

City of Berea, Ohio

Mayor Cyril M. Kleem



City of Berea's Veterans Outreach Office
Chaplain Willie Springer, Coordinator

Comprehensive Annual Financial Report

For the year ended December 31, 2017



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Berea, Cuyahoga County, prepared by Rea & Associates, Inc., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

August 1, 2018

This page intentionally left blank.

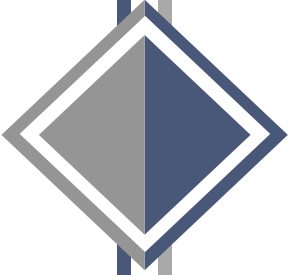
CITY OF BEREA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

Issued by: Department of Finance
Andrea D. Morris
Director of Finance

Andrew S. Palcheff, CPA
Chief Budget Officer



INTRODUCTORY SECTION

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017

Table of Contents

Introductory Section	Page
Table of Contents	i
Letter of Transmittal	v
List of Principal Officials.....	xiv
Organizational Chart.....	xv
Certificate of Achievement for Excellence in Financial Reporting	xvi
Financial Section	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	17
Statement of Activities	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	20
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund	24
Statement of Fund Net Position – Proprietary Funds	25
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	26
Statement of Cash Flows – Proprietary Funds	27

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017

Table of Contents (continued)

Statement of Fiduciary Assets and Liabilities – Agency Funds	28
Notes to the Basic Financial Statements	29
Required Supplementary Information:	
Schedule of the City’s Proportionate Share of the Net Pension Liability	77
Schedule of City Contributions	78
Combining Statements and Individual Fund Schedules:	
Combining Statements - Nonmajor Funds:	
Description of Funds	82
Combining Balance Sheet – Nonmajor Governmental Funds	86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	87
Combining Balance Sheet – Nonmajor Special Revenue Funds	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	93
Combining Balance Sheet – Nonmajor Capital Projects Funds	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	100
Governmental Funds Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
General Fund	104
Animal Control Fund.....	108
Municipal Court Fund	109
General Bond Retirement Fund	110
General Capital Improvement Fund	111
Recreation Fund	112
State Highway Fund	113
Street Maintenance Fund.....	114
Fire Pension Fund	115
Police Pension Fund	116
Safe Students Fund	117
Public Safety Fund	118

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017

Table of Contents (continued)

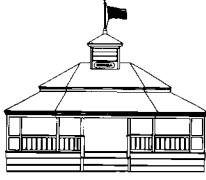
Safe Passages Fund	119
Street Lighting Fund.....	120
Berea Welfare Fund.....	121
Community Hospital Fund	122
Municipal Vehicle Tax Levy Fund.....	123
Law Enforcement Fund.....	124
Municipal Court Health Insurance Fund	125
Probation Services Fund.....	126
Indigent Driver Alcohol Treatment Fund	127
DUI Education Fund	128
Theft Diversion Fund	129
Indigent Driving School Fund	130
DUS Diversion Fund	131
Court Computer Fund	132
Court Computer Research Fund	133
Court Special Projects Fund	134
Indigent Defendant Alcohol Monitoring Fund	135
State Highway Patrol Fund	136
Municipal Court Magistrates Fund	137
Safety Capital Improvement Fund	138
Recreation Capital Improvement Fund	139
Neighborhood Improvement Fund	140
Court Capital Improvement Fund	141
 Combining Statements – Internal Service Funds:	
Description of Funds	143
Combining Statement of Fund Net Position –Internal Service Funds	144
Combining Statement of Revenues, Expenses and Changes in Fund Net Position –Internal Service Funds	145
Combining Statement of Cash Flows –Internal Service Funds	146
 Combining Statements - Agency Funds:	
Description of Funds	147
Combining Statement of Assets and Liabilities - Agency Funds	148
Combining Statement of Changes in Assets and Liabilities – Agency Funds	150

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017

Table of Contents (continued)

Statistical Section

Net Position by Component – Last Ten Years (Accrual Basis of Accounting)	S-2
Changes in Net Position - Last Ten Years (Accrual Basis of Accounting)	S-4
Fund Balances, Governmental Funds Last Ten Years (Modified Accrual Basis of Accounting)	S-8
Changes in Fund Balances of Governmental Funds Last Ten Years (Modified Accrual Basis of Accounting)	S-10
Property Tax Rates – Direct and Overlapping Governments (Per \$1,000 of Assessed Valuation) – Last Ten Years.....	S-12
Assessed Valuation and Estimated Actual Values of Taxable Property - Last Ten Years	S-14
Property Tax Levies and Collections - Last Ten Years	S-16
Principal Taxpayers - Real Estate Tax – 2017 and 2008	S-17
Principal Taxpayers - Municipal Tax – 2017 and 2008.....	S-18
Principal Employers – 2017 and 2008	S-19
Income Tax Revenue Base and Collections – Last Ten Years	S-20
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Ten Years.....	S-22
Pledged Revenue Coverage Water and Sewer OPWC and OWDA Loans – Last Six Years	S-24
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita – Last Ten Years	S-25
Computation of Direct and Overlapping Governmental Activities Debt.....	S-27
Legal Debt Margin – Last Ten Years.....	S-28
Demographic and Economic Statistics – Last Ten Years	S-30
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Years	S-32
Operating Indicators by Function/Program – Last Ten Years	S-34
Capital Assets Statistics by Function/Program – Last Ten Years.....	S-38



CITY OF BEREA

"The Grindstone City"

Cyril M. Kleem
Mayor

Andrea Morris
Director of Finance

11 Berea Commons
Berea, Ohio 44017

Phone: 440-826-5889
Fax: 440-234-5628

Website www.cityofberea.org
Email amorris@cityofberea.org

June 21, 2018

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, 2017.

The Ohio Revised Code requires that every public office, other than a state agency, publish a financial report for each fiscal year. Since the City prepares this report pursuant to generally accepted accounting principles, the report must be filed with the Auditor of State within one hundred fifty days after the end of the fiscal year. The City has fulfilled this requirement for the year ended December 31, 2017.

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

Rea and Associates, Inc. has issued an unmodified ("clean") opinion on the City of Berea's financial statements for the year ended December 31, 2017. The independent auditor's report is located at the front of the financial section of this report.

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

History of Berea

Berea earned its name by the flip of a coin on September 27, 1836. Berea grew from an agricultural area to a quarry town in 1840. John Baldwin is credited with the discovery of a lathe to cut slabs of

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

General Information

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

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

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

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

Form of Government

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

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

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

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

The **Police Department** enforces local, state, and federal laws in addition to protecting citizens and their property. The department takes a community oriented policing approach that has been met with great success. Numerous programs are offered to citizens and students. The department, under the direction of the Director of Public Safety and headed by the Chief of Police, consists of three bureaus. The Patrol Division oversees the staff of patrol officers. The Services Operational Division oversees Drug Abuse Resistance Education, Animal Control, Parking Control, Auxiliary, School Guards, and firearms training. The Detective Bureau oversees the City's investigative services. 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 department developed a program known as Safe Passages. At least nine other cities have adopted their program and the Berea Police were recognized by the Attorney General of Ohio for the innovative program. Goals include assisting addicts in getting treatment. Safe Passages is founded on the premise that any addict may voluntarily come to the police station for assistance without fear of arrest. In 2017, 96 people participated in the Safe Passages program.

The **Fire Department** provides fire suppression, emergency medical services, Hazmat response, extrication, and search and rescue, placing a strong emphasis on fire prevention, community involvement and education. The Director of Public Safety oversees the Chief of Fire who leads the department. The department has 2 fully equipped advanced-life-support rescue squads, two pumpers and a 110-foot Aerial Tower. The 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 Service Department works with the Finance Department in handling the billing and collection for the City's water department and the Northeast Ohio Regional Sewer District.

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 and improvements have been made to area including a new pavilion, amphitheater seating, and staging area. 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. 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 and is administered by the Director of Public Service. 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. The Mayor established a Veterans Outreach office to assist veterans and their family members in a supportive and community-oriented environment. The office assists veterans and their families in facing a number of challenges such as post-traumatic stress, traumatic brain injury, substance abuse, homelessness or housing concerns, disability and medical issues, unemployment, and other services.

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 revised lease terms extend through 2040 with an opt-out clause after 2028. The Browns invested over \$15 million in capital improvements. In addition, the City has agreed to provide an income tax rebate to the Cleveland Browns of 40 percent of their annual growth on income tax above a \$2.6 million base annually through 2028. The rebated income tax funds can only be used towards capital improvements to the City owned facility and cannot be used towards the general operations of the Browns. The Browns also agreed to provide various charitable commitments to the community.

In 2017, the City partnered with the DiGeronimo Companies and Baldwin Wallace University for the approval of a new 65,000 square foot mixed use project. This project will include 16,000 square feet of retail/commercial space below three floors of dormitory rooms. One of the anchor tenants on the first floor will be the Baldwin Wallace Bookstore which will be moving from the central core of campus to Downtown Berea. There was an official ground breaking ceremony in September 2017 and the project is on target to open in August 2018. This will be the first major redevelopment project in Downtown Berea in almost 20 years.

In the fall of 2017, the City received an \$875,000 grant from the Cuyahoga County Council for the final phases of the City's Coe Lake Amphitheater Project. The bulk of these funds will be used for parking lot repairs and upgrades including the creation of a designated, tree lined walkway from Coe Lake to the Cuyahoga County Library. This grant allows the City to accelerate the timeframe for these improvements from what had previously been scheduled.

Bridges Rehabilitation Services had been located in a former elementary school building in a neighboring community. Following approval of a bond issue in November 2016, the Berea City School District created plans to remodel the former elementary school and put it back into use. As such, Bridges was forced to find a new location and reached out to the City of Berea. In working with Bridges, we were able to find them a new location in Berea on West Bagley Road. This resulted in 40 new employees and an additional \$1,000,000 in payroll moving into Berea.

Late in 2017, the City of Berea Planning Commission approved plans for the construction of a new 2,700 square foot professional office building. This project allowed an existing Berea business, who had been renting in Berea, to remain in Berea while building a custom building to suit their needs.

Also in 2017, the Berea Planning Commission approved the construction of a new 6,369 square foot food production and café on West Bagley Road. Similar to the professional office project, this project allowed an existing Berea business who had been renting to build a new custom built-to-suit facility.

Current Year Projects: In 2017, the City's road program totaled over \$3 million dollars and included repairs and replacements to 14 roads.

Fair Street saw Phase 1 was completed in 2017 and Phase 2 began in 2017. This construction project includes replacing the water, storm water, and sanitary sewer lines as well as road reconstruction and new sidewalks and aprons as needed. The project will be completed in 2018. The total project costs for both phases is over \$6 million and the City received grant and loan funding from OPWC.

West Center Street Bridge began its replacement in 2016 and it should be completed by 2018. This bridge is in the center of downtown and is the third of four bridges that have been replaced in this area. The cost of the replacement bridge is \$3.85 million and the City received grant and loan funding from ODOT and OPWC.

The Jananna, Vivian and Kaye road reconstruction project was completed in 2017 and included storm sewer improvements and sidewalk and apron replacements as needed.

Eastland/Fowles Road was resurfaced by the County from Bagley Road to the City limits during 2017 at a cost of \$875,000. In 2017 Phase 3 of the North Rocky River resurfacing project was completed using CDBG grant funds at a cost of \$350,000.

Phase 1 of the North End Sewer Rehabilitation began in 2017. The \$1.25 million project includes rehabilitation and replacing of existing sanitary sewers and other improvements to help reduce inflow and infiltration and basement flooding in the neighborhood.

The City is undertaking a multi-year program to upgrade its parks and playgrounds and create a destination location for outdoor venues. In 2017, the area included the installation of amphitheater seating using Berea sandstone, a central plaza, lighting and electrical upgrades, gazebo enhancements,

and a staging area. Future improvements will include an expansion and renovation to Mucklo playground, resurfacing and beautification of area parking lots including greenway connection from the municipal campus to Coe Lake.

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

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. The City anticipates continued development in both residential and commercial areas throughout the City.

The City's north end is currently under a transformation. The City has developed a North End Revitalization Plan to assist in the overall plan for economic development at the City's north end gateway after a \$24 million railroad overpass project was completed on the main thoroughfare through the City's north end. The City has purchased several parcels to assist in the overall revitalization plan and developed a marketing plan 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 is working with developers interested in this area and anticipate some exciting improvements in the north end with future development and new businesses.

The North End Gateway and Streetscape improvement is planned for 2018. This includes entrance improvements at the North End including new canopy and ornamental trees, decorative shrubs and flowers. The two current gateway signs will be combined into one prominent gateway similar to other gateway signs installed at other entrances to the City.

In 2018, the City has partnered with Baldwin Wallace University to resurface Tressel Street including apron, sidewalks and ADA ramps as needed. This road is one of the main entrances into the Baldwin Wallace University campus.

For 2019, the City is planning the Kraft Street reconstruction project, estimated to cost about \$3 million. This project includes complete infrastructure improvements including a new waterline, sanitary sewer rehab, storm sewer rehab, new roadway, and new sidewalks and aprons as needed. The City received grant and loan funding from OPWC.

For 2019, the City is planning the Lindbergh Boulevard resurfacing including ADA compliant ramps. The City has received grant funding from the County Local Resurfacing Program.

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

The City and the Cleveland Browns saw 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 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 have a long-term lease with the Browns through 2040. The Browns have also agreed to various charitable commitments with the City. The City of Berea and the Cleveland Browns remain committed to continuing their long-term partnership and working together for the betterment of the community.

Future Projects:

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

The City's Coe Lake area continues to see an ambitious project to create a destination location for outdoor venues. In 2018, future improvements to the area will include expansion and renovation to Mucklo playground, resurfacing and beautification of area parking lots including greenway connection from the municipal campus to Coe Lake.

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 and works with the Mayor to maintain optimal balances for all fund balances, especially the General Fund.

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 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, 2016. 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 thirteen years ago. The City has received the Certificate of Achievement for the last thirteen consecutive years. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,



Andrea Morris
Director of Finance

**CITY OF BEREA, OHIO
PRINCIPAL OFFICIALS
DECEMBER 31, 2017**

ELECTED OFFICIALS

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

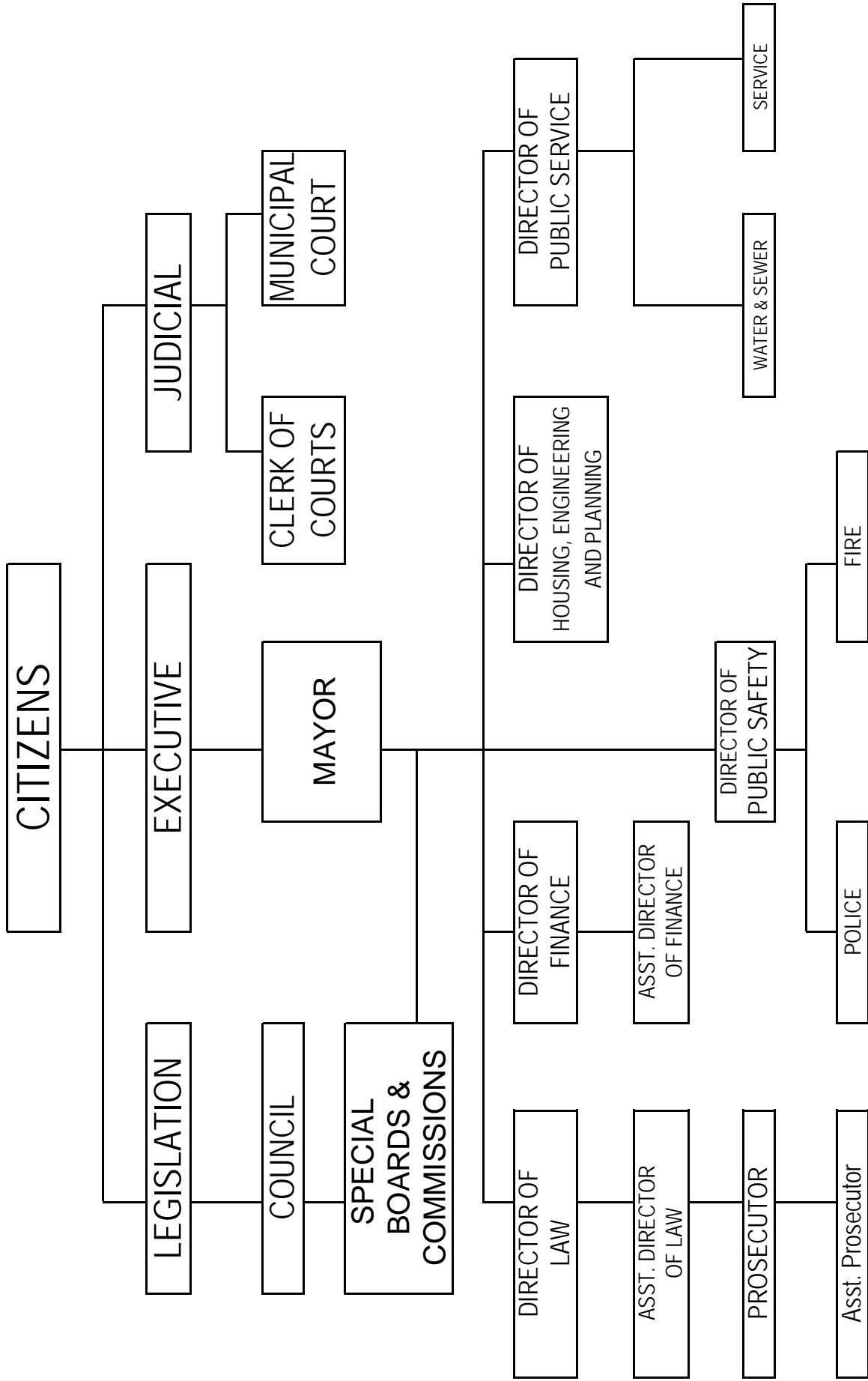
Cyril M. Kleem
Mary K. Brown
Bill DeVito
Gene Zacharayz
Margarette S. Key
Nick Haschka
Jim Maxwell
Cheryl A. Banaszak
Rick Skoczen

APPOINTED OFFICIALS

Director of Finance - effective May 1, 2018
Director of Finance - through April 30, 2018
Director of Law/Director of Public Safety
Director of Public Service
Director of Recreation & Community Services
Director of Housing, Engineering, and Planning

Andrea Morris
Dana Kavandar
Barbara Jones
Paul Anzalone
Marty Compton
Matthew J. Madzy

CITY OF BEREA, OHIO
ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

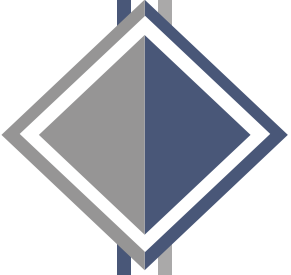
City of Berea
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

June 21, 2018

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Berea, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 2, the City restated the net position/fund balance to account for costs and funding for certain construction projects which were incorrectly recorded in the wrong fund. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and

other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Hea & Associates, Inc.

Medina, Ohio

This Page Intentionally Left Blank

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(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, 2017. 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 2017 are as follows:

- In total, net position decreased \$1.1 million from 2016. Net position of governmental activities decreased \$1.8 million and net position of business-type activities increased \$0.7 million.
- Total capital assets increased \$1.5 million in 2017. Capital assets of governmental activities increased \$0.8 million, in part, to the completion of Phase I of the Fair Street project. Capital assets of business-type activities increased \$0.7 million from 2016 due to the water and sewer lines completed for the Fair Street project.
- Outstanding debt increased from \$37.2 million to \$39.0 million primarily due to \$8.9 million in bond anticipation notes issued in 2017 used to pay \$6.6 million in outstanding bond anticipation notes.

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 2017 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, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

A question typically asked about the City's finances is "How did we do financially during 2017?" 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, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(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 2017 compared to 2016:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	Restated 2016	2017	Restated 2016	2017	2016
Assets						
Current and Other Assets	\$ 22,335,607	\$ 21,938,519	\$ 4,335,038	\$ 2,924,872	\$ 26,670,645	\$ 24,863,391
Capital Assets	91,800,586	91,014,539	37,196,060	36,500,036	128,996,646	127,514,575
Total Assets	114,136,193	112,953,058	41,531,098	39,424,908	155,667,291	152,377,966
Deferred Outflows of Resources	6,752,177	6,121,227	833,921	615,664	7,586,098	6,736,891
Liabilities						
Other Liabilities	8,460,852	8,439,957	433,906	349,119	8,894,758	8,789,076
Long-Term Liabilities:						
Due Within One Year	9,874,585	8,292,535	1,371,339	661,402	11,245,924	8,953,937
Due in More Than One Year:						
Net Pension Liability	23,063,872	20,104,431	2,133,667	1,593,371	25,197,539	21,697,802
Other Amounts	17,129,098	17,988,837	12,380,370	12,122,391	29,509,468	30,111,228
Total Liabilities	58,528,407	54,825,760	16,319,282	14,726,283	74,847,689	69,552,043
Deferred Inflows of Resources	3,958,899	3,965,036	486,987	504,035	4,445,886	4,469,071
Net Position						
Net Investment in Capital Assets	61,240,064	60,290,157	25,155,850	25,111,856	86,395,914	85,402,013
Restricted	2,991,950	2,797,723	101,453	22,905	3,093,403	2,820,628
Unrestricted	(5,830,950)	(2,804,391)	301,447	(324,507)	(5,529,503)	(3,128,898)
Total Net Position	\$ 58,401,064	\$ 60,283,489	\$ 25,558,750	\$ 24,810,254	\$ 83,959,814	\$ 85,093,743

Under the standards required by GASB 68, the net pension 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

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

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.

At year end, capital assets represented 83 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 \$86.4 million at December 31, 2017, with \$61.2 million in governmental activities and \$25.2 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, \$3.1 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 \$5.5 million, which is primarily caused by GASB 68.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

Governmental activities received \$0.8 million in donated property to be sold at a future date reported as assets for resale in 2017. Deferred outflows for pension and net pension liability increased \$0.6 million and \$3.0 million, respectively, over 2016. Governmental activities outstanding debt increased \$0.8 million over 2016, due to bond anticipation notes issued, exceeding maturing notes. Accounts payable increased \$0.4 million over 2016 due to an income tax rebate due to the Browns. Governmental activities had a decrease in net position of \$1.9 million from 2016.

Business-type activities had an increase in net position of \$0.7 million over 2016. Cash increased \$1.1 million mainly due to a new charge for water meters and unspent proceeds of a \$0.6 million bond anticipation note issued in 2017, which also account for the increases in accounts receivable and liabilities due within one year. Net pension liability increased \$0.5 million over 2016.

This space intentionally left blank

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

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 2017 and 2016.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	Restated 2016	2017	Restated 2016	2017	2016
Revenues						
<i>Program Revenues:</i>						
Charges for Services and Sales	\$ 5,174,133	\$ 5,199,062	\$ 3,601,659	\$ 3,516,868	\$ 8,775,792	\$ 8,715,930
Operating Grants, Contributions and Interest	1,323,766	1,140,770	75,449	74,695	1,399,215	1,215,465
Capital Grants	3,196,750	8,267,911	683,535	609,773	3,880,285	8,877,684
<i>General Revenues:</i>						
Property Taxes	3,755,615	3,716,240	453,634	449,682	4,209,249	4,165,922
Income Taxes	12,904,124	13,048,547	0	0	12,904,124	13,048,547
Other Taxes	250,729	307,904	0	0	250,729	307,904
Grants and Entitlements	829,061	833,594	0	0	829,061	833,594
Unrestricted Donations	785,000	0	0	0	785,000	0
Investment Earnings	66,491	206,755	0	0	66,491	206,755
Miscellaneous	203,802	96,362	0	0	203,802	96,362
<i>Total Revenues</i>	<u>28,489,471</u>	<u>32,817,145</u>	<u>4,814,277</u>	<u>4,651,018</u>	<u>33,303,748</u>	<u>37,468,163</u>
Program Expenses						
General Government	9,846,448	8,331,714	0	0	9,846,448	8,331,714
Security of Persons and Property	8,841,071	8,565,299	0	0	8,841,071	8,565,299
Public Health	117,192	118,279	0	0	117,192	118,279
Leisure Time Services	4,521,353	3,340,337	0	0	4,521,353	3,340,337
Community Development	554,587	388,886	0	0	554,587	388,886
Public Works	1,272,715	1,266,920	0	0	1,272,715	1,266,920
Transportation	4,001,193	3,649,374	0	0	4,001,193	3,649,374
Interest and Fiscal Charges	627,337	648,626	0	0	627,337	648,626
<i>Enterprise Operations:</i>						
Water Revenue	0	0	3,577,909	4,875,037	3,577,909	4,875,037
Sewer Revenue	0	0	1,077,872	1,053,185	1,077,872	1,053,185
<i>Total Program Expenses</i>	<u>29,781,896</u>	<u>26,309,435</u>	<u>4,655,781</u>	<u>5,928,222</u>	<u>34,437,677</u>	<u>32,237,657</u>
<i>Increase (Decrease) in Net Position</i>	(1,292,425)	6,507,710	158,496	(1,277,204)	(1,133,929)	5,230,506
Transfers	(590,000)	(131,400)	590,000	131,400	0	0
<i>Change in Net Position</i>	(1,882,425)	6,376,310	748,496	(1,145,804)	(1,133,929)	5,230,506
<i>Net Position Beginning of Year</i>						
<i>Restated, See Note 2</i>	<u>60,283,489</u>	<u>53,907,179</u>	<u>24,810,254</u>	<u>25,956,058</u>	<u>85,093,743</u>	<u>79,863,237</u>
<i>Net Position End of Year</i>	<u>\$ 58,401,064</u>	<u>\$ 60,283,489</u>	<u>\$ 25,558,750</u>	<u>\$ 24,810,254</u>	<u>\$ 83,959,814</u>	<u>\$ 85,093,743</u>

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

Governmental Activities

The funding for the governmental activities comes from several different sources, the most significant being the municipal income tax. Other prominent sources are property 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 decreased \$4.3 million from 2016 mainly in capital contributions due to a contribution received in 2016 from the Browns organization. In 2017, the City also received donations of \$0.8 million in assets held for resale accounting for an increase in unrestricted donations.

Expenses increased \$3.5 million over 2016. The majority of this increase is attributable to the increase in pension liability. In addition, a \$0.4 million income tax rebate to the Brown's organization contributed to the general government increase and an increase in depreciation for the Brown's facility improvements completed in 2017, coupled with losses on disposals of previous improvements accounts for the increase in leisure time services in 2017. The largest program functions of the City were for general government, which represents approximately 33 percent of program expenses in 2017 and security of persons and property, which includes the police and fire departments and also represents approximately 30 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 2017, charges for services of \$3.6 million accounted for 75 percent of the business type revenues. The total expenses for the utilities were \$4.7 million, which is a decrease of \$1.3 million from 2016, mainly due to the completion of a water meter project in the prior year, which was not capitalized. The business-type activities had an increase in net position of \$0.7 million from 2016.

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 \$28.7 million and expenditures of \$36.5 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 2017 was a decrease of \$0.6 million as expenditures increased \$0.8 million over 2016. General government included a \$0.4 million income tax rebate to the Browns organization.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

The fund balance of the general bond retirement fund increased \$0.2 million over 2016 as revenues were fairly consistent with principal and interest payments.

The general capital improvement fund had an increase in fund balance of \$1.0 million over 2016 mainly due to the timing of capital outlay compared to \$2.4 million in proceeds from bond anticipation notes and loans.

Proprietary Funds

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

Unrestricted net position of the water revenue fund at the end of the year was a deficit of \$0.4 million and the unrestricted net position of the sewer revenue fund was \$0.7 million. The water revenue fund had an increase in net position of \$0.1 million. The sewer revenue fund had an increase in net position of \$0.6 million, partially due to transfers from general fund to cover project costs. The sewer revenue and water revenue funds each received capital contributions of \$0.3 million in 2017 also contributing to the increases.

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 2017, the City amended its general fund budget. All recommendations for appropriation changes come to Council from the City Finance Director. The Finance Committee of Council reviews them, and they make their recommendation to the Council as a whole.

For the general fund, the actual revenue of \$16.6 million was \$30,575 more than final budget basis revenue. Original budget revenue estimates of \$16.5 million was \$88,207 less than final budget revenue.

Final expenditure appropriations of \$12.9 million were \$0.4 million higher than the actual expenditures of \$12.6 million, as cost savings were recognized for general government throughout the year. Original expenditure appropriations were \$71,000 higher than final appropriations.

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

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

At the end of year 2017, the City had \$129.0 million invested in capital assets, net of depreciation. A total of \$91.8 million of this was for governmental activities and \$37.2 million being attributable to business-type activities. Table 3 shows fiscal year 2017 balances compared with 2016.

