



Dave Yost • Auditor of State

CITY OF BEREA
CUYAHOGA COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

City of Berea
Cuyahoga County
11 Berea Commons
Berea, Ohio 44017

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Berea, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 29, 2016, wherein we noted the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 29, 2016

City of Berea, Ohio
Mayor Cyril M. Kleem



Comprehensive Annual Financial Report
For the year ended December 31, 2015

CITY OF BEREA, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

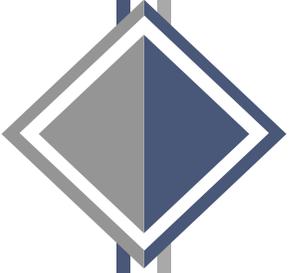
FOR THE YEAR ENDED DECEMBER 31, 2015

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

Cover Photo: On September 27, 1985, this park was dedicated to Dorothy Marks McKelvey for her commitment to our community and to her outstanding service as an award winning historian. On the thirtieth anniversary of the original dedication, our community is honored to rededicate this revitalized park to the loving woman in whom the heritage of Berea lived.

McKelvey Park includes a lighted fountain, which can double as a splash pad, a pergola, and plenty of green space. The bell that originally hung in the former City Hall at the corner of East Bridge and Seminary has been reinstalled in the park.

McKelvey Park – Rededicated September 27, 2015



INTRODUCTORY SECTION

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2015

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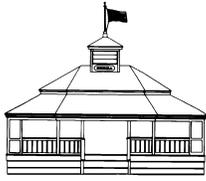
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CITY OF BERE A

“The Grindstone City”

Cyril M. Kleem
Mayor

Dana J. Kavander, CPA
Director of Finance

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Berea, Ohio 44017

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June 29, 2016

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, 2015.

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.

David Yost, Auditor of State, has issued an unmodified (“clean”) opinion on the City of Berea’s financial statements for the year ended December 31, 2015. 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 University (formerly Baldwin Wallace College) founded in 1845, a private liberal arts college well known for its Conservatory of Music, is located in the City. Within commuting distance of the City are several public and private two-year and four-year colleges and universities, including Case Western Reserve University, Cleveland State University, Cuyahoga Community College, John Carroll University, Kent State University, Lorain County Community College, Notre Dame College, Ursuline College, Oberlin College and the University of Akron.

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

Form of Government

The City of Berea operates under and is governed by the laws of the State of Ohio and its own Charter which was first adopted by the electorate in 1960. The Charter has been and may be amended by the voters from time to time. A nine-member Charter Review Committee reviews the Charter every five years, and the next review will be in 2016. 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, Community Development, Engineering, and Housing Services departments were established by the Mayor. The Police and Fire departments are headed by the Director of Public Safety. Each department has a director, who reports directly to the Mayor. All directors work closely with the Mayor in providing the citizens of Berea with the highest quality of services while maintaining efficiency and cost effectiveness.

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

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

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

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

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

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

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

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

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

Economic Condition and Outlook

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

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

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

In 2015, the City has seen an increase in commercial growth as well as expansion of existing businesses and development of new business opportunities including:

- A software development company, Buyer Quest, moved into the building at the corner of Baker Street and Bagley Road. Buyer Quest develops software that allows businesses to purchase supplies and materials directly from each other. Some of Buyer Quest's clients include McDonalds, Caterpillar, and Stanford University.
- Cloverdale Equipment built a new 15,000 square foot facility on the West Bagley Corridor for the sales, service and leasing of industrial equipment including scissor lifts, booms and cranes.
- Fieldhouse Properties, a subsidiary of American International Construction, built a 14,000 square foot state of the art Dance and Gymnastics Training Center for Above the Barre on Berea Industrial Parkway. This project has increased enrollment so quickly that a second phase is currently being planned. As a result of this project, Above the Barre was able to stay in Berea, retain its existing employees as well as create new jobs.
- Conrad's Tire Express and Total Car Care Center built a new 6,400 square foot facility on West Bagley Road.
- Boca Loca Burrito Factory opened up a store in downtown Berea. This restaurant is Boca Loca's expansion from a food truck to a brick and mortar restaurant. The City introduced Boca Loca to Baldwin Wallace University which set the stage for Boca Loca to accept the BW Food Card. Boca Loca is the spring 2015 winner of the BGV Entrepreneur Program and Microloan Competition.

- The Book Store and Handmade Marketplace opened on the downtown triangle. This retail location specializes in books of all genres and unique items from local artisans.
- Campus Grille, in downtown Berea, is in the process of expanding its current location to include more seating.
- The Cuyahoga County Department of Development awarded a grant to the City of Berea for demolition of three buildings on Front Street in the City's north-end as part of the City's North End Revitalization Plan. These demolitions include: the former Mid-City Tire, Automotive Creations, and Palker Automotive. This grant includes demolition, site restoration and environmental clean-up.
- In 2015, the City held two educational seminars for its manufacturing and industrial businesses. For the retail, restaurant, and office businesses, the City held 5 small business development seminars.

Current Year Projects: In 2015, the City's road program totaled almost \$1.3 million dollars and included repairs and replacements to 17 roads. The biggest road project was phase one of two phases to the Bluegrass development area and will entail a complete reconstruction of the streets in this residential neighborhood. Over \$1.5 million was spent on water and sewer improvements including upgrades along Barrett Road and sewer line replacements on Hickory Road.

The City is undertaking a multi-year program to upgrade its parks and playgrounds. The City's Coe Lake area is seeing an ambitious project to create a destination location for outdoor venues. In 2015, the area received additional trees, improved trails, fishing areas, and shore restoration. The pavilion was removed and portions rebuilt at the upgraded Jason Malone Park. The Coe Lake area began grading for a new pavilion to be constructed in 2016 which will include separate areas for several parties, a fireplace, and outdoor patio. Future phases to the area will include amphitheater seating, a central plaza, lighting and electrical upgrades, gazebo enhancements, a new pool shed, and a stage. In 2015, McKelvey Park had a major transformation. The park's concrete surface now sports trees, grass and a lighted grindstone fountain, which can be used as a splash pad. It also has a small pergola and plenty of seating. The bell, which was a cornerstone of the original McKelvey Park, was reinstalled. That bell was a fixture in the City Hall building that used to sit on the corner of E. Bridge and Seminary streets. A new playground was added to the site of the former Parknoll Elementary School. The Berea City School District closed the building and tore it down in 2011. In a joint agreement, the City leases the land from the district. The playground equipment shows off the blue and orange colors of the Berea School District Titans. Athletic fields are adjacent to the playground.

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

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

In 2016, the City was awarded a Storefront Development Grant to help three businesses install outdoor dining areas in Downtown Berea. This grant will reimburse the businesses for 50% of the cost of the decorative fencing that surrounds the dining area. Encouraging outdoor dining areas was one of the goals of the 2010 Master Plan. By utilizing the County Storefront Grant, the City will not only encourage outdoor dining areas, but will assist in funding them as well. We believe that these outdoor dining areas will encourage other dining locations to create similar areas.

In 2015, the City partnered with Baldwin Wallace University to create a grant for Berea businesses to participate in the Digital Marketing Clinic (“DMC”). Already in 2016, we have had three Berea businesses complete the DMC program and the results have been fantastic. We are working with the Director of the DMC to expand the scope of the DMC and to create a priority system in which Berea businesses get primary access to the DMC.

The City has been in discussions with a group of two restaurant operators and their equity partner to open a new restaurant specializing in traditional American food in the downtown area vacated by Bucci’s Restaurant. Through this process, we have led the proposed operators to both City Grants and funding through the Cuyahoga County Department of Development. In addition, the City is working with a company on a proposed 20,000 square foot expansion project which will bring additional employees to Berea.

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

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

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 of Berea and the Cleveland Browns have partnered up to make significant improvements to the Cleveland Browns headquarters as well as the City investing in improvements in infrastructure in this area. The City of Berea owns the Cleveland Browns Headquarters and Training Facility and had a long-term lease with the Browns through 2040. The Browns are planning on over \$15 million of improvements to the City-owned facility in 2016 and the City agreed to borrow \$7 million in 2015 towards the costs of these improvements. In addition, the City has agreed to provide an income tax rebate to the Browns of 40% of their annual growth on income tax above a \$2.6 million base for the years 2015 through 2028. The rebated income tax funds can only be used towards capital improvements to the

facility and cannot be used toward the general operations of the Browns. The Browns have also agreed to various charitable commitments. The City of Berea and the Cleveland Browns remain committed to the partnership and working together for the betterment of the community.

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

Long-Term Financial Planning

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

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

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

Other Information

GFOA Certificate of Achievement Award: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Berea, Ohio for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2014. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

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

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

Respectfully submitted,



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

City of Berea
Cuyahoga County, Ohio
Principal Officials
December 31, 2015

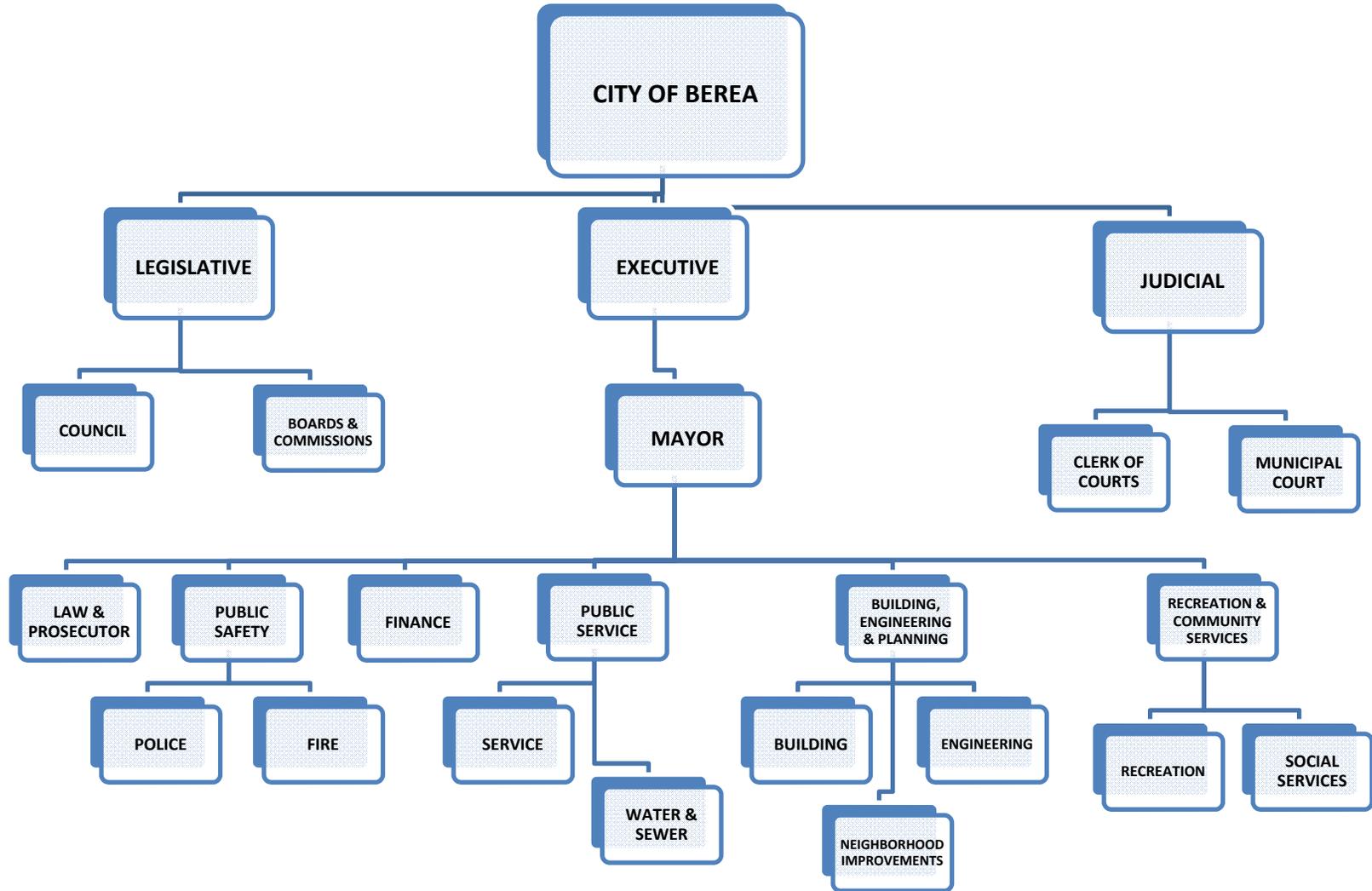
ELECTED OFFICIALS

Mayor	Cyril M. Kleem
President of Council	Mary K. Brown
Council Member-at-Large	Dale Lange
Council Member-at-Large	Gene Zacharayz
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	Barbara Jones
Director of Public Service	Barbara Jones
Director of Recreation & Community Services	Marty Compton
Director of Housing, Engineering, and Planning	Matthew J. Madzy

City of Berea
Cuyahoga County, Ohio
Organizational Chart
December 31, 2015





Government Finance Officers Association

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

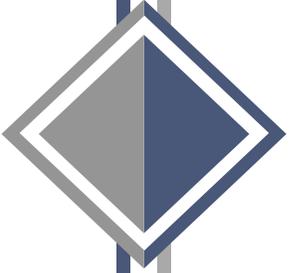
Presented to

**City of Berea
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO



FINANCIAL SECTION



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Berea
Cuyahoga County
11 Berea Commons
Berea, Ohio 44017

To the City Council:

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, 2015, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider 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 to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Berea, Cuyahoga County, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 29, 2016

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City of Berea
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(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, 2015. 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 2015 are as follows:

- In total, net position decreased \$0.2 million, which represents less than a 1 percent decrease from 2014. Net position of governmental activities decreased \$0.3 million. Net position of business-type activities increased \$67,162.
- Total capital assets increased \$0.3 million in 2015. Capital assets of governmental activities increased \$1.1 million from acquisitions exceeding depreciation expense. Capital assets of business-type activities decreased \$0.8 million from 2014 due to depreciation expense exceeding acquisitions.
- Outstanding debt increased from \$33.6 million to \$41.0 million due to additional bonds and bond anticipation notes issued during 2015.
- The City implemented GASB 68, which reduced beginning net position as previously reported by \$13.1 million and \$1.0 million for governmental and business-type activities, respectively.

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 2015 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, 2015
(Unaudited)

A question typically asked about the City's finances is "How did we do financially during 2015?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all non-fiduciary assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the City of Berea's Most Significant Funds

Fund Financial Statements

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

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

City of Berea
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match, except for the internal service fund allocations.

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

The City of Berea as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. Table 1 provides a summary of the City's net position for 2015 compared to 2014:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	Restated 2014	2015	Restated 2014	2015	Restated 2014
Assets						
Current and Other Assets	\$ 28,949,961	\$ 21,043,639	\$ 3,320,031	\$ 4,110,712	\$ 32,269,992	\$ 25,154,351
Net Pension Asset	1,265	345	303	82	1,568	427
Capital Assets	73,787,885	72,679,112	36,989,782	37,792,419	110,777,667	110,471,531
Total Assets	102,739,111	93,723,096	40,310,116	41,903,213	143,049,227	135,626,309
Deferred Outflows of Resources	2,179,378	1,434,531	201,828	143,664	2,381,206	1,578,195
Liabilities						
Other Liabilities	1,168,275	1,370,436	1,099,322	1,077,719	2,267,597	2,448,155
Long-Term Liabilities:						
Due Within One Year	12,284,415	8,582,851	642,053	1,771,887	12,926,468	10,354,738
Due in More Than One Year:						
Net Pension Liability	15,244,687	14,514,508	1,174,935	1,148,397	16,419,622	15,662,905
Other Amounts	18,685,225	12,970,374	11,193,100	11,732,185	29,878,325	24,702,559
Total Liabilities	47,382,602	37,438,169	14,109,410	15,730,188	61,492,012	53,168,357
Deferred Inflows of Resources	3,628,708	3,537,137	446,476	427,793	4,075,184	3,964,930
Net Position						
Net Investment in Capital Assets	52,594,409	55,271,913	25,256,979	23,457,040	77,851,388	78,728,953
Restricted	6,824,938	6,819,653	0	0	6,824,938	6,819,653
Unrestricted	(5,512,168)	(7,909,245)	699,079	2,431,856	(4,813,089)	(5,477,389)
Total Net Position	\$ 53,907,179	\$ 54,182,321	\$ 25,956,058	\$ 25,888,896	\$ 79,863,237	\$ 80,071,217

During 2015, the City adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27*, which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension.

City of Berea
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

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

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

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

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

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

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

City of Berea
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

As a result of implementing GASB 68, the City is reporting a net pension asset/liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from \$67.3 million to \$54.2 million for governmental activities and from \$26.9 million to \$25.9 million for business-type activities.

At year end, capital assets represented 77 percent of total assets. Capital assets include land, intangibles, land improvements, buildings, building improvements, machinery and equipment, furniture and fixtures, vehicles, infrastructure and construction in progress. Net investment in capital assets were \$77.9 million at December 31, 2015, with \$52.6 million in governmental activities and \$25.3 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, \$6.8 million represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is a deficit balance of \$4.8 million, which is primarily caused by the implementation of GASB 68 and 71.

Cash in governmental activities increased \$7.8 million from 2014, mainly due to issuance of notes. Governmental activities outstanding debt increased \$9.1 million from 2014, due to debt issuance exceeding annual debt service payments in 2015. Governmental activities had a decrease in net position of \$0.3 million from 2014.

Business-type activities had an increase in net position of \$67,162 over 2014. Cash decreased \$0.6 million, partially due to costs for contractual services not capitalized.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2015 and 2014.

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City of Berea
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
<i>Program Revenues:</i>						
Charges for Services and Sales	\$ 5,012,757	\$ 4,784,608	\$ 3,299,022	\$ 3,239,841	\$ 8,311,779	\$ 8,024,449
Operating Grants, Contributions and Interest	916,465	944,435	75,620	74,177	992,085	1,018,612
Capital Grants	1,537,891	0	12,621	0	1,550,512	0
<i>General Revenues:</i>						
Property Taxes	3,824,591	3,844,470	450,379	449,104	4,274,970	4,293,574
Income Taxes	11,813,246	11,050,350	0	0	11,813,246	11,050,350
Other Taxes	336,730	284,641	0	0	336,730	284,641
Grants and Entitlements	988,566	1,068,337	0	0	988,566	1,068,337
Investment Earnings	101,924	119,998	0	0	101,924	119,998
Miscellaneous	51,988	51,552	0	0	51,988	51,552
<i>Total Revenues</i>	<u>24,584,158</u>	<u>22,148,391</u>	<u>3,837,642</u>	<u>3,763,122</u>	<u>28,421,800</u>	<u>25,911,513</u>
Program Expenses						
General Government	7,664,155	8,291,476	0	0	7,664,155	8,291,476
Security of Persons and Property	7,359,179	6,753,040	0	0	7,359,179	6,753,040
Public Health	151,785	151,971	0	0	151,785	151,971
Leisure Time Services	2,919,372	3,223,496	0	0	2,919,372	3,223,496
Community Development	353,620	514,483	0	0	353,620	514,483
Public Works	1,247,527	1,243,488	0	0	1,247,527	1,243,488
Transportation	3,420,711	3,965,988	0	0	3,420,711	3,965,988
Interest and Fiscal Charges	381,728	478,972	0	0	381,728	478,972
Bond Issuance Costs	201,223	0	0	0	201,223	0
<i>Enterprise Operations:</i>						
Water Revenue	0	0	3,976,228	3,705,293	3,976,228	3,705,293
Sewer Revenue	0	0	954,252	946,637	954,252	946,637
<i>Total Program Expenses</i>	<u>23,699,300</u>	<u>24,622,914</u>	<u>4,930,480</u>	<u>4,651,930</u>	<u>28,629,780</u>	<u>29,274,844</u>
<i>Increase (Decrease) in Net Position</i>	884,858	(2,474,523)	(1,092,838)	(888,808)	(207,980)	(3,363,331)
Extraordinary Item	0	(174,900)	0	0	0	(174,900)
Transfers	(1,160,000)	(1,163,000)	1,160,000	1,163,000	0	0
<i>Change in Net Position</i>	<u>\$ (275,142)</u>	<u>\$ (3,812,423)</u>	<u>\$ 67,162</u>	<u>\$ 274,192</u>	<u>\$ (207,980)</u>	<u>\$ (3,538,231)</u>

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$1,578,195 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$1,670,840. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

City of Berea
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

	Governmental Activities	Business-Type Activities	Total
Total 2015 program expenses under GASB 68	\$ 23,699,300	\$ 4,930,480	\$ 28,629,780
Pension expense under GASB 68	(1,542,834)	(128,006)	(1,670,840)
2015 contractually required contribution	1,472,078	139,119	1,611,197
Adjusted 2015 program expenses	23,628,544	4,941,593	28,570,137
Total 2014 program expenses under GASB 27	24,622,914	4,651,930	29,274,844
Increase (Decrease) in program expenses not related pension	\$ (994,370)	\$ 289,663	\$ (704,707)

Governmental Activities

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

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

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

Revenues increased \$2.4 million over 2014, \$1.5 million of which was in capital grants and contributions. The City received capital contributions from the Cleveland Browns organization for improvements to the training facility.

Expenses decreased \$0.9 million from 2014. Nearly all expenses decreased with the largest being transportation which decreased \$0.6 million from 2014. This is partially due to a decrease in depreciation allocated to the program expenses. The largest program function of the City was for general government, which represents approximately 32 percent of program expenses in 2015. The next largest program function relates to security of persons and property, which includes the police and fire departments and represents approximately 31 percent of program expenses.

Business-Type Activities

Business-type activities include water and sewer operations. The revenues are generated primarily from charges for services. In 2015, charges for services of \$3.3 million accounted for 86 percent of the business type revenues. The total expenses for the utilities were \$4.9 million in 2015. The business-type activities had an increase in net position of \$67,162 over 2014.

City of Berea
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

The City's Funds

Governmental Funds

Information about the City's governmental funds begins on page 20. These funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of \$23.2 million and expenditures of \$32.7 million. The funds are monitored constantly with adjustments made throughout the year in budgets to accommodate yearly revenues.

The general fund's net change in fund balance for 2015 was a decrease of \$0.2 million partially due to a 3 percent increase in expenditures over 2014.

The fund balance of the general bond retirement fund increased by \$65,905 due to the timing of revenues to cover principal payments.

The general capital improvement fund had an increase in fund balance of \$7.0 million from 2014, mainly due to unspent note proceeds of \$7 million.

Proprietary Funds

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

Unrestricted net position of the water revenue fund at the end of the year amounted to \$0.4 million and the unrestricted net position of the sewer revenue fund was \$0.3 million. The water revenue fund had a decrease in net position of \$75,727, partially due to an increase in contractual services from costs that were not capitalized. The sewer revenue fund had an increase in net position of \$0.1 million, partially due to an advance from general fund to cover costs.

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 2015, 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 \$15.6 million was \$13,371 more than final budget basis revenue. Original budget revenue estimates of \$15.5 million was \$21,471 less than final budget revenue.

City of Berea
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Final expenditure appropriations of \$12.4 million were \$0.3 million higher than the actual expenditures of \$12.1 million, as cost savings were recognized for general government and security of persons and property throughout the year. Original expenditure appropriations were \$0.3 million higher than final appropriations.

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

Capital Assets and Debt Administration

Capital Assets

At the end of year 2015, the City had \$110.8 million invested in capital assets, net of depreciation. A total of \$73.8 million of this was for governmental activities and \$37.0 million being attributable to business-type activities. Table 3 shows fiscal year 2015 balances compared with 2014.

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 11,143,427	\$ 10,652,093	\$ 93,181	\$ 93,181	\$ 11,236,608	\$ 10,745,274
Intangible	2,183,636	2,183,636	1,154,237	1,154,237	3,337,873	3,337,873
Land Improvements	2,186,987	2,220,092	71,732	108,514	2,258,719	2,328,606
Buildings	5,624,100	5,949,240	2,533,423	2,653,534	8,157,523	8,602,774
Building Improvements	10,606,961	11,079,961	1,776,572	1,879,876	12,383,533	12,959,837
Machinery and Equipment	1,221,100	1,401,431	2,551,242	2,735,996	3,772,342	4,137,427
Furniture and Fixtures	18,092	32,075	8,160	10,078	26,252	42,153
Vehicles	455,590	548,678	15,926	25,364	471,516	574,042
Bridges	5,976,132	6,255,965	0	0	5,976,132	6,255,965
Roads	25,098,744	26,015,932	0	0	25,098,744	26,015,932
Sidewalks	990,446	1,080,116	0	0	990,446	1,080,116
Traffic Signals	3,210,857	3,341,391	0	0	3,210,857	3,341,391
Water Lines	0	0	9,519,440	9,289,337	9,519,440	9,289,337
Storm Sewers	0	0	10,857,157	10,941,473	10,857,157	10,941,473
Sanitary Sewers	0	0	8,371,262	8,525,235	8,371,262	8,525,235
Construction in Progress	5,071,813	1,918,502	37,450	375,594	5,109,263	2,294,096
<i>Total</i>	<u>\$ 73,787,885</u>	<u>\$ 72,679,112</u>	<u>\$ 36,989,782</u>	<u>\$ 37,792,419</u>	<u>\$ 110,777,667</u>	<u>\$ 110,471,531</u>

The \$1.1 million increase in capital assets of governmental activities was attributable to current year acquisitions exceeding depreciation and disposals. The \$0.8 million decrease in business-type activities is due to depreciation and disposals exceeding current year acquisitions. See Note 8 for additional information about the capital assets of the City.

City of Berea
Cuyahoga County
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

Debt

The outstanding debt for the City as of December 31, 2015 was \$41.0 million. See Note 12 for additional details. Table 4 summarizes outstanding debt.

Table 4
Outstanding Debt, at December 31

	Governmental Activities		Business-Type Activities Activities		Total	
	2015	2014	2015	2014	2015	2014
<i>General Obligation Bonds:</i>						
2006 Various Purpose Bonds	\$ 3,495,000	\$ 4,185,000	\$ 0	\$ 0	\$ 3,495,000	\$ 4,185,000
2010 Various Purpose Bonds	2,340,000	2,445,000	0	0	2,340,000	2,445,000
2013 Various Purpose Bonds	3,805,000	3,905,000	0	0	3,805,000	3,905,000
2015 Various Purpose Bonds	6,748,000	0	122,000	0	6,870,000	0
<i>Other Obligations:</i>						
OWDA Loans	0	0	9,997,280	10,502,187	9,997,280	10,502,187
OPWC Loans	2,025,628	2,083,284	1,290,238	1,354,118	3,315,866	3,437,402
Loan Payable	0	0	291,052	320,157	291,052	320,157
Bond Anticipation Notes	10,795,500	7,467,500	0	1,160,000	10,795,500	8,627,500
Capital Leases	66,600	128,370	32,233	63,111	98,833	191,481
Totals	<u>\$ 29,275,728</u>	<u>\$ 20,214,154</u>	<u>\$ 11,732,803</u>	<u>\$ 13,399,573</u>	<u>\$ 41,008,531</u>	<u>\$ 33,613,727</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 of Berea owns the Cleveland Browns Headquarters and Training Facility and had a long-term lease with the Browns through 2040, however the lease included an opt-out clause beginning in 2020. The City and the Browns entered into an agreement in 2015 that extended the lease through the 2028 season before any opt-out clause. The Browns are planning on over \$15 million of improvements to the facility and the City agreed to borrow \$7 million in 2015 towards the costs of these improvements. In addition, the City has agreed to provide an income tax rebate to the Browns of 40% of their annual growth on income tax above a \$2.6 million base for the years 2015 through 2028. The rebated income tax funds

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can only be used towards capital improvements to the facility and cannot be used toward the general operations of the Browns. The Browns have also agreed to various charitable commitments to the community including making the training facility's field house available for City use in connection with various nonprofit or public, community sports activities for 15 days a year, donation of certain office and athletic training equipment for its use, two football-related events that will be open to the public, production of three videos that promote the City of Berea, and various other public appearances. The City of Berea and the Cleveland Browns remain committed to the partnership and working together for the betterment of the community.

