
<i>Total Adjustments</i>	<u>35,120</u>	<u>3,768</u>	<u>0</u>	<u>38,888</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ 141,199</u>	<u>\$ 78,541</u>	<u>\$ 195,539</u>	<u>\$ 415,279</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 Agency 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 insure compliance regarding the project with the City.

Guarantee Deposits Fund

To account for the deposits made by builders to insure 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

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, 2013

	<u>Regional Sewer</u>	<u>Contract Retainer</u>	<u>Guarantee Deposits</u>	<u>Ohio Board of Building Standards</u>
Assets				
Equity in Pooled Cash and Investments	\$ 690,693	\$ 135,046	\$ 60,035	\$ 117
Equity in Cash Segregated	0	0	0	0
Accounts Receivable	<u>1,465,547</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$ 2,156,240</u></u>	<u><u>\$ 135,046</u></u>	<u><u>\$ 60,035</u></u>	<u><u>\$ 117</u></u>
Liabilities				
Accounts Payable	\$ 667,177	\$ 0	\$ 0	\$ 0
Due to Other Governments	1,489,063	0	0	117
Deposits Held and Due to Others	<u>0</u>	<u>135,046</u>	<u>60,035</u>	<u>0</u>
<i>Total Liabilities</i>	<u><u>\$ 2,156,240</u></u>	<u><u>\$ 135,046</u></u>	<u><u>\$ 60,035</u></u>	<u><u>\$ 117</u></u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2013

	Metroparks	Municipal Court	Totals
Assets			
Equity in Pooled Cash and Investments	\$ 7,611	\$ 0	\$ 893,502
Equity in Cash Segregated	0	120,297	120,297
Accounts Receivable	0	0	1,465,547
<i>Total Assets</i>	\$ 7,611	\$ 120,297	\$ 2,479,346
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 667,177
Due to Other Governments	7,611	120,297	1,617,088
Deposits Held and Due to Others	0	0	195,081
<i>Total Liabilities</i>	\$ 7,611	\$ 120,297	\$ 2,479,346

City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2013

	Beginning Balance 12/31/2012	Additions	Reductions	Ending Balance 12/31/2013
Regional Sewer				
Assets				
Equity in Pooled Cash and Investments	\$ 744,644	\$ 3,314,613	\$ 3,368,564	\$ 690,693
Accounts Receivable	1,319,851	1,465,547	1,319,851	1,465,547
<i>Total Assets</i>	<u>\$ 2,064,495</u>	<u>\$ 4,780,160</u>	<u>\$ 4,688,415</u>	<u>\$ 2,156,240</u>
Liabilities				
Accounts Payable	\$ 622,823	\$ 667,177	\$ 622,823	\$ 667,177
Due to Other Governments	1,441,672	714,568	667,177	1,489,063
<i>Total Liabilities</i>	<u>\$ 2,064,495</u>	<u>\$ 1,381,745</u>	<u>\$ 1,290,000</u>	<u>\$ 2,156,240</u>
Contract Retainer				
Assets				
Equity in Pooled Cash and Investments	\$ 29,099	\$ 131,147	\$ 25,200	\$ 135,046
<i>Total Assets</i>	<u>\$ 29,099</u>	<u>\$ 131,147</u>	<u>\$ 25,200</u>	<u>\$ 135,046</u>
Liabilities				
Deposits Held and Due to Others	\$ 29,099	\$ 131,147	\$ 25,200	\$ 135,046
<i>Total Liabilities</i>	<u>\$ 29,099</u>	<u>\$ 131,147</u>	<u>\$ 25,200</u>	<u>\$ 135,046</u>
Guarantee Deposits				
Assets				
Equity in Pooled Cash and Investments	\$ 167,478	\$ 41,852	\$ 149,295	\$ 60,035
<i>Total Assets</i>	<u>\$ 167,478</u>	<u>\$ 41,852</u>	<u>\$ 149,295</u>	<u>\$ 60,035</u>
Liabilities				
Deposits Held and Due to Others	\$ 167,478	\$ 41,852	\$ 149,295	\$ 60,035
<i>Total Liabilities</i>	<u>\$ 167,478</u>	<u>\$ 41,852</u>	<u>\$ 149,295</u>	<u>\$ 60,035</u>

(continued)

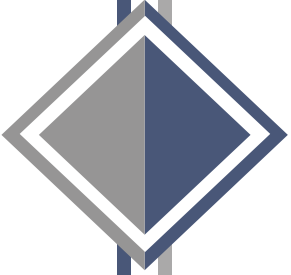
City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2013

	Beginning Balance 12/31/2012	Additions	Reductions	Ending Balance 12/31/2013
Ohio Board of Building Standards				
Assets				
Equity in Pooled Cash and Investments	\$ 2,975	\$ 3,713	\$ 6,571	\$ 117
<i>Total Assets</i>	<u>\$ 2,975</u>	<u>\$ 3,713</u>	<u>\$ 6,571</u>	<u>\$ 117</u>
Liabilities				
Due to Other Governments	\$ 2,975	\$ 3,713	\$ 6,571	\$ 117
<i>Total Liabilities</i>	<u>\$ 2,975</u>	<u>\$ 3,713</u>	<u>\$ 6,571</u>	<u>\$ 117</u>
Metroparks				
Assets				
Equity in Pooled Cash and Investments	\$ 8,597	\$ 7,611	\$ 8,597	\$ 7,611
<i>Total Assets</i>	<u>\$ 8,597</u>	<u>\$ 7,611</u>	<u>\$ 8,597</u>	<u>\$ 7,611</u>
Liabilities				
Due to Other Governments	\$ 8,597	\$ 7,611	\$ 8,597	\$ 7,611
<i>Total Liabilities</i>	<u>\$ 8,597</u>	<u>\$ 7,611</u>	<u>\$ 8,597</u>	<u>\$ 7,611</u>
Municipal Court				
Assets				
Equity in Cash Segregated	\$ 178,744	\$ 120,297	\$ 178,744	\$ 120,297
<i>Total Assets</i>	<u>\$ 178,744</u>	<u>\$ 120,297</u>	<u>\$ 178,744</u>	<u>\$ 120,297</u>
Liabilities				
Due to Other Governments	\$ 178,744	\$ 120,297	\$ 178,744	\$ 120,297
<i>Total Liabilities</i>	<u>\$ 178,744</u>	<u>\$ 120,297</u>	<u>\$ 178,744</u>	<u>\$ 120,297</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2013

	Beginning Balance 12/31/2012	Additions	Reductions	Ending Balance 12/31/2013
Total Agency Funds				
Assets				
Equity in Pooled Cash and Investments	\$ 952,793	\$ 3,498,936	\$ 3,558,227	\$ 893,502
Equity in Cash Segregated	178,744	120,297	178,744	120,297
Accounts Receivable	1,319,851	1,465,547	1,319,851	1,465,547
	<u>1,319,851</u>	<u>1,465,547</u>	<u>1,319,851</u>	<u>1,465,547</u>
<i>Total Assets</i>	<u>\$ 2,451,388</u>	<u>\$ 5,084,780</u>	<u>\$ 5,056,822</u>	<u>\$ 2,479,346</u>
Liabilities				
Accounts Payable	\$ 622,823	\$ 667,177	\$ 622,823	\$ 667,177
Due to Other Governments	1,631,988	846,189	861,089	1,617,088
Deposits Held and Due to Others	196,577	172,999	174,495	195,081
	<u>196,577</u>	<u>172,999</u>	<u>174,495</u>	<u>195,081</u>
<i>Total Liabilities</i>	<u>\$ 2,451,388</u>	<u>\$ 1,686,365</u>	<u>\$ 1,658,407</u>	<u>\$ 2,479,346</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.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S-2 - S-11
Revenue Capacity	
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
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S-22 - S-27
Economic and Demographic Information	
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-28 - S-29
Operating Information	
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-30 - S-37

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that 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.