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 11,285,261	\$ 11,285,261	\$ 93,181	\$ 93,181	\$ 11,378,442	\$ 11,378,442
Intangible	2,183,636	2,183,636	1,154,237	1,154,237	3,337,873	3,337,873
Land Improvements	4,113,884	3,067,334	46,077	34,950	4,159,961	3,102,284
Buildings	4,956,053	5,295,327	2,293,199	2,413,311	7,249,252	7,708,638
Building Improvements	23,545,163	9,964,057	1,569,963	1,673,267	25,115,126	11,637,324
Machinery and Equipment	1,889,462	1,621,801	2,229,012	2,308,287	4,118,474	3,930,088
Furniture and Fixtures	735,292	9,879	5,400	6,600	740,692	16,479
Vehicles	1,134,545	931,839	30,191	6,488	1,164,736	938,327
Bridges	5,416,467	5,696,300	0	0	5,416,467	5,696,300
Roads	25,307,121	24,906,258	0	0	25,307,121	24,906,258
Sidewalks	811,105	900,775	0	0	811,105	900,775
Traffic Signals	2,928,454	3,069,744	0	0	2,928,454	3,069,744
Water Lines	0	0	9,839,433	9,268,386	9,839,433	9,268,386
Storm Sewers	0	0	10,935,953	10,582,463	10,935,953	10,582,463
Sanitary Sewers	0	0	8,654,045	8,142,689	8,654,045	8,142,689
Construction in Progress	7,494,143	22,082,328	345,369	816,177	7,839,512	22,898,505
Total	\$ 91,800,586	\$ 91,014,539	\$ 37,196,060	\$ 36,500,036	\$ 128,996,646	\$ 127,514,575

The \$0.8 million increase in capital assets of governmental activities and \$0.7 million increase in business-type activities was partially attributable to the completion of Phase I of the Fair Street Project. In addition, the governmental activities added \$0.4 million in vehicles and \$0.2 million in construction in progress for a ladder truck. The completion of the Browns renovation accounts for the \$13.6 million increase in building improvements and the decrease in construction in progress. See Note 8 for additional information about the capital assets of the City.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

Debt

The outstanding debt for the City as of December 31, 2017 was \$39.0 million. See Note 12 for additional details. The City maintains an Aa2 rating from Moody's for general obligation debt. Table 4 summarizes outstanding debt.

Table 4
Outstanding Debt at December 31

	Governmental		Business-Type		Total	
	Activities		Activities			
	2017	Restated 2016	2017	Restated 2016	2017	2016
<i>General Obligation Bonds:</i>						
2010 Various Purpose Bonds	\$ 2,210,000	\$ 2,275,000	\$ 0	\$ 0	\$ 2,210,000	\$ 2,275,000
2013 Various Purpose Bonds	3,605,000	3,705,000	0	0	3,605,000	3,705,000
2015 Various Purpose Bonds	6,280,000	6,515,000	115,000	120,000	6,395,000	6,635,000
2016 Refunding Bonds	2,080,000	2,870,000	0	0	2,080,000	2,870,000
<i>Other Obligations:</i>						
OWDA Loans	0	0	11,160,077	11,065,553	11,160,077	11,065,553
OPWC Loans	2,247,697	1,922,215	1,507,676	1,217,396	3,755,373	3,139,611
Loan Payable	200,000	0	252,244	271,648	452,244	271,648
Bond Anticipation Notes	8,200,900	6,642,500	600,000	0	8,800,900	6,642,500
Capital Leases	500,034	618,176	26,342	0	526,376	618,176
Totals	<u>\$ 25,323,631</u>	<u>\$ 24,547,891</u>	<u>\$ 13,661,339</u>	<u>\$ 12,674,597</u>	<u>\$ 38,984,970</u>	<u>\$ 37,222,488</u>

In 2017, the City issued \$8.8 million in various purpose notes to refinance \$6.6 million in notes and to fund general, recreation and water improvement projects. The City also entered into an agreement with Baldwin Wallace College for a \$200,000 loan for an upcoming Tressel Street improvement project. The City made \$2.0 million in principal payments for bonds and OWDA and OPWC loans.

Current Financial Related Activities

The City of Berea is financially stable. The City analyzed its operations to control expenditures and maintain stability in its fund balances. With the help of our Economic Development and Engineering Departments, the City has been able to ensure our financial stability. The City has been successful in obtaining significant grant funding and state funded loan program awards in an amount over \$11 million for large capital projects and capital purchases. The City will continue its plan to be fiscally responsible and to review all departmental budgets for improvements in efficiency and effectiveness and to look for ways to reduce operational costs.

The City of Berea owns the Cleveland Browns Headquarters and Training Facility and has a long-term lease with the Cleveland Browns through 2040; however, the lease included an opt-out clause beginning in 2020. The City and the Cleveland Browns entered into an agreement in 2015 that extended the lease through the 2028 season before any opt-out clause. In 2016, the Cleveland Browns invested over \$15 million in improvements to the facility and the City agreed to borrow \$7 million towards the costs of

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(Unaudited)

these improvements. In addition, the City has agreed to provide an income tax rebate to the Cleveland Browns of 40 percent of their annual growth on income tax above a \$2.6 million base for the years 2015 through 2028. The rebated income tax funds can only be used towards capital improvements to the facility and cannot be used toward the general operations of the Browns. The Browns have also agreed to various charitable commitments to the community including making the training facility's field house available for City use in connection with various nonprofit or public, community sports activities for 15 days a year, donation of certain office and athletic training equipment for its use, two football-related events that will be open to the public, production of three videos that promote the City of Berea, and various other public appearances. The City of Berea and the Cleveland Browns remain committed to the partnership and working together for the betterment of the community.

The City is undertaking a multi-year program to upgrade its parks and playgrounds and create a destination location for outdoor venues. The revitalization of this area will be done in phases through 2019. In 2017, construction began on a new stage, amphitheater, and renovation of Mucklo Playground. Future phases to the area will include resurfacing and beautification of the parking lot and a greenway connector from the Municipal Campus to Coe Lake. The cost of this project has been offset with a grant in the amount of \$875,000 received in 2018.

In 2017, the Berea Municipal Court completed the construction of an addition to the municipal building by adding a second floor above the police station for a new courtroom, offices, waiting area, restrooms and judge's chambers as well as renovations to the probation department offices.

Contacting the City's Finance Department

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

This Page Intentionally Left Blank

City of Berea
Cuyahoga County, Ohio
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 10,036,368	\$ 1,952,194	\$ 11,988,562
Accounts Receivable	240,151	1,821,451	2,061,602
Intergovernmental Receivable	967,608	31,428	999,036
Taxes Receivable	7,805,707	480,417	8,286,124
Special Assessments Receivable	617,834	0	617,834
Loans Receivable	1,244,139	0	1,244,139
Prepaid Items	270,252	0	270,252
Materials and Supplies Inventory	169,048	49,548	218,596
Deposits	199,500	0	199,500
Assets Held for Resale	785,000	0	785,000
Non-Depreciable Capital Assets	20,963,040	1,592,787	22,555,827
Depreciable Capital Assets, Net	70,837,546	35,603,273	106,440,819
<i>Total Assets</i>	<u>114,136,193</u>	<u>41,531,098</u>	<u>155,667,291</u>
Deferred Outflow of Resources			
Pension	6,752,177	833,921	7,586,098
Liabilities			
Accounts Payable	679,251	53,669	732,920
Accrued Wages	538,198	42,819	581,017
Contracts Payable	13,077	116,730	129,807
Intergovernmental Payable	338,240	24,861	363,101
Accrued Interest Payable	153,554	195,827	349,381
Claims Payable	229,891	0	229,891
Matured Compensated Absences Payable	8,641	0	8,641
Notes Payable	6,500,000	0	6,500,000
Long-Term Liabilities:			
Due Within One Year	9,874,585	1,371,339	11,245,924
Due In More Than One Year:			
Net Pension Liability (See Note 9)	23,063,872	2,133,667	25,197,539
Other Amounts Due in More Than One Year	17,129,098	12,380,370	29,509,468
<i>Total Liabilities</i>	<u>58,528,407</u>	<u>16,319,282</u>	<u>74,847,689</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	3,792,195	455,219	4,247,414
Pension	166,704	31,768	198,472
<i>Total Deferred Inflows of Resources</i>	<u>3,958,899</u>	<u>486,987</u>	<u>4,445,886</u>
Net Position			
Net Investment in Capital Assets	61,240,064	25,155,850	86,395,914
Restricted for:			
Capital Outlay	0	101,453	101,453
Street Lighting	927,517	0	927,517
Street Maintenance and Repair	514,761	0	514,761
Court Operations and Capital Outlay	772,984	0	772,984
Security Operations	48,674	0	48,674
Drug and Alcohol Programs	657,029	0	657,029
Other Purposes	70,985	0	70,985
Unrestricted	(5,830,950)	301,447	(5,529,503)
<i>Total Net Position</i>	<u>\$ 58,401,064</u>	<u>\$ 25,558,750</u>	<u>\$ 83,959,814</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Activities
For the Year Ended December 31, 2017

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities				
General Government	\$ 9,846,448	\$ 2,927,888	\$ 94,102	\$ 0
Security of Persons and Property	8,841,071	1,194,563	305,754	0
Public Health	117,192	0	13,518	0
Leisure Time Services	4,521,353	566,981	5,156	124,474
Community Development	554,587	29,295	0	100,000
Public Works	1,272,715	0	0	0
Transportation	4,001,193	455,406	905,236	2,972,276
Interest and Fiscal Charges	627,337	0	0	0
<i>Total Governmental Activities</i>	<u>29,781,896</u>	<u>5,174,133</u>	<u>1,323,766</u>	<u>3,196,750</u>
Business-Type Activities				
Water Revenue	3,577,909	2,835,081	75,449	338,134
Sewer Revenue	1,077,872	766,578	0	345,401
<i>Total Business-Type Activities</i>	<u>4,655,781</u>	<u>3,601,659</u>	<u>75,449</u>	<u>683,535</u>
<i>Total Primary Government</i>	<u>\$ 34,437,677</u>	<u>\$ 8,775,792</u>	<u>\$ 1,399,215</u>	<u>\$ 3,880,285</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

Unrestricted Donations

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
\$ (6,824,458)	\$ 0	\$ (6,824,458)
(7,340,754)	0	(7,340,754)
(103,674)	0	(103,674)
(3,824,742)	0	(3,824,742)
(425,292)	0	(425,292)
(1,272,715)	0	(1,272,715)
331,725	0	331,725
(627,337)	0	(627,337)
(20,087,247)	0	(20,087,247)
0	(329,245)	(329,245)
0	34,107	34,107
0	(295,138)	(295,138)
(20,087,247)	(295,138)	(20,382,385)
1,601,003	0	1,601,003
648,894	0	648,894
85,815	0	85,815
1,419,903	0	1,419,903
0	453,634	453,634
12,904,124	0	12,904,124
250,729	0	250,729
829,061	0	829,061
785,000	0	785,000
66,491	0	66,491
203,802	0	203,802
18,794,822	453,634	19,248,456
(590,000)	590,000	0
18,204,822	1,043,634	19,248,456
(1,882,425)	748,496	(1,133,929)
60,283,489	24,810,254	85,093,743
<u>\$ 58,401,064</u>	<u>\$ 25,558,750</u>	<u>\$ 83,959,814</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Balance Sheet
Governmental Funds
December 31, 2017

	General	General Bond Retirement	General Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Investments	\$ 3,126,185	\$ 2,033,383	\$ 1,306,189	\$ 2,833,671	\$ 9,299,428
Accounts Receivable	141,068	0	0	97,915	238,983
Intergovernmental Receivable	355,860	99,933	128,289	383,526	967,608
Taxes Receivable	5,502,003	1,525,136	0	778,568	7,805,707
Interfund Receivable	0	600,000	0	0	600,000
Special Assessments Receivable	14,801	0	0	603,033	617,834
Loans Receivable	0	0	1,244,139	0	1,244,139
Materials and Supplies Inventory	14,713	0	0	154,335	169,048
Assets Held for Resale	0	0	785,000	0	785,000
Deposits	0	0	199,500	0	199,500
<i>Total Assets</i>	<u>\$ 9,154,630</u>	<u>\$ 4,258,452</u>	<u>\$ 3,663,117</u>	<u>\$ 4,851,048</u>	<u>\$ 21,927,247</u>
Liabilities					
Accounts Payable	\$ 575,465	\$ 0	\$ 48,655	\$ 53,913	\$ 678,033
Accrued Wages	470,938	0	0	67,260	538,198
Contracts Payable	0	0	0	13,077	13,077
Intergovernmental Payable	170,282	0	0	167,958	338,240
Matured Compensated Absences Payable	0	0	0	8,641	8,641
Interfund Payable	0	0	600,000	0	600,000
Notes Payable	0	6,500,000	0	0	6,500,000
<i>Total Liabilities</i>	<u>1,216,685</u>	<u>6,500,000</u>	<u>648,655</u>	<u>310,849</u>	<u>8,676,189</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	1,609,319	1,445,143	0	737,733	3,792,195
Delinquent Property Taxes	89,081	79,993	0	40,835	209,909
Income Taxes	1,227,303	0	0	0	1,227,303
Unavailable Revenue	299,453	99,933	122,112	872,454	1,393,952
<i>Total Deferred Inflows of Resources</i>	<u>3,225,156</u>	<u>1,625,069</u>	<u>122,112</u>	<u>1,651,022</u>	<u>6,623,359</u>
Fund Balances					
Nonspendable	61,395	0	0	154,335	215,730
Restricted	0	0	0	2,031,231	2,031,231
Committed	1,299,960	0	2,892,350	793,300	4,985,610
Assigned	134,385	0	0	0	134,385
Unassigned	3,217,049	(3,866,617)	0	(89,689)	(739,257)
<i>Total Fund Balances</i>	<u>4,712,789</u>	<u>(3,866,617)</u>	<u>2,892,350</u>	<u>2,889,177</u>	<u>6,627,699</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 9,154,630</u>	<u>\$ 4,258,452</u>	<u>\$ 3,663,117</u>	<u>\$ 4,851,048</u>	<u>\$ 21,927,247</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, 2017

Total Governmental Fund Balances		\$ 6,627,699
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		91,800,586
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	\$ 209,909	
Income Taxes	1,227,303	
Intergovernmental	776,118	
Special Assessments	617,834	2,831,164
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.		777,251
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(153,554)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred Outflows - Pension	6,752,177	
Deferred Inflows - Pension	(166,704)	
Net Pension Liability	(23,063,872)	(16,478,399)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(14,175,000)	
OPWC Loans	(2,247,697)	
Bond Anticipation Notes	(8,200,900)	
Bond Premium	(406,324)	
Loan Payable	(200,000)	
Police and Fire Pension	(180,984)	
Capital Leases	(500,034)	
Compensated Absences	(1,092,744)	(27,003,683)
<i>Net Position of Governmental Activities</i>		\$ 58,401,064

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, 2017

	General	General Bond Retirement	General Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$ 1,612,818	\$ 1,431,432	\$ 0	\$ 740,304	\$ 3,784,554
Income Taxes	13,169,693	0	0	0	13,169,693
Other Local Taxes	250,729	0	0	0	250,729
Special Assessments	22,700	0	0	649,443	672,143
Charges for Services	289,452	0	0	921,611	1,211,063
Licenses and Permits	409,894	0	0	15,323	425,217
Fines and Forfeitures	1,635,250	0	0	1,256,560	2,891,810
Intergovernmental	668,758	239,479	3,011,909	1,063,262	4,983,408
Interest	66,491	7,500	0	3,121	77,112
Rent	2,592	0	106,451	0	109,043
Contributions and Donations	0	0	885,000	6,834	891,834
Reimbursements	50,274	0	0	10,152	60,426
Other	41,137	114,313	0	200	155,650
<i>Total Revenues</i>	<u>18,219,788</u>	<u>1,792,724</u>	<u>4,003,360</u>	<u>4,666,810</u>	<u>28,682,682</u>
Expenditures					
Current:					
General Government	6,885,151	118,613	0	844,318	7,848,082
Security of Persons and Property	5,426,124	0	0	1,724,083	7,150,207
Public Health	0	0	0	117,192	117,192
Leisure Time Services	528,457	0	0	1,718,200	2,246,657
Community Development	470,334	0	0	0	470,334
Public Works	1,247,725	0	0	0	1,247,725
Transportation	0	0	0	966,075	966,075
Capital Outlay	0	0	5,562,285	2,021,067	7,583,352
Debt Service:					
Principal Retirement	8,522	7,832,500	266,966	6,881	8,114,869
Interest and Fiscal Charges	960	693,240	20,100	7,911	722,211
<i>Total Expenditures</i>	<u>14,567,273</u>	<u>8,644,353</u>	<u>5,849,351</u>	<u>7,405,727</u>	<u>36,466,704</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,652,515</u>	<u>(6,851,629)</u>	<u>(1,845,991)</u>	<u>(2,738,917)</u>	<u>(7,784,022)</u>
Other Financing Sources (Uses)					
Inception of Capital Lease	52,168	0	0	0	52,168
Proceeds from Sale of Assets	6,359	0	50,183	6,600	63,142
Issuance of OPWC Loans	0	0	430,660	0	430,660
Premium on Debt Issuance	0	111,472	0	0	111,472
Issuance of Bond Anticipation Notes	0	6,400,900	1,800,000	0	8,200,900
Issuance of Loans	0	0	200,000	0	200,000
Transfers In	0	500,000	328,000	2,876,824	3,704,824
Transfers Out	(4,289,824)	(5,000)	0	0	(4,294,824)
<i>Total Other Financing Sources (Uses)</i>	<u>(4,231,297)</u>	<u>7,007,372</u>	<u>2,808,843</u>	<u>2,883,424</u>	<u>8,468,342</u>
<i>Net Change in Fund Balance</i>	(578,782)	155,743	962,852	144,507	684,320
<i>Fund Balance Beginning of Year</i>					
<i>Restated, See Note 2</i>	<u>5,291,571</u>	<u>(4,022,360)</u>	<u>1,929,498</u>	<u>2,744,670</u>	<u>5,943,379</u>
<i>Fund Balance End of Year</i>	<u>\$ 4,712,789</u>	<u>\$ (3,866,617)</u>	<u>\$ 2,892,350</u>	<u>\$ 2,889,177</u>	<u>\$ 6,627,699</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, 2017*

Net Change in Fund Balances - Total Governmental Funds		\$ 684,320
<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	\$ 6,805,924	
Current Year Depreciation	<u>(5,176,612)</u>	1,629,312
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(843,265)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	(28,939)	
Income Tax	(142,120)	
Intergovernmental	117,107	
Charges for Services	(123,449)	
Special Assessments	<u>(15,810)</u>	(193,211)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	1,190,000	
OPWC Loans	105,178	
Bond Anticipation Notes	6,642,500	
Capital Lease	170,310	
Police and Fire Pension	<u>6,881</u>	8,114,869
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
Loan Payable	(200,000)	
OPWC Loans	(430,660)	
Bond Anticipation Notes	<u>(8,200,900)</u>	(8,831,560)
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	(44,860)	
Amortization of Premium on Bonds (net)	<u>28,262</u>	(16,598)
Inception of capital lease in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
		(52,168)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		1,618,550
Except for amount reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(3,797,046)
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.		
		(213,914)
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>18,286</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$ (1,882,425)</u></u>

See accompanying notes and accountant's compilation report.

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$ 1,543,811	\$ 1,612,818	\$ 1,612,818	\$ 0
Income Taxes	12,766,272	13,066,877	13,066,877	0
Other Local Taxes	308,093	280,714	280,714	0
Special Assessments	25,000	22,700	22,700	0
Charges for Services	384,000	280,488	283,818	3,330
Licenses and Permits	455,000	394,565	409,894	15,329
Fines and Forfeitures	87,500	70,816	70,816	0
Intergovernmental	691,291	669,491	669,491	0
Interest	200,000	143,802	143,802	0
Rent	0	2,592	2,592	0
Refunds and Reimbursements	32,572	26,116	29,102	2,986
Other	14,000	24,767	33,697	8,930
<i>Total Revenues</i>	<u>16,507,539</u>	<u>16,595,746</u>	<u>16,626,321</u>	<u>30,575</u>
Expenditures				
Current:				
General Government	5,150,437	5,157,503	4,950,013	207,490
Security of Persons and Property	5,612,116	5,572,116	5,433,312	138,804
Leisure Time Services	525,940	530,640	522,074	8,566
Community Development	438,020	439,020	428,089	10,931
Public Works	1,273,500	1,229,734	1,222,067	7,667
Debt Service:				
Principal Retirement	4,692	4,692	4,692	0
Interest and Fiscal Charges	462	462	462	0
<i>Total Expenditures</i>	<u>13,005,167</u>	<u>12,934,167</u>	<u>12,560,709</u>	<u>373,458</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,502,372</u>	<u>3,661,579</u>	<u>4,065,612</u>	<u>404,033</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	0	3,500	6,359	2,859
Transfers Out	(3,519,500)	(4,289,824)	(4,289,824)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(3,519,500)</u>	<u>(4,286,324)</u>	<u>(4,283,465)</u>	<u>2,859</u>
<i>Net Change in Fund Balance</i>	(17,128)	(624,745)	(217,853)	406,892
<i>Fund Balance Beginning of Year</i>	3,079,330	3,079,330	3,079,330	0
Prior Year Encumbrances Appropriated	51,636	51,636	51,636	0
<i>Fund Balance End of Year</i>	<u>\$ 3,113,838</u>	<u>\$ 2,506,221</u>	<u>\$ 2,913,113</u>	<u>\$ 406,892</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2017

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Revenue	Sewer Revenue	Total	
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Investments	\$ 1,213,059	\$ 739,135	\$ 1,952,194	\$ 736,940
Accounts Receivable	1,358,112	463,339	1,821,451	1,168
Intergovernmental Receivable	31,428	0	31,428	0
Taxes Receivable	480,417	0	480,417	0
Prepaid Items	0	0	0	270,252
Materials and Supplies Inventory	49,548	0	49,548	0
<i>Total Current Assets</i>	<u>3,132,564</u>	<u>1,202,474</u>	<u>4,335,038</u>	<u>1,008,360</u>
<i>Non-Current Assets:</i>				
Non-Depreciable Capital Assets	996,436	596,351	1,592,787	0
Depreciable Capital Assets, Net	23,211,881	12,391,392	35,603,273	0
<i>Total Non-Current Assets</i>	<u>24,208,317</u>	<u>12,987,743</u>	<u>37,196,060</u>	<u>0</u>
<i>Total Assets</i>	<u>27,340,881</u>	<u>14,190,217</u>	<u>41,531,098</u>	<u>1,008,360</u>
Deferred Outflow of Resources				
Pension	645,489	188,432	833,921	0
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	48,607	5,062	53,669	1,218
Accrued Wages	39,062	3,757	42,819	0
Contracts Payable	15,277	101,453	116,730	0
Intergovernmental Payable	22,084	2,777	24,861	0
Accrued Interest Payable	149,240	46,587	195,827	0
Claims Payable	0	0	0	229,891
Compensated Absences Payable	2,975	1,987	4,962	0
Capital Leases Payable	11,072	0	11,072	0
Notes Payable	600,000	0	600,000	0
Loans Payable	0	19,404	19,404	0
OPWC Loans Payable	5,372	88,459	93,831	0
OWDA Loans Payable	430,275	206,795	637,070	0
General Obligation Bonds Payable	5,000	0	5,000	0
<i>Total Current Liabilities</i>	<u>1,328,964</u>	<u>476,281</u>	<u>1,805,245</u>	<u>231,109</u>
<i>Long-Term Liabilities:</i>				
Compensated Absences Payable - Net of Current Portion	58,923	26,485	85,408	0
Capital Leases Payable - Net of Current Portion	15,270	0	15,270	0
Loans Payable - Net of Current Portion	0	232,840	232,840	0
OPWC Loans Payable - Net of Current Portion	99,522	1,314,323	1,413,845	0
OWDA Loans Payable - Net of Current Portion	8,210,533	2,312,474	10,523,007	0
General Obligation Bonds Payable - Net of Current Portion	110,000	0	110,000	0
Net Pension Liability (See Note 9)	1,684,474	449,193	2,133,667	0
<i>Total Long-Term Liabilities</i>	<u>10,178,722</u>	<u>4,335,315</u>	<u>14,514,037</u>	<u>0</u>
<i>Total Liabilities</i>	<u>11,507,686</u>	<u>4,811,596</u>	<u>16,319,282</u>	<u>231,109</u>
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	455,219	0	455,219	0
Pension	25,394	6,374	31,768	0
<i>Total Deferred Inflows of Resources</i>	<u>480,613</u>	<u>6,374</u>	<u>486,987</u>	<u>0</u>
Net Position				
Net Investment in Capital Assets	16,443,855	8,711,995	25,155,850	0
Restricted for Capital Outlay	0	101,453	101,453	0
Unrestricted	(445,784)	747,231	301,447	777,251
<i>Total Net Position</i>	<u>\$ 15,998,071</u>	<u>\$ 9,560,679</u>	<u>\$ 25,558,750</u>	<u>\$ 777,251</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, 2017

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Revenue	Sewer Revenue	Totals	
Operating Revenues				
Charges for Services	\$ 2,835,081	\$ 766,578	\$ 3,601,659	\$ 2,831,772
Reimbursements	0	0	0	41,174
Other	0	0	0	185,073
<i>Total Operating Revenues</i>	<u>2,835,081</u>	<u>766,578</u>	<u>3,601,659</u>	<u>3,058,019</u>
Operating Expenses				
Personal Services	1,580,135	366,441	1,946,576	0
Contractual Services	135,464	84,193	219,657	1,008,945
Materials and Supplies	495,017	258,023	753,040	0
Claims	0	0	0	2,254,138
Depreciation	1,066,635	269,728	1,336,363	0
Other	12,361	8,890	21,251	8,850
<i>Total Operating Expenses</i>	<u>3,289,612</u>	<u>987,275</u>	<u>4,276,887</u>	<u>3,271,933</u>
<i>Operating Income (Loss)</i>	<u>(454,531)</u>	<u>(220,697)</u>	<u>(675,228)</u>	<u>(213,914)</u>
Non-Operating Revenues (Expense)				
Intergovernmental	75,449	0	75,449	0
Property Taxes	453,634	0	453,634	0
Interest and Fiscal Charges	(288,297)	(90,597)	(378,894)	0
<i>Total Non-Operating Revenues (Expense)</i>	<u>240,786</u>	<u>(90,597)</u>	<u>150,189</u>	<u>0</u>
<i>Income (Loss) Before Capital Contributions and Transfers</i>	<u>(213,745)</u>	<u>(311,294)</u>	<u>(525,039)</u>	<u>(213,914)</u>
Capital Contributions	338,134	345,401	683,535	0
Transfers In	5,000	585,000	590,000	0
<i>Total Capital Contributions and Transfers</i>	<u>343,134</u>	<u>930,401</u>	<u>1,273,535</u>	<u>0</u>
<i>Change in Net Position</i>	129,389	619,107	748,496	(213,914)
<i>Net Position Beginning of Year Restated, See Note 2</i>	<u>15,868,682</u>	<u>8,941,572</u>	<u>24,810,254</u>	<u>991,165</u>
<i>Net Position End of Year</i>	<u>\$ 15,998,071</u>	<u>\$ 9,560,679</u>	<u>\$ 25,558,750</u>	<u>\$ 777,251</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, 2017

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Revenue	Sewer Revenue	Totals	
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 2,557,620	\$ 751,011	\$ 3,308,631	\$ 2,881,544
Cash Payments to Suppliers for Goods and Services	(470,546)	(258,023)	(728,569)	0
Cash Payments to Employees for Services and Benefits	(1,385,107)	(316,543)	(1,701,650)	0
Cash Payments for Contractual Services	(154,637)	(3,140)	(157,777)	(1,028,706)
Cash Payments for Claims	0	0	0	(2,120,838)
Other Cash Receipts	0	0	0	185,073
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>547,330</u>	<u>173,305</u>	<u>720,635</u>	<u>(82,927)</u>
Cash Flows from Noncapital Financing Activities				
Intergovernmental Revenue	75,481	0	75,481	0
Property Taxes	457,189	0	457,189	0
Transfers In	5,000	585,000	590,000	0
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>537,670</u>	<u>585,000</u>	<u>1,122,670</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities				
Capital Grants	338,134	345,401	683,535	0
Proceeds of Bond Anticipation Notes	600,000	0	600,000	0
Proceeds of OPWC Loans	73,147	292,588	365,735	0
Proceeds of OWDA Loans	361,759	314,839	676,598	0
Acquisition of Capital Assets	(1,480,583)	(518,256)	(1,998,839)	0
Principal Payments on Debt and Leases	(416,315)	(276,806)	(693,121)	0
Interest Payments on Debt and Leases	(259,499)	(89,895)	(349,394)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(783,357)</u>	<u>67,871</u>	<u>(715,486)</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	301,643	826,176	1,127,819	(82,927)
<i>Cash and Investments Beginning of Year (Restated, See Note 2)</i>	911,416	(87,041)	824,375	819,867
<i>Cash and Investments End of Year</i>	<u>\$ 1,213,059</u>	<u>\$ 739,135</u>	<u>\$ 1,952,194</u>	<u>\$ 736,940</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$ (454,531)	\$ (220,697)	\$ (675,228)	\$ (213,914)
Adjustments:				
Depreciation	1,066,635	269,728	1,336,363	0
(Increase) Decrease in Assets and Deferred Outflows:				
Accounts Receivable	(277,461)	(15,567)	(293,028)	8,598
Prepaid Items	0	0	0	(1,478)
Materials and Supplies Inventory	24,471	0	24,471	0
Deferred Outflows - Pension	(149,278)	(68,979)	(218,257)	0
Increase (Decrease) in Liabilities and Deferred Inflows:				
Accounts Payable	(6,812)	1,817	(4,995)	(9,433)
Accrued Wages	(3,835)	(11,809)	(15,644)	0
Contracts Payable	0	88,126	88,126	0
Compensated Absences Payable	(20,822)	1,996	(18,826)	0
Intergovernmental Payable	(3,334)	(4,884)	(8,218)	0
Deferred Inflows - Pension	(27,956)	(6,469)	(34,425)	0
Net Pension Liability	400,253	140,043	540,296	0
Claims Payable	0	0	0	133,300
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u>\$ 547,330</u>	<u>\$ 173,305</u>	<u>\$ 720,635</u>	<u>\$ (82,927)</u>

Noncash Capital Financing Activities:

As of December 31, 2017 the water fund recorded an OWDA fee and capitalized interest of \$3,982 as an increase in loan balance.
As of December 31, 2017 the water fund recorded capital lease issuance of \$33,548.

