

**City of Berea**  
Cuyahoga County, Ohio

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

For the Year Ended  
December 31, 2018



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

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

We have reviewed the *Independent Auditor's Report* of the City of Berea, Cuyahoga County, prepared by Rea & Associates, Inc., for the audit period January 1, 2018 through December 31, 2018. 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 "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

August 7, 2019

**This page intentionally left blank.**

**CITY OF BEREA**  
**CUYAHOGA COUNTY, OHIO**  
**TABLE OF CONTENTS**

	<b>PAGE</b>
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

**This page intentionally left blank.**

June 18, 2019

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, 2018, 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 18, 2019, in which we noted the City restated beginning net position balances to account for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*.

**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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Rea & Associates, Inc.*

Medina, Ohio



June 18, 2019

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 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, 2018. 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; and 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 the 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, 2018.

**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 the 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 a 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 18, 2019, which contained unmodified opinions on those financial statements, wherein we noted the City restated the beginning net position balances to account for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Hea & Associates, Inc.*

Medina, Ohio

CITY OF BEREA  
CUYAHOGA COUNTY, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements	Subrecipients
<b>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Passed Through Cuyahoga County, Ohio</i>				
Community Development Block Grant - Entitlement Grants	N/A	14.228	\$ 177,888	\$ -
Total United States Department of Housing and Urban Development			<u>177,888</u>	<u>-</u>
<b>UNITED STATES DEPARTMENT OF TRANSPORTATION</b>				
<i>Passed Through Ohio Department of Transportation</i>				
Highway Planning and Construction Cluster	PID #93827	20.205	174,287	-
Total Highway Planning and Construction Cluster			<u>174,287</u>	<u>-</u>
Total United States Department of Transportation			<u>174,287</u>	<u>-</u>
<b>UNITED STATES DEPARTMENT OF HOMELAND SECURITY</b>				
<i>Direct</i>				
Assistance to Firefighters Grant	EMW-2016-FV-01980	97.044	608,221	-
Total United States Department of Homeland Security			<u>608,221</u>	<u>-</u>
<b>TOTAL FEDERAL AWARDS EXPENDITURES</b>			<u>\$ 960,396</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, 2018**

**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, 2018. 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, 2018**

**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): Assistance to Fire Fighter Grant	CFDA #97.044
(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**

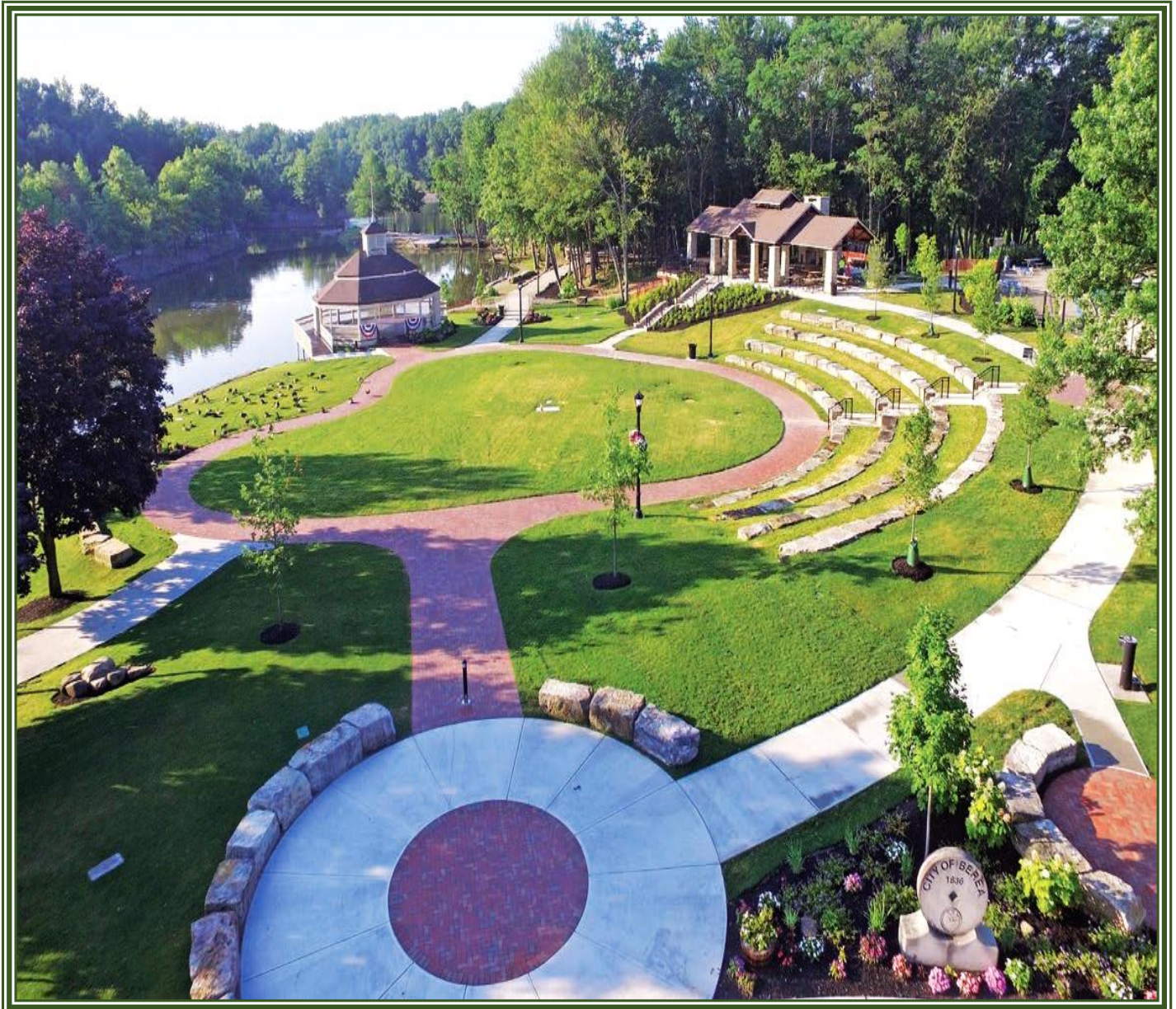
**NONE**

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**NONE**

# City of Berea, Ohio

## Mayor Cyril M. Kleem



City of Berea, Coe Lake Park  
Gazebo, Pavilion, and Amphitheater

# Comprehensive Annual Financial Report For the Year Ended December 31, 2018





# **CITY OF BEREA, OHIO**

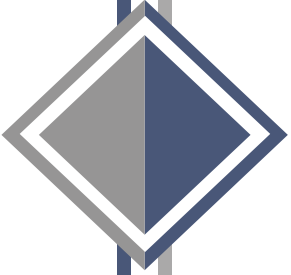
## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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, 2018*

Table of Contents

<b>Introductory Section</b>	<b>Page</b>
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
<b>Financial Section</b>	
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
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.....	85
Schedule of the City’s Contributions - Pension .....	86
Schedule of the City’s Proportionate Share of the Net OPEB Liability .....	89
Schedule of the City’s Contributions - OPEB .....	90
Notes to the Required Supplementary Information .....	92

**City of Berea**  
**Cuyahoga County, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2018*

Table of Contents (continued)

Combining Statements and Individual Fund Schedules:

Combining Statements - Nonmajor Funds:

Description of Funds .....	94
Combining Balance Sheet – Nonmajor Governmental Funds .....	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	99
Combining Balance Sheet – Nonmajor Special Revenue Funds .....	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	105
Combining Balance Sheet – Nonmajor Capital Projects Funds .....	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds .....	111

Governmental Funds Individual Fund Schedules of Revenues, Expenditures and Changes in  
Fund Balance – Budget (Non-GAAP Basis) and Actual:

General Fund .....	114
Animal Control Fund.....	118
Municipal Court Fund .....	119
General Bond Retirement Fund .....	120
General Capital Improvement Fund .....	121
Recreation Fund .....	122
State Highway Fund.....	123
Street Maintenance Fund.....	124
Fire Pension Fund .....	125
Police Pension Fund .....	126
Safe Students Fund .....	127
Public Safety Fund .....	128
Safe Passages Fund .....	129
Street Lighting Fund.....	130
Berea Welfare Fund.....	131
Community Hospital Fund.....	132
Community Development Block Grant Fund.....	133
Municipal Vehicle Tax Levy Fund.....	134
Law Enforcement Fund.....	135
Municipal Court Health Insurance Fund .....	136
First Offenders Diversion Fund.....	137
Probation Services Fund.....	138
Indigent Driver Alcohol Treatment Fund .....	139
DUI Education Fund .....	140
Theft Diversion Fund .....	141
Indigent Driving School Fund .....	142
DUS Diversion Fund .....	143

**City of Berea**  
**Cuyahoga County, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2018*

Table of Contents (continued)

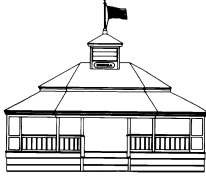
Court Computer Fund .....	144
Court Computer Research Fund .....	145
Court Special Projects Fund .....	146
Indigent Defendant Alcohol Monitoring Fund .....	147
State Highway Patrol Fund .....	148
Municipal Court Magistrates Fund .....	149
Safety Capital Improvement Fund .....	150
Recreation Capital Improvement Fund .....	151
Court Capital Improvement Fund .....	152
Neighborhood Improvement Fund .....	153
Combining Statements – Internal Service Funds:	
Description of Funds .....	155
Combining Statement of Fund Net Position –Internal Service Funds .....	156
Combining Statement of Revenues, Expenses and Changes in Fund Net Position –Internal Service Funds .....	157
Combining Statement of Cash Flows –Internal Service Funds .....	158
Combining Statements - Agency Funds:	
Description of Funds .....	159
Combining Statement of Assets and Liabilities - Agency Funds .....	160
Combining Statement of Changes in Assets and Liabilities – Agency Funds .....	162
Supplemental Information:	
Background .....	166
Statement of Net Position – Including GASB 68 and GASB 75 .....	168
Statement of Net Position – Excluding GASB 68 and GASB 75 .....	169
Statement of Activities – Including GASB 68 and GASB 75 .....	170
Statement of Activities – Excluding GASB 68 and GASB 75 .....	171
<b>Statistical Section</b>	
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 – 2018 and 2009 .....	S-17

**City of Berea**  
**Cuyahoga County, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2018*

Table of Contents (continued)

Principal Taxpayers - Municipal Tax – 2018 and 2009 .....	S-18
Principal Employers – 2018 and 2009 .....	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 Seven 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](http://www.cityofberea.org)  
Email [amorris@cityofberea.org](mailto:amorris@cityofberea.org)

June 18, 2019

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, 2018.

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, 2018.

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, 2018. 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.

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. In 2018, the Fire Department acquired a 107-foot Aerial Ladder Tower with grant funding from Federal Emergency Management Agency's (FEMA) Assistance to Firefighters – Vehicle Acquisition grant in the amount of \$797,687.

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**

The City of Berea is economically strong and is a highly desirable location to live, work and play. Our reputation as a business friendly destination is evidenced by corporate decisions to stay and grow here and by the new investment and jobs that have and continue to be created.

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 National Football League's, 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.

The City's Downtown area is home to the Baldwin Wallace College campus. In September 2018, a new 65,000 square foot mixed use project opened. This project was a result of a partnership between the City, the DiGeronimo Companies and Baldwin Wallace University. This project includes 16,000 square feet of retail/commercial space below three floors of dormitory rooms. By December of 2018 all of the retail/commercial space was leased and being utilized. This is the first major redevelopment project in Downtown Berea in almost 20 years.

In 2018, the City approved economic incentives to Voss Industries. Voss Industries purchased a 98,000 square foot manufacturing facility, on 14 acres, on Bagley Road. Voss Industries will bring 325 jobs to this facility.

**Current Year Projects:** In 2018, the City's road program totaled over \$2.3 million dollars and included repairs and replacements to over 7 roads.

The City is undertaking a multi-year program to upgrade its parks and playgrounds and create a destination location for outdoor venues. In the fall of 2017, the City received an \$875,000 grant from the Cuyahoga County Council for the City's Coe Lake Amphitheater Project. The majority of the project was completed in 2018. The project included the installation of amphitheater seating using Berea sandstone, a central plaza, lighting and electrical upgrades, gazebo enhancements, and a staging area. In addition an expansion and renovation to Mucklo playground was also completed in 2018. In 2019, future improvements to the area will include resurfacing and beautification of area parking lots including greenway connection from the municipal campus to Coe Lake. The City's Coe Lake area continues to see an ambitious project to create a destination location for outdoor venues.

Fair Street Phase 1 was completed in 2017 and Phase 2 began in 2017 and was completed in 2018. 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 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 was completed in 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.

Phase 1 of the North End Sewer Rehabilitation was completed in 2018. 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 North End Gateway and Streetscape improvement project was completed in 2018. This project included entrance improvements at the North End of the City, including new canopy and ornamental trees, decorative shrubs and flowers. The two current gateway signs were combined into one prominent gateway similar to other gateway signs installed at other entrances to the City.

In 2018, the City partnered with Baldwin Wallace University to resurface Tressel Street in the amount of \$325,000, including apron, sidewalks and ADA ramps as needed. This road is one of the main entrances into the Baldwin Wallace University campus.

**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.

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.

For 2020, the City is planning the West Street Resurfacing project, estimated to cost about \$550,000.

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 to 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.

## **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, 2017. 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 fourteen years ago. The City has received the Certificate of Achievement for the last fourteen 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 BEREА, OHIO  
PRINCIPAL OFFICIALS  
DECEMBER 31, 2018**

**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

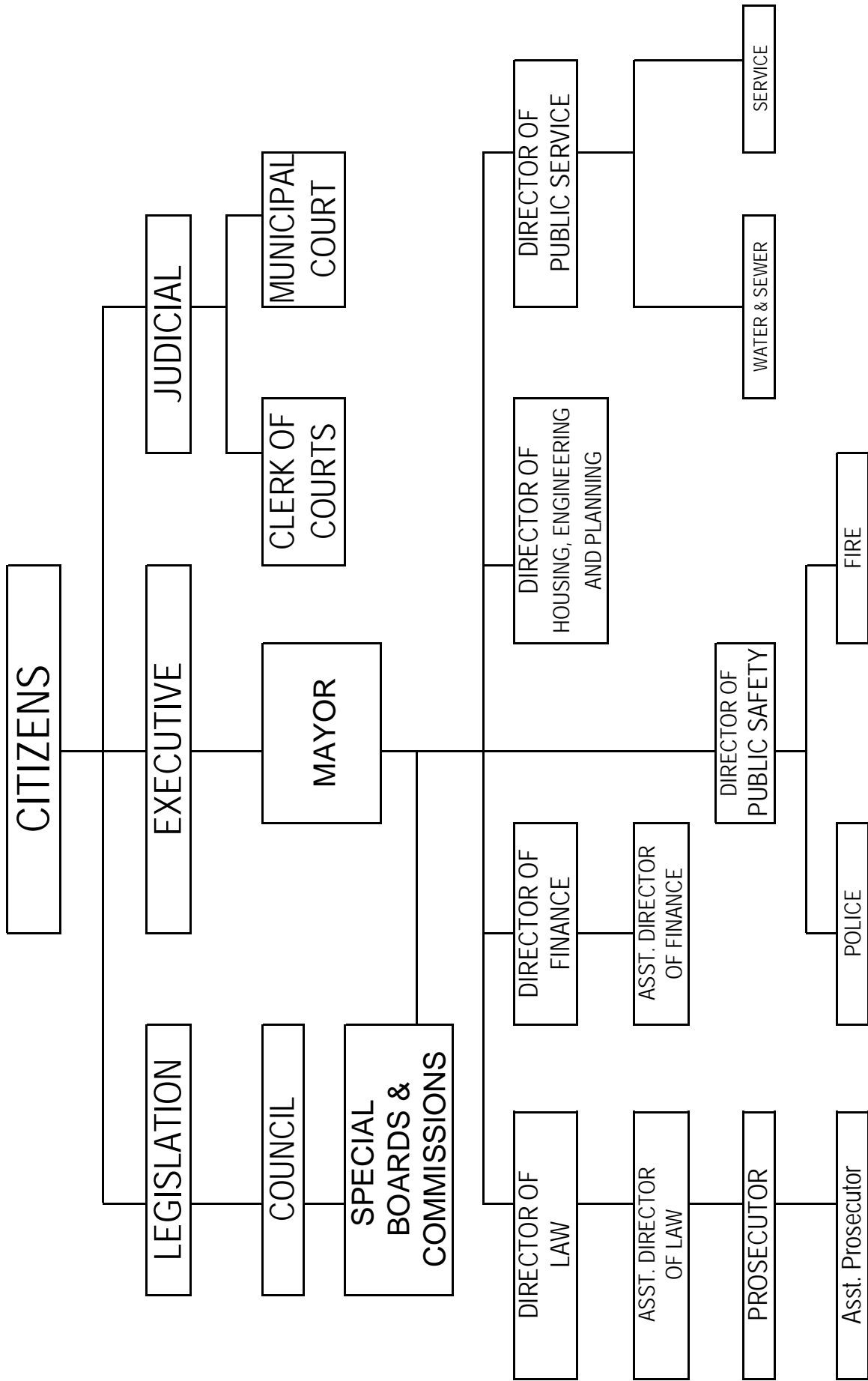
Cyril M. Kleem  
Mary K. Brown  
Bill DeVito  
Gene Zacharayz  
Margarette S. Key  
Nick Haschka  
Jim Maxwell  
Cheryl A. Banaszak  
Rick Skoczen

**APPOINTED OFFICIALS**

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

Andrea D. Morris  
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

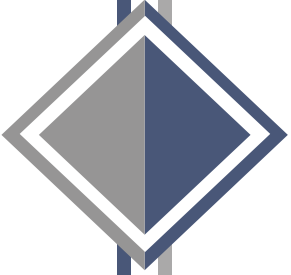
**City of Berea  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morill*

Executive Director/CEO



# FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

June 18, 2019

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, 2018, 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, 2018, 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 beginning net position balances to account for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. 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, Schedule of the City's Contributions – Pension, the Schedule of the City's Proportionate Share of the Net OPEB Liability, and the Schedule of the City's Contributions – OPEB, as listed in the table of contents, to 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, other supplemental 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, and other supplemental 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 18, 2019 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, 2018*  
*(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, 2018. The intent of this discussion and analysis is to look at the City's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

***Financial Highlights***

Key financial highlights for 2018 are as follows:

- In total, net position decreased \$2.2 million, which represents a 3 percent decrease from 2017. Net position of governmental activities decreased \$3.3 million. Net position of business-type activities increased \$1.1 million.
- Total capital assets increased \$1.0 million during 2018. Capital assets of governmental activities decreased \$0.8 million and capital assets of business-type activities increased \$1.8 million.
- Outstanding debt decreased from \$39.2 million to \$37.4 million.
- The City implemented GASB 75, which reduced beginning net position as previously reported by \$14.3 million and \$0.9 million for governmental and business-type activities, respectively.
- The City complies with GASB Statement Nos 68, 71 and 75, which establish standards for measuring and recognizing pension and postemployment benefit liabilities, deferred outflows/inflows of resources and expense/expenditure. The implementation of these GASB statements resulted in a significant change to the financial statements presentation of the City. The City's opinion is that the GASB 68, 71 and 75 liabilities reported on these financial statements should be presented and reported directly on the State Pension Board's financial statements, and not on the City's financial statements. The establishment of the pension rates, the amount of retirement and post-employment benefits distributed and the actuarial assumptions lie with the State Pension Boards and State Legislators, and not directly with the City of Berea, Ohio.

***Using this Annual Financial Report***

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 2018 and how they affected the operations of the City as a whole.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*(Unaudited)*

---

---

***Reporting the City 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 and sewer revenue funds.

A question typically asked about the City's finances is "How did we do financially during 2018?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include *all assets and deferred outflows of resources* and *liabilities and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

***Reporting the City'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, general bond retirement fund, and general capital improvement fund.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*(Unaudited)*

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

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

**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 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 2018 compared to 2017:

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

	Governmental Activities			Business-Type Activities		
	2018	Restated 2017	Change	2018	Restated 2017	Change
<b>Assets</b>						
Current and Other Assets	\$ 21,778,455	\$ 22,335,607	\$ (557,152)	\$ 3,320,972	\$ 4,335,038	\$ (1,014,066)
Capital Assets	90,990,391	91,800,586	(810,195)	39,000,212	37,196,060	1,804,152
<i>Total Assets</i>	112,768,846	114,136,193	(1,367,347)	42,321,184	41,531,098	790,086
<b>Deferred Outflows of Resources</b>						
Pension & OPEB	5,456,039	6,826,390	(1,370,351)	446,516	846,086	(399,570)
<b>Liabilities</b>						
Current and Other Liabilities	8,915,558	8,460,852	454,706	876,878	433,906	442,972
Long-Term Liabilities:						
Due Within One Year	9,879,744	9,874,585	5,159	788,489	1,371,339	(582,850)
Due in More Than One Year:						
Net Pension Liability	18,617,048	23,063,872	(4,446,824)	1,520,184	2,133,667	(613,483)
Net OPEB Liability	15,638,766	14,372,536	1,266,230	1,016,430	915,932	100,498
Other Amounts	16,467,748	17,129,098	(661,350)	11,871,063	12,380,370	(509,307)
<i>Total Liabilities</i>	69,518,864	72,900,943	(3,382,079)	16,073,044	17,235,214	(1,162,170)

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*(Unaudited)*

	Governmental Activities			Business-Type Activities		
	Restated			Restated		
	2018	2017	Change	2018	2017	Change
<b>Deferred Inflows of Resources</b>						
Property Taxes	\$ 3,988,208	\$ 3,792,195	\$ 196,013	\$ 447,263	\$ 455,219	\$ (7,956)
Pension & OPEB	3,963,681	166,704	3,796,977	483,782	31,768	452,014
<i>Total Deferred Inflows of Resources</i>	<u>7,951,889</u>	<u>3,958,899</u>	<u>3,992,990</u>	<u>931,045</u>	<u>486,987</u>	<u>444,058</u>
<b>Net Position</b>						
Net Investment in Capital Assets	66,712,285	61,240,064	5,472,221	27,589,952	25,155,850	2,434,102
Restricted	3,293,599	2,991,950	301,649	0	101,453	(101,453)
Unrestricted	(29,251,752)	(20,129,273)	(9,122,479)	(1,826,341)	(602,320)	(1,224,021)
<i>Total Net Position</i>	<u>\$ 40,754,132</u>	<u>\$ 44,102,741</u>	<u>\$ (3,348,609)</u>	<u>\$ 25,763,611</u>	<u>\$ 24,654,983</u>	<u>\$ 1,108,628</u>

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. For 2018, the City adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio revised Code permits, but does not require the retirement systems

**City of Berea**  
**Cuyahoga County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*(Unaudited)*

---

to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$58.4 million to \$44.1 million for governmental activities and from \$25.6 million to \$24.7 million for business-type activities.

At year end, capital assets represented 84 percent of total assets. Capital assets include land, intangibles, land improvements, buildings, building improvements, machinery and equipment, furniture and fixtures, vehicles, infrastructure and construction in progress. Capital assets, net of related debt were \$94.3 million at December 31, 2018, with \$66.7 million in governmental activities and \$27.6 million in business-type activities. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, \$3.3 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 \$31.1 million.

Capital assets in the governmental activities decreased from 2017 due to depreciation and disposals exceeding acquisitions while sewer and waterline improvement projects account for an increase in capital assets in the business-type activities.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*(Unaudited)*

Business-type activities saw a decrease in cash and accounts receivable from 2017. The timing of grant and loan proceeds for completed projects contributed to a decrease in cash and accounts receivable for water billings were lower than the prior year.

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 2018 and 2017.