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

	2013	2012	Restated 2011	Restated 2010
Governmental Activities				
Net Investment in Capital Assets	\$ 57,752,563	\$ 57,295,806	\$ 58,992,954	\$ 61,091,099
Restricted:				
Capital Projects	0	0	673,065	915,815
Debt Service	2,779,034	2,642,411	2,347,649	1,292,551
Street Lighting	872,108	1,042,402	1,067,706	1,055,354
Street Maintenance and Repair	527,701	478,130	446,422	376,397
Court Operations and Capital Outlay	1,417,252	306,864	386,601	0
Security Operations	147,168	0	0	0
Drug and Alcohol Programs	418,540	0	0	0
Other Purposes *	353,155	449,324	167,605	701,198
Unrestricted	6,806,855	5,917,006	4,476,698	3,736,574
<i>Total Governmental Activities Net Position</i>	<u>\$ 71,074,376</u>	<u>\$ 68,131,943</u>	<u>\$ 68,558,700</u>	<u>\$ 69,168,988</u>
Business Type - Activities				
Net Investment in Capital Assets	\$ 23,626,242	\$ 23,368,937	\$ 24,600,139	\$ 20,243,615
Unrestricted	2,993,113	3,040,813	2,018,042	2,326,082
<i>Total Business-Type Activities Net Position</i>	<u>\$ 26,619,355</u>	<u>\$ 26,409,750</u>	<u>\$ 26,618,181</u>	<u>\$ 22,569,697</u>
Primary Government				
Net Investment in Capital Assets	\$ 81,378,805	\$ 80,664,743	\$ 83,593,093	\$ 81,334,714
Restricted	6,514,958	4,919,131	5,089,048	4,341,315
Unrestricted	9,799,968	8,957,819	6,494,740	6,062,656
<i>Total Primary Government Net Position</i>	<u>\$ 97,693,731</u>	<u>\$ 94,541,693</u>	<u>\$ 95,176,881</u>	<u>\$ 91,738,685</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.

2009	Restated 2008	2007	2006	2005	2004
\$ 59,019,083	\$ 54,735,567	\$ 53,184,519	\$ 48,121,514	\$ 42,381,980	\$ 45,448,288
2,486,092	301,374	0	232,205	3,264,410	4,515,207
1,104,494	905,303	680,940	670,019	643,931	657,684
1,093,595	755,289	0	0	0	0
395,710	304,989	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
628,634	703,967	2,096,437	2,053,168	2,460,328	2,031,958
2,022,870	4,320,878	1,338,161	1,997,946	749,997	1,203,314
<u>\$ 66,750,478</u>	<u>\$ 62,027,367</u>	<u>\$ 57,300,057</u>	<u>\$ 53,074,852</u>	<u>\$ 49,500,646</u>	<u>\$ 53,856,451</u>
\$ 19,919,357	\$ 20,018,990	\$ 19,953,368	\$ 18,647,776	\$ 16,754,484	\$ 8,818,160
2,274,499	1,815,540	1,612,870	1,086,173	1,377,976	839,608
<u>\$ 22,193,856</u>	<u>\$ 21,834,530</u>	<u>\$ 21,566,238</u>	<u>\$ 19,733,949</u>	<u>\$ 18,132,460</u>	<u>\$ 9,657,768</u>
\$ 78,938,440	\$ 74,754,557	\$ 73,137,887	\$ 66,769,290	\$ 59,136,464	\$ 54,266,448
5,708,525	2,970,922	2,777,377	2,955,392	6,368,669	7,204,849
4,297,369	6,136,418	2,951,031	3,084,119	2,127,973	2,042,922
<u>\$ 88,944,334</u>	<u>\$ 83,861,897</u>	<u>\$ 78,866,295</u>	<u>\$ 72,808,801</u>	<u>\$ 67,633,106</u>	<u>\$ 63,514,219</u>

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

	2013	2012	Restated 2011	2010
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 2,661,404	\$ 2,707,588	\$ 2,427,949	\$ 2,635,408
Security of Persons and Property	1,156,701	1,182,585	994,746	1,047,395
Public Health and Welfare	0	33,801	22,574	39,309
Leisure Time Activities	577,155	541,377	529,841	477,076
Community Development	36,471	26,005	62,478	33,774
Public Works	0	0	0	0
Basic Utility	0	0	0	0
Transportation	248,202	257,220	228,046	296,627
Subtotal - Charges for Services	<u>4,679,933</u>	<u>4,748,576</u>	<u>4,265,634</u>	<u>4,529,589</u>
Operating Grants and Contributions:				
General Government	118,308	25,000	106,815	64,590
Security of Persons and Property:	42,888	79,039	5,428	39,925
Public Health and Welfare	27,618	46,060	59,250	75,831
Leisure Time Activities	0	17,223	8,035	58,733
Community Development	300	0	0	0
Public Works	0	0	0	0
Transportation	983,318	808,899	718,812	856,311
Subtotal - Operating Grants and Contributions	<u>1,172,432</u>	<u>976,221</u>	<u>898,340</u>	<u>1,095,390</u>
Capital Grants and Contributions:				
General Government	941,534	0	0	0
Security of Persons and Property:	0	0	0	0
Leisure Time Activities	3,665,728	0	0	0
Community Development	0	0	0	0
Basic Utility	0	0	0	0
Transportation	0	761,383	725,879	3,418,094
Subtotal - Capital Grants and Contributions	<u>4,607,262</u>	<u>761,383</u>	<u>725,879</u>	<u>3,418,094</u>
<i>Total Governmental Activities Program Revenues</i>	<u>10,459,627</u>	<u>6,486,180</u>	<u>5,889,853</u>	<u>9,043,073</u>
Business-Type Activities:				
Charges for Services:				
Water	2,591,376	2,663,002	2,698,896	2,578,894
Sewer	766,431	757,684	693,806	656,827
Capital Grants and Contributions				
Water	0	91,142	0	606,839
Sewer	0	75,000	0	466,728
<i>Total Business-Type Activities Program Revenues</i>	<u>3,357,807</u>	<u>3,586,828</u>	<u>3,392,702</u>	<u>4,309,288</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 13,817,434</u>	<u>\$ 10,073,008</u>	<u>\$ 9,282,555</u>	<u>\$ 13,352,361</u>
Expenses				
Governmental Activities:				
General Government	\$ 7,164,279	\$ 6,992,774	\$ 6,201,327	\$ 7,766,608
Security of Persons and Property	6,852,063	6,755,965	6,441,638	6,974,204
Public Health and Welfare	134,122	155,326	187,320	211,300
Leisure Time Activities	4,534,669	3,262,399	2,714,029	3,559,520
Community Development	396,804	465,302	455,883	543,755
Public Works	1,167,454	1,167,636	1,370,499	1,337,335
Transportation	3,346,244	4,557,209	1,335,639	2,965,627
Interest and Fiscal Charges	588,644	435,179	450,989	613,938
<i>Total Governmental Activities Expenses</i>	<u>24,184,279</u>	<u>23,791,790</u>	<u>19,157,324</u>	<u>23,972,287</u>

2009	Restated 2008	2007	2006	2005	2004
\$ 2,544,724	\$ 2,391,999	\$ 2,743,431	\$ 2,757,377	\$ 2,498,563	\$ 2,149,876
1,383,581	1,091,201	510,215	428,927	391,611	477,761
0	0	0	0	0	0
409,457	424,726	413,284	381,189	317,031	280,562
33,534	27,237	461,435	967,225	660,539	449,421
0	0	6,715	2,696	128,455	295,098
0	0	43	0	0	0
486,980	679,167	0	0	41	3,617,529
<u>4,858,276</u>	<u>4,614,330</u>	<u>4,135,123</u>	<u>4,537,414</u>	<u>3,996,240</u>	<u>7,270,247</u>
0	4,000	0	447	950	0
24,364	21,521	120,903	20,239	24,068	17,756
80,728	0	0	0	0	0
19,375	0	500	1,250	0	0
65,293	0	0	0	0	0
0	225,000	0	0	0	0
702,977	1,029,496	728,512	736,799	961,694	655,972
<u>892,737</u>	<u>1,280,017</u>	<u>849,915</u>	<u>758,735</u>	<u>986,712</u>	<u>673,728</u>
0	0	0	0	1,260,873	0
2,487,993	0	0	220,893	0	0
0	0	0	473,648	0	0
10,670	0	0	150,000	0	0
0	0	0	0	0	613,294
2,277,761	237,222	4,860,546	2,382,193	4,064,393	9,018,803
<u>4,776,424</u>	<u>237,222</u>	<u>4,860,546</u>	<u>3,226,734</u>	<u>5,325,266</u>	<u>9,632,097</u>
<u>10,527,437</u>	<u>6,131,569</u>	<u>9,845,584</u>	<u>8,522,883</u>	<u>10,308,218</u>	<u>17,576,072</u>
2,768,562	2,581,125	3,039,350	2,716,951	2,552,951	1,941,215
721,397	762,686	838,176	792,902	766,157	559,478
8,600	906,530	1,459,661	1,670,964	2,121,365	0
99,486	204,882	306,210	588,366	868,307	0
<u>3,598,045</u>	<u>4,455,223</u>	<u>5,643,397</u>	<u>5,769,183</u>	<u>6,308,780</u>	<u>2,500,693</u>
<u>\$ 14,125,482</u>	<u>\$ 10,586,792</u>	<u>\$ 15,488,981</u>	<u>\$ 14,292,066</u>	<u>\$ 16,616,998</u>	<u>\$ 20,076,765</u>
\$ 6,543,797	\$ 6,075,079	\$ 7,354,994	\$ 7,798,798	\$ 8,413,294	\$ 6,007,892
6,883,839	6,756,475	6,438,828	6,639,568	5,845,715	5,512,773
119,132	122,080	120,472	144,833	130,574	120,860
3,005,421	3,207,018	3,373,362	2,029,456	3,869,281	1,144,893
496,548	502,423	542,237	638,547	501,952	374,633
1,121,553	1,265,014	1,262,949	1,122,270	889,213	1,446,006
2,936,864	2,631,003	2,548,409	2,535,627	2,160,819	2,670,581
668,099	563,320	1,070,332	1,292,593	1,085,275	1,561,094
<u>21,775,253</u>	<u>21,122,412</u>	<u>22,711,583</u>	<u>22,201,692</u>	<u>22,896,123</u>	<u>18,838,732</u>
					<i>(continued)</i>