See accompanying notes and accountant's compilation report.

City of Berea
Cuyahoga County, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2017

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Investments	\$ 1,574,822
Cash in Segregated Accounts	449,902
Accounts Receivable	<u>2,222,153</u>
<i>Total Assets</i>	<u>\$ 4,246,877</u>
Liabilities	
Accounts Payable	\$ 1,006,920
Due to Other Governments	2,699,966
Deposits Held and Due to Others	<u>539,991</u>
<i>Total Liabilities</i>	<u>\$ 4,246,877</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, 2017

NOTE 1 - DESCRIPTION OF THE CITY AND THE REPORTING ENTITY

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

The Reporting Entity

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Presentation

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

Fund Accounting

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

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

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

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

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

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods and services. The following are the City's major enterprise funds.

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

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

Internal Service Funds - The internal service funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The City's three internal service funds account for funds reserved to finance a self insurance program for hospitalization benefits and a self insurance program for property and liability losses and to account for the payment of worker's compensation insurance.

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, income taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance fiscal year 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue may include delinquent property taxes, income taxes, special assessments and intergovernmental. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 9).

Cash and Investments

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

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

During 2017, investments were limited to money market funds, negotiable certificates of deposit and State Treasury Asset Reserve of Ohio (STAR Ohio).

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

During 2017, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, Certain External Investment Pools and Pool Participants. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the Ohio Revised Code and the Berea Municipal Code. Interest revenue credited to the general fund during 2017 amounted to \$66,491, which includes \$56,604 assigned from other City funds. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements.

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

Material & 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.

Assets Held for Resale

Assets held for resale are stated at the net realizable value. Donations of assets held for resale are recognized as revenue and reported as unrestricted donations on the Statement of Activities.

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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

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

Interfund Balances

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

Compensated Absences

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Pensions

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

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

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

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

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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, 2017, 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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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.

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 2017.

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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 2017.

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

New Accounting Principles

For the year ended December 31, 2017, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*, GASB Statement No. 81, *Irrevocable Split-Interest Agreements* and GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the City.

GASB Statement No. 81 requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, it requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement also requires that a government recognize revenue when the resources become applicable to the reporting period. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the City.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the City's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

Restatement of Fund Balance/Net Position

It was determined that costs and funding for certain construction projects were incorrectly recorded in the wrong fund in the prior year.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

The following is the effect of those changes in fund balance:

	General Capital Improvement Fund
Fund Balance, December 31, 2016	\$ 1,791,991
Change in Expenditures	137,507
Restated Fund Balance, January 1, 2017	\$ 1,929,498

The following is the effect of those changes on net position:

	Governmental Activities	Business-Type Activities
Net Position December 31, 2016	\$ 60,146,159	\$ 24,947,584
Change in Expenses	137,507	(137,507)
Change in Long Term Obligations	(177)	177
Restated Net Position January 1, 2017	\$ 60,283,489	\$ 24,810,254

	Water Revenue	Sewer Revenue	Total
Net Position December 31, 2016	\$ 15,743,370	\$ 9,204,214	\$ 24,947,584
Change in Expenses	144,368	(281,875)	(137,507)
Change in Long Term Obligations	(19,056)	19,233	177
Restated Net Position January 1, 2017	\$ 15,868,682	\$ 8,941,572	\$ 24,810,254

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:

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Fund Balance	General Fund	General Bond Retirement Fund	General Capital Improvement Fund	Other Governmental Funds	Total
<u>Nonspendable:</u>					
Unclaimed Monies	\$ 46,682	\$ 0	\$ 0	\$ 0	\$ 46,682
Inventory for Consumption	14,713	0	0	154,335	169,048
Total Nonspendable	<u>61,395</u>	<u>0</u>	<u>0</u>	<u>154,335</u>	<u>215,730</u>
<u>Restricted for:</u>					
Court Operations and Capital Outlay	0	0	0	786,122	786,122
Drug and Alcohol Programs	0	0	0	657,029	657,029
Security Operations and Programs	0	0	0	50,243	50,243
Street Improvement and Repair	0	0	0	213,353	213,353
Street Lighting	0	0	0	324,484	324,484
Total Restricted	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,031,231</u>	<u>2,031,231</u>
<u>Committed to:</u>					
Income Tax (See Note 6)	720,769	0	0	0	720,769
Retirements	321,524	0	0	0	321,524
Recreational Programs	0	0	0	12,816	12,816
Court Operations and Capital Outlay	257,667	0	0	0	257,667
Neighborhood Capital Improvement	0	0	0	32,837	32,837
Community Programs	0	0	0	1,109	1,109
Recreation Capital Outlay	0	0	0	39,923	39,923
Safety Equipment Capital Outlay	0	0	0	706,615	706,615
General Capital Improvements	0	0	2,892,350	0	2,892,350
Total Committed	<u>1,299,960</u>	<u>0</u>	<u>2,892,350</u>	<u>793,300</u>	<u>4,985,610</u>
<u>Assigned for:</u>					
Encumbrances:					
General Government	16,222	0	0	0	16,222
Security of Persons and Property	6,213	0	0	0	6,213
Leisure Time Activities	625	0	0	0	625
Public Works	5,817	0	0	0	5,817
Subsequent Year Appropriations	105,508	0	0	0	105,508
Total Assigned	<u>134,385</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>134,385</u>
Unassigned (Deficit)	<u>3,217,049</u>	<u>(3,866,617)</u>	<u>0</u>	<u>(89,689) *</u>	<u>(739,257)</u>
Total Fund Balance (Deficit)	<u>\$ 4,712,789</u>	<u>\$ (3,866,617)</u>	<u>\$ 2,892,350</u>	<u>\$ 2,889,177</u>	<u>\$ 6,627,699</u>

* Fund balances at December 31, 2017 included individual fund deficits of \$43,327, \$44,391 and \$1,971 in the fire pension, police pension and probation services funds, respectively.

The medical benefits internal service fund has a negative net position of \$82,156.

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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.

Net Change in Fund Balance	
	General Fund
GAAP Basis	\$ (578,782)
Net Adjustment for Revenue Accruals	3,288,061
Net Adjustment for Expenditure Accruals	(2,924,764)
Funds Budgeted Elsewhere **	37,532
Adjustment for Encumbrances	(39,900)
Budget Basis	\$ (217,853)

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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);
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.

The municipal court bond fund is maintained separately from the City’s deposits. The carrying amount of the deposits is reported as “Cash in Segregated Accounts.”

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

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

S&P Global Ratings	Investment	Measurement Amount	Investment Maturities (in years)			% Total
			Less than 1	1-3	More than 3	
	Net Asset Value (NAV):					
AAAm	STAR Ohio	\$ 26,433	\$ 26,433	\$ 0	\$ 0	0.24%
	Fair Value (Level 2 Inputs):					
***	Negotiable Certificates of Deposit	11,012,020	289,980	966,590	9,755,450	99.61%
A+	JP Morgan Money Market	16,658	16,658	0	0	0.15%
		<u>\$ 11,055,111</u>	<u>\$ 333,071</u>	<u>\$ 966,590</u>	<u>\$ 9,755,450</u>	<u>100.0%</u>

*** Fully insured under FDIC

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the City's recurring fair value measurements as of December 31, 2017. The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

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, 2017, is 52 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.

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, 2017 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, delinquent special assessments and delinquent property taxes will primarily be collected in more than one year.

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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 2017 were \$13,066,877, which was allocated at \$9,800,158 to the general fund and \$3,266,719 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 \$12,904,124 in the governmental activities. At year end, the municipal income tax fund had \$720,769 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 2017 for real and public utility property taxes represents collections of the 2016 taxes.

2017 real property taxes were levied after October 1, 2017 on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

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. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2017, was \$16.80 per \$1,000 of assessed valuation. The assessed values of real property and public utility tangible property upon which 2017 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$ 368,878,000
Public Utilities - Real	67,630
Public Utilities - Personal	10,757,950
Total	\$ 379,703,580

The County Fiscal Officer collects property taxes on behalf of all taxing districts within the County, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2017, and for which there was an enforceable legal claim. In

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

governmental funds, the portion of the receivable not levied to finance 2017 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, 2017, there is a long-term OPWC loan payable by the City in the amount of \$1,663,287 (See Note 12). A corresponding long-term loan receivable has been reported in the City’s financial statements in the amount of \$1,244,139, which represents the combined amount owed by the City of Middleburg Heights and the City of Brook Park to the City. These loans are classified as loans receivable on the balance sheet, considered collectible in full, and are expected to be collected in more than one year.

NOTE 7 - INTERFUND BALANCES AND TRANSFERS

Interfund Balances

The account balances reported in the fund financial statements for “interfund receivable” and “interfund payable” as of December 31, 2017 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Bond Retirement Fund	\$ 600,000	\$ 0
General Capital Improvement Fund	0	600,000
Total	\$ 600,000	\$ 600,000

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

In March 2017, the City paid \$750,000 to pay off the treasury investment issued in 2016. The City then issued a new treasury investment in the amount of \$600,000, 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 2018 with an interest rate of 1.00 percent.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Interfund Transfers

Transfers Out	Transfers In			Total
	Bond Retirement	Nonmajor Governmental	Water Revenue	
General Fund	\$ 500,000	\$ 523,000	\$ 0	\$ 1,023,000
General Bond Retirement	0	0	5,000	5,000
Total	\$ 500,000	\$ 523,000	\$ 5,000	\$ 1,028,000

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	\$ 1,001,500
Recreation Capital Improvement Fund	70,000
General Capital Improvement Fund	328,000
Safety Capital Improvement Fund	707,324
Neighborhood Capital Improvement Fund	575,000
Sewer Revenue Fund	585,000
Total	\$ 3,266,824

In addition, the general fund transferred \$245,000 to the street maintenance and repair fund, \$135,000 to the fire pension fund, \$68,000 to the police pension fund and \$75,000 to the neighborhood improvement fund. The general bond retirement fund transferred \$5,000 to the water revenue fund to pay debt issues relating to water and sewer improvements. The City has a voted debt levy that can be used for any type of debt.

In 2017, the internal transfers between entity-wide activities are as follows:

	Transfers	
	Governmental Activities	Business-Type Activities
Cash Transfers	\$ (590,000)	\$ 590,000

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 8 - CAPITAL ASSETS

A summary of changes in capital assets during 2017 follows:

	Balance 1/1/17	Additions	Reductions	Balance 12/31/17
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 11,285,261	\$ 0	\$ 0	\$ 11,285,261
Intangible	2,183,636	0	0	2,183,636
Construction in Progress	22,082,328	4,012,002	(18,600,187)	7,494,143
<i>Total Capital Assets Not Being Depreciated</i>	<u>35,551,225</u>	<u>4,012,002</u>	<u>(18,600,187)</u>	<u>20,963,040</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	10,696,988	1,417,722	(61,855)	12,052,855
Buildings	14,525,873	0	0	14,525,873
Building Improvements	27,526,307	15,397,590	(7,685,107)	35,238,790
Machinery and Equipment	6,285,898	619,059	0	6,904,957
Furniture and Fixtures	1,006,917	811,293	0	1,818,210
Vehicles	2,646,306	411,911	(79,136)	2,979,081
Infrastructure:				
Bridges	9,087,509	0	0	9,087,509
Roads	52,775,977	2,736,534	(259,704)	55,252,807
Sidewalks	1,793,411	0	0	1,793,411
Traffic Signals	4,238,674	0	0	4,238,674
<i>Total Capital Assets Being Depreciated</i>	<u>130,583,860</u>	<u>21,394,109</u>	<u>(8,085,802)</u>	<u>143,892,167</u>
<i>Accumulated Depreciation</i>				
Land Improvements	(7,629,654)	(347,959)	38,642	(7,938,971)
Buildings	(9,230,546)	(339,274)	0	(9,569,820)
Building Improvements	(17,562,250)	(1,028,761)	6,897,384	(11,693,627)
Machinery and Equipment	(4,664,097)	(351,398)	0	(5,015,495)
Furniture and Fixtures	(997,038)	(85,880)	0	(1,082,918)
Vehicles	(1,714,467)	(209,205)	79,136	(1,844,536)
Infrastructure:				
Bridges	(3,391,209)	(279,833)	0	(3,671,042)
Roads	(27,869,719)	(2,303,342)	227,375	(29,945,686)
Sidewalks	(892,636)	(89,670)	0	(982,306)
Traffic Signals	(1,168,930)	(141,290)	0	(1,310,220)
<i>Total Accumulated Depreciation</i>	<u>(75,120,546)</u>	<u>(5,176,612)</u>	<u>7,242,537</u>	<u>(73,054,621)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>55,463,314</u>	<u>16,217,497</u>	<u>(843,265)</u>	<u>70,837,546</u>
Governmental Activities Capital Assets, Net	<u>\$ 91,014,539</u>	<u>\$ 20,229,499</u>	<u>\$ (19,443,452)</u>	<u>\$ 91,800,586</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	Balance 1/1/17	Additions	Reductions	Balance 12/31/17
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	816,177	279,972	(750,780)	345,369
<i>Total Capital Assets Not Being Depreciated</i>	<u>2,063,595</u>	<u>279,972</u>	<u>(750,780)</u>	<u>1,592,787</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	959,509	35,792	0	995,301
Buildings	4,941,378	0	0	4,941,378
Building Improvements	2,346,842	0	0	2,346,842
Machinery and Equipment	5,497,125	126,722	0	5,623,847
Furniture and Fixtures	49,252	0	0	49,252
Vehicles	129,524	33,547	0	163,071
Infrastructure:				
Water Lines	12,282,207	830,405	0	13,112,612
Storm Sewers	15,086,256	729,326	0	15,815,582
Sanitary Sewers	11,428,649	747,403	0	12,176,052
<i>Total Capital Assets Being Depreciated</i>	<u>52,720,742</u>	<u>2,503,195</u>	<u>0</u>	<u>55,223,937</u>
<i>Accumulated Depreciation</i>				
Land Improvements	(924,559)	(24,665)	0	(949,224)
Buildings	(2,528,067)	(120,112)	0	(2,648,179)
Building Improvements	(673,575)	(103,304)	0	(776,879)
Machinery and Equipment	(3,188,838)	(205,997)	0	(3,394,835)
Furniture and Fixtures	(42,652)	(1,200)	0	(43,852)
Vehicles	(123,036)	(9,844)	0	(132,880)
Infrastructure:				
Water Lines	(3,013,821)	(259,358)	0	(3,273,179)
Storm Sewers	(4,503,793)	(375,836)	0	(4,879,629)
Sanitary Sewers	(3,285,960)	(236,047)	0	(3,522,007)
<i>Total Accumulated Depreciation</i>	<u>(18,284,301)</u>	<u>(1,336,363)</u>	<u>0</u>	<u>(19,620,664)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>34,436,441</u>	<u>1,166,832</u>	<u>0</u>	<u>35,603,273</u>
Business-Type Activities Capital Assets, Net	<u>\$ 36,500,036</u>	<u>\$ 1,446,804</u>	<u>\$ (750,780)</u>	<u>\$ 37,196,060</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Depreciation expense was charged to governmental activities as follows:

	<u>Depreciation</u>
Security of Persons and Property	\$ 461,547
Leisure Time Services	1,200,510
Public Works	23,037
Transportation	2,652,582
General Government	<u>838,936</u>
Total Depreciation Expense	<u>\$ 5,176,612</u>

NOTE 9 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 who retired 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 (CPI), capped at 3 percent.

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

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.00 %
Employee	10.00 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.00 %
Post-Employment Health Care Benefits	1.00 %
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 \$832,358 for 2017. Of this amount, \$148,297 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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

	<u>Police</u>	<u>Firefighters</u>
2017 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2017 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-Employment Health Care Benefits	0.50 %	0.50 %
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
 Employee	 12.25 %	 12.25 %

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$944,340 for 2017. Of this amount, \$185,151 is reported as an intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2017, the specific liability of the City was \$180,984 payable in semi-annual payments through the year 2035.

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

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Period	0.04945251%	0.22052400%	
Prior Measurement Period	<u>0.04798800%</u>	<u>0.20807600%</u>	
Change in Proportion	<u>0.00146451%</u>	<u>0.01244800%</u>	
Proportionate Share of the Net			
Pension Liability	\$ 11,229,825	\$ 13,967,714	\$ 25,197,539
Pension Expense	\$ 2,357,268	\$ 1,885,540	\$ 4,242,808

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	OPERS	OPF	Total
Deferred Outflows of Resources			
Net Difference between Projected and Actual			
Earnings on Pension Plan Investments	\$ 1,672,381	\$ 1,373,020	\$ 3,045,401
Differences between Expected and			
Actual Experience	15,221	3,951	19,172
Changes of Assumptions	1,781,186	0	1,781,186
Changes in Proportionate Share	124,375	839,266	963,641
City Contributions Subsequent to the Measurement Date	832,358	944,340	1,776,698
Total Deferred Outflows of Resources	<u>\$ 4,425,521</u>	<u>\$ 3,160,577</u>	<u>\$ 7,586,098</u>
Deferred Inflows of Resources			
Differences between Expected and			
Actual Experience	\$ 66,834	\$ 32,160	\$ 98,994
Changes in Proportionate Share	99,478	0	99,478
Total Deferred Inflows of Resources	<u>\$ 166,312</u>	<u>\$ 32,160</u>	<u>\$ 198,472</u>

\$1,776,698 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 in the year ending December 31, 2018. 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
2018	\$ 1,377,658	\$ 695,486	\$ 2,073,144
2019	1,498,619	695,484	2,194,103
2020	599,594	572,396	1,171,990
2021	(49,020)	87,458	38,438
2022	0	122,150	122,150
Thereafter	0	11,103	11,103
	<u>\$ 3,426,851</u>	<u>\$ 2,184,077</u>	<u>\$ 5,610,928</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

<u>Actuarial Information</u>	<u>Traditional Pension Plan</u>
Actuarial Cost Method	Individual Entry Age
Investment Rate of Return	7.50 percent
Wage Inflation	3.25 percent
Projected Salary Increases, including wage inflation	3.25 percent to 10.75 percent (includes wage inflation at 3.25 percent)
Cost-of-Living Adjustments	Pre-1/7/2013 Retirees: 3.00 percent Simple Post-1/7/2013 Retirees: 3.00 percent Simple through 2018, then 2.15 percent Simple

Mortality rates were based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3 percent for 2016.

The allocation of investment assets within 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 following table displays the Board-approved asset allocation policy for 2016 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 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other Investments	18.00	4.92
Total	<u>100.00 %</u>	<u>5.66 %</u>

Discount Rate The discount rate used to measure the total pension liability was 7.50 percent, post-experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.50 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.50 percent) or one-percentage-point higher (8.50 percent) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
City's proportionate share of the net pension liability:	\$ 17,156,066	\$ 11,229,825	\$ 6,291,349

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, 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 retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
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 plus productivity increase rate of 0.5 percent
Cost-of-Living Adjustments	3.00 percent simple; 2.60 percent simple for increases based on lesser of the increase in CPI 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 OPF’s Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2016, are summarized as follows:

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Real Rate of Return**</u>	<u>30 Year Expected Real Rate of Return**</u>
Domestic Equity	16.00 %	4.46 %	5.21 %
Non-US Equity	16.00	4.66	5.40
Core Fixed Income*	20.00	1.67	2.37
Global Inflation Protected Securities*	20.00	0.49	2.33
High Yield	15.00	3.33	4.48
Real Estate	12.00	4.71	5.65
Private Markets	8.00	7.31	7.99
Real Assets	5.00	6.87	6.87
Master Limited Partnerships	8.00	6.92	7.36
Total	<u>120.00 %</u>		

Note: Assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation

OPF's Board of Trustees has incorporated the risk parity concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall total portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the total portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, OPF'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.

	<u>1% Decrease (7.25%)</u>	<u>Current Discount Rate (8.25%)</u>	<u>1% Increase (9.25%)</u>
City's proportionate share of the net pension liability:	\$ 18,603,413	\$ 13,967,714	\$ 10,038,998

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Changes between Measurement Date and Report Date

In October 2017, the OPF Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8.00 percent. Although the exact amount of these changes is not known, it has the potential to impact to the City's net pension liability.

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 plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the traditional 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 Post-Employment Benefit (OPEB) as described in GASB Statement No. 45. See OPERS CAFR referenced below for additional information.

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 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-employment health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, 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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Each year the OPERS Board 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 1 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4 percent.

Substantially all of the City's contributions allocated to fund post-employment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contributions for the years ended December 31, 2017, 2016, and 2015 were \$64,028, \$128,080, and \$119,744 respectively. For 2017, 82 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

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 healthcare 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 health care coverage to eligible participants and to establish and amend benefits 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 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.

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 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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 contributions allocated to health care was 0.5 percent of covered payroll from January 1, 2017 thru December 31, 2017. 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 the years ending December 31, 2017, 2016, and 2015 were \$22,350, \$24,139 and \$20,831, respectively. 79 percent has been contributed for police and 81 percent has been contributed for firefighters for 2017. The full amount has been contributed for 2016 and 2015.

NOTE 11 - COMPENSATED ABSENCES

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

For all employees, except for firefighters, sick leave is earned at the rate of four and one 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.

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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				
2010 Various Purpose Bonds	2010	2030	2.00% - 4.375%	2,725,000
2013 Various Purpose Bonds	2013	2033	1.50%-4.00%	4,005,000
2015 Various Purpose Bonds	2015	2035	2.00%-4.00%	6,870,000
2016 Various Purpose Refunding Bonds	2016	2026	4.00-4.25%	2,875,000
OPWC Loans				
Sewer	2005	2025	0.00%	370,069
Sewer	2007	2027	0.00%	710,000
Sewer	2013	2045	0.00%	600,000
Sewer	2016	2037	0.00%	294,000
Water	2011	2031	0.00%	102,500
Water	2016	2037	0.00%	73,500
Governmental Activities	2009	2029	0.00%	1,900,900
Governmental Activities	2012	2032	0.00%	202,650
Governmental Activities	2016	2037	0.00%	367,500
Governmental Activities	2017		0.00%	423,500 *
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
Sewer	2015	2035	2.91%	275,963
Sewer	2017		2.52%	364,014 *
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	2016		2.46%	1,710,056 *
Water	2017		2.52%	336,013 *

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

A schedule of changes in long-term obligations of the City during 2017 follows:

	Restated Balance 1/1/17	Additions	Reductions	Refunding	Balance 12/31/17	Due Within One Year
Governmental Activities						
<i>General Obligation Bonds</i>						
2010 Various Purpose Bonds	\$ 2,275,000	\$ 0	\$ (65,000)	\$ 0	\$ 2,210,000	\$ 65,000
2013 Various Purpose Bonds	3,705,000	0	(100,000)	0	3,605,000	100,000
2015 Various Purpose Bonds	6,515,000	0	(235,000)	0	6,280,000	235,000
2016 Refunding Bonds	2,870,000	0	(790,000)	0	2,080,000	800,000
<i>Total General Obligation Bonds</i>	<u>15,365,000</u>	<u>0</u>	<u>(1,190,000)</u>	<u>0</u>	<u>14,175,000</u>	<u>1,200,000</u>
<i>Bond Anticipation Notes</i>						
1.50% Various Improvement Notes	3,542,500	0	(3,542,500)	0	0	0
1.50% Various Improvement Notes	2,585,000	0	(2,585,000)	0	0	0
1.50% Various Improvement Notes	515,000	0	(515,000)	0	0	0
2.00% Various Improvement Notes	0	6,400,900	0	0	6,400,900	6,400,900
2.00% Various Improvement Notes	0	1,800,000	0	0	1,800,000	1,800,000
<i>Total Bond Anticipation Notes</i>	<u>6,642,500</u>	<u>8,200,900</u>	<u>(6,642,500)</u>	<u>0</u>	<u>8,200,900</u>	<u>8,200,900</u>
OPWC Loans Payable	1,922,215	430,660	(105,178)	0	2,247,697	123,553
Loan Payable	0	200,000	0	0	200,000	40,000
<i>Net Pension Liability</i>						
OPERS	6,718,756	2,377,402	0	0	9,096,158	0
OPF	13,385,675	582,039	0	0	13,967,714	0
<i>Total Net Pension Liability</i>	<u>20,104,431</u>	<u>2,959,441</u>	<u>0</u>	<u>0</u>	<u>23,063,872</u>	<u>0</u>
<i>Other Long Term Obligations</i>						
<i>Capital Lease Obligations:</i>						
Caterpillar	33,825	0	(33,825)	0	0	0
Various Equipment and Vehicles	309,351	0	(75,067)	0	234,284	76,561
Various Equipment and Vehicles	275,000	0	(52,896)	0	222,104	53,928
Various Vehicles	0	52,168	(8,522)	0	43,646	15,485
<i>Total Capital Lease Obligations</i>	<u>618,176</u>	<u>52,168</u>	<u>(170,310)</u>	<u>0</u>	<u>500,034</u>	<u>145,974</u>
Unamortized Bond Premiums	434,586	0	(28,262)	0	406,324	28,262
Compensated Absences	1,111,030	83,746	(102,032)	0	1,092,744	128,884
Police and Fire Pension Liability	187,865	0	(6,881)	0	180,984	7,012
<i>Total Other Long Term Obligations</i>	<u>2,351,657</u>	<u>135,914</u>	<u>(307,485)</u>	<u>0</u>	<u>2,180,086</u>	<u>310,132</u>
Total Governmental Activities	<u>\$ 46,385,803</u>	<u>\$ 11,926,915</u>	<u>\$ (8,245,163)</u>	<u>\$ 0</u>	<u>\$ 50,067,555</u>	<u>\$ 9,874,585</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

	Restated Balance 1/1/17	Additions	Reductions	Balance 12/31/17	Due Within One Year
Business-Type Activities					
<i>General Obligation Bonds</i>					
2015 Various Purpose Bonds	\$ 120,000	\$ 0	\$ (5,000)	\$ 115,000	\$ 5,000
<i>Bond Anticipation Notes</i>					
2.00% Various Improvement Notes	0	600,000	0	600,000	600,000
OWDA Loans	11,065,553	680,580	(586,056)	11,160,077	637,070
OPWC Loans	1,217,396	365,735	(75,455)	1,507,676	93,831
Loan Payable	271,648	0	(19,404)	252,244	19,404
<i>Net Pension Liability</i>					
Water Revenue	1,284,221	400,253	0	1,684,474	0
Sewer Revenue	309,150	140,043	0	449,193	0
<i>Total Net Pension Liability</i>	<u>1,593,371</u>	<u>540,296</u>	<u>0</u>	<u>2,133,667</u>	<u>0</u>
<i>Other Long Term Obligations</i>					
Capital Lease Obligation:					
Vehicles	0	33,548	(7,206)	26,342	11,072
Compensated Absences	109,196	9,527	(28,353)	90,370	4,962
<i>Total Other Long Term Obligations</i>	<u>109,196</u>	<u>43,075</u>	<u>(35,559)</u>	<u>116,712</u>	<u>16,034</u>
Total Business-Type Activities	<u>\$ 14,377,164</u>	<u>\$ 2,229,686</u>	<u>\$ (721,474)</u>	<u>\$ 15,885,376</u>	<u>\$ 1,371,339</u>

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, 2017 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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

<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>
2018	\$ 65,000	2022	\$ 200,000	2026	\$ 135,000
2019	180,000	2023	210,000	2027	140,000
2020	185,000	2024	220,000	2028	145,000
2021	195,000	2025	225,000	2029	150,000
				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>
2018	\$ 100,000	2021	\$ 260,000
2019	245,000	2022	270,000
2020	250,000	2023	270,000

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

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

On August 18, 2016, the City issued \$2,875,000 in current refunding general obligation bonds at an average interest rate of 1.7 percent. The proceeds of the bonds were used to refund \$2,775,000 of the City's outstanding 2006 Various Purpose Bonds. The bonds were issued for a 10 year period with final maturity at December 1, 2026. The issuance resulted in a difference between the cash flows required to service the old debt and the cash flows required to service the new debt of \$177,163. The issuance resulted in an economic gain of \$180,310.