The City has developed a North End Revitalization Plan to assist in the overall plan for economic development at the City's north end gateway after a \$24 million railroad overpass project was completed on the main thoroughfare through the City's north end. The City has purchased several parcels to assist in the overall revitalization plan and has developed a marketing plan to assist in discussions with developers to revitalize and develop this uptown area.

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 multiple year Capital Improvement Plan to review upcoming capital projects through 2020 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 next several years with limited borrowed funds. The City has been successful in obtaining grant funds to offset many capital projects in the community.

Contacting the City's Finance Department

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

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City of Berea
Cuyahoga County, Ohio
Statement of Net Position
December 31, 2015

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 18,132,520	\$ 1,495,840	\$ 19,628,360
Accounts Receivable	511,333	1,443,484	1,954,817
Intergovernmental Receivable	861,463	32,236	893,699
Taxes Receivable	7,000,962	455,246	7,456,208
Special Assessments Receivable	650,812	0	650,812
Loans Receivable	1,406,666	0	1,406,666
Internal Balances	150,000	(150,000)	0
Materials and Supplies Inventory	169,705	43,225	212,930
Deposits	66,500	0	66,500
Net Pension Asset (see Note 9)	1,265	303	1,568
Non-Depreciable Capital Assets	18,398,876	1,284,868	19,683,744
Depreciable Capital Assets, Net	55,389,009	35,704,914	91,093,923
<i>Total Assets</i>	<u>102,739,111</u>	<u>40,310,116</u>	<u>143,049,227</u>
Deferred Outflow of Resources			
Pension	2,179,378	201,828	2,381,206
Liabilities			
Accounts Payable	222,848	47,327	270,175
Accrued Wages	439,862	48,313	488,175
Intergovernmental Payable	344,510	797,726	1,142,236
Accrued Interest Payable	90,838	205,956	296,794
Claims Payable	70,217	0	70,217
Long-Term Liabilities:			
Due Within One Year	12,284,415	642,053	12,926,468
Due In More Than One Year:			
Net Pension Liability (See Note 9)	15,244,687	1,174,935	16,419,622
Other Amounts Due in More Than One Year	18,685,225	11,193,100	29,878,325
<i>Total Liabilities</i>	<u>47,382,602</u>	<u>14,109,410</u>	<u>61,492,012</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	3,542,364	425,742	3,968,106
Pension	86,344	20,734	107,078
<i>Total Deferred Inflows of Resources</i>	<u>3,628,708</u>	<u>446,476</u>	<u>4,075,184</u>
Net Position			
Net Investment in Capital Assets	52,594,409	25,256,979	77,851,388
Restricted for:			
Debt Service	2,983,819	0	2,983,819
Street Lighting	980,414	0	980,414
Street Maintenance and Repair	468,849	0	468,849
Court Operations and Capital Outlay	1,756,269	0	1,756,269
Security Operations	75,583	0	75,583
Drug and Alcohol Programs	541,728	0	541,728
Other Purposes	18,276	0	18,276
Unrestricted	(5,512,168)	699,079	(4,813,089)
<i>Total Net Position</i>	<u>\$ 53,907,179</u>	<u>\$ 25,956,058</u>	<u>\$ 79,863,237</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Activities
For the Year Ended December 31, 2015

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities				
General Government	\$ 7,664,155	\$ 2,884,065	\$ 10,000	\$ 0
Security of Persons and Property	7,359,179	1,136,291	89,870	0
Public Health	151,785	4,203	15,708	0
Leisure Time Services	2,919,372	700,292	4,500	1,191,998
Community Development	353,620	41,245	4,861	0
Public Works	1,247,527	0	0	0
Transportation	3,420,711	246,661	791,526	345,893
Interest and Fiscal Charges	381,728	0	0	0
Bond Issuance Costs	201,223	0	0	0
<i>Total Governmental Activities</i>	<u>23,699,300</u>	<u>5,012,757</u>	<u>916,465</u>	<u>1,537,891</u>
Business-Type Activities				
Water Revenue	3,976,228	2,507,159	75,620	7,343
Sewer Revenue	954,252	791,863	0	5,278
<i>Total Business-Type Activities</i>	<u>4,930,480</u>	<u>3,299,022</u>	<u>75,620</u>	<u>12,621</u>
<i>Total Primary Government</i>	<u>\$ 28,629,780</u>	<u>\$ 8,311,779</u>	<u>\$ 992,085</u>	<u>\$ 1,550,512</u>

General Revenues:

Property Taxes Levied for:

General Purposes

Police and Fire Pension

Community Hospital

Debt Service

Water Improvements

Income Taxes Levied for:

General Purposes

Other Taxes

Grants and Entitlements not Restricted

to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Restated, See Note 2

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
\$ (4,770,090)	\$ 0	\$ (4,770,090)
(6,133,018)	0	(6,133,018)
(131,874)	0	(131,874)
(1,022,582)	0	(1,022,582)
(307,514)	0	(307,514)
(1,247,527)	0	(1,247,527)
(2,036,631)	0	(2,036,631)
(381,728)	0	(381,728)
(201,223)	0	(201,223)
<u>(16,232,187)</u>	<u>0</u>	<u>(16,232,187)</u>
0	(1,386,106)	(1,386,106)
0	(157,111)	(157,111)
<u>0</u>	<u>(1,543,217)</u>	<u>(1,543,217)</u>
<u>(16,232,187)</u>	<u>(1,543,217)</u>	<u>(17,775,404)</u>
1,723,505	0	1,723,505
665,230	0	665,230
82,143	0	82,143
1,353,713	0	1,353,713
0	450,379	450,379
11,813,246	0	11,813,246
336,730	0	336,730
988,566	0	988,566
101,924	0	101,924
51,988	0	51,988
<u>17,117,045</u>	<u>450,379</u>	<u>17,567,424</u>
<u>(1,160,000)</u>	<u>1,160,000</u>	<u>0</u>
<u>15,957,045</u>	<u>1,610,379</u>	<u>17,567,424</u>
(275,142)	67,162	(207,980)
<u>54,182,321</u>	<u>25,888,896</u>	<u>80,071,217</u>
<u>\$ 53,907,179</u>	<u>\$ 25,956,058</u>	<u>\$ 79,863,237</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Balance Sheet
Governmental Funds
December 31, 2015

	General	General Bond Retirement	General Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Investments	\$ 2,828,474	\$ 1,878,542	\$ 8,004,293	\$ 4,267,155	\$ 16,978,464
Accounts Receivable	413,508	0	0	97,825	511,333
Intergovernmental Receivable	380,765	102,335	6,425	371,938	861,463
Taxes Receivable	4,817,541	1,447,292	0	736,129	7,000,962
Interfund Receivable	150,000	1,000,000	0	0	1,150,000
Special Assessments Receivable	29,737	0	0	621,075	650,812
Loans Receivable	0	0	1,406,666	0	1,406,666
Materials and Supplies Inventory	16,945	0	0	152,760	169,705
Deposits	0	0	66,500	0	66,500
<i>Total Assets</i>	<u>\$ 8,636,970</u>	<u>\$ 4,428,169</u>	<u>\$ 9,483,884</u>	<u>\$ 6,246,882</u>	<u>\$ 28,795,905</u>
Liabilities					
Accounts Payable	\$ 152,060	\$ 0	\$ 0	\$ 70,788	\$ 222,848
Accrued Wages	380,264	0	0	59,598	439,862
Intergovernmental Payable	227,987	0	0	116,523	344,510
Interfund Payable	0	0	1,000,000	0	1,000,000
<i>Total Liabilities</i>	<u>760,311</u>	<u>0</u>	<u>1,000,000</u>	<u>246,909</u>	<u>2,007,220</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	1,500,284	1,353,512	0	688,568	3,542,364
Delinquent Property Taxes	103,330	93,780	0	47,561	244,671
Income Taxes	1,356,772	0	0	0	1,356,772
Unavailable Revenue	387,563	102,335	0	879,327	1,369,225
<i>Total Deferred Inflows of Resources</i>	<u>3,347,949</u>	<u>1,549,627</u>	<u>0</u>	<u>1,615,456</u>	<u>6,513,032</u>
Fund Balances					
Nonspendable	70,707	0	0	152,760	223,467
Restricted	0	2,878,542	0	2,939,382	5,817,924
Committed	989,402	0	8,483,884	1,292,375	10,765,661
Assigned	122,676	0	0	0	122,676
Unassigned	3,345,925	0	0	0	3,345,925
<i>Total Fund Balances</i>	<u>4,528,710</u>	<u>2,878,542</u>	<u>8,483,884</u>	<u>4,384,517</u>	<u>20,275,653</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 8,636,970</u>	<u>\$ 4,428,169</u>	<u>\$ 9,483,884</u>	<u>\$ 6,246,882</u>	<u>\$ 28,795,905</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, 2015

Total Governmental Fund Balances		\$ 20,275,653
 <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.		73,787,885
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	\$ 244,671	
Income Taxes	1,356,772	
Intergovernmental	666,099	
Special Assessments	650,812	
Charges for Services	52,314	2,970,668
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.		1,083,839
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(90,838)
The net pension liability is not due and payable in the current period, and the net pension asset is not available for spending in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net Pension Asset	1,265	
Deferred Outflows - Pension	2,179,378	
Deferred Inflows - Pension	(86,344)	
Net Pension Liability	(15,244,687)	(13,150,388)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(16,388,000)	
OPWC Loans	(2,025,628)	
Bond Anticipation Notes	(10,795,500)	
Bond Premium	(462,848)	
Police and Fire Pension	(194,462)	
Capital Leases	(66,600)	
Compensated Absences	(1,036,602)	(30,969,640)
 <i>Net Position of Governmental Activities</i>		 \$ 53,907,179

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, 2015

	General	General Bond Retirement	General Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$ 1,690,157	\$ 1,344,200	\$ 0	\$ 736,972	\$ 3,771,329
Income Taxes	11,522,435	0	0	0	11,522,435
Other Local Taxes	336,730	0	0	0	336,730
Special Assessments	12,028	10,842	0	667,397	690,267
Charges for Services	272,629	0	0	818,170	1,090,799
Licenses and Permits	463,259	0	0	38,578	501,837
Fines and Forfeitures	1,498,214	0	0	1,062,796	2,561,010
Intergovernmental	733,982	237,189	425,245	986,693	2,383,109
Interest	101,924	10,000	0	3,806	115,730
Rent	0	0	0	84,156	84,156
Contributions and Donations	0	0	0	28,411	28,411
Reimbursements	49,950	0	860	0	50,810
Other	36,170	0	0	4,539	40,709
<i>Total Revenues</i>	<u>16,717,478</u>	<u>1,602,231</u>	<u>426,105</u>	<u>4,431,518</u>	<u>23,177,332</u>
Expenditures					
Current:					
General Government	6,140,589	274,026	0	803,886	7,218,501
Security of Persons and Property	5,271,374	0	0	1,601,923	6,873,297
Public Health	0	0	0	151,785	151,785
Leisure Time Services	484,859	0	0	1,653,654	2,138,513
Community Development	372,423	0	0	0	372,423
Public Works	1,217,697	0	0	0	1,217,697
Transportation	0	0	0	902,569	902,569
Capital Outlay	0	0	1,977,655	2,710,246	4,687,901
Debt Service:					
Principal Retirement	0	8,362,500	119,426	6,325	8,488,251
Interest and Fiscal Charges	0	389,655	14,585	8,466	412,706
Bond Issuance Costs	0	201,223	0	0	201,223
<i>Total Expenditures</i>	<u>13,486,942</u>	<u>9,227,404</u>	<u>2,111,666</u>	<u>7,838,854</u>	<u>32,664,866</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,230,536</u>	<u>(7,625,173)</u>	<u>(1,685,561)</u>	<u>(3,407,336)</u>	<u>(9,487,534)</u>
Other Financing Sources (Uses)					
Issuance of General Obligation Bonds	0	5,183,000	368,000	1,197,000	6,748,000
Premium on Debt Issuance	0	373,578	0	0	373,578
Issuance of Notes	0	3,294,500	7,450,000	51,000	10,795,500
Transfers In	15,000	0	838,000	2,573,000	3,426,000
Transfers Out	<u>(3,396,000)</u>	<u>(1,160,000)</u>	<u>0</u>	<u>(30,000)</u>	<u>(4,586,000)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(3,381,000)</u>	<u>7,691,078</u>	<u>8,656,000</u>	<u>3,791,000</u>	<u>16,757,078</u>
<i>Net Change in Fund Balance</i>	(150,464)	65,905	6,970,439	383,664	7,269,544
<i>Fund Balance Beginning of Year</i>	<u>4,679,174</u>	<u>2,812,637</u>	<u>1,513,445</u>	<u>4,000,853</u>	<u>13,006,109</u>
<i>Fund Balance End of Year</i>	<u>\$ 4,528,710</u>	<u>\$ 2,878,542</u>	<u>\$ 8,483,884</u>	<u>\$ 4,384,517</u>	<u>\$ 20,275,653</u>

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, 2015*

Net Change in Fund Balances - Total Governmental Funds		\$ 7,269,544
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	\$ 5,560,935	
Current Year Depreciation	<u>(4,452,162)</u>	1,108,773
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	(58,829)	
Income Tax	294,147	
Intergovernmental	(12,068)	
Charges for Services	(3,336)	
Special Assessments	<u>(5,086)</u>	214,828
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	895,000	
OPWC Loans	57,656	
Bond Anticipation Notes	7,467,500	
Capital Lease	61,770	
Police and Fire Pension	<u>6,325</u>	8,488,251
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	(6,748,000)	
Bond Anticipation Notes	<u>(10,795,500)</u>	(17,543,500)
In the statement of activities, interest is accrued on outstanding bonds, and bond premiums are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	(24,384)	
Amortization of Premium on Bonds (net)	<u>(318,216)</u>	(342,600)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		1,472,078
Except for amount reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities.		
		(1,542,834)
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.		
		643,268
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>(42,950)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$ (275,142)</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, 2015

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property Taxes	\$ 1,496,312	\$ 1,690,157	\$ 1,690,157	\$ 0
Income Taxes	11,999,603	11,856,592	11,857,090	498
Other Local Taxes	283,000	332,958	332,958	0
Special Assessments	67,065	12,028	12,028	0
Charges for Services	232,935	244,181	245,716	1,535
Licenses and Permits	355,000	458,834	463,259	4,425
Fines and Forfeitures	160,000	65,670	65,670	0
Intergovernmental	683,534	737,982	737,982	0
Interest	140,000	129,245	129,245	0
Rent	100,000	0	0	0
Refunds and Reimbursements	0	11,529	11,529	0
Other	25,000	24,744	31,657	6,913
<i>Total Revenues</i>	<u>15,542,449</u>	<u>15,563,920</u>	<u>15,577,291</u>	<u>13,371</u>
Expenditures				
Current:				
General Government	5,324,836	4,909,187	4,753,031	156,156
Security of Persons and Property	5,382,418	5,330,018	5,250,644	79,374
Leisure Time Services	432,618	487,568	483,604	3,964
Community Development	321,908	386,358	375,388	10,970
Public Works	1,219,750	1,245,300	1,227,178	18,122
<i>Total Expenditures</i>	<u>12,681,530</u>	<u>12,358,431</u>	<u>12,089,845</u>	<u>268,586</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,860,919</u>	<u>3,205,489</u>	<u>3,487,446</u>	<u>281,957</u>
Other Financing Sources (Uses)				
Advances In	155,000	173,045	173,045	0
Transfers In	20,000	0	0	0
Advances Out	(128,500)	(278,045)	(278,045)	0
Transfers Out	(3,039,100)	(3,392,206)	(3,392,206)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,992,600)</u>	<u>(3,497,206)</u>	<u>(3,497,206)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(131,681)	(291,717)	(9,760)	281,957
<i>Fund Balance Beginning of Year</i>	2,672,789	2,672,789	2,672,789	0
Prior Year Encumbrances Appropriated	30,108	30,108	30,108	0
<i>Fund Balance End of Year</i>	<u>\$ 2,571,216</u>	<u>\$ 2,411,180</u>	<u>\$ 2,693,137</u>	<u>\$ 281,957</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2015

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Revenue	Sewer Revenue	Total	
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Investments	\$ 1,169,136	\$ 326,704	\$ 1,495,840	\$ 1,154,056
Accounts Receivable	1,010,914	432,570	1,443,484	0
Intergovernmental Receivable	32,236	0	32,236	0
Taxes Receivable	455,246	0	455,246	0
Materials and Supplies Inventory	43,225	0	43,225	0
<i>Total Current Assets</i>	<u>2,710,757</u>	<u>759,274</u>	<u>3,470,031</u>	<u>1,154,056</u>
<i>Non-Current Assets:</i>				
Net Pension Asset (see Note 9)	240	63	303	0
Non-Depreciable Capital Assets	979,644	305,224	1,284,868	0
Depreciable Capital Assets, Net	23,592,222	12,112,692	35,704,914	0
<i>Total Non-Current Assets</i>	<u>24,572,106</u>	<u>12,417,979</u>	<u>36,990,085</u>	<u>0</u>
<i>Total Assets</i>	<u>27,282,863</u>	<u>13,177,253</u>	<u>40,460,116</u>	<u>1,154,056</u>
Deferred Outflow of Resources				
Pension	159,585	42,243	201,828	0
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	45,288	2,039	47,327	0
Accrued Wages	35,517	12,796	48,313	0
Intergovernmental Payable	789,815	7,911	797,726	0
Interfund Payable	0	150,000	150,000	0
Accrued Interest Payable	152,518	53,438	205,956	0
Claims Payable	0	0	0	70,217
Compensated Absences Payable	1,914	3,653	5,567	0
Capital Leases Payable	32,233	0	32,233	0
Loans Payable	0	19,404	19,404	0
OPWC Loans Payable	0	73,759	73,759	0
OWDA Loans Payable	344,390	164,700	509,090	0
General Obligation Bonds Payable	2,000	0	2,000	0
<i>Total Current Liabilities</i>	<u>1,403,675</u>	<u>487,700</u>	<u>1,891,375</u>	<u>70,217</u>
<i>Long-Term Liabilities:</i>				
Compensated Absences Payable - Net of Current Portion	74,140	22,643	96,783	0
Loans Payable - Net of Current Portion	0	271,648	271,648	0
OPWC Loans Payable - Net of Current Portion	13,576	1,202,903	1,216,479	0
OWDA Loans Payable - Net of Current Portion	7,368,201	2,119,989	9,488,190	0
General Obligation Bonds Payable - Net of Current Portion	120,000	0	120,000	0
Net Pension Liability (See Note 9)	929,015	245,920	1,174,935	0
<i>Total Long-Term Liabilities</i>	<u>8,504,932</u>	<u>3,863,103</u>	<u>12,368,035</u>	<u>0</u>
<i>Total Liabilities</i>	<u>9,908,607</u>	<u>4,350,803</u>	<u>14,259,410</u>	<u>70,217</u>
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	425,742	0	425,742	0
Pension	16,394	4,340	20,734	0
<i>Total Deferred Inflows of Resources</i>	<u>442,136</u>	<u>4,340</u>	<u>446,476</u>	<u>0</u>
Net Position				
Net Investment in Capital Assets	16,691,466	8,565,513	25,256,979	0
Unrestricted	400,239	298,840	699,079	1,083,839
<i>Total Net Position</i>	<u>\$ 17,091,705</u>	<u>\$ 8,864,353</u>	<u>\$ 25,956,058</u>	<u>\$ 1,083,839</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, 2015

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Revenue	Sewer Revenue	Totals	
Operating Revenues				
Charges for Services	\$ 2,507,159	\$ 791,863	\$ 3,299,022	\$ 3,332,937
Reimbursements	0	0	0	108,201
Other	0	0	0	10,860
<i>Total Operating Revenues</i>	<u>2,507,159</u>	<u>791,863</u>	<u>3,299,022</u>	<u>3,451,998</u>
Operating Expenses				
Personal Services	1,340,270	320,238	1,660,508	0
Contractual Services	708,093	210,040	918,133	916,965
Materials and Supplies	557,289	24,271	581,560	0
Claims	0	0	0	1,888,414
Depreciation	1,068,252	286,879	1,355,131	0
Other	11,390	5,826	17,216	3,351
<i>Total Operating Expenses</i>	<u>3,685,294</u>	<u>847,254</u>	<u>4,532,548</u>	<u>2,808,730</u>
<i>Operating Income (Loss)</i>	<u>(1,178,135)</u>	<u>(55,391)</u>	<u>(1,233,526)</u>	<u>643,268</u>
Non-Operating Revenues (Expense)				
Intergovernmental	75,620	0	75,620	0
Property Taxes	450,379	0	450,379	0
Interest and Fiscal Charges	(290,934)	(106,998)	(397,932)	0
<i>Total Non-Operating Revenues (Expense)</i>	<u>235,065</u>	<u>(106,998)</u>	<u>128,067</u>	<u>0</u>
<i>Income (Loss) Before Capital Contributions and Transfers</i>	<u>(943,070)</u>	<u>(162,389)</u>	<u>(1,105,459)</u>	<u>643,268</u>
Capital Contributions	7,343	5,278	12,621	0
Transfers In	860,000	300,000	1,160,000	0
<i>Change in Net Position</i>	<u>(75,727)</u>	<u>142,889</u>	<u>67,162</u>	<u>643,268</u>
<i>Net Position Beginning of Year Restated, See Note 2</i>	<u>17,167,432</u>	<u>8,721,464</u>	<u>25,888,896</u>	<u>440,571</u>
<i>Net Position End of Year</i>	<u>\$ 17,091,705</u>	<u>\$ 8,864,353</u>	<u>\$ 25,956,058</u>	<u>\$ 1,083,839</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Revenue	Sewer Revenue	Totals	
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 2,500,010	\$ 766,235	\$ 3,266,245	\$ 3,451,998
Cash Payments to Suppliers for Goods and Services	(538,343)	(24,271)	(562,614)	0
Cash Payments to Employees for Services and Benefits	(1,336,981)	(325,408)	(1,662,389)	0
Cash Payments for Contractual Services	(689,600)	(221,272)	(910,872)	(920,316)
Cash Payments for Claims	0	0	0	(2,042,597)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(64,914)</u>	<u>195,284</u>	<u>130,370</u>	<u>489,085</u>
Cash Flows from Noncapital Financing Activities				
Intergovernmental Revenue	74,703	0	74,703	0
Property Taxes	457,576	0	457,576	0
Advances In	0	150,000	150,000	0
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>532,279</u>	<u>150,000</u>	<u>682,279</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities				
Capital Grants	7,343	5,278	12,621	0
Proceeds of General Obligation Bonds	122,000	0	122,000	0
Acquisition of Capital Assets	(199,060)	(353,434)	(552,494)	0
Principal Payments on Debt and Leases	(1,232,446)	(549,795)	(1,782,241)	0
Interest Payments on Debt and Leases	(306,092)	(112,624)	(418,716)	0
Transfers in for Debt Payments	860,000	300,000	1,160,000	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(748,255)</u>	<u>(710,575)</u>	<u>(1,458,830)</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	(280,890)	(365,291)	(646,181)	489,085
<i>Cash and Investments Beginning of Year</i>	1,450,026	691,995	2,142,021	664,971
<i>Cash and Investments End of Year</i>	<u>\$ 1,169,136</u>	<u>\$ 326,704</u>	<u>\$ 1,495,840</u>	<u>\$ 1,154,056</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$ (1,178,135)	\$ (55,391)	\$ (1,233,526)	\$ 643,268
Adjustments:				
Depreciation	1,068,252	286,879	1,355,131	0
(Increase) Decrease in Assets and Deferred Outflows:				
Accounts Receivable	(7,149)	(25,628)	(32,777)	0
Prepaid Items	9,838	0	9,838	0
Materials and Supplies Inventory	9,108	0	9,108	0
Net Pension Asset	(175)	(46)	(221)	0
Deferred Outflows - Pension	(45,991)	(12,173)	(58,164)	0
Increase (Decrease) in Liabilities and Deferred Inflows:				
Accounts Payable	29,883	(5,406)	24,477	0
Accrued Wages	13,218	(3,564)	9,654	0
Compensated Absences Payable	(4,041)	1,892	(2,149)	0
Intergovernmental Payable	2,901	(1,174)	1,727	0
Deferred Inflows - Pension	16,394	4,340	20,734	0
Net Pension Liability	20,983	5,555	26,538	0
Claims Payable	0	0	0	(154,183)
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u>\$ (64,914)</u>	<u>\$ 195,284</u>	<u>\$ 130,370</u>	<u>\$ 489,085</u>

Noncash Capital Financing Activities:

As of December 31, 2015 the water fund recorded an OWDA principal adjustment of \$7,492 as a decrease in loan balance.
As of December 31, 2015 the sewer fund recorded an OWDA principal adjustment of \$963 as an increase in loan balance.

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2015

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Investments	\$ 1,257,138
Cash in Segregated Accounts	428,536
Accounts Receivable	<u>1,693,378</u>
<i>Total Assets</i>	<u><u>\$ 3,379,052</u></u>
Liabilities	
Accounts Payable	\$ 865,498
Due to Other Governments	2,246,144
Deposits Held and Due to Others	<u>267,410</u>
<i>Total Liabilities</i>	<u><u>\$ 3,379,052</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, 2015

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 16 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Presentation

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

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

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

Fund Accounting

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

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

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund also accounts for the activities related to the municipal income tax levy collections passed by ordinance in November 1992. The income tax revenues collected in the municipal income tax fund are designated for water, sewer, recreation, debt and capital expenditures. These funds cannot be spent for any other reason.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

The allocation to the five areas is designated annually during the budgeting process approved by Council. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter of the City of Berea and/or the general laws of Ohio.

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

General Capital Improvement Fund - The general capital improvement fund is used to account for 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 compensation insurance.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are agency funds that account for regional sewer collections, 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, 2015

Measurement Focus

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

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

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

Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources

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are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Inflows of Resources and Deferred Outflows of Resources - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 9.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, intergovernmental grants, special assessments and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 9).

Cash and Investments

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

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

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

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During 2015, investments were limited to money market funds, negotiable certificates of deposit, Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage and Federal National Mortgage government bonds and State Treasury Asset Reserve of Ohio (STAR Ohio).

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2015.

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 2015 amounted to \$101,924, which includes \$90,623 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 5, "Deposits 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."

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.

Inventory Held for Resale

Inventory held for resale represents properties purchased by 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.