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

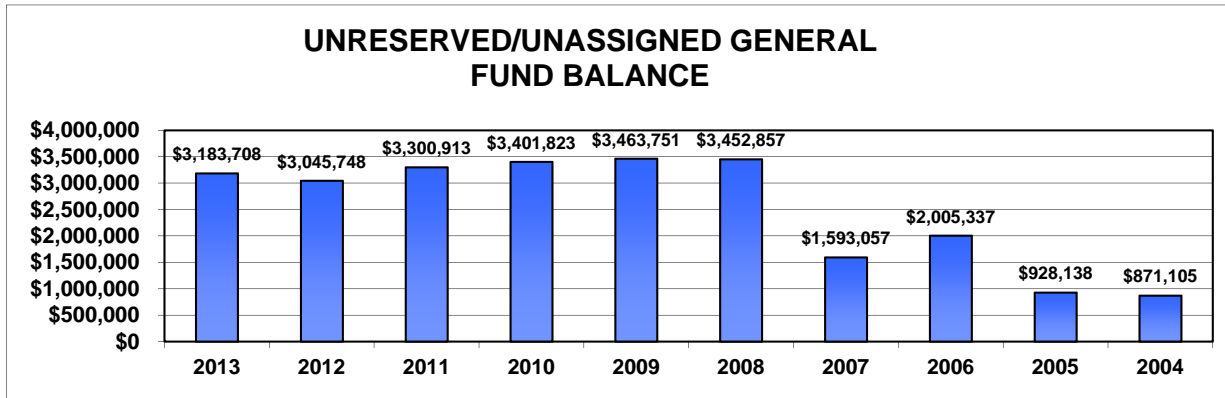
	2013	2012	2011	2010
Business-Type Activities				
Water	3,652,775	3,655,963	3,580,655	3,658,374
Sewer	838,650	922,985	481,780	700,903
<i>Total Business-Type Activities Expenses</i>	<u>4,491,425</u>	<u>4,578,948</u>	<u>4,062,435</u>	<u>4,359,277</u>
<i>Total Primary Government Program Expenses</i>	<u>28,675,704</u>	<u>28,370,738</u>	<u>23,219,759</u>	<u>28,331,564</u>
Net (Expense)/Revenue				
Governmental Activities	(13,724,652)	(17,305,610)	(13,267,471)	(14,929,214)
Business-Type Activities	<u>(1,133,618)</u>	<u>(992,120)</u>	<u>(669,733)</u>	<u>(49,989)</u>
<i>Total Primary Government Net Expense</i>	<u>(14,858,270)</u>	<u>(18,297,730)</u>	<u>(13,937,204)</u>	<u>(14,979,203)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	\$ 1,664,090	\$ 1,643,154	\$ 1,669,355	\$ 1,572,247
Other Purposes *	2,243,409	2,341,007	2,394,337	2,310,144
Municipal Income Taxes levied for:				
General Purposes	11,876,563	11,446,700	10,601,210	10,479,704
Special Revenue	0	0	0	0
Grants and Entitlements not Restricted to				
Specific Programs	1,317,382	1,244,125	1,675,190	2,307,793
Investment Income	15,527	128,363	137,585	136,442
Other Taxes	272,968	278,888	260,819	283,047
Miscellaneous	88,056	57,616	94,120	201,081
Transfers	<u>(810,910)</u>	<u>(261,000)</u>	<u>(4,175,433)</u>	<u>32,922</u>
<i>Total Governmental Activities</i>	<u>16,667,085</u>	<u>16,878,853</u>	<u>12,657,183</u>	<u>17,323,380</u>
Business-Type Activities				
Municipal Income Taxes levied for:				
Other Purpose - Debt Service	0	0	0	0
Property Taxes levied for:				
Water Improvements	456,699	448,972	458,166	453,075
Grants and Entitlements not Restricted to				
Specific Programs	74,604	63,815	81,972	0
Investment Income	0	0	0	0
Transfers	810,910	261,000	4,175,433	(32,922)
Miscellaneous	<u>1,010</u>	<u>9,902</u>	<u>2,646</u>	<u>5,677</u>
<i>Total Business-Type Activities</i>	<u>1,343,223</u>	<u>783,689</u>	<u>4,718,217</u>	<u>425,830</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>18,010,308</u>	<u>17,662,542</u>	<u>17,375,400</u>	<u>17,749,210</u>
Change in Net Position				
Governmental Activities	2,942,433	(426,757)	(610,288)	2,394,166
Business-Type Activities	<u>209,605</u>	<u>(208,431)</u>	<u>4,048,484</u>	<u>375,841</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$ 3,152,038</u>	<u>\$ (635,188)</u>	<u>\$ 3,438,196</u>	<u>\$ 2,770,007</u>

* Includes Police and Fire Pension and Debt Service

2009	Restated 2008	2007	2006	2005	2004
3,639,102	3,650,419	3,048,752	3,292,666	2,603,840	2,005,238
873,591	1,005,252	914,222	1,000,028	1,486,172	575,435
4,512,693	4,655,671	3,962,974	4,292,694	4,090,012	2,580,673
26,287,946	25,778,083	26,674,557	26,494,386	26,986,135	21,419,405
(11,247,816)	(14,990,843)	(12,865,999)	(13,678,809)	(12,587,905)	(1,262,660)
(914,648)	(200,448)	1,680,423	1,476,489	2,218,768	(79,980)
(12,162,464)	(15,191,291)	(11,185,576)	(12,202,320)	(10,369,137)	(1,342,640)
\$ 1,915,871	\$ 1,948,775	\$ 2,161,447	\$ 2,088,896	\$ 1,976,838	\$ 3,634,820
2,562,258	2,290,617	2,766,840	2,568,680	2,456,646	2,301,511
9,993,755	11,126,645	7,292,340	7,735,605	7,116,009	8,902,933
0	0	2,430,779	2,578,536	2,372,003	0
1,777,548	2,224,225	2,072,711	1,960,590	1,180,922	1,878,981
124,123	199,120	252,034	344,936	195,954	57,230
199,128	267,231	5,903	13,476	18,486	0
128,338	104,854	184,150	87,296	78,228	1,182
(730,094)	(132,000)	(75,000)	(125,000)	(305,000)	(1,054,943)
15,970,927	18,029,467	17,091,204	17,253,015	15,090,086	15,721,714
0	0	51,425	0	0	0
480,309	486,477	0	0	0	0
0	0	0	0	0	0
0	0	25,441	0	0	0
730,094	132,000	75,000	125,000	305,000	1,054,943
63,571	63,936	0	0	0	0
1,273,974	682,413	151,866	125,000	305,000	1,054,943
17,244,901	18,711,880	17,243,070	17,378,015	15,395,086	16,776,657
4,723,111	3,038,624	4,225,205	3,574,206	2,502,181	14,459,054
359,326	481,965	1,832,289	1,601,489	2,523,768	974,963
\$ 5,082,437	\$ 3,520,589	\$ 6,057,494	\$ 5,175,695	\$ 5,025,949	\$ 15,434,017

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

	2013	2012	Restated 2011	Restated 2010
General Fund				
Reserved	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved	0	0	0	0
Nonspendable	79,091	43,383	47,891	24,344
Committed	1,094,998	1,274,241	927,075	831,180
Assigned	269,616	174,933	6,106	0
Unassigned	3,183,708	3,045,748	3,300,913	3,401,823
Total General Fund	4,627,413	4,538,305	4,281,985	4,257,347
All Other Governmental Funds				
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	308,599	165,852	145,798	1,088,175
Restricted	5,293,239	4,736,896	4,511,298	4,307,437
Committed	1,992,296	2,369,907	1,663,444	490,670
Unassigned	(24,599)	(180,214)	(234,632)	(230,943)
Total All Other Governmental Funds	7,569,535	7,092,441	6,085,908	5,655,339
Total Governmental Funds	\$ 12,196,948	\$ 11,630,746	\$ 10,367,893	\$ 9,912,686