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

	Governmental Activities			Business-Type Activities		
	2018	2017	Change	2018	2017	Change
<b>Revenues</b>						
<i>Program Revenues:</i>						
Charges for Services	\$ 5,818,936	\$ 5,174,133	\$ 644,803	\$ 3,205,054	\$ 3,601,659	\$ (396,605)
Operating Grants	839,631	1,323,766	(484,135)	63,182	75,449	(12,267)
Capital Grants	3,194,052	3,196,750	(2,698)	2,457,338	683,535	1,773,803
<i>General Revenues:</i>						
Property Taxes	3,799,851	3,755,615	44,236	456,895	453,634	3,261
Income Taxes	14,039,940	12,904,124	1,135,816	0	0	0
Other Taxes	295,898	250,729	45,169	0	0	0
Grants and Entitlements	799,109	829,061	(29,952)	0	0	0
Unrestricted Donations	0	785,000	(785,000)	0	0	0
Investment Earnings	37,474	66,491	(29,017)	0	0	0
Miscellaneous	264,660	203,802	60,858	3,531	0	3,531
<i>Total Revenues</i>	29,089,551	28,489,471	600,080	6,186,000	4,814,277	1,371,723
<b>Program Expenses</b>						
<i>Governmental Activities</i>						
General Government	9,747,695	9,846,448	(98,753)	0	0	0
Security of Persons and Property	9,650,672	8,841,071	809,601	0	0	0
Public Health	97,319	117,192	(19,873)	0	0	0
Leisure Time Services	4,649,331	4,521,353	127,978	0	0	0
Community Development	393,983	554,587	(160,604)	0	0	0
Public Works	1,248,969	1,272,715	(23,746)	0	0	0
Transportation	5,308,281	4,001,193	1,307,088	0	0	0
Interest and Fiscal Charges	736,910	627,337	109,573	0	0	0
<i>Enterprise Operations:</i>						
Water Revenue	0	0	0	4,260,794	3,577,909	682,885
Sewer Revenue	0	0	0	1,421,578	1,077,872	343,706
<i>Total Program Expenses</i>	31,833,160	29,781,896	2,051,264	5,682,372	4,655,781	1,026,591
<i>Increase (Decrease) in Net Position</i>	(2,743,609)	(1,292,425)	1,451,184	503,628	158,496	(345,132)
Transfers	(605,000)	(590,000)	15,000	605,000	590,000	(15,000)
<i>Change in Net Position</i>	(3,348,609)	(1,882,425)	1,466,184	1,108,628	748,496	(360,132)
<i>Net Position Beginning of Year - Restated</i>	44,102,741	N/A	N/A	24,654,983	N/A	N/A
<i>Net Position End of Year</i>	\$ 40,754,132	\$ 44,102,741	\$ 3,348,609	\$ 25,763,611	\$ 24,654,983	\$ (1,108,628)



**City of Berea**  
**Cuyahoga County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*(Unaudited)*

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$86,378 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1.2 million. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	Governmental Activities	Business-Type Activities
Total 2018 Expenses under GASB 75	\$ 31,833,160	\$ 5,682,372
OPEB Expense under GASB 75	(1,086,374)	(113,581)
2018 Contractually Required Contributions	23,526	0
Adjusted 2018 Expenses	30,770,312	5,568,791
Total 2017 Expenses under GASB 45	29,781,896	4,655,781
Increase/(Decrease) in Expenses not Related to OPEB	\$ 988,416	\$ 913,010

The City's overall net position decreased \$2.2 million from the prior year. The reasons for this overall decrease are discussed in the following sections for governmental activities and business-type activities.

**Governmental Activities**

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

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.

Increases in charges for services can be partially attributed due to increases in court fees and recreational revenues while operating grants decreased due a fire safety grant received in the prior year. An increase in income tax revenues can be attributed to an increasing economy and new businesses opening within City limits. The unrestricted donations received in 2017 were land and buildings to be sold in the future.

Transportation expense is the major component for the overall increase in expenses due to large repair and maintenance projects completed in 2018 that did not qualify to be capitalized.

The largest program functions of the City are general government, which departments consist of council, mayor, finance, law, civil service, municipal buildings and fleet, development and administration and security of persons and property, which includes police and fire departments.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*(Unaudited)*

---

**Business-Type Activities**

Business-type activities include water and sewer operations. The revenues are generated primarily from charges for services. In 2018, charges for services accounted for 52 percent of the business-type revenues.

Charges for services showed a decrease from prior year, partially due to a decrease in utility billings.

Capital grants in the business-type activities increased due to ODOT and OPWC grants for the North End and Fair Street projects which included water and sewer infrastructure upgrades.

Expenses in the business-type activities increased partially due to repair and maintenance expenses that did not qualify to be capitalized.

***The City's Funds***

***Governmental Funds***

As noted earlier, the City's governmental funds are accounted for using the modified accrual method of accounting. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of the fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

The general fund is the chief operating fund of the City. The fund balance of the general fund increased by \$0.3 million during the current fiscal year.

The general bond retirement fund had a \$0.3 million decrease in fund balance due to the timing of revenues to cover principal and interest payments.

The fund balance of the general capital improvement fund decreased by \$1.0 million mainly due to a decrease in grant revenue with the completion of road projects.

***Proprietary Funds***

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

Unrestricted net position of the water revenue fund at the end of the year was a deficit balance of \$1.7 million and the sewer revenue fund was a deficit balance of \$0.1 million. Total growth in net position for these funds was \$0.8 million and \$0.3 million, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the business-type activities.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*(Unaudited)*

**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 2018, the City amended its general fund budget on various occasions. 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.

**Original Budget Compared to Final Budget** Income tax revenue was originally estimated lower than final budget and actual. There were no other significant amendments to increase either original estimated revenues or original budgeted appropriations.

**Final Budget Compared to Actual Results** There were no significant differences between final budgeted revenues or appropriations and actual.

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

**Capital Assets and Debt Administration**

**Capital Assets**

Table 3 shows fiscal year 2018 balances compared with 2017.

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 11,569,861	\$ 11,285,261	\$ 93,181	\$ 93,181	\$ 11,663,042	\$ 11,378,442
Intangible	2,183,636	2,183,636	1,154,237	1,154,237	3,337,873	3,337,873
Construction in Progress	2,467,611	7,494,143	1,149,438	345,369	3,617,049	7,839,512
Land Improvements	6,801,856	4,113,884	38,204	46,077	6,840,060	4,159,961
Buildings	4,616,675	4,956,053	2,173,087	2,293,199	6,789,762	7,249,252
Building Improvements	22,635,341	23,545,163	1,485,653	1,569,963	24,120,994	25,115,126
Machinery and Equipment	1,540,088	1,889,462	2,055,468	2,229,012	3,595,556	4,118,474
Furniture and Fixtures	576,268	735,292	4,200	5,400	580,468	740,692
Vehicles	2,405,091	1,134,545	45,893	30,191	2,450,984	1,164,736
Infrastructure	36,193,964	34,463,147	30,800,851	29,429,431	66,994,815	63,892,578
<i>Total</i>	\$ 90,990,391	\$ 91,800,586	\$ 39,000,212	\$ 37,196,060	\$ 129,990,603	\$ 128,996,646

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, 2018*  
*(Unaudited)*

**Debt**

Table 4 summarizes outstanding debt. See Note 12 for additional details.

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 12,975,000	\$ 14,175,000	\$ 110,000	\$ 115,000	\$ 13,085,000	\$ 14,290,000
OPWC Loans	2,396,798	2,247,697	1,655,962	1,507,676	4,052,760	3,755,373
OWDA Loans	0	0	10,509,965	11,160,077	10,509,965	11,160,077
Loans Payable	200,000	200,000	232,840	252,244	432,840	452,244
Bond Anticipation Notes	8,550,900	8,200,900	0	600,000	8,550,900	8,800,900
Police and Fire Pension	173,810	180,984	0	0	173,810	180,984
Capital Leases	521,740	500,034	40,326	26,342	562,066	526,376
<i>Total</i>	\$ 24,818,248	\$ 25,504,615	\$ 12,549,093	\$ 13,661,339	\$ 37,367,341	\$ 39,165,954

***Economic Factors***

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 \$3 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 \$15.0 million in improvements to the facility and the City agreed to borrow \$7.0 million towards the costs of these improvements. In addition, the City has agreed to provide an income tax rebate to the Cleveland Browns of 40 percent of their annual growth on income tax above a \$2.6 million base for the years 2015 through 2028. 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.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2018*  
*(Unaudited)*

---

---

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 2018, construction was completed on a new stage, amphitheater, and construction began on the 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.

The City of Berea is reducing our debt burden. We plan our finances so that we can pay cash for many of the facility improvements and acquisitions, and continue to pay cash for all equipment and other major purchases necessary to maintain our level of services.

For many years the City has reduced its health care costs by operating a self-funded insurance program and aggressively shopping our benefits. The City continues to address the issue of rising health care and develop strategies to minimize increases.

The City of Berea has committed itself to financial excellence. The City has received the Government Finance Officers Award (GFOA) Certificate of Achievement for Excellence for the last fourteen years.

**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](mailto:amorris@cityofberea.org) or telephone 440-826-5889. We also offer information regarding our City on our web site, [www.cityofberea.org](http://www.cityofberea.org).

*This Page Intentionally Left Blank*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Statement of Net Position*  
*December 31, 2018*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Investments	\$ 9,280,376	\$ 1,118,828	\$ 10,399,204
Accounts Receivable	364,651	1,550,583	1,915,234
Intergovernmental Receivable	956,122	68,280	1,024,402
Taxes Receivable	8,221,442	474,152	8,695,594
Special Assessments Receivable	624,038	0	624,038
Loans Receivable	1,170,954	0	1,170,954
Prepaid Items	218,873	0	218,873
Materials and Supplies Inventory	156,999	109,129	266,128
Assets Held for Resale	785,000	0	785,000
Non-Depreciable Capital Assets	16,221,108	2,396,856	18,617,964
Depreciable Capital Assets, Net	74,769,283	36,603,356	111,372,639
<i>Total Assets</i>	<u>112,768,846</u>	<u>42,321,184</u>	<u>155,090,030</u>
<b>Deferred Outflow of Resources</b>			
Pension	3,981,569	371,717	4,353,286
OPEB	1,474,470	74,799	1,549,269
<i>Total Deferred Outflow of Resources</i>	<u>5,456,039</u>	<u>446,516</u>	<u>5,902,555</u>
<b>Liabilities</b>			
Accounts Payable	745,217	93,296	838,513
Accrued Wages	595,206	73,069	668,275
Contracts Payable	696,424	183,645	880,069
Intergovernmental Payable	346,047	352,404	698,451
Accrued Interest Payable	171,381	174,464	345,845
Claims Payable	207,698	0	207,698
Matured Compensated Absences Payable	3,585	0	3,585
Notes Payable	6,150,000	0	6,150,000
Long-Term Liabilities:			
Due Within One Year	9,879,744	788,489	10,668,233
Due In More Than One Year:			
Net Pension Liability	18,617,048	1,520,184	20,137,232
Net OPEB Liability	15,638,766	1,016,430	16,655,196
Other Amounts Due in More Than One Year	16,467,748	11,871,063	28,338,811
<i>Total Liabilities</i>	<u>69,518,864</u>	<u>16,073,044</u>	<u>85,591,908</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes Levied for the Next Year	3,988,208	447,263	4,435,471
Pension	2,766,806	408,065	3,174,871
OPEB	1,196,875	75,717	1,272,592
<i>Total Deferred Inflows of Resources</i>	<u>7,951,889</u>	<u>931,045</u>	<u>8,882,934</u>
<b>Net Position</b>			
Net Investment in Capital Assets	66,712,285	27,589,952	94,302,237
Restricted for:			
Street Lighting	838,318	0	838,318
Street Maintenance and Repair	416,385	0	416,385
Court Operations and Capital Outlay	1,246,931	0	1,246,931
Security Operations	45,798	0	45,798
Drug and Alcohol Programs	659,638	0	659,638
Other Purposes	86,529	0	86,529
Unrestricted	(29,251,752)	(1,826,341)	(31,078,093)
<i>Total Net Position</i>	<u>\$ 40,754,132</u>	<u>\$ 25,763,611</u>	<u>\$ 66,517,743</u>

See accompanying notes to the basic financial statements.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2018

	Expenses	Charges for Services and Sales	Program Revenues	
			Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
<b>Governmental Activities</b>				
General Government	\$ 9,747,695	\$ 3,714,419	\$ 27,000	\$ 0
Security of Persons and Property	9,650,672	1,148,978	118,718	655,243
Public Health	97,319	0	9,609	0
Leisure Time Services	4,649,331	772,094	0	1,050,000
Community Development	393,983	73,551	0	191,948
Public Works	1,248,969	0	0	0
Transportation	5,308,281	109,894	684,304	1,296,861
Interest and Fiscal Charges	736,910	0	0	0
<i>Total Governmental Activities</i>	<u>31,833,160</u>	<u>5,818,936</u>	<u>839,631</u>	<u>3,194,052</u>
<b>Business-Type Activities</b>				
Water Revenue	4,260,794	2,536,461	63,182	652,508
Sewer Revenue	1,421,578	668,593	0	1,804,830
<i>Total Business-Type Activities</i>	<u>5,682,372</u>	<u>3,205,054</u>	<u>63,182</u>	<u>2,457,338</u>
<i>Total Primary Government</i>	<u>\$ 37,515,532</u>	<u>\$ 9,023,990</u>	<u>\$ 902,813</u>	<u>\$ 5,651,390</u>

**General Revenues:**

Property Taxes Levied for:

General Purposes

Police and Fire Pension

Community Hospital

Debt Service

Water Improvements

Income Taxes Levied for:

General Purposes

Other Taxes

Grants and Entitlements not Restricted  
to Specific Programs

Investment Earnings

Miscellaneous

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

*Change in Net Position*

*Net Position Beginning of Year*

*Restated, See Note 2*

*Net Position End of Year*

See accompanying notes to the basic financial statements.



Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (6,006,276)	\$ 0	\$ (6,006,276)
(7,727,733)	0	(7,727,733)
(87,710)	0	(87,710)
(2,827,237)	0	(2,827,237)
(128,484)	0	(128,484)
(1,248,969)	0	(1,248,969)
(3,217,222)	0	(3,217,222)
(736,910)	0	(736,910)
<u>(21,980,541)</u>	<u>0</u>	<u>(21,980,541)</u>
0	(1,008,643)	(1,008,643)
0	1,051,845	1,051,845
<u>0</u>	<u>43,202</u>	<u>43,202</u>
<u>(21,980,541)</u>	<u>43,202</u>	<u>(21,937,339)</u>
1,619,709	0	1,619,709
656,160	0	656,160
86,967	0	86,967
1,437,015	0	1,437,015
0	456,895	456,895
14,039,940	0	14,039,940
295,898	0	295,898
799,109	0	799,109
37,474	0	37,474
264,660	3,531	268,191
<u>19,236,932</u>	<u>460,426</u>	<u>19,697,358</u>
<u>(605,000)</u>	<u>605,000</u>	<u>0</u>
<u>18,631,932</u>	<u>1,065,426</u>	<u>19,697,358</u>
(3,348,609)	1,108,628	(2,239,981)
<u>44,102,741</u>	<u>24,654,983</u>	<u>68,757,724</u>
<u>\$ 40,754,132</u>	<u>\$ 25,763,611</u>	<u>\$ 66,517,743</u>

See accompanying notes to the basic financial statements.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2018*

	General	General Bond Retirement	General Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Investments	\$ 3,503,300	\$ 1,627,212	\$ 1,057,210	\$ 2,603,730	\$ 8,791,452
Accounts Receivable	145,317	0	0	107,921	253,238
Intergovernmental Receivable	300,048	100,095	6,855	549,124	956,122
Taxes Receivable	5,775,119	1,623,996	0	822,327	8,221,442
Interfund Receivable	0	400,000	0	0	400,000
Special Assessments Receivable	16,737	0	0	607,301	624,038
Loans Receivable	0	0	1,170,954	0	1,170,954
Materials and Supplies Inventory	17,727	0	0	139,272	156,999
Assets Held for Resale	0	0	785,000	0	785,000
<i>Total Assets</i>	<u>\$ 9,758,248</u>	<u>\$ 3,751,303</u>	<u>\$ 3,020,019</u>	<u>\$ 4,829,675</u>	<u>\$ 21,359,245</u>
<b>Liabilities</b>					
Accounts Payable	\$ 619,947	\$ 0	\$ 0	\$ 124,728	\$ 744,675
Accrued Wages	514,410	0	0	80,796	595,206
Contracts Payable	0	0	693,554	2,870	696,424
Intergovernmental Payable	170,853	0	0	175,194	346,047
Matured Compensated Absences Payable	3,585	0	0	0	3,585
Interfund Payable	0	0	400,000	0	400,000
Notes Payable	0	6,150,000	0	0	6,150,000
<i>Total Liabilities</i>	<u>1,308,795</u>	<u>6,150,000</u>	<u>1,093,554</u>	<u>383,588</u>	<u>8,935,937</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes Levied for the Next Year	1,680,614	1,531,900	0	775,694	3,988,208
Delinquent Property Taxes	101,036	92,096	0	46,633	239,765
Income Taxes	1,409,253	0	0	0	1,409,253
Unavailable Revenue	269,385	100,095	0	884,270	1,253,750
<i>Total Deferred Inflows of Resources</i>	<u>3,460,288</u>	<u>1,724,091</u>	<u>0</u>	<u>1,706,597</u>	<u>6,890,976</u>
<b>Fund Balances</b>					
Nonspendable	57,180	0	0	139,272	196,452
Restricted	0	0	0	2,351,837	2,351,837
Committed	1,629,589	0	1,926,465	376,233	3,932,287
Assigned	58,246	0	0	0	58,246
Unassigned	3,244,150	(4,122,788)	0	(127,852)	(1,006,490)
<i>Total Fund Balances</i>	<u>4,989,165</u>	<u>(4,122,788)</u>	<u>1,926,465</u>	<u>2,739,490</u>	<u>5,532,332</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 9,758,248</u>	<u>\$ 3,751,303</u>	<u>\$ 3,020,019</u>	<u>\$ 4,829,675</u>	<u>\$ 21,359,245</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, 2018*

<b>Total Governmental Fund Balances</b>		\$ 5,532,332
 <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.		90,990,391
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	\$ 239,765	
Income Taxes	1,409,253	
Intergovernmental	629,712	
Special Assessments	<u>624,038</u>	2,902,768
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.		610,970
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(171,381)
The net pension and OPEB liabilities are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred Outflows - Pension	3,981,569	
Deferred Outflows - OPEB	1,474,470	
Net Pension Liability	(18,617,048)	
Net OPEB Liability	(15,638,766)	
Deferred Inflows - Pension	(2,766,806)	
Deferred Inflows - OPEB	<u>(1,196,875)</u>	(32,763,456)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(12,975,000)	
OPWC Loans	(2,396,798)	
Bond Anticipation Notes	(8,550,900)	
Bond Premium	(378,062)	
Loan Payable	(200,000)	
Police and Fire Pension	(173,810)	
Capital Leases	(521,740)	
Compensated Absences	<u>(1,151,182)</u>	<u>(26,347,492)</u>
<i>Net Position of Governmental Activities</i>		<u><u>\$ 40,754,132</u></u>

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, 2018

	General	General Bond Retirement	General Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$ 1,607,754	\$ 1,424,912	\$ 0	\$ 737,329	\$ 3,769,995
Income Taxes	13,857,990	0	0	0	13,857,990
Other Local Taxes	272,646	0	0	0	272,646
Special Assessments	15,319	0	0	649,367	664,686
Charges for Services	402,177	0	0	853,094	1,255,271
Licenses and Permits	591,008	0	0	69,424	660,432
Fines and Forfeitures	1,776,862	0	0	1,295,587	3,072,449
Intergovernmental	653,941	200,262	1,675,193	2,194,330	4,723,726
Interest	28,174	9,300	0	4,535	42,009
Rent	50,000	0	57,839	0	107,839
Contributions and Donations	0	0	0	9,843	9,843
Reimbursements	34,065	0	26,777	7,189	68,031
Other	152,533	0	0	41,717	194,250
<i>Total Revenues</i>	<u>19,442,469</u>	<u>1,634,474</u>	<u>1,759,809</u>	<u>5,862,415</u>	<u>28,699,167</u>
<b>Expenditures</b>					
Current:					
General Government	7,254,516	66,121	0	772,183	8,092,820
Security of Persons and Property	5,821,000	0	0	1,801,174	7,622,174
Public Health	0	0	0	97,319	97,319
Leisure Time Services	639,699	0	0	1,923,206	2,562,905
Community Development	367,898	0	0	0	367,898
Public Works	1,229,101	0	0	0	1,229,101
Transportation	0	0	0	1,041,911	1,041,911
Capital Outlay	0	0	3,698,127	3,060,119	6,758,246
Debt Service:					
Principal Retirement	15,485	9,400,900	254,042	7,174	9,677,601
Interest and Fiscal Charges	1,165	827,314	19,038	7,618	855,135
<i>Total Expenditures</i>	<u>15,328,864</u>	<u>10,294,335</u>	<u>3,971,207</u>	<u>8,710,704</u>	<u>38,305,110</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,113,605</u>	<u>(8,659,861)</u>	<u>(2,211,398)</u>	<u>(2,848,289)</u>	<u>(9,605,943)</u>
<b>Other Financing Sources (Uses)</b>					
Inception of Capital Lease	0	0	104,078	63,602	167,680
Proceeds from Sale of Assets	1,771	0	14,781	0	16,552
Issuance of OPWC Loans	0	0	272,654	0	272,654
Premium on Debt Issuance	0	107,790	0	0	107,790
Issuance of Bond Anticipation Notes	0	8,550,900	0	0	8,550,900
Transfers In	0	350,000	854,000	2,635,000	3,839,000
Transfers Out	(3,839,000)	(605,000)	0	0	(4,444,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(3,837,229)</u>	<u>8,403,690</u>	<u>1,245,513</u>	<u>2,698,602</u>	<u>8,510,576</u>
<i>Net Change in Fund Balance</i>	276,376	(256,171)	(965,885)	(149,687)	(1,095,367)
<i>Fund Balance Beginning 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>
<i>Fund Balance End of Year</i>	<u>\$ 4,989,165</u>	<u>\$ (4,122,788)</u>	<u>\$ 1,926,465</u>	<u>\$ 2,739,490</u>	<u>\$ 5,532,332</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, 2018*

<b>Net Change in Fund Balances - Total Governmental Funds</b>		\$ (1,095,367)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	\$ 5,755,333	
Current Year Depreciation	<u>(5,871,372)</u>	(116,039)
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.		
		(694,156)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	29,856	
Income Tax	181,950	
Intergovernmental	(146,406)	
Special Assessments	<u>6,204</u>	71,604
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	1,200,000	
OPWC Loans	123,553	
Bond Anticipation Notes	8,200,900	
Capital Lease	145,974	
Police and Fire Pension	<u>7,174</u>	9,677,601
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
OPWC Loans	(272,654)	
Bond Anticipation Notes	<u>(8,550,900)</u>	(8,823,554)
In the statement of activities, interest is accrued on outstanding bonds, and bond premiums are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	(17,827)	
Amortization of Premium on Bonds	<u>28,262</u>	10,435
Inception of capital lease in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
		(167,680)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,749,504	
OPEB	<u>23,526</u>	1,773,030
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(2,673,390)	
OPEB	<u>(1,086,374)</u>	(3,759,764)
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.		
		(166,281)
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>(58,438)</u>
<i>Change in Net Position of Governmental Activities</i>		<u>\$ (3,348,609)</u>