Deposits

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

Capital Assets

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

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All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. Intangible assets are recorded at cost. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of roads, storm sewers, sanitary sewers, water lines, bridges, traffic signals, and sidewalks and includes infrastructure acquired prior to December 31, 1980. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized. All capital assets are depreciated except for land, intangibles and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

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

Interfund Balances

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

Compensated Absences

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

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Pensions

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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

Fund Balance

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

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

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

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

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Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council. The City Council has, by resolution, authorized the Finance Director to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

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

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

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At December 31, 2015, there was no net position restricted by enabling legislation.

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

Operating Revenues and Expenses

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

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Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. In the government-wide financial statements, capital contributions are recorded as capital grants and contributions. In 2015, the governmental activities received capital contributions in the amount of \$1,191,998 from outside sources and business-type activities received \$12,621.

Interfund Activity

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

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

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither of these occurred in 2015.

Estimates

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

Budgetary Data

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

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The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director of Finance. The amounts reported as the original budgeted amounts on the budgetary statement reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statement reflect the amounts on the final amended certificate of estimated resources issued during 2015.

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

Implementation of New Accounting Principles and Restatement of Net Position

For the year ended December 31, 2015, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*.

GASB Statement No. 68 requires recognition of the entire net pension liability and a more comprehensive measure of pension expense for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. The implementation of GASB Statement No. 68 resulted in the inclusion of net pension liability and pension expense components on the accrual financial statements. See below for the effect on net position as previously reported.

GASB Statement No. 71 amends paragraph 137 of GASB Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. See below for the effect on net position as previously reported.

	Governmental Activities	Business-Type Activities		
		Water Revenue	Sewer Revenue	Total
Net Position December 31, 2014	\$ 67,261,953	\$ 17,961,805	\$ 8,931,742	\$ 26,893,547
Adjustments:				
Net Pension Asset	345	65	17	82
Net Pension Liability	(14,514,508)	(908,032)	(240,365)	(1,148,397)
Deferred Outflow - Payments				
Subsequent to Measurement Date	1,434,531	113,594	30,070	143,664
Restated Net Position, January 1, 2015	<u>\$ 54,182,321</u>	<u>\$ 17,167,432</u>	<u>\$ 8,721,464</u>	<u>\$ 25,888,896</u>

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Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

NOTE 3 – FUND BALANCE

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds.

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

Fund Balance	General Fund	General Bond Retirement Fund	General Capital Improvement Fund	Other Governmental Funds	Total
<u>Nonspendable:</u>					
Unclaimed Monies	\$ 53,762	\$ 0	\$ 0	\$ 0	\$ 53,762
Inventory for Consumption	16,945	0	0	152,760	169,705
Total Nonspendable	<u>70,707</u>	<u>0</u>	<u>0</u>	<u>152,760</u>	<u>223,467</u>
<u>Restricted for:</u>					
Bond Retirement	0	2,878,542	0	0	2,878,542
Court Operations and Capital Outlay	0	0	0	1,764,342	1,764,342
Drug and Alcohol Programs	0	0	0	541,728	541,728
Security Operations and Programs	0	0	0	85,145	85,145
Street Improvement and Repair	0	0	0	188,828	188,828
Street Lighting	0	0	0	359,339	359,339
Total Restricted	<u>0</u>	<u>2,878,542</u>	<u>0</u>	<u>2,939,382</u>	<u>5,817,924</u>
<u>Committed to:</u>					
Income Tax (See Note 6)	587,243	0	0	0	587,243
Retirements	307,082	0	0	0	307,082
Recreational Programs	0	0	0	12,130	12,130
Court Operations and Capital Outlay	95,077	0	0	0	95,077
Neighborhood Capital Improvement	0	0	0	84,614	84,614
Community Programs	0	0	0	18,200	18,200
Recreation Capital Outlay	0	0	0	626,647	626,647
Safety Equipment Capital Outlay	0	0	0	550,784	550,784
General Capital Improvements	0	0	8,483,884	0	8,483,884
Total Committed	<u>989,402</u>	<u>0</u>	<u>8,483,884</u>	<u>1,292,375</u>	<u>10,765,661</u>

(continued)

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Fund Balance	General Fund	General Bond Retirement Fund	General Capital Improvement Fund	Other Governmental Funds	Total
<u>Assigned for:</u>					
Encumbrances:					
General Government	9,221	0	0	0	9,221
Security of Persons and Property	18,529	0	0	0	18,529
Leisure Time Activities	400	0	0	0	400
Community Development	356	0	0	0	356
Public Works	6,326	0	0	0	6,326
Subsequent Year Appropriations	87,844	0	0	0	87,844
Total Assigned	<u>122,676</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>122,676</u>
Unassigned (Deficit)	<u>3,345,925</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,345,925</u>
Total Fund Balance (Deficit)	<u>\$ 4,528,710</u>	<u>\$ 2,878,542</u>	<u>\$ 8,483,884</u>	<u>\$ 4,384,517</u>	<u>\$ 20,275,653</u>

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

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Net Change in Fund Balance

	General Fund
GAAP Basis	\$ (150,464)
Net Adjustment for Revenue Accruals	3,551,597
Net Adjustment for Expenditure Accruals	(3,278,252)
Funds Budgeted Elsewhere **	(85,145)
Adjustment for Encumbrances	(47,496)
Budget Basis	\$ (9,760)

** 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.

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

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

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

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

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Cash on Hand - At December 31, 2015 the City had \$10,600 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 \$18,594,670 and the bank balance was \$18,854,515. Of the bank balance:

1. \$12,082,298 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. \$6,772,217 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 municipal court bond fund is maintained separately from the City's deposits. The carrying amount of the deposits was \$428,536 ("Cash in Segregated Accounts") and the bank balance was \$437,440. Of the bank balance, \$259,938 was covered by Federal depository insurance and \$19,444 was uninsured and uncollateralized.

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.

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

Standard & Poor's	Investment	Fair Value	Investment Maturities (in months)		% Total
			Less than 6	More than 24	
AAAm	STAR Ohio	\$ 66,330	\$ 66,330	\$ 0	3.0%
	U.S. Agency Notes:				
AA+	Federal Home Loan Bank	1,250,350	0	1,250,350	54.8%
AA+	Federal Home Loan Mortgage	198,574		198,574	8.7%
AA+	Federal Farm Credit	496,920	0	496,920	21.8%
AA+	Federal National Mortgage Assn.	260,294	0	260,294	11.4%
A+	JP Morgan Money Market	7,760	7,760	0	0.3%
		<u>\$ 2,280,228</u>	<u>\$ 74,090</u>	<u>\$ 2,206,138</u>	<u>100.0%</u>

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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, 2015, is 49 days.

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.

NOTE 6 – RECEIVABLES

Receivables at December 31, 2015 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 \$29,737 in the general fund and \$621,075 in other governmental funds.

Income Taxes

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

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The City, by ordinance, allocates income tax revenues and expenditures for collecting, administering, and enforcing the tax to the general fund (75 percent) and to the municipal income tax fund (25 percent). The income tax revenues collected in the municipal income tax fund are designated for water, sewer, recreation, debt, and capital expenditures. The funds cannot be spent for any other reason. The allocation to the four areas is designated annually during the budgetary process approved by Council. Total cash basis income tax collections for 2015 were \$11,857,090, which was allocated at \$8,892,816 to the general fund and \$2,964,274 to the municipal income tax fund. The municipal income tax fund has been combined with the general fund for GAAP and budgetary-basis for reporting purposes. On the accrual basis, income tax revenue was \$11,813,246 in the governmental activities. At year end, the municipal income tax fund had \$587,243 in committed funds, for financial statement purposes, that will be allocated to other funds as approved by the municipal income tax levy.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2015 for real and public utility property taxes represents collections of the 2014 taxes.

2015 real property taxes were levied after October 1, 2015 on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2015 public utility property taxes which became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2015, was \$16.80 per \$1,000 of assessed valuation. The assessed values of real property and public utility tangible property upon which 2015 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$ 360,336,330
Public Utilities - Real	74,300
Public Utilities - Personal	8,980,160
Total	\$ 369,390,790

The County Fiscal Officer collects property taxes on behalf of all taxing districts within the County, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding

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delinquencies which were measurable as of December 31, 2015, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2015 operations is offset to deferred inflows of resources – property taxes levied for the next year. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Loans Receivable

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

As of December 31, 2015, there is a long-term OPWC loan payable by the City in the amount of \$1,853,377 (See Note 12). A corresponding long-term loan receivable has been reported in the City’s financial statements in the amount of \$1,406,666, 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 7 - INTERFUND BALANCES AND TRANSFERS

Interfund Balances

The account balances reported in the fund financial statements for “interfund receivable” and “interfund payable” as of December 31, 2015 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 150,000	\$ 0
General Bond Retirement Fund	1,000,000	0
General Capital Improvement Fund	0	1,000,000
Sewer Revenue Fund	0	150,000
Total	\$ 1,150,000	\$ 1,150,000

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.

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The general fund advanced \$150,000 to the sewer revenue fund to cover expenses. It is expected to be repaid in 2016.

In March 2015, the City paid \$1,000,000 to pay off the treasury investment issued in 2014. The City then issued a new 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. This note matures in March 2016 with an interest rate of 1.00 percent.

Interfund Transfers

Transfers Out	Transfers In					Total
	General Fund	General Capital Improvement	Nonmajor Governmental	Water Revenue	Sewer Revenue	
General Fund	\$ 0	\$ 838,000	\$ 2,558,000	\$ 0	\$ 0	\$ 3,396,000
General Bond Retirement	0	0	0	860,000	300,000	1,160,000
Nonmajor Governmental	15,000	0	15,000	0	0	30,000
Total	<u>\$ 15,000</u>	<u>\$ 838,000</u>	<u>\$ 2,573,000</u>	<u>\$ 860,000</u>	<u>\$ 300,000</u>	<u>\$ 4,586,000</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 voters authorized the municipal income tax levy. Proceeds from the levy are recorded in the general fund, for financial statement purposes, and can be transferred out for water, sewer, recreation, debt and capital expenditures as approved annually by Council. These funds cannot be spent for any other reason. The following transfers out were made from the general fund to reallocate income tax money:

Fund	Amount
Recreation Fund	\$ 1,060,000
Recreation Capital Improvement Fund	562,100
General Capital Improvement Fund	638,000
Neighborhood Capital Improvement Fund	<u>585,400</u>
Total	<u>\$ 2,845,500</u>

In addition, the general fund transferred \$217,000 to the street maintenance and repair fund, \$55,000 to the fire pension fund, \$50,000 to the police pension fund, \$200,000 to general capital, \$3,500 to municipal court health insurance, \$10,000 to probation and \$15,000 to court special projects for expenditures.

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The court special projects fund transferred \$15,000 back to general fund and \$15,000 to the probation fund to help cover costs.

The general bond retirement fund transferred \$860,000 to the water revenue fund and \$300,000 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 2015, the internal transfers between entity-wide activities are as follows:

	Transfers	
	Governmental Activities	Business-Type Activities
Cash Transfers	<u>\$ (1,160,000)</u>	<u>\$ 1,160,000</u>

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NOTE 8 - CAPITAL ASSETS

A summary of changes in capital assets during 2015 follows:

	Balance 1/1/15	Additions	Reductions	Balance 12/31/15
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$10,652,093	\$ 491,334	\$ 0	\$11,143,427
Intangible	2,183,636	0	0	2,183,636
Construction in Progress	1,918,502	3,395,567	(242,256)	5,071,813
<i>Total Capital Assets Not Being Depreciated</i>	<u>14,754,231</u>	<u>3,886,901</u>	<u>(242,256)</u>	<u>18,398,876</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	9,340,879	201,757	0	9,542,636
Buildings	14,515,873	0	0	14,515,873
Building Improvements	27,041,494	301,709	0	27,343,203
Machinery and Equipment	5,537,643	71,230	0	5,608,873
Furniture and Fixtures	1,006,917	0	0	1,006,917
Vehicles	1,992,372	33,741	0	2,026,113
Infrastructure:				
Bridges	9,087,509	0	0	9,087,509
Roads	49,457,181	1,297,273	0	50,754,454
Sidewalks	1,793,411	0	0	1,793,411
Traffic Signals	4,228,094	10,580	0	4,238,674
<i>Total Capital Assets Being Depreciated</i>	<u>124,001,373</u>	<u>1,916,290</u>	<u>0</u>	<u>125,917,663</u>
<i>Accumulated Depreciation</i>				
Land Improvements	(7,120,787)	(234,862)	0	(7,355,649)
Buildings	(8,566,633)	(325,140)	0	(8,891,773)
Building Improvements	(15,961,533)	(774,709)	0	(16,736,242)
Machinery and Equipment	(4,136,212)	(251,561)	0	(4,387,773)
Furniture and Fixtures	(974,842)	(13,983)	0	(988,825)
Vehicles	(1,443,694)	(126,829)	0	(1,570,523)
Infrastructure:				
Bridges	(2,831,544)	(279,833)	0	(3,111,377)
Roads	(23,441,249)	(2,214,461)	0	(25,655,710)
Sidewalks	(713,295)	(89,670)	0	(802,965)
Traffic Signals	(886,703)	(141,114)	0	(1,027,817)
<i>Total Accumulated Depreciation</i>	<u>(66,076,492)</u>	<u>(4,452,162)</u>	<u>0</u>	<u>(70,528,654)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>57,924,881</u>	<u>(2,535,872)</u>	<u>0</u>	<u>55,389,009</u>
Governmental Activities Capital Assets, Net	<u>\$72,679,112</u>	<u>\$ 1,351,029</u>	<u>\$ (242,256)</u>	<u>\$73,787,885</u>

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	Balance 1/1/15	Additions	Reductions	Balance 12/31/15
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	375,594	327,411	(665,555)	37,450
<i>Total Capital Assets Not Being Depreciated</i>	<u>1,623,012</u>	<u>327,411</u>	<u>(665,555)</u>	<u>1,284,868</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	959,509	0	0	959,509
Buildings	4,941,378	0	0	4,941,378
Building Improvements	2,346,842	0	0	2,346,842
Machinery and Equipment	5,436,314	60,811	0	5,497,125
Furniture and Fixtures	49,252	0	0	49,252
Vehicles	129,524	0	0	129,524
Infrastructure:				
Water Lines	11,805,814	476,393	0	12,282,207
Storm Sewers	14,683,028	310,311	0	14,993,339
Sanitary Sewers	11,385,526	43,123	0	11,428,649
<i>Total Capital Assets Being Depreciated</i>	<u>51,737,187</u>	<u>890,638</u>	<u>0</u>	<u>52,627,825</u>
<i>Accumulated Depreciation</i>				
Land Improvements	(850,995)	(36,782)	0	(887,777)
Buildings	(2,287,844)	(120,111)	0	(2,407,955)
Building Improvements	(466,966)	(103,304)	0	(570,270)
Machinery and Equipment	(2,700,318)	(245,565)	0	(2,945,883)
Furniture and Fixtures	(39,174)	(1,918)	0	(41,092)
Vehicles	(104,160)	(9,438)	0	(113,598)
Infrastructure:				
Water Lines	(2,516,477)	(246,290)	0	(2,762,767)
Storm Sewers	(3,741,555)	(394,627)	0	(4,136,182)
Sanitary Sewers	(2,860,291)	(197,096)	0	(3,057,387)
<i>Total Accumulated Depreciation</i>	<u>(15,567,780)</u>	<u>(1,355,131)</u>	<u>0</u>	<u>(16,922,911)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>36,169,407</u>	<u>(464,493)</u>	<u>0</u>	<u>35,704,914</u>
Business-Type Activities Capital Assets, Net	<u>\$37,792,419</u>	<u>\$ (137,082)</u>	<u>\$ (665,555)</u>	<u>\$36,989,782</u>

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Depreciation expense was charged to governmental activities as follows:

	<u>Depreciation</u>
Security of Persons and Property	\$ 366,667
Leisure Time Services	824,360
Public Works	28,216
Transportation	2,583,784
General Government	649,135
Total Depreciation Expense	\$ 4,452,162

NOTE 9 - DEFINED BENEFIT PENSION PLANS

Net Pension Asset/Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

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

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

	State and Local
2015 Statutory Maximum Contribution Rates	
Employer	14.00 %
Employee	10.00 %
 2015 Actual Contribution Rates	
Employer:	
Pension	12.00 %
Post-employment Health Care Benefits	2.00
Total Employer	14.00 %
Employee	10.00 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$718,465 for 2015. Of this amount, \$54,150 is reported as an intergovernmental payable.

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

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

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

	Police	Firefighters
2015 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.0 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
 2015 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

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Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$892,732 for 2015. Of this amount \$63,615 is reported as an intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2015, the specific liability of the City was \$194,462 payable in semi-annual payments through the year 2035.

Pension Assets/Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions The net pension asset/liability for OPERS was measured as of December 31, 2014, and the total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension asset/liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
Proportionate Share of the Net Pension Asset	\$ 0	\$ 1,568	\$ 0	\$ 1,568
Proportionate Share of the Net Pension Liability	\$ 6,067,828	\$ 0	\$ 10,351,794	\$ 16,419,622
Proportion of the Net Pension Asset/Liability	0.05030900%	0.00407200%	0.19982550%	
Pension Expense	\$ 660,043	\$ 1,027	\$ 1,009,770	\$ 1,670,840

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	OPF	Total
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$ 323,761	\$ 96	\$ 446,152	\$ 770,009
City contributions subsequent to the measurement date	716,711	1,754	892,732	1,611,197
Total Deferred Outflows of Resources	<u>\$ 1,040,472</u>	<u>\$ 1,850</u>	<u>\$ 1,338,884</u>	<u>\$ 2,381,206</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	<u>\$ 106,600</u>	<u>\$ 478</u>	<u>\$ 0</u>	<u>\$ 107,078</u>

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\$1,611,197 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or addition of the net pension asset in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS		OPF	Total
	Traditional Plan	Combined Plan		
2016	\$ 31,754	\$ (33)	\$ 111,538	\$ 143,259
2017	31,754	(33)	111,538	143,259
2018	72,712	(33)	111,538	184,217
2019	80,941	(33)	111,538	192,446
2020	0	(57)	0	(57)
Thereafter	0	(193)	0	(193)
	<u>\$ 217,161</u>	<u>\$ (382)</u>	<u>\$ 446,152</u>	<u>\$ 662,931</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension asset/liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<u>Actuarial Information</u>	<u>Traditional Pension Plan</u>	<u>Combined Pension Plan</u>
Wage Inflation	3.75 percent	3.75 percent
Future Salary Increases, including inflation	4.25 percent to 10.05 percent, including wage inflation	4.25 percent to 8.05 percent, including wage inflation
COLA or Ad Hoc COLA	3.00 percent, simple	3.00 percent
Investment Rate of Return	8.00 percent	8.00 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

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The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other Investments	<u>18.00</u>	<u>4.59</u>
Total	<u>100.00 %</u>	<u>5.28 %</u>

Discount Rate The discount rate used to measure the total pension asset/liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/liability.

Sensitivity of the City's Proportionate Share of the Net Pension Asset/Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension asset/liability calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension asset/liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

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	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension (asset)/liability:			
Traditional Plan	\$ 11,163,064	\$ 6,067,828	\$ 1,776,411
Combined Plan	204	(1,568)	(2,973)

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11.00 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

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

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

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

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uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income*	20.00	1.62
Global Inflation Protected*	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00</u> %	

* levered 2x

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

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	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability:	\$ 14,318,097	\$ 10,351,794	\$ 6,993,541

NOTE 10 - POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

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Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, State and Local employers contributed at a rate of 14.0 percent of earnable salary and Public Safety and Law Enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2015, 2014, and 2013 were \$119,744, \$123,670 and \$59,808, respectively. For 2015, 92.5 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

Ohio Police and Fire Pension Fund

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contribution allocated to health care was 0.5 percent of covered payroll from January 1, 2015 through December 31, 2015. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OPF Board of Trustees 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 OPF, which were allocated to fund post-employment health care benefits, for police and firefighters were \$11,683 and \$9,549 for the year ended December 31, 2015, \$10,985 and \$8,909 for the year ended December 31, 2014, and \$80,582 and \$63,600 for the year ended December 31, 2013. 92.9 percent has been contributed for police and 92.8 percent has been contributed for firefighters for 2015. The full amount has been contributed for 2014 and 2013.

NOTE 11 - COMPENSATED ABSENCES

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

For all employees, except for firefighters, sick leave is earned at the rate of four and one 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. Payments upon retirement for union employees will be paid over three years. The full balance may be transferred to another governmental agency if not taken upon separation.

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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.

NOTE 12 - LONG-TERM OBLIGATIONS

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
General Obligation Bonds				
2006 Various Purpose Refunding Bonds	2006	2026	3.75%	\$ 7,365,000
2010 Various Purpose Bonds	2010	2030	2.00% - 4.375%	2,725,000
2013 Various Purpose Bonds	2013	2033	1.50%-4.00%	4,005,000
2015 Various Purpose Bonds	2015	2035	2.00%-4.00%	6,870,000
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	2045	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	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	2006	2027	4.42%	1,156,254
Water	2007	2038	4.17%	1,109,436
Water	2007	2028	3.25%	1,930,593
Water	2008	2038	4.78%	1,105,020
Water	2009	2030	3.70%	3,802,756
Water	2011	2042	3.49%	915,008 *
Water	2015	2035	2.91%	275,963 *

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

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A schedule of changes in long-term obligations of the City during 2015 follows:

	Restated Balance 1/1/15	Additions	Reductions	Balance 12/31/15	Due Within One Year
Governmental Activities					
<i>General Obligation Bonds</i>					
2006 Various Purpose Bonds	\$ 4,185,000	\$ 0	\$ (690,000)	\$ 3,495,000	\$ 720,000
2010 Various Purpose Bonds	2,445,000	0	(105,000)	2,340,000	65,000
2013 Various Purpose Bonds	3,905,000	0	(100,000)	3,805,000	100,000
2015 Various Purpose Bonds	0	6,748,000	0	6,748,000	233,000
<i>Total General Obligation Bonds</i>	<u>10,535,000</u>	<u>6,748,000</u>	<u>(895,000)</u>	<u>16,388,000</u>	<u>1,118,000</u>
<i>Bond Anticipation Notes</i>					
0.75% Various Improvement Notes	5,452,500	0	(5,452,500)	0	0
0.75% Various Improvement Notes	1,195,000	0	(1,195,000)	0	0
0.75% Various Improvement Notes	820,000	0	(820,000)	0	0
1.00% Various Improvement Notes	0	3,294,500	0	3,294,500	3,294,500
1.00% Various Improvement Notes	0	450,000	0	450,000	450,000
1.00% Various Improvement Notes	0	51,000	0	51,000	51,000
1.76% Various Improvement Notes	0	7,000,000	0	7,000,000	7,000,000
<i>Total Bond Anticipation Notes</i>	<u>7,467,500</u>	<u>10,795,500</u>	<u>(7,467,500)</u>	<u>10,795,500</u>	<u>10,795,500</u>
<i>OPWC Loans Payable</i>					
2009 Road Improvements	1,900,900	0	(47,523)	1,853,377	95,045
2012 Bridge Replacement	182,384	0	(10,133)	172,251	10,133
<i>Total OPWC Loans</i>	<u>2,083,284</u>	<u>0</u>	<u>(57,656)</u>	<u>2,025,628</u>	<u>105,178</u>
<i>Net Pension Liability</i>					
OPERS	4,782,379	110,514	0	4,892,893	0
OPF	9,732,129	619,665	0	10,351,794	0
<i>Total Net Pension Liability</i>	<u>14,514,508</u>	<u>730,179</u>	<u>0</u>	<u>15,244,687</u>	<u>0</u>
<i>Other Long Term Obligations</i>					
<i>Capital Lease Obligations:</i>					
Asphalt Truck	30,012	0	(30,012)	0	0
Caterpillar	98,358	0	(31,758)	66,600	32,775
<i>Total Capital Lease Obligations</i>	<u>128,370</u>	<u>0</u>	<u>(61,770)</u>	<u>66,600</u>	<u>32,775</u>
Unamortized Bond Premiums	144,632	346,478	(28,262)	462,848	28,262
Compensated Absences	993,652	173,753	(130,803)	1,036,602	198,270
Police and Fire Pension Liability	200,787	0	(6,325)	194,462	6,430
<i>Total Other Long Term Obligations</i>	<u>1,467,441</u>	<u>520,231</u>	<u>(227,160)</u>	<u>1,760,512</u>	<u>265,737</u>
Total Governmental Activities	<u>\$ 36,067,733</u>	<u>\$ 18,793,910</u>	<u>\$ (8,647,316)</u>	<u>\$ 46,214,327</u>	<u>\$ 12,284,415</u>

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	Restated Balance 1/1/15	Additions	Reductions	Balance 12/31/15	Due Within One Year
Business-Type Activities					
<i>General Obligation Bonds</i>					
2015 Various Purpose Bonds	\$ 0	\$ 122,000	\$ 0	\$ 122,000	\$ 2,000
<i>OWDA Loans</i>					
Water	657,110	0	(40,383)	616,727	42,187
Water	970,057	0	(24,959)	945,098	26,010
Water	1,426,980	0	(83,413)	1,343,567	88,701
Water	953,291	0	(21,884)	931,407	22,942
Water	3,247,549	0	(151,998)	3,095,551	157,673
Water	805,701	0	(26,423)	779,278	5,914
Water	0	963	0	963	963
Sewer	342,117	0	(34,429)	307,688	36,533
Sewer	229,940	0	(46,466)	183,474	49,040
Sewer	964,637	0	(30,065)	934,572	31,483
Sewer	593,300	0	(17,760)	575,540	18,432
Sewer	214,683	0	(16,585)	198,098	17,302
Sewer	96,822	0	(11,505)	85,317	11,910
<i>Total OWDA Loans</i>	<u>10,502,187</u>	<u>963</u>	<u>(505,870)</u>	<u>9,997,280</u>	<u>509,090</u>
<i>OPWC Loans</i>					
Sewer	212,787	0	(18,503)	194,284	18,504
Sewer	514,750	0	(35,500)	479,250	35,500
Sewer	20,364	0	0	20,364	0
Sewer	592,641	0	(9,877)	582,764	19,755
Water	13,576	0	0	13,576	0
<i>Total OPWC Loans</i>	<u>1,354,118</u>	<u>0</u>	<u>(63,880)</u>	<u>1,290,238</u>	<u>73,759</u>
Loan Payable	<u>320,157</u>	<u>0</u>	<u>(29,105)</u>	<u>291,052</u>	<u>19,404</u>
<i>Bond Anticipation Note</i>					
0.75% Various Improvement Note	860,000	0	(860,000)	0	0
0.75% Various Improvement Note	<u>300,000</u>	<u>0</u>	<u>(300,000)</u>	<u>0</u>	<u>0</u>
<i>Total Bond Anticipation Notes</i>	<u>1,160,000</u>	<u>0</u>	<u>(1,160,000)</u>	<u>0</u>	<u>0</u>
<i>Net Pension Liability</i>					
Water Revenue	908,032	20,983	0	929,015	0
Sewer Revenue	<u>240,365</u>	<u>5,555</u>	<u>0</u>	<u>245,920</u>	<u>0</u>
<i>Total Net Pension Liability</i>	<u>1,148,397</u>	<u>26,538</u>	<u>0</u>	<u>1,174,935</u>	<u>0</u>
<i>Other Long Term Obligations</i>					
Capital Lease Obligation:					
International	63,111	0	(30,878)	32,233	32,233
Compensated Absences	<u>104,499</u>	<u>3,291</u>	<u>(5,440)</u>	<u>102,350</u>	<u>5,567</u>
<i>Total Other Long Term Obligations</i>	<u>167,610</u>	<u>3,291</u>	<u>(36,318)</u>	<u>134,583</u>	<u>37,800</u>
Total Business-Type Activities	<u>\$ 14,652,469</u>	<u>\$ 152,792</u>	<u>\$ (1,795,173)</u>	<u>\$ 13,010,088</u>	<u>\$ 642,053</u>

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General Obligation Bonds - General obligations bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. The general obligation bonds will be retired from the general obligation debt service fund and water revenue fund. The general obligation bonds outstanding as of December 31, 2015 are to be repaid from both voted and unvoted property taxes levied on all taxable property located within the City, municipal income taxes, and transfers from the water revenue fund for exempt properties. Exempt properties include organizations exempt from taxation, such as colleges and churches, as well as property outside the City's jurisdiction who are provided water services from the City. The City assesses these exempt properties through a surcharge on their water bills to pay for the debt.