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 \$9,200,886 and \$1,140,176 in OWDA and OPWC loans, respectively. Current year principal and interest payments, as a percentage of net customer revenues, on all OWDA and OPWC loans were a 57 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 \$11,160,077 and \$1,507,676, 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 \$1,018,285 and \$1,780,218, respectively.

Loans 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.

In 2017, Baldwin Wallace University issued the City a \$200,000 interest free loan to make improvements to Tressel Street. The loan is to be repaid in 5 annual payments of \$40,000 beginning June 1, 2019.

Notes Payable - In 2017, the City issued \$8,800,900 in various purpose bond anticipation notes to retire maturing notes, purchase vehicles and equipment for various departments and improvement and construction projects. This issue included a premium of \$65,127 which was recorded as an expense in the year of issuance. The notes will be paid by the general bond retirement and water revenue funds.

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

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

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

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2017 are as follows:

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Governmental Activities

Year	General Obligation Bonds		Loan	OPWC (2)	Totals	
	Principal	Interest	Principal	Principal	Principal	Interest
2018	\$ 1,200,000	\$ 427,886	\$ 0	\$ 123,553	\$ 1,323,553	\$ 427,886
2019	840,000	403,511	40,000	123,553	1,003,553	403,511
2020	940,000	382,727	40,000	123,553	1,103,553	382,727
2021	970,000	354,564	40,000	123,553	1,133,553	354,564
2022	955,000	325,555	40,000	123,553	1,118,553	325,555
2023 - 2027	4,535,000	1,176,960	40,000	617,760	5,192,760	1,176,960
2028 - 2032	3,560,000	461,655	0	617,760	4,177,760	461,655
2033 - 2037	1,175,000	19,200	0	329,487	1,504,487	19,200
Total	\$ 14,175,000	\$ 3,552,058	\$ 200,000	\$ 2,182,772	\$ 16,557,772	\$ 3,552,058

On March 15, 2018, payment is due in full on the various purpose bond anticipation notes in the amount of \$8,800,900 plus interest at 2.0 percent.

Business-Type Activities

Year	OWDA(1)		OPWC	Loan	General Obligation Bond		Total	
	Principal	Interest	Principal	Principal	Principal	Interest	Principal	Interest
2018	\$ 637,070	\$ 412,254	\$ 93,831	\$ 19,404	\$ 5,000	\$ 3,912	\$ 755,305	\$ 416,166
2019	570,276	337,082	93,831	19,404	5,000	3,812	688,511	340,894
2020	564,163	310,593	93,831	19,404	5,000	3,712	682,398	314,305
2021	587,028	290,723	93,831	19,404	5,000	3,612	705,263	294,335
2022	603,470	266,894	93,831	19,404	5,000	3,512	721,705	270,406
2023 - 2027	2,953,057	983,652	441,391	97,017	25,000	15,265	3,516,465	998,917
2028 - 2032	1,961,772	469,543	252,384	58,207	35,000	10,726	2,307,363	480,269
2033 - 2037	1,081,544	171,210	196,588	0	30,000	2,400	1,308,132	173,610
2038 - 2042	303,790	23,383	98,774	0	0	0	402,564	23,383
2043 - 2045	0	0	49,384	0	0	0	49,384	0
Total	\$9,262,170	\$ 3,265,334	\$ 1,507,676	\$252,244	\$ 115,000	\$ 46,951	\$ 11,137,090	\$ 3,312,285

(1) OWDA loans issued in 2016 and 2017 have not been fully drawn down, thus there are no amortization schedules available. The net balance of the loans drawn totaling \$1,897,907 are reported as long term obligations due in more than one year and are not included in the above maturity schedule.

(2) OPWC loans issued in 2017 have not been fully drawn down, thus there is no amortization schedule available. The balance of the loan drawn of \$64,925 in governmental activities is reported as long term obligations due in more than one year.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 13 – NOTES PAYABLE

In 2017, the City issued \$6,500,000 in bond anticipation notes for the purpose of improving City-owned administrative offices, training facility and surrounding grounds leased to the Cleveland Browns in addition to paying off the previous notes. On October 4, 2018, payment is due in full in the amount of \$6,500,000 plus interest at 2.38 percent.

Note payable activity during 2017 is as follows:

	Balance 1/1/2017	Additions	Reductions	Balance 12/31/2017
1.88 % Various Improvement Notes	\$ 7,000,000	\$ 0	\$ 7,000,000	\$ 0
2.38% Various Improvement Notes	0	6,500,000	0	6,500,000
Total	\$ 7,000,000	\$ 6,500,000	\$ 7,000,000	\$ 6,500,000

NOTE 14 - CAPITAL LEASES

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

During 2013, the City entered into a lease-purchase agreement for equipment for \$158,982 which was paid in full in 2017.

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

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

During 2017, the City entered into lease-purchase agreements for vehicles in the amount of \$52,168 in governmental funds and \$33,548 in the water fund. The City is leasing the vehicles from US Bancorp and Chrysler Capital and will make monthly lease payments. Assets acquired by the leases will be capitalized as vehicles.

Assets acquired by lease amount to \$902,652 with accumulated depreciation as of December 31, 2017 of \$258,870.

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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

Year Ending December 31,	Amount	
	Governmental Activities	Business-Type Activities
2018	\$ 156,133	\$ 11,687
2019	156,128	11,688
2020	150,980	3,896
2021	59,120	0
Minimum Lease Payments	522,361	27,271
Less Amount Representing Interest	(22,327)	(929)
Present Value of Net Lease Payments	<u>\$ 500,034</u>	<u>\$ 26,342</u>

NOTE 15 - OPERATING LEASES - LESSOR DISCLOSURE

The City leases space on its water tower for cellular antennae. The lease revenue due in 2017 amounted to \$87,817.

NOTE 16 - RISK MANAGEMENT

Property and Liability Insurance

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicles, and general liability risks including public officials' liability. The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2017, 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. There has not been a significant reduction in coverage from the prior year.

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

The City has no claims liability at December 31, 2017 or 2016.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Medical Benefits

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

The City pays into the self-insurance internal service fund \$1,344 for family coverage and \$485 for single coverage per month. The premium is charged to the fund that records the salary expenditure of the covered employee. The premium is based upon historical cost data provided by the insurance carriers. Employees contribute 10 percent of the prior year's actual costs for health insurance through a payroll deduction. Employees contributed \$148.42 for family coverage or \$60.58 for single coverage for medical, dental and vision.

The claims liability of \$229,891 reported in the medical benefits internal service fund at December 31, 2017 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 2016 and 2017 were as follows and typically are retired within three months of year end:

	Balance January 1	Current Year Claims	Claim Payments	Balance December 31
2016	\$ 70,217	\$ 1,615,774	\$ 1,589,400	\$ 96,591
2017	\$ 96,591	\$ 2,254,138	\$ 2,120,838	\$ 229,891

Workers' Compensation

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

Southwest Council of Governments

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

The Council has established two subsidiary organizations, the Southwest Emergency Response Team (SERT), which provides hazardous material protection and assistance, technical rescue including water rescue and land-based components, fire investigation and tactical EMS services; and the Southwest Enforcement Bureau (SEB), which provides specially trained officers to respond to incidents where special weapons and tactics are needed, including SWAT, Bomb Squad, Crisis Negotiations and Tactical EMS. In 2017, the City of Berea contributed \$18,000 to the Council. The Council's financial statements may be obtained by contacting Dana J. Kavander, Executive Director, 11 Berea Commons, Berea, Ohio 44017.

Southwest General Health Center

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

The Health Center is governed by a Board of Trustees consisting of the following: one member of the legislative body from each of the political subdivisions, one resident from each of the political subdivisions who is not a member of the legislative body, three persons who are residents of any of the participating political subdivisions, the president and the executive vice president of the corporations, and the president and the vice president of the medical staff. The legislative body of each political subdivision elects their own member to serve on the Board of Trustees of the Health Center. The Board exercises total control over the operation of the Health Center including budgeting, appropriating, contracting and designating management. Each City's control is limited to its representation on the Board. In 2017, the City of Berea contributed \$98,174.

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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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 2017, the City of Berea contributed \$10,000 to the Cemetery for operations.

Northeast Ohio Public Energy Council

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Berea did not contribute to NOPEC during 2017. Financial information can be obtained by contacting Ron McVoy, the Board Chairman, at 175 South Main Street, Akron, Ohio 44308 or at the website www.nopecinfo.org.

Regional Income Tax Agency

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

NOTE 18 – CONTINGENCIES

Litigation

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

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, 2017.

NOTE 19 – COMMITMENTS

Encumbrance Commitments

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the City's commitments for encumbrances in the general, general capital improvement and other governmental funds were \$32,645, \$644,677 and \$190,786, respectively.

Contractual Commitments

As of December 31, 2017, the City had a contractual commitment in the amount of \$85,100 for a land installment contract and \$1,056,583 for a ladder truck.

Contractual commitments identified above may or may not be included in the outstanding encumbrance commitments previously disclosed in this note. Reasons for this may include timing of when contracts are encumbered and contracts paid from enterprise funds, which are not required to disclose encumbrance commitments.

NOTE 20 – SUBSEQUENT EVENTS

On January 19, 2018, the City entered into a lease-purchase agreement for vehicles in the amount of \$192,736, making annual payments with the final payment due January 19, 2025.

On March 14, 2018, the City issued Various Purpose Bond Anticipation Notes in the amount of \$8,550,900 at an interest rate of 2.25 percent to refinance prior notes and to finance the costs of constructing improvements. These notes mature on March 14, 2019.

On March 24, 2018, the City refinanced a treasury investment in the amount of \$400,000 at an interest rate of 1.5 percent to finance the costs of urban renewal projects until the issuance of urban renewal bonds. This note matures on March 23, 2019.

This Page Intentionally Left Blank

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Ohio Public Employees' Retirement System (OPERS)</i>				
City's Proportion of the Net Pension Liability	0.0494525%	0.0479880%	0.0503090%	0.0503090%
City's Proportionate Share of the Net Pension Liability	\$ 11,229,825	\$ 8,312,127	\$ 6,067,828	\$ 5,930,776
City's Covered Payroll	\$ 6,404,008	\$ 5,972,592	\$ 6,167,933	\$ 5,968,754
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	175.36%	139.17%	98.38%	99.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%
<i>Ohio Police and Fire Pension Fund (OPF)</i>				
City's Proportion of the Net Pension Liability	0.2205240%	0.2080760%	0.1998255%	0.1998255%
City's Proportionate Share of the Net Pension Liability	\$ 13,967,714	\$ 13,385,675	\$ 10,351,794	\$ 9,732,129
City's Covered Payroll	\$ 4,747,571	\$ 4,246,290	\$ 3,978,838	\$ 3,980,738
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	294.21%	315.23%	260.17%	244.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	72.20%	73.00%

(1) Information prior to 2014 is not available.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Ohio Public Employees' Retirement System (OPERS)</i>				
Contractually Required Contribution	\$ 832,358	\$ 768,481	\$ 716,711	\$ 740,152
Contributions in Relation to the Contractually Required Contribution	<u>(832,358)</u>	<u>(768,481)</u>	<u>(716,711)</u>	<u>(740,152)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City's Covered Payroll	\$ 6,402,750	\$ 6,404,008	\$ 5,972,592	\$ 6,167,933
Contributions as a Percentage of Covered Payroll	13.00%	12.00%	12.00%	12.00%
<i>Ohio Police and Fire Pension Fund (OPF)</i>				
Contractually Required Contribution	\$ 944,340	\$ 1,003,574	\$ 892,732	\$ 836,257
Contributions in Relation to the Contractually Required Contribution	<u>(944,340)</u>	<u>(1,003,574)</u>	<u>(892,732)</u>	<u>(836,257)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City's Covered Payroll	\$ 4,469,975	\$ 4,747,571	\$ 4,246,290	\$ 3,978,838
Contributions as a Percentage of Covered Payroll	21.13%	21.14%	21.02%	21.02%

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

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 775,938	n/a	n/a	n/a	n/a	n/a
<u>(775,938)</u>	n/a	n/a	n/a	n/a	n/a
<u>\$ 0</u>	n/a	n/a	n/a	n/a	n/a
\$ 5,968,754	n/a	n/a	n/a	n/a	n/a
13.00%	n/a	n/a	n/a	n/a	n/a
\$ 705,855	\$ 595,236	\$ 636,740	\$ 628,677	\$ 622,699	\$ 597,850
<u>(705,855)</u>	<u>(595,236)</u>	<u>(636,740)</u>	<u>(628,677)</u>	<u>(622,699)</u>	<u>(597,850)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 3,980,738	\$ 4,044,258	\$ 4,311,948	\$ 4,263,870	\$ 4,234,396	\$ 4,069,347
17.73%	14.72%	14.77%	14.74%	14.71%	14.69%

This Page Intentionally Left Blank

**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:

Animal Control Fund

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

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.

Recreation Fund

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

State Highway Fund

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

Street Maintenance Fund

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

Fire Pension Fund

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

Police Pension Fund

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

Safe Students Fund

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

Public Safety Fund

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

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

Nonmajor Special Revenue Funds

Safe Passages Fund

To account for monies received, including donations and grants, for operating costs of the safe passages program which operates to facilitate rehabilitation opportunities for those individuals addicted to opiates.

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.

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 Health Insurance Fund

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

Probation Services Fund

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

Indigent Driver Alcohol Treatment Fund

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

DUI Education Fund

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

Theft Diversion Fund

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

Indigent Driving School Fund

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

DUS Diversion Fund

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

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

Nonmajor Special Revenue Funds

Court Computer Fund

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

Court Computer Research Fund

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

Court Special Projects Fund

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

Indigent Defendant Alcohol Monitoring Fund

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

State Highway Patrol Fund

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

Municipal Court Magistrates Fund

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

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

Nonmajor Capital Projects Funds

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

Safety Capital Improvement Fund

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

Recreation Capital Improvement Fund

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

Neighborhood Improvement Fund

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

Court Capital Improvement Fund

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

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Investments	\$ 1,504,591	\$ 1,329,080	\$ 2,833,671
Accounts Receivable	74,415	23,500	97,915
Intergovernmental Receivable	383,526	0	383,526
Taxes Receivable	778,568	0	778,568
Special Assessments Receivable	603,033	0	603,033
Materials and Supplies Inventory	154,335	0	154,335
<i>Total Assets</i>	<u>\$ 3,498,468</u>	<u>\$ 1,352,580</u>	<u>\$ 4,851,048</u>
Liabilities			
Accounts Payable	\$ 45,916	\$ 7,997	\$ 53,913
Accrued Wages	55,626	11,634	67,260
Contracts Payable	0	13,077	13,077
Intergovernmental Payable	161,825	6,133	167,958
Matured Compensated Absences Payable	8,641	0	8,641
<i>Total Liabilities</i>	<u>272,008</u>	<u>38,841</u>	<u>310,849</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	737,733	0	737,733
Delinquent Property Taxes	40,835	0	40,835
Unavailable Revenue	872,454	0	872,454
<i>Total Deferred Inflows of Resources</i>	<u>1,651,022</u>	<u>0</u>	<u>1,651,022</u>
Fund Balances			
Nonspendable	154,335	0	154,335
Restricted	1,496,867	534,364	2,031,231
Committed	13,925	779,375	793,300
Unassigned	(89,689)	0	(89,689)
<i>Total Fund Balances</i>	<u>1,575,438</u>	<u>1,313,739</u>	<u>2,889,177</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 3,498,468</u>	<u>\$ 1,352,580</u>	<u>\$ 4,851,048</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, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$ 740,304	\$ 0	\$ 740,304
Special Assessments	649,443	0	649,443
Charges for Services	696,611	225,000	921,611
Licenses and Permits	0	15,323	15,323
Fines and Forfeitures	886,379	370,181	1,256,560
Intergovernmental	870,728	192,534	1,063,262
Interest	3,121	0	3,121
Contributions and Donations	6,834	0	6,834
Reimbursements	0	10,152	10,152
Other	200	0	200
<i>Total Revenues</i>	<u>3,853,620</u>	<u>813,190</u>	<u>4,666,810</u>
Expenditures			
Current:			
General Government	844,318	0	844,318
Security of Persons and Property	1,724,083	0	1,724,083
Public Health	117,192	0	117,192
Leisure Time Services	1,718,200	0	1,718,200
Transportation	966,075	0	966,075
Capital Outlay	0	2,021,067	2,021,067
Debt Service:			
Principal Retirement	6,881	0	6,881
Interest and Fiscal Charges	7,911	0	7,911
<i>Total Expenditures</i>	<u>5,384,660</u>	<u>2,021,067</u>	<u>7,405,727</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,531,040)	(1,207,877)	(2,738,917)
Other Financing Sources (Uses)			
Proceeds from Sale of Assets	0	6,600	6,600
Transfers In	1,449,500	1,427,324	2,876,824
<i>Total Other Financing Sources (Uses)</i>	<u>1,449,500</u>	<u>1,433,924</u>	<u>2,883,424</u>
<i>Net Change in Fund Balances</i>	(81,540)	226,047	144,507
<i>Fund Balances Beginning of Year</i>	<u>1,656,978</u>	<u>1,087,692</u>	<u>2,744,670</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,575,438</u>	<u>\$ 1,313,739</u>	<u>\$ 2,889,177</u>

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Recreation Fund	State Highway Fund	Street Maintenance Fund	Fire Pension Fund	Police Pension Fund
Assets					
Equity in Pooled Cash and Investments	\$ 67,590	\$ 53,574	\$ 54,229	\$ 24,441	\$ 19,602
Accounts Receivable	16,912	0	0	0	0
Intergovernmental Receivable	0	24,805	305,880	22,485	22,485
Taxes Receivable	0	0	0	343,363	343,363
Special Assessments Receivable	0	0	0	0	0
Materials and Supplies Inventory	0	0	154,335	0	0
<i>Total Assets</i>	<u>\$ 84,502</u>	<u>\$ 78,379</u>	<u>\$ 514,444</u>	<u>\$ 390,289</u>	<u>\$ 385,450</u>
Liabilities					
Accounts Payable	\$ 29,063	\$ 0	\$ 36	\$ 0	\$ 0
Accrued Wages	26,316	0	12,522	0	0
Intergovernmental Payable	16,307	0	7,070	67,768	63,993
Matured Compensated Absences Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>71,686</u>	<u>0</u>	<u>19,628</u>	<u>67,768</u>	<u>63,993</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	0	0	0	325,354	325,354
Delinquent Property Taxes	0	0	0	18,009	18,009
Unavailable Revenue	0	16,479	203,193	22,485	22,485
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>16,479</u>	<u>203,193</u>	<u>365,848</u>	<u>365,848</u>
Fund Balances					
Nonspendable	0	0	154,335	0	0
Restricted	0	61,900	137,288	0	0
Committed	12,816	0	0	0	0
Unassigned	0	0	0	(43,327)	(44,391)
<i>Total Fund Balances (Deficit)</i>	<u>12,816</u>	<u>61,900</u>	<u>291,623</u>	<u>(43,327)</u>	<u>(44,391)</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 84,502</u>	<u>\$ 78,379</u>	<u>\$ 514,444</u>	<u>\$ 390,289</u>	<u>\$ 385,450</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Safe Students Fund	Public Safety Fund	Safe Passages Fund	Street Lighting Fund	Berea Welfare Fund
Assets					
Equity in Pooled Cash and Investments	\$ 0	\$ 18,014	\$ 1,841	\$ 329,446	\$ 1,109
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	0
Taxes Receivable	0	0	0	0	0
Special Assessments Receivable	0	0	0	603,033	0
Materials and Supplies Inventory	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 0</u>	<u>\$ 18,014</u>	<u>\$ 1,841</u>	<u>\$ 932,479</u>	<u>\$ 1,109</u>
Liabilities					
Accounts Payable	\$ 0	\$ 86	\$ 272	\$ 4,962	\$ 0
Accrued Wages	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Matured Compensated Absences Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>86</u>	<u>272</u>	<u>4,962</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	603,033	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>603,033</u>	<u>0</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	0	17,928	1,569	324,484	0
Committed	0	0	0	0	1,109
Unassigned	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>17,928</u>	<u>1,569</u>	<u>324,484</u>	<u>1,109</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 0</u>	<u>\$ 18,014</u>	<u>\$ 1,841</u>	<u>\$ 932,479</u>	<u>\$ 1,109</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Community Hospital Fund	Municipal Vehicle Tax Levy Fund	Law Enforcement Fund	Municipal Court Health Insurance Fund	Probation Services Fund
Assets					
Equity in Pooled Cash and Investments	\$ 0	\$ 11,073	\$ 4,423	\$ 44,010	\$ 3,115
Accounts Receivable	0	0	0	4,275	21,735
Intergovernmental Receivable	4,779	3,092	0	0	0
Taxes Receivable	91,842	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>\$ 96,621</u>	<u>\$ 14,165</u>	<u>\$ 4,423</u>	<u>\$ 48,285</u>	<u>\$ 24,850</u>
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,089
Accrued Wages	0	0	0	0	12,762
Intergovernmental Payable	0	0	0	0	4,329
Matured Compensated Absences Payable	0	0	0	0	8,641
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>26,821</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	87,025	0	0	0	0
Delinquent Property Taxes	4,817	0	0	0	0
Unavailable Revenue	4,779	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>96,621</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	0	14,165	4,423	48,285	0
Committed	0	0	0	0	0
Unassigned	0	0	0	0	(1,971)
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>14,165</u>	<u>4,423</u>	<u>48,285</u>	<u>(1,971)</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 96,621</u>	<u>\$ 14,165</u>	<u>\$ 4,423</u>	<u>\$ 48,285</u>	<u>\$ 24,850</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Indigent Driver Alcohol Treatment Fund	DUI Education Fund	Theft Diversion Fund	Indigent Driving School Fund	DUS Diversion Fund	Court Computer Fund
Assets						
Equity in Pooled Cash and Investments	\$ 517,257	\$ 23,690	\$ 9,192	\$ 1,028	\$ 18,507	\$ 86,768
Accounts Receivable	5,935	0	0	0	831	7,998
Intergovernmental Receivable	0	0	0	0	0	0
Taxes Receivable	0	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 523,192</u>	<u>\$ 23,690</u>	<u>\$ 9,192</u>	<u>\$ 1,028</u>	<u>\$ 19,338</u>	<u>\$ 94,766</u>
Liabilities						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,703
Accrued Wages	0	0	806	0	806	0
Intergovernmental Payable	0	0	489	0	489	0
Matured Compensated Absences Payable	0	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>1,295</u>	<u>0</u>	<u>1,295</u>	<u>4,703</u>
Deferred Inflows of Resources						
Property Taxes Levied for the Next Year	0	0	0	0	0	0
Delinquent Property Taxes	0	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances						
Nonspendable	0	0	0	0	0	0
Restricted	523,192	23,690	7,897	1,028	18,043	90,063
Committed	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>523,192</u>	<u>23,690</u>	<u>7,897</u>	<u>1,028</u>	<u>18,043</u>	<u>90,063</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 523,192</u>	<u>\$ 23,690</u>	<u>\$ 9,192</u>	<u>\$ 1,028</u>	<u>\$ 19,338</u>	<u>\$ 94,766</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	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	\$ 15,941	\$ 78,485	\$ 108,178	\$ 1,279	\$ 11,799	\$ 1,504,591
Accounts Receivable	2,378	8,173	941	104	5,133	74,415
Intergovernmental Receivable	0	0	0	0	0	383,526
Taxes Receivable	0	0	0	0	0	778,568
Special Assessments Receivable	0	0	0	0	0	603,033
Materials and Supplies Inventory	0	0	0	0	0	154,335
<i>Total Assets</i>	<u>\$ 18,319</u>	<u>\$ 86,658</u>	<u>\$ 109,119</u>	<u>\$ 1,383</u>	<u>\$ 16,932</u>	<u>\$ 3,498,468</u>
Liabilities						
Accounts Payable	\$ 1,056	\$ 3,649	\$ 0	\$ 1,000	\$ 0	\$ 45,916
Accrued Wages	0	0	0	0	2,414	55,626
Intergovernmental Payable	0	0	0	0	1,380	161,825
Matured Compensated Absences Payable	0	0	0	0	0	8,641
<i>Total Liabilities</i>	<u>1,056</u>	<u>3,649</u>	<u>0</u>	<u>1,000</u>	<u>3,794</u>	<u>272,008</u>
Deferred Inflows of Resources						
Property Taxes Levied for the Next Year	0	0	0	0	0	737,733
Delinquent Property Taxes	0	0	0	0	0	40,835
Unavailable Revenue	0	0	0	0	0	872,454
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,651,022</u>
Fund Balances						
Nonspendable	0	0	0	0	0	154,335
Restricted	17,263	83,009	109,119	383	13,138	1,496,867
Committed	0	0	0	0	0	13,925
Unassigned	0	0	0	0	0	(89,689)
<i>Total Fund Balances (Deficit)</i>	<u>17,263</u>	<u>83,009</u>	<u>109,119</u>	<u>383</u>	<u>13,138</u>	<u>1,575,438</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 18,319</u>	<u>\$ 86,658</u>	<u>\$ 109,119</u>	<u>\$ 1,383</u>	<u>\$ 16,932</u>	<u>\$ 3,498,468</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, 2017

	Recreation Fund	State Highway Fund	Street Maintenance Fund	Fire Pension Fund	Police Pension Fund
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 327,005	\$ 327,005
Special Assessments	0	0	0	0	0
Charges for Services	696,611	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	0	51,612	636,560	54,001	54,001
Interest	0	2,282	839	0	0
Contributions and Donations	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>696,611</u>	<u>53,894</u>	<u>637,399</u>	<u>381,006</u>	<u>381,006</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	0	0	506,906	459,784
Public Health	0	0	0	0	0
Leisure Time Services	1,718,200	0	0	0	0
Transportation	0	19,644	899,431	0	0
Debt Service:					
Principal Retirement	0	0	0	1,768	5,113
Interest and Fiscal Charges	0	0	0	2,030	5,881
<i>Total Expenditures</i>	<u>1,718,200</u>	<u>19,644</u>	<u>899,431</u>	<u>510,704</u>	<u>470,778</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,021,589)	34,250	(262,032)	(129,698)	(89,772)
Other Financing Sources (Uses)					
Transfers In	1,001,500	0	245,000	135,000	68,000
<i>Net Change in Fund Balances</i>	(20,089)	34,250	(17,032)	5,302	(21,772)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>32,905</u>	<u>27,650</u>	<u>308,655</u>	<u>(48,629)</u>	<u>(22,619)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 12,816</u>	<u>\$ 61,900</u>	<u>\$ 291,623</u>	<u>\$ (43,327)</u>	<u>\$ (44,391)</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, 2017

	Safe Students Fund	Public Safety Fund	Safe Passages Fund	Street Lighting Fund	Berea Welfare Fund
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Assessments	0	0	0	649,443	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	20,000	0	0	0	0
Interest	0	0	0	0	0
Contributions and Donations	0	0	5,190	0	1,644
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>20,000</u>	<u>0</u>	<u>5,190</u>	<u>649,443</u>	<u>1,644</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	20,000	9,081	3,621	724,691	0
Public Health	0	0	0	0	19,018
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>9,081</u>	<u>3,621</u>	<u>724,691</u>	<u>19,018</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(9,081)	1,569	(75,248)	(17,374)
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	0	(9,081)	1,569	(75,248)	(17,374)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>27,009</u>	<u>0</u>	<u>399,732</u>	<u>18,483</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 17,928</u>	<u>\$ 1,569</u>	<u>\$ 324,484</u>	<u>\$ 1,109</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, 2017

	Community Hospital Fund	Municipal Vehicle Tax Levy Fund	Law Enforcement Fund	Municipal Court Health Insurance Fund	Probation Services Fund
Revenues					
Property Taxes	\$ 86,294	\$ 0	\$ 0	\$ 0	\$ 0
Special Assessments	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	0	0	65,349	287,008
Intergovernmental	11,880	39,674	0	0	0
Interest	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Other	0	0	200	0	0
<i>Total Revenues</i>	<u>98,174</u>	<u>39,674</u>	<u>200</u>	<u>65,349</u>	<u>287,008</u>
Expenditures					
Current:					
General Government	0	0	0	40,602	294,907
Security of Persons and Property	0	0	0	0	0
Public Health	98,174	0	0	0	0
Leisure Time Services	0	0	0	0	0
Transportation	0	47,000	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>98,174</u>	<u>47,000</u>	<u>0</u>	<u>40,602</u>	<u>294,907</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(7,326)	200	24,747	(7,899)
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	0	(7,326)	200	24,747	(7,899)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>21,491</u>	<u>4,223</u>	<u>23,538</u>	<u>5,928</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 14,165</u>	<u>\$ 4,423</u>	<u>\$ 48,285</u>	<u>\$ (1,971)</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, 2017