See accompanying notes to the basic financial statements.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 1,637,010	\$ 1,607,754	\$ 1,607,754	\$ 0
Income Taxes	13,197,545	13,902,108	13,902,108	0
Other Local Taxes	306,000	242,967	243,864	897
Special Assessments	33,000	15,319	15,319	0
Charges for Services	384,075	410,310	410,310	0
Licenses and Permits	592,000	576,567	591,008	14,441
Fines and Forfeitures	84,000	72,559	73,288	729
Intergovernmental	691,889	652,517	654,497	1,980
Interest	150,000	216,569	216,569	0
Rent	50,000	50,000	50,000	0
Reimbursements	17,990	17,990	17,990	0
Other	73,681	166,511	166,511	0
<i>Total Revenues</i>	17,217,190	17,931,171	17,949,218	18,047
<b>Expenditures</b>				
Current:				
General Government	5,600,583	5,754,314	5,600,053	154,261
Security of Persons and Property	5,732,715	5,832,715	5,761,385	71,330
Leisure Time Services	541,400	638,204	637,378	826
Community Development	376,025	379,754	378,519	1,235
Public Works	1,259,002	1,305,247	1,303,563	1,684
Debt Service:				
Principal Retirement	10,750	10,750	10,750	0
Interest and Fiscal Charges	732	732	732	0
<i>Total Expenditures</i>	13,521,207	13,921,716	13,692,380	229,336
<i>Excess of Revenues Over (Under) Expenditures</i>	3,695,983	4,009,455	4,256,838	247,383
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Assets	10,000	1,771	1,771	0
Transfers Out	(3,789,000)	(3,839,000)	(3,839,000)	0
<i>Total Other Financing Sources (Uses)</i>	(3,779,000)	(3,837,229)	(3,837,229)	0
<i>Net Change in Fund Balance</i>	(83,017)	172,226	419,609	247,383
<i>Fund Balance Beginning of Year</i>	2,913,113	2,913,113	2,913,113	0
Prior Year Encumbrances Appropriated	39,897	39,897	39,897	0
<i>Fund Balance End of Year</i>	\$ 2,869,993	\$ 3,125,236	\$ 3,372,619	\$ 247,383

See accompanying notes to the basic financial statements.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2018*

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Revenue	Sewer Revenue	Total	
<b>Assets</b>				
<i>Current Assets:</i>				
Equity in Pooled Cash and Investments	\$ 688,867	\$ 429,961	\$ 1,118,828	\$ 488,924
Accounts Receivable	1,193,957	356,626	1,550,583	111,413
Intergovernmental Receivable	31,529	36,751	68,280	0
Taxes Receivable	474,152	0	474,152	0
Prepaid Items	0	0	0	218,873
Materials and Supplies Inventory	109,129	0	109,129	0
<i>Total Current Assets</i>	<u>2,497,634</u>	<u>823,338</u>	<u>3,320,972</u>	<u>819,210</u>
<i>Non-Current Assets:</i>				
Non-Depreciable Capital Assets	1,030,981	1,365,875	2,396,856	0
Depreciable Capital Assets, Net	24,050,482	12,552,874	36,603,356	0
<i>Total Non-Current Assets</i>	<u>25,081,463</u>	<u>13,918,749</u>	<u>39,000,212</u>	<u>0</u>
<i>Total Assets</i>	<u>27,579,097</u>	<u>14,742,087</u>	<u>42,321,184</u>	<u>819,210</u>
<b>Deferred Outflow of Resources</b>				
Pension	297,374	74,343	371,717	0
OPEB	59,839	14,960	74,799	0
<i>Total Deferred Outflow of Resources</i>	<u>357,213</u>	<u>89,303</u>	<u>446,516</u>	<u>0</u>
<b>Liabilities</b>				
<i>Current Liabilities:</i>				
Accounts Payable	80,294	13,002	93,296	542
Accrued Wages	56,875	16,194	73,069	0
Contracts Payable	54,790	128,855	183,645	0
Intergovernmental Payable	27,584	324,820	352,404	0
Accrued Interest Payable	132,278	42,186	174,464	0
Claims Payable	0	0	0	207,698
Compensated Absences Payable	2,414	1,758	4,172	0
Capital Leases Payable	14,683	0	14,683	0
Loans Payable	0	19,404	19,404	0
OPWC Loans Payable	9,407	96,530	105,937	0
OWDA Loans Payable	460,162	179,131	639,293	0
General Obligation Bonds Payable	5,000	0	5,000	0
<i>Total Current Liabilities</i>	<u>843,487</u>	<u>821,880</u>	<u>1,665,367</u>	<u>208,240</u>
<i>Long-Term Liabilities:</i>				
Compensated Absences Payable - Net of Current Portion	67,502	38,785	106,287	0
Capital Leases Payable - Net of Current Portion	25,643	0	25,643	0
Loans Payable - Net of Current Portion	0	213,436	213,436	0
OPWC Loans Payable - Net of Current Portion	170,821	1,379,204	1,550,025	0
OWDA Loans Payable - Net of Current Portion	7,738,582	2,132,090	9,870,672	0
General Obligation Bonds Payable - Net of Current Portion	105,000	0	105,000	0
Net Pension Liability	1,216,147	304,037	1,520,184	0
Net OPEB Liability	813,144	203,286	1,016,430	0
<i>Total Long-Term Liabilities</i>	<u>10,136,839</u>	<u>4,270,838</u>	<u>14,407,677</u>	<u>0</u>
<i>Total Liabilities</i>	<u>10,980,326</u>	<u>5,092,718</u>	<u>16,073,044</u>	<u>208,240</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes Levied for the Next Year	447,263	0	447,263	0
Pension	326,760	81,305	408,065	0
OPEB	60,574	15,143	75,717	0
<i>Total Deferred Inflows of Resources</i>	<u>834,597</u>	<u>96,448</u>	<u>931,045</u>	<u>0</u>
<b>Net Position</b>				
Net Investment in Capital Assets	17,819,853	9,770,099	27,589,952	0
Unrestricted	(1,698,466)	(127,875)	(1,826,341)	610,970
<i>Total Net Position</i>	<u>\$ 16,121,387</u>	<u>\$ 9,642,224</u>	<u>\$ 25,763,611</u>	<u>\$ 610,970</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, 2018*

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Revenue	Sewer Revenue	Totals	
<b>Operating Revenues</b>				
Charges for Services	\$ 2,536,461	\$ 668,593	\$ 3,205,054	\$ 3,064,583
Reimbursements	0	0	0	169,002
Other	0	3,531	3,531	111,811
<i>Total Operating Revenues</i>	<u>2,536,461</u>	<u>672,124</u>	<u>3,208,585</u>	<u>3,345,396</u>
<b>Operating Expenses</b>				
Personal Services	1,836,609	410,095	2,246,704	0
Contractual Services	393,199	368,991	762,190	1,083,185
Materials and Supplies	673,299	34,371	707,670	0
Claims	0	0	0	2,379,669
Depreciation	1,087,980	262,549	1,350,529	0
Other	12,391	10,333	22,724	48,823
<i>Total Operating Expenses</i>	<u>4,003,478</u>	<u>1,086,339</u>	<u>5,089,817</u>	<u>3,511,677</u>
<i>Operating Income (Loss)</i>	<u>(1,467,017)</u>	<u>(414,215)</u>	<u>(1,881,232)</u>	<u>(166,281)</u>
<b>Non-Operating Revenues (Expense)</b>				
Intergovernmental	63,182	0	63,182	0
Property Taxes	456,895	0	456,895	0
Loss on Disposal of Capital Assets	0	(248,612)	(248,612)	0
Interest and Fiscal Charges	(257,316)	(86,627)	(343,943)	0
<i>Total Non-Operating Revenues (Expense)</i>	<u>262,761</u>	<u>(335,239)</u>	<u>(72,478)</u>	<u>0</u>
<i>Income (Loss) Before Capital Contributions and Transfers</i>	<u>(1,204,256)</u>	<u>(749,454)</u>	<u>(1,953,710)</u>	<u>(166,281)</u>
Capital Contributions	652,508	1,804,830	2,457,338	0
Transfers In	1,411,848	23,284	1,435,132	0
Transfers Out	(23,284)	(806,848)	(830,132)	0
<i>Total Capital Contributions and Transfers</i>	<u>2,041,072</u>	<u>1,021,266</u>	<u>3,062,338</u>	<u>0</u>
<i>Change in Net Position</i>	836,816	271,812	1,108,628	(166,281)
<i>Net Position Beginning of Year Restated, See Note 2</i>	<u>15,284,571</u>	<u>9,370,412</u>	<u>24,654,983</u>	<u>777,251</u>
<i>Net Position End of Year</i>	<u>\$ 16,121,387</u>	<u>\$ 9,642,224</u>	<u>\$ 25,763,611</u>	<u>\$ 610,970</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, 2018

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Revenue	Sewer Revenue	Totals	
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$ 2,700,616	\$ 778,837	\$ 3,479,453	\$ 3,123,340
Cash Payments to Suppliers for Goods and Services	(732,880)	(34,371)	(767,251)	0
Cash Payments to Employees for Services and Benefits	(1,523,745)	(6,478)	(1,530,223)	0
Cash Payments for Contractual Services	(334,390)	(343,982)	(678,372)	(1,081,305)
Cash Payments for Claims	0	0	0	(2,401,862)
Other Cash Receipts	0	0	0	111,811
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>109,601</u>	<u>394,006</u>	<u>503,607</u>	<u>(248,016)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Intergovernmental Revenue	63,081	0	63,081	0
Property Taxes	455,204	0	455,204	0
Transfers In	1,411,848	23,284	1,435,132	0
Transfers Out	(23,284)	(806,848)	(830,132)	0
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>1,906,849</u>	<u>(783,564)</u>	<u>1,123,285</u>	<u>0</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Capital Grants	114,817	1,509,825	1,624,642	0
Proceeds of OPWC Loans	80,706	161,411	242,117	0
Acquisition of Capital Assets	(1,398,379)	(1,183,913)	(2,582,292)	0
Principal Payments on Debt and Leases	(1,062,432)	(314,745)	(1,377,177)	0
Interest Payments on Debt and Leases	(275,354)	(92,194)	(367,548)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(2,540,642)</u>	<u>80,384</u>	<u>(2,460,258)</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	(524,192)	(309,174)	(833,366)	(248,016)
<i>Cash and Investments Beginning of Year</i>	1,213,059	739,135	1,952,194	736,940
<i>Cash and Investments End of Year</i>	<u>\$ 688,867</u>	<u>\$ 429,961</u>	<u>\$ 1,118,828</u>	<u>\$ 488,924</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>				
Operating Income (Loss)	\$ (1,467,017)	\$ (414,215)	\$ (1,881,232)	\$ (166,281)
Adjustments:				
Depreciation	1,087,980	262,549	1,350,529	0
(Increase) Decrease in Assets and Deferred Outflows:				
Accounts Receivable	164,155	106,713	270,868	(110,245)
Prepaid Items	0	0	0	51,379
Materials and Supplies Inventory	(59,581)	0	(59,581)	0
Deferred Outflows - Pension	348,115	114,089	462,204	0
Deferred Outflows - OPEB	(50,235)	(12,399)	(62,634)	0
Increase (Decrease) in Liabilities and Deferred Inflows:				
Accounts Payable	71,200	7,940	79,140	(676)
Accrued Wages	17,813	12,437	30,250	0
Contracts Payable	0	27,402	27,402	0
Compensated Absences Payable	8,018	12,071	20,089	0
Intergovernmental Payable	5,500	322,043	327,543	0
Deferred Inflows - Pension	301,366	74,931	376,297	0
Deferred Inflows - OPEB	60,574	15,143	75,717	0
Net Pension Liability	(468,327)	(145,156)	(613,483)	0
Net OPEB Liability	90,040	10,458	100,498	0
Claims Payable	0	0	0	(22,193)
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u>\$ 109,601</u>	<u>\$ 394,006</u>	<u>\$ 503,607</u>	<u>\$ (248,016)</u>

**Noncash Capital Financing Activities:**

As of December 31, 2018 the water and sewer funds recorded OWDA principal adjustments of \$1,076 and \$1,166, respectively, decreasing the loan balance.

As of December 31, 2018 the water fund recorded capital lease issuance of \$25,056.

As of December 31, 2018 the water and sewer funds received donated capital assets amounting to \$537,691 and \$258,254 respectively.

See accompanying notes to the basic financial statements.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2018*

---

---

	<u>Agency Funds</u>
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 1,499,779
Cash in Segregated Accounts	279,797
Accounts Receivable	<u>2,136,037</u>
<i>Total Assets</i>	<u>\$ 3,915,613</u>
<b>Liabilities</b>	
Accounts Payable	\$ 1,061,419
Due to Other Governments	2,437,659
Deposits Held and Due to Others	<u>416,535</u>
<i>Total Liabilities</i>	<u>\$ 3,915,613</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, 2018*

---

**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 Southwest Council of Governments, the Southwest General Health Center, the Woodvale Union Cemetery, the Northeast Ohio Public Energy Council and Regional Income Tax Agency. A jointly governed organization is managed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility on the part of the participating governments. These organizations are presented in Note 16 to the basic financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**Basis of Presentation**

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

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

***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, 2018*

---

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, 2018*

---

**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, 2018*

---

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 deferred charges for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 9 and 10.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance 2019 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, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Notes 9 and 10)

### **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 2018, 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, 2018*

---

During 2018, 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 2018, 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 \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 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 2018 amounted to \$28,174, which includes \$24,090 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, 2018*

---

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.

The entire compensated absence liability is reported on the government-wide financial statements.

In governmental funds, the liability for unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account “matured compensated absences payable” in the fund from which the employees who have accumulated unpaid leave is paid.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

**Pensions and Other Postemployment Benefits (OPEB)**

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

**Accrued Liabilities and Long-term Obligations**

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

**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, 2018*

---

*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. General fund is the only fund that reports a positive unassigned fund balance. 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, 2018, 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, 2018*

---

**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 2018.

**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, 2018*

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 2018.

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

**Implementation of New Accounting Principles and Restatement of Net Position**

For the year ended December 31, 2018, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial reporting for Postemployment Benefits other than Pensions*, GASB Statement No. 85, *Omnibus 2017* and GASB Statement No. 86, *Certain Debt Extinguishments*.

GASB Statement No. 75 requires recognition of the entire net postemployment benefits other than pensions (other postemployment benefits or OPEB) liability and a more comprehensive measure of postemployment benefits expense for OPEB provided to the employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements. The implementation of GASB Statement No. 75 resulted in the inclusion of net OPEB liability and OPEB expense components on the accrual financial statements. See below for the effect on net position as previously reported.

	Governmental Activities	Business-Type Activities	
Net Position, December 31, 2017	\$ 58,401,064	\$ 25,558,750	
Adjustments:			
Net OPEB Liability	(14,372,536)	(915,932)	
Deferred Outflow-Payments Subsequent to Measurement Date	74,213	12,165	
Restated Net Position, December 31, 2017	\$ 44,102,741	\$ 24,654,983	
			Total Business-
	Water Revenue	Sewer Revenue	Type Activities
Net Position, December 31, 2017	\$ 15,998,071	\$ 9,560,679	\$ 25,558,750
Adjustments:			
Net OPEB Liability	(723,104)	(192,828)	(915,932)
Deferred Outflow-Payments Subsequent to Measurement Date	9,604	2,561	12,165
Restated Net Position, December 31, 2017	\$ 15,284,571	\$ 9,370,412	\$ 24,654,983

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

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

GASB Statement No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. These changes were incorporated in the City's 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 86 addresses the reporting and disclosure requirements of certain debt extinguishments including in-substance defeasance transactions and prepaid insurance associated with debt that is extinguished. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the City.

**NOTE 3 – FUND BALANCE**

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

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

Fund Balance	General Fund	General Bond Retirement Fund	General Capital Improvement Fund	Other Governmental Funds	Total
<u>Nonspendable:</u>					
Unclaimed Monies	\$ 39,453	\$ 0	\$ 0	\$ 0	\$ 39,453
Inventory for Consumption	17,727	0	0	139,272	156,999
Total Nonspendable	<u>57,180</u>	<u>0</u>	<u>0</u>	<u>139,272</u>	<u>196,452</u>
<u>Restricted for:</u>					
Court Operations and Capital Outlay	0	0	0	1,281,445	1,281,445
Drug and Alcohol Programs	0	0	0	659,638	659,638
Security Operations and Programs	0	0	0	57,730	57,730
Street Improvement and Repair	0	0	0	122,007	122,007
Street Lighting	0	0	0	231,017	231,017
Total Restricted	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,351,837</u>	<u>2,351,837</u>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

Fund Balance	General Fund	General Bond Retirement Fund	General Capital Improvement Fund	Other Governmental Funds	Total
<u>Committed to:</u>					
Income Tax (See Note 6)	\$ 988,477	\$ 0	\$ 0	\$ 0	\$ 988,477
Retirements	284,077	0	0	0	284,077
Court Operations and Capital Outlay	357,035	0	0	0	357,035
Neighborhood Capital Improvement	0	0	0	67,465	67,465
Recreation Capital Outlay	0	0	0	192,420	192,420
Safety Equipment Capital Outlay	0	0	0	116,348	116,348
General Capital Improvements	0	0	1,926,465	0	1,926,465
Total Committed	<u>1,629,589</u>	<u>0</u>	<u>1,926,465</u>	<u>376,233</u>	<u>3,932,287</u>
<u>Assigned for:</u>					
Encumbrances:					
General Government	1,666	0	0	0	1,666
Security of Persons and Property	383	0	0	0	383
Leisure Time Activities	600	0	0	0	600
Public Works	55,597	0	0	0	55,597
Total Assigned	<u>58,246</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>58,246</u>
Unassigned (Deficit)	<u>3,244,150</u>	<u>(4,122,788)</u>	<u>0</u>	<u>(127,852) *</u>	<u>(1,006,490)</u>
Total Fund Balance (Deficit)	<u>\$ 4,989,165</u>	<u>\$ (4,122,788)</u>	<u>\$ 1,926,465</u>	<u>\$ 2,739,490</u>	<u>\$ 5,532,332</u>

\* Fund balances at December 31, 2018 included individual fund deficits of \$14,521, \$59,022 and \$54,309 in the recreation, fire pension and police pension funds, respectively.

The medical benefits internal service fund has a negative net position of \$29,630.

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

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

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

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).

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

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	\$ 276,376
Net Adjustment for Revenue Accruals	3,712,587
Net Adjustment for Expenditure Accruals	(3,176,827)
Funds Budgeted Elsewhere **	(322,250)
Adjustment for Encumbrances	(70,277)
Budget Basis	\$ 419,609

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

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

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



**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

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;
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

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

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

**Custodial Credit Risk** Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

- Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

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 Months			% Total
			0-12	13-36	Over 36	
	Net Asset Value (NAV):					
AAAm	STAR Ohio	\$ 33,616	\$ 33,616	\$ 0	\$ 0	0.32%
	Fair Value:					
***	Negotiable Certificates of Deposit	10,211,450	1,411,088	5,189,593	3,610,769	99.25%
A+	JP Morgan Money Market	43,791	43,791	0	0	0.43%
		<u>\$ 10,288,857</u>	<u>\$ 1,488,495</u>	<u>\$5,189,593</u>	<u>\$ 3,610,769</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 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, 2018. Except for the

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

money market, which is Level 1, 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.

**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.

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, 2018, is 45 days.

**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, 2018 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.

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

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

to the four areas is designated annually during the budgetary process approved by Council. Total cash basis income tax collections for 2018 were \$13,902,108, which was allocated at \$10,426,581 to the general fund and \$3,475,527 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 \$14,039,940 in the governmental activities. At year end, the municipal income tax fund had \$988,477 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 2018 for real and public utility property taxes represents collections of the 2017 taxes.

2018 real property taxes were levied after October 1, 2018 on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

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. 2018 public utility property taxes which became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2018, was \$16.80 per \$1,000 of assessed valuation. The assessed values of real property and public utility tangible property upon which 2018 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, 2018, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2018 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.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

**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, 2018, there is a long-term OPWC loan payable by the City in the amount of \$1,568,242 (See Note 12). A corresponding long-term loan receivable has been reported in the City's financial statements in the amount of \$1,170,954, 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, 2018 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Bond Retirement Fund	\$ 400,000	\$ 0
General Capital Improvement Fund	0	400,000
Total	\$ 400,000	\$ 400,000

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 2018, the City paid \$600,000 to pay off the treasury investment issued in 2017. The City then issued a new treasury investment in the amount of \$400,000, 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 2019 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, 2018*

**Interfund Transfers**

Transfers Out	Transfers In				Total
	Bond Retirement	Nonmajor Governmental	Water Revenue	Sewer Revenue	
General Fund	\$ 175,000	\$ 515,000	\$ 0	\$ 0	\$ 690,000
General Bond Retirement	0	0	605,000	0	605,000
Water Revenue	0	0	0	23,284	23,284
Sewer Revenue	0	0	806,848	0	806,848
<b>Total</b>	<b>\$ 175,000</b>	<b>\$ 515,000</b>	<b>\$ 1,411,848</b>	<b>\$ 23,284</b>	<b>\$ 2,125,132</b>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations or debt service; to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed.

In 1992, the voters authorized the municipal income tax levy. Proceeds from the levy are recorded in the general fund, for financial statement purposes, and can be transferred out for water, sewer, recreation, debt and capital expenditures as approved annually by Council. These funds cannot be spent for any other reason. The following transfers out were made from the general fund to reallocate income tax money:

Fund	Amount
Recreation Fund	\$ 1,110,000
General Bond Retirement Fund	175,000
General Capital Improvement Fund	854,000
Safety Capital Improvement Fund	30,000
Recreation Capital Improvement Fund	400,000
Neighborhood Capital Improvement Fund	580,000
<b>Total</b>	<b>\$ 3,149,000</b>

In addition, the general fund transferred \$195,000 to the street maintenance and repair fund, \$155,000 to the fire pension fund, \$115,000 to the police pension fund, \$175,000 to the general bond retirement fund and \$50,000 to the neighborhood improvement fund. The general bond retirement fund transferred \$605,000 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. The water revenue fund transferred \$23,284 to the sewer revenue fund to pay debt issues related to water improvements and the sewer revenue fund transferred \$806,848 to the water fund for expenses related to storm sewer improvements.