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

<u>2020 Term Bonds</u>		<u>2025 Term Bonds</u>		<u>2030 Term Bonds</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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>
2016	\$ 100,000	2020	\$ 250,000
2017	100,000	2021	260,000
2018	100,000	2022	270,000
2019	245,000	2023	270,000

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

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

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

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

The City has pledged future net customer revenue to repay \$9,217,038 and \$1,256,297 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 51.7 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 \$12,695,075 and \$950,099, 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 \$934,589 and \$1,807,604, respectively.

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

Notes Payable - In 2015, the City issued \$3,795,000 in various purpose bond anticipation notes to purchase vehicles and equipment for various departments and improvement and construction projects. This issue included a premium of \$27,100 which was expensed. In 2015, the City also issued \$7,000,000 in bond anticipation notes for the purpose of improving city-owned administrative offices, training facility and surrounding grounds leased to the Cleveland Browns. The notes will be paid by the general bond retirement fund.

Net Pension Liability - The City pays obligations related to employee compensation from the fund benefitting from their service.

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2015 are as follows:

Governmental Activities

Year	General Obligation Bonds		OPWC	Totals	
	Principal	Interest	Principal	Principal	Interest
2016	\$ 1,118,000	\$ 553,152	\$ 105,178	\$ 1,223,178	\$ 553,152
2017	1,145,000	515,876	105,178	1,250,178	515,876
2018	1,165,000	475,638	105,178	1,270,178	475,638
2019	825,000	432,351	105,178	930,178	432,351
2020	930,000	408,027	105,178	1,035,178	408,027
2021 - 2025	4,795,000	1,549,595	525,887	5,320,887	1,549,595
2026 - 2030	4,065,000	742,734	525,885	4,590,885	742,734
2031 - 2035	2,345,000	122,000	447,966	2,792,966	122,000
Total	<u>\$ 16,388,000</u>	<u>\$ 4,799,373</u>	<u>\$ 2,025,628</u>	<u>\$ 18,413,628</u>	<u>\$ 4,799,373</u>

On March 17, 2016, payment is due in full on the various purpose bond anticipation notes in the amount of \$3,795,500 plus interest at 1.0 percent. On October 6, 2016, payment is due in full on bond anticipation notes in the amount of \$7,000,000 plus interest at 1.76 percent.

Business-Type Activities

Year	OWDA (1)		OPWC (2)	Loan	General Obligation Bond		Total	
	Principal	Interest	Principal	Principal	Principal	Interest	Principal	Interest
2016	\$ 509,090	\$ 406,613	\$ 73,759	\$ 19,404	\$ 2,000	\$ 4,052	\$ 604,253	\$ 410,665
2017	523,398	349,783	73,759	19,404	5,000	4,012	621,561	353,795
2018	545,511	327,668	73,759	19,404	5,000	3,912	643,674	331,580
2019	538,998	304,578	73,759	19,404	5,000	3,812	637,161	308,390
2020	531,850	279,123	73,759	19,404	5,000	3,712	630,013	282,835
2021 - 2025	2,761,653	1,074,680	368,794	97,016	25,000	16,762	3,252,463	1,091,442
2026 - 2030	2,473,149	547,569	232,267	97,016	25,000	12,753	2,827,432	560,322
2031 - 2035	962,614	197,020	98,774	0	50,000	6,000	1,111,388	203,020
2036 - 2040	377,653	26,646	98,774	0	0	0	476,427	26,646
2040 - 2045	0	0	88,894	0	0	0	88,894	0
Total	<u>\$9,223,916</u>	<u>\$ 3,513,680</u>	<u>\$1,256,298</u>	<u>\$291,052</u>	<u>\$ 122,000</u>	<u>\$ 55,015</u>	<u>\$ 10,893,266</u>	<u>\$ 3,568,695</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

- (1) OWDA loans issued in 2011 and 2015 have not been fully drawn down, thus there are no amortization schedules available. These loans will have retirement payments in 2016 totaling \$6,877, and are reported as long term obligations due within one year. The net balance of the loans drawn totaling \$773,364 are reported as long term obligations due in more than one year and are not included in the above maturity schedule.
- (2) OPWC loan issued in 2013 has not been fully drawn down, thus there is no amortization schedule available. The balance of the loan drawn totaling \$33,940 is reported as long term obligations due in more than one year.

NOTE 13 - 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 amount to \$464,176 and 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.

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

Governmental Activities

Year Ending December 31,	<u>Caterpillar</u>
2016	\$ 34,906
2017	34,906
Minimum Lease Payments	69,812
Less Amount Representing Interest	<u>(3,212)</u>
Present Value of Net Lease Payments	<u>\$ 66,600</u>

Business-Type Activities

Year Ending December 31,	<u>International</u>
2016	\$ 33,648
Less Amount Representing Interest	<u>(1,415)</u>
Present Value of Net Lease Payments	<u>\$ 32,233</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 14 - OPERATING LEASES - LESSOR DISCLOSURE

The City leases space on its water tower for cellular antennae. The lease revenue due in 2015 amounted to \$84,156.

NOTE 15 - RISK MANAGEMENT

Property and Liability Insurance

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicles, and general liability risks including public officials' liability. The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2015, the City contracted with Public Entities Pool of Ohio for claims in excess of coverage provided by the fund for all risk of loss. Under this program, the general liability and property losses are covered to \$25,000 and \$50,000 respectively. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

The City has no claims liability at December 31, 2015 or 2014.

Medical Benefits

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

The City pays into the self-insurance internal service fund \$2,052 for family coverage and \$871 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 \$135.20 for single coverage or \$331.22 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, 2015

The claims liability of \$70,217 reported in the medical benefits internal service fund at December 31, 2015 is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims cost, including estimates of cost relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include unallocated claim adjustment expenses. Changes in the medical benefits internal service fund's claims liability amount in 2014 and 2015 were as follows and typically are retired within three months of year end:

	Balance January 1	Current Year Claims	Claim Payments	Balance December 31
2014	\$ 209,320	\$ 2,891,180	\$ 2,876,100	\$ 224,400
2015	\$ 224,400	\$ 1,888,414	\$ 2,042,597	\$ 70,217

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 16 - JOINTLY GOVERNED ORGANIZATIONS

Southwest Council of Governments

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

The Council has established two subsidiary organizations, the Southwest Emergency Response Team (SERT), which provides hazardous material protection and assistance, technical rescue, 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 2015, the City of Berea contributed \$15,000 to the Council. The Council's financial statements may be obtained by contacting Dana J. Kavander, CPA, Executive Director, 11 Berea Commons, Berea, Ohio 44017.

Southwest General Health Center

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 2015, the City of Berea contributed \$102,505.

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 2015, the Cemetery requested additional funds to pay for a Veteran's Memorial. In 2015, the City of Berea contributed \$10,000 to the Cemetery for operations and \$10,000 for the Veteran's Memorial.

Northeast Ohio Public Energy Council

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 100 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time ensuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Berea did not contribute to NOPEC during 2015. Financial information can be obtained by contacting Ron McVoy, the Board Chairman, at 175 South Main Street, Akron, Ohio 44308 or at the website www.nopec.org.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Regional Income Tax Agency

In 1971, 38 municipalities joined together to organize a Regional Council of Governments (RCOG) to administer tax collection and enforcement concerns facing member cities and villages. The first official act of the RCOG was to form the Regional Income Tax Agency (RITA). Today, RITA serves as the income tax collection agency for 239 municipalities throughout the State of Ohio. Financial information may be obtained by writing to RITA, 10107 Brecksville Road, Brecksville, Ohio 44141.

NOTE 17 – CONTINGENCIES

Litigation

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

Grants

The disbursement of funds received under federal and state grants generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any potential disallowed claims resulting from such an audit could become a liability of the City. However, City management believes any such disallowed claims would be immaterial on the overall financial position of the City at December 31, 2015.

NOTE 18 – COMMITMENTS

Encumbrance Commitments

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

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 36,028
General Capital Improvement Fund	184,593
Nonmajor Governmental Funds	<u>1,966,652</u>
	<u>\$ 2,187,273</u>

Contractual Commitments

As of December 31, 2015, the City had a contractual commitment in the amount of \$218,100 for a land installment contract.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 19 – SUBSEQUENT EVENTS

On March 28, 2016, the City refinanced a treasury investment in the amount of \$750,000 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 26, 2017.

On March 16, 2016, the City issued Various Purpose Bond Anticipation Notes in the amount of \$6,642,500 (of which \$4,458,500 was refinancing existing debt) at an interest rate of 1.5 percent to finance the costs of constructing improvements at Coe Lake, street resurfacing and the acquisition of various equipment, property and improvements.

On June 20, 2016, through Ordinance 5-9, Council approved rolling over the Bond Anticipation Notes for improving City owned administrative offices, training facilities and surrounding grounds leased to the Cleveland Browns.

On June 20, 2016, through Ordinance 6-4, Council approved the sale of bonds for the purpose of refunding Series 2006 Various Purpose Improvement and Refunding bonds.

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

	<u>2014</u>	<u>2013</u>
<i>Ohio Public Employees' Retirement System (OPERS) - Traditional Plan</i>		
City's Proportion of the Net Pension Liability (Asset)	0.0503090%	0.0503090%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,067,828	\$ 5,930,776
City's Covered-Employee Payroll	\$ 6,167,933	\$ 5,968,754
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	98.38%	99.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%
<i>Ohio Public Employees' Retirement System (OPERS) - Combined Plan</i>		
City's Proportion of the Net Pension Liability (Asset)	0.0040720%	0.0040720%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ (1,568)	\$ (427)
City's Covered-Employee Payroll	\$ 14,883	\$ 14,608
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	10.54%	2.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	114.83%	104.56%
<i>Ohio Police and Fire Pension Fund (OPF)</i>		
City's Proportion of the Net Pension Liability (Asset)	0.1998255%	0.1998255%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 10,351,794	\$ 9,732,129
City's Covered-Employee Payroll	\$ 3,978,838	\$ 3,980,738
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	260.17%	244.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available.

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Ohio Public Employees' Retirement System (OPERS) - Traditional Plan</i>			
Contractually Required Contribution	\$ 716,711	\$ 740,152	\$ 775,938
Contributions in Relation to the Contractually Required Contribution	<u>(716,711)</u>	<u>(740,152)</u>	<u>(775,938)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City's covered-employee payroll	\$ 5,972,592	\$ 6,167,933	\$ 5,968,754
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	13.00%
<i>Ohio Public Employees' Retirement System (OPERS) - Combined Plan</i>			
Contractually Required Contribution	\$ 1,754	\$ 1,786	\$ 1,899
Contributions in Relation to the Contractually Required Contribution	<u>(1,754)</u>	<u>(1,786)</u>	<u>(1,899)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City's covered-employee payroll	\$ 14,617	\$ 14,883	\$ 14,608
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	13.00%
<i>Ohio Police and Fire Pension Fund (OPF)</i>			
Contractually Required Contribution	\$ 892,732	\$ 836,257	\$ 705,855
Contributions in relation to the contractually required contribution	<u>(892,732)</u>	<u>(836,257)</u>	<u>(705,855)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City's covered-employee payroll	\$ 4,246,290	\$ 3,978,838	\$ 3,980,738
Contributions as a percentage of covered-employee payroll	21.02%	21.02%	17.73%

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

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
n/a						
n/a						
n/a						
n/a						
n/a						
n/a						
n/a						
n/a						
n/a						
n/a						
\$ 595,236	\$ 636,740	\$ 628,677	\$ 622,699	\$ 597,850	\$ 585,601	\$ 552,114
<u>(595,236)</u>	<u>(636,740)</u>	<u>(628,677)</u>	<u>(622,699)</u>	<u>(597,850)</u>	<u>(585,601)</u>	<u>(552,114)</u>
<u>\$ 0</u>						
\$ 4,044,258	\$ 4,311,948	\$ 4,263,870	\$ 4,234,396	\$ 4,069,347	\$ 3,975,977	\$ 4,008,152
14.72%	14.77%	14.74%	14.71%	14.69%	14.73%	13.77%

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**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

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

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

Nonmajor Special Revenue Funds

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

Recreation Fund

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

State Highway Fund

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

Street Maintenance Fund

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

Fire Pension Fund

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

Police Pension Fund

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

Safe Students Fund

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

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. This fund is classified with general fund for GAAP reporting purposes.

Street Lighting Fund

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

Berea Welfare Fund

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

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

Nonmajor Special Revenue Funds

Community Hospital Fund

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

Municipal Vehicle Tax Levy Fund

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

Law Enforcement Fund

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

Municipal Court Fund

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

Municipal Court Health Insurance Fund

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

Probation Services Fund

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

Indigent Driver Alcohol Treatment Fund

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

DUI Education Fund

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

Theft Diversion Fund

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

Indigent Driving School Fund

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

DUS Diversion Fund

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

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.

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

Nonmajor Special Revenue Funds

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, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Investments	\$ 1,476,550	\$ 2,790,605	\$ 4,267,155
Accounts Receivable	76,875	20,950	97,825
Intergovernmental Receivable	371,938	0	371,938
Taxes Receivable	736,129	0	736,129
Special Assessments Receivable	621,075	0	621,075
Materials and Supplies Inventory	152,760	0	152,760
<i>Total Assets</i>	<u>\$ 3,435,327</u>	<u>\$ 2,811,555</u>	<u>\$ 6,246,882</u>
Liabilities			
Accounts Payable	\$ 64,596	\$ 6,192	\$ 70,788
Accrued Wages	43,529	16,069	59,598
Intergovernmental Payable	104,672	11,851	116,523
<i>Total Liabilities</i>	<u>212,797</u>	<u>34,112</u>	<u>246,909</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	688,568	0	688,568
Delinquent Property Taxes	47,561	0	47,561
Unavailable Revenue	879,327	0	879,327
<i>Total Deferred Inflows of Resources</i>	<u>1,615,456</u>	<u>0</u>	<u>1,615,456</u>
Fund Balances			
Nonspendable	152,760	0	152,760
Restricted	1,423,984	1,515,398	2,939,382
Committed	30,330	1,262,045	1,292,375
<i>Total Fund Balances</i>	<u>1,607,074</u>	<u>2,777,443</u>	<u>4,384,517</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 3,435,327</u>	<u>\$ 2,811,555</u>	<u>\$ 6,246,882</u>

City of Berea
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$ 736,972	\$ 0	\$ 736,972
Special Assessments	667,397	0	667,397
Charges for Services	616,138	202,032	818,170
Licenses and Permits	0	38,578	38,578
Fines and Forfeitures	816,135	246,661	1,062,796
Intergovernmental	919,223	67,470	986,693
Interest	3,806	0	3,806
Rent	0	84,156	84,156
Contributions and Donations	19,911	8,500	28,411
Other	4,539	0	4,539
<i>Total Revenues</i>	<u>3,784,121</u>	<u>647,397</u>	<u>4,431,518</u>
Expenditures			
Current:			
General Government	803,886	0	803,886
Security of Persons and Property	1,601,923	0	1,601,923
Public Health	151,785	0	151,785
Leisure Time Services	1,653,654	0	1,653,654
Transportation	902,569	0	902,569
Capital Outlay	0	2,710,246	2,710,246
Debt Service:			
Principal Retirement	6,325	0	6,325
Interest and Fiscal Charges	8,466	0	8,466
<i>Total Expenditures</i>	<u>5,128,608</u>	<u>2,710,246</u>	<u>7,838,854</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,344,487)	(2,062,849)	(3,407,336)
Other Financing Sources (Uses)			
Issuance of General Obligation Bonds	0	1,197,000	1,197,000
Issuance of Notes	0	51,000	51,000
Transfers In	1,425,500	1,147,500	2,573,000
Transfers Out	(30,000)	0	(30,000)
<i>Total Other Financing Sources (Uses)</i>	<u>1,395,500</u>	<u>2,395,500</u>	<u>3,791,000</u>
<i>Net Change in Fund Balances</i>	51,013	332,651	383,664
<i>Fund Balances Beginning of Year</i>	<u>1,556,061</u>	<u>2,444,792</u>	<u>4,000,853</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,607,074</u>	<u>\$ 2,777,443</u>	<u>\$ 4,384,517</u>

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Recreation Fund	State Highway Fund	Street Maintenance Fund	Fire Pension Fund	Police Pension Fund
Assets					
Equity in Pooled Cash and Investments	\$ 51,443	\$ 31,879	\$ 61,648	\$ 33,944	\$ 40,745
Accounts Receivable	11,531	0	0	0	0
Intergovernmental Receivable	0	23,847	294,036	23,026	23,026
Taxes Receivable	0	0	0	325,176	325,176
Special Assessments Receivable	0	0	0	0	0
Materials and Supplies Inventory	0	0	152,760	0	0
<i>Total Assets</i>	<u>\$ 62,974</u>	<u>\$ 55,726</u>	<u>\$ 508,444</u>	<u>\$ 382,146</u>	<u>\$ 388,947</u>
Liabilities					
Accounts Payable	\$ 15,153	\$ 0	\$ 2,248	\$ 0	\$ 0
Accrued Wages	16,528	0	17,822	0	0
Intergovernmental Payable	19,163	0	11,586	32,899	32,228
<i>Total Liabilities</i>	<u>50,844</u>	<u>0</u>	<u>31,656</u>	<u>32,899</u>	<u>32,228</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	0	0	0	304,102	304,102
Delinquent Property Taxes	0	0	0	21,074	21,074
Unavailable Revenue	0	15,560	191,850	23,026	23,026
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>15,560</u>	<u>191,850</u>	<u>348,202</u>	<u>348,202</u>
Fund Balances					
Nonspendable	0	0	152,760	0	0
Restricted	0	40,166	132,178	1,045	8,517
Committed	12,130	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>12,130</u>	<u>40,166</u>	<u>284,938</u>	<u>1,045</u>	<u>8,517</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 62,974</u>	<u>\$ 55,726</u>	<u>\$ 508,444</u>	<u>\$ 382,146</u>	<u>\$ 388,947</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Safe Students Fund	DARE Grant Fund	Street Lighting Fund	Berea Welfare Fund	Community Hospital Fund
Assets					
Equity in Pooled Cash and Investments	\$ 0	\$ 0	\$ 404,589	\$ 18,200	\$ 0
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	4,790
Taxes Receivable	0	0	0	0	85,777
Special Assessments Receivable	0	0	621,075	0	0
Materials and Supplies Inventory	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,025,664</u>	<u>\$ 18,200</u>	<u>\$ 90,567</u>
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 45,250	\$ 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>45,250</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	0	0	0	0	80,364
Delinquent Property Taxes	0	0	0	0	5,413
Unavailable Revenue	0	0	621,075	0	4,790
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>621,075</u>	<u>0</u>	<u>90,567</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	0	0	359,339	0	0
Committed	0	0	0	18,200	0
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>0</u>	<u>359,339</u>	<u>18,200</u>	<u>0</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,025,664</u>	<u>\$ 18,200</u>	<u>\$ 90,567</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Municipal Vehicle Tax Levy Fund	Law Enforcement Fund	Municipal Court Health Insurance Fund	Probation Services Fund	Indigent Driver Alcohol Treatment Fund
Assets					
Equity in Pooled Cash and Investments	\$ 13,271	\$ 4,183	\$ 147	\$ 2,105	\$ 412,590
Accounts Receivable	0	0	5,317	20,719	1,729
Intergovernmental Receivable	3,213	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>\$ 16,484</u>	<u>\$ 4,183</u>	<u>\$ 5,464</u>	<u>\$ 22,824</u>	<u>\$ 414,319</u>
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 362	\$ 0
Accrued Wages	0	0	0	5,646	0
Intergovernmental Payable	0	0	0	5,093	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,101</u>	<u>0</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	0	0	0	0	0
Delinquent Property Taxes	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	16,484	4,183	5,464	11,723	414,319
Committed	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>16,484</u>	<u>4,183</u>	<u>5,464</u>	<u>11,723</u>	<u>414,319</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 16,484</u>	<u>\$ 4,183</u>	<u>\$ 5,464</u>	<u>\$ 22,824</u>	<u>\$ 414,319</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	DUI Education Fund	Theft Diversion Fund	Indigent Driving School Fund	DUS Diversion Fund	Court Computer Fund
Assets					
Equity in Pooled Cash and Investments	\$ 17,666	\$ 26,872	\$ 1,028	\$ 27,980	\$ 39,517
Accounts Receivable	0	1,081	0	3,713	10,685
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>\$ 17,666</u>	<u>\$ 27,953</u>	<u>\$ 1,028</u>	<u>\$ 31,693</u>	<u>\$ 50,202</u>
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages	0	459	0	482	1,177
Intergovernmental Payable	0	401	0	566	844
<i>Total Liabilities</i>	<u>0</u>	<u>860</u>	<u>0</u>	<u>1,048</u>	<u>2,021</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	0	0	0	0	0
Delinquent Property Taxes	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	17,666	27,093	1,028	30,645	48,181
Committed	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>17,666</u>	<u>27,093</u>	<u>1,028</u>	<u>30,645</u>	<u>48,181</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 17,666</u>	<u>\$ 27,953</u>	<u>\$ 1,028</u>	<u>\$ 31,693</u>	<u>\$ 50,202</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Court Computer Research Fund	Court Special Projects Fund	Indigent Defendant Alcohol Monitoring Fund	State Highway Patrol Fund	Municipal Court Magistrates Fund	Total Nonmajor Special Revenue Funds
Assets						
Equity in Pooled Cash and Investments	\$ 117,612	\$ 57,208	\$ 107,165	\$ 1,939	\$ 4,819	\$ 1,476,550
Accounts Receivable	3,221	10,908	1,550	0	6,421	76,875
Intergovernmental Receivable	0	0	0	0	0	371,938
Taxes Receivable	0	0	0	0	0	736,129
Special Assessments Receivable	0	0	0	0	0	621,075
Materials and Supplies Inventory	0	0	0	0	0	152,760
<i>Total Assets</i>	<u>\$ 120,833</u>	<u>\$ 68,116</u>	<u>\$ 108,715</u>	<u>\$ 1,939</u>	<u>\$ 11,240</u>	<u>\$ 3,435,327</u>
Liabilities						
Accounts Payable	\$ 0	\$ 1,583	\$ 0	\$ 0	\$ 0	\$ 64,596
Accrued Wages	0	0	0	0	1,415	43,529
Intergovernmental Payable	140	0	0	0	1,752	104,672
<i>Total Liabilities</i>	<u>140</u>	<u>1,583</u>	<u>0</u>	<u>0</u>	<u>3,167</u>	<u>212,797</u>
Deferred Inflows of Resources						
Property Taxes Levied for the Next Year	0	0	0	0	0	688,568
Delinquent Property Taxes	0	0	0	0	0	47,561
Unavailable Revenue	0	0	0	0	0	879,327
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,615,456</u>
Fund Balances						
Nonspendable	0	0	0	0	0	152,760
Restricted	120,693	66,533	108,715	1,939	8,073	1,423,984
Committed	0	0	0	0	0	30,330
<i>Total Fund Balances (Deficit)</i>	<u>120,693</u>	<u>66,533</u>	<u>108,715</u>	<u>1,939</u>	<u>8,073</u>	<u>1,607,074</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 120,833</u>	<u>\$ 68,116</u>	<u>\$ 108,715</u>	<u>\$ 1,939</u>	<u>\$ 11,240</u>	<u>\$ 3,435,327</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, 2015

	Recreation Fund	State Highway Fund	Street Maintenance Fund	Fire Pension Fund	Police Pension Fund
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 326,838	\$ 326,838
Special Assessments	0	0	0	0	0
Charges for Services	616,138	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	0	51,488	635,006	53,360	53,360
Interest	0	630	3,176	0	0
Contributions and Donations	0	0	0	0	0
Other	34	0	0	0	0
<i>Total Revenues</i>	<u>616,172</u>	<u>52,118</u>	<u>638,182</u>	<u>380,198</u>	<u>380,198</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	0	0	458,468	455,774
Public Health	0	0	0	0	0
Leisure Time Services	1,653,654	0	0	0	0
Transportation	0	24,000	845,711	0	0
Debt Service:					
Principal Retirement	0	0	0	1,624	4,701
Interest and Fiscal Charges	0	0	0	2,173	6,293
<i>Total Expenditures</i>	<u>1,653,654</u>	<u>24,000</u>	<u>845,711</u>	<u>462,265</u>	<u>466,768</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,037,482)	28,118	(207,529)	(82,067)	(86,570)
Other Financing Sources (Uses)					
Transfers In	1,060,000	0	217,000	55,000	50,000
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,060,000</u>	<u>0</u>	<u>217,000</u>	<u>55,000</u>	<u>50,000</u>
<i>Net Change in Fund Balances</i>	22,518	28,118	9,471	(27,067)	(36,570)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(10,388)</u>	<u>12,048</u>	<u>275,467</u>	<u>28,112</u>	<u>45,087</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 12,130</u>	<u>\$ 40,166</u>	<u>\$ 284,938</u>	<u>\$ 1,045</u>	<u>\$ 8,517</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, 2015

	Safe Students Fund	DARE Grant Fund	Street Lighting Fund	Berea Welfare Fund	Community Hospital Fund
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 83,296
Special Assessments	0	0	667,397	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	20,000	2,400	0	0	16,865
Interest	0	0	0	0	0
Contributions and Donations	0	0	0	19,911	0
Other	0	0	0	4,250	0
<i>Total Revenues</i>	<u>20,000</u>	<u>2,400</u>	<u>667,397</u>	<u>24,161</u>	<u>100,161</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	20,000	2,400	644,764	0	0
Public Health	0	0	0	51,624	100,161
Leisure Time Services	0	0	0	0	0
Transportation	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>2,400</u>	<u>644,764</u>	<u>51,624</u>	<u>100,161</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	22,633	(27,463)	0
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	0	22,633	(27,463)	0
<i>Fund Balances (Deficit) Beginning of Year</i>	0	0	336,706	45,663	0
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 359,339</u>	<u>\$ 18,200</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, 2015