2009	2008	2007	2006	2005	2004
\$ 159,796	\$ 160,007	\$ 43,543	\$ 21,772	\$ 26,705	\$ 26,433
3,463,751	3,452,857	1,593,057	2,005,337	928,138	871,105
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>3,623,547</u>	<u>3,612,864</u>	<u>1,636,600</u>	<u>2,027,109</u>	<u>954,843</u>	<u>897,538</u>
639,238	124,821	275,090	219,815	120,073	200,289
954,698	703,632	855,636	859,680	1,219,959	1,253,437
847,063	679,284	468,848	235,077	374,539	346,796
1,893,439	(2,447,748)	(324,100)	133,043	3,272,463	3,993,634
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>4,334,438</u>	<u>(940,011)</u>	<u>1,275,474</u>	<u>1,447,615</u>	<u>4,987,034</u>	<u>5,794,156</u>
<u>\$ 7,957,985</u>	<u>\$ 2,672,853</u>	<u>\$ 2,912,074</u>	<u>\$ 3,474,724</u>	<u>\$ 5,941,877</u>	<u>\$ 6,691,694</u>

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

	2013	2012	2011	2010	2009
Revenues					
Property and Other Taxes	\$ 3,984,795	\$ 4,185,749	\$ 4,187,409	\$ 4,167,796	\$ 4,270,718
Municipal Income Taxes	11,114,942	10,758,113	10,454,513	10,922,715	10,181,318
Special Assessments	695,079	688,970	682,786	700,167	517,918
Charges for Services	983,567	1,151,937	1,056,890	1,113,097	993,872
Fees, Licenses and Permits	393,275	397,561	363,372	480,979	408,421
Fines and Forfeitures	2,428,863	2,481,137	2,189,582	2,364,651	2,443,123
Intergovernmental	2,926,659	2,842,680	2,897,594	3,274,546	3,402,160
Interest	29,048	158,337	137,585	136,442	124,123
Contributions and Donations	52,163	45,230	62,932	258,686	94,495
Other	250,293	68,545	116,901	165,369	175,973
Total Revenues	22,858,684	22,778,259	22,149,564	23,584,448	22,612,121
Expenditures					
Current:					
General Government	6,431,561	6,767,192	6,714,835	6,791,331	6,329,229
Security of Persons and Property:	6,505,370	6,431,807	6,458,138	6,663,889	6,474,662
Public Health and Welfare	134,122	155,326	187,320	211,300	119,132
Leisure Time Activities	1,852,113	1,781,720	1,614,757	1,544,300	1,610,617
Community Development	404,860	462,267	471,003	503,772	505,093
Public Works	1,148,881	1,144,731	1,350,451	1,327,127	1,089,789
Transportation	776,220	799,062	851,322	890,006	884,337
Capital Outlay	4,371,739	3,479,757	3,113,744	3,195,787	3,430,872
Debt Service:					
Principal Retirement	7,142,238	6,309,664	5,324,475	7,241,978	2,275,311
Interest and Fiscal Charges	607,363	480,758	503,506	623,917	545,979
Total Expenditures	29,374,467	27,812,284	26,589,551	28,993,407	23,265,021
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,515,783)</u>	<u>(5,034,025)</u>	<u>(4,439,987)</u>	<u>(5,408,959)</u>	<u>(652,900)</u>
Other Financing Sources (Uses)					
Proceeds from Capital Assets	20,700	3,025	0	1,817	10,578
Special Assessment Bonds Issued	0	0	0	0	0
General Obligation Bonds Issued	4,005,000	0	0	2,725,000	0
General Obligation Bonds Refunded	0	0	0	0	0
Premium on Refunding Bonds	0	0	0	0	0
Premium on Debt Issued	88,152	45,518	5,703	14,728	0
Payment to Refunding Bond Escrow Agent	0	0	0	0	0
Notes Issued	4,514,500	6,112,550	4,810,000	3,850,000	5,850,000
Inception of Capital Lease	158,952	0	0	136,953	212,598
Issuance of Loans	146,131	202,650	459,491	817,961	362,056
Other	0	0	0	0	0
Discount on Debt Issued	0	0	0	(34,143)	0
Transfers In	3,132,525	2,988,224	3,495,100	2,615,670	7,637,068
Transfers Out	(4,983,975)	(3,249,224)	(3,875,100)	(2,788,670)	(8,134,268)
Total Other Financing Sources (Uses)	7,081,985	6,102,743	4,895,194	7,339,316	5,938,032
Net Change in Fund Balances	\$ 566,202	\$ 1,068,718	\$ 455,207	\$ 1,930,357	\$ 5,285,132
Debt Service as a Percentage of Noncapital Expenditures	38%	26%	24%	33%	18%

2008	2007	2006	2005	2004
\$ 4,647,207	\$ 6,062,620	\$ 4,733,365	\$ 4,592,855	\$ 4,740,860
10,928,016	8,828,219	10,563,354	9,291,061	8,891,029
844,993	607,345	495,358	575,716	548,532
1,066,019	1,140,431	1,003,101	749,245	4,607,832
274,645	599,923	998,953	882,642	600,031
2,385,269	2,242,271	2,255,125	2,017,012	1,917,864
2,979,611	5,788,912	3,618,018	4,491,032	11,961,187
199,120	252,079	344,936	195,980	57,230
200,000	0	0	0	0
272,233	139,107	199,684	663,941	113,319
<u>23,797,113</u>	<u>25,660,907</u>	<u>24,211,894</u>	<u>23,459,484</u>	<u>33,437,884</u>
6,588,316	7,344,938	7,043,959	6,616,462	6,165,039
6,419,429	6,199,605	6,613,828	6,305,057	5,645,043
122,080	120,472	144,833	130,574	120,860
1,625,000	1,772,479	1,693,868	1,951,111	1,787,729
534,163	547,564	535,008	421,281	367,363
1,236,211	1,241,619	1,019,438	826,085	753,301
833,147	966,443	876,475	787,638	686,509
5,804,880	5,895,586	3,653,127	4,663,870	12,190,032
1,172,101	1,260,146	6,853,359	8,892,656	9,862,504
548,167	958,072	1,113,234	1,100,417	1,804,223
<u>24,883,494</u>	<u>26,306,924</u>	<u>29,547,129</u>	<u>31,695,151</u>	<u>39,382,603</u>
<u>(1,086,381)</u>	<u>(646,017)</u>	<u>(5,335,235)</u>	<u>(8,235,667)</u>	<u>(5,944,719)</u>
4,160	2,292	8,318	0	1,182
0	0	(210,039)	0	0
0	0	0	0	4,173,956
0	0	7,365,000	0	(4,125,000)
0	0	124,066	0	0
0	0	(4,430,878)	0	0
975,000	0	0	7,600,000	6,452,665
0	156,075	136,615	170,604	0
0	0	0	0	0
0	0	0	2,043,000	0
0	0	0	0	0
2,104,000	2,982,479	2,981,550		2,018,850
<u>(2,236,000)</u>	<u>(3,057,479)</u>	<u>(3,106,550)</u>	<u>(2,348,000)</u>	<u>(2,591,450)</u>
<u>847,160</u>	<u>83,367</u>	<u>2,868,082</u>	<u>7,465,604</u>	<u>5,930,203</u>
\$ <u>(239,221)</u>	\$ <u>(562,650)</u>	\$ <u>(2,467,153)</u>	\$ <u>(770,063)</u>	\$ <u>(14,516)</u>
10%	12%	32%	39%	43%

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>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Water Revenue (2)</u>	<u>Debt Service</u>	
2013	7.95	3.00	1.40	4.45	16.80
2012	7.95	3.00	1.40	4.45	16.80
2011	7.95	3.00	1.40	4.85	17.20
2010	7.95	3.00	1.40	4.85	17.20
2009	8.15	3.00	1.40	4.65	17.20
2008	8.55	3.00	1.40	5.65	18.60
2007	8.55	3.00	1.40	5.65	18.60
2006	8.95	3.10	N/A	5.35	17.40
2005	9.05	3.10	N/A	5.45	17.60
2004	7.95	3.10	N/A	6.45	17.50

Source: Cuyahoga County Auditor

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.