	Indigent Driver Alcohol Treatment Fund	DUI Education Fund	Theft Diversion Fund	Indigent Driving School Fund	DUS Diversion Fund	Court Computer Fund
Revenues						
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Assessments	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	0
Fines and Forfeitures	96,596	3,643	14,045	0	27,699	126,704
Intergovernmental	0	0	0	0	0	3,000
Interest	0	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	0
Other	0	0	0	0	0	0
<i>Total Revenues</i>	<u>96,596</u>	<u>3,643</u>	<u>14,045</u>	<u>0</u>	<u>27,699</u>	<u>129,704</u>
Expenditures						
Current:						
General Government	46,311	0	33,308	0	43,445	130,937
Security of Persons and Property	0	0	0	0	0	0
Public Health	0	0	0	0	0	0
Leisure Time Services	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>46,311</u>	<u>0</u>	<u>33,308</u>	<u>0</u>	<u>43,445</u>	<u>130,937</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	50,285	3,643	(19,263)	0	(15,746)	(1,233)
Other Financing Sources (Uses)						
Transfers In	0	0	0	0	0	0
<i>Net Change in Fund Balances</i>	50,285	3,643	(19,263)	0	(15,746)	(1,233)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>472,907</u>	<u>20,047</u>	<u>27,160</u>	<u>1,028</u>	<u>33,789</u>	<u>91,296</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 523,192</u>	<u>\$ 23,690</u>	<u>\$ 7,897</u>	<u>\$ 1,028</u>	<u>\$ 18,043</u>	<u>\$ 90,063</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, 2017

	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	\$ 740,304
Special Assessments	0	0	0	0	0	649,443
Charges for Services	0	0	0	0	0	696,611
Fines and Forfeitures	38,100	128,752	16,405	3,803	78,275	886,379
Intergovernmental	0	0	0	0	0	870,728
Interest	0	0	0	0	0	3,121
Contributions and Donations	0	0	0	0	0	6,834
Other	0	0	0	0	0	200
<i>Total Revenues</i>	<u>38,100</u>	<u>128,752</u>	<u>16,405</u>	<u>3,803</u>	<u>78,275</u>	<u>3,853,620</u>
Expenditures						
Current:						
General Government	45,330	108,398	22,980	3,979	74,121	844,318
Security of Persons and Property	0	0	0	0	0	1,724,083
Public Health	0	0	0	0	0	117,192
Leisure Time Services	0	0	0	0	0	1,718,200
Transportation	0	0	0	0	0	966,075
Debt Service:						
Principal Retirement	0	0	0	0	0	6,881
Interest and Fiscal Charges	0	0	0	0	0	7,911
<i>Total Expenditures</i>	<u>45,330</u>	<u>108,398</u>	<u>22,980</u>	<u>3,979</u>	<u>74,121</u>	<u>5,384,660</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(7,230)	20,354	(6,575)	(176)	4,154	(1,531,040)
Other Financing Sources (Uses)						
Transfers In	0	0	0	0	0	1,449,500
<i>Net Change in Fund Balances</i>	(7,230)	20,354	(6,575)	(176)	4,154	(81,540)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>24,493</u>	<u>62,655</u>	<u>115,694</u>	<u>559</u>	<u>8,984</u>	<u>1,656,978</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 17,263</u>	<u>\$ 83,009</u>	<u>\$ 109,119</u>	<u>\$ 383</u>	<u>\$ 13,138</u>	<u>\$ 1,575,438</u>

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017

	Safety Capital Improvement Fund	Recreation Capital Improvement Fund	Neighborhood Improvement Fund
	<u> </u>	<u> </u>	<u> </u>
Assets			
Equity in Pooled Cash and Investments	\$ 721,268	\$ 46,268	\$ 50,680
Accounts Receivable	0	0	0
	<u> </u>	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>\$ 721,268</u>	<u>\$ 46,268</u>	<u>\$ 50,680</u>
Liabilities			
Accounts Payable	\$ 7,921	\$ 0	\$ 76
Accrued Wages	0	0	11,634
Contracts Payable	6,732	6,345	0
Intergovernmental Payable	0	0	6,133
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u>14,653</u>	<u>6,345</u>	<u>17,843</u>
Fund Balances			
Restricted	0	0	0
Committed	706,615	39,923	32,837
	<u> </u>	<u> </u>	<u> </u>
<i>Total Fund Balances (Deficit)</i>	<u>706,615</u>	<u>39,923</u>	<u>32,837</u>
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 721,268</u>	<u>\$ 46,268</u>	<u>\$ 50,680</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017

	Court Capital Improvement Fund	Total Nonmajor Capital Projects Funds
Assets		
Equity in Pooled Cash and Investments	\$ 510,864	\$ 1,329,080
Accounts Receivable	23,500	23,500
<i>Total Assets</i>	\$ 534,364	\$ 1,352,580
Liabilities		
Accounts Payable	\$ 0	\$ 7,997
Accrued Wages	0	11,634
Contracts Payable	0	13,077
Intergovernmental Payable	0	6,133
<i>Total Liabilities</i>	0	38,841
Fund Balances		
Restricted	534,364	534,364
Committed	0	779,375
<i>Total Fund Balances (Deficit)</i>	534,364	1,313,739
<i>Total Liabilities and Fund Balances</i>	\$ 534,364	\$ 1,352,580

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, 2017

	<u>Safety Capital Improvement Fund</u>	<u>Recreation Capital Improvement Fund</u>	<u>Neighborhood Improvement Fund</u>
Revenues			
Charges for Services	\$ 225,000	\$ 0	\$ 0
Licenses and Permits	0	0	15,323
Fines and Forfeitures	0	0	0
Intergovernmental	192,534	0	0
Reimbursements	<u>0</u>	<u>0</u>	<u>10,152</u>
<i>Total Revenues</i>	<u>417,534</u>	<u>0</u>	<u>25,475</u>
Expenditures			
Capital Outlay	<u>492,096</u>	<u>777,095</u>	<u>653,570</u>
<i>Total Expenditures</i>	<u>492,096</u>	<u>777,095</u>	<u>653,570</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(74,562)</u>	<u>(777,095)</u>	<u>(628,095)</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	6,600	0	0
Transfers In	<u>707,324</u>	<u>70,000</u>	<u>650,000</u>
<i>Total Other Financing Sources (Uses)</i>	<u>713,924</u>	<u>70,000</u>	<u>650,000</u>
<i>Net Change in Fund Balances</i>	639,362	(707,095)	21,905
<i>Fund Balances Beginning of Year</i>	<u>67,253</u>	<u>747,018</u>	<u>10,932</u>
<i>Fund Balances End of Year</i>	<u>\$ 706,615</u>	<u>\$ 39,923</u>	<u>\$ 32,837</u>

(continued)

City of Berea
Cuyahoga County, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017

	Court Capital Improvement Fund	Total Nonmajor Capital Projects Funds
Revenues		
Charges for Services	\$ 0	\$ 225,000
Licenses and Permits	0	15,323
Fines and Forfeitures	370,181	370,181
Intergovernmental	0	192,534
Reimbursements	0	10,152
<i>Total Revenues</i>	370,181	813,190
Expenditures		
Capital Outlay	98,306	2,021,067
<i>Total Expenditures</i>	98,306	2,021,067
<i>Excess of Revenues Over (Under) Expenditures</i>	271,875	(1,207,877)
Other Financing Sources (Uses)		
Proceeds from Sale of Capital Assets	0	6,600
Transfers In	0	1,427,324
<i>Total Other Financing Sources (Uses)</i>	0	1,433,924
<i>Net Change in Fund Balances</i>	271,875	226,047
<i>Fund Balances Beginning of Year</i>	262,489	1,087,692
<i>Fund Balances End of Year</i>	\$ 534,364	\$ 1,313,739

This Page Intentionally Left Blank

**INDIVIDUAL FUND SCHEDULES OF
REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL**

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 1,612,818	\$ 1,612,818	\$ 0
Income Taxes	13,066,877	13,066,877	0
Other Local Taxes	280,714	280,714	0
Special Assessments	22,700	22,700	0
Intergovernmental	669,491	669,491	0
Charges for Services	280,488	283,818	3,330
Licenses and Permits	394,565	409,894	15,329
Fines and Forfeitures	70,816	70,816	0
Interest	143,802	143,802	0
Rent	2,592	2,592	0
Refunds and Reimbursements	26,116	29,102	2,986
Other	24,767	33,697	8,930
<i>Total Revenues</i>	<u>16,595,746</u>	<u>16,626,321</u>	<u>30,575</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police Department:			
Personal Services	2,707,730	2,657,717	50,013
Other	585,200	545,772	39,428
Total Police Department	<u>3,292,930</u>	<u>3,203,489</u>	<u>89,441</u>
Fire:			
Personal Services	2,184,786	2,151,105	33,681
Other	94,400	78,718	15,682
Total Fire Department	<u>2,279,186</u>	<u>2,229,823</u>	<u>49,363</u>
Total Security of Persons and Property	<u>5,572,116</u>	<u>5,433,312</u>	<u>138,804</u>
Leisure Time Services:			
Municipal Signage:			
Personal Services	63,500	57,464	6,036
Other	16,400	16,002	398
Total Municipal Signage	<u>79,900</u>	<u>73,466</u>	<u>6,434</u>
Public Grounds:			
Personal Services	379,040	377,957	1,083
Other	71,700	70,651	1,049
Total Public Grounds	<u>450,740</u>	<u>448,608</u>	<u>2,132</u>
Total Leisure Time Services	<u>530,640</u>	<u>522,074</u>	<u>8,566</u>
Community Development:			
Building Department:			
Personal Services	179,585	176,183	3,402
Other	52,712	50,584	2,128
Total Building Department	<u>232,297</u>	<u>226,767</u>	<u>5,530</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, 2017

	Final Budget	Actual	Variance with Final Budget
Engineering Department:			
Personal Services	188,623	184,051	4,572
Other	18,100	17,271	829
Total Engineering Department	<u>206,723</u>	<u>201,322</u>	<u>5,401</u>
Total Community Development	<u>439,020</u>	<u>428,089</u>	<u>10,931</u>
Public Works:			
Storm Sewers and Drains:			
Personal Services	20,800	16,407	4,393
Other	7,000	6,742	258
Total Storm Sewers and Drains	<u>27,800</u>	<u>23,149</u>	<u>4,651</u>
Refuse Collection and Disposal:			
Other	<u>934,750</u>	<u>934,745</u>	<u>5</u>
Leaf Collection:			
Personal Services	52,500	51,493	1,007
Other	27,300	26,315	985
Total Leaf Collection	<u>79,800</u>	<u>77,808</u>	<u>1,992</u>
Snow Removal:			
Personal Services	98,000	97,059	941
Other	89,384	89,306	78
Total Snow Removal	<u>187,384</u>	<u>186,365</u>	<u>1,019</u>
Total Public Works	<u>1,229,734</u>	<u>1,222,067</u>	<u>7,667</u>
General Government:			
Council:			
Personal Services	124,072	123,981	91
Other	6,300	4,386	1,914
Total Council	<u>130,372</u>	<u>128,367</u>	<u>2,005</u>
Mayor:			
Personal Services	118,186	115,685	2,501
Other	3,250	2,243	1,007
Total Mayor	<u>121,436</u>	<u>117,928</u>	<u>3,508</u>
Finance			
Personal Services	308,697	299,939	8,758
Other	10,500	6,289	4,211
Total Finance	<u>319,197</u>	<u>306,228</u>	<u>12,969</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, 2017

	Final Budget	Actual	Variance with Final Budget
Law:			
Personal Services	253,433	251,679	1,754
Other	28,532	18,988	9,544
Total Law	<u>281,965</u>	<u>270,667</u>	<u>11,298</u>
Civil Service Commission:			
Other	9,838	2,617	7,221
Public Safety:			
Personal Services	38,822	38,130	692
Other	10,650	8,522	2,128
Total Public Safety	<u>49,472</u>	<u>46,652</u>	<u>2,820</u>
Municipal Fleet and Equipment:			
Personal Services	179,002	178,881	121
Other	192,916	192,128	788
Total Municipal Fleet and Equipment	<u>371,918</u>	<u>371,009</u>	<u>909</u>
Municipal Building:			
Personal Services	73,048	72,631	417
Other	412,950	411,897	1,053
Total Municipal Building	<u>485,998</u>	<u>484,528</u>	<u>1,470</u>
Service Administration:			
Personal Services	134,683	134,434	249
Other	18,600	17,641	959
Total Service Administration	<u>153,283</u>	<u>152,075</u>	<u>1,208</u>
Planning and Development:			
Other	10,000	9,511	489
Administration:			
Personal Services	2,193,343	2,109,967	83,376
Other	1,030,681	950,464	80,217
Total Administration	<u>3,224,024</u>	<u>3,060,431</u>	<u>163,593</u>
Total General Government	<u>5,157,503</u>	<u>4,950,013</u>	<u>207,490</u>
Debt Service			
Principal Retirement	4,692	4,692	0
Interest and Fiscal Charges	462	462	0
Total Debt Service	<u>5,154</u>	<u>5,154</u>	<u>0</u>
Total Expenditures	<u>12,934,167</u>	<u>12,560,709</u>	<u>373,458</u>
Excess of Revenues Over (Under) Expenditures	<u>3,661,579</u>	<u>4,065,612</u>	<u>404,033</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, 2017

	Final Budget	Actual	Variance with Final Budget
Other Financing Sources (Uses)			
Proceeds from Sale of Assets	3,500	6,359	2,859
Transfers Out	(4,289,824)	(4,289,824)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(4,286,324)</u>	<u>(4,283,465)</u>	<u>2,859</u>
<i>Net Change in Fund Balance</i>	(624,745)	(217,853)	406,892
<i>Fund Balance (Deficit) Beginning of Year</i>	3,079,330	3,079,330	0
Prior Year Encumbrances Appropriated	<u>51,636</u>	<u>51,636</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 2,506,221</u>	<u>\$ 2,913,113</u>	<u>\$ 406,892</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 295	\$ 295	\$ 0
<i>Total Revenues</i>	<u>295</u>	<u>295</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	450	315	135
<i>Total Expenditures</i>	<u>450</u>	<u>315</u>	<u>135</u>
<i>Net Change in Fund Balance</i>	(155)	(20)	135
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>170</u>	<u>170</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 15</u>	<u>\$ 150</u>	<u>\$ 135</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 1,572,584	\$ 1,573,611	\$ 1,027
Refunds and Reimbursements	17,343	17,343	0
<i>Total Revenues</i>	<u>1,589,927</u>	<u>1,590,954</u>	<u>1,027</u>
Expenditures			
Current:			
General Government:			
Municipal Court:			
Personal Services	1,396,979	1,390,030	6,949
Other	182,825	176,902	5,923
Total General Government	<u>1,579,804</u>	<u>1,566,932</u>	<u>12,872</u>
Debt Service			
Principal Retirement	3,830	3,830	0
Interest and Fiscal Charges	498	498	0
Total Debt Service	<u>4,328</u>	<u>4,328</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,584,132</u>	<u>1,571,260</u>	<u>12,872</u>
<i>Net Change in Fund Balance</i>	5,795	19,694	13,899
<i>Fund Balance (Deficit) Beginning of Year</i>	182,709	182,709	0
Prior Year Encumbrances Appropriated	<u>11,192</u>	<u>11,192</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 199,696</u>	<u>\$ 213,595</u>	<u>\$ 13,899</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 1,431,432	\$ 1,431,432	\$ 0
Intergovernmental	239,479	239,479	0
Investment Income	7,500	7,500	0
Other	114,313	114,313	0
<i>Total Revenues</i>	<u>1,792,724</u>	<u>1,792,724</u>	<u>0</u>
Expenditures			
Current:			
General Government			
Other	160,000	118,613	41,387
Debt Service:			
Principal Retirement	14,837,500	14,837,500	0
Interest and Fiscal Charges	693,240	693,240	0
Total Debt Service	<u>15,530,740</u>	<u>15,530,740</u>	<u>0</u>
<i>Total Expenditures</i>	<u>15,690,740</u>	<u>15,649,353</u>	<u>41,387</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(13,898,016)</u>	<u>(13,856,629)</u>	<u>41,387</u>
Other Financing Sources (Uses)			
Issuance of Notes	12,900,900	12,900,900	0
Premium on Debt Issued	111,472	111,472	0
Advances In	750,000	750,000	0
Advances Out	(600,000)	(600,000)	0
Transfers In	500,000	500,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>13,662,372</u>	<u>13,662,372</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(235,644)	(194,257)	41,387
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>2,977,639</u>	<u>2,977,639</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 2,741,995</u>	<u>\$ 2,783,382</u>	<u>\$ 41,387</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 3,006,602	\$ 3,012,637	\$ 6,035
Rent	106,451	106,451	0
Contributions and Donations	100,000	100,000	0
Other	73,185	73,185	0
<i>Total Revenues</i>	<u>3,286,238</u>	<u>3,292,273</u>	<u>6,035</u>
Expenditures			
Capital Outlay	6,081,595	6,059,038	22,557
Debt Service:			
Principal Retirement	266,966	266,966	0
Interest and Fiscal Charges	20,100	20,100	0
Total Debt Service	<u>287,066</u>	<u>287,066</u>	<u>0</u>
<i>Total Expenditures</i>	<u>6,368,661</u>	<u>6,346,104</u>	<u>22,557</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,082,423)</u>	<u>(3,053,831)</u>	<u>28,592</u>
Other Financing Sources (Uses)			
Issuance of Notes	1,800,000	1,800,000	0
Issuance of Loans	200,000	200,000	0
Proceeds from Sale of Assets	45,000	50,183	5,183
Proceeds of OPWC Loans	430,660	430,660	0
Advances In	600,000	600,000	0
Advances Out	(750,000)	(750,000)	0
Transfers In	328,000	328,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>2,653,660</u>	<u>2,658,843</u>	<u>5,183</u>
<i>Net Change in Fund Balance</i>	(428,763)	(394,988)	33,775
<i>Fund Balance (Deficit) Beginning of Year (Restated)</i>	742,592	742,592	0
<i>Prior Year Encumbrances Appropriated</i>	<u>313,907</u>	<u>313,907</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 627,736</u>	<u>\$ 661,511</u>	<u>\$ 33,775</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$ 694,360	\$ 698,136	\$ 3,776
<i>Total Revenues</i>	<u>694,360</u>	<u>698,136</u>	<u>3,776</u>
Expenditures			
Current:			
Leisure Time Activities:			
Personal Services	956,322	938,159	18,163
Other	813,774	791,286	22,488
<i>Total Expenditures</i>	<u>1,770,096</u>	<u>1,729,445</u>	<u>40,651</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,075,736)</u>	<u>(1,031,309)</u>	<u>44,427</u>
Other Financing Sources (Uses)			
Transfers In	1,001,500	1,001,500	0
<i>Net Change in Fund Balance</i>	(74,236)	(29,809)	44,427
<i>Fund Balance (Deficit) Beginning of Year</i>	59,687	59,687	0
Prior Year Encumbrances Appropriated	24,337	24,337	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 9,788</u>	<u>\$ 54,215</u>	<u>\$ 44,427</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 50,855	\$ 51,733	\$ 878
Investment Income	2,282	2,282	0
<i>Total Revenues</i>	<u>53,137</u>	<u>54,015</u>	<u>878</u>
Expenditures			
Current:			
Transportation			
Other	65,000	19,644	45,356
<i>Total Expenditures</i>	<u>65,000</u>	<u>19,644</u>	<u>45,356</u>
<i>Net Change in Fund Balance</i>	(11,863)	34,371	46,234
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>19,202</u>	<u>19,202</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 7,339</u>	<u>\$ 53,573</u>	<u>\$ 46,234</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 638,046	\$ 638,046	\$ 0
Investment Income	839	839	0
<i>Total Revenues</i>	<u>638,885</u>	<u>638,885</u>	<u>0</u>
Expenditures			
Current:			
Transportation			
Personal Services	709,995	701,568	8,427
Other	192,589	176,389	16,200
<i>Total Expenditures</i>	<u>902,584</u>	<u>877,957</u>	<u>24,627</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(263,699)</u>	<u>(239,072)</u>	<u>24,627</u>
Other Financing Sources (Uses)			
Transfers In	245,000	245,000	0
<i>Net Change in Fund Balance</i>	(18,699)	5,928	24,627
<i>Fund Balance (Deficit) Beginning of Year</i>	46,699	46,699	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 28,000</u>	<u>\$ 52,627</u>	<u>\$ 24,627</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 327,005	\$ 327,005	\$ 0
Intergovernmental	54,001	54,001	0
<i>Total Revenues</i>	<u>381,006</u>	<u>381,006</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Personal Services	514,949	508,153	6,796
<i>Total Expenditures</i>	<u>514,949</u>	<u>508,153</u>	<u>6,796</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(133,943)</u>	<u>(127,147)</u>	<u>6,796</u>
Other Financing Sources (Uses)			
Transfers In	135,000	135,000	0
<i>Net Change in Fund Balance</i>	1,057	7,853	6,796
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>16,587</u>	<u>16,587</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 17,644</u>	<u>\$ 24,440</u>	<u>\$ 6,796</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 327,005	\$ 327,005	\$ 0
Intergovernmental	54,001	54,001	0
<i>Total Revenues</i>	<u>381,006</u>	<u>381,006</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Personal Services	475,000	470,033	4,967
<i>Total Expenditures</i>	<u>475,000</u>	<u>470,033</u>	<u>4,967</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(93,994)</u>	<u>(89,027)</u>	<u>4,967</u>
Other Financing Sources (Uses)			
Transfers In	68,000	68,000	0
<i>Net Change in Fund Balance</i>	(25,994)	(21,027)	4,967
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>40,629</u>	<u>40,629</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 14,635</u>	<u>\$ 19,602</u>	<u>\$ 4,967</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 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	<u>20,000</u>	<u>20,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>20,000</u>	<u>20,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Safety Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures			
Current:			
Security of Persons and Property:			
Personal Services	27,101	9,278	17,823
<i>Total Expenditures</i>	27,101	9,278	17,823
<i>Net Change in Fund Balance</i>	(27,101)	(9,278)	17,823
<i>Fund Balance (Deficit) Beginning of Year</i>	26,274	26,274	0
Prior Year Encumbrances Appropriated	827	827	0
<i>Fund Balance (Deficit) End of Year</i>	\$ 0	\$ 17,823	\$ 17,823

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Safe Passages Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Contributions and Donations	\$ 5,190	\$ 5,190	\$ 0
<i>Total Revenues</i>	<u>5,190</u>	<u>5,190</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	5,000	3,621	1,379
<i>Total Expenditures</i>	<u>5,000</u>	<u>3,621</u>	<u>1,379</u>
<i>Net Change in Fund Balance</i>	190	1,569	1,379
<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>\$ 190</u>	<u>\$ 1,569</u>	<u>\$ 1,379</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Special Assessments	\$ 649,443	\$ 649,443	\$ 0
<i>Total Revenues</i>	<u>649,443</u>	<u>649,443</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	956,000	834,740	121,260
<i>Total Expenditures</i>	<u>956,000</u>	<u>834,740</u>	<u>121,260</u>
<i>Net Change in Fund Balance</i>	(306,557)	(185,297)	121,260
<i>Fund Balance (Deficit) Beginning of Year</i>	440,769	440,769	0
Prior Year Encumbrances Appropriated	<u>14,880</u>	<u>14,880</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 149,092</u>	<u>\$ 270,352</u>	<u>\$ 121,260</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Contributions and Donations	\$ 1,644	\$ 1,644	\$ 0
<i>Total Revenues</i>	<u>1,644</u>	<u>1,644</u>	<u>0</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	20,051	19,018	1,033
<i>Total Expenditures</i>	<u>20,051</u>	<u>19,018</u>	<u>1,033</u>
<i>Net Change in Fund Balance</i>	(18,407)	(17,374)	1,033
<i>Fund Balance (Deficit) Beginning of Year</i>	15,256	15,256	0
Prior Year Encumbrances Appropriated	<u>3,227</u>	<u>3,227</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 76</u>	<u>\$ 1,109</u>	<u>\$ 1,033</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 86,294	\$ 86,294	\$ 0
Intergovernmental	11,880	11,880	0
<i>Total Revenues</i>	<u>98,174</u>	<u>98,174</u>	<u>0</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	98,174	98,174	0
<i>Total Expenditures</i>	<u>98,174</u>	<u>98,174</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 40,034	\$ 40,034	\$ 0
<i>Total Revenues</i>	<u>40,034</u>	<u>40,034</u>	<u>0</u>
Expenditures			
Current:			
Transportation:			
Other	55,000	47,000	8,000
<i>Total Expenditures</i>	<u>55,000</u>	<u>47,000</u>	<u>8,000</u>
<i>Net Change in Fund Balance</i>	(14,966)	(6,966)	8,000
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>18,041</u>	<u>18,041</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 3,075</u>	<u>\$ 11,075</u>	<u>\$ 8,000</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Other	\$ 200	\$ 200	\$ 0
<i>Total Revenues</i>	<u>200</u>	<u>200</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	4,222	0	4,222
<i>Net Change in Fund Balance</i>	(4,022)	200	4,222
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>4,223</u>	<u>4,223</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 201</u>	<u>\$ 4,423</u>	<u>\$ 4,222</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 65,276	\$ 65,276	\$ 0
<i>Total Revenues</i>	<u>65,276</u>	<u>65,276</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	49,960	40,602	9,358
<i>Total Expenditures</i>	<u>49,960</u>	<u>40,602</u>	<u>9,358</u>
<i>Net Change in Fund Balance</i>	15,316	24,674	9,358
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>19,336</u>	<u>19,336</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 34,652</u>	<u>\$ 44,010</u>	<u>\$ 9,358</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 279,796	\$ 279,796	\$ 0
<i>Total Revenues</i>	<u>279,796</u>	<u>279,796</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	256,508	254,687	1,821
Other	25,362	24,452	910
<i>Total Expenditures</i>	<u>281,870</u>	<u>279,139</u>	<u>2,731</u>
<i>Net Change in Fund Balance</i>	(2,074)	657	2,731
<i>Fund Balance (Deficit) Beginning of Year</i>	357	357	0
Prior Year Encumbrances Appropriated	1,901	1,901	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 184</u>	<u>\$ 2,915</u>	<u>\$ 2,731</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Driver Alcohol Treatment Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 93,858	\$ 93,858	\$ 0
<i>Total Revenues</i>	<u>93,858</u>	<u>93,858</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	100,000	82,836	17,164
<i>Total Expenditures</i>	<u>100,000</u>	<u>82,836</u>	<u>17,164</u>
<i>Net Change in Fund Balance</i>	(6,142)	11,022	17,164
<i>Fund Balance (Deficit) Beginning of Year</i>	437,961	437,961	0
Prior Year Encumbrances Appropriated	<u>31,750</u>	<u>31,750</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 463,569</u>	<u>\$ 480,733</u>	<u>\$ 17,164</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 3,946	\$ 3,946	\$ 0
<i>Total Revenues</i>	<u>3,946</u>	<u>3,946</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	19,744	0	19,744
<i>Total Expenditures</i>	<u>19,744</u>	<u>0</u>	<u>19,744</u>
<i>Net Change in Fund Balance</i>	(15,798)	3,946	19,744
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>19,743</u>	<u>19,743</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 3,945</u>	<u>\$ 23,689</u>	<u>\$ 19,744</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 15,910	\$ 15,910	\$ 0
<i>Total Revenues</i>	<u>15,910</u>	<u>15,910</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	35,623	32,848	2,775
<i>Total Expenditures</i>	<u>35,623</u>	<u>32,848</u>	<u>2,775</u>
<i>Net Change in Fund Balance</i>	(19,713)	(16,938)	2,775
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>26,130</u>	<u>26,130</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 6,417</u>	<u>\$ 9,192</u>	<u>\$ 2,775</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, 2017