	Municipal Vehicle Tax Levy Fund	Law Enforcement Fund	Municipal Court Health Insurance Fund	Probation Services Fund	Indigent Driver Alcohol Treatment 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	0	0	59,783	248,741	70,780
Intergovernmental	39,744	0	0	0	0
Interest	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Other	0	255	0	0	0
<i>Total Revenues</i>	<u>39,744</u>	<u>255</u>	<u>59,783</u>	<u>248,741</u>	<u>70,780</u>
Expenditures					
Current:					
General Government	0	0	66,731	289,022	9,325
Security of Persons and Property	0	20,517	0	0	0
Public Health	0	0	0	0	0
Leisure Time Services	0	0	0	0	0
Transportation	32,858	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>32,858</u>	<u>20,517</u>	<u>66,731</u>	<u>289,022</u>	<u>9,325</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	6,886	(20,262)	(6,948)	(40,281)	61,455
Other Financing Sources (Uses)					
Transfers In	0	0	3,500	25,000	0
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>3,500</u>	<u>25,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	6,886	(20,262)	(3,448)	(15,281)	61,455
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>9,598</u>	<u>24,445</u>	<u>8,912</u>	<u>27,004</u>	<u>352,864</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 16,484</u>	<u>\$ 4,183</u>	<u>\$ 5,464</u>	<u>\$ 11,723</u>	<u>\$ 414,319</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, 2015

	DUI Education Fund	Theft Diversion Fund	Indigent Driving School Fund	DUS Diversion Fund	Court Computer 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	1,554	21,743	0	33,696	123,164
Intergovernmental	0	0	0	0	47,000
Interest	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>1,554</u>	<u>21,743</u>	<u>0</u>	<u>33,696</u>	<u>170,164</u>
Expenditures					
Current:					
General Government	0	14,440	0	39,097	163,712
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
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>14,440</u>	<u>0</u>	<u>39,097</u>	<u>163,712</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	1,554	7,303	0	(5,401)	6,452
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	1,554	7,303	0	(5,401)	6,452
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>16,112</u>	<u>19,790</u>	<u>1,028</u>	<u>36,046</u>	<u>41,729</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 17,666</u>	<u>\$ 27,093</u>	<u>\$ 1,028</u>	<u>\$ 30,645</u>	<u>\$ 48,181</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, 2015

	Court Computer Research Fund	Court Special Projects Fund	Indigent Defendant Alcohol Monitoring Fund	State Highway Patrol Fund	Municipal Court Magistrates Fund	Total Nonmajor Special Revenue Funds
Revenues						
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 736,972
Special Assessments	0	0	0	0	0	667,397
Charges for Services	0	0	0	0	0	616,138
Fines and Forfeitures	36,361	125,494	17,601	3,731	73,487	816,135
Intergovernmental	0	0	0	0	0	919,223
Interest	0	0	0	0	0	3,806
Contributions and Donations	0	0	0	0	0	19,911
Other	0	0	0	0	0	4,539
<i>Total Revenues</i>	<u>36,361</u>	<u>125,494</u>	<u>17,601</u>	<u>3,731</u>	<u>73,487</u>	<u>3,784,121</u>
Expenditures						
Current:						
General Government	35,966	105,765	7,754	2,108	69,966	803,886
Security of Persons and Property	0	0	0	0	0	1,601,923
Public Health	0	0	0	0	0	151,785
Leisure Time Services	0	0	0	0	0	1,653,654
Transportation	0	0	0	0	0	902,569
Debt Service:						
Principal Retirement	0	0	0	0	0	6,325
Interest and Fiscal Charges	0	0	0	0	0	8,466
<i>Total Expenditures</i>	<u>35,966</u>	<u>105,765</u>	<u>7,754</u>	<u>2,108</u>	<u>69,966</u>	<u>5,128,608</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	395	19,729	9,847	1,623	3,521	(1,344,487)
Other Financing Sources (Uses)						
Transfers In	0	15,000	0	0	0	1,425,500
Transfers Out	0	(30,000)	0	0	0	(30,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(15,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,395,500</u>
<i>Net Change in Fund Balances</i>	395	4,729	9,847	1,623	3,521	51,013
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>120,298</u>	<u>61,804</u>	<u>98,868</u>	<u>316</u>	<u>4,552</u>	<u>1,556,061</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 120,693</u>	<u>\$ 66,533</u>	<u>\$ 108,715</u>	<u>\$ 1,939</u>	<u>\$ 8,073</u>	<u>\$ 1,607,074</u>

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2015

	Safety Capital Improvement Fund	Recreation Capital Improvement Fund	Neighborhood Improvement Fund
	<u> </u>	<u> </u>	<u> </u>
Assets			
Equity in Pooled Cash and Investments	\$ 550,784	\$ 626,647	\$ 118,726
Accounts Receivable	0	0	0
	<u> </u>	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>\$ 550,784</u>	<u>\$ 626,647</u>	<u>\$ 118,726</u>
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 6,192
Accrued Wages	0	0	16,069
Intergovernmental Payable	0	0	11,851
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>34,112</u>
Fund Balances			
Restricted	0	0	0
Committed	550,784	626,647	84,614
	<u> </u>	<u> </u>	<u> </u>
<i>Total Fund Balances (Deficit)</i>	<u>550,784</u>	<u>626,647</u>	<u>84,614</u>
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 550,784</u>	<u>\$ 626,647</u>	<u>\$ 118,726</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2015

	Court Capital Improvement Fund	Total Nonmajor Capital Projects Funds
Assets		
Equity in Pooled Cash and Investments	\$ 1,494,448	\$ 2,790,605
Accounts Receivable	20,950	20,950
	<u>\$ 1,515,398</u>	<u>\$ 2,811,555</u>
<i>Total Assets</i>		
Liabilities		
Accounts Payable	\$ 0	\$ 6,192
Accrued Wages	0	16,069
Intergovernmental Payable	0	11,851
	<u>0</u>	<u>34,112</u>
<i>Total Liabilities</i>		
Fund Balances		
Restricted	1,515,398	1,515,398
Committed	0	1,262,045
	<u>1,515,398</u>	<u>2,777,443</u>
<i>Total Fund Balances (Deficit)</i>		
<i>Total Liabilities and Fund Balances</i>	<u>\$ 1,515,398</u>	<u>\$ 2,811,555</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, 2015

	Safety Capital Improvement Fund	Recreation Capital Improvement Fund	Neighborhood Improvement Fund
Revenues			
Charges for Services	\$ 202,032	\$ 0	\$ 0
Licenses and Permits	0	0	38,578
Fines and Forfeitures	0	0	0
Intergovernmental	67,470	0	0
Rent	0	84,156	0
Contributions and Donations	0	4,500	4,000
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	269,502	88,656	42,578
	<hr/>	<hr/>	<hr/>
Expenditures			
Capital Outlay	187,222	1,725,682	631,139
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	187,222	1,725,682	631,139
	<hr/>	<hr/>	<hr/>
<i>Excess of Revenues Over (Under) Expenditures</i>	82,280	(1,637,026)	(588,561)
	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses)			
Issuance of General Obligation Bonds	50,000	1,147,000	0
Issuance of Notes	51,000	0	0
Transfers In	0	562,100	585,400
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	101,000	1,709,100	585,400
	<hr/>	<hr/>	<hr/>
<i>Net Change in Fund Balances</i>	183,280	72,074	(3,161)
	<hr/>	<hr/>	<hr/>
<i>Fund Balances Beginning of Year</i>	367,504	554,573	87,775
	<hr/>	<hr/>	<hr/>
<i>Fund Balances End of Year</i>	\$ 550,784	\$ 626,647	\$ 84,614
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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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, 2015

	Court Capital Improvement Fund	Total Nonmajor Capital Projects Funds
Revenues		
Charges for Services	\$ 0	\$ 202,032
Licenses and Permits	0	38,578
Fines and Forfeitures	246,661	246,661
Intergovernmental	0	67,470
Rent	0	84,156
Contributions and Donations	0	8,500
	246,661	647,397
<i>Total Revenues</i>		
Expenditures		
Capital Outlay	166,203	2,710,246
	166,203	2,710,246
<i>Total Expenditures</i>		
<i>Excess of Revenues Over (Under) Expenditures</i>	80,458	(2,062,849)
Other Financing Sources (Uses)		
Issuance of General Obligation Bonds	0	1,197,000
Issuance of Notes	0	51,000
Transfers In	0	1,147,500
	0	2,395,500
<i>Total Other Financing Sources (Uses)</i>		
<i>Net Change in Fund Balances</i>	80,458	332,651
<i>Fund Balances Beginning of Year</i>	1,434,940	2,444,792
<i>Fund Balances End of Year</i>	\$ 1,515,398	\$ 2,777,443

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**INDIVIDUAL FUND SCHEDULES OF
REVENUES, EXPENDITURES/EXPENSES
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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 1,690,157	\$ 1,690,157	\$ 0
Income Taxes	11,856,592	11,857,090	498
Other Local Taxes	332,958	332,958	0
Special Assessments	12,028	12,028	0
Intergovernmental	737,982	737,982	0
Charges for Services	244,181	245,716	1,535
Licenses and Permits	458,834	463,259	4,425
Fines and Forfeitures	65,670	65,670	0
Interest	129,245	129,245	0
Other	36,273	43,186	6,913
<i>Total Revenues</i>	<u>15,563,920</u>	<u>15,577,291</u>	<u>13,371</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police Department:			
Personal Services	2,707,117	2,666,839	40,278
Other	566,674	546,868	19,806
Total Police Department	<u>3,273,791</u>	<u>3,213,707</u>	<u>60,084</u>
Fire:			
Personal Services	1,952,656	1,939,343	13,313
Other	103,571	97,594	5,977
Total Fire Department	<u>2,056,227</u>	<u>2,036,937</u>	<u>19,290</u>
Total Security of Persons and Property	<u>5,330,018</u>	<u>5,250,644</u>	<u>79,374</u>
Leisure Time Services:			
Municipal Signage:			
Personal Services	72,163	70,861	1,302
Other	9,800	9,638	162
Total Municipal Signage	<u>81,963</u>	<u>80,499</u>	<u>1,464</u>
Public Grounds:			
Personal Services	348,855	347,915	940
Other	56,750	55,190	1,560
Total Public Grounds	<u>405,605</u>	<u>403,105</u>	<u>2,500</u>
Total Leisure Time Services	<u>487,568</u>	<u>483,604</u>	<u>3,964</u>
Community Development:			
Building Department:			
Personal Services	132,608	129,899	2,709
Other	50,375	48,555	1,820
Total Building Department	<u>182,983</u>	<u>178,454</u>	<u>4,529</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, 2015

	Final Budget	Actual	Variance with Final Budget
Engineering Department:			
Personal Services	180,000	173,851	6,149
Other	23,375	23,083	292
Total Engineering Department	203,375	196,934	6,441
Total Community Development	386,358	375,388	10,970
Public Works:			
Storm Sewers and Drains:			
Personal Services	22,000	18,705	3,295
Other	6,200	5,959	241
Total Storm Sewers and Drains	28,200	24,664	3,536
Refuse Collection and Disposal:			
Other	891,300	891,265	35
Leaf Collection:			
Personal Services	58,000	51,040	6,960
Other	3,950	3,284	666
Total Leaf Collection	61,950	54,324	7,626
Snow Removal:			
Personal Services	95,000	89,191	5,809
Other	168,850	167,734	1,116
Total Snow Removal	263,850	256,925	6,925
Total Public Works	1,245,300	1,227,178	18,122
General Government:			
Council:			
Personal Services	134,965	134,906	59
Other	4,950	3,869	1,081
Total Council	139,915	138,775	1,140
Mayor:			
Personal Services	125,031	124,193	838
Other	3,850	2,549	1,301
Total Mayor	128,881	126,742	2,139
Finance			
Personal Services	302,376	294,685	7,691
Other	9,675	9,152	523
Total Finance	312,051	303,837	8,214

(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, 2015

	Final Budget	Actual	Variance with Final Budget
Law:			
Personal Services	192,706	192,228	478
Other	12,150	11,681	469
Total Law	<u>204,856</u>	<u>203,909</u>	<u>947</u>
Civil Service Commission:			
Other	8,500	123	8,377
Public Safety:			
Personal Services	45,005	45,000	5
Other	3,910	725	3,185
Total Public Safety	<u>48,915</u>	<u>45,725</u>	<u>3,190</u>
Municipal Fleet and Equipment:			
Personal Services	192,500	192,071	429
Other	189,700	188,842	858
Total Municipal Fleet and Equipment	<u>382,200</u>	<u>380,913</u>	<u>1,287</u>
Municipal Building:			
Personal Services	74,500	67,696	6,804
Other	380,000	379,877	123
Total Municipal Building	<u>454,500</u>	<u>447,573</u>	<u>6,927</u>
Service Administration:			
Personal Services	83,427	78,288	5,139
Other	7,520	7,092	428
Total Service Administration	<u>90,947</u>	<u>85,380</u>	<u>5,567</u>
Planning and Development:			
Other	11,500	9,450	2,050
Administration:			
Personal Services	2,173,847	2,138,933	34,914
Other	953,075	871,671	81,404
Total Administration	<u>3,126,922</u>	<u>3,010,604</u>	<u>116,318</u>
Total General Government	<u>4,909,187</u>	<u>4,753,031</u>	<u>156,156</u>
<i>Total Expenditures</i>	<u>12,358,431</u>	<u>12,089,845</u>	<u>268,586</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,205,489</u>	<u>3,487,446</u>	<u>281,957</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, 2015

	Final Budget	Actual	Variance with Final Budget
Other Financing Sources (Uses)			
Advances In	173,045	173,045	0
Advances Out	(278,045)	(278,045)	0
Transfers Out	(3,392,206)	(3,392,206)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(3,497,206)</u>	<u>(3,497,206)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(291,717)	(9,760)	281,957
<i>Fund Balance (Deficit) Beginning of Year</i>	2,672,789	2,672,789	0
Prior Year Encumbrances Appropriated	<u>30,108</u>	<u>30,108</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 2,411,180</u>	<u>\$ 2,693,137</u>	<u>\$ 281,957</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Bond Retirement Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 1,344,200	\$ 1,344,200	\$ 0
Intergovernmental	237,189	237,189	0
Investment Income	10,000	10,000	0
Special Assessments	10,842	10,842	0
<i>Total Revenues</i>	<u>1,602,231</u>	<u>1,602,231</u>	<u>0</u>
Expenditures			
Current:			
General Government			
Other	275,000	274,026	974
Debt Service:			
Principal Retirement	8,362,500	8,362,500	0
Interest and Fiscal Charges	389,655	389,655	0
Bond Issuance Costs	201,223	201,223	0
Total Debt Service	<u>8,953,378</u>	<u>8,953,378</u>	<u>0</u>
<i>Total Expenditures</i>	<u>9,228,378</u>	<u>9,227,404</u>	<u>974</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(7,626,147)</u>	<u>(7,625,173)</u>	<u>974</u>
Other Financing Sources (Uses)			
Issuance of General Obligation Bonds	5,183,000	5,183,000	0
Issuance of Notes	3,294,500	3,294,500	0
Premium on Debt Issued	373,578	373,578	0
Transfers Out	<u>(1,160,000)</u>	<u>(1,160,000)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>7,691,078</u>	<u>7,691,078</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	64,931	65,905	974
<i>Fund Balance (Deficit) Beginning of Year</i>	2,811,386	2,811,386	0
<i>Prior Year Encumbrances Appropriated</i>	<u>1,250</u>	<u>1,250</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 2,877,567</u>	<u>\$ 2,878,541</u>	<u>\$ 974</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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 425,098	\$ 425,098	\$ 0
Other	57,887	57,887	0
<i>Total Revenues</i>	<u>482,985</u>	<u>482,985</u>	<u>0</u>
Expenditures			
Capital Outlay	2,709,046	2,353,348	355,698
Debt Service:			
Principal Retirement	1,119,426	1,119,426	0
Interest and Fiscal Charges	14,585	14,585	0
Total Debt Service	<u>1,134,011</u>	<u>1,134,011</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,843,057</u>	<u>3,487,359</u>	<u>355,698</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,360,072)</u>	<u>(3,004,374)</u>	<u>355,698</u>
Other Financing Sources (Uses)			
Issuance of General Obligation Bonds	368,000	368,000	0
Issuance of Notes	8,450,000	8,450,000	0
Transfers In	838,000	838,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>9,656,000</u>	<u>9,656,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	6,295,928	6,651,626	355,698
<i>Fund Balance (Deficit) Beginning of Year</i>	502,509	502,509	0
<i>Prior Year Encumbrances Appropriated</i>	<u>665,564</u>	<u>665,564</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 7,464,001</u>	<u>\$ 7,819,699</u>	<u>\$ 355,698</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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$ 599,023	\$ 604,607	\$ 5,584
Other	34	34	0
<i>Total Revenues</i>	<u>599,057</u>	<u>604,641</u>	<u>5,584</u>
Expenditures			
Current:			
Leisure Time Activities:			
Personal Services	892,611	881,336	11,275
Other	800,427	786,400	14,027
<i>Total Expenditures</i>	<u>1,693,038</u>	<u>1,667,736</u>	<u>25,302</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,093,981)</u>	<u>(1,063,095)</u>	<u>30,886</u>
Other Financing Sources (Uses)			
Transfers In	1,060,000	1,060,000	0
<i>Net Change in Fund Balance</i>	(33,981)	(3,095)	30,886
<i>Fund Balance (Deficit) Beginning of Year</i>	24,615	24,615	0
<i>Prior Year Encumbrances Appropriated</i>	19,104	19,104	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 9,738</u>	<u>\$ 40,624</u>	<u>\$ 30,886</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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 51,697	\$ 52,282	\$ 585
Investment Income	630	630	0
<i>Total Revenues</i>	<u>52,327</u>	<u>52,912</u>	<u>585</u>
Expenditures			
Current:			
Transportation			
Other	50,000	24,000	26,000
<i>Total Expenditures</i>	<u>50,000</u>	<u>24,000</u>	<u>26,000</u>
<i>Net Change in Fund Balance</i>	2,327	28,912	26,585
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>2,966</u>	<u>2,966</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 5,293</u>	<u>\$ 31,878</u>	<u>\$ 26,585</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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 637,603	\$ 644,814	\$ 7,211
Investment Income	3,176	3,176	0
<i>Total Revenues</i>	<u>640,779</u>	<u>647,990</u>	<u>7,211</u>
Expenditures			
Current:			
Transportation			
Personal Services	716,163	697,756	18,407
Other	163,500	161,270	2,230
<i>Total Expenditures</i>	<u>879,663</u>	<u>859,026</u>	<u>20,637</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(238,884)</u>	<u>(211,036)</u>	<u>27,848</u>
Other Financing Sources (Uses)			
Transfers In	217,000	217,000	0
<i>Net Change in Fund Balance</i>	(21,884)	5,964	27,848
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>52,903</u>	<u>52,903</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 31,019</u>	<u>\$ 58,867</u>	<u>\$ 27,848</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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 326,838	\$ 326,838	\$ 0
Intergovernmental	53,360	53,360	0
<i>Total Revenues</i>	<u>380,198</u>	<u>380,198</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Personal Services	463,035	461,175	1,860
<i>Total Expenditures</i>	<u>463,035</u>	<u>461,175</u>	<u>1,860</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(82,837)</u>	<u>(80,977)</u>	<u>1,860</u>
Other Financing Sources (Uses)			
Transfers In	55,000	55,000	0
<i>Net Change in Fund Balance</i>	(27,837)	(25,977)	1,860
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>59,920</u>	<u>59,920</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 32,083</u>	<u>\$ 33,943</u>	<u>\$ 1,860</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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 326,838	\$ 326,838	\$ 0
Intergovernmental	53,360	53,360	0
<i>Total Revenues</i>	<u>380,198</u>	<u>380,198</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Personal Services	469,083	465,664	3,419
<i>Total Expenditures</i>	<u>469,083</u>	<u>465,664</u>	<u>3,419</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(88,885)</u>	<u>(85,466)</u>	<u>3,419</u>
Other Financing Sources (Uses)			
Transfers In	50,000	50,000	0
<i>Net Change in Fund Balance</i>	(38,885)	(35,466)	3,419
<i>Fund Balance (Deficit) Beginning of Year</i>	76,211	76,211	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 37,326</u>	<u>\$ 40,745</u>	<u>\$ 3,419</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, 2015

	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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 2,400	\$ 2,400	\$ 0
<i>Total Revenues</i>	<u>2,400</u>	<u>2,400</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	2,400	2,400	0
<i>Total Expenditures</i>	<u>2,400</u>	<u>2,400</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
Animal Control Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 380	\$ 380	\$ 0
<i>Total Revenues</i>	<u>380</u>	<u>380</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	445	445	0
<i>Total Expenditures</i>	<u>445</u>	<u>445</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(65)	(65)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>75</u>	<u>75</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 10</u></u>	<u><u>\$ 10</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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Special Assessments	\$ 667,397	\$ 667,397	\$ 0
<i>Total Revenues</i>	<u>667,397</u>	<u>667,397</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	832,400	722,963	109,437
<i>Total Expenditures</i>	<u>832,400</u>	<u>722,963</u>	<u>109,437</u>
<i>Net Change in Fund Balance</i>	(165,003)	(55,566)	109,437
<i>Fund Balance (Deficit) Beginning of Year</i>	276,892	276,892	0
Prior Year Encumbrances Appropriated	<u>112,604</u>	<u>112,604</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 224,493</u>	<u>\$ 333,930</u>	<u>\$ 109,437</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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Contributions and Donations	\$ 19,486	\$ 19,911	\$ 425
Other	4,180	4,250	70
<i>Total Revenues</i>	<u>23,666</u>	<u>24,161</u>	<u>495</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	67,500	52,592	14,908
<i>Total Expenditures</i>	<u>67,500</u>	<u>52,592</u>	<u>14,908</u>
<i>Net Change in Fund Balance</i>	(43,834)	(28,431)	15,403
<i>Fund Balance (Deficit) Beginning of Year</i>	44,336	44,336	0
Prior Year Encumbrances Appropriated	<u>1,327</u>	<u>1,327</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 1,829</u></u>	<u><u>\$ 17,232</u></u>	<u><u>\$ 15,403</u></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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 83,296	\$ 83,296	\$ 0
Intergovernmental	16,865	16,865	0
<i>Total Revenues</i>	<u>100,161</u>	<u>100,161</u>	<u>0</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	100,161	100,161	0
<i>Total Expenditures</i>	<u>100,161</u>	<u>100,161</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Vehicle Tax Levy Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 39,676	\$ 39,676	\$ 0
<i>Total Revenues</i>	<u>39,676</u>	<u>39,676</u>	<u>0</u>
Expenditures			
Current:			
Transportation:			
Other	40,000	32,858	7,142
<i>Total Expenditures</i>	<u>40,000</u>	<u>32,858</u>	<u>7,142</u>
<i>Net Change in Fund Balance</i>	(324)	6,818	7,142
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>6,455</u>	<u>6,455</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 6,131</u></u>	<u><u>\$ 13,273</u></u>	<u><u>\$ 7,142</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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 255	\$ 255	\$ 0
<i>Total Revenues</i>	<u>255</u>	<u>255</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	24,000	20,517	3,483
<i>Total Expenditures</i>	<u>24,000</u>	<u>20,517</u>	<u>3,483</u>
<i>Net Change in Fund Balance</i>	(23,745)	(20,262)	3,483
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>24,445</u>	<u>24,445</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 700</u></u>	<u><u>\$ 4,183</u></u>	<u><u>\$ 3,483</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Court Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 1,396,189	\$ 1,396,379	\$ 190
Refunds and Reimbursements	38,421	38,421	0
<i>Total Revenues</i>	<u>1,434,610</u>	<u>1,434,800</u>	<u>190</u>
Expenditures			
Current:			
General Government:			
Municipal Court:			
Personal Services	1,247,522	1,229,084	18,438
Other	151,068	144,798	6,270
<i>Total Expenditures</i>	<u>1,398,590</u>	<u>1,373,882</u>	<u>24,708</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>36,020</u>	<u>60,918</u>	<u>(24,518)</u>
Other Financing Sources (Uses)			
Advances In	107,345	107,345	0
Advances Out	(152,345)	(152,345)	0
Transfers In	39,706	39,706	0
Transfers Out	(28,500)	(28,500)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(33,794)</u>	<u>(33,794)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	2,226	27,124	24,898
<i>Fund Balance (Deficit) Beginning of Year</i>	7,381	7,381	0
Prior Year Encumbrances Appropriated	2,036	2,036	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 11,643</u>	<u>\$ 36,541</u>	<u>\$ 24,898</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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 58,091	\$ 58,091	\$ 0
<i>Total Revenues</i>	<u>58,091</u>	<u>58,091</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	66,731	66,731	0
<i>Total Expenditures</i>	<u>66,731</u>	<u>66,731</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(8,640)</u>	<u>(8,640)</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers In	3,500	3,500	0
<i>Net Change in Fund Balance</i>	(5,140)	(5,140)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>5,287</u>	<u>5,287</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 147</u>	<u>\$ 147</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
Probation Services Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 247,493	\$ 247,493	\$ 0
<i>Total Revenues</i>	<u>247,493</u>	<u>247,493</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	255,350	254,823	527
Other	35,881	35,613	268
<i>Total Expenditures</i>	<u>291,231</u>	<u>290,436</u>	<u>795</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(43,738)</u>	<u>(42,943)</u>	<u>(795)</u>
Other Financing Sources (Uses)			
Advances In	20,700	20,700	0
Advances Out	(20,700)	(20,700)	0
Transfers In	25,000	25,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>25,000</u>	<u>25,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(18,738)	(17,943)	795
<i>Fund Balance (Deficit) Beginning of Year</i>	17,750	17,750	0
Prior Year Encumbrances Appropriated	988	988	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 795</u>	<u>\$ 795</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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 72,428	\$ 72,428	\$ 0
<i>Total Revenues</i>	<u>72,428</u>	<u>72,428</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	349,486	12,900	336,586
<i>Total Expenditures</i>	<u>349,486</u>	<u>12,900</u>	<u>336,586</u>
<i>Net Change in Fund Balance</i>	(277,058)	59,528	336,586
<i>Fund Balance (Deficit) Beginning of Year</i>	348,738	348,738	0
Prior Year Encumbrances Appropriated	<u>750</u>	<u>750</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 72,430</u></u>	<u><u>\$ 409,016</u></u>	<u><u>\$ 336,586</u></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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 1,700	\$ 1,700	\$ 0
<i>Total Revenues</i>	<u>1,700</u>	<u>1,700</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>	(10,812)	1,700	12,512
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>15,965</u>	<u>15,965</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 5,153</u></u>	<u><u>\$ 17,665</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 Diversion Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 21,524	\$ 21,524	\$ 0
<i>Total Revenues</i>	<u>21,524</u>	<u>21,524</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	21,970	13,925	8,045
Other	1,000	0	1,000
<i>Total Expenditures</i>	<u>22,970</u>	<u>13,925</u>	<u>9,045</u>
<i>Net Change in Fund Balance</i>	(1,446)	7,599	9,045
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>19,273</u>	<u>19,273</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 17,827</u>	<u>\$ 26,872</u>	<u>\$ 9,045</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues	\$ 0	\$ 0	\$ 0
Expenditures			
Current:			
General Government:			
Other	<u>1,028</u>	<u>0</u>	<u>1,028</u>
<i>Total Expenditures</i>	<u>1,028</u>	<u>0</u>	<u>1,028</u>
<i>Net Change in Fund Balance</i>	(1,028)	0	1,028
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>1,028</u>	<u>1,028</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 1,028</u></u>	<u><u>\$ 1,028</u></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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 32,568	\$ 32,568	\$ 0
<i>Total Revenues</i>	<u>32,568</u>	<u>32,568</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Council:			
Personal Services	47,424	39,247	8,177
<i>Total Expenditures</i>	<u>47,424</u>	<u>39,247</u>	<u>8,177</u>
<i>Net Change in Fund Balance</i>	(14,856)	(6,679)	8,177
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>34,659</u>	<u>34,659</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 19,803</u>	<u>\$ 27,980</u>	<u>\$ 8,177</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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 47,000	\$ 47,000	\$ 0
Fines and Forfeitures	121,335	121,335	0
<i>Total Revenues</i>	<u>168,335</u>	<u>168,335</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	54,253	34,667	19,586
Other	144,500	133,343	11,157
<i>Total Expenditures</i>	<u>198,753</u>	<u>168,010</u>	<u>30,743</u>
<i>Net Change in Fund Balance</i>	(30,418)	325	30,743
<i>Fund Balance (Deficit) Beginning of Year</i>	33,252	33,252	0
Prior Year Encumbrances Appropriated	1,589	1,589	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 4,423</u>	<u>\$ 35,166</u>	<u>\$ 30,743</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fines and Forfeitures	\$ 35,815	\$ 35,815	\$ 0
<i>Total Revenues</i>	<u>35,815</u>	<u>35,815</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	15,936	10,786	5,150
Other	<u>100,000</u>	<u>26,498</u>	<u>73,502</u>
<i>Total Expenditures</i>	<u>115,936</u>	<u>37,284</u>	<u>78,652</u>
<i>Net Change in Fund Balance</i>	(80,121)	(1,469)	78,652
<i>Fund Balance (Deficit) Beginning of Year</i>	118,356	118,356	0
Prior Year Encumbrances Appropriated	<u>53</u>	<u>53</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 38,288</u></u>	<u><u>\$ 116,940</u></u>	<u><u>\$ 78,652</u></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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 123,677	\$ 123,677	\$ 0
<i>Total Revenues</i>	<u>123,677</u>	<u>123,677</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	125,000	118,814	6,186
<i>Total Expenditures</i>	<u>125,000</u>	<u>118,814</u>	<u>6,186</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,323)</u>	<u>4,863</u>	<u>6,186</u>
Other Financing Sources (Uses)			
Transfers In	15,000	15,000	0
Transfers Out	(30,000)	(30,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(15,000)</u>	<u>(15,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(16,323)	(10,137)	6,186
<i>Fund Balance (Deficit) Beginning of Year</i>	52,620	52,620	0
Prior Year Encumbrances Appropriated	3,460	3,460	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 39,757</u>	<u>\$ 45,943</u>	<u>\$ 6,186</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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 17,308	\$ 17,308	\$ 0
<i>Total Revenues</i>	<u>17,308</u>	<u>17,308</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	90,000	8,474	81,526
<i>Total Expenditures</i>	<u>90,000</u>	<u>8,474</u>	<u>81,526</u>
<i>Net Change in Fund Balance</i>	(72,692)	8,834	81,526
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>97,611</u>	<u>97,611</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 24,919</u></u>	<u><u>\$ 106,445</u></u>	<u><u>\$ 81,526</u></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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 4,047	\$ 4,047	\$ 0
<i>Total Revenues</i>	<u>4,047</u>	<u>4,047</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	3,526	2,108	1,418
<i>Total Expenditures</i>	<u>3,526</u>	<u>2,108</u>	<u>1,418</u>
<i>Net Change in Fund Balance</i>	521	1,939	1,418
<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>\$ 521</u></u>	<u><u>\$ 1,939</u></u>	<u><u>\$ 1,418</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 Magistrates Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 72,394	\$ 72,394	\$ 0
<i>Total Revenues</i>	<u>72,394</u>	<u>72,394</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	69,341	69,173	168
Other	329	0	329
<i>Total Expenditures</i>	<u>69,670</u>	<u>69,173</u>	<u>497</u>
<i>Net Change in Fund Balance</i>	2,724	3,221	497
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>1,598</u>	<u>1,598</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 4,322</u>	<u>\$ 4,819</u>	<u>\$ 497</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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 67,470	\$ 67,470	\$ 0
Charges for Services	202,032	202,032	0
<i>Total Revenues</i>	<u>269,502</u>	<u>269,502</u>	<u>0</u>
Expenditures			
Capital Outlay:			
Other	353,690	231,819	121,871
<i>Total Expenditures</i>	<u>353,690</u>	<u>231,819</u>	<u>121,871</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(84,188)</u>	<u>37,683</u>	<u>121,871</u>
Other Financing Sources (Uses)			
Issuance of General Obligation Bonds	50,000	50,000	0
Issuance of Notes	51,000	51,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>101,000</u>	<u>101,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	16,812	138,683	121,871
<i>Fund Balance (Deficit) Beginning of Year</i>	366,922	366,922	0
Prior Year Encumbrances Appropriated	13,750	13,750	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 397,484</u>	<u>\$ 519,355</u>	<u>\$ 121,871</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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Rent	\$ 20,000	\$ 84,156	\$ 64,156
Other	4,500	4,500	0
<i>Total Revenues</i>	<u>24,500</u>	<u>88,656</u>	<u>64,156</u>
Expenditures			
Capital Outlay:			
Other	2,249,673	2,233,684	15,989
<i>Total Expenditures</i>	<u>2,249,673</u>	<u>2,233,684</u>	<u>15,989</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,225,173)</u>	<u>(2,145,028)</u>	<u>80,145</u>
Other Financing Sources (Uses)			
Issuance of General Obligation Bonds	1,147,000	1,147,000	0
Transfers In	562,100	562,100	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,709,100</u>	<u>1,709,100</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(516,073)	(435,928)	80,145
<i>Fund Balance (Deficit) Beginning of Year</i>	104,727	104,727	0
<i>Prior Year Encumbrances Appropriated</i>	449,845	449,845	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 38,499</u>	<u>\$ 118,644</u>	<u>\$ 80,145</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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Licenses and Permits	\$ 37,703	\$ 38,578	\$ 875
Other	4,000	4,000	0
<i>Total Revenues</i>	<u>41,703</u>	<u>42,578</u>	<u>875</u>
Expenditures			
Capital Outlay:			
Personal Services	557,814	452,074	105,740
Other	173,484	172,233	1,251
<i>Total Expenditures</i>	<u>731,298</u>	<u>624,307</u>	<u>106,991</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(689,595)</u>	<u>(581,729)</u>	<u>107,866</u>
Other Financing Sources (Uses)			
Transfers In	585,400	585,400	0
<i>Net Change in Fund Balance</i>	(104,195)	3,671	107,866
<i>Fund Balance (Deficit) Beginning of Year</i>	98,244	98,244	0
<i>Prior Year Encumbrances Appropriated</i>	12,273	12,273	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 6,322</u>	<u>\$ 114,188</u>	<u>\$ 107,866</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, 2015