(2) Levy passed in 2007 for water plant capital improvements

<u>Berea School District</u>	<u>Olmsted Falls School District</u>	<u>Polaris JVSD</u>	<u>Cuyahoga Co & Special Taxing Districts (1)</u>
78.90	102.20	2.40	20.80
78.90	102.20	2.40	20.80
75.00	93.00	2.40	20.80
75.00	93.00	2.40	20.60
74.90	91.90	2.40	20.60
74.90	91.80	2.40	20.20
74.90	89.80	2.40	20.20
69.70	89.70	2.40	20.30
69.80	89.80	2.40	20.30
69.80	90.00	2.40	19.40

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
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
2006	332,121,860	948,919,600	10,067,780	11,440,659
2005	319,853,310	913,866,600	11,175,430	12,699,352
2004	318,662,520	910,464,343	11,176,770	12,700,875

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

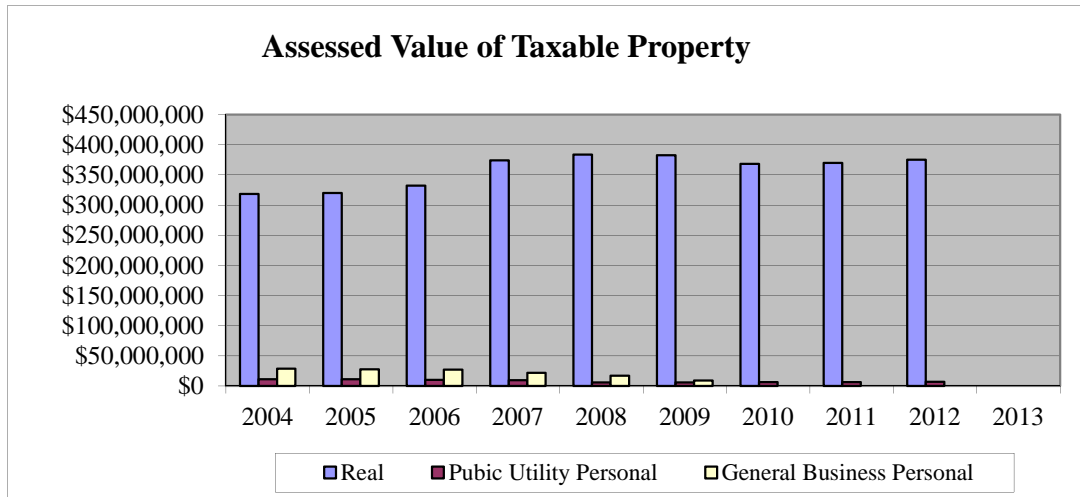
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General 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 is being phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage will be 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

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. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Ohio Department of Taxation
 (1) Cuyahoga County Auditor

Tangible Personal Property

General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Total Direct Tax Rate (1)
\$ 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
27,069,592	144,371,157	369,259,232	1,104,731,416	33.43	17.40
27,861,498	111,445,992	358,890,238	1,038,011,944	34.57	17.60
28,773,884	115,095,536	358,613,174	1,038,260,754	34.54	17.50



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
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	0.94	176,746	4,985,083	0.97	245,275	0.05
2011	5,352,662	4,800,181	0.90	188,563	4,988,744	0.93	320,968	0.06
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
2006	6,498,219	5,700,609	87.73	316,167	6,016,776	92.59	491,707	7.57
2005	6,397,752	5,519,694	86.28	275,937	5,795,631	90.59	573,888	8.97
2004	5,402,046	4,835,331	89.51	210,845	5,046,176	93.41	402,346	7.45

Source: Cuyahoga County Auditor

(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
2013 and 2004

<u>2013</u>		
<u>Taxpayer</u>	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage Of Real Assessed Valuation</u>
Cleveland Electric Illuminating Co.	6,220,810	1.66%
Tower in the Park LTD	3,684,810	0.99%
KBS LLC	2,895,200	0.77%
West Valley Plaza	2,859,440	0.77%
Berea Properties Company	2,545,980	0.68%
Echo Berea Associates, LLC	2,497,510	0.67%
OHI Asset II LLC	2,375,840	0.64%
Berea Square Co., LLC	1,682,280	0.45%
680 North LLC	1,674,750	0.45%
A&F Machine Products Co.	1,648,790	0.44%
Total	<u>\$ 28,085,410</u>	<u>7.52%</u>
Total Assessed Valuation	<u>\$ 373,633,920</u>	
<u>2004</u>		
<u>Taxpayer</u>	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage Of Real Assessed Valuation</u>
Tower in the Park LTD	\$ 4,149,850	1.30%
Cleveland Electric Illuminating Co.	3,946,360	1.24%
Ohio Bell Telephone Co.	3,039,720	0.95%
Berea Properties Co.	2,635,200	0.83%
Cleveland Senior Care Corp.	2,068,050	0.65%
West Valley Plaza	1,966,530	0.62%
A&F Machine Products Co.	1,960,530	0.62%
Berea Square Co., LLC	1,522,610	0.48%
Berea Lake Towers	1,476,380	0.46%
THI of Ohio	1,385,930	0.43%
Total	<u>\$ 24,151,160</u>	<u>7.58%</u>
Total Assessed Valuation	<u>\$ 318,662,520</u>	

Source: County Auditor

(1) The amounts presented represent the assessed values upon which 2013 and 2004 collections were based.

City of Berea, Ohio
Principal Taxpayers - Municipal Tax
 2013 and 2006

<u>2013</u>		
Taxpayer	Tax	Percentage of Tax Collected
Cleveland Browns Football	\$ 2,611,855	23.27%
Baldwin Wallace College	814,133	7.25%
Berea City School District	572,232	5.10%
City of Berea	229,610	2.05%
OHNH EMP LLC	205,502	1.83%
Guidestone	202,839	1.81%
Equity Admin Services	146,959	1.31%
Ohio Turnpike Commission	146,461	1.31%
Standby Screw Machine Products	131,388	1.17%
Amerimark Direct LLC	106,822	0.95%
Total	\$ 5,167,801	46.05%
Total Tax Collected	\$ 11,221,745	

<u>2006 (1)</u>		
Taxpayer	Tax	Percentage of Tax Collected
Cleveland Browns Football	\$ 2,237,440	21.98%
Baldwin Wallace College	712,605	7.00%
Berea City School District	486,262	4.78%
ColorMatrix Corp.	242,147	2.38%
Ohio Turnpike Commission	236,825	2.33%
City of Berea	228,314	2.24%
Berea Childrens Home	168,398	1.65%
Standby Screw Machine Products	166,411	1.63%
Abne LLC	143,554	1.41%
Tuthill Corporation	109,980	1.08%
Total	\$ 4,731,936	46.48%
Total Tax Collected	\$ 10,178,273	

(1) Information prior to 2006 is not currently available.

Source: Regional Income Tax Agency

City of Berea, Ohio

Principal Employers

2013 and 2007

<i>2013</i>		
Employer	Number of Employees	Percentage of Total City Employment
Baldwin Wallace College	3,151	23.82%
Berea City School District	852	6.44%
OHNH EMP LLC	669	5.06%
Guidestone	525	3.97%
Cleveland Browns Football	361	2.73%
Amerimark Direct LLC	328	2.48%
City of Berea	290	2.19%
Equity Admin Services	192	1.45%
Standby Screw Machine Products	169	1.28%
Eaton Aeroquip LLC	132	1.00%
Total	6,669	50.42%
Total Employment within the City	13,230	

<i>2007 (1)</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%
Total	3,775	27.68%
Total Employment within the City	13,637	

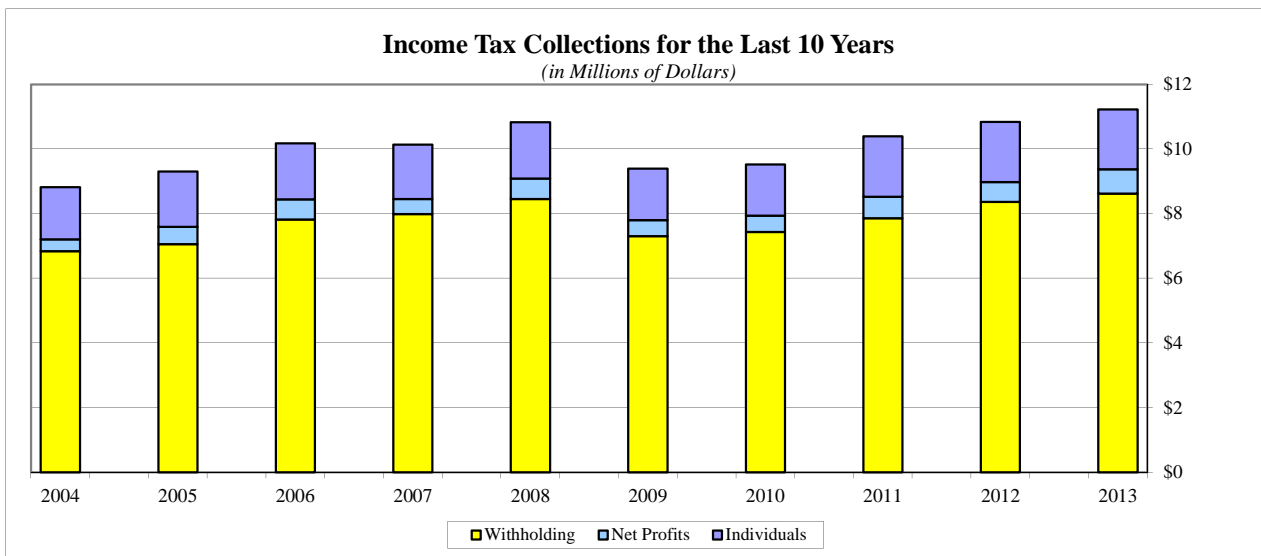
(1) Information prior to 2007 in not currently available.