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

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DUS Diversion Fund
For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 27,718	\$ 27,718	\$ 0
<i>Total Revenues</i>	<u>27,718</u>	<u>27,718</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	39,687	35,913	3,774
Other	7,100	7,100	0
<i>Total Expenditures</i>	<u>46,787</u>	<u>43,013</u>	<u>3,774</u>
<i>Net Change in Fund Balance</i>	(19,069)	(15,295)	3,774
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>33,802</u>	<u>33,802</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 14,733</u>	<u>\$ 18,507</u>	<u>\$ 3,774</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 3,000	\$ 3,000	\$ 0
Intergovernmental	126,948	126,948	0
<i>Total Revenues</i>	<u>129,948</u>	<u>129,948</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	180,000	127,873	52,127
<i>Total Expenditures</i>	<u>180,000</u>	<u>127,873</u>	<u>52,127</u>
<i>Net Change in Fund Balance</i>	(50,052)	2,075	52,127
<i>Fund Balance (Deficit) Beginning of Year</i>	81,697	81,697	0
Prior Year Encumbrances Appropriated	1,971	1,971	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 33,616</u>	<u>\$ 85,743</u>	<u>\$ 52,127</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 38,217	\$ 38,217	\$ 0
<i>Total Revenues</i>	<u>38,217</u>	<u>38,217</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	50,000	45,053	4,947
<i>Total Expenditures</i>	<u>50,000</u>	<u>45,053</u>	<u>4,947</u>
<i>Net Change in Fund Balance</i>	(11,783)	(6,836)	4,947
<i>Fund Balance (Deficit) Beginning of Year</i>	21,302	21,302	0
Prior Year Encumbrances Appropriated	1,311	1,311	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 10,830</u>	<u>\$ 15,777</u>	<u>\$ 4,947</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 129,142	\$ 129,142	\$ 0
<i>Total Revenues</i>	<u>129,142</u>	<u>129,142</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	130,000	110,987	19,013
<i>Total Expenditures</i>	<u>130,000</u>	<u>110,987</u>	<u>19,013</u>
<i>Net Change in Fund Balance</i>	(858)	18,155	19,013
<i>Fund Balance (Deficit) Beginning of Year</i>	51,706	51,706	0
Prior Year Encumbrances Appropriated	4,365	4,365	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 55,213</u>	<u>\$ 74,226</u>	<u>\$ 19,013</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 16,313	\$ 16,313	\$ 0
<i>Total Revenues</i>	<u>16,313</u>	<u>16,313</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	40,000	28,927	11,073
<i>Total Expenditures</i>	<u>40,000</u>	<u>28,927</u>	<u>11,073</u>
<i>Net Change in Fund Balance</i>	(23,687)	(12,614)	11,073
<i>Fund Balance (Deficit) Beginning of Year</i>	107,712	107,712	0
Prior Year Encumbrances Appropriated	<u>7,133</u>	<u>7,133</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 91,158</u>	<u>\$ 102,231</u>	<u>\$ 11,073</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 3,817	\$ 3,817	\$ 0
<i>Total Revenues</i>	<u>3,817</u>	<u>3,817</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	4,044	2,979	1,065
<i>Total Expenditures</i>	<u>4,044</u>	<u>2,979</u>	<u>1,065</u>
<i>Net Change in Fund Balance</i>	(227)	838	1,065
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>440</u>	<u>440</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 213</u>	<u>\$ 1,278</u>	<u>\$ 1,065</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 78,169	\$ 78,169	\$ 0
<i>Total Revenues</i>	<u>78,169</u>	<u>78,169</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	74,788	73,745	1,043
<i>Total Expenditures</i>	<u>74,788</u>	<u>73,745</u>	<u>1,043</u>
<i>Net Change in Fund Balance</i>	3,381	4,424	1,043
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>7,375</u>	<u>7,375</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 10,756</u>	<u>\$ 11,799</u>	<u>\$ 1,043</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 192,534	\$ 192,534	\$ 0
Charges for Services	225,000	225,000	0
<i>Total Revenues</i>	<u>417,534</u>	<u>417,534</u>	<u>0</u>
Expenditures			
Capital Outlay:			
Other	706,203	508,220	197,983
<i>Total Expenditures</i>	<u>706,203</u>	<u>508,220</u>	<u>197,983</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(288,669)</u>	<u>(90,686)</u>	<u>197,983</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Assets	6,600	6,600	0
Transfers In	707,324	707,324	0
<i>Total Other Financing Sources (Uses)</i>	<u>713,924</u>	<u>713,924</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	425,255	623,238	197,983
<i>Fund Balance (Deficit) Beginning of Year</i>	47,070	47,070	0
<i>Prior Year Encumbrances Appropriated</i>	20,183	20,183	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 492,508</u>	<u>\$ 690,491</u>	<u>\$ 197,983</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures			
Capital Outlay:			
Other	831,843	813,524	18,319
<i>Total Expenditures</i>	831,843	813,524	18,319
<i>Excess of Revenues Over (Under) Expenditures</i>	(831,843)	(813,524)	18,319
Other Financing Sources (Uses)			
Transfers In	70,000	70,000	0
<i>Net Change in Fund Balance</i>	(761,843)	(743,524)	18,319
<i>Fund Balance (Deficit) Beginning of Year</i>	695,910	695,910	0
Prior Year Encumbrances Appropriated	65,933	65,933	0
<i>Fund Balance (Deficit) End of Year</i>	\$ 0	\$ 18,319	\$ 18,319

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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Licenses and Permits	\$ 15,323	\$ 15,323	\$ 0
Reimbursements	7,500	10,152	2,652
<i>Total Revenues</i>	<u>22,823</u>	<u>25,475</u>	<u>2,652</u>
Expenditures			
Capital Outlay:			
Personal Services	452,221	441,478	10,743
Other	226,535	217,463	9,072
<i>Total Expenditures</i>	<u>678,756</u>	<u>658,941</u>	<u>19,815</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(655,933)</u>	<u>(633,466)</u>	<u>22,467</u>
Other Financing Sources (Uses)			
Transfers In	650,000	650,000	0
<i>Net Change in Fund Balance</i>	(5,933)	16,534	22,467
<i>Fund Balance (Deficit) Beginning of Year</i>	27,731	27,731	0
Prior Year Encumbrances Appropriated	2,308	2,308	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 24,106</u>	<u>\$ 46,573</u>	<u>\$ 22,467</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, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 370,414	\$ 370,414	\$ 0
<i>Total Revenues</i>	<u>370,414</u>	<u>370,414</u>	<u>0</u>
Expenditures			
Capital Outlay:			
Other	600,000	176,173	423,827
<i>Total Expenditures</i>	<u>600,000</u>	<u>176,173</u>	<u>423,827</u>
<i>Net Change in Fund Balance</i>	(229,586)	194,241	423,827
<i>Fund Balance (Deficit) Beginning of Year</i>	182,419	182,419	0
Prior Year Encumbrances Appropriated	<u>123,204</u>	<u>123,204</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 76,037</u>	<u>\$ 499,864</u>	<u>\$ 423,827</u>

This Page Intentionally Left Blank

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

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

Medical Benefits Fund

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

Property/Liability Insurance Fund

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

Workers Compensation Fund

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

City of Berea
Cuyahoga County, Ohio
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2017

	Medical Benefits Fund	Property/ Liability Insurance Fund	Workers Compensation Fund	Totals
Assets				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 146,567	\$ 9,370	\$ 581,003	\$ 736,940
Accounts Receivable	1,168	0	0	1,168
Prepaid Items	0	0	270,252	270,252
<i>Total Assets</i>	<u>147,735</u>	<u>9,370</u>	<u>851,255</u>	<u>1,008,360</u>
Liabilities				
Current Liabilities:				
Accounts Payable	0	1,218	0	1,218
Claims Payable	229,891	0	0	229,891
<i>Total Liabilities</i>	<u>229,891</u>	<u>1,218</u>	<u>0</u>	<u>231,109</u>
Net Position				
Unrestricted (Deficit)	<u>\$ (82,156)</u>	<u>\$ 8,152</u>	<u>\$ 851,255</u>	<u>\$ 777,251</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, 2017

	Medical Benefits Fund	Property/ Liability Insurance Fund	Workers Compensation Fund	Totals
Operating Revenues				
Charges for Services	\$ 2,402,898	\$ 320,000	\$ 108,874	\$ 2,831,772
Reimbursements	29,209	11,965	0	41,174
Other	0	0	185,073	185,073
<i>Total Operating Revenues</i>	<u>2,432,107</u>	<u>331,965</u>	<u>293,947</u>	<u>3,058,019</u>
Operating Expenses				
Contractual Services	404,471	313,869	290,605	1,008,945
Claims	2,224,683	29,455	0	2,254,138
Other	8,850	0	0	8,850
<i>Total Operating Expenses</i>	<u>2,638,004</u>	<u>343,324</u>	<u>290,605</u>	<u>3,271,933</u>
<i>Operating Income (Loss)</i>	(205,897)	(11,359)	3,342	(213,914)
<i>Net Position Beginning of Year</i>	<u>123,741</u>	<u>19,511</u>	<u>847,913</u>	<u>991,165</u>
<i>Net Position End of Year</i>	<u>\$ (82,156)</u>	<u>\$ 8,152</u>	<u>\$ 851,255</u>	<u>\$ 777,251</u>

City of Berea
Cuyahoga County, Ohio
Combining Statement of Cash Flow-
Internal Service Funds
For the Year Ended December 31, 2017

	Medical Benefits Fund	Property/ Liability Insurance Fund	Workers Compensation Fund	Total Internal Service Funds
Cash Flows From Operating Activities				
Cash Received from Customers	\$ 2,435,330	\$ 331,965	\$ 114,249	\$ 2,881,544
Cash Payments for Contractual Services	(423,047)	(313,576)	(292,083)	(1,028,706)
Cash Payments for Claims	(2,091,383)	(29,455)	0	(2,120,838)
Other Cash Receipts	0	0	185,073	185,073
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>(79,100)</u>	<u>(11,066)</u>	<u>7,239</u>	<u>(82,927)</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	(79,100)	(11,066)	7,239	(82,927)
<i>Cash and Investments Beginning of Year</i>	<u>225,667</u>	<u>20,436</u>	<u>573,764</u>	<u>819,867</u>
<i>Cash and Investments End of Year</i>	<u>\$ 146,567</u>	<u>\$ 9,370</u>	<u>\$ 581,003</u>	<u>\$ 736,940</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities				
Operating Income (Loss)	\$ (205,897)	\$ (11,359)	\$ 3,342	\$ (213,914)
Adjustments:				
(Increase) Decrease in Assets:				
Accounts Receivable	3,223	0	5,375	8,598
Prepays	0	0	(1,478)	(1,478)
Increase (Decrease) in Liabilities:				
Accounts Payable	(9,726)	293	0	(9,433)
Claims Payable	133,300	0	0	133,300
<i>Total Adjustments</i>	<u>126,797</u>	<u>293</u>	<u>3,897</u>	<u>130,987</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ (79,100)</u>	<u>\$ (11,066)</u>	<u>\$ 7,239</u>	<u>\$ (82,927)</u>

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

Fiduciary Funds

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

Agency Funds

Regional Sewer Fund

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

Contract Retainer Fund

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

Guarantee Deposits Fund

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

Ohio Board of Building Standards Fund

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

Metroparks Fund

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

Municipal Court Fund

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

City of Berea
Cuyahoga County, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2017

	<u>Regional Sewer</u>	<u>Contract Retainer</u>	<u>Guarantee Deposits</u>	<u>Ohio Board of Building Standards</u>
Assets				
Equity in Pooled Cash and Investments	\$ 1,021,850	\$ 433,326	\$ 106,665	\$ 307
Cash in Segregated Accounts	0	0	0	0
Accounts Receivable	<u>2,222,153</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$ 3,244,003</u></u>	<u><u>\$ 433,326</u></u>	<u><u>\$ 106,665</u></u>	<u><u>\$ 307</u></u>
Liabilities				
Accounts Payable	\$ 1,006,920	\$ 0	\$ 0	\$ 0
Due to Other Governments	2,237,083	0	0	307
Deposits Held and Due to Others	<u>0</u>	<u>433,326</u>	<u>106,665</u>	<u>0</u>
<i>Total Liabilities</i>	<u><u>\$ 3,244,003</u></u>	<u><u>\$ 433,326</u></u>	<u><u>\$ 106,665</u></u>	<u><u>\$ 307</u></u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2017

	Metroparks	Municipal Court	Totals
Assets			
Equity in Pooled Cash and Investments	\$ 12,674	\$ 0	\$ 1,574,822
Cash in Segregated Accounts	0	449,902	449,902
Accounts Receivable	0	0	2,222,153
<i>Total Assets</i>	<u>\$ 12,674</u>	<u>\$ 449,902</u>	<u>\$ 4,246,877</u>
 Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 1,006,920
Due to Other Governments	12,674	449,902	2,699,966
Deposits Held and Due to Others	0	0	539,991
<i>Total Liabilities</i>	<u>\$ 12,674</u>	<u>\$ 449,902</u>	<u>\$ 4,246,877</u>

City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017

	Beginning Balance 1/1/2017	Additions	Reductions	Ending Balance 12/31/2017
Regional Sewer				
Assets				
Equity in Pooled Cash and Investments	\$ 1,002,737	\$ 4,591,904	\$ 4,572,791	\$ 1,021,850
Accounts Receivable	1,852,992	2,222,153	1,852,992	2,222,153
<i>Total Assets</i>	<u>\$ 2,855,729</u>	<u>\$ 6,814,057</u>	<u>\$ 6,425,783</u>	<u>\$ 3,244,003</u>
Liabilities				
Accounts Payable	\$ 983,185	\$ 1,006,920	\$ 983,185	\$ 1,006,920
Due to Other Governments	1,872,544	983,185	618,646	2,237,083
<i>Total Liabilities</i>	<u>\$ 2,855,729</u>	<u>\$ 1,990,105</u>	<u>\$ 1,601,831</u>	<u>\$ 3,244,003</u>
Contract Retainer				
Assets				
Equity in Pooled Cash and Investments	\$ 329,789	\$ 461,635	\$ 358,098	\$ 433,326
<i>Total Assets</i>	<u>\$ 329,789</u>	<u>\$ 461,635</u>	<u>\$ 358,098</u>	<u>\$ 433,326</u>
Liabilities				
Deposits Held and Due to Others	\$ 329,789	\$ 461,635	\$ 358,098	\$ 433,326
<i>Total Liabilities</i>	<u>\$ 329,789</u>	<u>\$ 461,635</u>	<u>\$ 358,098</u>	<u>\$ 433,326</u>
Guarantee Deposits				
Assets				
Equity in Pooled Cash and Investments	\$ 54,565	\$ 70,135	\$ 18,035	\$ 106,665
<i>Total Assets</i>	<u>\$ 54,565</u>	<u>\$ 70,135</u>	<u>\$ 18,035</u>	<u>\$ 106,665</u>
Liabilities				
Deposits Held and Due to Others	\$ 54,565	\$ 70,135	\$ 18,035	\$ 106,665
<i>Total Liabilities</i>	<u>\$ 54,565</u>	<u>\$ 70,135</u>	<u>\$ 18,035</u>	<u>\$ 106,665</u>

(continued)

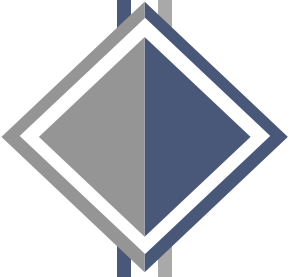
City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017

	Beginning Balance 1/1/2017	Additions	Reductions	Ending Balance 12/31/2017
Ohio Board of Building Standards				
Assets				
Equity in Pooled Cash and Investments	\$ 158	\$ 4,790	\$ 4,641	\$ 307
<i>Total Assets</i>	<u>\$ 158</u>	<u>\$ 4,790</u>	<u>\$ 4,641</u>	<u>\$ 307</u>
Liabilities				
Due to Other Governments	\$ 158	\$ 4,790	\$ 4,641	\$ 307
<i>Total Liabilities</i>	<u>\$ 158</u>	<u>\$ 4,790</u>	<u>\$ 4,641</u>	<u>\$ 307</u>
Metroparks				
Assets				
Equity in Pooled Cash and Investments	\$ 5,289	\$ 7,385	\$ 0	\$ 12,674
<i>Total Assets</i>	<u>\$ 5,289</u>	<u>\$ 7,385</u>	<u>\$ 0</u>	<u>\$ 12,674</u>
Liabilities				
Due to Other Governments	\$ 5,289	\$ 7,385	\$ 0	\$ 12,674
<i>Total Liabilities</i>	<u>\$ 5,289</u>	<u>\$ 7,385</u>	<u>\$ 0</u>	<u>\$ 12,674</u>
Municipal Court				
Assets				
Cash in Segregated Accounts	\$ 397,905	\$ 4,947,935	\$ 4,895,938	\$ 449,902
<i>Total Assets</i>	<u>\$ 397,905</u>	<u>\$ 4,947,935</u>	<u>\$ 4,895,938</u>	<u>\$ 449,902</u>
Liabilities				
Due to Other Governments	\$ 397,905	\$ 4,947,935	\$ 4,895,938	\$ 449,902
<i>Total Liabilities</i>	<u>\$ 397,905</u>	<u>\$ 4,947,935</u>	<u>\$ 4,895,938</u>	<u>\$ 449,902</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017

	Beginning Balance 1/1/2017	Additions	Reductions	Ending Balance 12/31/2017
Total Agency Funds				
Assets				
Equity in Pooled Cash and Investments	\$ 1,392,538	\$ 5,135,849	\$ 4,953,565	\$ 1,574,822
Cash in Segregated Accounts	397,905	4,947,935	4,895,938	449,902
Accounts Receivable	1,852,992	2,222,153	1,852,992	2,222,153
	<u>1,852,992</u>	<u>2,222,153</u>	<u>1,852,992</u>	<u>2,222,153</u>
<i>Total Assets</i>	<u>\$ 3,643,435</u>	<u>\$ 12,305,937</u>	<u>\$ 11,702,495</u>	<u>\$ 4,246,877</u>
Liabilities				
Accounts Payable	\$ 983,185	\$ 1,006,920	\$ 983,185	\$ 1,006,920
Due to Other Governments	2,275,896	5,943,295	5,519,225	2,699,966
Deposits Held and Due to Others	384,354	531,770	376,133	539,991
	<u>384,354</u>	<u>531,770</u>	<u>376,133</u>	<u>539,991</u>
<i>Total Liabilities</i>	<u>\$ 3,643,435</u>	<u>\$ 7,481,985</u>	<u>\$ 6,878,543</u>	<u>\$ 4,246,877</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)

	2017	Restated 2016	2015	Restated 2014
Governmental Activities				
Net Investment in Capital Assets	\$ 61,240,064	\$ 60,290,157	\$ 52,594,409	\$ 55,271,913
Restricted:				
Capital Projects	0	95,998	0	0
Debt Service	0	0	2,983,819	2,973,127
Street Lighting	927,517	1,000,015	980,414	969,411
Street Maintenance and Repair	514,761	509,831	468,849	445,028
Court Operations and Capital Outlay	772,984	464,471	1,756,269	1,667,683
Security Operations	48,674	98,668	75,583	107,601
Drug and Alcohol Programs	657,029	609,676	541,728	468,872
Other Purposes *	70,985	19,064	18,276	187,931
Unrestricted	<u>(5,830,950)</u>	<u>(2,804,391)</u>	<u>(5,512,168)</u>	<u>(7,909,245)</u>
<i>Total Governmental Activities Net Position</i>	<u>\$ 58,401,064</u>	<u>\$ 60,283,489</u>	<u>\$ 53,907,179</u>	<u>\$ 54,182,321</u>
Business Type - Activities				
Net Investment in Capital Assets	\$ 25,155,850	\$ 25,111,856	\$ 25,256,979	\$ 23,457,040
Restricted:				
Renewal and Replacement	101,453	22,905	0	0
Unrestricted	<u>301,447</u>	<u>(324,507)</u>	<u>699,079</u>	<u>2,431,856</u>
<i>Total Business-Type Activities Net Position</i>	<u>\$ 25,558,750</u>	<u>\$ 24,810,254</u>	<u>\$ 25,956,058</u>	<u>\$ 25,888,896</u>
Primary Government				
Net Investment in Capital Assets	\$ 86,395,914	\$ 85,402,013	\$ 77,851,388	\$ 78,728,953
Restricted	3,093,403	2,820,628	6,824,938	6,819,653
Unrestricted	<u>(5,529,503)</u>	<u>(3,128,898)</u>	<u>(4,813,089)</u>	<u>(5,477,389)</u>
<i>Total Primary Government Net Position</i>	<u>\$ 83,959,814</u>	<u>\$ 85,093,743</u>	<u>\$ 79,863,237</u>	<u>\$ 80,071,217</u>

* Note: Restricted for 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.

2013	2012	Restated 2011	Restated 2010	2009	Restated 2008
\$ 57,752,563	\$ 57,295,806	\$ 58,992,954	\$ 61,091,099	\$ 59,019,083	\$ 54,735,567
0	0	673,065	915,815	2,486,092	301,374
2,779,034	2,642,411	2,347,649	1,292,551	1,104,494	905,303
872,108	1,042,402	1,067,706	1,055,354	1,093,595	755,289
527,701	478,130	446,422	376,397	395,710	304,989
1,417,252	306,864	386,601	0	0	0
147,168	0	0	0	0	0
418,540	0	0	0	0	0
353,155	449,324	167,605	701,198	628,634	703,967
6,806,855	5,917,006	4,476,698	3,736,574	2,022,870	4,320,878
<u>\$ 71,074,376</u>	<u>\$ 68,131,943</u>	<u>\$ 68,558,700</u>	<u>\$ 69,168,988</u>	<u>\$ 66,750,478</u>	<u>\$ 62,027,367</u>
\$ 23,626,242	\$ 23,368,937	\$ 24,600,139	\$ 20,243,615	\$ 19,919,357	\$ 20,018,990
0	0	0	0	0	0
2,993,113	3,040,813	2,018,042	2,326,082	2,274,499	1,815,540
<u>\$ 26,619,355</u>	<u>\$ 26,409,750</u>	<u>\$ 26,618,181</u>	<u>\$ 22,569,697</u>	<u>\$ 22,193,856</u>	<u>\$ 21,834,530</u>
\$ 81,378,805	\$ 80,664,743	\$ 83,593,093	\$ 81,334,714	\$ 78,938,440	\$ 74,754,557
6,514,958	4,919,131	5,089,048	4,341,315	5,708,525	2,970,922
9,799,968	8,957,819	6,494,740	6,062,656	4,297,369	6,136,418
<u>\$ 97,693,731</u>	<u>\$ 94,541,693</u>	<u>\$ 95,176,881</u>	<u>\$ 91,738,685</u>	<u>\$ 88,944,334</u>	<u>\$ 83,861,897</u>

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

	2017	Restated 2016	2015	2014
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 2,927,888	\$ 2,907,910	\$ 2,884,065	\$ 2,678,278
Security of Persons and Property	1,194,563	1,169,955	1,136,291	1,166,634
Public Health	0	0	4,203	7,848
Leisure Time Services	566,981	691,324	700,292	643,457
Community Development	29,295	37,322	41,245	32,363
Transportation	455,406	392,551	246,661	256,028
Subtotal - Charges for Services	<u>5,174,133</u>	<u>5,199,062</u>	<u>5,012,757</u>	<u>4,784,608</u>
Operating Grants and Contributions:				
General Government	94,102	138,625	10,000	10,000
Security of Persons and Property	305,754	137,757	89,870	107,585
Public Health	13,518	31,443	15,708	22,263
Leisure Time Services	5,156	2,206	4,500	0
Community Development	0	4,000	4,861	0
Public Works	0	0	0	0
Transportation	905,236	826,739	791,526	804,587
Subtotal - Operating Grants and Contributions	<u>1,323,766</u>	<u>1,140,770</u>	<u>916,465</u>	<u>944,435</u>
Capital Grants and Contributions:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Leisure Time Services	124,474	7,374,955	1,191,998	0
Community Development	100,000	158,233	0	0
Transportation	2,972,276	734,723	345,893	0
Subtotal - Capital Grants and Contributions	<u>3,196,750</u>	<u>8,267,911</u>	<u>1,537,891</u>	<u>0</u>
<i>Total Governmental Activities Program Revenues</i>	<u>9,694,649</u>	<u>14,607,743</u>	<u>7,467,113</u>	<u>5,729,043</u>
Business-Type Activities:				
Charges for Services:				
Water	2,835,081	2,741,241	2,507,159	2,496,104
Sewer	766,578	775,627	791,863	743,737
Operating Grants and Contributions				
Water	75,449	74,695	75,620	74,177
Capital Grants and Contributions				
Water	338,134	254,996	7,343	0
Sewer	345,401	354,777	5,278	0
<i>Total Business-Type Activities Program Revenues</i>	<u>4,360,643</u>	<u>4,201,336</u>	<u>3,387,263</u>	<u>3,314,018</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 14,055,292</u>	<u>\$ 18,809,079</u>	<u>\$ 10,854,376</u>	<u>\$ 9,043,061</u>
Expenses				
Governmental Activities:				
General Government	\$ 9,846,448	\$ 8,331,714	\$ 7,664,155	\$ 8,291,476
Security of Persons and Property	8,841,071	8,565,299	7,359,179	6,753,040
Public Health	117,192	118,279	151,785	151,971
Leisure Time Services	4,521,353	3,340,337	2,919,372	3,223,496
Community Development	554,587	388,886	353,620	514,483
Public Works	1,272,715	1,266,920	1,247,527	1,243,488
Transportation	4,001,193	3,649,374	3,420,711	3,965,988
Interest and Fiscal Charges	627,337	648,626	582,951	478,972
<i>Total Governmental Activities Expenses</i>	<u>29,781,896</u>	<u>26,309,435</u>	<u>23,699,300</u>	<u>24,622,914</u>

2013	2012	Restated 2011	2010	2009	Restated 2008
\$ 2,661,404	\$ 2,707,588	\$ 2,427,949	\$ 2,635,408	\$ 2,544,724	\$ 2,391,999
1,156,701	1,182,585	994,746	1,047,395	1,383,581	1,091,201
0	33,801	22,574	39,309	0	0
577,155	541,377	529,841	477,076	409,457	424,726
36,471	26,005	62,478	33,774	33,534	27,237
248,202	257,220	228,046	296,627	486,980	679,167
<u>4,679,933</u>	<u>4,748,576</u>	<u>4,265,634</u>	<u>4,529,589</u>	<u>4,858,276</u>	<u>4,614,330</u>
118,308	25,000	106,815	64,590	0	4,000
42,888	79,039	5,428	39,925	24,364	21,521
27,618	46,060	59,250	75,831	80,728	0
0	17,223	8,035	58,733	19,375	0
300	0	0	0	65,293	0
0	0	0	0	0	225,000
983,318	808,899	718,812	856,311	702,977	1,029,496
<u>1,172,432</u>	<u>976,221</u>	<u>898,340</u>	<u>1,095,390</u>	<u>892,737</u>	<u>1,280,017</u>
941,534	0	0	0	0	0
0	0	0	0	2,487,993	0
3,665,728	0	0	0	0	0
0	0	0	0	10,670	0
0	761,383	725,879	3,418,094	2,277,761	237,222
<u>4,607,262</u>	<u>761,383</u>	<u>725,879</u>	<u>3,418,094</u>	<u>4,776,424</u>	<u>237,222</u>
<u>10,459,627</u>	<u>6,486,180</u>	<u>5,889,853</u>	<u>9,043,073</u>	<u>10,527,437</u>	<u>6,131,569</u>
2,591,376	2,663,002	2,698,896	2,578,894	2,768,562	2,581,125
766,431	757,684	693,806	656,827	721,397	762,686
74,604	63,815	81,972	0	0	0
0	91,142	0	606,839	8,600	906,530
0	75,000	0	466,728	99,486	204,882
<u>3,432,411</u>	<u>3,650,643</u>	<u>3,474,674</u>	<u>4,309,288</u>	<u>3,598,045</u>	<u>4,455,223</u>
\$ 13,892,038	\$ 10,136,823	\$ 9,364,527	\$ 13,352,361	\$ 14,125,482	\$ 10,586,792
\$ 7,164,279	\$ 6,992,774	\$ 6,201,327	\$ 7,766,608	\$ 6,543,797	\$ 6,075,079
6,852,063	6,755,965	6,441,638	6,974,204	6,883,839	6,756,475
134,122	155,326	187,320	211,300	119,132	122,080
4,534,669	3,262,399	2,714,029	3,559,520	3,005,421	3,207,018
396,804	465,302	455,883	543,755	496,548	502,423
1,167,454	1,167,636	1,370,499	1,337,335	1,121,553	1,265,014
3,346,244	4,557,209	1,335,639	2,965,627	2,936,864	2,631,003
588,644	435,179	450,989	613,938	668,099	563,320
<u>24,184,279</u>	<u>23,791,790</u>	<u>19,157,324</u>	<u>23,972,287</u>	<u>21,775,253</u>	<u>21,122,412</u>

(continued)