	Final Budget	Actual	Variance with Final Budget
Revenues			
Licenses and Permits	\$ 243,333	\$ 243,333	\$ 0
<i>Total Revenues</i>	<u>243,333</u>	<u>243,333</u>	<u>0</u>
Expenditures			
Capital Outlay:			
Other	1,553,000	1,495,386	57,614
<i>Total Expenditures</i>	<u>1,553,000</u>	<u>1,495,386</u>	<u>57,614</u>
<i>Net Change in Fund Balance</i>	(1,309,667)	(1,252,053)	57,614
<i>Fund Balance (Deficit) Beginning of Year</i>	1,415,838	1,415,838	0
Prior Year Encumbrances Appropriated	<u>1,480</u>	<u>1,480</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 107,651</u>	<u>\$ 165,265</u>	<u>\$ 57,614</u>

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

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

Medical Benefits Fund

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

Property/Liability Insurance Fund

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

Workers Compensation Fund

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

City of Berea
Cuyahoga County, Ohio
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2015

	<u>Medical Benefits Fund</u>	<u>Property/ Liability Insurance Fund</u>	<u>Workers Compensation Fund</u>	<u>Totals</u>
Assets				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 357,638	\$ 30,328	\$ 766,090	\$ 1,154,056
Liabilities				
Current Liabilities:				
Claims Payable	70,217	0	0	70,217
Net Position				
Unrestricted (Deficit)	<u>\$ 287,421</u>	<u>\$ 30,328</u>	<u>\$ 766,090</u>	<u>\$ 1,083,839</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, 2015

	Medical Benefits Fund	Property/ Liability Insurance Fund	Workers Compensation Fund	Totals
Operating Revenues				
Charges for Services	\$ 2,611,036	\$ 336,000	\$ 385,901	\$ 3,332,937
Reimbursements	108,201	0	0	108,201
Other	0	0	10,860	10,860
<i>Total Operating Revenues</i>	<u>2,719,237</u>	<u>336,000</u>	<u>396,761</u>	<u>3,451,998</u>
Operating Expenses				
Contractual Services	355,955	304,114	256,896	916,965
Claims	1,878,414	10,000	0	1,888,414
Other	3,351	0	0	3,351
<i>Total Operating Expenses</i>	<u>2,237,720</u>	<u>314,114</u>	<u>256,896</u>	<u>2,808,730</u>
<i>Operating Income (Loss)</i>	481,517	21,886	139,865	643,268
<i>Net Position Beginning of Year</i>	<u>(194,096)</u>	<u>8,442</u>	<u>626,225</u>	<u>440,571</u>
<i>Net Position End of Year</i>	<u>\$ 287,421</u>	<u>\$ 30,328</u>	<u>\$ 766,090</u>	<u>\$ 1,083,839</u>

City of Berea
Cuyahoga County, Ohio
Combining Statement of Cash Flows-
Internal Service Funds
December 31, 2015

	Medical Benefits Fund	Property/ Liability Insurance Fund	Workers Compensation Fund	Total Internal Service Funds
Cash Flows From Operating Activities				
Cash Received from Customers	\$ 2,719,237	\$ 336,000	\$ 385,901	\$ 3,441,138
Cash Received from Refunds and Reimbursement	0	0	10,860	10,860
Cash Payments for Contractual and Other Services	(359,306)	(304,114)	(256,896)	(920,316)
Cash Payments for Claims	(2,032,597)	(10,000)	0	(2,042,597)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>327,334</u>	<u>21,886</u>	<u>139,865</u>	<u>489,085</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	327,334	21,886	139,865	489,085
<i>Cash and Investments Beginning of Year</i>	<u>30,304</u>	<u>8,442</u>	<u>626,225</u>	<u>664,971</u>
<i>Cash and Investments End of Year</i>	<u>\$ 357,638</u>	<u>\$ 30,328</u>	<u>\$ 766,090</u>	<u>\$ 1,154,056</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities				
Operating Income (Loss)	\$ 481,517	\$ 21,886	\$ 139,865	\$ 643,268
Adjustments:				
Increase (Decrease) in Liabilities:				
Claims Payable	(154,183)	0	0	(154,183)
<i>Total Adjustments</i>	<u>(154,183)</u>	<u>0</u>	<u>0</u>	<u>(154,183)</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ 327,334</u>	<u>\$ 21,886</u>	<u>\$ 139,865</u>	<u>\$ 489,085</u>

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

Fiduciary Funds

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

Agency Funds

Regional Sewer Fund

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

Contract Retainer Fund

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

Guarantee Deposits Fund

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

Ohio Board of Building Standards Fund

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

Metroparks

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, 2015

	Regional Sewer	Contract Retainer	Guarantee Deposits	Ohio Board of Building Standards
Assets				
Equity in Pooled Cash and Investments	\$ 984,373	\$ 177,664	\$ 89,746	\$ 327
Cash in Segregated Accounts	0	0	0	0
Accounts Receivable	1,693,378	0	0	0
<i>Total Assets</i>	<u>\$ 2,677,751</u>	<u>\$ 177,664</u>	<u>\$ 89,746</u>	<u>\$ 327</u>
Liabilities				
Accounts Payable	\$ 865,498	\$ 0	\$ 0	\$ 0
Due to Other Governments	1,812,253	0	0	327
Deposits Held and Due to Others	0	177,664	89,746	0
<i>Total Liabilities</i>	<u>\$ 2,677,751</u>	<u>\$ 177,664</u>	<u>\$ 89,746</u>	<u>\$ 327</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2015

	Metroparks	Municipal Court	Totals
Assets			
Equity in Pooled Cash and Investments	\$ 5,028	\$ 0	\$ 1,257,138
Cash in Segregated Accounts	0	428,536	428,536
Accounts Receivable	0	0	1,693,378
<i>Total Assets</i>	<i>\$ 5,028</i>	<i>\$ 428,536</i>	<i>\$ 3,379,052</i>
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 865,498
Due to Other Governments	5,028	428,536	2,246,144
Deposits Held and Due to Others	0	0	267,410
<i>Total Liabilities</i>	<i>\$ 5,028</i>	<i>\$ 428,536</i>	<i>\$ 3,379,052</i>

City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2015

	Beginning Balance 1/1/2015	Additions	Reductions	Ending Balance 12/31/2015
Regional Sewer				
Assets				
Equity in Pooled Cash and Investments	\$ 931,686	\$ 3,785,710	\$ 3,733,023	\$ 984,373
Accounts Receivable	1,469,857	1,693,378	1,469,857	1,693,378
<i>Total Assets</i>	<u>\$ 2,401,543</u>	<u>\$ 5,479,088</u>	<u>\$ 5,202,880</u>	<u>\$ 2,677,751</u>
Liabilities				
Accounts Payable	\$ 902,727	\$ 865,498	\$ 902,727	\$ 865,498
Due to Other Governments	1,498,816	1,178,935	865,498	1,812,253
<i>Total Liabilities</i>	<u>\$ 2,401,543</u>	<u>\$ 2,044,433</u>	<u>\$ 1,768,225</u>	<u>\$ 2,677,751</u>
Contract Retainer				
Assets				
Equity in Pooled Cash and Investments	\$ 13,306	\$ 322,198	\$ 157,840	\$ 177,664
<i>Total Assets</i>	<u>\$ 13,306</u>	<u>\$ 322,198</u>	<u>\$ 157,840</u>	<u>\$ 177,664</u>
Liabilities				
Deposits Held and Due to Others	\$ 13,306	\$ 322,198	\$ 157,840	\$ 177,664
<i>Total Liabilities</i>	<u>\$ 13,306</u>	<u>\$ 322,198</u>	<u>\$ 157,840</u>	<u>\$ 177,664</u>
Guarantee Deposits				
Assets				
Equity in Pooled Cash and Investments	\$ 168,050	\$ 50,155	\$ 128,459	\$ 89,746
<i>Total Assets</i>	<u>\$ 168,050</u>	<u>\$ 50,155</u>	<u>\$ 128,459</u>	<u>\$ 89,746</u>
Liabilities				
Deposits Held and Due to Others	\$ 168,050	\$ 50,155	\$ 128,459	\$ 89,746
<i>Total Liabilities</i>	<u>\$ 168,050</u>	<u>\$ 50,155</u>	<u>\$ 128,459</u>	<u>\$ 89,746</u>

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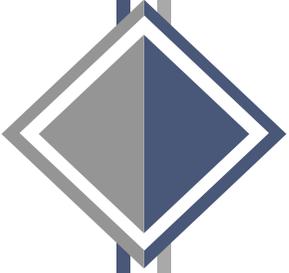
City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2015

	Beginning Balance 1/1/2015	Additions	Reductions	Ending Balance 12/31/2015
Ohio Board of Building Standards				
Assets				
Equity in Pooled Cash and Investments	\$ 84	\$ 4,840	\$ 4,597	\$ 327
<i>Total Assets</i>	\$ 84	\$ 4,840	\$ 4,597	\$ 327
Liabilities				
Due to Other Governments	\$ 84	\$ 4,840	\$ 4,597	\$ 327
<i>Total Liabilities</i>	\$ 84	\$ 4,840	\$ 4,597	\$ 327
Metroparks				
Assets				
Equity in Pooled Cash and Investments	\$ 5,459	\$ 4,416	\$ 4,847	\$ 5,028
<i>Total Assets</i>	\$ 5,459	\$ 4,416	\$ 4,847	\$ 5,028
Liabilities				
Due to Other Governments	\$ 5,459	\$ 4,416	\$ 4,847	\$ 5,028
<i>Total Liabilities</i>	\$ 5,459	\$ 4,416	\$ 4,847	\$ 5,028
Municipal Court				
Assets				
Cash in Segregated Accounts	\$ 94,700	\$ 5,239,435	\$ 4,905,599	\$ 428,536
<i>Total Assets</i>	\$ 94,700	\$ 5,239,435	\$ 4,905,599	\$ 428,536
Liabilities				
Due to Other Governments	\$ 94,700	\$ 5,239,435	\$ 4,905,599	\$ 428,536
<i>Total Liabilities</i>	\$ 94,700	\$ 5,239,435	\$ 4,905,599	\$ 428,536

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2015

	Beginning Balance 1/1/2015	Additions	Reductions	Ending Balance 12/31/2015
Total Agency Funds				
Assets				
Equity in Pooled Cash and Investments	\$ 1,118,585	\$ 4,167,319	\$ 4,028,766	\$ 1,257,138
Cash in Segregated Accounts	94,700	5,239,435	4,905,599	428,536
Accounts Receivable	1,469,857	1,693,378	1,469,857	1,693,378
	<u>1,469,857</u>	<u>1,693,378</u>	<u>1,469,857</u>	<u>1,693,378</u>
<i>Total Assets</i>	<u>\$ 2,683,142</u>	<u>\$ 11,100,132</u>	<u>\$ 10,404,222</u>	<u>\$ 3,379,052</u>
Liabilities				
Accounts Payable	\$ 902,727	\$ 865,498	\$ 902,727	\$ 865,498
Due to Other Governments	1,599,059	6,427,626	5,780,541	2,246,144
Deposits Held and Due to Others	181,356	372,353	286,299	267,410
	<u>181,356</u>	<u>372,353</u>	<u>286,299</u>	<u>267,410</u>
<i>Total Liabilities</i>	<u>\$ 2,683,142</u>	<u>\$ 7,665,477</u>	<u>\$ 6,969,567</u>	<u>\$ 3,379,052</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-29
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-30 - S-31
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-32 - S-39

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

NOTE:

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

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

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

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

	2015	Restated 2014	2013	2012
Governmental Activities				
Net Investment in Capital Assets	\$ 52,594,409	\$ 55,271,913	\$ 57,752,563	\$ 57,295,806
Restricted:				
Capital Projects	0	0	0	0
Debt Service	2,983,819	2,973,127	2,779,034	2,642,411
Street Lighting	980,414	969,411	872,108	1,042,402
Street Maintenance and Repair	468,849	445,028	527,701	478,130
Court Operations and Capital Outlay	1,756,269	1,667,683	1,417,252	306,864
Security Operations	75,583	107,601	147,168	0
Drug and Alcohol Programs	541,728	468,872	418,540	0
Other Purposes *	18,276	187,931	353,155	449,324
Unrestricted	<u>(5,512,168)</u>	<u>(7,909,245)</u>	<u>6,806,855</u>	<u>5,917,006</u>
<i>Total Governmental Activities Net Position</i>	<u>\$ 53,907,179</u>	<u>\$ 54,182,321</u>	<u>\$ 71,074,376</u>	<u>\$ 68,131,943</u>
Business Type - Activities				
Net Investment in Capital Assets	\$ 25,256,979	\$ 23,457,040	\$ 23,626,242	\$ 23,368,937
Unrestricted	<u>699,079</u>	<u>2,431,856</u>	<u>2,993,113</u>	<u>3,040,813</u>
<i>Total Business-Type Activities Net Position</i>	<u>\$ 25,956,058</u>	<u>\$ 25,888,896</u>	<u>\$ 26,619,355</u>	<u>\$ 26,409,750</u>
Primary Government				
Net Investment in Capital Assets	\$ 77,851,388	\$ 78,728,953	\$ 81,378,805	\$ 80,664,743
Restricted	6,824,938	6,819,653	6,514,958	4,919,131
Unrestricted	<u>(4,813,089)</u>	<u>(5,477,389)</u>	<u>9,799,968</u>	<u>8,957,819</u>
<i>Total Primary Government Net Position</i>	<u>\$ 79,863,237</u>	<u>\$ 80,071,217</u>	<u>\$ 97,693,731</u>	<u>\$ 94,541,693</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.

Restated 2011	Restated 2010	2009	Restated 2008	2007	2006
\$ 58,992,954	\$ 61,091,099	\$ 59,019,083	\$ 54,735,567	\$ 53,184,519	\$ 48,121,514
673,065	915,815	2,486,092	301,374	0	232,205
2,347,649	1,292,551	1,104,494	905,303	680,940	670,019
1,067,706	1,055,354	1,093,595	755,289	0	0
446,422	376,397	395,710	304,989	0	0
386,601	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
167,605	701,198	628,634	703,967	2,096,437	2,053,168
4,476,698	3,736,574	2,022,870	4,320,878	1,338,161	1,997,946
<u>\$ 68,558,700</u>	<u>\$ 69,168,988</u>	<u>\$ 66,750,478</u>	<u>\$ 62,027,367</u>	<u>\$ 57,300,057</u>	<u>\$ 53,074,852</u>
\$ 24,600,139	\$ 20,243,615	\$ 19,919,357	\$ 20,018,990	\$ 19,953,368	\$ 18,647,776
2,018,042	2,326,082	2,274,499	1,815,540	1,612,870	1,086,173
<u>\$ 26,618,181</u>	<u>\$ 22,569,697</u>	<u>\$ 22,193,856</u>	<u>\$ 21,834,530</u>	<u>\$ 21,566,238</u>	<u>\$ 19,733,949</u>
\$ 83,593,093	\$ 81,334,714	\$ 78,938,440	\$ 74,754,557	\$ 73,137,887	\$ 66,769,290
5,089,048	4,341,315	5,708,525	2,970,922	2,777,377	2,955,392
6,494,740	6,062,656	4,297,369	6,136,418	2,951,031	3,084,119
<u>\$ 95,176,881</u>	<u>\$ 91,738,685</u>	<u>\$ 88,944,334</u>	<u>\$ 83,861,897</u>	<u>\$ 78,866,295</u>	<u>\$ 72,808,801</u>

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

	2015	2014	2013	2012
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 2,884,065	\$ 2,678,278	\$ 2,661,404	\$ 2,707,588
Security of Persons and Property	1,136,291	1,166,634	1,156,701	1,182,585
Public Health	4,203	7,848	0	33,801
Leisure Time Services	700,292	643,457	577,155	541,377
Community Development	41,245	32,363	36,471	26,005
Public Works	0	0	0	0
Basic Utility	0	0	0	0
Transportation	246,661	256,028	248,202	257,220
Subtotal - Charges for Services	<u>5,012,757</u>	<u>4,784,608</u>	<u>4,679,933</u>	<u>4,748,576</u>
Operating Grants and Contributions:				
General Government	10,000	10,000	118,308	25,000
Security of Persons and Property	89,870	107,585	42,888	79,039
Public Health	15,708	22,263	27,618	46,060
Leisure Time Services	4,500	0	0	17,223
Community Development	4,861	0	300	0
Public Works	0	0	0	0
Transportation	791,526	804,587	983,318	808,899
Subtotal - Operating Grants and Contributions	<u>916,465</u>	<u>944,435</u>	<u>1,172,432</u>	<u>976,221</u>
Capital Grants and Contributions:				
General Government	0	0	941,534	0
Security of Persons and Property:	0	0	0	0
Leisure Time Services	1,191,998	0	3,665,728	0
Community Development	0	0	0	0
Transportation	345,893	0	0	761,383
Subtotal - Capital Grants and Contributions	<u>1,537,891</u>	<u>0</u>	<u>4,607,262</u>	<u>761,383</u>
<i>Total Governmental Activities Program Revenues</i>	<u>7,467,113</u>	<u>5,729,043</u>	<u>10,459,627</u>	<u>6,486,180</u>
Business-Type Activities:				
Charges for Services:				
Water	2,507,159	2,496,104	2,591,376	2,663,002
Sewer	791,863	743,737	766,431	757,684
Operating Grants and Contributions				
Water	75,620	74,177	74,604	63,815
Capital Grants and Contributions				
Water	7,343	0	0	91,142
Sewer	5,278	0	0	75,000
<i>Total Business-Type Activities Program Revenues</i>	<u>3,387,263</u>	<u>3,314,018</u>	<u>3,432,411</u>	<u>3,650,643</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 10,854,376</u>	<u>\$ 9,043,061</u>	<u>\$ 13,892,038</u>	<u>\$ 10,136,823</u>
Expenses				
Governmental Activities:				
General Government	\$ 7,664,155	\$ 8,291,476	\$ 7,164,279	\$ 6,992,774
Security of Persons and Property	7,359,179	6,753,040	6,852,063	6,755,965
Public Health	151,785	151,971	134,122	155,326
Leisure Time Services	2,919,372	3,223,496	4,534,669	3,262,399
Community Development	353,620	514,483	396,804	465,302
Public Works	1,247,527	1,243,488	1,167,454	1,167,636
Transportation	3,420,711	3,965,988	3,346,244	4,557,209
Interest and Fiscal Charges	582,951	478,972	588,644	435,179
<i>Total Governmental Activities Expenses</i>	<u>23,699,300</u>	<u>24,622,914</u>	<u>24,184,279</u>	<u>23,791,790</u>

Restated 2011	2010	2009	Restated 2008	2007	2006
\$ 2,427,949	\$ 2,635,408	\$ 2,544,724	\$ 2,391,999	\$ 2,743,431	\$ 2,757,377
994,746	1,047,395	1,383,581	1,091,201	510,215	428,927
22,574	39,309	0	0	0	0
529,841	477,076	409,457	424,726	413,284	381,189
62,478	33,774	33,534	27,237	461,435	967,225
0	0	0	0	6,715	2,696
0	0	0	0	43	0
228,046	296,627	486,980	679,167	0	0
4,265,634	4,529,589	4,858,276	4,614,330	4,135,123	4,537,414
106,815	64,590	0	4,000	0	447
5,428	39,925	24,364	21,521	120,903	20,239
59,250	75,831	80,728	0	0	0
8,035	58,733	19,375	0	500	1,250
0	0	65,293	0	0	0
0	0	0	225,000	0	0
718,812	856,311	702,977	1,029,496	728,512	736,799
898,340	1,095,390	892,737	1,280,017	849,915	758,735
0	0	0	0	0	0
0	0	2,487,993	0	0	220,893
0	0	0	0	0	473,648
0	0	10,670	0	0	150,000
725,879	3,418,094	2,277,761	237,222	4,860,546	2,382,193
725,879	3,418,094	4,776,424	237,222	4,860,546	3,226,734
5,889,853	9,043,073	10,527,437	6,131,569	9,845,584	8,522,883
2,698,896	2,578,894	2,768,562	2,581,125	3,039,350	2,716,951
693,806	656,827	721,397	762,686	838,176	792,902
81,972	0	0	0	0	0
0	606,839	8,600	906,530	1,459,661	1,670,964
0	466,728	99,486	204,882	306,210	588,366
3,474,674	4,309,288	3,598,045	4,455,223	5,643,397	5,769,183
\$ 9,364,527	\$ 13,352,361	\$ 14,125,482	\$ 10,586,792	\$ 15,488,981	\$ 14,292,066
\$ 6,201,327	\$ 7,766,608	\$ 6,543,797	\$ 6,075,079	\$ 7,354,994	\$ 7,798,798
6,441,638	6,974,204	6,883,839	6,756,475	6,438,828	6,639,568
187,320	211,300	119,132	122,080	120,472	144,833
2,714,029	3,559,520	3,005,421	3,207,018	3,373,362	2,029,456
455,883	543,755	496,548	502,423	542,237	638,547
1,370,499	1,337,335	1,121,553	1,265,014	1,262,949	1,122,270
1,335,639	2,965,627	2,936,864	2,631,003	2,548,409	2,535,627
450,989	613,938	668,099	563,320	1,070,332	1,292,593
19,157,324	23,972,287	21,775,253	21,122,412	22,711,583	22,201,692