In 2018, the internal transfers between entity-wide activities are as follows:

	Transfers	
	Governmental Activities	Business-Type Activities
Cash Transfers	\$ (605,000)	\$ 605,000

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

**NOTE 8 - CAPITAL ASSETS**

A summary of changes in capital assets during 2018 follows:

	Balance 1/1/18	Additions	Reductions	Balance 12/31/18
<b>Governmental Activities</b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$11,285,261	\$ 284,600	\$ 0	\$11,569,861
Intangible	2,183,636	0	0	2,183,636
Construction in Progress	7,494,143	3,453,048	(8,479,580)	2,467,611
<i>Total Capital Assets Not Being Depreciated</i>	<u>20,963,040</u>	<u>3,737,648</u>	<u>(8,479,580)</u>	<u>16,221,108</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	12,052,855	3,182,557	0	15,235,412
Buildings	14,525,873	0	0	14,525,873
Building Improvements	35,238,790	248,830	0	35,487,620
Machinery and Equipment	6,904,957	40,430	(11,200)	6,934,187
Furniture and Fixtures	1,818,210	7,625	0	1,825,835
Vehicles	2,979,081	1,559,986	(155,888)	4,383,179
Infrastructure:				
Bridges	9,087,509	3,135,784	(787,382)	11,435,911
Roads	55,252,807	2,322,053	(735,104)	56,839,756
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>143,892,167</u>	<u>10,497,265</u>	<u>(1,689,574)</u>	<u>152,699,858</u>
<i>Accumulated Depreciation</i>				
Land Improvements	(7,938,971)	(494,585)	0	(8,433,556)
Buildings	(9,569,820)	(339,378)	0	(9,909,198)
Building Improvements	(11,693,627)	(1,158,652)	0	(12,852,279)
Machinery and Equipment	(5,015,495)	(389,804)	11,200	(5,394,099)
Furniture and Fixtures	(1,082,918)	(166,649)	0	(1,249,567)
Vehicles	(1,844,536)	(289,440)	155,888	(1,978,088)
Infrastructure:				
Bridges	(3,671,042)	(342,503)	165,001	(3,848,544)
Roads	(29,945,686)	(2,459,401)	663,329	(31,741,758)
Sidewalks	(982,306)	(89,671)	0	(1,071,977)
Traffic Signals	(1,310,220)	(141,289)	0	(1,451,509)
<i>Total Accumulated Depreciation</i>	<u>(73,054,621)</u>	<u>(5,871,372)</u>	<u>995,418</u>	<u>(77,930,575)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>70,837,546</u>	<u>4,625,893</u>	<u>(694,156)</u>	<u>74,769,283</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$91,800,586</u>	<u>\$ 8,363,541</u>	<u>\$ (9,173,736)</u>	<u>\$90,990,391</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

	Balance 1/1/18	Additions	Reductions	Balance 12/31/18
<b>Business-Type Activities</b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 93,181	\$ 0	\$ 0	\$ 93,181
Intangible	1,154,237	0	0	1,154,237
Construction in Progress	345,369	2,332,001	(1,527,932)	1,149,438
<i>Total Capital Assets Not Being Depreciated</i>	<u>1,592,787</u>	<u>2,332,001</u>	<u>(1,527,932)</u>	<u>2,396,856</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	995,301	0	0	995,301
Buildings	4,941,378	0	0	4,941,378
Building Improvements	2,346,842	19,994	0	2,366,836
Machinery and Equipment	5,623,847	22,928	0	5,646,775
Furniture and Fixtures	49,252	0	0	49,252
Vehicles	163,071	24,902	0	187,973
Infrastructure:				
Water Lines	13,112,612	638,043	0	13,750,655
Storm Sewers	15,815,582	1,127,948	0	16,943,530
Sanitary Sewers	12,176,052	765,409	(386,950)	12,554,511
<i>Total Capital Assets Being Depreciated</i>	<u>55,223,937</u>	<u>2,599,224</u>	<u>(386,950)</u>	<u>57,436,211</u>
<i>Accumulated Depreciation</i>				
Land Improvements	(949,224)	(7,873)	0	(957,097)
Buildings	(2,648,179)	(120,112)	0	(2,768,291)
Building Improvements	(776,879)	(104,304)	0	(881,183)
Machinery and Equipment	(3,394,835)	(196,472)	0	(3,591,307)
Furniture and Fixtures	(43,852)	(1,200)	0	(45,052)
Vehicles	(132,880)	(9,200)	0	(142,080)
Infrastructure:				
Water Lines	(3,273,179)	(273,523)	0	(3,546,702)
Storm Sewers	(4,879,629)	(394,409)	0	(5,274,038)
Sanitary Sewers	(3,522,007)	(243,436)	138,338	(3,627,105)
<i>Total Accumulated Depreciation</i>	<u>(19,620,664)</u>	<u>(1,350,529)</u>	<u>138,338</u>	<u>(20,832,855)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>35,603,273</u>	<u>1,248,695</u>	<u>(248,612)</u>	<u>36,603,356</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$37,196,060</u>	<u>\$ 3,580,696</u>	<u>\$ (1,776,544)</u>	<u>\$39,000,212</u>



**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

Depreciation expense was charged to governmental activities as follows:

	<u>Depreciation</u>
Security of Persons and Property	\$ 521,054
Leisure Time Services	1,591,120
Public Works	18,724
Transportation	2,866,829
General Government	<u>873,645</u>
Total Depreciation Expense	<u>\$ 5,871,372</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, 2018*

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension liability . 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)**

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan 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, including requirements for reduced and unreduced benefits):

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

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

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 three 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 three percent.

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

	State and Local
<b>2018 Statutory Maximum Contribution Rates</b>	
Employer	14.00 %
Employee	10.00 %
 <b>2018 Actual Contribution Rates</b>	
Employer:	
Pension	14.00 %
Post-Employment Health Care Benefits	0.00 %
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 \$942,468 for 2018. Of this amount, \$233,013 is reported as an intergovernmental payable.

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

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

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

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

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

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

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

Members 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>
<b>2018 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2018 Actual Contribution Rates</b>		
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, 2018*

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$995,530 for 2018. Of this amount, \$131,213 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, 2018, the specific liability of the City was \$173,810 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, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	OPF	Total
Proportion of the Net Pension Liability:			
Current Measurement Period	0.048450%	0.204259%	
Prior Measurement Period	0.049453%	0.220524%	
Change in Proportion	-0.001002%	-0.016265%	
Proportionate Share of the Net			
Pension Liability	\$ 7,600,919	\$ 12,536,313	\$ 20,137,232
Pension Expense	\$ 1,550,252	\$ 1,536,650	\$ 3,086,902

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, 2018, 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, 2018*

	OPERS	OPF	Total
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 7,763	\$ 190,247	\$ 198,010
Changes of Assumptions	908,356	546,273	1,454,629
Changes in Proportionate Share	99,734	662,915	762,649
City Contributions Subsequent to the Measurement Date	942,468	995,530	1,937,998
<b>Total Deferred Outflows of Resources</b>	<b>\$ 1,958,321</b>	<b>\$ 2,394,965</b>	<b>\$ 4,353,286</b>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 149,789	\$ 22,679	\$ 172,468
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,631,818	433,659	2,065,477
Changes in Proportionate Share	154,195	782,731	936,926
<b>Total Deferred Inflows of Resources</b>	<b>\$ 1,935,802</b>	<b>\$ 1,239,069</b>	<b>\$ 3,174,871</b>

\$1,937,998 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, 2019. 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
2019	\$ 672,526	\$ 342,418	\$ 1,014,944
2020	(206,620)	228,408	21,788
2021	(715,319)	(220,760)	(936,079)
2022	(670,536)	(189,168)	(859,704)
2023	0	1,716	1,716
Thereafter	0	(2,248)	(2,248)
	<b>\$ (919,949)</b>	<b>\$ 160,366</b>	<b>\$ (759,583)</b>

***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, 2017, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2017 are presented below.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

Valuation Date	December 31, 2017
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)
Investment Rate of Return	7.50 percent
Actuarial Cost Method	Individual Entry Age
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

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described table.

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 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. 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. 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 investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82 percent for 2017.

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 table that follows displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other Investments	18.00	5.26
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. 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:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's Proportionate Share of the Net Pension Liability	\$ 13,497,296	\$ 7,600,919	\$ 2,685,118

**Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below:



**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

Actuarial Cost Method	Entry Age (Level Percent of Payroll)
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.50 percent
Payroll Increases	3.25 percent (inflation plus productivity increase)
Inflation Assumptions	2.75 percent
Cost-of-Living Adjustments	3.00 percent simple; 2.20 percent simple for increases based on lesser of the increase in CPI and 3.00 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted 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 real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017, are summarized below:

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

<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 %	4.22 %	5.39 %
Non-US Equity	16.00	4.41	5.59
Private Markets	8.00	6.67	8.08
Core Fixed Income*	23.00	1.57	2.71
High Yield Fixed Income	7.00	2.94	4.71
Private Credit	5.00	6.93	7.26
U.S. Inflation Linked Bonds*	17.00	0.98	2.52
Master Limited Partnerships	8.00	7.50	7.93
Real Assets	8.00	6.88	7.24
Private Real Estate	12.00	5.58	6.34
Total	<u>120.00 %</u>		

Note: Assumptions are geometric.

\* Levered 2x

\*\* Numbers are net of expected inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall total portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the total portfolio may be levered up to 1.20 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 8.00 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 8.00 percent. Based on those assumptions, OP&F'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 8.00 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 (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
City's Proportionate Share of the Net Pension Liability	\$ 17,378,595	\$ 12,536,313	\$ 8,586,960

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

**NOTE 10 – DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability***

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

The net OPEB liability represents the City’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB 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 these estimates 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 OPEB are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB 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)***

OPERS administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care 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.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 75. 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.

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 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 2018 was 4.0 percent.

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

The City's contractually required contribution was \$0 for 2018.

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

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental,

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$23,526 for 2018. Of this amount, \$3,139 is reported as an intergovernmental payable.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
Proportion of the Net OPEB Liability:			
Current Measurement Period	0.046800%	0.204259%	
Prior Measurement Period	<u>0.047728%</u>	<u>0.220524%</u>	
Change in Proportion	<u>-0.000928%</u>	<u>-0.016265%</u>	
Proportionate Share of the Net			
OPEB Liability	\$ 5,082,150	\$ 11,573,046	\$ 16,655,196
OPEB Expense	\$ 393,485	\$ 806,470	\$ 1,199,955

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OPF</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between Expected and			
Actual Experience	\$ 3,959	\$ 0	\$ 3,959
Changes of Assumptions	370,034	1,129,281	1,499,315
Changes in Proportionate Share	22,469	0	22,469
City Contributions Subsequent			
to the Measurement Date	<u>0</u>	<u>23,526</u>	<u>23,526</u>
Total Deferred Outflows of Resources	<u>\$ 396,462</u>	<u>\$ 1,152,807</u>	<u>\$ 1,549,269</u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and			
Actual Experience	\$ 0	\$ 58,369	\$ 58,369
Net Difference between Projected and Actual			
Earnings on OPEB Plan Investments	378,586	76,178	454,764
Changes in Proportionate Share	<u>85,873</u>	<u>673,586</u>	<u>759,459</u>
Total Deferred Inflows of Resources	<u>\$ 464,459</u>	<u>\$ 808,133</u>	<u>\$ 1,272,592</u>

\$23,526 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

Year Ending December 31:	OPERS	OPF	Total
2019	\$ 53,846	\$ 39,044	\$ 92,890
2020	54,831	39,044	93,875
2021	(82,029)	39,044	(42,985)
2022	(94,645)	39,046	(55,599)
2023	0	58,089	58,089
Thereafter	0	106,881	106,881
	<u>\$ (67,997)</u>	<u>\$ 321,148</u>	<u>\$ 253,151</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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

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

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 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	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	<u>100.00 %</u>	<u>4.98 %</u>

**Discount Rate** A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal



**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*** The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's Proportionate Share of the Net OPEB Liability	\$ 6,751,856	\$ 5,082,150	\$ 3,731,375

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Trend Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$ 4,862,534	\$ 5,082,150	\$ 5,309,008

***Actuarial Assumptions – OP&F***

OP&F's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.50 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.50 percent
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.20 percent simple for increased based on the lesser of the increase in CPI and 3.00 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted 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 OP&F's target asset allocation as of December 31, 2017, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	16.00 %	5.21 %
Non-US Equity	16.00	5.40
Core Fixed Income*	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	120.00 %	

Note: Assumptions are geometric.

\* Levered 2x

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

**Discount Rate** The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's Proportionate Share of the Net OPEB Liability	\$ 14,466,426	\$ 11,573,046	\$ 9,346,687

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

Year	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	1% Decrease	Current Trend Rate	1% Increase
City's Proportionate Share of the Net OPEB Liability	\$ 8,990,137	\$ 11,573,046	\$ 15,053,893

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

***Changes between Measurement Date and Report Date***

In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City's NOL is not known.

**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 service union laborers and firefighters, sick leave is earned at the rate of four and one sixteenths hours per bi-weekly pay period. Service union laborers earn sick leave at the rate of five 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.

This space intentionally left blank

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

**NOTE 12 - LONG-TERM OBLIGATIONS**

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<b>General Obligation Bonds</b>				
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
<b>OPWC Loans</b>				
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
Sewer	2018	2039	0.00%	161,411
Water	2011	2031	0.00%	102,500
Water	2016	2037	0.00%	73,500
Water	2018	2039	0.00%	80,706
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	2039	0.00%	423,500
Governmental Activities	2018	2039	0.00%	142,195
<b>OWDA Loans</b>				
Sewer	1997	2022	6.11%	700,000
Sewer	1999	2019	5.54%	705,173
Sewer	2004	2034	4.66%	1,200,000
Sewer	2005	2036	3.75%	713,940
Sewer	2008	2024	4.28%	345,251
Sewer	2011	2022	3.49%	123,902
Sewer	2015	2035	2.91%	275,963
Sewer	2017		2.52%	364,014 *
<b>OWDA Loans</b>				
Water	2006	2027	4.42%	1,156,254
Water	2007	2038	4.17%	1,109,436
Water	2007	2028	3.25%	1,930,593
Water	2008	2038	4.78%	1,105,020
Water	2009	2030	3.70%	3,802,756
Water	2011	2042	3.49%	915,008
Water	2016	2037	2.46%	1,710,056
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, 2018*

A schedule of changes in long-term obligations of the City during 2018 follows:

	Restated Balance 1/1/18	Additions	Reductions	Balance 12/31/18	Due Within One Year
<b>Governmental Activities</b>					
<i>General Obligation Bonds</i>					
2010 Various Purpose Bonds	\$ 2,210,000	\$ 0	\$ (65,000)	\$ 2,145,000	\$ 175,000
2013 Various Purpose Bonds	3,605,000	0	(100,000)	3,505,000	245,000
2015 Various Purpose Bonds	6,280,000	0	(235,000)	6,045,000	240,000
2016 Refunding Bonds	2,080,000	0	(800,000)	1,280,000	180,000
<i>Total General Obligation Bonds</i>	<u>14,175,000</u>	<u>0</u>	<u>(1,200,000)</u>	<u>12,975,000</u>	<u>840,000</u>
<i>Bond Anticipation Notes</i>					
2.00% Various Improvement Notes	8,200,900	0	(8,200,900)	0	0
2.00% Various Improvement Notes	0	8,550,900	0	8,550,900	8,550,900
<i>Total Bond Anticipation Notes</i>	<u>8,200,900</u>	<u>8,550,900</u>	<u>(8,200,900)</u>	<u>8,550,900</u>	<u>8,550,900</u>
OPWC Loans Payable	2,247,697	272,654	(123,553)	2,396,798	135,548
Loan Payable	200,000	0	0	200,000	40,000
<i>Other Long Term Obligations</i>					
<i>Capital Lease Obligations:</i>					
2015 Equipment and Vehicles	234,284	0	(76,561)	157,723	78,085
2016 Equipment and Vehicles	222,104	0	(53,928)	168,176	54,979
2017 Various Vehicles	43,646	0	(15,485)	28,161	15,989
2018 Equipment and Vehicles	0	167,680	0	167,680	21,992
<i>Total Capital Lease Obligations</i>	<u>500,034</u>	<u>167,680</u>	<u>(145,974)</u>	<u>521,740</u>	<u>171,045</u>
Net Pension Liability	23,063,872	0	(4,446,824)	18,617,048	0
Net OPEB Liability	14,372,536	1,266,230	0	15,638,766	0
Unamortized Bond Premiums	406,324	0	(28,262)	378,062	28,262
Compensated Absences	1,092,744	132,101	(73,663)	1,151,182	106,668
Police and Fire Pension Liability	180,984	0	(7,174)	173,810	7,321
<i>Total Other Long Term Obligations</i>	<u>39,616,494</u>	<u>1,566,011</u>	<u>(4,701,897)</u>	<u>36,480,608</u>	<u>313,296</u>
<b>Total Governmental Activities</b>	<u>\$ 64,440,091</u>	<u>\$ 10,389,565</u>	<u>\$ (14,226,350)</u>	<u>\$ 60,603,306</u>	<u>\$ 9,879,744</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

	Restated Balance 1/1/18	Additions	Reductions	Balance 12/31/18	Due Within One Year
<b>Business-Type Activities</b>					
<i>General Obligation Bonds</i>					
2015 Various Purpose Bonds	\$ 115,000	\$ 0	\$ (5,000)	\$ 110,000	\$ 5,000
<i>Bond Anticipation Notes</i>					
2.00% Various Improvement Notes	600,000	0	(600,000)	0	0
OWDA Loans	11,160,077	0	(650,112)	10,509,965	639,293
OPWC Loans	1,507,676	242,117	(93,831)	1,655,962	105,937
Loan Payable	252,244	0	(19,404)	232,840	19,404
<i>Other Long Term Obligations</i>					
<i>Capital Lease Obligation:</i>					
2017 Vehicles	26,342	0	(11,072)	15,270	11,397
2018 Equipment and Vehicles	0	25,056	0	25,056	3,286
<i>Total Capital Lease Obligations</i>	26,342	25,056	(11,072)	40,326	14,683
Net Pension Liability	2,133,667	0	(613,483)	1,520,184	0
Net OPEB Liability	915,932	100,478	0	1,016,410	0
Compensated Absences	90,370	23,924	(3,835)	110,459	4,172
<i>Total Other Long Term Obligations</i>	3,166,311	149,458	(628,390)	2,687,379	18,855
<b>Total Business-Type Activities</b>	<b>\$ 16,801,308</b>	<b>\$ 391,575</b>	<b>\$ (1,996,737)</b>	<b>\$ 15,196,146</b>	<b>\$ 788,489</b>

*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 bond retirement fund and water revenue fund. The general obligation bonds outstanding as of December 31, 2018 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 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, 2018*

<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>
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
2022	200,000	2026	135,000	2030	160,000

In March 2013, the City issued general obligation bonds 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>
2019	\$ 245,000	2022	\$ 270,000
2020	250,000	2023	270,000
2021	260,000		

<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 August 18, 2016, the City issued current refunding general obligation bonds. The proceeds of the bonds were used to refund \$2,775,000 of the City's outstanding 2006 Various Purpose Bonds. 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.

**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 \$9,929,317 and \$1,655,962 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 deficit of 432 percent. The percentage is expected to decrease in the future as expansion projects begin operations in years to come. The total principal and interest remaining to be paid on all OWDA and OPWC loans is \$13,136,825 and \$1,655,962, respectively, which includes the full principal and interest payments on the fully drawn down loans.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

Principal and interest paid for the current year and total net available revenues were \$1,118,632 and a deficit of \$530,703, 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 2018, the City issued \$8,550,900 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 \$61,481 which was recorded as an expense in the year of issuance. The notes will be paid by the general bond retirement fund.

**Net Pension and OPEB Liabilities** - There are no repayment schedules for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are primarily made from the general fund and the sewer and water revenue funds. For additional information related to the net pension liability and net OPEB liability see Notes 9 and 10.

**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 fund, 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, 2018 are as follows:

**Governmental Activities**

Year	General Obligation Bonds		OPWC	Loan	Totals	
	Principal	Interest	Principal	Principal	Principal	Interest
2019	\$ 840,000	\$ 414,810	\$ 135,548	\$ 40,000	\$ 1,015,548	\$ 414,810
2020	940,000	395,926	140,432	40,000	1,120,432	395,926
2021	970,000	371,464	140,432	40,000	1,150,432	371,464
2022	955,000	346,106	140,432	40,000	1,135,432	346,106
2023	970,000	317,341	140,432	40,000	1,150,432	317,341
2024 - 2028	4,335,000	1,160,713	702,155	0	5,037,155	1,160,713
2029 - 2033	3,325,000	481,412	692,023	0	4,017,023	481,412
2034 - 2038	640,000	37,000	300,462	0	940,462	37,000
2039	0	0	4,882		4,882	0
Total	<u>\$ 12,975,000</u>	<u>\$ 3,524,772</u>	<u>\$ 2,396,798</u>	<u>\$ 200,000</u>	<u>\$ 15,571,798</u>	<u>\$ 3,524,772</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

On March 14, 2019, payment is due in full on the various purpose bond anticipation notes in the amount of \$8,550,900 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
2019	\$ 639,293	\$ 383,599	\$ 105,937	\$ 19,404	\$ 5,000	\$ 3,812	\$ 769,634	\$ 387,411
2020	621,999	340,935	105,937	19,404	5,000	3,712	752,340	344,647
2021	646,296	319,633	105,937	19,404	5,000	3,612	776,637	323,245
2022	664,205	294,337	105,937	19,404	5,000	3,512	794,546	297,849
2023	627,414	265,404	105,937	19,404	5,000	3,362	757,755	268,766
2024 - 2028	3,241,092	979,094	483,417	97,016	25,000	14,454	3,846,525	993,548
2029 - 2033	2,078,874	456,746	277,413	38,804	40,000	9,375	2,435,091	466,121
2034 - 2038	1,254,289	141,693	237,045	0	20,000	1,200	1,511,334	142,893
2039 - 2043	168,430	13,492	98,774	0	0	0	267,204	13,492
2044 - 2045	0	0	29,628	0	0	0	29,628	0
Total	<u>\$9,941,892</u>	<u>\$3,194,933</u>	<u>\$1,655,962</u>	<u>\$232,840</u>	<u>\$ 110,000</u>	<u>\$ 43,039</u>	<u>\$ 11,940,694</u>	<u>\$ 3,237,972</u>

(1) OWDA loans issued in 2017 have not been fully drawn down, thus there are no amortization schedules available. The net balance of the loans drawn totaling \$568,073 are reported as long term obligations due in more than one year and are not included in the above maturity schedule.

**NOTE 13 – NOTES PAYABLE**

In 2018, the City issued \$6,150,000 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 3, 2019, payment is due in full in the amount of \$6,150,000 plus interest at 3.63 percent.

Note payable activity during 2018 is as follows:

	Balance 1/1/2018	Additions	Reductions	Balance 12/31/2018
2.38% Various Improvement Notes	\$ 6,500,000	\$ 0	\$ 6,500,000	\$ 0
3.63% Various Improvement Notes	0	6,150,000	0	6,150,000
Total	<u>\$ 6,500,000</u>	<u>\$ 6,150,000</u>	<u>\$ 6,500,000</u>	<u>\$ 6,150,000</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

**NOTE 14 - CAPITAL LEASES**

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

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

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

During 2018, the City entered into lease-purchase agreements for vehicles and equipment in the amount of \$167,680 in governmental funds and \$25,056 in the water fund. The City is leasing the vehicles from US Bancorp and will make monthly lease payments. Assets acquired by the leases will be capitalized as vehicles.

Assets acquired by lease amount to \$936,406 with accumulated depreciation as of December 31, 2018 of \$145,732.

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

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

Year Ending December 31,	Amount	
	Governmental Activities	Business-Type Activities
2019	\$ 182,876	\$ 15,685
2020	177,728	7,893
2021	85,868	3,997
2022	26,748	3,997
2023	26,748	3,997
2024 - 2025	53,496	7,994
Minimum Lease Payments	553,464	43,563
Less Amount Representing Interest	(31,724)	(3,237)
Present Value of Net Lease Payments	<u>\$ 521,740</u>	<u>\$ 40,326</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

**NOTE 15 - RISK MANAGEMENT**

**Property and Liability Insurance**

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicles, and general liability risks including public officials' liability. The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2018, 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, 2018 or 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 \$1,425 for family coverage and \$582 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 \$178.00 for family coverage or \$72.66 for single coverage for medical, dental and vision.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

The claims liability of \$207,698 reported in the medical benefits internal service fund at December 31, 2018 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 2017 and 2018 were as follows and typically are retired within three months of year end:

	<u>Balance</u> <u>January 1</u>	<u>Current</u> <u>Year Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance</u> <u>December 31</u>
2017	\$ 96,591	\$ 2,254,138	\$ 2,120,838	\$ 229,891
2018	\$ 229,891	\$ 2,379,669	\$ 2,401,862	\$ 207,698

**Workers' Compensation**

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

**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS**

**Southwest Council of Governments**

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

The Council has established two subsidiary organizations, the Southwest Emergency Response Team (SERT), which provides hazardous material protection and assistance, technical rescue 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 2018, the City of Berea contributed \$20,000 to the Council. The Council's financial statements may be obtained by contacting Dana J. Kavander, Executive Director, 433 Cranston Drive, Berea, Ohio 44017.

**Southwest General Health Center**

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

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

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 2018, the City of Berea contributed \$96,211.

### **Woodvale Union Cemetery**

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

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

The joint council exercises control over the operation of the Cemetery through budgeting, appropriating, and contracting. The Board of Trustees control daily operations of the Cemetery. Each city's control is limited to its representation on the Joint Council. In 2018, the City of Berea contributed \$11,698 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 2018. Financial information can be obtained by contacting Ron McVoy, the Board Chairman, at 175 South Main Street, Akron, Ohio 44308 or at the website [www.nopecinfo.org](http://www.nopecinfo.org).