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

	2017	Restated 2016	2015	2014
Business-Type Activities				
Water	\$ 3,577,909	\$ 4,875,037	\$ 3,976,228	\$ 3,705,293
Sewer	1,077,872	1,053,185	954,252	946,637
<i>Total Business-Type Activities Expenses</i>	<u>4,655,781</u>	<u>5,928,222</u>	<u>4,930,480</u>	<u>4,651,930</u>
<i>Total Primary Government Program Expenses</i>	<u>34,437,677</u>	<u>32,237,657</u>	<u>28,629,780</u>	<u>29,274,844</u>
Net (Expense)/Revenue				
Governmental Activities	(20,087,247)	(11,701,692)	(16,232,187)	(18,893,871)
Business-Type Activities	<u>(295,138)</u>	<u>(1,726,886)</u>	<u>(1,543,217)</u>	<u>(1,337,912)</u>
<i>Total Primary Government Net Expense</i>	<u>(20,382,385)</u>	<u>(13,428,578)</u>	<u>(17,775,404)</u>	<u>(20,231,783)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	\$ 1,601,003	\$ 1,582,799	\$ 1,723,505	\$ 1,547,123
Other Purposes *	2,154,612	2,133,441	2,101,086	2,297,347
Municipal Income Taxes levied for:				
General Purposes	12,904,124	13,048,547	11,813,246	11,050,350
Grants and Entitlements not Restricted to				
Specific Programs	829,061	833,594	988,566	1,068,337
Investment Income	66,491	206,755	101,924	119,998
Other Taxes	250,729	307,904	336,730	284,641
Miscellaneous	203,802	96,362	51,988	51,552
Unrestricted Donations	785,000	0	0	0
Transfers	(590,000)	(131,400)	(1,160,000)	(1,163,000)
Extraordinary Item	0	0	0	(174,900)
<i>Total Governmental Activities</i>	<u>18,204,822</u>	<u>18,078,002</u>	<u>15,957,045</u>	<u>15,081,448</u>
Business-Type Activities				
Property Taxes levied for:				
Water Improvements	453,634	449,682	450,379	449,104
Transfers	590,000	131,400	1,160,000	1,163,000
Miscellaneous	0	0	0	0
<i>Total Business-Type Activities</i>	<u>1,043,634</u>	<u>581,082</u>	<u>1,610,379</u>	<u>1,612,104</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>19,248,456</u>	<u>18,659,084</u>	<u>17,567,424</u>	<u>16,693,552</u>
Change in Net Position				
Governmental Activities	(1,882,425)	6,376,310	(275,142)	(3,812,423)
Business-Type Activities	<u>748,496</u>	<u>(1,145,804)</u>	<u>67,162</u>	<u>274,192</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$ (1,133,929)</u>	<u>\$ 5,230,506</u>	<u>\$ (207,980)</u>	<u>\$ (3,538,231)</u>

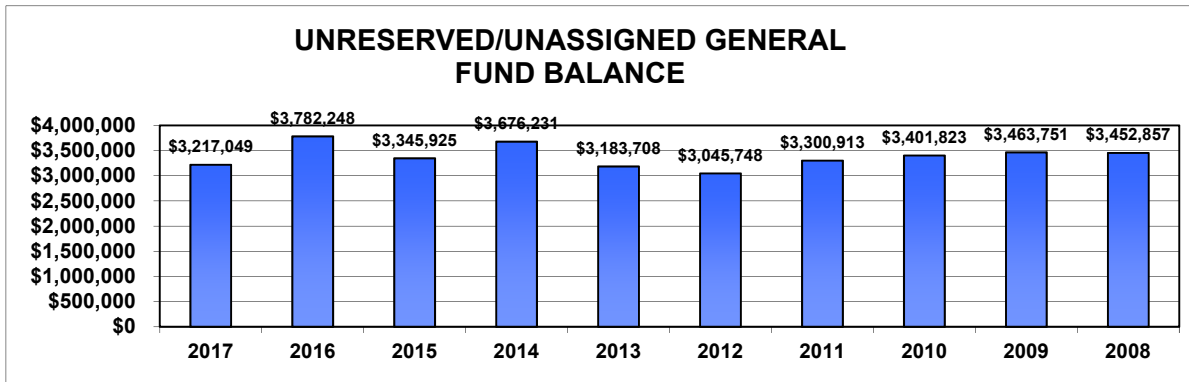
* Includes Police and Fire Pension and Debt Service

2013	2012	Restated 2011	2010	2009	Restated 2008
\$ 3,652,775 838,650	\$ 3,655,963 922,985	\$ 3,580,655 481,780	\$ 3,658,374 700,903	\$ 3,639,102 873,591	\$ 3,650,419 1,005,252
4,491,425	4,578,948	4,062,435	4,359,277	4,512,693	4,655,671
28,675,704	28,370,738	23,219,759	28,331,564	26,287,946	25,778,083
(13,724,652) (1,059,014)	(17,305,610) (928,305)	(13,267,471) (587,761)	(14,929,214) (49,989)	(11,247,816) (914,648)	(14,990,843) (200,448)
(14,783,666)	(18,233,915)	(13,855,232)	(14,979,203)	(12,162,464)	(15,191,291)
\$ 1,664,090 2,243,409	\$ 1,643,154 2,341,007	\$ 1,669,355 2,394,337	\$ 1,572,247 2,310,144	\$ 1,915,871 2,562,258	\$ 1,948,775 2,290,617
11,876,563	11,446,700	10,601,210	10,479,704	9,993,755	11,126,645
1,317,382 15,527 272,968 88,056 0 (810,910) 0	1,244,125 128,363 278,888 57,616 0 (261,000) 0	1,675,190 137,585 260,819 94,120 0 (4,175,433) 0	2,307,793 136,442 283,047 201,081 0 32,922 0	1,777,548 124,123 199,128 128,338 0 (730,094) 0	2,224,225 199,120 267,231 104,854 0 (132,000) 0
16,667,085	16,878,853	12,657,183	17,323,380	15,970,927	18,029,467
456,699 810,910 1,010	448,972 261,000 9,902	458,166 4,175,433 2,646	453,075 (32,922) 5,677	480,309 730,094 63,571	486,477 132,000 63,936
1,268,619	719,874	4,636,245	425,830	1,273,974	682,413
17,935,704	17,598,727	17,293,428	17,749,210	17,244,901	18,711,880
2,942,433 209,605	(426,757) (208,431)	(610,288) 4,048,484	2,394,166 375,841	4,723,111 359,326	3,038,624 481,965
\$ 3,152,038	\$ (635,188)	\$ 3,438,196	\$ 2,770,007	\$ 5,082,437	\$ 3,520,589

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

	2017	Restated 2016	2015	2014
General Fund				
Reserved	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved	0	0	0	0
Nonspendable	61,395	63,365	70,707	79,707
Committed	1,299,960	1,341,207	989,402	906,735
Assigned	134,385	104,751	122,676	16,501
Unassigned	<u>3,217,049</u>	<u>3,782,248</u>	<u>3,345,925</u>	<u>3,676,231</u>
Total General Fund	<u>4,712,789</u>	<u>5,291,571</u>	<u>4,528,710</u>	<u>4,679,174</u>
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	154,335	191,624	152,760	140,227
Restricted	2,031,231	1,747,703	5,817,924	5,628,560
Committed	3,685,650	2,806,089	9,776,259	2,568,923
Unassigned	<u>(3,956,306)</u>	<u>(4,093,608)</u>	<u>0</u>	<u>(10,775)</u>
Total All Other Governmental Funds	<u>1,914,910</u>	<u>651,808</u>	<u>15,746,943</u>	<u>8,326,935</u>
Total Governmental Funds	<u>\$ 6,627,699</u>	<u>\$ 5,943,379</u>	<u>\$ 20,275,653</u>	<u>\$ 13,006,109</u>

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.



2013	2012	Restated 2011	Restated 2010	2009	2008
\$ 0	\$ 0	\$ 0	\$ 0	\$ 159,796	\$ 160,007
0	0	0	0	3,463,751	3,452,857
79,091	43,383	47,891	24,344	0	0
1,094,998	1,274,241	927,075	831,180	0	0
269,616	174,933	6,106	0	0	0
3,183,708	3,045,748	3,300,913	3,401,823	0	0
4,627,413	4,538,305	4,281,985	4,257,347	3,623,547	3,612,864
0	0	0	0	639,238	124,821
0	0	0	0	954,698	703,632
0	0	0	0	847,063	679,284
0	0	0	0	1,893,439	(2,447,748)
308,599	165,852	145,798	1,088,175	0	0
5,293,239	4,736,896	4,511,298	4,307,437	0	0
1,992,296	2,369,907	1,663,444	490,670	0	0
(24,599)	(180,214)	(234,632)	(230,943)	0	0
7,569,535	7,092,441	6,085,908	5,655,339	4,334,438	(940,011)
\$ 12,196,948	\$ 11,630,746	\$ 10,367,893	\$ 9,912,686	\$ 7,957,985	\$ 2,672,853

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

	2017	Restated 2016	2015	2014
Revenues				
Property and Other Taxes	\$ 4,035,283	\$ 4,029,967	\$ 4,108,059	\$ 4,013,444
Municipal Income Taxes	13,169,693	12,964,761	11,522,435	11,823,354
Special Assessments	672,143	697,250	690,267	687,958
Charges for Services	1,211,063	1,170,989	1,090,799	1,046,221
Licenses and Permits	425,217	469,101	501,837	359,641
Fines and Forfeitures	2,891,810	2,771,839	2,561,010	2,536,488
Intergovernmental	4,983,408	2,821,548	2,383,109	2,083,875
Interest	77,112	222,633	115,730	134,515
Contributions and Donations	891,834	55,275	28,411	51,111
Other	325,119	185,120	175,675	159,448
<i>Total Revenues</i>	<u>28,682,682</u>	<u>25,388,483</u>	<u>23,177,332</u>	<u>22,896,055</u>
Expenditures				
Current:				
General Government	7,848,082	7,098,947	7,218,501	7,183,125
Security of Persons and Property	7,150,207	7,169,095	6,873,297	6,354,515
Public Health	117,192	118,279	151,785	151,971
Leisure Time Services	2,246,657	2,182,361	2,138,513	2,034,896
Community Development	470,334	365,529	372,423	291,721
Public Works	1,247,725	1,238,247	1,217,697	1,215,079
Transportation	966,075	707,046	902,569	925,472
Capital Outlay	7,583,352	15,329,450	4,687,901	4,152,414
Debt Service:				
Principal Retirement	8,114,869	12,136,653	8,488,251	5,466,560
Interest and Fiscal Charges	722,211	766,722	613,929	486,428
<i>Total Expenditures</i>	<u>36,466,704</u>	<u>47,112,329</u>	<u>32,664,866</u>	<u>28,262,181</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(7,784,022)</u>	<u>(21,723,846)</u>	<u>(9,487,534)</u>	<u>(5,366,126)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	63,142	13,240	0	2,722
Issuance of General Obligation Bonds	0	2,875,000	6,748,000	0
Premium on Debt Issuance	111,472	107,690	373,578	42,965
Payment to Refunding Bond Escrow Agent	0	(2,775,000)	0	0
Issuance of Notes	8,200,900	6,642,500	10,795,500	7,467,500
Inception of Capital Lease	52,168	657,954	0	0
Issuance of Loans	630,660	1,588	0	0
Discount on Debt Issued	0	0	0	0
Transfers In	3,704,824	3,594,800	3,426,000	3,347,410
Transfers Out	(4,294,824)	(3,726,200)	(4,586,000)	(4,510,410)
<i>Total Other Financing Sources (Uses)</i>	<u>8,468,342</u>	<u>7,391,572</u>	<u>16,757,078</u>	<u>6,350,187</u>
Extraordinary Item	<u>0</u>	<u>0</u>	<u>0</u>	<u>(174,900)</u>
<i>Net Change in Fund Balances</i>	<u>\$ 684,320</u>	<u>\$ (14,332,274)</u>	<u>\$ 7,269,544</u>	<u>\$ 809,161</u>
Debt Service as a Percentage of Noncapital Expenditures	30%	51%	33%	23%

	2013	2012	2011	2010	2009	2008
\$	3,984,795	\$ 4,185,749	\$ 4,187,409	\$ 4,167,796	\$ 4,270,718	\$ 4,647,207
	11,114,942	10,758,113	10,454,513	10,922,715	10,181,318	10,928,016
	695,079	688,970	682,786	700,167	517,918	844,993
	983,567	1,151,937	1,056,890	1,113,097	993,872	1,066,019
	393,275	397,561	363,372	480,979	408,421	274,645
	2,428,863	2,481,137	2,189,582	2,364,651	2,443,123	2,385,269
	2,926,659	2,842,680	2,897,594	3,274,546	3,402,160	2,979,611
	29,048	158,337	137,585	136,442	124,123	199,120
	52,163	45,230	62,932	258,686	94,495	200,000
	250,293	68,545	116,901	165,369	175,973	272,233
	<u>22,858,684</u>	<u>22,778,259</u>	<u>22,149,564</u>	<u>23,584,448</u>	<u>22,612,121</u>	<u>23,797,113</u>
	6,431,561	6,767,192	6,714,835	6,791,331	6,329,229	6,588,316
	6,505,370	6,431,807	6,458,138	6,663,889	6,474,662	6,419,429
	134,122	155,326	187,320	211,300	119,132	122,080
	1,852,113	1,781,720	1,614,757	1,544,300	1,610,617	1,625,000
	404,860	462,267	471,003	503,772	505,093	534,163
	1,148,881	1,144,731	1,350,451	1,327,127	1,089,789	1,236,211
	776,220	799,062	851,322	890,006	884,337	833,147
	4,371,739	3,479,757	3,113,744	3,195,787	3,430,872	5,804,880
	7,142,238	6,309,664	5,324,475	7,241,978	2,275,311	1,172,101
	607,363	480,758	503,506	623,917	545,979	548,167
	<u>29,374,467</u>	<u>27,812,284</u>	<u>26,589,551</u>	<u>28,993,407</u>	<u>23,265,021</u>	<u>24,883,494</u>
	<u>(6,515,783)</u>	<u>(5,034,025)</u>	<u>(4,439,987)</u>	<u>(5,408,959)</u>	<u>(652,900)</u>	<u>(1,086,381)</u>
	20,700	3,025	0	1,817	10,578	4,160
	4,005,000	0	0	2,725,000	0	0
	88,152	45,518	5,703	14,728	0	0
	0	0	0	0	0	0
	4,514,500	6,112,550	4,810,000	3,850,000	5,850,000	975,000
	158,952	0	0	136,953	212,598	0
	146,131	202,650	459,491	817,961	362,056	0
	0	0	0	(34,143)	0	0
	3,132,525	2,988,224	3,495,100	2,615,670	7,637,068	2,104,000
	<u>(4,983,975)</u>	<u>(3,249,224)</u>	<u>(3,875,100)</u>	<u>(2,788,670)</u>	<u>(8,134,268)</u>	<u>(2,236,000)</u>
	<u>7,081,985</u>	<u>6,102,743</u>	<u>4,895,194</u>	<u>7,339,316</u>	<u>5,938,032</u>	<u>847,160</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$	<u>566,202</u>	<u>\$ 1,068,718</u>	<u>\$ 455,207</u>	<u>\$ 1,930,357</u>	<u>\$ 5,285,132</u>	<u>\$ (239,221)</u>
	38%	26%	24%	33%	18%	10%

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

<u>Year</u>	<u>City of Berea</u>					<u>Berea School District</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Water Revenue</u>	<u>Debt Service</u>	<u>Total</u>	
2017	7.95	3.00	1.40	4.45	16.80	82.20
2016	7.95	3.00	1.40	4.45	16.80	82.20
2015	7.95	3.00	1.40	4.45	16.80	78.00
2014	7.95	3.00	1.40	4.45	16.80	78.70
2013	7.95	3.00	1.40	4.45	16.80	78.90
2012	7.95	3.00	1.40	4.45	16.80	78.90
2011	7.95	3.00	1.40	4.85	17.20	75.00
2010	7.95	3.00	1.40	4.85	17.20	75.00
2009	8.15	3.00	1.40	4.65	17.20	74.90
2008	8.55	3.00	1.40	5.65	18.60	74.90

Source: Cuyahoga County Fiscal Officer

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

Charter millage is consistently applied to all types of property.

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

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

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

<u>Olmsted Falls</u> <u>School</u> <u>District</u>	<u>Polaris</u> <u>JVSD</u>	<u>Cuyahoga Co</u> <u>& Special</u> <u>Taxing</u> <u>Districts (1)</u>
100.00	3.09	23.93
100.40	3.09	23.43
102.20	2.40	23.43
102.20	2.40	23.43
102.20	2.40	20.80
102.20	2.40	20.80
93.00	2.40	20.80
93.00	2.40	20.60
91.90	2.40	20.60
91.80	2.40	20.20

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
2017	\$ 368,945,630	\$ 1,054,130,371	\$ 10,757,950	\$ 12,224,943
2016	361,784,080	1,033,668,800	9,572,450	10,877,784
2015	360,410,630	1,029,744,657	8,980,160	10,204,727
2014	370,843,110	1,059,551,743	8,714,150	9,902,443
2013	373,633,920	1,067,525,486	8,242,980	9,367,023
2012	375,142,810	1,071,836,600	6,823,640	7,754,136
2011	369,786,280	1,056,532,229	6,522,740	7,412,205
2010	368,473,230	1,052,780,657	6,323,310	7,185,580
2009	382,502,610	1,092,864,600	6,122,200	6,957,045
2008	383,481,630	1,095,661,800	5,884,150	6,686,534

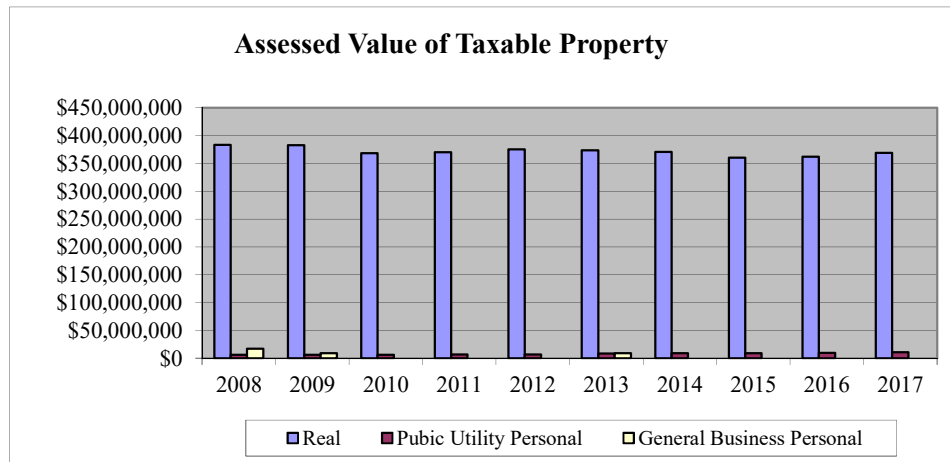
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

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

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

Tangible Personal Property						
General Business			Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Total Direct Tax Rate (1)	
\$ 0	\$ 0	\$ 379,703,580	\$ 1,066,355,314	35.61	16.80	
0	0	371,356,530	1,044,546,584	35.55	16.80	
0	0	369,390,790	1,039,949,384	35.52	16.80	
0	0	379,557,260	1,069,454,186	35.49	16.80	
0	0	381,876,900	1,076,892,508	35.46	16.80	
0	0	381,966,450	1,079,590,736	35.38	16.80	
0	0	376,309,020	1,063,944,433	35.37	17.20	
0	0	374,796,540	1,059,966,237	35.36	17.20	
9,177,032	146,832,512	397,801,842	1,246,654,157	31.91	17.20	
16,798,744	89,593,301	406,164,524	1,191,941,635	34.08	18.60	



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
2017	\$ 4,823,222	\$ 4,702,417	97.50%	\$ 115,653	\$ 4,818,070	99.89%	\$ 260,740	5.41%
2016	4,776,087	4,606,276	96.44	140,313	4,746,589	99.38	267,600	5.60
2015	4,904,908	4,650,168	94.81	166,405	4,816,573	98.20	274,176	5.59
2014	4,960,785	4,589,981	92.53	155,960	4,745,941	95.67	340,201	6.86
2013	5,109,458	4,584,738	89.73	231,718	4,816,456	94.27	343,237	6.72
2012	5,120,268	4,808,337	93.91	176,746	4,985,083	97.36	245,275	4.79
2011	5,352,662	4,800,181	89.68	188,563	4,988,744	93.20	320,968	6.00
2010	5,288,742	4,739,815	89.62	176,105	4,915,920	92.95	368,250	6.96
2009	5,139,255	4,938,884	96.10	137,428	5,076,312	98.78	335,461	6.53
2008	5,225,363	4,997,094	95.63	205,661	5,202,755	108.85	334,638	6.40

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
 2017 and 2008

Taxpayer	2017	
	Real Property Assessed Valuation (1)	Percentage Of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 6,159,280	1.67%
Tower in the Park LTD	3,832,190	1.04%
West Valley Plaza	2,652,840	0.72%
Berea Properties Company	2,520,540	0.68%
OHI Asset II LLC	2,375,840	0.64%
Echo Berea Associates, LLC	2,197,780	0.60%
Columbia Gas	1,912,020	0.52%
680 North LLC	1,658,020	0.45%
A&F Machine Products Co.	1,632,320	0.44%
Northwest Asset Ownership	1,601,110	0.43%
Total	\$ 26,541,940	7.19%
Total Assessed Valuation	\$ 368,945,630	

Taxpayer	2008	
	Real Property Assessed Valuation (1)	Percentage Of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 4,453,140	1.16%
Tower in the Park LTD	3,710,010	0.97%
OHI Asset II LLC	2,795,210	0.73%
Berea Properties Co.	2,763,990	0.72%
West Valley Plaza	2,726,580	0.71%
A&F Machine Products Co.	2,029,130	0.53%
Berea Square Co., LLC	1,873,380	0.49%
Tuthill Corporation	1,713,600	0.45%
680 North LLC	1,662,500	0.43%
Berea Lake Towers	1,490,660	0.39%
Total	\$ 25,218,200	6.58%
Total Assessed Valuation	\$ 383,481,630	

Source: County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2017 and 2008 collections were based.

City of Berea, Ohio
Principal Taxpayers - Municipal Tax
 2017 and 2008

<u>2017</u>		
Taxpayer	Tax	Percentage of Tax Collected
Cleveland Browns Football	\$ 3,802,852	29.10%
Baldwin Wallace College	945,800	7.24%
Berea City School District	509,053	3.90%
Ohio Guidestone	255,094	1.95%
City of Berea	241,001	1.84%
OHNH EMP LLC	202,352	1.55%
Ohio Turnpike Commission	165,638	1.27%
Sound Com Corp	123,781	0.95%
Polyone Corp	107,048	0.82%
Standby Screw Machine Products	106,949	0.82%
Total	\$ 6,459,568	49.44%
Total Tax Collected	\$ 13,066,877	

<u>2008</u>		
Taxpayer	Tax	Percentage of Tax Collected
Cleveland Browns Football	\$ 2,346,238	21.67%
Baldwin Wallace College	765,761	7.07%
Berea City School District	548,784	5.07%
City of Berea	219,393	2.03%
Berea Childrens Home	196,053	1.81%
ABNF LLC	174,966	1.62%
Ohio Turnpike Commission	154,882	1.43%
ColorMatrix Corp.	149,918	1.38%
Standby Screw Machine Products	127,601	1.18%
Tuthill Corporation	108,798	1.00%
Total	\$ 4,792,394	44.26%
Total Tax Collected	\$ 10,826,647	

Source: Regional Income Tax Agency

City of Berea, Ohio

Principal Employers

2017 and 2008

<u>2017</u>		
Employer	Number of Employees	Percentage of Total City Employment
Baldwin Wallace University	3,145	27.17%
OHNH EMP LLC	675	5.83%
Berea City School District	634	5.48%
Ohio Guidestone	614	5.30%
Cleveland Browns Football	579	5.00%
City of Berea	297	2.57%
Standby Screw Machine Products	161	1.39%
Corsa Performance	118	1.02%
Ohio Turnpike Commission	113	0.98%
PolyOne Corp	93	0.80%
Total	6,429	55.54%
Total Employment within the City	11,574	

<u>2008</u>		
Employer	Number of Employees	Percentage of Total City Employment
Baldwin Wallace College	1,958	14.17%
Berea City School District	970	7.02%
Berea Childrens Home	537	3.89%
ABNF LLC	449	3.25%
Cleveland Browns Football	369	2.67%
City of Berea	342	2.47%
AmeriMark Direct LLC	298	2.16%
Standby Screw Machine Products	239	1.73%
Royal Color Inc.	191	1.38%
ColorMatrix Corp.	154	1.11%
Total	5,507	39.85%
Total Employment within the City	13,820	

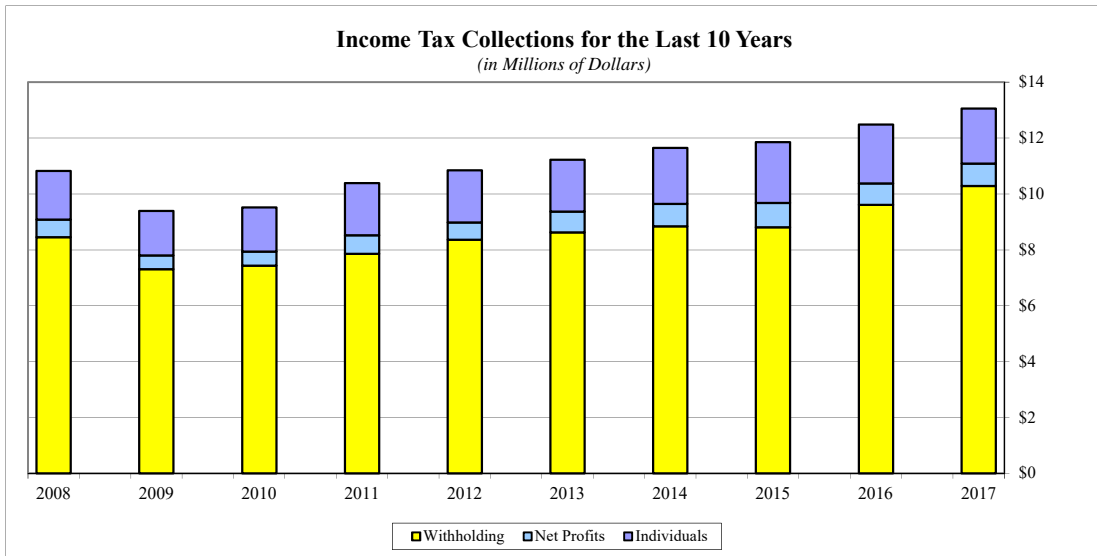
Source: Regional Income Tax Agency

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
2017	2.00%	\$ 13,066,877	\$ 10,288,504	78.74%	\$ 798,743	6.11%
2016	2.00	12,484,319	9,610,022	76.98	770,752	6.17
2015	2.00	11,855,447	8,802,385	74.25	875,618	7.39
2014	2.00	11,647,041	8,840,177	75.90	803,005	6.89
2013	2.00	11,221,745	8,620,645	76.82	752,151	6.70
2012	2.00	10,842,275	8,361,782	77.12	616,294	5.68
2011	2.00	10,392,189	7,855,099	75.59	670,592	6.45
2010	2.00	9,521,371	7,434,689	78.08	502,912	5.28
2009	2.00	9,393,556	7,307,157	77.79	497,722	5.30
2008	2.00	10,826,647	8,454,463	78.09	633,225	5.85

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

Source: Regional Income Tax Agency



	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
\$	1,971,799	15.09%
	2,103,545	16.85
	2,177,444	18.36
	2,003,858	17.20
	1,848,949	16.48
	1,864,200	17.19
	1,866,498	17.96
	1,583,770	16.63
	1,588,677	16.91
	1,738,959	16.06

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 Leases	Notes Payable	Loan Payable	OPWC
2017	\$ 14,581,324	\$ 0	\$ 500,034	\$ 8,200,900	\$ 200,000	\$ 2,247,697
2016	15,799,586	0	618,176	6,642,500	0	1,922,038
2015	16,850,848	0	66,600	10,795,500	0	2,025,628
2014	10,679,632	0	128,370	7,467,500	0	2,083,284
2013	11,540,570	0	214,233	4,514,500	0	2,093,417
2012	8,235,000	50,000	164,023	6,112,550	0	1,957,419
2011	9,410,000	270,000	263,112	4,810,000	0	1,943,695
2010	10,545,000	480,000	387,241	3,850,000	0	1,484,204
2009	8,875,000	680,000	382,140	5,850,000	0	666,243
2008	9,875,000	870,000	274,940	5,825,000	0	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	Notes Payable	OWDA and OPWC	Total Primary Government	Total Personal Income	Percentage of Personal Income(1)	Per Capita(1)
\$ 115,000	\$ 26,342	\$ 252,244	\$ 600,000	\$ 12,667,753	\$ 39,391,294	\$ 462,718,855	8.51%	\$ 2,063
120,000	0	271,648	0	12,283,126	37,657,074	462,718,855	8.14%	1,972
122,000	32,233	291,052	0	11,287,518	41,471,379	462,718,855	8.96%	2,172
0	63,111	320,157	1,160,000	11,856,305	33,758,359	462,718,855	7.30%	1,768
0	92,690	329,859	1,138,000	12,503,391	32,426,660	462,718,855	7.01%	1,698
0	121,025	349,263	1,537,450	12,086,163	30,612,893	462,718,855	6.62%	1,603
0	148,169	388,070	40,000	12,973,559	30,246,605	462,718,855	6.54%	1,584
0	26,526	388,070	0	13,280,182	30,441,223	443,702,227	6.86%	1,594
0	109,048	388,070	0	10,243,260	27,193,761	406,709,550	6.69%	1,447
0	187,205	0	25,000	10,161,094	27,218,239	406,709,550	6.69%	1,449