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
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%
2006	2.00%	10,178,273	7,821,123	76.84%	626,093	6.15%
2005	2.00%	9,304,978	7,054,038	75.81%	535,723	5.76%
2004	2.00%	8,821,879	6,844,373	77.58%	364,126	4.13%

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



	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
\$	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%
	1,731,057	17.01%
	1,715,217	18.43%
	1,613,380	18.29%

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	Taxable Bond City Portion	SIB Loan
2013	\$ 11,540,570	\$ 0	\$ 214,233	\$ 4,514,500	\$ 2,093,417	\$ 0	\$ 0
2012	8,235,000	50,000	164,023	6,112,550	1,957,419	0	0
2011	9,410,000	270,000	263,112	4,810,000	1,943,695	0	0
2010	10,545,000	480,000	387,241	3,850,000	1,484,204	0	0
2009	8,875,000	680,000	382,140	5,850,000	666,243	0	0
2008	9,875,000	870,000	274,940	5,825,000	0	0	0
2007	10,770,000	1,050,000	367,330	1,750,000	0	0	0
2006	11,785,756	1,225,000	276,127	200,000	0	0	0
2005	9,528,023	1,395,000	170,604	5,800,000	0	0	0
2004	10,373,346	1,520,000	0	5,800,000	0	322,333	0

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

Capital Lease	Loan Payable	Note Payable	OWDA and OPWC	Taxable Bond Browns Portion	Total Primary Government	Total Personal Income	Percentage of Personal Income(1)	Per Capital(1)
\$ 92,690	\$ 329,859	\$ 1,138,000	\$ 12,503,391	\$ 0	\$ 32,426,660	\$ 462,718,855	7.01%	\$ 1,698
121,025	349,263	1,537,450	12,086,163	0	30,612,893	462,718,855	6.62%	1,603
148,169	388,070	40,000	12,973,559	0	30,246,605	462,718,855	6.54%	1,584
26,526	388,070	0	13,280,182	0	30,441,223	443,702,227	6.86%	1,594
109,048	388,070	0	10,243,260	0	27,193,761	406,709,550	6.69%	1,447
187,205	0	25,000	10,161,094	0	27,218,239	406,709,550	6.69%	1,449
261,225	0	0	7,428,347	0	21,626,902	406,709,550	5.32%	999
211,911	0	0	5,560,271	0	19,259,065	406,709,550	4.74%	1,015
256,731	0	0	4,911,537	0	22,061,895	406,709,550	5.42%	1,163
0	0	0	3,479,864	1,673,666	23,169,209	406,709,550	5.70%	1,221

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
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
2006	18,970	369,259,232	13,010,756	235,077	12,775,679	3.46%	673.47
2005	18,970	358,890,238	16,723,023	374,539	16,348,484	4.56%	861.81
2004	18,970	358,613,174	17,693,346	346,796	17,346,550	4.84%	914.42
2003	18,970	340,376,929	13,908,430	348,485	13,559,945	3.98%	714.81

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

(2) Source: Cuyahoga County Auditor

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

City of Berea, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2013

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct			
City of Berea	\$ 18,362,720	100.00%	\$ 18,362,720
<i>Total Direct Debt</i>	<u>18,362,720</u>		<u>18,362,720</u>
Overlapping			
Berea City School District	6,205,000	27.05%	1,678,453
Olmsted Falls School District	16,566,972	4.35%	720,663
Polaris Career Center	3,080,000	8.18%	251,944
Cuyahoga County	<u>223,199,000</u>	1.38%	<u>3,080,146</u>
<i>Total Overlapping Debt</i>	<u>249,050,972</u>		<u>5,731,206</u>
Grand Total	<u>\$ 267,413,692</u>		<u>\$ 24,093,926</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

	2013	2012	2011	2010
Total Assessed Property Value	<u>\$ 381,876,900</u>	<u>\$ 381,966,450</u>	<u>\$ 376,309,020</u>	<u>\$ 374,796,540</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>40,097,075</u>	<u>40,106,477</u>	<u>39,512,447</u>	<u>39,353,637</u>
Debt Outstanding:				
General Obligation Bonds and Notes	<u>16,055,070</u>	<u>14,397,550</u>	<u>14,530,000</u>	<u>14,875,000</u>
Total Gross Indebtedness	16,055,070	14,397,550	14,530,000	14,875,000
Less:				
General Obligation Bonds and Notes	0	(50,000)	(270,000)	(480,000)
OPWC Loans	0	0	0	0
Amount Available in Debt Service Fund	<u>(2,549,373)</u>	<u>(2,433,220)</u>	<u>(2,107,573)</u>	<u>(1,036,136)</u>
Total Net Debt Applicable to Debt Limit	<u>13,505,697</u>	<u>11,914,330</u>	<u>12,152,427</u>	<u>13,358,864</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$26,591,378</u>	<u>\$28,192,147</u>	<u>\$27,360,020</u>	<u>\$25,994,773</u>
Legal Debt Margin as a Percentage of the Debt Limit	66.32%	70.29%	69.24%	66.05%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>21,003,230</u>	<u>21,008,155</u>	<u>20,696,996</u>	<u>20,613,810</u>
Total Gross Indebtedness	16,055,070	14,397,550	14,530,000	14,875,000
Less:				
General Obligation Bonds and Notes	0	(50,000)	(270,000)	(480,000)
OPWC Loans	0	0	0	0
Amount Available in Debt Service Fund	<u>(2,549,373)</u>	<u>(2,433,220)</u>	<u>(2,107,573)</u>	<u>(1,036,136)</u>
Net Debt Within 5 ½ % Limitations	<u>13,505,697</u>	<u>11,914,330</u>	<u>12,152,427</u>	<u>13,358,864</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 7,497,533</u>	<u>\$ 9,093,825</u>	<u>\$ 8,544,569</u>	<u>\$ 7,254,946</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	35.70%	43.29%	41.28%	35.19%

Source: City Financial Records

2009	2008	2007	2006	2005	2004
<u>\$ 397,801,842</u>	<u>\$ 406,164,524</u>	<u>\$ 405,046,977</u>	<u>\$ 369,259,232</u>	<u>\$ 358,890,238</u>	<u>\$ 358,613,174</u>
<u>41,769,193</u>	<u>42,647,275</u>	<u>42,529,933</u>	<u>38,772,219</u>	<u>37,683,475</u>	<u>37,654,383</u>
<u>15,405,000</u>	<u>11,720,000</u>	<u>13,570,000</u>	<u>13,010,756</u>	<u>16,723,023</u>	<u>17,693,346</u>
15,405,000	11,720,000	13,570,000	13,010,756	16,723,023	17,693,346
(680,000)	(870,000)	(1,050,000)	(1,225,000)	(1,395,000)	(322,333)
0	0	0	0	0	(1,520,000)
<u>(847,063)</u>	<u>(679,284)</u>	<u>(468,848)</u>	<u>(235,077)</u>	<u>(374,539)</u>	<u>(346,796)</u>
<u>13,877,937</u>	<u>10,170,716</u>	<u>12,051,152</u>	<u>11,550,679</u>	<u>14,953,484</u>	<u>15,504,217</u>
<u>\$27,891,256</u>	<u>\$32,476,559</u>	<u>\$30,478,781</u>	<u>\$27,221,540</u>	<u>\$22,729,991</u>	<u>\$22,150,166</u>
66.77%	76.15%	71.66%	70.21%	60.32%	58.82%
<u>21,879,101</u>	<u>22,339,049</u>	<u>22,277,584</u>	<u>20,309,258</u>	<u>19,738,963</u>	<u>19,723,725</u>
<u>15,405,000</u>	<u>11,720,000</u>	<u>13,570,000</u>	<u>13,010,756</u>	<u>16,723,023</u>	<u>17,693,346</u>
(680,000)	(870,000)	(1,050,000)	(1,225,000)	(1,395,000)	(322,333)
0	0	0	0	0	(1,520,000)
<u>(847,063)</u>	<u>(679,284)</u>	<u>(468,848)</u>	<u>(235,077)</u>	<u>(374,539)</u>	<u>(346,796)</u>
<u>13,877,937</u>	<u>10,170,716</u>	<u>12,051,152</u>	<u>11,785,756</u>	<u>15,328,023</u>	<u>15,851,013</u>
<u>\$ 8,001,164</u>	<u>\$ 12,168,333</u>	<u>\$ 10,226,432</u>	<u>\$ 8,523,502</u>	<u>\$ 4,410,940</u>	<u>\$ 3,872,712</u>
36.57%	54.47%	45.90%	41.97%	22.35%	19.63%

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)
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
2006	18,790	406,709,550	21,645	45,615	36.1
2005	18,790	406,709,550	21,645	45,615	36.1
2004	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