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

**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 17 – CONTINGENCIES**

**Litigation**

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

**Grants**

The disbursement of funds received under federal and state grants generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any potential disallowed claims resulting from such an audit could become a liability of the City. However, City management believes any such disallowed claims would be immaterial on the overall financial position of the City at December 31, 2018.

**NOTE 18 – COMMITMENTS**

**Encumbrance Commitments**

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the City's commitments for encumbrances in the general, general capital improvement and other governmental funds were \$58,388, \$109,178 and \$325,362, respectively.

**Contractual Commitments**

As of December 31, 2018, the City had a contractual commitment in the amount of \$298,240 to purchase a sewer sweeper.

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.



**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

---

**NOTE 19 – SUBSEQUENT EVENTS**

On March 13, 2019, the City issued Various Purpose Bond Anticipation Notes in the amount of \$8,295,000 at an interest rate of 3.00 percent to refinance prior notes and to finance the costs of constructing improvements. These notes mature on March 12, 2020.

On March 22, 2019, the City refinanced a treasury investment in the amount of \$200,000 at an interest rate of 2.00 percent to finance the costs of urban renewal projects until the issuance of urban renewal bonds. This note matures on March 20, 2020.

*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 Five Years (1)*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b><i>Ohio Public Employees' Retirement System (OPERS)</i></b>					
City's Proportion of the Net Pension Liability	0.048450%	0.049453%	0.047988%	0.050309%	0.050309%
City's Proportionate Share of the Net Pension Liability	\$ 7,600,919	\$ 11,229,825	\$ 8,312,127	\$ 6,067,828	\$ 5,930,776
City's Covered Payroll	\$ 6,402,750	\$ 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	118.71%	175.36%	139.17%	98.38%	99.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%
<b><i>Ohio Police and Fire Pension Fund (OPF)</i></b>					
City's Proportion of the Net Pension Liability	0.204259%	0.220524%	0.208076%	0.199826%	0.199826%
City's Proportionate Share of the Net Pension Liability	\$ 12,536,313	\$ 13,967,769	\$ 13,385,675	\$ 10,351,794	\$ 9,732,129
City's Covered Payroll	\$ 4,469,975	\$ 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	280.46%	294.21%	315.23%	260.17%	244.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.91%	68.36%	66.77%	72.20%	73.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Contributions - Pension*  
*Last Ten Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><i>Ohio Public Employees' Retirement System (OPERS)</i></b>				
Contractually Required Contribution	\$ 942,468	\$ 832,358	\$ 768,481	\$ 716,711
Contributions in Relation to the Contractually Required Contribution	<u>(942,468)</u>	<u>(832,358)</u>	<u>(768,481)</u>	<u>(716,711)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City's Covered Payroll	\$ 6,731,914	\$ 6,402,750	\$ 6,404,008	\$ 5,972,592
Contributions as a Percentage of Covered Payroll	14.00%	13.00%	12.00%	12.00%
<b><i>Ohio Police and Fire Pension Fund (OPF)</i></b>				
Contractually Required Contribution	\$ 995,530	\$ 944,340	\$ 1,003,574	\$ 892,732
Contributions in Relation to the Contractually Required Contribution	<u>(995,530)</u>	<u>(944,340)</u>	<u>(1,003,574)</u>	<u>(892,732)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City's Covered Payroll	\$ 4,705,273	\$ 4,469,975	\$ 4,747,571	\$ 4,246,290
Contributions as a Percentage of Covered Payroll	21.16%	21.13%	21.14%	21.02%

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

See accompanying notes to the required supplementary information.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 740,152	\$ 775,938	n/a	n/a	n/a	n/a
<u>(740,152)</u>	<u>(775,938)</u>	n/a	n/a	n/a	n/a
<u>\$ 0</u>	<u>\$ 0</u>	n/a	n/a	n/a	n/a
\$ 6,167,933	\$ 5,968,754	n/a	n/a	n/a	n/a
12.00%	13.00%	n/a	n/a	n/a	n/a
\$ 836,257	\$ 705,855	\$ 595,236	\$ 636,740	\$ 628,677	\$ 622,699
<u>(836,257)</u>	<u>(705,855)</u>	<u>(595,236)</u>	<u>(636,740)</u>	<u>(628,677)</u>	<u>(622,699)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 3,978,838	\$ 3,980,738	\$ 4,044,258	\$ 4,311,948	\$ 4,263,870	\$ 4,234,396
21.02%	17.73%	14.72%	14.77%	14.74%	14.71%

See accompanying notes to the required supplementary information.

*This Page Intentionally Left Blank*

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

	<u>2018</u>	<u>2017</u>
<b><i>Ohio Public Employees' Retirement System (OPERS)</i></b>		
City's Proportion of the Net OPEB Liability	0.046800%	0.047728%
City's Proportionate Share of the Net OPEB Liability	\$ 5,082,150	\$ 4,820,690
City's Covered Payroll	\$ 6,402,750	\$ 6,404,008
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	79.37%	75.28%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.04%
<b><i>Ohio Police and Fire Pension Fund (OPF)</i></b>		
City's Proportion of the Net OPEB Liability	0.204259%	0.220524%
City's Proportionate Share of the Net OPEB Liability	\$ 11,573,046	\$ 10,467,778
City's Covered Payroll	\$ 4,469,975	\$ 4,747,571
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	258.91%	220.49%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.13%	15.96%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanying notes to the required supplementary information.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Contributions - OPEB*  
*Last Ten Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><i>Ohio Public Employees' Retirement System (OPERS)</i></b>				
Contractually Required Contribution	\$ 0	\$ 64,028	\$ 128,080	n/a
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>(64,028)</u>	<u>(128,080)</u>	n/a
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	n/a
City's Covered Payroll (1)	\$ 6,731,914	\$ 6,402,750	\$ 6,404,008	n/a
Contributions as a Percentage of Covered Payroll	0.00%	1.00%	2.00%	n/a
<b><i>Ohio Police and Fire Pension Fund (OPF)</i></b>				
Contractually Required Contribution	\$ 23,526	\$ 22,350	\$ 24,139	\$ 20,831
Contributions in Relation to the Contractually Required Contribution	<u>(23,526)</u>	<u>(22,350)</u>	<u>(24,139)</u>	<u>(20,831)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
City's Covered Payroll	\$ 4,705,273	\$ 4,469,975	\$ 4,747,571	\$ 4,246,290
Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%

(n/a) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(1) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan.

See accompanying notes to the required supplementary information.



<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
\$ 19,894	\$ 144,182	\$ 272,988	\$ 291,057	\$ 287,811	\$ 285,823
<u>(19,894)</u>	<u>(144,182)</u>	<u>(272,988)</u>	<u>(291,057)</u>	<u>(287,811)</u>	<u>(285,823)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 3,978,838	\$ 3,980,738	\$ 4,044,258	\$ 4,311,948	\$ 4,263,870	\$ 4,234,396
0.50%	3.62%	6.75%	6.75%	6.75%	6.75%

See accompanying notes to the required supplementary information.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2018*

---

**Note 1 - Net Pension Liability**

***Changes in Assumptions – OPERS***

Amounts reported in calendar year 2017 reflect an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectation of retired life mortality was based on RP-2014 Healthy Annuitant mortality table and RP-2014 Disabled mortality table. The following reductions were also made to the actuarial assumptions:

- Discount rate from 8.00 percent to 7.50 percent
- Wage inflation rate from 3.75 percent to 3.25 percent
- Price inflation from 3.00 percent to 2.50 percent

***Changes in Assumptions – OP&F***

For 2017, the single discount rate changed from 8.25 percent to 8.00 percent.

**Note 2 - Net OPEB Liability**

***Changes in Assumptions - OPERS***

For 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

***Changes in Assumptions – OPF***

For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

**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.

***Community Development Block Grant Fund***

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

***Municipal Vehicle Tax Levy Fund***

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

***Law Enforcement Fund***

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

***Municipal Court Health Insurance Fund***

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

***First Offenders Diversion Fund***

To account for court costs used to fund the cost of first offenders programs.

***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.

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

**Nonmajor Special Revenue Funds**

***Indigent Driving School Fund***

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

***DUS Diversion Fund***

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

***Court Computer Fund***

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

***Court Computer Research Fund***

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

***Court Special Projects Fund***

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

***Indigent Defendant Alcohol Monitoring Fund***

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

***State Highway Patrol Fund***

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

***Municipal Court Magistrates Fund***

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

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

**Nonmajor Capital Projects Funds**

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

***Safety Capital Improvement Fund***

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

***Recreation Capital Improvement Fund***

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

***Court Capital Improvement Fund***

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

***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.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2018*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Investments	\$ 1,450,022	\$ 1,153,708	\$ 2,603,730
Accounts Receivable	81,319	26,602	107,921
Intergovernmental Receivable	392,562	156,562	549,124
Taxes Receivable	822,327	0	822,327
Special Assessments Receivable	607,301	0	607,301
Materials and Supplies Inventory	139,272	0	139,272
<i>Total Assets</i>	<u>\$ 3,492,803</u>	<u>\$ 1,336,872</u>	<u>\$ 4,829,675</u>
<b>Liabilities</b>			
Accounts Payable	\$ 80,438	\$ 44,290	\$ 124,728
Accrued Wages	68,384	12,412	80,796
Contracts Payable	0	2,870	2,870
Intergovernmental Payable	168,976	6,218	175,194
<i>Total Liabilities</i>	<u>317,798</u>	<u>65,790</u>	<u>383,588</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes Levied for the Next Year	775,694	0	775,694
Delinquent Property Taxes	46,633	0	46,633
Unavailable Revenue	884,270	0	884,270
<i>Total Deferred Inflows of Resources</i>	<u>1,706,597</u>	<u>0</u>	<u>1,706,597</u>
<b>Fund Balances</b>			
Nonspendable	139,272	0	139,272
Restricted	1,456,988	894,849	2,351,837
Committed	0	376,233	376,233
Unassigned	(127,852)	0	(127,852)
<i>Total Fund Balances</i>	<u>1,468,408</u>	<u>1,271,082</u>	<u>2,739,490</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 3,492,803</u>	<u>\$ 1,336,872</u>	<u>\$ 4,829,675</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, 2018*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Property Taxes	\$ 737,329	\$ 0	\$ 737,329
Special Assessments	649,367	0	649,367
Charges for Services	772,094	81,000	853,094
Licenses and Permits	0	69,424	69,424
Fines and Forfeitures	890,990	404,597	1,295,587
Intergovernmental	1,023,450	1,170,880	2,194,330
Interest	4,535	0	4,535
Contributions and Donations	8,532	1,311	9,843
Reimbursements	0	7,189	7,189
Other	32,258	9,459	41,717
<i>Total Revenues</i>	<u>4,118,555</u>	<u>1,743,860</u>	<u>5,862,415</u>
<b>Expenditures</b>			
Current:			
General Government	772,183	0	772,183
Security of Persons and Property	1,801,174	0	1,801,174
Public Health	97,319	0	97,319
Leisure Time Services	1,923,206	0	1,923,206
Transportation	1,041,911	0	1,041,911
Capital Outlay	150,000	2,910,119	3,060,119
Debt Service:			
Principal Retirement	7,174	0	7,174
Interest and Fiscal Charges	7,618	0	7,618
<i>Total Expenditures</i>	<u>5,800,585</u>	<u>2,910,119</u>	<u>8,710,704</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,682,030)	(1,166,259)	(2,848,289)
<b>Other Financing Sources (Uses)</b>			
Inception of Capital Lease	0	63,602	63,602
Transfers In	1,575,000	1,060,000	2,635,000
<i>Total Other Financing Sources (Uses)</i>	<u>1,575,000</u>	<u>1,123,602</u>	<u>2,698,602</u>
<i>Net Change in Fund Balances</i>	(107,030)	(42,657)	(149,687)
<i>Fund Balances Beginning of Year</i>	<u>1,575,438</u>	<u>1,313,739</u>	<u>2,889,177</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,468,408</u>	<u>\$ 1,271,082</u>	<u>\$ 2,739,490</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2018*

	Recreation Fund	State Highway Fund	Street Maintenance Fund	Fire Pension Fund	Police Pension Fund
<b>Assets</b>					
Equity in Pooled Cash and Investments	\$ 44,241	\$ 17,912	\$ 19,291	\$ 4,575	\$ 16,446
Accounts Receivable	22,310	0	0	0	0
Intergovernmental Receivable	0	25,446	313,845	22,521	22,521
Taxes Receivable	0	0	0	365,603	365,603
Special Assessments Receivable	0	0	0	0	0
Materials and Supplies Inventory	0	0	139,272	0	0
<i>Total Assets</i>	<u>\$ 66,551</u>	<u>\$ 43,358</u>	<u>\$ 472,408</u>	<u>\$ 392,699</u>	<u>\$ 404,570</u>
<b>Liabilities</b>					
Accounts Payable	\$ 28,140	\$ 0	\$ 1,335	\$ 0	\$ 0
Accrued Wages	34,883	0	21,342	0	0
Intergovernmental Payable	18,049	0	9,915	63,597	70,755
<i>Total Liabilities</i>	<u>81,072</u>	<u>0</u>	<u>32,592</u>	<u>63,597</u>	<u>70,755</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes Levied for the Next Year	0	0	0	344,870	344,870
Delinquent Property Taxes	0	0	0	20,733	20,733
Unavailable Revenue	0	17,034	210,098	22,521	22,521
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>17,034</u>	<u>210,098</u>	<u>388,124</u>	<u>388,124</u>
<b>Fund Balances</b>					
Nonspendable	0	0	139,272	0	0
Restricted	0	26,324	90,446	0	0
Unassigned	(14,521)	0	0	(59,022)	(54,309)
<i>Total Fund Balances (Deficit)</i>	<u>(14,521)</u>	<u>26,324</u>	<u>229,718</u>	<u>(59,022)</u>	<u>(54,309)</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 66,551</u>	<u>\$ 43,358</u>	<u>\$ 472,408</u>	<u>\$ 392,699</u>	<u>\$ 404,570</u>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2018*

	Safe Students Fund	Public Safety Fund	Safe Passages Fund	Street Lighting Fund	Berea Welfare Fund	Community Hospital Fund
<b>Assets</b>						
Equity in Pooled Cash and Investments	\$ 0	\$ 9,022	\$ 2,782	\$ 274,628	\$ 0	\$ 0
Accounts Receivable	0	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	0	4,795
Taxes Receivable	0	0	0	0	0	91,121
Special Assessments Receivable	0	0	0	607,301	0	0
Materials and Supplies Inventory	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 0</u>	<u>\$ 9,022</u>	<u>\$ 2,782</u>	<u>\$ 881,929</u>	<u>\$ 0</u>	<u>\$ 95,916</u>
<b>Liabilities</b>						
Accounts Payable	\$ 0	\$ 286	\$ 48	\$ 43,611	\$ 0	\$ 0
Accrued Wages	0	0	0	0	0	0
Intergovernmental Payable	0	0	134	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>286</u>	<u>182</u>	<u>43,611</u>	<u>0</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes Levied for the Next Year	0	0	0	0	0	85,954
Delinquent Property Taxes	0	0	0	0	0	5,167
Unavailable Revenue	0	0	0	607,301	0	4,795
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>607,301</u>	<u>0</u>	<u>95,916</u>
<b>Fund Balances</b>						
Nonspendable	0	0	0	0	0	0
Restricted	0	8,736	2,600	231,017	0	0
Unassigned	0	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>8,736</u>	<u>2,600</u>	<u>231,017</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 0</u>	<u>\$ 9,022</u>	<u>\$ 2,782</u>	<u>\$ 881,929</u>	<u>\$ 0</u>	<u>\$ 95,916</u>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2018*

	Community Development Block Grant Fund	Municipal Vehicle Tax Levy Fund	Law Enforcement Fund	Municipal Court Health Insurance Fund	First Offenders Diversion Fund	Probation Services Fund
<b>Assets</b>						
Equity in Pooled Cash and Investments	\$ 0	\$ 1,803	\$ 8,583	\$ 74,297	\$ 1,895	\$ 12,441
Accounts Receivable	0	0	0	4,562	0	20,576
Intergovernmental Receivable	0	3,434	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>\$ 0</u>	<u>\$ 5,237</u>	<u>\$ 8,583</u>	<u>\$ 78,859</u>	<u>\$ 1,895</u>	<u>\$ 33,017</u>
<b>Liabilities</b>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 362
Accrued Wages	0	0	0	0	0	9,437
Intergovernmental Payable	0	0	0	0	0	4,926
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,725</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes Levied for the Next Year	0	0	0	0	0	0
Delinquent Property Taxes	0	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>						
Nonspendable	0	0	0	0	0	0
Restricted	0	5,237	8,583	78,859	1,895	18,292
Unassigned	0	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>5,237</u>	<u>8,583</u>	<u>78,859</u>	<u>1,895</u>	<u>18,292</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 0</u>	<u>\$ 5,237</u>	<u>\$ 8,583</u>	<u>\$ 78,859</u>	<u>\$ 1,895</u>	<u>\$ 33,017</u>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2018*

	Indigent Driver Alcohol Treatment Fund	DUI Education Fund	Theft Diversion Fund	Indigent Driving School Fund	DUS Diversion Fund	Court Computer Fund
<b>Assets</b>						
Equity in Pooled Cash and Investments	\$ 530,664	\$ 27,256	\$ 4,026	\$ 1,028	\$ 9,446	\$ 130,577
Accounts Receivable	3,536	300	1,850	0	695	8,803
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>\$ 534,200</u>	<u>\$ 27,556</u>	<u>\$ 5,876</u>	<u>\$ 1,028</u>	<u>\$ 10,141</u>	<u>\$ 139,380</u>
<b>Liabilities</b>						
Accounts Payable	\$ 685	\$ 0	\$ 0	\$ 0	\$ 0	\$ 546
Accrued Wages	0	0	407	0	714	0
Intergovernmental Payable	0	0	212	0	373	0
<i>Total Liabilities</i>	<u>685</u>	<u>0</u>	<u>619</u>	<u>0</u>	<u>1,087</u>	<u>546</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes Levied for the Next Year	0	0	0	0	0	0
Delinquent Property Taxes	0	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>						
Nonspendable	0	0	0	0	0	0
Restricted	533,515	27,556	5,257	1,028	9,054	138,834
Unassigned	0	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>533,515</u>	<u>27,556</u>	<u>5,257</u>	<u>1,028</u>	<u>9,054</u>	<u>138,834</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 534,200</u>	<u>\$ 27,556</u>	<u>\$ 5,876</u>	<u>\$ 1,028</u>	<u>\$ 10,141</u>	<u>\$ 139,380</u>

*(continued)*

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2018*

	Court Computer Research Fund	Court Special Projects Fund	Indigent Defendant Alcohol Monitoring Fund	State Highway Patrol Fund	Municipal Court Magistrates Fund	Total Nonmajor Special Revenue Funds
<b>Assets</b>						
Equity in Pooled Cash and Investments	\$ 21,700	\$ 105,040	\$ 97,906	\$ 2,801	\$ 31,662	\$ 1,450,022
Accounts Receivable	2,651	9,250	806	512	5,468	81,319
Intergovernmental Receivable	0	0	0	0	0	392,562
Taxes Receivable	0	0	0	0	0	822,327
Special Assessments Receivable	0	0	0	0	0	607,301
Materials and Supplies Inventory	0	0	0	0	0	139,272
<i>Total Assets</i>	<u>\$ 24,351</u>	<u>\$ 114,290</u>	<u>\$ 98,712</u>	<u>\$ 3,313</u>	<u>\$ 37,130</u>	<u>\$ 3,492,803</u>
<b>Liabilities</b>						
Accounts Payable	\$ 225	\$ 4,027	\$ 1,173	\$ 0	\$ 0	\$ 80,438
Accrued Wages	0	0	0	0	1,601	68,384
Intergovernmental Payable	0	0	0	0	1,015	168,976
<i>Total Liabilities</i>	<u>225</u>	<u>4,027</u>	<u>1,173</u>	<u>0</u>	<u>2,616</u>	<u>317,798</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes Levied for the Next Year	0	0	0	0	0	775,694
Delinquent Property Taxes	0	0	0	0	0	46,633
Unavailable Revenue	0	0	0	0	0	884,270
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,706,597</u>
<b>Fund Balances</b>						
Nonspendable	0	0	0	0	0	139,272
Restricted	24,126	110,263	97,539	3,313	34,514	1,456,988
Unassigned	0	0	0	0	0	(127,852)
<i>Total Fund Balances (Deficit)</i>	<u>24,126</u>	<u>110,263</u>	<u>97,539</u>	<u>3,313</u>	<u>34,514</u>	<u>1,468,408</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 24,351</u>	<u>\$ 114,290</u>	<u>\$ 98,712</u>	<u>\$ 3,313</u>	<u>\$ 37,130</u>	<u>\$ 3,492,803</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, 2018*

	Recreation Fund	State Highway Fund	Street Maintenance Fund	Fire Pension Fund	Police Pension Fund
<b>Revenues</b>					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 325,356	\$ 325,356
Special Assessments	0	0	0	0	0
Charges for Services	772,094	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	0	51,500	635,171	45,057	45,057
Interest	0	2,379	2,156	0	0
Contributions and Donations	0	0	0	0	0
Other	13,775	0	9,224	0	0
<i>Total Revenues</i>	<u>785,869</u>	<u>53,879</u>	<u>646,551</u>	<u>370,413</u>	<u>370,413</u>
<b>Expenditures</b>					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	0	0	537,310	484,337
Public Health	0	0	0	0	0
Leisure Time Services	1,923,206	0	0	0	0
Transportation	0	89,455	903,456	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	1,842	5,332
Interest and Fiscal Charges	0	0	0	1,956	5,662
<i>Total Expenditures</i>	<u>1,923,206</u>	<u>89,455</u>	<u>903,456</u>	<u>541,108</u>	<u>495,331</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,137,337)	(35,576)	(256,905)	(170,695)	(124,918)
<b>Other Financing Sources (Uses)</b>					
Transfers In	1,110,000	0	195,000	155,000	115,000
<i>Net Change in Fund Balances</i>	(27,337)	(35,576)	(61,905)	(15,695)	(9,918)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>12,816</u>	<u>61,900</u>	<u>291,623</u>	<u>(43,327)</u>	<u>(44,391)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ (14,521)</u>	<u>\$ 26,324</u>	<u>\$ 229,718</u>	<u>\$ (59,022)</u>	<u>\$ (54,309)</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, 2018*

	Safe Students Fund	Public Safety Fund	Safe Passages Fund	Street Lighting Fund	Berea Welfare Fund	Community Hospital Fund
<b>Revenues</b>						
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 86,617
Special Assessments	0	0	0	649,367	0	0
Charges for Services	0	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0	0
Intergovernmental	20,000	0	0	0	0	9,593
Interest	0	0	0	0	0	0
Contributions and Donations	0	240	8,292	0	0	0
Other	0	0	0	0	0	0
<i>Total Revenues</i>	<u>20,000</u>	<u>240</u>	<u>8,292</u>	<u>649,367</u>	<u>0</u>	<u>96,210</u>
<b>Expenditures</b>						
Current:						
General Government	0	0	0	0	0	0
Security of Persons and Property	20,000	9,432	7,261	742,834	0	0
Public Health	0	0	0	0	1,109	96,210
Leisure Time Services	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>20,000</u>	<u>9,432</u>	<u>7,261</u>	<u>742,834</u>	<u>1,109</u>	<u>96,210</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(9,192)	1,031	(93,467)	(1,109)	0
<b>Other Financing Sources (Uses)</b>						
Transfers In	0	0	0	0	0	0
<i>Net Change in Fund Balances</i>	0	(9,192)	1,031	(93,467)	(1,109)	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>17,928</u>	<u>1,569</u>	<u>324,484</u>	<u>1,109</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 8,736</u>	<u>\$ 2,600</u>	<u>\$ 231,017</u>	<u>\$ 0</u>	<u>\$ 0</u>