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

Year	Charges for Services	Direct Operating Expenses (1)	Net Revenues Available	Debt Service		
				Principal	Interest	Coverage
2017	\$ 3,601,659	\$ 1,821,441	\$ 1,780,218	\$ 661,511	\$ 356,774	57.20%
2016	3,516,868	3,410,888	105,980	593,298	354,339	(894.17%)
2015	3,299,022	1,491,418	1,807,604	543,327	391,262	51.70%
2014	3,239,841	2,297,266	942,575	471,851	246,788	76.24%
2013	3,357,807	1,797,075	1,560,732	690,312	265,123	61.22%
2012	3,420,686	1,801,973	1,618,713	585,262	290,561	54.11%

Source: City Financial Records

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

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

Year	(1) Population	Assessed Valuation(2)	Gross Bonded Debt(3)	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
2017	19,093	\$ 379,703,580	\$ 22,897,224	\$ 0	\$ 22,897,224	6.03%	\$ 1,199.25
2016	19,093	371,356,530	22,562,086	0	22,562,086	6.08	1,181.69
2015	19,093	369,390,790	27,768,348	2,878,542	24,889,806	6.74	1,303.61
2014	19,093	379,557,260	19,307,132	2,812,637	16,494,495	4.35	863.90
2013	19,093	381,876,900	17,193,070	2,549,373	14,643,697	3.83	766.97
2012	19,093	381,966,450	15,935,000	2,433,220	13,501,780	3.53	707.16
2011	19,093	376,309,020	14,530,000	2,107,573	12,422,427	3.30	650.63
2010	19,093	374,796,540	14,875,000	1,036,136	13,838,864	3.69	724.81
2009	18,970	397,801,842	15,405,000	847,063	14,557,937	3.66	767.42
2008	18,970	406,164,524	11,720,000	679,284	11,040,716	2.72	582.01

(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

This page intentionally left blank

City of Berea, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
 December 31, 2017

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct			
City of Berea	\$ 25,729,955	100.00%	\$ 25,729,955
<i>Total Direct Debt</i>	<u>25,729,955</u>		<u>25,729,955</u>
Overlapping			
Berea City School District	113,190,000	26.71%	30,233,049
Olmsted Falls School District	32,834,960	4.71%	1,546,527
Polaris Career Center	2,320,000	7.86%	182,352
Cuyahoga County	<u>154,915,000</u>	1.34%	<u>2,075,861</u>
<i>Total Overlapping Debt</i>	<u>303,259,960</u>		<u>34,037,789</u>
Grand Total	<u>\$ 328,989,915</u>		<u>\$ 59,767,744</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

	2017	2016	2015	2014
Total Assessed Property Value	\$ 379,703,580	\$ 371,356,530	\$ 369,390,790	\$ 379,557,260
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	39,868,876	38,992,436	38,786,033	39,853,512
Debt Outstanding:				
General Obligation Bonds and Notes	22,897,224	22,562,086	27,768,348	18,147,132
Total Gross Indebtedness	22,897,224	22,562,086	27,768,348	18,147,132
Less:				
General Obligation Bonds and Notes	0	0	(7,000,000)	0
Amount Available in Debt Service Fund	0	0	(2,878,542)	(2,812,637)
Total Net Debt Applicable to Debt Limit	22,897,224	22,562,086	17,889,806	15,334,495
Legal Debt Margin Within 10 ½ % Limitations	\$ 16,971,652	\$ 16,430,350	\$ 20,896,227	\$ 24,519,017
Legal Debt Margin as a Percentage of the Debt Limit	42.57%	42.14%	53.88%	61.52%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	20,883,697	20,424,609	20,316,493	20,875,649
Total Gross Indebtedness	22,897,224	22,562,086	27,768,348	18,147,132
Less:				
General Obligation Bonds and Notes	0	0	(7,000,000)	0
Amount Available in Debt Service Fund	0	0	(2,878,542)	(2,812,637)
Net Debt Within 5 ½ % Limitations	22,897,224	22,562,086	17,889,806	15,334,495
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$ (2,013,527)	\$ (2,137,477)	\$ 2,426,687	\$ 5,541,154
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	-9.64%	-10.47%	11.94%	26.54%

Source: City Financial Records

2013	2012	2011	2010	2009	2008
<u>\$ 381,876,900</u>	<u>\$ 381,966,450</u>	<u>\$ 376,309,020</u>	<u>\$ 374,796,540</u>	<u>\$ 397,801,842</u>	<u>\$ 406,164,524</u>
<u>40,097,075</u>	<u>40,106,477</u>	<u>39,512,447</u>	<u>39,353,637</u>	<u>41,769,193</u>	<u>42,647,275</u>
<u>16,055,070</u>	<u>14,397,550</u>	<u>14,530,000</u>	<u>14,875,000</u>	<u>15,405,000</u>	<u>11,720,000</u>
<u>16,055,070</u>	<u>14,397,550</u>	<u>14,530,000</u>	<u>14,875,000</u>	<u>15,405,000</u>	<u>11,720,000</u>
<u>0</u>	<u>(50,000)</u>	<u>(270,000)</u>	<u>(480,000)</u>	<u>(680,000)</u>	<u>(870,000)</u>
<u>(2,549,373)</u>	<u>(2,433,220)</u>	<u>(2,107,573)</u>	<u>(1,036,136)</u>	<u>(847,063)</u>	<u>(679,284)</u>
<u>13,505,697</u>	<u>11,914,330</u>	<u>12,152,427</u>	<u>13,358,864</u>	<u>13,877,937</u>	<u>10,170,716</u>
<u>\$ 26,591,378</u>	<u>\$ 28,192,147</u>	<u>\$ 27,360,020</u>	<u>\$ 25,994,773</u>	<u>\$ 27,891,256</u>	<u>\$ 32,476,559</u>
66.32%	70.29%	69.24%	66.05%	66.77%	76.15%
<u>21,003,230</u>	<u>21,008,155</u>	<u>20,696,996</u>	<u>20,613,810</u>	<u>21,879,101</u>	<u>22,339,049</u>
<u>16,055,070</u>	<u>14,397,550</u>	<u>14,530,000</u>	<u>14,875,000</u>	<u>15,405,000</u>	<u>11,720,000</u>
<u>0</u>	<u>(50,000)</u>	<u>(270,000)</u>	<u>(480,000)</u>	<u>(680,000)</u>	<u>(870,000)</u>
<u>(2,549,373)</u>	<u>(2,433,220)</u>	<u>(2,107,573)</u>	<u>(1,036,136)</u>	<u>(847,063)</u>	<u>(679,284)</u>
<u>13,505,697</u>	<u>11,914,330</u>	<u>12,152,427</u>	<u>13,358,864</u>	<u>13,877,937</u>	<u>10,170,716</u>
<u>\$ 7,497,533</u>	<u>\$ 9,093,825</u>	<u>\$ 8,544,569</u>	<u>\$ 7,254,946</u>	<u>\$ 8,001,164</u>	<u>\$ 12,168,333</u>
35.70%	43.29%	41.28%	35.19%	36.57%	54.47%

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)
2017	19,093	\$ 462,718,855	\$ 24,235	\$ 50,278	37.1
2016	19,093	462,718,855	24,235	50,278	37.1
2015	19,093	462,718,855	24,235	50,278	37.1
2014	19,093	462,718,855	24,235	50,278	37.1
2013	19,093	462,718,855	24,235	50,278	37.1
2012	19,093	462,718,855	24,235	50,278	37.1
2011	19,093	462,718,855	24,235	50,278	37.1
2010	19,093	443,702,227	23,239	46,522	35.9
2009	18,790	406,709,550	21,645	45,615	36.1
2008	18,790	406,709,550	21,645	45,615	36.1

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

(1) Source: U. S. Census

(a) 2000 Federal Census

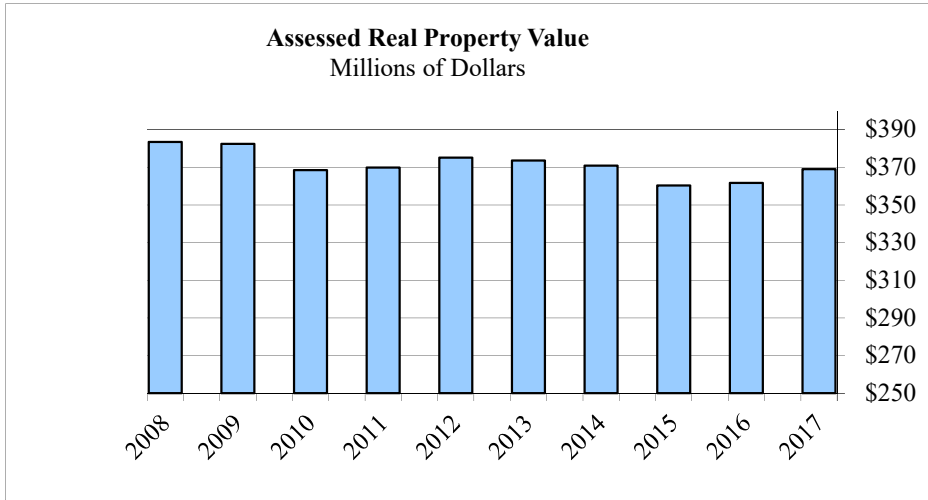
(b) 2010 Federal Census

(2) Source: Ohio Department of Education

(3) Source: Bureau of Labor Statistics

(4) Source: Cuyahoga County Auditor

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Real Property Value (4)
3,350	6,379	4.9%	\$ 122,500	\$ 368,945,630
3,350	6,537	5.3%	123,000	361,784,080
3,350	6,736	4.0%	119,100	360,416,630
3,350	6,910	6.0%	120,821	370,843,110
3,350	7,111	7.2%	123,056	373,633,920
3,350	7,121	8.6%	116,313	375,142,810
3,350	7,000	8.0%	120,453	369,786,280
3,450	7,099	8.6%	112,380	368,473,230
3,365	7,181	10.2%	116,352	382,502,610
3,365	7,500	7.1%	123,603	383,481,630



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

Function/Program	2017	2016	2015	2014	2013
General Government					
Council	5.0	5.0	5.0	5.0	5.0
Finance	5.0	4.5	4.5	4.5	4.5
Law	4.0	4.0	3.5	2.0	1.0
Administration	13.5	19.0	10.5	11.0	6.5
Engineer	3.0	3.0	3.5	3.5	3.0
Civil Service	0.0	0.0	0.0	0.0	0.0
Court	31.0	30.0	28.0	30.5	28.0
Public Building	4.5	2.5	2.0	2.0	8.5
Security of Persons and Property					
Police	32.0	31.0	28.0	30.0	31.5
Police - Auxiliary	3.5	3.5	3.5	3.5	2.5
Police - Dispatchers/Office	2.5	2.5	4.0	7.0	8.0
Police - Animal Wardens	0.5	0.5	0.5	0.5	1.0
Police - School guards/Parking Control	1.0	1.5	1.5	1.5	2.0
Fire	23.0	23.0	23.0	22.0	21.0
Fire - Secretary - Other	0.0	0.0	0.0	0.0	0.0
Leisure Time Services					
Recreation - Admin	15.5	16.0	15.5	16.5	15.5
Recreation - Programs	14.0	14.0	13.5	14.5	13.5
Recreation - Pools	25.0	23.0	24.5	21.5	19.5
Jitney	4.0	4.5	3.0	3.0	3.5
Transportation					
Service	36.0	30.0	33.0	30.0	32.0
Basic Utility Services					
Water	17.5	13.5	12.5	12.5	14.5
Totals:	<u>240.5</u>	<u>231.0</u>	<u>219.5</u>	<u>221.0</u>	<u>221.0</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.

2012	2011	2010	2009	2008
5.0	5.0	6.0	5.0	7.0
4.5	4.5	4.5	4.5	5.0
1.0	2.0	2.0	2.0	2.0
6.0	5.5	8.0	6.0	4.5
2.0	2.0	2.0	2.0	2.0
0.0	0.0	0.0	0.0	0.0
29.5	30.0	30.5	28.5	29.5
6.5	8.5	7.0	9.0	15.5
30.5	30.5	32.0	32.0	33.0
4.0	4.0	4.0	4.0	4.0
7.5	7.5	7.5	7.5	8.5
0.5	0.5	1.0	1.0	1.0
1.5	1.5	2.0	2.5	3.0
21.0	22.0	23.0	23.0	24.0
0.0	0.0	0.0	0.0	0.0
19.0	16.0	21.0	14.0	16.5
15.0	15.0	11.0	9.0	14.0
18.0	23.0	22.5	16.5	21.0
3.5	3.5	3.5	2.5	2.0
30.0	32.0	34.0	36.0	35.5
15.0	14.0	21.0	20.5	21.0
220.0	227.0	242.5	225.5	249.0

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

Function/Program	2017	2016	2015	2014
General Government				
<i>Council and Clerk(1)</i>				
Number of Ordinances Passed	45	66	70	75
Number of Resolutions Passed	16	34	15	17
<i>Finance Department(2)</i>				
Number of checks/ vouchers issued	3,405	3,445	3,316	3,389
Amount of checks written (Accounts Payable - in thousands)	\$ 17,475	\$ 23,116	\$ 16,619	\$ 17,269
General Fund Interest earnings (cash basis)	\$ 143,802	\$ 193,312	\$ 129,245	\$ 128,796
Number of Journal Entries issued	525	515	417	304
Number of Budget Adjustments issued	7	8	6	6
Agency Ratings - Moody's Financial Services	AA2	AA2	AA2	AA2
General Fund Receipts (cash basis in thousands)	\$ 13,400	\$ 13,158	\$ 12,808	\$ 12,160
General Fund Expenditures (cash basis in thousands)	\$ 13,523	\$ 13,121	\$ 12,665	\$ 12,043
General Fund Cash Balances (in thousands)	\$ 1,910	\$ 1,981	\$ 1,996	\$ 1,853
<i>Municipal Court(3)</i>				
Total Civil/Small claims cases filed	2,578	2,030	2,762	2,908
Number of Berea civil/small claims cases	502	399	566	589
Total Criminal cases filed	1,880	2,145	2,364	2,316
Number of Berea felony cases	66	53	38	30
Number of Berea misdemeanor cases	472	401	387	385
<i>Civil Service(4)</i>				
Number of police entry tests administered	0	1	0	1
Number of fire entry tests administered	0	0	0	0
Number of police promotional tests administered	0	0	0	2
Number of fire promotional tests administered	0	0	0	0
Number of hires of Police Officers from certified lists	3	2	4	1
Number of hires of Fire/Medics from certified lists	0	0	1	2
Number of promotions from police certified lists	0	0	1	4
Number of promotions from fire certified lists	0	0	1	0
Security of Persons & Property				
<i>Police(5)</i>				
Total Calls for Services	17,228	18,144	16,219	9,202
Number of traffic citations issued	1,734	1,598	989	1,523
Number of parking citations issued	1,806	2,519	1,135	1,608
Number of criminal arrests	1,470	1,374	750	1,176
Animal Warden service calls responded to per annual report	126	222	664	349
Police Dept. Auxiliary hours worked	1,948	2,102	2,096	2,128
DUI Arrests	176	137	65	97
Motor Vehicle Accidents	293	276	231	327
Property damage accidents/Self reported traffic accidents	60	89	106	101
<i>Fire(6)</i>				
EMS Calls	2,226	2,742	1,919	1,916
Ambulance Billing Collections (net)	\$ 417,486	\$ 453,662	\$ 410,456	\$ 427,296
Fire Calls	616	615	617	565
Fires with Loss	19	10	11	43
Fires with Losses exceeding \$10K	7	7	6	0
Fire Losses \$	\$ 500,000	\$ 750,000	\$ 351,500	\$ 5,300
Fire Safety Inspections	389	244	180	300

	2013	2012	2011	2010	2009	2008
	71	74	53	66	67	61
	15	16	15	15	19	17
	1,806	3,396	3,456	3,494	3,329	4,951
\$	19,028	\$ 16,298	\$ 15,718	\$ 16,403	\$ 16,312	\$ 18,700
\$	74,755	\$ 96,590	\$ 116,562	\$ 148,186	\$ 131,865	\$ 188,798
	315	278	266	280	288	295
	5	6	5	4	6	6
	AA2	AA2	AA2	AA2	AA3	AA3
\$	12,216	\$ 13,720	\$ 13,596	\$ 13,823	\$ 13,742	\$ 13,986
\$	11,812	\$ 13,519	\$ 13,646	\$ 13,759	\$ 14,289	\$ 13,922
\$	1,735	\$ 1,331	\$ 1,130	\$ 1,180	\$ 1,116	\$ 1,084
	2,697	2,529	3,183	3,462	3,598	4,245
	577	576	802	817	812	882
	1,963	1,900	1,641	1,539	1,773	1,992
	22	4	9	9	30	61
	410	445	390	400	436	557
	0	1	0	145	0	104
	0	1	0	179	0	118
	0	0	0	2	0	0
	0	2	0	1	0	0
	0	2	3	0	0	1
	0	2	6	0	0	2
	0	0	2	0	0	0
	0	1	5	0	0	0
	7,553	8,094	28,192	24,723	28,663	31,970
	1,898	2,334	1,666	1,995	1,964	2,520
	1,898	2,479	2,289	2,156	2,096	2,343
	1,186	1,429	1,243	1,335	1,435	1,623
	230	1,720	1,163	1,209	1,360	702
	2,089	2,229	2,137	2,209	1,971	2,209
	82	85	95	97	96	113
	298	292	274	305	330	363
	90	84	90	88	40	110
	1,755	1,689	1,715	1,622	1,555	1,550
\$	404,008	\$ 385,006	\$ 355,938	\$ 351,982	\$ 328,363	\$ 292,052
	426	441	254	227	227	243
	28	19	6	5	12	8
	2	3	4	2	5	4
\$	60,000	\$ 714,500	\$ 286,250	\$ 210,100	\$ 314,400	\$ 193,500
	350	230	836	876	738	748

(continued)

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

Function/Program	2017	2016	2015	2014
Leisure Time Services				
<i>Recreation(2)</i>				
Outdoor swimming pool receipts	\$ 112,627	\$ 108,372	\$ 97,645	\$ 87,834
Membership receipts	\$ 184,641	\$ 163,084	\$ 171,594	\$ 173,949
Program fees (Includes indoor and outdoor rec programs)	\$ 241,764	\$ 237,832	\$ 228,339	\$ 172,533
<i>Building Department(7)</i>				
Construction Permits Issued	1,335	1,453	1,439	1,235
Estimated Value of Construction	\$ 22,673,883	\$ 27,238,831	\$ 19,280,049	\$ 14,571,224
Amount of Revenue generated from permits	\$ 324,689	\$ 361,469	\$ 386,808	\$ 175,946
Number of contract registrations issued	390	574	579	513
Amount of Revenue generated from contract registrations	\$ 80,625	\$ 67,500	\$ 70,750	\$ 64,125
Number of rental inspections performed*	0	735	289	587
Number of point of sale inspections	414	382	254	344
<i>Engineer Contracted Services(8)</i>				
Dollar amount of Construction overseen by Engineer	\$ 4,734,175	\$ 4,237,877	\$ 3,433,017	\$ 2,071,675
Transportation(8,10)				
Street Improvements - asphalt overlay (linear feet)	10,510	10,510	10,510	10,560
Street Repair (Curbs, aprons, berms, asphalt) (hours)	16,907	14,245	14,778	14,831
Municipal Signs (hours)	2,028	2,524	2,656	2,223
Paint Striping (hours)	243	198	561	448
Street Cleaning (hours)	694	710	838	733
Snow & Ice Removal regular hours	2,275	1,429	2,452	3,004
Snow & Ice Removal overtime hours	782	624	544	1,099
Sewer Crew (hours)	4,824	4,737	5,647	6,291
Leaf collection (hours)	2,025	1,907	2,000	1,836
Number of Trees Planted per year	48	55	0	78
Tons of snow melting salt purchased (Nov-Mar)	3,733	3,014	3,048	4,900
Cost of salt purchased	\$ 40,056	\$ 125,742	\$ 155,555	\$ 149,046
Water Department(9)				
Average Water Rate per 1000 gallons of water used	\$ 4.09	\$ 4.09	\$ 4.09	\$ 4.09
Wastewater Department(9)				
Average Wastewater Rates per 1000 gallons of water used	\$ 11.28	\$ 10.65	\$ 9.57	\$ 8.63
Average daily flow (Millions of gallons per day)	1.80	1.90	2.00	2.00

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

2013	2012	2011	2010	2009	2008
\$ 83,694	\$ 94,715	\$ 87,184	\$ 78,107	\$ 80,418	\$ 84,039
\$ 188,740	\$ 187,664	\$ 188,758	\$ 199,473	\$ 166,046	\$ 157,699
\$ 151,096	\$ 149,361	\$ 119,983	\$ 82,992	\$ 66,515	\$ 62,162
1,278	1,365	1,481	1,551	1,673	1,738
\$ 18,812,145	\$ 31,824,793	\$ 36,768,876	\$ 34,130,240	\$ 77,870,198	\$ 25,573,472
\$ 274,278	\$ 289,842	\$ 299,738	\$ 431,117	\$ 625,070	\$ 739,580
527	560	570	523	548	534
\$ 65,875	\$ 56,000	\$ 57,000	\$ 50,100	\$ 54,800	\$ 53,400
529	481	470	198	146	674
192	190	169	183	200	224
\$ 3,755,000	\$ 1,779,077	\$ 1,625,020	\$ 5,707,254	\$ 2,813,504	\$ 5,149,826
10,510	4,752	13,186	10,757	21,200	6,434
11,057	12,675	15,609	16,455	17,611	16,122
3,567	4,169	4,023	3,972	3,599	3,518
1,146	2,022	1,948	2,028	1,267	977
1,037	1,732	1,714	1,993	2,033	1,375
1,290	89	1,717	1,381	2,016	4,722
729	600	689	1,158	977	1,563
6,149	2,973	4,403	5,164	5,589	7,642
1,907	1,300	1,605	1,831	2,346	2,365
105	118	101	58	60	37
2,971	1,866	3,081	3,979	3,439	4,895
\$ 94,943	\$ 85,076	\$ 142,537	\$ 180,833	\$ 198,600	\$ 193,940
\$ 4.09	\$ 4.71	\$ 4.71	\$ 4.09	\$ 4.09	\$ 4.09
\$ 7.75	\$ 7.01	\$ 6.40	\$ 6.33	\$ 6.33	\$ 5.06
2.20	1.96	2.04	2.00	2.07	2.10

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

Function/Program	2017	2016	2015	2014
General Government				
Number of Buildings	4	4	4	4
Square footage of Buildings:				
City Hall/Municipal Court	20,900	20,900	17,000	17,000
Water Plant	19,100	19,100	19,100	19,100
Service Garage	25,400	25,400	25,400	25,400
Recreation Center	33,000	33,000	33,000	33,000
Administrative Vehicles	8	8	10	10
Inspection Vehicles	4	4	4	4
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	28	28
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	2
Rescue Ambulances	2	2	2	2
Utility	1	1	1	1
Staff vehicles	2	2	2	2
Recreation				
Number of Parks	5	5	5	5
Number of Pools	2	2	2	2
Number of Racquetball Courts	1	1	1	1
Number of Basketball Courts	3	3	3	3
Number of Baseball Diamonds	4	4	4	4
Number of Soccer Fields	3	3	3	3
Number of Playground Areas	6	6	6	5
Number of Vehicles	5	5	4	4
Other Public Works				
Streets (miles)	73.4	73.4	73.4	73.4
Service Vehicles	40	40	35	35
Wastewater				
Sanitary Sewers (miles)	75.5	75.5	75.5	75.5
Storm Sewers (miles)	90.5	90.5	90.5	90.5
Vehicles	2	2	2	2
Water Department				
Water Lines (miles)	84.0	84.0	84.0	84.0
Vehicles	8	8	6	6

Source: City of Berea Service Department

2013	2012	2011	2010	2009	2008
4	4	4	4	4	4
17,000	17,000	17,000	17,000	17,000	14,500
19,100	19,100	19,100	19,100	19,100	2,075
25,400	25,400	25,400	25,400	25,400	3,000
33,000	33,000	33,000	33,000	33,000	30,000
11	12	11	9	11	6
3	3	3	3	3	3
1	1	1	1	1	1
1	1	1	1	1	1
9,700	9,700	9,700	9,700	9,700	9,700
24	26	22	23	22	24
1	1	1	1	1	1
7,900	7,900	7,900	7,900	7,900	5,000
1	1	1	1	1	1
2	3	2	2	2	2
2	3	3	3	2	2
0	1	1	1	1	1
2	2	2	2	2	2
5	5	5	5	5	5
2	2	2	2	2	2
1	1	1	2	2	2
3	3	2	2	2	2
4	4	4	4	4	4
3	3	3	2	2	2
5	5	4	4	4	4
4	4	3	2	3	6
89.8	90.3	90.3	89.9	89.8	89.8
38	42	43	39	34	38
76.2	73.5	73.5	73.5	73.5	73.5
53.5	53.5	53.5	73.5	53.4	73.5
2	2	2	2	2	2
83.9	80.3	80.3	77.0	79.7	77.0
7	8	7	6	6	5

This page intentionally left blank.



Rea & associates *a brighter way*

City of Berea Cuyahoga County, Ohio

*Report Issued Pursuant to Government Auditing
Standards and Uniform Guidance*

For the Year Ended
December 31, 2017

CITY OF BEREA
CUYAHOGA COUNTY, OHIO
TABLE OF CONTENTS

	PAGE
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance With Government Auditing Standards	1
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8

June 21, 2018

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

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Berea, Cuyahoga County, Ohio (the City) as of and for the year ended December 31, 2017, 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 21, 2018, wherein we noted the City restated the net position/fund balance to account for costs and funding for certain construction projects which were incorrectly recorded in the wrong fund.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

Medina, Ohio

June 21, 2018

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

**Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance**

Report on Compliance for Each Major Federal Program

We have audited the City of Berea's, Cuyahoga County, Ohio (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2017. The City's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 21, 2018, which contained an unmodified opinion on those financial statements, wherein we noted the City restated the net position/fund balance to account for costs and funding for certain construction projects which were incorrectly recorded in the wrong fund. Our opinion also explained that the City restated net position to account for the exclusion of construction in progress reported in error. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Hea & Associates, Inc.

Medina, Ohio

This page intentionally left blank.

CITY OF BERA
CUYAHOGA COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements	Subrecipients
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed Through Cuyahoga County, Ohio</i>				
Community Development Block Grant - Entitlement Grants	N/A	14.228	\$ 122,112	\$ -
Total United States Department of Housing and Urban Development			<u>122,112</u>	<u>-</u>
UNITED STATES DEPARTMENT OF TRANSPORTATION				
<i>Passed Through Ohio Department of Transportation</i>				
Highway Planning and Construction Cluster	PID #93827	20.205	2,000,370	-
Total Highway Planning and Construction Cluster			<u>2,000,370</u>	<u>-</u>
Total United States Department of Transportation			<u>2,000,370</u>	<u>-</u>
UNITED STATES DEPARTMENT OF HOMELAND SECURITY				
<i>Direct</i>				
Assistance to Firefighters Grant	EMW-2016-FV-01980	97.044	189,466	-
Total United States Department of Homeland Security			<u>189,466</u>	<u>-</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 2,311,948</u>	<u>\$ -</u>

The accompanying notes are an integral part of this Schedule

**CITY OF BEREA
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Berea (City) under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C – MATCHING REQUIREMENTS

Certain federal programs require that the City contribute non-federal funds (matching funds) to support federally-funded programs. The City has met its matching requirements. The expenditure of non-federal matching funds is not included on the Schedule.

**CITY OF BEREA
CUYAHOGA COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR §200.515
DECEMBER 31, 2017**

1. SUMMARY OF AUDITOR'S RESULTS
--

(d) (1) (i)	Type of Financial Statement Opinion	Unmodified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)?	None Reported
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies reported for major federal programs?	None Reported
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d) (1) (vi)	Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	No
(d) (1) (vii)	Major Programs (list): Highway Planning and Construction Cluster	CFDA #20.205
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: >\$750,000 Type B: > all others
(d) (1) (ix)	Low Risk Auditee under 2 CFR 200.520	No

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

NONE

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

NONE

This page intentionally left blank.



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, 14 2018