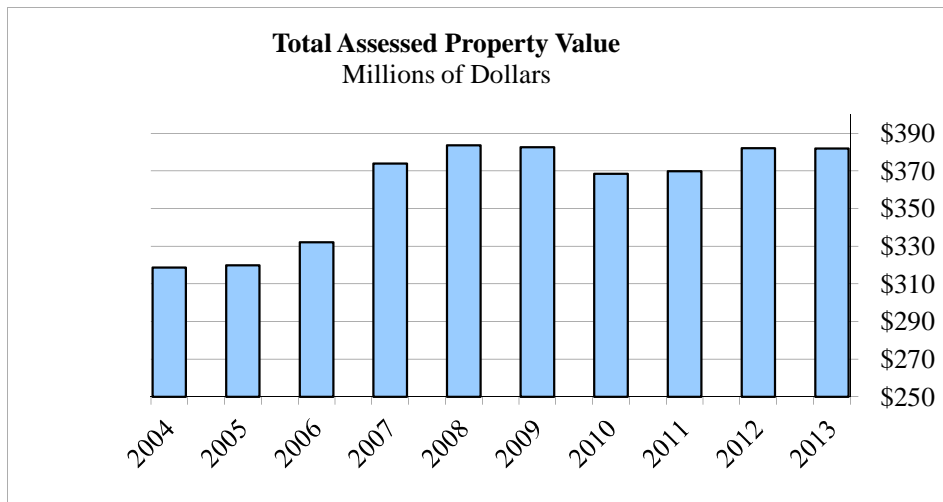
(b) 2010 Federal Census

(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	7,111	7.2%	\$ 123,056	\$ 381,876,900
3,350	7,121	8.6%	116,313	381,966,450
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
3,365	7,418	5.4%	130,645	332,121,860
3,365	7,535	5.6%	139,071	319,853,310
3,365	7,801	5.9%	129,206	318,662,520



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

Function/Program	2013	2012	2011	2010	2009
General Government					
Council	5.0	5.0	5.0	6.0	5.0
Finance	4.5	4.5	4.5	4.5	4.5
Law	1.0	1.0	2.0	2.0	2.0
Administration	6.5	6.0	5.5	8.0	6.0
Engineer	3.0	2.0	2.0	2.0	2.0
Civil Service	0.0	0.0	0.0	0.0	0.0
Court	28.0	29.5	30.0	30.5	28.5
Public Building	8.5	6.5	8.5	7.0	9.0
Security of Persons and Property					
Police	31.5	30.5	30.5	32.0	32.0
Police - Auxiliary	2.5	4.0	4.0	4.0	4.0
Police - Dispatchers/Office	8.0	7.5	7.5	7.5	7.5
Police - Animal Wardens	1.0	0.5	0.5	1.0	1.0
Police - School guards/Parking Control	2.0	1.5	1.5	2.0	2.5
Fire	21.0	21.0	22.0	23.0	23.0
Fire - Secretary - Other	0.0	0.0	0.0	0.0	0.0
Leisure Time Activities					
Recreation - Admin	15.5	19.0	16.0	21.0	14.0
Recreation - Programs	13.5	15.0	15.0	11.0	9.0
Recreation - Pools	19.5	18.0	23.0	22.5	16.5
Jitney	3.5	3.5	3.5	3.5	2.5
Transportation					
Service	32.0	30.0	32.0	34.0	36.0
Basic Utility Services					
Water	14.5	15.0	14.0	21.0	20.5
Totals:	<u>221.0</u>	<u>220.0</u>	<u>227.0</u>	<u>242.5</u>	<u>225.5</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.

2008	2007	2006	2005	2004
7.0	5.0	5.0	5.0	5.0
5.0	7.0	5.5	5.0	5.0
2.0	4.0	4.0	4.0	4.0
4.5	5.0	4.0	5.5	6.5
2.0	3.0	3.0	3.0	2.0
0.0	0.0	2.5	2.5	3.0
29.5	27.0	29.0	30.5	31.0
15.5	5.5	5.0	3.0	2.5
33.0	32.0	31.0	31.0	31.0
4.0	4.5	4.5	4.5	5.5
8.5	9.0	8.5	8.5	8.0
1.0	1.0	1.0	1.0	1.0
3.0	3.5	3.5	4.0	4.0
24.0	22.0	22.0	23.0	21.0
0.0	0.0	0.0	1.0	0.5
16.5	15.0	14.0	5.0	6.0
14.0	14.0	7.0	13.0	11.0
21.0	23.0	15.0	17.0	14.5
2.0	2.0	2.0	1.0	1.0
35.5	41.0	34.0	35.0	36.0
21.0	17.5	19.0	18.0	18.5
249.0	241.0	219.5	220.5	217.0

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

Function/Program	2013	2012	2011	2010
General Government				
<i>Council and Clerk(1)</i>				
Number of Ordinances Passed	71	74	53	66
Number of Resolutions Passed	15	16	15	15
<i>Finance Department(2)</i>				
Number of checks/ vouchers issued	1,806	3,396	3,456	3,494
Amount of checks written (Accounts Payable - in thousands)	\$ 19,028	\$ 16,298	\$ 15,718	\$ 16,403
General Fund Interest earnings (cash basis)	\$ 74,755	\$ 96,590	\$ 116,562	\$ 148,186
Number of Journal Entries issued	315	278	266	280
Number of Budget Adjustments issued	5	6	5	4
Agency Ratings - Moody's Financial Services	AA2	AA2	AA2	AA2
General Fund Receipts (cash basis in thousands)	\$ 12,216	\$ 13,720	\$ 13,596	\$ 13,823
General Fund Expenditures (cash basis in thousands)	\$ 11,812	\$ 13,519	\$ 13,646	\$ 13,759
General Fund Cash Balances (in thousands)	1,735	1,331	1,130	1,180
<i>Municipal Court(3)</i>				
Total Civil/Small claims cases filed	2,697	2,529	3,183	3,462
Number of Berea civil/small claims cases	577	576	802	817
Total Criminal cases filed	1,963	1,900	1,641	1,539
Number of Berea felony cases	22	4	9	9
Number of Berea misdemeanor cases	410	445	390	400
<i>Civil Service(4)</i>				
Number of police entry tests administered	0	1	0	145
Number of fire entry tests administered	0	1	0	179
Number of police promotional tests administered	0	0	0	2
Number of fire promotional tests administered	0	2	0	1
Number of hires of Police Officers from certified lists	0	2	3	0
Number of hires of Fire/Medics from certified lists	0	2	6	0
Number of promotions from police certified lists	0	0	2	0
Number of promotions from fire certified lists	0	1	5	0
Security of Persons & Property				
<i>Police(5)</i>				
Total Calls for Services	7,553	8,094	28,192	24,723
Number of traffic citations issued	1,898	2,334	1,666	1,995
Number of parking citations issued	1,898	2,479	2,289	2,156
Number of criminal arrests	1,186	1,429	1,243	1,335
Animal Warden service calls responded to per annual report	230	1,720	1,163	1,209
Police Dept. Auxiliary hours worked	2,089	2,229	2,137	2,209
DUI Arrests	82	85	95	97
Motor Vehicle Accidents	298	292	274	305
Property damage accidents/Self reported traffic accidents	90	84	90	88
<i>Fire(6)</i>				
EMS Calls	1,755	1,689	1,715	1,622
Ambulance Billing Collections (net)	\$ 404,008	\$ 385,006	\$ 355,938	\$ 351,982
Fire Calls	426	441	254	227
Fires with Loss	28	19	6	5
Fires with Losses exceeding \$10K	2	3	4	2
Fire Losses \$	\$ 60,000	\$ 714,500	\$ 286,250	\$ 210,100
Fire Safety Inspections	350	230	836	876

	2009	2008	2007	2006	2005	2004
	67	61	62	59	62	71
	19	17	15	25	22	25
	3,329	4,951	3,404	3,398	3,246	2,969
\$	16,312	\$ 18,700	\$ 28,113	\$ 15,455	\$ 16,519	N/A
\$	131,865	\$ 188,798	\$ 178,482	\$ 236,248	\$ 130,350	\$ 38,953
	288	295	244	207	200	198
	6	6	5	4	5	5
	AA3	AA3	AA3	AA3	AA3	AA3
\$	13,742	\$ 13,986	\$ 40,747	\$ 14,321	\$ 13,417	\$ 12,426
\$	14,289	\$ 13,922	\$ 38,785	\$ 13,994	\$ 13,356	\$ 12,171
	1,116	1,084	5,702	969	642	581
	3,598	4,245	3,802	3,288	3,012	3,220
	812	882	871	779	741	818
	1,773	1,992	2,175	2,303	2,837	2,074
	30	61	57	52	48	39
	436	557	507	616	656	626
	0	104	0	120	0	162
	0	118	0	139	0	166
	0	0	0	0	12	0
	0	0	0	0	0	0
	0	1	1	1	2	0
	0	2	0	0	2	0
	0	0	0	2	1	0
	0	0	0	0	0	0
	28,663	31,970	31,904	33,430	30,329	35,470
	1,964	2,520	2,548	2,632	1,589	2,304
	2,096	2,343	2,515	2,371	1,707	2,380
	1,435	1,623	1,497	1,847	1,371	1,705
	1,360	702	341	380	N/A	N/A
	1,971	2,209	3,473	3,412	N/A	N/A
	96	113	113	209	162	208
	330	363	338	306	348	385
	40	110	175	100	133	134
	1,555	1,550	1,539	1,594	1,514	1,412
\$	328,363	\$ 292,052	\$ 318,208	\$ 230,416	\$ 276,472	\$ 280,390
	227	243	262	226	242	209
	12	8	10	15	19	19
	5	4	6	7	6	7
\$	314,400	\$ 193,500	\$ 390,095	\$ 193,598	\$ 692,734	\$ 623,582
	738	748	756	758	762	753