*(continued)*



**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2018*

	Community Development Block Grant Fund	Municipal Vehicle Tax Levy Fund	Law Enforcement Fund	Municipal Court Health Insurance Fund	First Offenders Diversion Fund	Probation Services Fund
<b>Revenues</b>						
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Assessments	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	0
Fines and Forfeitures	0	0	0	70,045	1,895	279,154
Intergovernmental	150,000	40,072	0	0	0	0
Interest	0	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	0
Other	0	0	4,160	0	0	3,428
<i>Total Revenues</i>	<u>150,000</u>	<u>40,072</u>	<u>4,160</u>	<u>70,045</u>	<u>1,895</u>	<u>282,582</u>
<b>Expenditures</b>						
Current:						
General Government	0	0	0	39,471	0	262,319
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	49,000	0	0	0	0
Capital Outlay	150,000	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>150,000</u>	<u>49,000</u>	<u>0</u>	<u>39,471</u>	<u>0</u>	<u>262,319</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(8,928)	4,160	30,574	1,895	20,263
<b>Other Financing Sources (Uses)</b>						
Transfers In	0	0	0	0	0	0
<i>Net Change in Fund Balances</i>	0	(8,928)	4,160	30,574	1,895	20,263
<i>Fund Balances (Deficit) Beginning of Year</i>	0	14,165	4,423	48,285	0	(1,971)
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 5,237</u>	<u>\$ 8,583</u>	<u>\$ 78,859</u>	<u>\$ 1,895</u>	<u>\$ 18,292</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, 2018*

	Indigent Driver Alcohol Treatment Fund	DUI Education Fund	Theft Diversion Fund	Indigent Driving School Fund	DUS Diversion Fund	Court Computer Fund
<b>Revenues</b>						
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Assessments	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	0
Fines and Forfeitures	74,789	3,866	17,233	0	21,049	136,683
Intergovernmental	0	0	0	0	0	27,000
Interest	0	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	0
Other	0	0	0	0	531	0
<i>Total Revenues</i>	<u>74,789</u>	<u>3,866</u>	<u>17,233</u>	<u>0</u>	<u>21,580</u>	<u>163,683</u>
<b>Expenditures</b>						
Current:						
General Government	64,466	0	19,873	0	30,569	114,912
Security of Persons and Property	0	0	0	0	0	0
Public Health	0	0	0	0	0	0
Leisure Time Services	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>64,466</u>	<u>0</u>	<u>19,873</u>	<u>0</u>	<u>30,569</u>	<u>114,912</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	10,323	3,866	(2,640)	0	(8,989)	48,771
<b>Other Financing Sources (Uses)</b>						
Transfers In	0	0	0	0	0	0
<i>Net Change in Fund Balances</i>	10,323	3,866	(2,640)	0	(8,989)	48,771
<i>Fund Balances (Deficit) Beginning 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>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 533,515</u>	<u>\$ 27,556</u>	<u>\$ 5,257</u>	<u>\$ 1,028</u>	<u>\$ 9,054</u>	<u>\$ 138,834</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, 2018*

	Court Computer Research Fund	Court Special Projects Fund	Indigent Defendant Alcohol Monitoring Fund	State Highway Patrol Fund	Municipal Court Magistrates Fund	Total Nonmajor Special Revenue Funds
<b>Revenues</b>						
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 737,329
Special Assessments	0	0	0	0	0	649,367
Charges for Services	0	0	0	0	0	772,094
Fines and Forfeitures	41,109	139,037	16,957	5,137	84,036	890,990
Intergovernmental	0	0	0	0	0	1,023,450
Interest	0	0	0	0	0	4,535
Contributions and Donations	0	0	0	0	0	8,532
Other	0	0	0	0	1,140	32,258
<i>Total Revenues</i>	<u>41,109</u>	<u>139,037</u>	<u>16,957</u>	<u>5,137</u>	<u>85,176</u>	<u>4,118,555</u>
<b>Expenditures</b>						
Current:						
General Government	34,246	111,783	28,537	2,207	63,800	772,183
Security of Persons and Property	0	0	0	0	0	1,801,174
Public Health	0	0	0	0	0	97,319
Leisure Time Services	0	0	0	0	0	1,923,206
Transportation	0	0	0	0	0	1,041,911
Capital Outlay	0	0	0	0	0	150,000
Debt Service:						
Principal Retirement	0	0	0	0	0	7,174
Interest and Fiscal Charges	0	0	0	0	0	7,618
<i>Total Expenditures</i>	<u>34,246</u>	<u>111,783</u>	<u>28,537</u>	<u>2,207</u>	<u>63,800</u>	<u>5,800,585</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	6,863	27,254	(11,580)	2,930	21,376	(1,682,030)
<b>Other Financing Sources (Uses)</b>						
Transfers In	0	0	0	0	0	1,575,000
<i>Net Change in Fund Balances</i>	6,863	27,254	(11,580)	2,930	21,376	(107,030)
<i>Fund Balances (Deficit) Beginning 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>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 24,126</u>	<u>\$ 110,263</u>	<u>\$ 97,539</u>	<u>\$ 3,313</u>	<u>\$ 34,514</u>	<u>\$ 1,468,408</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2018*

	Safety Capital Improvement Fund	Recreation Capital Improvement Fund	Court Capital Improvement Fund	Neighborhood Improvement Fund	Total Nonmajor Capital Projects Funds
<b>Assets</b>					
Equity in Pooled Cash and Investments	\$ 123,156	\$ 58,962	\$ 874,117	\$ 97,473	\$ 1,153,708
Accounts Receivable	0	0	26,602	0	26,602
Intergovernmental Receivable	6,562	150,000	0	0	156,562
<i>Total Assets</i>	<u>\$ 129,718</u>	<u>\$ 208,962</u>	<u>\$ 900,719</u>	<u>\$ 97,473</u>	<u>\$ 1,336,872</u>
<b>Liabilities</b>					
Accounts Payable	\$ 13,370	\$ 16,542	\$ 3,000	\$ 11,378	\$ 44,290
Accrued Wages	0	0	0	12,412	12,412
Contracts Payable	0	0	2,870	0	2,870
Intergovernmental Payable	0	0	0	6,218	6,218
<i>Total Liabilities</i>	<u>13,370</u>	<u>16,542</u>	<u>5,870</u>	<u>30,008</u>	<u>65,790</u>
<b>Fund Balances</b>					
Restricted	0	0	894,849	0	894,849
Committed	116,348	192,420	0	67,465	376,233
<i>Total Fund Balances (Deficit)</i>	<u>116,348</u>	<u>192,420</u>	<u>894,849</u>	<u>67,465</u>	<u>1,271,082</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 129,718</u>	<u>\$ 208,962</u>	<u>\$ 900,719</u>	<u>\$ 97,473</u>	<u>\$ 1,336,872</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2018*

	Safety Capital Improvement Fund	Recreation Capital Improvement Fund	Court Capital Improvement Fund	Neighborhood Improvement Fund	Total Nonmajor Capital Projects Funds
<b>Revenues</b>					
Charges for Services	\$ 81,000	\$ 0	\$ 0	\$ 0	\$ 81,000
Licenses and Permits	0	0	0	69,424	69,424
Fines and Forfeitures	0	0	404,597	0	404,597
Intergovernmental	653,932	475,000	0	41,948	1,170,880
Contributions and Donations	1,311	0	0	0	1,311
Reimbursements	0	500	0	6,689	7,189
Other	3,281	0	0	6,178	9,459
<i>Total Revenues</i>	<u>739,524</u>	<u>475,500</u>	<u>404,597</u>	<u>124,239</u>	<u>1,743,860</u>
<b>Expenditures</b>					
Capital Outlay	<u>1,359,791</u>	<u>786,605</u>	<u>44,112</u>	<u>719,611</u>	<u>2,910,119</u>
<i>Total Expenditures</i>	<u>1,359,791</u>	<u>786,605</u>	<u>44,112</u>	<u>719,611</u>	<u>2,910,119</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(620,267)</u>	<u>(311,105)</u>	<u>360,485</u>	<u>(595,372)</u>	<u>(1,166,259)</u>
<b>Other Financing Sources (Uses)</b>					
Inception of Capital Lease	0	63,602	0	0	63,602
Transfers In	<u>30,000</u>	<u>400,000</u>	<u>0</u>	<u>630,000</u>	<u>1,060,000</u>
<i>Total Other Financing Sources (Uses)</i>	<u>30,000</u>	<u>463,602</u>	<u>0</u>	<u>630,000</u>	<u>1,123,602</u>
<i>Net Change in Fund Balances</i>	(590,267)	152,497	360,485	34,628	(42,657)
<i>Fund Balances Beginning of Year</i>	<u>706,615</u>	<u>39,923</u>	<u>534,364</u>	<u>32,837</u>	<u>1,313,739</u>
<i>Fund Balances End of Year</i>	<u>\$ 116,348</u>	<u>\$ 192,420</u>	<u>\$ 894,849</u>	<u>\$ 67,465</u>	<u>\$ 1,271,082</u>

*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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$ 1,607,754	\$ 1,607,754	\$ 0
Income Taxes	13,902,108	13,902,108	0
Other Local Taxes	242,967	243,864	897
Special Assessments	15,319	15,319	0
Charges for Services	410,310	410,310	0
Licenses and Permits	576,567	591,008	14,441
Fines and Forfeitures	72,559	73,288	729
Intergovernmental	652,517	654,497	1,980
Interest	216,569	216,569	0
Rent	50,000	50,000	0
Reimbursements	17,990	17,990	0
Other	166,511	166,511	0
<i>Total Revenues</i>	<u>17,931,171</u>	<u>17,949,218</u>	<u>18,047</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Police Department:			
Personal Services	2,823,547	2,790,444	33,103
Other	601,300	596,358	4,942
Total Police Department	<u>3,424,847</u>	<u>3,386,802</u>	<u>38,045</u>
Fire:			
Personal Services	2,315,468	2,286,645	28,823
Other	92,400	87,938	4,462
Total Fire Department	<u>2,407,868</u>	<u>2,374,583</u>	<u>33,285</u>
Total Security of Persons and Property	<u>5,832,715</u>	<u>5,761,385</u>	<u>71,330</u>
Leisure Time Services:			
Municipal Signage:			
Personal Services	83,655	83,647	8
Other	12,900	12,751	149
Total Municipal Signage	<u>96,555</u>	<u>96,398</u>	<u>157</u>
Public Grounds:			
Personal Services	471,688	471,688	0
Other	69,961	69,292	669
Total Public Grounds	<u>541,649</u>	<u>540,980</u>	<u>669</u>
Total Leisure Time Services	<u>638,204</u>	<u>637,378</u>	<u>826</u>
Community Development:			
Building Department:			
Personal Services	171,182	171,136	46
Other	89,281	89,042	239
Total Building Department	<u>260,463</u>	<u>260,178</u>	<u>285</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, 2018*

	Final Budget	Actual	Variance with Final Budget
Engineering Department:			
Personal Services	\$ 100,327	\$ 100,321	\$ 6
Other	18,964	18,020	944
Total Engineering Department	<u>119,291</u>	<u>118,341</u>	<u>950</u>
Total Community Development	<u>379,754</u>	<u>378,519</u>	<u>1,235</u>
Public Works:			
Storm Sewers and Drains:			
Personal Services	17,052	16,948	104
Other	4,195	4,172	23
Total Storm Sewers and Drains	<u>21,247</u>	<u>21,120</u>	<u>127</u>
Refuse Collection and Disposal:			
Other	<u>978,000</u>	<u>977,661</u>	<u>339</u>
Leaf Collection:			
Personal Services	55,100	55,006	94
Other	11,015	10,313	702
Total Leaf Collection	<u>66,115</u>	<u>65,319</u>	<u>796</u>
Snow Removal:			
Personal Services	132,875	132,818	57
Other	107,010	106,645	365
Total Snow Removal	<u>239,885</u>	<u>239,463</u>	<u>422</u>
Total Public Works	<u>1,305,247</u>	<u>1,303,563</u>	<u>1,684</u>
General Government:			
Council:			
Personal Services	141,000	140,955	45
Other	6,150	4,405	1,745
Total Council	<u>147,150</u>	<u>145,360</u>	<u>1,790</u>
Mayor:			
Personal Services	152,198	148,380	3,818
Other	9,275	7,193	2,082
Total Mayor	<u>161,473</u>	<u>155,573</u>	<u>5,900</u>
Finance:			
Personal Services	296,353	276,961	19,392
Other	9,000	4,129	4,871
Total Finance	<u>305,353</u>	<u>281,090</u>	<u>24,263</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, 2018*

	Final Budget	Actual	Variance with Final Budget
Law:			
Personal Services	\$ 269,186	\$ 265,955	\$ 3,231
Other	25,510	19,736	5,774
Total Law	<u>294,696</u>	<u>285,691</u>	<u>9,005</u>
Civil Service Commission:			
Other	8,500	8,476	24
Public Safety:			
Personal Services	52,654	50,588	2,066
Other	12,300	5,194	7,106
Total Public Safety	<u>64,954</u>	<u>55,782</u>	<u>9,172</u>
Municipal Fleet and Equipment:			
Personal Services	169,962	169,889	73
Other	206,855	204,247	2,608
Total Municipal Fleet and Equipment	<u>376,817</u>	<u>374,136</u>	<u>2,681</u>
Municipal Building:			
Personal Services	77,792	68,444	9,348
Other	375,576	372,489	3,087
Total Municipal Building	<u>453,368</u>	<u>440,933</u>	<u>12,435</u>
Service Administration:			
Personal Services	145,982	145,875	107
Other	17,410	16,448	962
Total Service Administration	<u>163,392</u>	<u>162,323</u>	<u>1,069</u>
Planning and Development:			
Other	11,200	10,089	1,111
Administration:			
Personal Services	2,259,033	2,202,168	56,865
Other	1,508,378	1,478,432	29,946
Total Administration	<u>3,767,411</u>	<u>3,680,600</u>	<u>86,811</u>
Total General Government	<u>5,754,314</u>	<u>5,600,053</u>	<u>154,261</u>
Debt Service:			
Principal Retirement	10,750	10,750	0
Interest and Fiscal Charges	732	732	0
Total Debt Service	<u>11,482</u>	<u>11,482</u>	<u>0</u>
<i>Total Expenditures</i>	<u>13,921,716</u>	<u>13,692,380</u>	<u>229,336</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,009,455</u>	<u>4,256,838</u>	<u>247,383</u> <i>(continued)</i>

**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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Assets	\$ 1,771	\$ 1,771	\$ 0
Transfers Out	(3,839,000)	(3,839,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(3,837,229)</u>	<u>(3,837,229)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	172,226	419,609	247,383
<i>Fund Balance (Deficit) Beginning of Year</i>	2,913,113	2,913,113	0
Prior Year Encumbrances Appropriated	<u>39,897</u>	<u>39,897</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 3,125,236</u>	<u>\$ 3,372,619</u>	<u>\$ 247,383</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 485	\$ 485	\$ 0
<i>Total Revenues</i>	<u>485</u>	<u>485</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Other	625	575	50
<i>Total Expenditures</i>	<u>625</u>	<u>575</u>	<u>50</u>
<i>Net Change in Fund Balance</i>	(140)	(90)	50
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>150</u>	<u>150</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 10</u></u>	<u><u>\$ 60</u></u>	<u><u>\$ 50</u></u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Court Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 1,659,441	\$ 1,664,458	\$ 5,017
Reimbursements	19,904	19,904	0
Other	15,082	15,082	0
<i>Total Revenues</i>	<u>1,694,427</u>	<u>1,699,444</u>	<u>5,017</u>
<b>Expenditures</b>			
Current:			
General Government:			
Municipal Court:			
Personal Services	1,523,505	1,470,025	53,480
Other	200,932	159,502	41,430
Total General Government	<u>1,724,437</u>	<u>1,629,527</u>	<u>94,910</u>
Debt Service:			
Principal Retirement	4,735	4,735	0
Interest and Fiscal Charges	433	433	0
Total Debt Service	<u>5,168</u>	<u>5,168</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,729,605</u>	<u>1,634,695</u>	<u>94,910</u>
<i>Net Change in Fund Balance</i>	(35,178)	64,749	99,927
<i>Fund Balance (Deficit) Beginning of Year</i>	213,595	213,595	0
Prior Year Encumbrances Appropriated	<u>3,895</u>	<u>3,895</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 182,312</u>	<u>\$ 282,239</u>	<u>\$ 99,927</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$ 1,424,912	\$ 1,424,912	\$ 0
Intergovernmental	200,262	200,262	0
Investment Income	9,300	9,300	0
<i>Total Revenues</i>	<u>1,634,474</u>	<u>1,634,474</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Other	149,090	66,121	82,969
Debt Service:			
Principal Retirement	16,505,900	16,505,900	0
Interest and Fiscal Charges	827,314	827,314	0
Total Debt Service	<u>17,333,214</u>	<u>17,333,214</u>	<u>0</u>
<i>Total Expenditures</i>	<u>17,482,304</u>	<u>17,399,335</u>	<u>82,969</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(15,847,830)</u>	<u>(15,764,861)</u>	<u>82,969</u>
<b>Other Financing Sources (Uses)</b>			
Issuance of Notes	14,700,900	14,700,900	0
Premium on Debt Issued	107,790	107,790	0
Transfers In	350,000	350,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>15,158,690</u>	<u>15,158,690</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(689,140)	(606,171)	82,969
<i>Fund Balance (Deficit) Beginning of Year (Restated)</i>	<u>2,633,382</u>	<u>2,633,382</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 1,944,242</u>	<u>\$ 2,027,211</u>	<u>\$ 82,969</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 1,674,515	\$ 1,674,515	\$ 0
Rent	54,905	57,839	2,934
Reimbursements	99,962	99,962	0
<i>Total Revenues</i>	<u>1,829,382</u>	<u>1,832,316</u>	<u>2,934</u>
<b>Expenditures</b>			
Capital Outlay	3,594,372	3,521,980	72,392
Debt Service:			
Principal Retirement	254,042	254,042	0
Interest and Fiscal Charges	19,038	19,038	0
Total Debt Service	<u>273,080</u>	<u>273,080</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,867,452</u>	<u>3,795,060</u>	<u>72,392</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,038,070)</u>	<u>(1,962,744)</u>	<u>75,326</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Assets	14,781	14,781	0
Proceeds of OPWC Loans	272,654	272,654	0
Advances In	400,000	400,000	0
Advances Out	(600,000)	(600,000)	0
Transfers In	854,000	854,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>941,435</u>	<u>941,435</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,096,635)	(1,021,309)	75,326
<i>Fund Balance (Deficit) Beginning of Year</i>	661,511	661,511	0
<i>Prior Year Encumbrances Appropriated</i>	<u>644,677</u>	<u>644,677</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 209,553</u>	<u>\$ 284,879</u>	<u>\$ 75,326</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Charges for Services	\$ 763,646	\$ 766,696	\$ 3,050
Other	13,775	13,775	0
<i>Total Revenues</i>	<u>777,421</u>	<u>780,471</u>	<u>3,050</u>
<b>Expenditures</b>			
Current:			
Leisure Time Services:			
Personal Services	1,064,950	1,055,711	9,239
Other	872,348	866,924	5,424
<i>Total Expenditures</i>	<u>1,937,298</u>	<u>1,922,635</u>	<u>14,663</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,159,877)</u>	<u>(1,142,164)</u>	<u>17,713</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	1,110,000	1,110,000	0
<i>Net Change in Fund Balance</i>	(49,877)	(32,164)	17,713
<i>Fund Balance (Deficit) Beginning of Year</i>	54,215	54,215	0
Prior Year Encumbrances Appropriated	13,371	13,371	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 17,709</u>	<u>\$ 35,422</u>	<u>\$ 17,713</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 51,414	\$ 51,414	\$ 0
Investment Income	2,379	2,379	0
<i>Total Revenues</i>	<u>53,793</u>	<u>53,793</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Transportation:			
Other	100,000	89,455	10,545
<i>Total Expenditures</i>	<u>100,000</u>	<u>89,455</u>	<u>10,545</u>
<i>Net Change in Fund Balance</i>	(46,207)	(35,662)	10,545
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>53,573</u>	<u>53,573</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 7,366</u>	<u>\$ 17,911</u>	<u>\$ 10,545</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 634,111	\$ 634,111	\$ 0
Investment Income	2,156	2,156	0
Other	9,224	9,224	0
<i>Total Revenues</i>	<u>645,491</u>	<u>645,491</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Transportation:			
Personal Services	722,230	714,300	7,930
Other	167,946	161,973	5,973
<i>Total Expenditures</i>	<u>890,176</u>	<u>876,273</u>	<u>13,903</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(244,685)</u>	<u>(230,782)</u>	<u>13,903</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	195,000	195,000	0
<i>Net Change in Fund Balance</i>	(49,685)	(35,782)	13,903
<i>Fund Balance (Deficit) Beginning of Year</i>	52,627	52,627	0
Prior Year Encumbrances Appropriated	1,602	1,602	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 4,544</u>	<u>\$ 18,447</u>	<u>\$ 13,903</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$ 325,356	\$ 325,356	\$ 0
Intergovernmental	45,057	45,057	0
<i>Total Revenues</i>	<u>370,413</u>	<u>370,413</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Personal Services	546,432	545,279	1,153
<i>Total Expenditures</i>	<u>546,432</u>	<u>545,279</u>	<u>1,153</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(176,019)</u>	<u>(174,866)</u>	<u>1,153</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	155,000	155,000	0
<i>Net Change in Fund Balance</i>	(21,019)	(19,866)	1,153
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>24,440</u>	<u>24,440</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 3,421</u>	<u>\$ 4,574</u>	<u>\$ 1,153</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$ 325,356	\$ 325,356	\$ 0
Intergovernmental	45,057	45,057	0
<i>Total Revenues</i>	<u>370,413</u>	<u>370,413</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Personal Services	490,339	488,569	1,770
<i>Total Expenditures</i>	<u>490,339</u>	<u>488,569</u>	<u>1,770</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(119,926)</u>	<u>(118,156)</u>	<u>1,770</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	115,000	115,000	0
<i>Net Change in Fund Balance</i>	(4,926)	(3,156)	1,770
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>19,602</u>	<u>19,602</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 14,676</u>	<u>\$ 16,446</u>	<u>\$ 1,770</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, 2018*

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

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public Safety Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Contributions and Donations	\$ 240	\$ 240	\$ 0
<i>Total Revenues</i>	240	240	0
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Personal Services	18,000	9,432	8,568
<i>Total Expenditures</i>	18,000	9,432	8,568
<i>Net Change in Fund Balance</i>	(17,760)	(9,192)	8,568
<i>Fund Balance (Deficit) Beginning of Year</i>	17,823	17,823	0
Prior Year Encumbrances Appropriated	191	191	0
<i>Fund Balance (Deficit) End of Year</i>	\$ 254	\$ 8,822	\$ 8,568