(continued)

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

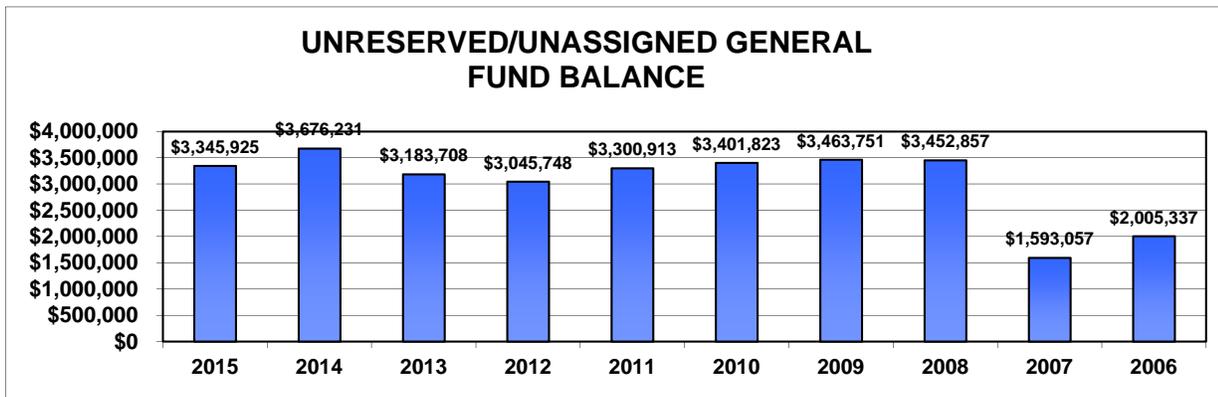
	2015	2014	2013	2012
Business-Type Activities				
Water	\$ 3,976,228	\$ 3,705,293	\$ 3,652,775	\$ 3,655,963
Sewer	954,252	946,637	838,650	922,985
<i>Total Business-Type Activities Expenses</i>	<u>4,930,480</u>	<u>4,651,930</u>	<u>4,491,425</u>	<u>4,578,948</u>
<i>Total Primary Government Program Expenses</i>	<u>28,629,780</u>	<u>29,274,844</u>	<u>28,675,704</u>	<u>28,370,738</u>
Net (Expense)/Revenue				
Governmental Activities	(16,232,187)	(18,893,871)	(13,724,652)	(17,305,610)
Business-Type Activities	<u>(1,543,217)</u>	<u>(1,337,912)</u>	<u>(1,059,014)</u>	<u>(928,305)</u>
<i>Total Primary Government Net Expense</i>	<u>(17,775,404)</u>	<u>(20,231,783)</u>	<u>(14,783,666)</u>	<u>(18,233,915)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	\$ 1,723,505	\$ 1,547,123	\$ 1,664,090	\$ 1,643,154
Other Purposes *	2,101,086	2,297,347	2,243,409	2,341,007
Municipal Income Taxes levied for:				
General Purposes	11,813,246	11,050,350	11,876,563	11,446,700
Special Revenue	0	0	0	0
Grants and Entitlements not Restricted to				
Specific Programs	988,566	1,068,337	1,317,382	1,244,125
Investment Income	101,924	119,998	15,527	128,363
Other Taxes	336,730	284,641	272,968	278,888
Miscellaneous	51,988	51,552	88,056	57,616
Extraordinary Item	0	(174,900)	0	0
Transfers	<u>(1,160,000)</u>	<u>(1,163,000)</u>	<u>(810,910)</u>	<u>(261,000)</u>
<i>Total Governmental Activities</i>	<u>15,957,045</u>	<u>15,081,448</u>	<u>16,667,085</u>	<u>16,878,853</u>
Business-Type Activities				
Municipal Income Taxes levied for:				
Other Purpose - Debt Service	0	0	0	0
Property Taxes levied for:				
Water Improvements	450,379	449,104	456,699	448,972
Grants and Entitlements not Restricted to				
Specific Programs	0	0	0	0
Investment Income	0	0	0	0
Transfers	1,160,000	1,163,000	810,910	261,000
Miscellaneous	<u>0</u>	<u>0</u>	<u>1,010</u>	<u>9,902</u>
<i>Total Business-Type Activities</i>	<u>1,610,379</u>	<u>1,612,104</u>	<u>1,268,619</u>	<u>719,874</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>17,567,424</u>	<u>16,693,552</u>	<u>17,935,704</u>	<u>17,598,727</u>
Change in Net Position				
Governmental Activities	(275,142)	(3,812,423)	2,942,433	(426,757)
Business-Type Activities	<u>67,162</u>	<u>274,192</u>	<u>209,605</u>	<u>(208,431)</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$ (207,980)</u>	<u>\$ (3,538,231)</u>	<u>\$ 3,152,038</u>	<u>\$ (635,188)</u>

* Includes Police and Fire Pension and Debt Service

2011	2010	2009	Restated 2008	2007	2006
\$ 3,580,655 481,780	\$ 3,658,374 700,903	\$ 3,639,102 873,591	\$ 3,650,419 1,005,252	\$ 3,048,752 914,222	\$ 3,292,666 1,000,028
4,062,435	4,359,277	4,512,693	4,655,671	3,962,974	4,292,694
23,219,759	28,331,564	26,287,946	25,778,083	26,674,557	26,494,386
(13,267,471) (587,761)	(14,929,214) (49,989)	(11,247,816) (914,648)	(14,990,843) (200,448)	(12,865,999) 1,680,423	(13,678,809) 1,476,489
(13,855,232)	(14,979,203)	(12,162,464)	(15,191,291)	(11,185,576)	(12,202,320)
\$ 1,669,355 2,394,337	\$ 1,572,247 2,310,144	\$ 1,915,871 2,562,258	\$ 1,948,775 2,290,617	\$ 2,161,447 2,766,840	\$ 2,088,896 2,568,680
10,601,210 0	10,479,704 0	9,993,755 0	11,126,645 0	7,292,340 2,430,779	7,735,605 2,578,536
1,675,190 137,585 260,819 94,120 0	2,307,793 136,442 283,047 201,081 0	1,777,548 124,123 199,128 128,338 0	2,224,225 199,120 267,231 104,854 0	2,072,711 252,034 5,903 184,150 0	1,960,590 344,936 13,476 87,296 0
(4,175,433)	32,922	(730,094)	(132,000)	(75,000)	(125,000)
12,657,183	17,323,380	15,970,927	18,029,467	17,091,204	17,253,015
0	0	0	0	51,425	0
458,166	453,075	480,309	486,477	0	0
0 0	0 0	0 0	0 0	0 25,441	0 0
4,175,433 2,646	(32,922) 5,677	730,094 63,571	132,000 63,936	75,000 0	125,000 0
4,636,245	425,830	1,273,974	682,413	151,866	125,000
17,293,428	17,749,210	17,244,901	18,711,880	17,243,070	17,378,015
(610,288) 4,048,484	2,394,166 375,841	4,723,111 359,326	3,038,624 481,965	4,225,205 1,832,289	3,574,206 1,601,489
\$ 3,438,196	\$ 2,770,007	\$ 5,082,437	\$ 3,520,589	\$ 6,057,494	\$ 5,175,695

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

	2015	2014	2013	2012
General Fund				
Reserved	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved	0	0	0	0
Nonspendable	70,707	79,707	79,091	43,383
Committed	989,402	906,735	1,094,998	1,274,241
Assigned	122,676	16,501	269,616	174,933
Unassigned	3,345,925	3,676,231	3,183,708	3,045,748
Total General Fund	4,528,710	4,679,174	4,627,413	4,538,305
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	152,760	140,227	308,599	165,852
Restricted	5,817,924	5,628,560	5,293,239	4,736,896
Committed	9,776,259	2,568,923	1,992,296	2,369,907
Unassigned	0	(10,775)	(24,599)	(180,214)
Total All Other Governmental Funds	15,746,943	8,326,935	7,569,535	7,092,441
Total Governmental Funds	\$ 20,275,653	\$ 13,006,109	\$ 12,196,948	\$ 11,630,746



Restated 2011	Restated 2010	2009	2008	2007	2006
\$ 0	\$ 0	\$ 159,796	\$ 160,007	\$ 43,543	\$ 21,772
0	0	3,463,751	3,452,857	1,593,057	2,005,337
47,891	24,344	0	0	0	0
927,075	831,180	0	0	0	0
6,106	0	0	0	0	0
3,300,913	3,401,823	0	0	0	0
4,281,985	4,257,347	3,623,547	3,612,864	1,636,600	2,027,109
0	0	639,238	124,821	275,090	219,815
0	0	954,698	703,632	855,636	859,680
0	0	847,063	679,284	468,848	235,077
0	0	1,893,439	(2,447,748)	(324,100)	133,043
145,798	1,088,175	0	0	0	0
4,511,298	4,307,437	0	0	0	0
1,663,444	490,670	0	0	0	0
(234,632)	(230,943)	0	0	0	0
6,085,908	5,655,339	4,334,438	(940,011)	1,275,474	1,447,615
\$ 10,367,893	\$ 9,912,686	\$ 7,957,985	\$ 2,672,853	\$ 2,912,074	\$ 3,474,724

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

	2015	2014	2013	2012	2011
Revenues					
Property and Other Taxes	\$ 4,108,059	\$ 4,013,444	\$ 3,984,795	\$ 4,185,749	\$ 4,187,409
Municipal Income Taxes	11,522,435	11,823,354	11,114,942	10,758,113	10,454,513
Special Assessments	690,267	687,958	695,079	688,970	682,786
Charges for Services	1,090,799	1,046,221	983,567	1,151,937	1,056,890
Licenses and Permits	501,837	359,641	393,275	397,561	363,372
Fines and Forfeitures	2,561,010	2,536,488	2,428,863	2,481,137	2,189,582
Intergovernmental	2,383,109	2,083,875	2,926,659	2,842,680	2,897,594
Interest	115,730	134,515	29,048	158,337	137,585
Contributions and Donations	28,411	51,111	52,163	45,230	62,932
Other	175,675	159,448	250,293	68,545	116,901
<i>Total Revenues</i>	<u>23,177,332</u>	<u>22,896,055</u>	<u>22,858,684</u>	<u>22,778,259</u>	<u>22,149,564</u>
Expenditures					
Current:					
General Government	7,218,501	7,183,125	6,431,561	6,767,192	6,714,835
Security of Persons and Property	6,873,297	6,354,515	6,505,370	6,431,807	6,458,138
Public Health	151,785	151,971	134,122	155,326	187,320
Leisure Time Services	2,138,513	2,034,896	1,852,113	1,781,720	1,614,757
Community Development	372,423	291,721	404,860	462,267	471,003
Public Works	1,217,697	1,215,079	1,148,881	1,144,731	1,350,451
Transportation	902,569	925,472	776,220	799,062	851,322
Capital Outlay	4,687,901	4,152,414	4,371,739	3,479,757	3,113,744
Debt Service:					
Principal Retirement	8,488,251	5,466,560	7,142,238	6,309,664	5,324,475
Interest and Fiscal Charges	613,929	486,428	607,363	480,758	503,506
<i>Total Expenditures</i>	<u>32,664,866</u>	<u>28,262,181</u>	<u>29,374,467</u>	<u>27,812,284</u>	<u>26,589,551</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(9,487,534)</u>	<u>(5,366,126)</u>	<u>(6,515,783)</u>	<u>(5,034,025)</u>	<u>(4,439,987)</u>
Other Financing Sources (Uses)					
Proceeds from Sale of Assets	0	2,722	20,700	3,025	0
Special Assessment Bonds Issued	0	0	0	0	0
Issuance of General Obligation Bonds	6,748,000	0	4,005,000	0	0
Issuance of Refunding Bonds	0	0	0	0	0
Premium on Refunding Bonds	0	0	0	0	0
Premium on Debt Issuance	373,578	42,965	88,152	45,518	5,703
Payment to Refunding Bond Escrow Agent	0	0	0	0	0
Issuance of Notes	10,795,500	7,467,500	4,514,500	6,112,550	4,810,000
Inception of Capital Lease	0	0	158,952	0	0
Issuance of Loans	0	0	146,131	202,650	459,491
Discount on Debt Issued	0	0	0	0	0
Transfers In	3,426,000	3,347,410	3,132,525	2,988,224	3,495,100
Transfers Out	(4,586,000)	(4,510,410)	(4,983,975)	(3,249,224)	(3,875,100)
<i>Total Other Financing Sources (Uses)</i>	<u>16,757,078</u>	<u>6,350,187</u>	<u>7,081,985</u>	<u>6,102,743</u>	<u>4,895,194</u>
Extraordinary Item	0	(174,900)	0	0	0
<i>Net Change in Fund Balances</i>	<u>\$ 7,269,544</u>	<u>\$ 809,161</u>	<u>\$ 566,202</u>	<u>\$ 1,068,718</u>	<u>\$ 455,207</u>
Debt Service as a Percentage of Noncapital Expenditures	33%	23%	38%	26%	24%

2010	2009	2008	2007	2006
\$ 4,167,796	\$ 4,270,718	\$ 4,647,207	\$ 6,062,620	\$ 4,733,365
10,922,715	10,181,318	10,928,016	8,828,219	10,563,354
700,167	517,918	844,993	607,345	495,358
1,113,097	993,872	1,066,019	1,140,431	1,003,101
480,979	408,421	274,645	599,923	998,953
2,364,651	2,443,123	2,385,269	2,242,271	2,255,125
3,274,546	3,402,160	2,979,611	5,788,912	3,618,018
136,442	124,123	199,120	252,079	344,936
258,686	94,495	200,000	0	0
165,369	175,973	272,233	139,107	199,684
<u>23,584,448</u>	<u>22,612,121</u>	<u>23,797,113</u>	<u>25,660,907</u>	<u>24,211,894</u>
6,791,331	6,329,229	6,588,316	7,344,938	7,043,959
6,663,889	6,474,662	6,419,429	6,199,605	6,613,828
211,300	119,132	122,080	120,472	144,833
1,544,300	1,610,617	1,625,000	1,772,479	1,693,868
503,772	505,093	534,163	547,564	535,008
1,327,127	1,089,789	1,236,211	1,241,619	1,019,438
890,006	884,337	833,147	966,443	876,475
3,195,787	3,430,872	5,804,880	5,895,586	3,653,127
7,241,978	2,275,311	1,172,101	1,260,146	6,853,359
623,917	545,979	548,167	958,072	1,113,234
<u>28,993,407</u>	<u>23,265,021</u>	<u>24,883,494</u>	<u>26,306,924</u>	<u>29,547,129</u>
<u>(5,408,959)</u>	<u>(652,900)</u>	<u>(1,086,381)</u>	<u>(646,017)</u>	<u>(5,335,235)</u>
1,817	10,578	4,160	2,292	8,318
0	0	0	0	(210,039)
2,725,000	0	0	0	0
0	0	0	0	7,365,000
0	0	0	0	124,066
14,728	0	0	0	0
0	0	0	0	(4,430,878)
3,850,000	5,850,000	975,000	0	0
136,953	212,598	0	156,075	136,615
817,961	362,056	0	0	0
(34,143)	0	0	0	0
2,615,670	7,637,068	2,104,000	2,982,479	2,981,550
<u>(2,788,670)</u>	<u>(8,134,268)</u>	<u>(2,236,000)</u>	<u>(3,057,479)</u>	<u>(3,106,550)</u>
<u>7,339,316</u>	<u>5,938,032</u>	<u>847,160</u>	<u>83,367</u>	<u>2,868,082</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 1,930,357</u>	<u>\$ 5,285,132</u>	<u>\$ (239,221)</u>	<u>\$ (562,650)</u>	<u>\$ (2,467,153)</u>
33%	18%	10%	12%	32%

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

<u>Year</u>	<u>City of Berea</u>					<u>Berea School District</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Water Revenue (2)</u>	<u>Debt Service</u>	<u>Total</u>	
2015	7.95	3.00	1.40	4.45	16.80	78.00
2014	7.95	3.00	1.40	4.45	16.80	78.70
2013	7.95	3.00	1.40	4.45	16.80	78.90
2012	7.95	3.00	1.40	4.45	16.80	78.90
2011	7.95	3.00	1.40	4.85	17.20	75.00
2010	7.95	3.00	1.40	4.85	17.20	75.00
2009	8.15	3.00	1.40	4.65	17.20	74.90
2008	8.55	3.00	1.40	5.65	18.60	74.90
2007	8.55	3.00	1.40	5.65	18.60	74.90
2006	8.95	3.10	N/A	5.35	17.40	69.70

Source: Cuyahoga County Fiscal Officer

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

Charter millage is consistently applied to all types of property.

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

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

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

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

<u>Olmsted Falls School District</u>	<u>Polaris JVSD</u>	<u>Cuyahoga Co & Special Taxing Districts (1)</u>
102.20	2.40	23.43
102.20	2.40	23.43
102.20	2.40	20.80
102.20	2.40	20.80
93.00	2.40	20.80
93.00	2.40	20.60
91.90	2.40	20.60
91.80	2.40	20.20
89.80	2.40	20.20
89.70	2.40	20.30

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
2015	\$ 360,410,630	\$ 1,029,744,657	\$ 8,980,160	\$ 10,204,727
2014	370,843,110	1,059,551,743	8,714,150	9,902,443
2013	373,633,920	1,067,525,486	8,242,980	9,367,023
2012	375,142,810	1,071,836,600	6,823,640	7,754,136
2011	369,786,280	1,056,532,229	6,522,740	7,412,205
2010	368,473,230	1,052,780,657	6,323,310	7,185,580
2009	382,502,610	1,092,864,600	6,122,200	6,957,045
2008	383,481,630	1,095,661,800	5,884,150	6,686,534
2007	373,920,320	1,068,343,771	9,363,610	10,640,466
2006	332,121,860	948,919,600	10,067,780	11,440,659

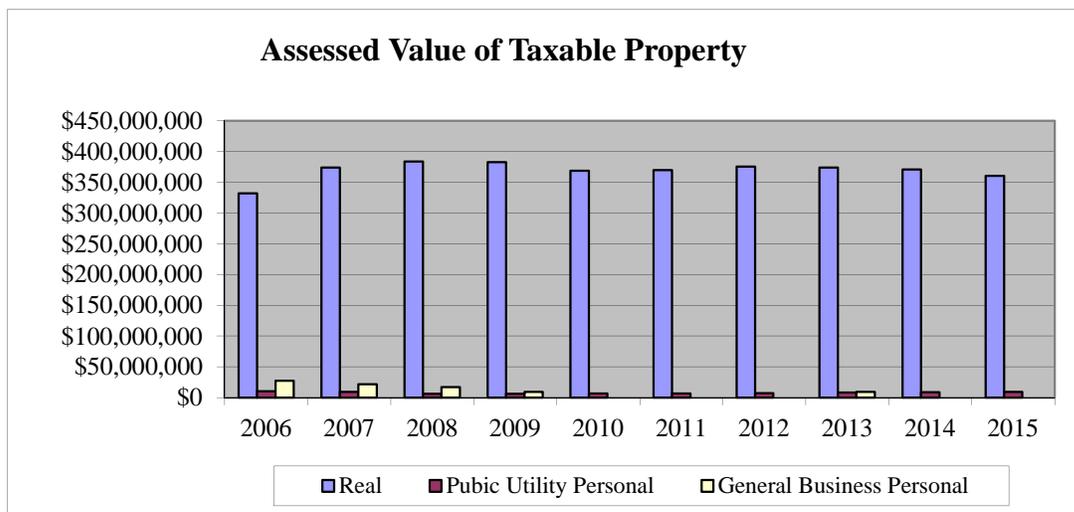
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

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

Tangible Personal Property						
General Business			Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Total Direct Tax Rate (1)	
\$ 0	\$ 0	\$ 369,390,790	\$ 1,039,949,384	35.52	16.80	
0	0	379,557,260	1,069,454,186	35.49	16.80	
0	0	381,876,900	1,076,892,508	35.46	16.80	
0	0	381,966,450	1,079,590,736	35.38	16.80	
0	0	376,309,020	1,063,944,433	35.37	17.20	
0	0	374,796,540	1,059,966,237	35.36	17.20	
9,177,032	146,832,512	397,801,842	1,246,654,157	31.91	17.20	
16,798,744	89,593,301	406,164,524	1,191,941,635	34.08	18.60	
21,763,047	116,069,584	405,046,977	1,195,053,821	33.89	18.60	
27,069,592	144,371,157	369,259,232	1,104,731,416	33.43	17.40	



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
2015	\$ 4,904,908	\$ 4,650,168	94.81%	\$ 166,405	\$ 4,816,573	98.20%	\$ 274,176	5.59%
2014	4,960,785	4,589,981	92.53	155,960	4,745,941	95.67	340,201	6.86
2013	5,109,458	4,584,738	89.73	231,718	4,816,456	94.27	343,237	6.72
2012	5,120,268	4,808,337	93.91	176,746	4,985,083	97.36	245,275	4.79
2011	5,352,662	4,800,181	89.68	188,563	4,988,744	93.20	320,968	6.00
2010	5,288,742	4,739,815	89.62	176,105	4,915,920	92.95	368,250	6.96
2009	5,139,255	4,938,884	96.10	137,428	5,076,312	98.78	335,461	6.53
2008	5,225,363	4,997,094	95.63	205,661	5,202,755	108.85	334,638	6.40
2007	5,317,600	4,990,340	93.85	146,396	5,136,736	106.95	491,651	9.25
2006	6,498,219	5,700,609	87.73	316,167	6,016,776	92.59	491,707	7.57

Source: Cuyahoga County Fiscal Officer

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

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

City of Berea, Ohio
Principal Taxpayers - Real Estate Tax
 2015 and 2006

Taxpayer	2015	
	Real Property Assessed Valuation (1)	Percentage Of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 6,162,890	1.71%
Tower in the Park LTD	3,832,190	1.06%
West Valley Plaza	2,516,310	0.70%
OHI Asset II LLC	2,375,840	0.66%
Columbia Gas	1,798,380	0.50%
Echo Berea Associates, LLC	1,714,600	0.48%
Berea Properties Company	1,687,670	0.47%
680 North LLC	1,658,020	0.46%
Nwest Asset Ownership LLC	1,601,110	0.44%
Berea Square Co., LLC	1,480,400	0.41%
Total	\$ 24,827,410	6.89%
Total Assessed Valuation	\$ 360,410,630	
Taxpayer	2006	
	Real Property Assessed Valuation (1)	Percentage Of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 4,043,540	1.22%
Tower in the Park LTD	4,027,980	1.21%
OHI Asset II LLC	2,795,210	0.84%
Berea Properties Co.	2,763,990	0.83%
West Valley Plaza	2,726,580	0.82%
Ohio Bell Telephone Co.	1,874,360	0.56%
Berea Square Co., LLC	1,873,380	0.56%
A&F Machine Products Co.	1,769,260	0.53%
Cleveland St. Adelbert	1,740,450	0.52%
Tuthill Corporation	1,713,600	0.52%
Total	\$ 25,328,350	7.61%
Total Assessed Valuation	\$ 332,121,860	

Source: County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2015 and 2006 collections were based.

City of Berea, Ohio
Principal Taxpayers - Municipal Tax
 2015 and 2006

Taxpayer	<u>2015</u>	
	Tax	Percentage of Tax Collected
Cleveland Browns Football	\$ 2,499,719	21.08%
Baldwin Wallace College	864,444	7.29%
Berea City School District	466,347	3.93%
OHNH EMP LLC	217,488	1.83%
City of Berea	210,012	1.77%
Guidestone	194,249	1.64%
Ohio Turnpike Commission	153,283	1.29%
Standby Screw Machine Products	141,684	1.20%
Polyone Corp	115,924	0.98%
Eaton Aeroquip LLC	103,525	0.87%
Total	\$ 4,966,675	41.88%
Total Tax Collected	\$ 11,855,447	

Taxpayer	<u>2006</u>	
	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	

Source: Regional Income Tax Agency

City of Berea, Ohio

Principal Employers

2015 and 2007

<u>2015</u>		
<u>Employer</u>	<u>Number of Employees</u>	<u>Percentage of Total City Employment</u>
Baldwin Wallace College	3,155	30.29%
OHNH EMP LLC	685	6.58%
Berea City School District	637	6.12%
Cleveland Browns Football	565	5.42%
Guidestone	560	5.38%
City of Berea	293	2.81%
Standby Screw Machine Products	183	1.76%
Ohio Turnpike Commission	110	1.06%
Eaton Aeroquip LLC	109	1.05%
Polyone Corp	100	0.96%
Total	6,397	61.43%
Total Employment within the City	<u>10,415</u>	

<u>2007 (1)</u>		
<u>Employer</u>	<u>Number of Employees</u>	<u>Percentage of Total City Employment</u>
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	<u>13,637</u>	

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

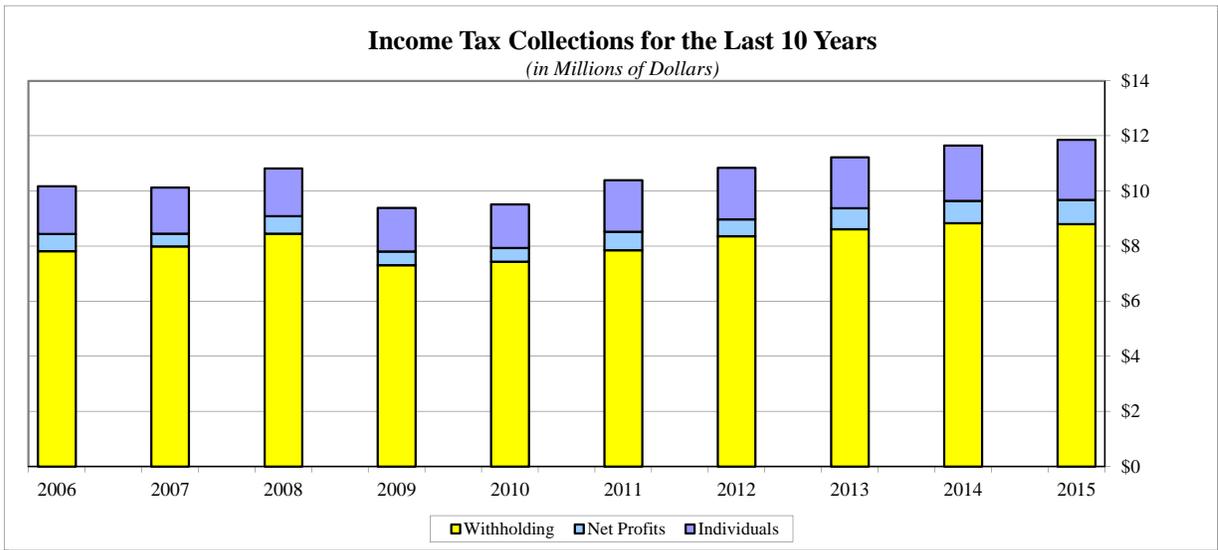
Source: Regional Income Tax Agency

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
2015	2.00%	\$ 11,855,447	\$ 8,802,385	74.25%	\$ 875,618	7.39%
2014	2.00	11,647,041	8,840,177	75.90	803,005	6.89
2013	2.00	11,221,745	8,620,645	76.82	752,151	6.70
2012	2.00	10,842,275	8,361,782	77.12	616,294	5.68
2011	2.00	10,392,189	7,855,099	75.59	670,592	6.45
2010	2.00	9,521,371	7,434,689	78.08	502,912	5.28
2009	2.00	9,393,556	7,307,157	77.79	497,722	5.30
2008	2.00	10,826,647	8,454,463	78.09	633,225	5.85
2007	2.00	10,132,495	7,987,336	78.83	466,872	4.61
2006	2.00	10,178,273	7,821,123	76.84	626,093	6.15

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

Source: Regional Income Tax Agency



	Taxes From Individuals	Percentage of Taxes from Individuals
\$	2,177,444	18.37%
	2,003,858	17.20
	1,848,949	16.48
	1,864,200	17.19
	1,866,498	17.96
	1,583,770	16.63
	1,588,677	16.91
	1,738,959	16.06
	1,678,287	16.56
	1,731,057	17.01

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
2015	\$ 16,850,848	\$ 0	\$ 66,600	\$ 10,795,500	\$ 2,025,628
2014	10,679,632	0	128,370	7,467,500	2,083,284
2013	11,540,570	0	214,233	4,514,500	2,093,417
2012	8,235,000	50,000	164,023	6,112,550	1,957,419
2011	9,410,000	270,000	263,112	4,810,000	1,943,695
2010	10,545,000	480,000	387,241	3,850,000	1,484,204
2009	8,875,000	680,000	382,140	5,850,000	666,243
2008	9,875,000	870,000	274,940	5,825,000	0
2007	10,770,000	1,050,000	367,330	1,750,000	0
2006	11,785,756	1,225,000	276,127	200,000	0

Source: City Financial Records

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

Business-Type Activities

General Obligation Debt	Capital Lease	Loan Payable	Note Payable	OWDA and OPWC	Total Primary Government	Total Personal Income	Percentage of Personal Income(1)	Per Capita(1)
\$ 122,000	\$ 32,233	\$ 291,052	\$ 0	\$ 11,287,518	\$ 41,471,379	\$ 462,718,855	8.96%	\$ 2,172
0	63,111	320,157	1,160,000	11,856,305	33,758,359	462,718,855	7.30%	1,768
0	92,690	329,859	1,138,000	12,503,391	32,426,660	462,718,855	7.01%	1,698
0	121,025	349,263	1,537,450	12,086,163	30,612,893	462,718,855	6.62%	1,603
0	148,169	388,070	40,000	12,973,559	30,246,605	462,718,855	6.54%	1,584
0	26,526	388,070	0	13,280,182	30,441,223	443,702,227	6.86%	1,594
0	109,048	388,070	0	10,243,260	27,193,761	406,709,550	6.69%	1,447
0	187,205	0	25,000	10,161,094	27,218,239	406,709,550	6.69%	1,449
0	261,225	0	0	7,428,347	21,626,902	406,709,550	5.32%	999
0	211,911	0	0	5,560,271	19,259,065	406,709,550	4.74%	1,015

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

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

Source: City Financial Records

- (1) Direct operating expenses do not include depreciation and amortization expense.
- (2) Principal and interest does not include projects in process not yet billing for services.
- (3) 10 years of information will be presented when it is available.