(continued)

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

Function/Program	2013	2012	2011	2010
Leisure Time Activities				
<i>Recreation(2)</i>				
Outdoor swimming pool receipts	\$ 83,694	\$ 94,715	\$ 87,184	\$ 78,107
Membership receipts	188,740	187,664	188,758	199,473
Program fees (Includes indoor and outdoor rec programs)	151,096	149,361	119,983	82,992
<i>Building Department(7)</i>				
Construction Permits Issued	1,278	1,365	1,481	1,551
Estimated Value of Construction	\$ 18,812,145	\$ 31,824,793	\$ 36,768,876	\$ 34,130,240
Amount of Revenue generated from permits	\$ 274,278	\$ 289,842	\$ 299,738	\$ 431,117
Number of contract registrations issued	527	560	570	523
Amount of Revenue generated from contract registrations	\$ 65,875	\$ 56,000	\$ 57,000	\$ 50,100
Number of rental inspections performed*	529	481	470	198
Number of point of sale inspections	192	190	169	183
<i>Engineer Contracted Services(8)</i>				
Dollar amount of Construction overseen by Engineer	\$ 3,755,000	\$ 1,779,077	\$ 1,625,020	\$ 5,707,254
Transportation(8,10)				
Street Improvements - asphalt overlay (linear feet)	10,510	4,752	13,186	10,757
Street Repair (Curbs, aprons, berms, asphalt) (hours)	11,057	12,675	15,609	16,455
Municipal Signs (hours)	3,567	4,169	4,023	3,972
Paint Striping (hours)	1,146	2,022	1,948	2,028
Street Cleaning (hours)	1,037	1,732	1,714	1,993
Snow & Ice Removal regular hours	1,290	89	1,717	1,381
Snow & Ice Removal overtime hours	729	600	689	1,158
Sewer Crew (hours)	6,149	2,973	4,403	5,164
Leaf collection (hours)	1,907	1,300	1,605	1,831
Number of Trees Planted per year	105	118	101	58
Tons of snow melting salt purchased (Nov-Mar)	2,971	1,866	3,081	3,979
Cost of salt purchased	\$ 94,943	\$ 85,076	\$ 142,537	\$ 180,833
Water Department(9)				
Average Water Rate per 1000 gallons of water used	\$ 4.09	\$ 4.71	\$ 4.71	\$ 4.09
Wastewater Department(9)				
Average Wastewater Rates per 1000 gallons of water used	\$ 7.75	\$ 7.01	\$ 6.40	\$ 6.33
Average daily flow (Millions of gallons per day)	2.20	1.96	2.04	2.00

- 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

2009	2008	2007	2006	2005	2004
\$ 80,418	\$ 84,039	\$ 76,324	\$ 65,482	\$ 67,002	\$ 56,600
166,046	157,699	157,693	157,280	104,487	102,184
66,515	62,162	44,416	45,933	26,294	33,105
1,673	1,738	1,533	1,853	1,727	1,728
\$ 77,870,198	\$ 25,573,472	\$ 9,901,081	\$ 23,586,423	\$ 21,510,741	\$ 29,758,263
\$ 625,070	\$ 739,580	\$ 618,813	\$ 1,185,594	\$ 741,419	\$ 707,419
548	534	543	536	571	589
\$ 54,800	\$ 53,400	\$ 54,300	\$ 53,600	\$ 57,100	\$ 58,900
146	674	245	98	16	4
200	224	241	267	259	266
\$ 2,813,504	\$ 5,149,826	\$ 6,427,990	\$ 7,372,177	\$ 6,076,671	\$ 6,547,293
21,200	6,434	17,108	26,558	32,525	17,266
17,611	16,122	20,005	14,150	8,316	12,180
3,599	3,518	3,597	2,491	1,538	1,541
1,267	977	1,580	1,302	1,581	987
2,033	1,375	1,662	1,778	1,688	1,431
2,016	4,722	3,324	1,207	5,654	4,148
977	1,563	1,771	660	2,842	1,635
5,589	7,642	6,990	3,684	4,226	3,388
2,346	2,365	2,226	1,443	1,785	2,917
60	37	173	0	72	89
3,439	4,895	3,980	2,812	4,120	4,352
\$ 198,600	\$ 193,940	\$ 164,208	\$ 118,454	\$ 166,526	\$ 164,040
\$ 4.09	\$ 4.09	\$ 4.09	\$ 3.72	\$ 3.38	\$ 2.56
\$ 6.33	\$ 5.06	\$ 4.35	\$ 4.35	\$ 4.13	\$ 3.93
2.07	2.10	2.15	2.00	2.15	2.02

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

Function/Program	2013	2012	2011	2010
General Government				
Number of Buildings	4	4	4	4
Square footage of Buildings:				
City Hall/Municipal Court	17,000	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	11	12	11	9
Inspection Vehicles	3	3	3	3
Municipal Court Vehicles	1	1	1	1
Police				
Stations	1	1	1	1
Square footage of station	9,700	9,700	9,700	9,700
Vehicles	24	26	22	23
Fire				
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	3	2	2
Rescue Ambulances	2	3	3	3
Utility	0	1	1	1
Staff vehicles	2	2	2	2
Recreation				
Number of Parks	5	5	5	5
Number of Pools	2	2	2	2
Number of Raquetball Courts	1	1	1	2
Number of Basketball Courts	3	3	2	2
Number of Baseball Diamonds	4	4	4	4
Number of Soccer Fields	3	3	3	2
Number of Playground Areas	5	5	4	4
Number of Vehicles	4	4	3	2
Other Public Works				
Streets (miles)	89.8	90.3	90.3	89.9
Service Vehicles	38	42	43	39
Wastewater				
Sanitary Sewers (miles)	76.2	73.5	73.5	73.5
Storm Sewers (miles)	53.5	53.5	53.5	73.5
Vehicles	2	2	2	2
Water Department				
Water Lines (miles)	83.9	80.3	80.3	77.0
Vehicles	7	8	7	6

Source: City of Berea Service Department

2009	2008	2007	2006	2005	2004
4	4	4	4	4	4
17,000	14,500	14,500	14,500	14,500	14,500
19,100	2,075	2,075	2,075	2,075	2,075
25,400	3,000	3,000	3,000	3,000	3,000
33,000	30,000	30,000	30,000	30,000	30,000
11	6	3	3	N/A	N/A
3	3	6	6	N/A	N/A
1	1	1	1	N/A	N/A
1	1	1	1	1	1
9,700	9,700	9,700	9,700	9,700	9,700
22	24	N/A	N/A	N/A	N/A
1	1	1	1	1	1
7,900	5,000	5,000	5,000	5,000	5,000
1	1	1	1	1	1
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
2	2	2	2	2	2
5	5	5	5	5	4
2	2	2	2	2	2
2	2	2	2	2	2
2	2	2	2	2	2
4	4	4	4	4	4
2	2	2	2	2	2
4	4	4	4	4	3
3	6	5	5	N/A	N/A
89.8	89.8	86.0	82.5	82.5	82.5
34	38	25	25	N/A	N/A
73.5	73.5	73.5	73.5	73.5	73.5
53.4	73.5	73.5	73.5	73.5	73.5
2	2	2	2	N/A	N/A
79.7	77.0	77.0	77.0	77.0	77.0
6	5	5	5	N/A	N/A

This page intentionally left blank.

City of Berea
Cuyahoga County, Ohio

*Report Issued Pursuant to Government Auditing
Standards*

For the Year Ended
December 31, 2013

CITY OF BEREA
CUYAHOGA COUNTY, OHIO
TABLE OF CONTENTS

	PAGE
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....	1

June 16, 2014

To the Honorable Mayor and City Council
City of Berea
Cuyahoga County, Ohio

**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, 2013, 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 16, 2014.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the City'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
JULY 22, 2014**