**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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Contributions and Donations	\$ 8,292	\$ 8,292	\$ 0
<i>Total Revenues</i>	<u>8,292</u>	<u>8,292</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Other	10,000	7,351	2,649
<i>Total Expenditures</i>	<u>10,000</u>	<u>7,351</u>	<u>2,649</u>
<i>Net Change in Fund Balance</i>	(1,708)	941	2,649
<i>Fund Balance (Deficit) Beginning of Year</i>	1,569	1,569	0
Prior Year Encumbrances Appropriated	<u>272</u>	<u>272</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 133</u>	<u>\$ 2,782</u>	<u>\$ 2,649</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Special Assessments	\$ 649,367	\$ 649,367	\$ 0
<i>Total Revenues</i>	<u>649,367</u>	<u>649,367</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Other	931,000	904,649	26,351
<i>Total Expenditures</i>	<u>931,000</u>	<u>904,649</u>	<u>26,351</u>
<i>Net Change in Fund Balance</i>	(281,633)	(255,282)	26,351
<i>Fund Balance (Deficit) Beginning of Year</i>	270,352	270,352	0
Prior Year Encumbrances Appropriated	<u>59,094</u>	<u>59,094</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 47,813</u>	<u>\$ 74,164</u>	<u>\$ 26,351</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>	\$ 0	\$ 0	\$ 0
<b>Expenditures</b>			
Current:			
Public Health and Welfare:			
Other	1,109	1,109	0
<i>Total Expenditures</i>	1,109	1,109	0
<i>Net Change in Fund Balance</i>	(1,109)	(1,109)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	1,109	1,109	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Community Hospital Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$ 86,617	\$ 86,617	\$ 0
Intergovernmental	9,593	9,593	0
<i>Total Revenues</i>	<u>96,210</u>	<u>96,210</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Public Health and Welfare:			
Other	96,210	96,210	0
<i>Total Expenditures</i>	<u>96,210</u>	<u>96,210</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Community Development Block Grant Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 150,000	\$ 150,000	\$ 0
<i>Total Revenues</i>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
<b>Expenditures</b>			
Capital Outlay:			
Other	150,000	150,000	0
<i>Total Expenditures</i>	<u>150,000</u>	<u>150,000</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*  
*Municipal Vehicle Tax Levy Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 39,730	\$ 39,730	\$ 0
<i>Total Revenues</i>	<u>39,730</u>	<u>39,730</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Transportation:			
Other	49,000	49,000	0
<i>Total Expenditures</i>	<u>49,000</u>	<u>49,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(9,270)	(9,270)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>11,075</u>	<u>11,075</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 1,805</u></u>	<u><u>\$ 1,805</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*  
*Law Enforcement Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Other	\$ 4,160	\$ 4,160	\$ 0
<i>Total Revenues</i>	<u>4,160</u>	<u>4,160</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Other	4,622	0	4,622
<i>Total Expenditures</i>	<u>4,622</u>	<u>0</u>	<u>4,622</u>
<i>Net Change in Fund Balance</i>	(462)	4,160	4,622
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>4,423</u>	<u>4,423</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 3,961</u></u>	<u><u>\$ 8,583</u></u>	<u><u>\$ 4,622</u></u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Municipal Court Health Insurance Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 69,758	\$ 69,758	\$ 0
<i>Total Revenues</i>	<u>69,758</u>	<u>69,758</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Other	52,701	39,471	13,230
<i>Total Expenditures</i>	<u>52,701</u>	<u>39,471</u>	<u>13,230</u>
<i>Net Change in Fund Balance</i>	17,057	30,287	13,230
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>44,010</u>	<u>44,010</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 61,067</u></u>	<u><u>\$ 74,297</u></u>	<u><u>\$ 13,230</u></u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*First Offenders Diversion Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 1,895	\$ 1,895	\$ 0
<i>Total Revenues</i>	<u>1,895</u>	<u>1,895</u>	<u>0</u>
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,895	1,895	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>\$ 1,895</u></u>	<u><u>\$ 1,895</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*  
*Probation Services Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 280,313	\$ 280,313	\$ 0
Other	3,428	3,428	0
<i>Total Revenues</i>	<u>283,741</u>	<u>283,741</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Personal Services	243,941	242,031	1,910
Other	41,250	39,216	2,034
<i>Total Expenditures</i>	<u>285,191</u>	<u>281,247</u>	<u>3,944</u>
<i>Net Change in Fund Balance</i>	(1,450)	2,494	3,944
<i>Fund Balance (Deficit) Beginning of Year</i>	2,915	2,915	0
Prior Year Encumbrances Appropriated	200	200	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 1,665</u>	<u>\$ 5,609</u>	<u>\$ 3,944</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 77,188	\$ 77,188	\$ 0
<i>Total Revenues</i>	<u>77,188</u>	<u>77,188</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Other	200,000	95,669	104,331
<i>Total Expenditures</i>	<u>200,000</u>	<u>95,669</u>	<u>104,331</u>
<i>Net Change in Fund Balance</i>	(122,812)	(18,481)	104,331
<i>Fund Balance (Deficit) Beginning of Year</i>	480,733	480,733	0
Prior Year Encumbrances Appropriated	<u>36,525</u>	<u>36,525</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 394,446</u>	<u>\$ 498,777</u>	<u>\$ 104,331</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 3,566	\$ 3,566	\$ 0
<i>Total Revenues</i>	<u>3,566</u>	<u>3,566</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Other	26,000	0	26,000
<i>Total Expenditures</i>	<u>26,000</u>	<u>0</u>	<u>26,000</u>
<i>Net Change in Fund Balance</i>	(22,434)	3,566	26,000
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>23,689</u>	<u>23,689</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 1,255</u>	<u>\$ 27,255</u>	<u>\$ 26,000</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 15,383	\$ 15,383	\$ 0
<i>Total Revenues</i>	<u>15,383</u>	<u>15,383</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Personal Services	<u>22,072</u>	<u>20,549</u>	<u>1,523</u>
<i>Total Expenditures</i>	<u>22,072</u>	<u>20,549</u>	<u>1,523</u>
<i>Net Change in Fund Balance</i>	(6,689)	(5,166)	1,523
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>9,192</u>	<u>9,192</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 2,503</u>	<u>\$ 4,026</u>	<u>\$ 1,523</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, 2018*

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

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*DUS Diversion Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 21,185	\$ 21,185	\$ 0
Other	531	531	0
<i>Total Revenues</i>	<u>21,716</u>	<u>21,716</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Personal Services	35,128	30,777	4,351
<i>Total Expenditures</i>	<u>35,128</u>	<u>30,777</u>	<u>4,351</u>
<i>Net Change in Fund Balance</i>	(13,412)	(9,061)	4,351
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>18,507</u>	<u>18,507</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 5,095</u>	<u>\$ 9,446</u>	<u>\$ 4,351</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 135,878	\$ 135,878	\$ 0
Intergovernmental	27,000	27,000	0
<i>Total Revenues</i>	<u>162,878</u>	<u>162,878</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Other	177,000	119,519	57,481
<i>Total Expenditures</i>	<u>177,000</u>	<u>119,519</u>	<u>57,481</u>
<i>Net Change in Fund Balance</i>	(14,122)	43,359	57,481
<i>Fund Balance (Deficit) Beginning of Year</i>	85,743	85,743	0
Prior Year Encumbrances Appropriated	1,024	1,024	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 72,645</u>	<u>\$ 130,126</u>	<u>\$ 57,481</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 40,836	\$ 40,836	\$ 0
<i>Total Revenues</i>	<u>40,836</u>	<u>40,836</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Other	50,000	35,077	14,923
<i>Total Expenditures</i>	<u>50,000</u>	<u>35,077</u>	<u>14,923</u>
<i>Net Change in Fund Balance</i>	(9,164)	5,759	14,923
<i>Fund Balance (Deficit) Beginning of Year</i>	15,777	15,777	0
Prior Year Encumbrances Appropriated	<u>164</u>	<u>164</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 6,777</u>	<u>\$ 21,700</u>	<u>\$ 14,923</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 137,960	\$ 137,960	\$ 0
<i>Total Revenues</i>	<u>137,960</u>	<u>137,960</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Other	130,000	115,269	14,731
<i>Total Expenditures</i>	<u>130,000</u>	<u>115,269</u>	<u>14,731</u>
<i>Net Change in Fund Balance</i>	7,960	22,691	14,731
<i>Fund Balance (Deficit) Beginning of Year</i>	74,226	74,226	0
Prior Year Encumbrances Appropriated	<u>4,260</u>	<u>4,260</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 86,446</u>	<u>\$ 101,177</u>	<u>\$ 14,731</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 17,092	\$ 17,092	\$ 0
<i>Total Revenues</i>	<u>17,092</u>	<u>17,092</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Other	40,000	36,559	3,441
<i>Total Expenditures</i>	<u>40,000</u>	<u>36,559</u>	<u>3,441</u>
<i>Net Change in Fund Balance</i>	(22,908)	(19,467)	3,441
<i>Fund Balance (Deficit) Beginning of Year</i>	102,231	102,231	0
Prior Year Encumbrances Appropriated	<u>5,947</u>	<u>5,947</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 85,270</u>	<u>\$ 88,711</u>	<u>\$ 3,441</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 4,729	\$ 4,729	\$ 0
<i>Total Revenues</i>	<u>4,729</u>	<u>4,729</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Other	6,007	3,207	2,800
<i>Total Expenditures</i>	<u>6,007</u>	<u>3,207</u>	<u>2,800</u>
<i>Net Change in Fund Balance</i>	(1,278)	1,522	2,800
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>1,278</u>	<u>1,278</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 2,800</u>	<u>\$ 2,800</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 83,701	\$ 83,701	\$ 0
Other	1,140	1,140	0
<i>Total Revenues</i>	<u>84,841</u>	<u>84,841</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government:			
Personal Services	68,818	64,978	3,840
<i>Total Expenditures</i>	<u>68,818</u>	<u>64,978</u>	<u>3,840</u>
<i>Net Change in Fund Balance</i>	16,023	19,863	3,840
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>11,799</u>	<u>11,799</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 27,822</u></u>	<u><u>\$ 31,662</u></u>	<u><u>\$ 3,840</u></u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Safety Capital Improvement Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 80,000	\$ 81,000	\$ 1,000
Charges for Services	650,651	650,651	0
Other	1,311	1,311	0
<i>Total Revenues</i>	<u>731,962</u>	<u>732,962</u>	<u>1,000</u>
<b>Expenditures</b>			
Capital Outlay:			
Other	1,407,433	1,403,140	4,293
<i>Total Expenditures</i>	<u>1,407,433</u>	<u>1,403,140</u>	<u>4,293</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(675,471)</u>	<u>(670,178)</u>	<u>5,293</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	30,000	30,000	0
<i>Net Change in Fund Balance</i>	(645,471)	(640,178)	5,293
<i>Fund Balance (Deficit) Beginning of Year</i>	690,491	690,491	0
Prior Year Encumbrances Appropriated	30,777	30,777	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 75,797</u>	<u>\$ 81,090</u>	<u>\$ 5,293</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 325,000	\$ 325,000	\$ 0
Reimbursements	500	500	0
<i>Total Revenues</i>	<u>325,500</u>	<u>325,500</u>	<u>0</u>
<b>Expenditures</b>			
Capital Outlay:			
Other	771,501	771,038	463
<i>Total Expenditures</i>	<u>771,501</u>	<u>771,038</u>	<u>463</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(446,001)</u>	<u>(445,538)</u>	<u>463</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	400,000	400,000	0
<i>Net Change in Fund Balance</i>	(46,001)	(45,538)	463
<i>Fund Balance (Deficit) Beginning of Year</i>	18,319	18,319	0
Prior Year Encumbrances Appropriated	27,948	27,948	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 266</u>	<u>\$ 729</u>	<u>\$ 463</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, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 401,495	\$ 401,495	\$ 0
<i>Total Revenues</i>	<u>401,495</u>	<u>401,495</u>	<u>0</u>
<b>Expenditures</b>			
Capital Outlay:			
Other	700,000	52,830	647,170
<i>Total Expenditures</i>	<u>700,000</u>	<u>52,830</u>	<u>647,170</u>
<i>Net Change in Fund Balance</i>	(298,505)	348,665	647,170
<i>Fund Balance (Deficit) Beginning of Year</i>	499,864	499,864	0
Prior Year Encumbrances Appropriated	<u>11,000</u>	<u>11,000</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 212,359</u></u>	<u><u>\$ 859,529</u></u>	<u><u>\$ 647,170</u></u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Neighborhood Improvement Fund*  
*For the Year Ended December 31, 2018*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Licenses and Permits	\$ 68,587	\$ 69,424	\$ 837
Intergovernmental	41,948	41,948	0
Reimbursements	148	6,689	6,541
Contributions and Donations	6,178	6,178	0
<i>Total Revenues</i>	<u>116,861</u>	<u>124,239</u>	<u>7,378</u>
<b>Expenditures</b>			
Capital Outlay:			
Personal Services	469,663	465,840	3,823
Other	267,769	248,169	19,600
<i>Total Expenditures</i>	<u>737,432</u>	<u>714,009</u>	<u>23,423</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(620,571)</u>	<u>(589,770)</u>	<u>30,801</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	630,000	630,000	0
<i>Net Change in Fund Balance</i>	9,429	40,230	30,801
<i>Fund Balance (Deficit) Beginning of Year</i>	46,573	46,573	0
Prior Year Encumbrances Appropriated	4,100	4,100	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 60,102</u>	<u>\$ 90,903</u>	<u>\$ 30,801</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, 2018*

	Medical Benefits Fund	Property/ Liability Insurance Fund	Workers Compensation Fund	Totals
<b>Assets</b>				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 66,655	\$ 13,138	\$ 409,131	\$ 488,924
Accounts Receivable	111,413	0	0	111,413
Prepaid Items	0	0	218,873	218,873
<i>Total Assets</i>	<u>178,068</u>	<u>13,138</u>	<u>628,004</u>	<u>819,210</u>
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable	0	542	0	542
Claims Payable	207,698	0	0	207,698
<i>Total Liabilities</i>	<u>207,698</u>	<u>542</u>	<u>0</u>	<u>208,240</u>
<b>Net Position</b>				
Unrestricted (Deficit)	<u>\$ (29,630)</u>	<u>\$ 12,596</u>	<u>\$ 628,004</u>	<u>\$ 610,970</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, 2018*

	Medical Benefits Fund	Property/ Liability Insurance Fund	Workers Compensation Fund	Totals
<b>Operating Revenues</b>				
Charges for Services	\$ 2,697,583	\$ 367,000	\$ 0	\$ 3,064,583
Reimbursements	156,125	12,877	0	169,002
Other	0	10,873	100,938	111,811
<i>Total Operating Revenues</i>	<u>2,853,708</u>	<u>390,750</u>	<u>100,938</u>	<u>3,345,396</u>
<b>Operating Expenses</b>				
Contractual Services	428,986	330,010	324,189	1,083,185
Claims	2,362,112	17,557	0	2,379,669
Other	10,084	38,739	0	48,823
<i>Total Operating Expenses</i>	<u>2,801,182</u>	<u>386,306</u>	<u>324,189</u>	<u>3,511,677</u>
<i>Operating Income (Loss)</i>	52,526	4,444	(223,251)	(166,281)
<i>Net Position Beginning of Year</i>	<u>(82,156)</u>	<u>8,152</u>	<u>851,255</u>	<u>777,251</u>
<i>Net Position End of Year</i>	<u>\$ (29,630)</u>	<u>\$ 12,596</u>	<u>\$ 628,004</u>	<u>\$ 610,970</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Cash Flow-*  
*Internal Service Funds*  
*For the Year Ended December 31, 2018*

	Medical Benefits Fund	Property/ Liability Insurance Fund	Workers Compensation Fund	Total Internal Service Funds
<b>Cash Flows From Operating Activities</b>				
Cash Received from Customers	\$ 2,743,463	\$ 379,877	\$ 0	\$ 3,123,340
Cash Payments for Contractual Services	(439,070)	(369,425)	(272,810)	(1,081,305)
Cash Payments for Claims	(2,384,305)	(17,557)	0	(2,401,862)
Other Cash Receipts	0	10,873	100,938	111,811
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>(79,912)</u>	<u>3,768</u>	<u>(171,872)</u>	<u>(248,016)</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	(79,912)	3,768	(171,872)	(248,016)
<i>Cash and Investments Beginning of Year</i>	<u>146,567</u>	<u>9,370</u>	<u>581,003</u>	<u>736,940</u>
<i>Cash and Investments End of Year</i>	<u>\$ 66,655</u>	<u>\$ 13,138</u>	<u>\$ 409,131</u>	<u>\$ 488,924</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities</b>				
Operating Income (Loss)	\$ 52,526	\$ 4,444	\$ (223,251)	\$ (166,281)
Adjustments:				
(Increase) Decrease in Assets:				
Accounts Receivable	(110,245)	0	0	(110,245)
Prepays	0	0	51,379	51,379
Increase (Decrease) in Liabilities:				
Accounts Payable	0	(676)	0	(676)
Claims Payable	(22,193)	0	0	(22,193)
<i>Total Adjustments</i>	<u>(132,438)</u>	<u>(676)</u>	<u>51,379</u>	<u>(81,735)</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ (79,912)</u>	<u>\$ 3,768</u>	<u>\$ (171,872)</u>	<u>\$ (248,016)</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, 2018*

	Regional Sewer Fund	Contract Retainer Fund	Guarantee Deposits Fund	Ohio Board of Building Standards Fund
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 1,076,418	\$ 219,558	\$ 196,977	\$ 323
Cash in Segregated Accounts	0	0	0	0
Accounts Receivable	2,135,763	0	0	0
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Assets</i>	<u>\$ 3,212,181</u>	<u>\$ 219,558</u>	<u>\$ 196,977</u>	<u>\$ 323</u>
 <b>Liabilities</b>				
Accounts Payable	\$ 1,061,419	\$ 0	\$ 0	\$ 0
Due to Other Governments	2,150,762	0	0	323
Deposits Held and Due to Others	0	219,558	196,977	0
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Liabilities</i>	<u>\$ 3,212,181</u>	<u>\$ 219,558</u>	<u>\$ 196,977</u>	<u>\$ 323</u>
				<i>(continued)</i>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Assets and Liabilities*  
*Agency Funds*  
*December 31, 2018*

	Metroparks Fund	Municipal Court Fund	Totals
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets</b>			
Equity in Pooled Cash and Investments	\$ 6,503	\$ 0	\$ 1,499,779
Cash in Segregated Accounts	0	279,797	279,797
Accounts Receivable	274	0	2,136,037
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Assets</i>	<u>\$ 6,777</u>	<u>\$ 279,797</u>	<u>\$ 3,915,613</u>
 <b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 1,061,419
Due to Other Governments	6,777	279,797	2,437,659
Deposits Held and Due to Others	0	0	416,535
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Liabilities</i>	<u>\$ 6,777</u>	<u>\$ 279,797</u>	<u>\$ 3,915,613</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2018*

	Beginning Balance 1/1/2018	Additions	Reductions	Ending Balance 12/31/2018
<b>Regional Sewer</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 1,021,850	\$ 4,796,243	\$ 4,741,675	\$ 1,076,418
Accounts Receivable	2,222,153	2,135,763	2,222,153	2,135,763
<i>Total Assets</i>	<u>\$ 3,244,003</u>	<u>\$ 6,932,006</u>	<u>\$ 6,963,828</u>	<u>\$ 3,212,181</u>
<b>Liabilities</b>				
Accounts Payable	\$ 1,006,920	\$ 1,061,419	\$ 1,006,920	\$ 1,061,419
Due to Other Governments	2,237,083	2,150,762	2,237,083	2,150,762
<i>Total Liabilities</i>	<u>\$ 3,244,003</u>	<u>\$ 3,212,181</u>	<u>\$ 3,244,003</u>	<u>\$ 3,212,181</u>
<b>Contract Retainer</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 433,326	\$ 243,082	\$ 456,850	\$ 219,558
<i>Total Assets</i>	<u>\$ 433,326</u>	<u>\$ 243,082</u>	<u>\$ 456,850</u>	<u>\$ 219,558</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 433,326	\$ 243,082	\$ 456,850	\$ 219,558
<i>Total Liabilities</i>	<u>\$ 433,326</u>	<u>\$ 243,082</u>	<u>\$ 456,850</u>	<u>\$ 219,558</u>
<b>Guarantee Deposits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 106,665	\$ 118,500	\$ 28,188	\$ 196,977
<i>Total Assets</i>	<u>\$ 106,665</u>	<u>\$ 118,500</u>	<u>\$ 28,188</u>	<u>\$ 196,977</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 106,665	\$ 118,500	\$ 28,188	\$ 196,977
<i>Total Liabilities</i>	<u>\$ 106,665</u>	<u>\$ 118,500</u>	<u>\$ 28,188</u>	<u>\$ 196,977</u>
<b>Ohio Board of Building Standards</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 307	\$ 5,487	\$ 5,471	\$ 323
<i>Total Assets</i>	<u>\$ 307</u>	<u>\$ 5,487</u>	<u>\$ 5,471</u>	<u>\$ 323</u>
<b>Liabilities</b>				
Due to Other Governments	\$ 307	\$ 5,487	\$ 5,471	\$ 323
<i>Total Liabilities</i>	<u>\$ 307</u>	<u>\$ 5,487</u>	<u>\$ 5,471</u>	<u>\$ 323</u>

*(continued)*



**City of Berea**  
**Cuyahoga County, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
For the Year Ended December 31, 2018

	Beginning Balance 1/1/2018	Additions	Reductions	Ending Balance 12/31/2018
<b>Metroparks</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 12,674	\$ 6,503	\$ 12,674	\$ 6,503
Accounts Receivable	0	274	0	274
<i>Total Assets</i>	<u>\$ 12,674</u>	<u>\$ 6,777</u>	<u>\$ 12,674</u>	<u>\$ 6,777</u>
<b>Liabilities</b>				
Due to Other Governments	\$ 12,674	\$ 6,777	\$ 12,674	\$ 6,777
<i>Total Liabilities</i>	<u>\$ 12,674</u>	<u>\$ 6,777</u>	<u>\$ 12,674</u>	<u>\$ 6,777</u>
<b>Municipal Court</b>				
<b>Assets</b>				
Cash in Segregated Accounts	\$ 449,902	\$ 5,213,220	\$ 5,383,325	\$ 279,797
<i>Total Assets</i>	<u>\$ 449,902</u>	<u>\$ 5,213,220</u>	<u>\$ 5,383,325</u>	<u>\$ 279,797</u>
<b>Liabilities</b>				
Due to Other Governments	\$ 449,902	\$ 5,213,220	\$ 5,383,325	\$ 279,797
<i>Total Liabilities</i>	<u>\$ 449,902</u>	<u>\$ 5,213,220</u>	<u>\$ 5,383,325</u>	<u>\$ 279,797</u>
<b>Total Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 1,574,822	\$ 5,169,815	\$ 5,244,858	\$ 1,499,779
Cash in Segregated Accounts	449,902	5,213,220	5,383,325	279,797
Accounts Receivable	2,222,153	2,136,037	2,222,153	2,136,037
<i>Total Assets</i>	<u>\$ 4,246,877</u>	<u>\$ 12,519,072</u>	<u>\$ 12,850,336</u>	<u>\$ 3,915,613</u>
<b>Liabilities</b>				
Accounts Payable	\$ 1,006,920	\$ 1,061,419	\$ 1,006,920	\$ 1,061,419
Due to Other Governments	2,699,966	7,376,246	7,638,553	2,437,659
Deposits Held and Due to Others	539,991	361,582	485,038	416,535
<i>Total Liabilities</i>	<u>\$ 4,246,877</u>	<u>\$ 8,799,247</u>	<u>\$ 9,130,511</u>	<u>\$ 3,915,613</u>

*This Page Intentionally Left Blank*

Supplemental Schedules  
Entity-Wide Accrual Statements  
Reporting with GASB 68 and GASB 75  
and without GASB 68 and GASB 75

## Background:

The net pension liability (NPL) is one of the largest liabilities reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement 27*. For fiscal year 2018, the City adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

The following schedules are summarized accrual basis financial statements for the fiscal year ending December 31, 2018, that report the financial statements including the impact of GASB 68 and GASB 75 and excluding the impact of GASB 68 and GASB 75.