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

Year	(1) Population	Assessed Valuation(2)	Gross Bonded Debt(3)	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
2015	19,093	\$ 369,390,790	\$ 27,768,348	\$ 2,878,542	\$ 24,889,806	6.74%	\$ 1,303.61
2014	19,093	379,557,260	19,307,132	2,812,637	16,494,495	4.35	863.90
2013	19,093	381,876,900	17,193,070	2,549,373	14,643,697	3.83	766.97
2012	19,093	381,966,450	15,935,000	2,433,220	13,501,780	3.53	707.16
2011	19,093	376,309,020	14,530,000	2,107,573	12,422,427	3.30	650.63
2010	19,093	374,796,540	14,875,000	1,036,136	13,838,864	3.69	724.81
2009	18,970	397,801,842	15,405,000	847,063	14,557,937	3.66	767.42
2008	18,970	406,164,524	11,720,000	679,284	11,040,716	2.72	582.01
2007	18,970	405,046,977	13,570,000	468,848	13,101,152	3.23	697.24
2006	18,970	369,259,232	13,010,756	235,077	12,775,679	3.46	673.47

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

(2) Source: Cuyahoga County Fiscal Officer

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

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City of Berea, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2015

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct			
City of Berea	\$ 29,738,576	100.00%	\$ 29,738,576
<i>Total Direct Debt</i>	<u>29,738,576</u>		<u>29,738,576</u>
Overlapping			
Berea City School District	5,295,000	26.63%	1,410,059
Olmsted Falls School District	13,243,823	4.64%	614,513
Polaris Career Center	2,720,000	8.12%	220,864
Cuyahoga County	<u>173,792,000</u>	1.37%	<u>2,380,950</u>
<i>Total Overlapping Debt</i>	<u>195,050,823</u>		<u>4,626,386</u>
Grand Total	<u>\$ 224,789,399</u>		<u>\$ 34,364,962</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

	2015	2014	2013	2012
Total Assessed Property Value	\$ 369,390,790	\$ 379,557,260	\$ 381,876,900	\$ 381,966,450
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	38,786,033	39,853,512	40,097,075	40,106,477
Debt Outstanding:				
General Obligation Bonds and Notes	27,768,348	18,147,132	16,055,070	14,397,550
Total Gross Indebtedness	27,768,348	18,147,132	16,055,070	14,397,550
Less:				
General Obligation Bonds and Notes	(7,000,000)	0	0	(50,000)
Amount Available in Debt Service Fund	(2,878,542)	(2,812,637)	(2,549,373)	(2,433,220)
Total Net Debt Applicable to Debt Limit	17,889,806	15,334,495	13,505,697	11,914,330
Legal Debt Margin Within 10 ½ % Limitations	\$ 20,896,227	\$ 24,519,017	\$ 26,591,378	\$ 28,192,147
Legal Debt Margin as a Percentage of the Debt Limit	53.88%	61.52%	66.32%	70.29%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	20,316,493	20,875,649	21,003,230	21,008,155
Total Gross Indebtedness	27,768,348	18,147,132	16,055,070	14,397,550
Less:				
General Obligation Bonds and Notes	(7,000,000)	0	0	(50,000)
Amount Available in Debt Service Fund	(2,878,542)	(2,812,637)	(2,549,373)	(2,433,220)
Net Debt Within 5 ½ % Limitations	17,889,806	15,334,495	13,505,697	11,914,330
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$ 2,426,687	\$ 5,541,154	\$ 7,497,533	\$ 9,093,825
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	11.94%	26.54%	35.70%	43.29%

Source: City Financial Records

2011	2010	2009	2008	2007	2006
<u>\$ 376,309,020</u>	<u>\$ 374,796,540</u>	<u>\$ 397,801,842</u>	<u>\$ 406,164,524</u>	<u>\$ 405,046,977</u>	<u>\$ 369,259,232</u>
<u>39,512,447</u>	<u>39,353,637</u>	<u>41,769,193</u>	<u>42,647,275</u>	<u>42,529,933</u>	<u>38,772,219</u>
<u>14,530,000</u>	<u>14,875,000</u>	<u>15,405,000</u>	<u>11,720,000</u>	<u>13,570,000</u>	<u>13,010,756</u>
<u>14,530,000</u>	<u>14,875,000</u>	<u>15,405,000</u>	<u>11,720,000</u>	<u>13,570,000</u>	<u>13,010,756</u>
<u>(270,000)</u>	<u>(480,000)</u>	<u>(680,000)</u>	<u>(870,000)</u>	<u>(1,050,000)</u>	<u>(1,225,000)</u>
<u>(2,107,573)</u>	<u>(1,036,136)</u>	<u>(847,063)</u>	<u>(679,284)</u>	<u>(468,848)</u>	<u>(235,077)</u>
<u>12,152,427</u>	<u>13,358,864</u>	<u>13,877,937</u>	<u>10,170,716</u>	<u>12,051,152</u>	<u>11,550,679</u>
<u>\$ 27,360,020</u>	<u>\$ 25,994,773</u>	<u>\$ 27,891,256</u>	<u>\$ 32,476,559</u>	<u>\$ 30,478,781</u>	<u>\$ 27,221,540</u>
69.24%	66.05%	66.77%	76.15%	71.66%	70.21%
<u>20,696,996</u>	<u>20,613,810</u>	<u>21,879,101</u>	<u>22,339,049</u>	<u>22,277,584</u>	<u>20,309,258</u>
<u>14,530,000</u>	<u>14,875,000</u>	<u>15,405,000</u>	<u>11,720,000</u>	<u>13,570,000</u>	<u>13,010,756</u>
<u>(270,000)</u>	<u>(480,000)</u>	<u>(680,000)</u>	<u>(870,000)</u>	<u>(1,050,000)</u>	<u>(1,225,000)</u>
<u>(2,107,573)</u>	<u>(1,036,136)</u>	<u>(847,063)</u>	<u>(679,284)</u>	<u>(468,848)</u>	<u>(235,077)</u>
<u>12,152,427</u>	<u>13,358,864</u>	<u>13,877,937</u>	<u>10,170,716</u>	<u>12,051,152</u>	<u>11,785,756</u>
<u>\$ 8,544,569</u>	<u>\$ 7,254,946</u>	<u>\$ 8,001,164</u>	<u>\$ 12,168,333</u>	<u>\$ 10,226,432</u>	<u>\$ 8,523,502</u>
41.28%	35.19%	36.57%	54.47%	45.90%	41.97%

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)
2015	19,093	\$ 462,718,855	\$ 24,235	\$ 50,278	37.1
2014	19,093	462,718,855	24,235	50,278	37.1
2013	19,093	462,718,855	24,235	50,278	37.1
2012	19,093	462,718,855	24,235	50,278	37.1
2011	19,093	462,718,855	24,235	50,278	37.1
2010	19,093	443,702,227	23,239	46,522	35.9
2009	18,790	406,709,550	21,645	45,615	36.1
2008	18,790	406,709,550	21,645	45,615	36.1
2007	18,790	406,709,550	21,645	45,615	36.1
2006	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

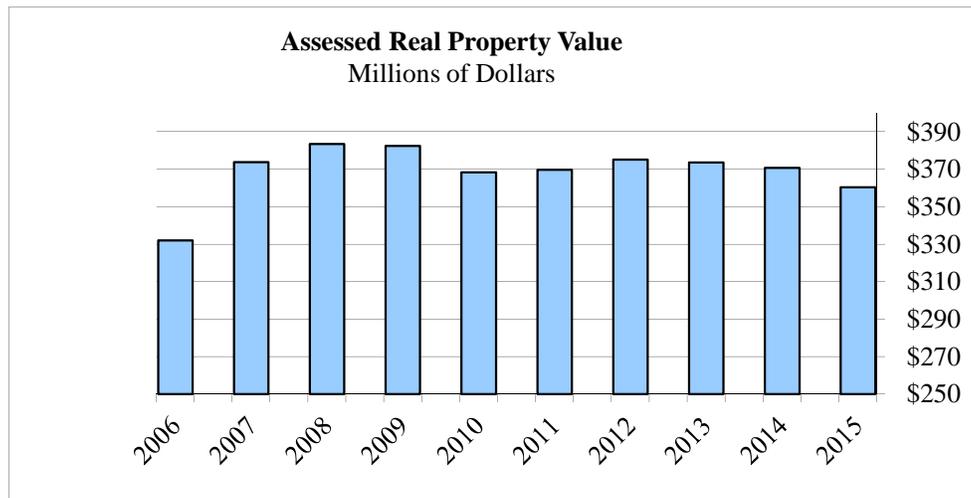
(b) 2010 Federal Census

(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	4.0%	\$ 119,100	\$ 360,416,630
3,350	7,111	6.0%	120,821	370,843,110
3,350	7,111	7.2%	123,056	373,633,920
3,350	7,121	8.6%	116,313	375,142,810
3,350	7,000	8.0%	120,453	369,786,280
3,450	7,099	8.6%	112,380	368,473,230
3,365	7,181	10.2%	116,352	382,502,610
3,365	7,500	7.1%	123,603	383,481,630
3,365	7,713	6.2%	142,614	373,920,320
3,365	7,418	5.4%	130,645	332,121,860



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

Function/Program	2015	2014	2013	2012	2011
General Government					
Council	5.0	5.0	5.0	5.0	5.0
Finance	4.5	4.5	4.5	4.5	4.5
Law	3.5	2.0	1.0	1.0	2.0
Administration	10.5	11.0	6.5	6.0	5.5
Engineer	3.5	3.5	3.0	2.0	2.0
Civil Service	0.0	0.0	0.0	0.0	0.0
Court	28.0	30.5	28.0	29.5	30.0
Public Building	2.0	2.0	8.5	6.5	8.5
Security of Persons and Property					
Police	28.0	30.0	31.5	30.5	30.5
Police - Auxiliary	3.5	3.5	2.5	4.0	4.0
Police - Dispatchers/Office	4.0	7.0	8.0	7.5	7.5
Police - Animal Wardens	0.5	0.5	1.0	0.5	0.5
Police - School guards/Parking Control	1.5	1.5	2.0	1.5	1.5
Fire	23.0	22.0	21.0	21.0	22.0
Fire - Secretary - Other	0.0	0.0	0.0	0.0	0.0
Leisure Time Services					
Recreation - Admin	15.5	16.5	15.5	19.0	16.0
Recreation - Programs	13.5	14.5	13.5	15.0	15.0
Recreation - Pools	24.5	21.5	19.5	18.0	23.0
Jitney	3.0	3.0	3.5	3.5	3.5
Transportation					
Service	33.0	30.0	32.0	30.0	32.0
Basic Utility Services					
Water	12.5	12.5	14.5	15.0	14.0
Totals:	<u>219.5</u>	<u>221.0</u>	<u>221.0</u>	<u>220.0</u>	<u>227.0</u>

Source: City Payroll Department W2 Audit Listing

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

2010	2009	2008	2007	2006
6.0	5.0	7.0	5.0	5.0
4.5	4.5	5.0	7.0	5.5
2.0	2.0	2.0	4.0	4.0
8.0	6.0	4.5	5.0	4.0
2.0	2.0	2.0	3.0	3.0
0.0	0.0	0.0	0.0	2.5
30.5	28.5	29.5	27.0	29.0
7.0	9.0	15.5	5.5	5.0
32.0	32.0	33.0	32.0	31.0
4.0	4.0	4.0	4.5	4.5
7.5	7.5	8.5	9.0	8.5
1.0	1.0	1.0	1.0	1.0
2.0	2.5	3.0	3.5	3.5
23.0	23.0	24.0	22.0	22.0
0.0	0.0	0.0	0.0	0.0
21.0	14.0	16.5	15.0	14.0
11.0	9.0	14.0	14.0	7.0
22.5	16.5	21.0	23.0	15.0
3.5	2.5	2.0	2.0	2.0
34.0	36.0	35.5	41.0	34.0
21.0	20.5	21.0	17.5	19.0
242.5	225.5	249.0	241.0	219.5

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

Function/Program	2015	2014	2013	2012
General Government				
<i>Council and Clerk(1)</i>				
Number of Ordinances Passed	70	75	71	74
Number of Resolutions Passed	15	17	15	16
<i>Finance Department(2)</i>				
Number of checks/ vouchers issued	3,316	3,389	1,806	3,396
Amount of checks written (Accounts Payable - in thousands)	\$ 16,619	\$ 17,269	\$ 19,028	\$ 16,298
General Fund Interest earnings (cash basis)	\$ 129,245	\$ 128,796	\$ 74,755	\$ 96,590
Number of Journal Entries issued	417	304	315	278
Number of Budget Adjustments issued	6	6	5	6
Agency Ratings - Moody's Financial Services	AA2	AA2	AA2	AA2
General Fund Receipts (cash basis in thousands)	\$ 12,808	\$ 12,160	\$ 12,216	\$ 13,720
General Fund Expenditures (cash basis in thousands)	\$ 12,665	\$ 12,043	\$ 11,812	\$ 13,519
General Fund Cash Balances (in thousands)	\$ 1,996	\$ 1,853	\$ 1,735	\$ 1,331
<i>Municipal Court(3)</i>				
Total Civil/Small claims cases filed	2,762	2,908	2,697	2,529
Number of Berea civil/small claims cases	566	589	577	576
Total Criminal cases filed	2,364	2,316	1,963	1,900
Number of Berea felony cases	38	30	22	4
Number of Berea misdemeanor cases	387	385	410	445
<i>Civil Service(4)</i>				
Number of police entry tests administered	0	1	0	1
Number of fire entry tests administered	0	0	0	1
Number of police promotional tests administered	0	2	0	0
Number of fire promotional tests administered	0	0	0	2
Number of hires of Police Officers from certified lists	4	1	0	2
Number of hires of Fire/Medics from certified lists	1	2	0	2
Number of promotions from police certified lists	1	4	0	0
Number of promotions from fire certified lists	1	0	0	1
Security of Persons & Property				
<i>Police(5)</i>				
Total Calls for Services	16,219	9,202	7,553	8,094
Number of traffic citations issued	989	1,523	1,898	2,334
Number of parking citations issued	1,135	1,608	1,898	2,479
Number of criminal arrests	750	1,176	1,186	1,429
Animal Warden service calls responded to per annual report	664	349	230	1,720
Police Dept. Auxiliary hours worked	2,096	2,128	2,089	2,229
DUI Arrests	65	97	82	85
Motor Vehicle Accidents	231	327	298	292
Property damage accidents/Self reported traffic accidents	106	101	90	84
<i>Fire(6)</i>				
EMS Calls	1,919	1,916	1,755	1,689
Ambulance Billing Collections (net)	\$ 410,456	\$ 427,296	\$ 404,008	\$ 385,006
Fire Calls	617	565	426	441
Fires with Loss	11	43	28	19
Fires with Losses exceeding \$10K	6	0	2	3
Fire Losses \$	\$ 351,500	\$ 5,300	\$ 60,000	\$ 714,500
Fire Safety Inspections	180	300	350	230

	2011	2010	2009	2008	2007	2006
	53	66	67	61	62	59
	15	15	19	17	15	25
	3,456	3,494	3,329	4,951	3,404	3,398
\$	15,718	\$ 16,403	\$ 16,312	\$ 18,700	\$ 28,113	\$ 15,455
\$	116,562	\$ 148,186	\$ 131,865	\$ 188,798	\$ 178,482	\$ 236,248
	266	280	288	295	244	207
	5	4	6	6	5	4
	AA2	AA2	AA3	AA3	AA3	AA3
\$	13,596	\$ 13,823	\$ 13,742	\$ 13,986	\$ 40,747	\$ 14,321
\$	13,646	\$ 13,759	\$ 14,289	\$ 13,922	\$ 38,785	\$ 13,994
\$	1,130	\$ 1,180	\$ 1,116	\$ 1,084	\$ 5,702	\$ 969
	3,183	3,462	3,598	4,245	3,802	3,288
	802	817	812	882	871	779
	1,641	1,539	1,773	1,992	2,175	2,303
	9	9	30	61	57	52
	390	400	436	557	507	616
	0	145	0	104	0	120
	0	179	0	118	0	139
	0	2	0	0	0	0
	0	1	0	0	0	0
	3	0	0	1	1	1
	6	0	0	2	0	0
	2	0	0	0	0	2
	5	0	0	0	0	0
	28,192	24,723	28,663	31,970	31,904	33,430
	1,666	1,995	1,964	2,520	2,548	2,632
	2,289	2,156	2,096	2,343	2,515	2,371
	1,243	1,335	1,435	1,623	1,497	1,847
	1,163	1,209	1,360	702	341	380
	2,137	2,209	1,971	2,209	3,473	3,412
	95	97	96	113	113	209
	274	305	330	363	338	306
	90	88	40	110	175	100
	1,715	1,622	1,555	1,550	1,539	1,594
\$	355,938	\$ 351,982	\$ 328,363	\$ 292,052	\$ 318,208	\$ 230,416
	254	227	227	243	262	226
	6	5	12	8	10	15
	4	2	5	4	6	7
\$	286,250	\$ 210,100	\$ 314,400	\$ 193,500	\$ 390,095	\$ 193,598
	836	876	738	748	756	758

(continued)

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

Function/Program	2015	2014	2013	2012
Leisure Time Services				
<i>Recreation(2)</i>				
Outdoor swimming pool receipts	\$ 97,645	\$ 87,834	\$ 83,694	\$ 94,715
Membership receipts	\$ 171,594	\$ 173,949	\$ 188,740	\$ 187,664
Program fees	\$ 228,339	\$ 172,533	\$ 151,096	\$ 149,361
(Includes indoor and outdoor rec programs)				
<i>Building Department(7)</i>				
Construction Permits Issued	1,439	1,235	1,278	1,365
Estimated Value of Construction	\$ 19,280,049	\$ 14,571,224	\$ 18,812,145	\$ 31,824,793
Amount of Revenue generated from permits	\$ 386,808	\$ 175,946	\$ 274,278	\$ 289,842
Number of contract registrations issued	579	513	527	560
Amount of Revenue generated from contract registrations	\$ 70,750	\$ 64,125	\$ 65,875	\$ 56,000
Number of rental inspections performed*	289	587	529	481
Number of point of sale inspections	254	344	192	190
<i>Engineer Contracted Services(8)</i>				
Dollar amount of Construction overseen by Engineer	\$ 3,433,017	\$ 2,071,675	\$ 3,755,000	\$ 1,779,077
Transportation(8,10)				
Street Improvements - asphalt overlay (linear feet)	10,510	10,560	10,510	4,752
Street Repair (Curbs, aprons, berms, asphalt) (hours)	14,778	14,831	11,057	12,675
Municipal Signs (hours)	2,656	2,223	3,567	4,169
Paint Striping (hours)	561	448	1,146	2,022
Street Cleaning (hours)	838	733	1,037	1,732
Snow & Ice Removal regular hours	2,452	3,004	1,290	89
Snow & Ice Removal overtime hours	544	1,099	729	600
Sewer Crew (hours)	5,647	6,291	6,149	2,973
Leaf collection (hours)	2,000	1,836	1,907	1,300
Number of Trees Planted per year	0	78	105	118
Tons of snow melting salt purchased (Nov-Mar)	3,048	4,900	2,971	1,866
Cost of salt purchased	\$ 155,555	\$ 149,046	\$ 94,943	\$ 85,076
Water Department(9)				
Average Water Rate per 1000 gallons of water used	\$ 4.09	\$ 4.09	\$ 4.09	\$ 4.71
Wastewater Department(9)				
Average Wastewater Rates per 1000 gallons of water used	\$ 9.57	\$ 8.63	\$ 7.75	\$ 7.01
Average daily flow (Millions of gallons per day)	2.00	2.00	2.20	1.96

- 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

2011	2010	2009	2008	2007	2006
\$ 87,184	\$ 78,107	\$ 80,418	\$ 84,039	\$ 76,324	\$ 65,482
\$ 188,758	\$ 199,473	\$ 166,046	\$ 157,699	\$ 157,693	\$ 157,280
\$ 119,983	\$ 82,992	\$ 66,515	\$ 62,162	\$ 44,416	\$ 45,933
1,481	1,551	1,673	1,738	1,533	1,853
\$ 36,768,876	\$ 34,130,240	\$ 77,870,198	\$ 25,573,472	\$ 9,901,081	\$ 23,586,423
\$ 299,738	\$ 431,117	\$ 625,070	\$ 739,580	\$ 618,813	\$ 1,185,594
570	523	548	534	543	536
\$ 57,000	\$ 50,100	\$ 54,800	\$ 53,400	\$ 54,300	\$ 53,600
470	198	146	674	245	98
169	183	200	224	241	267
\$ 1,625,020	\$ 5,707,254	\$ 2,813,504	\$ 5,149,826	\$ 6,427,990	\$ 7,372,177
13,186	10,757	21,200	6,434	17,108	26,558
15,609	16,455	17,611	16,122	20,005	14,150
4,023	3,972	3,599	3,518	3,597	2,491
1,948	2,028	1,267	977	1,580	1,302
1,714	1,993	2,033	1,375	1,662	1,778
1,717	1,381	2,016	4,722	3,324	1,207
689	1,158	977	1,563	1,771	660
4,403	5,164	5,589	7,642	6,990	3,684
1,605	1,831	2,346	2,365	2,226	1,443
101	58	60	37	173	0
3,081	3,979	3,439	4,895	3,980	2,812
\$ 142,537	\$ 180,833	\$ 198,600	\$ 193,940	\$ 164,208	\$ 118,454
\$ 4.71	\$ 4.09	\$ 4.09	\$ 4.09	\$ 4.09	\$ 3.72
\$ 6.40	\$ 6.33	\$ 6.33	\$ 5.06	\$ 4.35	\$ 4.35
2.04	2.00	2.07	2.10	2.15	2.00

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

Function/Program	2015	2014	2013	2012
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	10	10	11	12
Inspection Vehicles	4	4	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	28	28	24	26
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	2	2	3
Rescue Ambulances	2	2	2	3
Utility	1	1	0	1
Staff vehicles	2	2	2	2
Recreation				
Number of Parks	5	5	5	5
Number of Pools	2	2	2	2
Number of Racquetball Courts	1	1	1	1
Number of Basketball Courts	3	3	3	3
Number of Baseball Diamonds	4	4	4	4
Number of Soccer Fields	3	3	3	3
Number of Playground Areas	6	5	5	5
Number of Vehicles	4	4	4	4
Other Public Works				
Streets (miles)	73.4	73.4	89.8	90.3
Service Vehicles	35	35	38	42
Wastewater				
Sanitary Sewers (miles)	75.5	75.5	76.2	73.5
Storm Sewers (miles)	90.5	90.5	53.5	53.5
Vehicles	2	2	2	2
Water Department				
Water Lines (miles)	84.0	84.0	83.9	80.3
Vehicles	6	6	7	8

Source: City of Berea Service Department

2011	2010	2009	2008	2007	2006
4	4	4	4	4	4
17,000	17,000	17,000	14,500	14,500	14,500
19,100	19,100	19,100	2,075	2,075	2,075
25,400	25,400	25,400	3,000	3,000	3,000
33,000	33,000	33,000	30,000	30,000	30,000
11	9	11	6	3	3
3	3	3	3	6	6
1	1	1	1	1	1
1	1	1	1	1	1
9,700	9,700	9,700	9,700	9,700	9,700
22	23	22	24	N/A	N/A
1	1	1	1	1	1
7,900	7,900	7,900	5,000	5,000	5,000
1	1	1	1	1	1
2	2	2	2	2	2
3	3	2	2	2	2
1	1	1	1	1	1
2	2	2	2	2	2
5	5	5	5	5	5
2	2	2	2	2	2
1	2	2	2	2	2
2	2	2	2	2	2
4	4	4	4	4	4
3	2	2	2	2	2
4	4	4	4	4	4
3	2	3	6	5	5
90.3	89.9	89.8	89.8	86.0	82.5
43	39	34	38	25	25
73.5	73.5	73.5	73.5	73.5	73.5
53.5	73.5	53.4	73.5	73.5	73.5
2	2	2	2	2	2
80.3	77.0	79.7	77.0	77.0	77.0
7	6	6	5	5	5

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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
AUGUST 2, 2016**