**City of Berea**  
**Cuyahoga County, Ohio**  
*Supplemental Schedule*  
*Statement of Net Position - Including GASB 68 and GASB 75*  
*December 31, 2018*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Investments	\$ 9,280,376	\$ 1,118,828	\$ 10,399,204
Accounts	364,651	1,550,583	1,915,234
Intergovernmental	956,122	68,280	1,024,402
Taxes	8,221,442	474,152	8,695,594
Special Assessments	624,038	0	624,038
Loans Receivable	1,170,954	0	1,170,954
Prepaid Items	218,873	0	218,873
Materials and Supplies Inventory	156,999	109,129	266,128
Assets Held for Resale	785,000	0	785,000
Nondepreciable Capital Assets	16,221,108	2,396,856	18,617,964
Depreciable Capital Assets (Net)	74,769,283	36,603,356	111,372,639
<i>Total Assets</i>	<u>112,768,846</u>	<u>42,321,184</u>	<u>155,090,030</u>
<b>Deferred Outflows of Resources</b>			
Pension	3,981,569	371,717	4,353,286
OPEB	1,474,470	74,799	1,549,269
<i>Total Deferred Outflows of Resources</i>	<u>5,456,039</u>	<u>446,516</u>	<u>5,902,555</u>
<b>Liabilities</b>			
Accounts Payable	745,217	93,296	838,513
Accrued Wages and Benefits	595,206	73,069	668,275
Contracts Payable	696,424	183,645	880,069
Intergovernmental Payable	346,047	352,404	698,451
Accrued Interest Payable	171,381	174,464	345,845
Claims Payable	207,698	0	207,698
Matured Compensated Absences Payable	3,585	0	3,585
Notes Payable	6,150,000	0	6,150,000
Long Term Liabilities:			
Due Within One Year	9,879,744	788,489	10,668,233
Due In More Than One Year:			
Net Pension Liability	18,617,048	1,520,184	20,137,232
Net OPEB Liability	15,638,766	1,016,430	16,655,196
Other Amounts Due in More Than One Year	16,467,748	11,871,063	28,338,811
<i>Total Liabilities</i>	<u>69,518,864</u>	<u>16,073,044</u>	<u>85,591,908</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes Levied for the Next Fiscal Year	3,988,208	447,263	4,435,471
Pension	2,766,806	408,065	3,174,871
OPEB	1,196,875	75,717	1,272,592
<i>Total Deferred Inflows of Resources</i>	<u>7,951,889</u>	<u>931,045</u>	<u>8,882,934</u>
<b>Net Position</b>			
Net Investment in Capital Assets	66,712,285	27,589,952	94,302,237
Restricted for:			
Street Lighting	838,318	0	838,318
Street Maintenance and Repair	416,385	0	416,385
Court Operations and Capital Outlay	1,246,931	0	1,246,931
Security Operations	45,798	0	45,798
Drug and Alcohol Programs	659,638	0	659,638
Other Purposes	86,529	0	86,529
Unrestricted	(29,251,752)	(1,826,341)	(31,078,093)
<i>Total Net Position</i>	<u>\$ 40,754,132</u>	<u>\$ 25,763,611</u>	<u>\$ 66,517,743</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Supplemental Schedule*  
*Statement of Net Position - Excluding GASB 68 and GASB 75*  
*December 31, 2018*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Investments	\$ 9,280,376	\$ 1,118,828	\$ 10,399,204
Accounts	364,651	1,550,583	1,915,234
Intergovernmental	956,122	68,280	1,024,402
Taxes	8,221,442	474,152	8,695,594
Special Assessments	624,038	0	624,038
Loans Receivable	1,170,954	0	1,170,954
Prepaid Items	218,873	0	218,873
Materials and Supplies Inventory	156,999	109,129	266,128
Assets Held for Resale	785,000	0	785,000
Nondepreciable Capital Assets	16,221,108	2,396,856	18,617,964
Depreciable Capital Assets (Net)	74,769,283	36,603,356	111,372,639
<i>Total Assets</i>	<u>112,768,846</u>	<u>42,321,184</u>	<u>155,090,030</u>
<b>Deferred Outflows of Resources</b>			
Pension	0	0	0
OPEB	0	0	0
<i>Total Deferred Outflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Liabilities</b>			
Accounts Payable	745,217	93,296	838,513
Accrued Wages and Benefits	595,206	73,069	668,275
Contracts Payable	696,424	183,645	880,069
Intergovernmental Payable	346,047	352,404	698,451
Accrued Interest Payable	171,381	174,464	345,845
Claims Payable	207,698	0	207,698
Matured Compensated Absences Payable	3,585	0	3,585
Notes Payable	6,150,000	0	6,150,000
Long Term Liabilities:			
Due Within One Year	9,879,744	788,489	10,668,233
Due In More Than One Year:			
Net Pension Liability	0	0	0
Net OPEB Liability	0	0	0
Other Amounts Due in More Than One Year	16,467,748	11,871,063	28,338,811
<i>Total Liabilities</i>	<u>35,263,050</u>	<u>13,536,430</u>	<u>48,799,480</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes Levied for the Next Fiscal Year	3,988,208	447,263	4,435,471
Pension	0	0	0
OPEB	0	0	0
<i>Total Deferred Inflows of Resources</i>	<u>3,988,208</u>	<u>447,263</u>	<u>4,435,471</u>
<b>Net Position</b>			
Net Investment in Capital Assets	66,712,285	27,589,952	94,302,237
Restricted for:			
Street Lighting	838,318	0	838,318
Street Maintenance and Repair	416,385	0	416,385
Court Operations and Capital Outlay	1,246,931	0	1,246,931
Security Operations	45,798	0	45,798
Drug and Alcohol Programs	659,638	0	659,638
Other Purposes	86,529	0	86,529
Unrestricted	3,511,704	747,539	4,259,243
<i>Total Net Position</i>	<u>\$ 73,517,588</u>	<u>\$ 28,337,491</u>	<u>\$ 101,855,079</u>

**City of Berea**  
**Cuyahoga County, Ohio**  
*Supplemental Schedule*  
*Statement of Activities - Including GASB 68 and GASB 75*  
*For the Year Ended December 31, 2018*

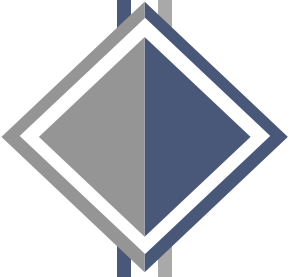
	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
General Government	\$ 9,747,695	\$ 3,714,419	\$ 27,000	\$ 0	\$ (6,006,276)	\$ 0	\$ (6,006,276)
Security of Persons and Property	9,650,672	1,148,978	118,718	655,243	(7,727,733)	0	(7,727,733)
Public Health	97,319	0	9,609	0	(87,710)	0	(87,710)
Leisure Time Services	4,649,331	772,094	0	1,050,000	(2,827,237)	0	(2,827,237)
Community Development	393,983	73,551	0	191,948	(128,484)	0	(128,484)
Public Works	1,248,969	0	0	0	(1,248,969)	0	(1,248,969)
Transportation	5,308,281	109,894	684,304	1,296,861	(3,217,222)	0	(3,217,222)
Interest and Fiscal Charges	736,910	0	0	0	(736,910)	0	(736,910)
<i>Total Governmental Activities</i>	<u>31,833,160</u>	<u>5,818,936</u>	<u>839,631</u>	<u>3,194,052</u>	<u>(21,980,541)</u>	<u>0</u>	<u>(21,980,541)</u>
<b>Business-Type Activities</b>							
Water Revenue	4,260,794	2,536,461	63,182	652,508	0	(1,008,643)	(1,008,643)
Sewer Revenue	1,421,578	668,593	0	1,804,830	0	1,051,845	1,051,845
<i>Total Business-Type Activities</i>	<u>5,682,372</u>	<u>3,205,054</u>	<u>63,182</u>	<u>2,457,338</u>	<u>0</u>	<u>43,202</u>	<u>43,202</u>
<i>Total Primary Government</i>	<u>\$ 37,515,532</u>	<u>\$ 9,023,990</u>	<u>\$ 902,813</u>	<u>\$ 5,651,390</u>	<u>(21,980,541)</u>	<u>43,202</u>	<u>(21,937,339)</u>
<b>General Revenues:</b>							
Property Taxes Levied for:							
					1,619,709	0	1,619,709
					656,160	0	656,160
					86,967	0	86,967
					1,437,015	0	1,437,015
					0	456,895	456,895
Income Taxes Levied for:							
					14,039,940	0	14,039,940
					295,898	0	295,898
Grants and Entitlements not Restricted to Specific Programs							
					799,109	0	799,109
					37,474	0	37,474
					264,660	3,531	268,191
<i>Total General Revenues</i>					<u>19,236,932</u>	<u>460,426</u>	<u>19,697,358</u>
Transfers					<u>(605,000)</u>	<u>605,000</u>	<u>0</u>
<i>Total General Revenues and Transfers</i>					<u>18,631,932</u>	<u>1,065,426</u>	<u>19,697,358</u>
<i>Change in Net Position</i>					<u>(3,348,609)</u>	<u>1,108,628</u>	<u>(2,239,981)</u>
<i>Net Position Beginning of Year</i> <i>Restated, See Note 2</i>					<u>44,102,741</u>	<u>24,654,983</u>	<u>68,757,724</u>
<i>Net Position End of Year</i>					<u>\$ 40,754,132</u>	<u>\$ 25,763,611</u>	<u>\$ 66,517,743</u>



**City of Berea**  
**Cuyahoga County, Ohio**  
*Supplemental Schedule*  
*Statement of Activities - Excluding GASB 68 and GASB 75*  
*For the Year Ended December 31, 2018*

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
General Government	\$ 9,290,474	\$ 3,714,419	\$ 27,000	\$ 0	\$ (5,549,055)	\$ 0	\$ (5,549,055)
Security of Persons and Property	8,326,608	1,148,978	118,718	655,243	(6,403,669)	0	(6,403,669)
Public Health	97,319	0	9,609	0	(87,710)	0	(87,710)
Leisure Time Services	4,544,086	772,094	0	1,050,000	(2,721,992)	0	(2,721,992)
Community Development	355,864	73,551	0	191,948	(90,365)	0	(90,365)
Public Works	1,248,969	0	0	0	(1,248,969)	0	(1,248,969)
Transportation	5,246,196	109,894	684,304	1,296,861	(3,155,137)	0	(3,155,137)
Interest and Fiscal Charges	736,910	0	0	0	(736,910)	0	(736,910)
<i>Total Governmental Activities</i>	<u>29,846,426</u>	<u>5,818,936</u>	<u>839,631</u>	<u>3,194,052</u>	<u>(19,993,807)</u>	<u>0</u>	<u>(19,993,807)</u>
<b>Business-Type Activities</b>							
Water Revenue	3,979,261	2,536,461	63,182	652,508	0	(727,110)	(727,110)
Sewer Revenue	1,364,512	668,593	0	1,804,830	0	1,108,911	1,108,911
<i>Total Business-Type Activities</i>	<u>5,343,773</u>	<u>3,205,054</u>	<u>63,182</u>	<u>2,457,338</u>	<u>0</u>	<u>381,801</u>	<u>381,801</u>
<i>Total Primary Government</i>	<u>\$ 35,190,199</u>	<u>\$ 9,023,990</u>	<u>\$ 902,813</u>	<u>\$ 5,651,390</u>	<u>(19,993,807)</u>	<u>381,801</u>	<u>(19,612,006)</u>
<b>General Revenues:</b>							
Property Taxes Levied for:							
General Purposes					1,619,709	0	1,619,709
Police and Fire Pension					656,160	0	656,160
Community Hospital					86,967	0	86,967
Debt Service					1,437,015	0	1,437,015
Water Improvements					0	456,895	456,895
Income Taxes Levied for:							
General Purposes					14,039,940	0	14,039,940
Other Taxes					295,898	0	295,898
Grants and Entitlements not Restricted to Specific Programs							
Investment Earnings					799,109	0	799,109
Miscellaneous					37,474	0	37,474
					264,660	3,531	268,191
<i>Total General Revenues</i>					<u>19,236,932</u>	<u>460,426</u>	<u>19,697,358</u>
Transfers					<u>(605,000)</u>	<u>605,000</u>	<u>0</u>
<i>Total General Revenues and Transfers</i>					<u>18,631,932</u>	<u>1,065,426</u>	<u>19,697,358</u>
<i>Change in Net Position</i>					<u>(1,361,875)</u>	<u>1,447,227</u>	<u>85,352</u>
<i>Net Position Beginning of Year</i> <i>Excluding GASB 68 and GASB 75</i>							
					<u>74,879,463</u>	<u>26,890,264</u>	<u>101,769,727</u>
<i>Net Position End of Year</i>					<u>\$ 73,517,588</u>	<u>\$ 28,337,491</u>	<u>\$ 101,855,079</u>

*This Page Intentionally Left Blank*



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

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

**NOTES:**

With the implementation of GASB 75 in 2018, the calculation of OPEB expense has changed; however, government-wide expenses for 2017 and prior years were not restated 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.

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

With the implementation of GASB 54 for 2011, there have been minor reclassifications of funds (example special revenue funds consolidated with the general fund for GAAP purposes). Prior year amounts have not been adjusted to reflect this change.

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

	2018	Restated 2017	Restated 2016	2015
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 66,712,285	\$ 61,240,064	\$ 60,290,157	\$ 52,594,409
Restricted:				
Capital Projects	0	0	95,998	0
Debt Service	0	0	0	2,983,819
Street Lighting	838,318	927,517	1,000,015	980,414
Street Maintenance and Repair	416,385	514,761	509,831	468,849
Court Operations and Capital Outlay	1,246,931	772,984	464,471	1,756,269
Security Operations	45,798	48,674	98,668	75,583
Drug and Alcohol Programs	659,638	657,029	609,676	541,728
Other Purposes *	86,529	70,985	19,064	18,276
Unrestricted	<u>(29,251,752)</u>	<u>(20,129,273)</u>	<u>(2,804,391)</u>	<u>(5,512,168)</u>
<i>Total Governmental Activities Net Position</i>	<u>\$ 40,754,132</u>	<u>\$ 44,102,741</u>	<u>\$ 60,283,489</u>	<u>\$ 53,907,179</u>
<b>Business Type - Activities</b>				
Net Investment in Capital Assets	\$ 27,589,952	\$ 25,155,850	\$ 25,111,856	\$ 25,256,979
Restricted:				
Renewal and Replacement	0	101,453	22,905	0
Unrestricted	<u>(1,826,341)</u>	<u>(602,320)</u>	<u>(324,507)</u>	<u>699,079</u>
<i>Total Business-Type Activities Net Position</i>	<u>\$ 25,763,611</u>	<u>\$ 24,654,983</u>	<u>\$ 24,810,254</u>	<u>\$ 25,956,058</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	\$ 94,302,237	\$ 86,395,914	\$ 85,402,013	\$ 77,851,388
Restricted	3,293,599	3,093,403	2,820,628	6,824,938
Unrestricted	<u>(31,078,093)</u>	<u>(20,731,593)</u>	<u>(3,128,898)</u>	<u>(4,813,089)</u>
<i>Total Primary Government Net Position</i>	<u>\$ 66,517,743</u>	<u>\$ 68,757,724</u>	<u>\$ 85,093,743</u>	<u>\$ 79,863,237</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.

Restated 2014	2013	2012	Restated 2011	Restated 2010	2009
\$ 55,271,913	\$ 57,752,563	\$ 57,295,806	\$ 58,992,954	\$ 61,091,099	\$ 59,019,083
0	0	0	673,065	915,815	2,486,092
2,973,127	2,779,034	2,642,411	2,347,649	1,292,551	1,104,494
969,411	872,108	1,042,402	1,067,706	1,055,354	1,093,595
445,028	527,701	478,130	446,422	376,397	395,710
1,667,683	1,417,252	306,864	386,601	0	0
107,601	147,168	0	0	0	0
468,872	418,540	0	0	0	0
187,931	353,155	449,324	167,605	701,198	628,634
(7,909,245)	6,806,855	5,917,006	4,476,698	3,736,574	2,022,870
<u>\$ 54,182,321</u>	<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>
\$ 23,457,040	\$ 23,626,242	\$ 23,368,937	\$ 24,600,139	\$ 20,243,615	\$ 19,919,357
0	0	0	0	0	0
2,431,856	2,993,113	3,040,813	2,018,042	2,326,082	2,274,499
<u>\$ 25,888,896</u>	<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>
\$ 78,728,953	\$ 81,378,805	\$ 80,664,743	\$ 83,593,093	\$ 81,334,714	\$ 78,938,440
6,819,653	6,514,958	4,919,131	5,089,048	4,341,315	5,708,525
(5,477,389)	9,799,968	8,957,819	6,494,740	6,062,656	4,297,369
<u>\$ 80,071,217</u>	<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>

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

	2018	2017	Restated 2016	2015
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$ 3,714,419	\$ 2,927,888	\$ 2,907,910	\$ 2,884,065
Security of Persons and Property	1,148,978	1,194,563	1,169,955	1,136,291
Public Health	0	0	0	4,203
Leisure Time Services	772,094	566,981	691,324	700,292
Community Development	73,551	29,295	37,322	41,245
Transportation	109,894	455,406	392,551	246,661
Subtotal - Charges for Services	<u>5,818,936</u>	<u>5,174,133</u>	<u>5,199,062</u>	<u>5,012,757</u>
Operating Grants and Contributions:				
General Government	27,000	94,102	138,625	10,000
Security of Persons and Property	118,718	305,754	137,757	89,870
Public Health	9,609	13,518	31,443	15,708
Leisure Time Services	0	5,156	2,206	4,500
Community Development	0	0	4,000	4,861
Transportation	684,304	905,236	826,739	791,526
Subtotal - Operating Grants and Contributions	<u>839,631</u>	<u>1,323,766</u>	<u>1,140,770</u>	<u>916,465</u>
Capital Grants and Contributions:				
General Government	0	0	0	0
Security of Persons and Property	655,243	0	0	0
Leisure Time Services	1,050,000	124,474	7,374,955	1,191,998
Community Development	191,948	100,000	158,233	0
Transportation	1,296,861	2,972,276	734,723	345,893
Subtotal - Capital Grants and Contributions	<u>3,194,052</u>	<u>3,196,750</u>	<u>8,267,911</u>	<u>1,537,891</u>
<i>Total Governmental Activities Program Revenues</i>	<u>9,852,619</u>	<u>9,694,649</u>	<u>14,607,743</u>	<u>7,467,113</u>
Business-Type Activities:				
Charges for Services:				
Water	2,536,461	2,835,081	2,741,241	2,507,159
Sewer	668,593	766,578	775,627	791,863
Operating Grants and Contributions				
Water	63,182	75,449	74,695	75,620
Capital Grants and Contributions				
Water	652,508	338,134	254,996	7,343
Sewer	1,804,830	345,401	354,777	5,278
<i>Total Business-Type Activities Program Revenues</i>	<u>5,725,574</u>	<u>4,360,643</u>	<u>4,201,336</u>	<u>3,387,263</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 15,578,193</u>	<u>\$ 14,055,292</u>	<u>\$ 18,809,079</u>	<u>\$ 10,854,376</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	\$ 9,747,695	\$ 9,846,448	\$ 8,331,714	\$ 7,664,155
Security of Persons and Property	9,650,672	8,841,071	8,565,299	7,359,179
Public Health	97,319	117,192	118,279	151,785
Leisure Time Services	4,649,331	4,521,353	3,340,337	2,919,372
Community Development	393,983	554,587	388,886	353,620
Public Works	1,248,969	1,272,715	1,266,920	1,247,527
Transportation	5,308,281	4,001,193	3,649,374	3,420,711
Interest and Fiscal Charges	736,910	627,337	648,626	582,951
<i>Total Governmental Activities Expenses</i>	<u>31,833,160</u>	<u>29,781,896</u>	<u>26,309,435</u>	<u>23,699,300</u>

With the implementation of GASB 75 in 2018, the calculation of OPEB expense has changed; however, government-wide expenses for 2017 and prior years were not restated 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.



2014	2013	2012	Restated 2011	2010	2009
\$ 2,678,278	\$ 2,661,404	\$ 2,707,588	\$ 2,427,949	\$ 2,635,408	\$ 2,544,724
1,166,634	1,156,701	1,182,585	994,746	1,047,395	1,383,581
7,848	0	33,801	22,574	39,309	0
643,457	577,155	541,377	529,841	477,076	409,457
32,363	36,471	26,005	62,478	33,774	33,534
256,028	248,202	257,220	228,046	296,627	486,980
<u>4,784,608</u>	<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>
10,000	118,308	25,000	106,815	64,590	0
107,585	42,888	79,039	5,428	39,925	24,364
22,263	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
804,587	983,318	808,899	718,812	856,311	702,977
<u>944,435</u>	<u>1,172,432</u>	<u>976,221</u>	<u>898,340</u>	<u>1,095,390</u>	<u>892,737</u>
0	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
<u>0</u>	<u>4,607,262</u>	<u>761,383</u>	<u>725,879</u>	<u>3,418,094</u>	<u>4,776,424</u>
5,729,043	10,459,627	6,486,180	5,889,853	9,043,073	10,527,437
2,496,104	2,591,376	2,663,002	2,698,896	2,578,894	2,768,562
743,737	766,431	757,684	693,806	656,827	721,397
74,177	74,604	63,815	81,972	0	0
0	0	91,142	0	606,839	8,600
0	0	75,000	0	466,728	99,486
<u>3,314,018</u>	<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>
\$ 9,043,061	\$ 13,892,038	\$ 10,136,823	\$ 9,364,527	\$ 13,352,361	\$ 14,125,482
\$ 8,291,476	\$ 7,164,279	\$ 6,992,774	\$ 6,201,327	\$ 7,766,608	\$ 6,543,797
6,753,040	6,852,063	6,755,965	6,441,638	6,974,204	6,883,839
151,971	134,122	155,326	187,320	211,300	119,132
3,223,496	4,534,669	3,262,399	2,714,029	3,559,520	3,005,421
514,483	396,804	465,302	455,883	543,755	496,548
1,243,488	1,167,454	1,167,636	1,370,499	1,337,335	1,121,553
3,965,988	3,346,244	4,557,209	1,335,639	2,965,627	2,936,864
478,972	588,644	435,179	450,989	613,938	668,099
<u>24,622,914</u>	<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>

(continued)

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

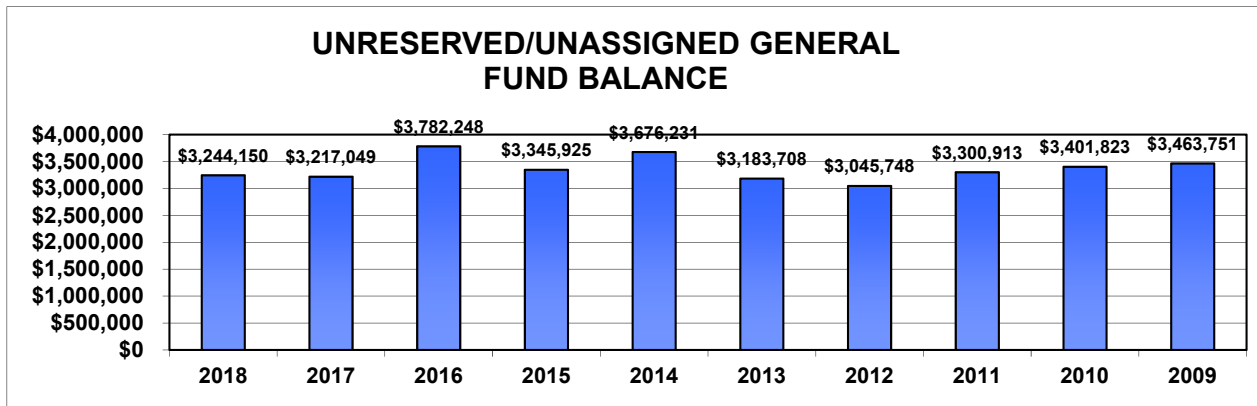
	2018	2017	Restated 2016	2015
<b>Business-Type Activities</b>				
Water	\$ 4,260,794	\$ 3,577,909	\$ 4,875,037	\$ 3,976,228
Sewer	1,421,578	1,077,872	1,053,185	954,252
<i>Total Business-Type Activities Expenses</i>	<u>5,682,372</u>	<u>4,655,781</u>	<u>5,928,222</u>	<u>4,930,480</u>
<i>Total Primary Government Program Expenses</i>	<u>37,515,532</u>	<u>34,437,677</u>	<u>32,237,657</u>	<u>28,629,780</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(21,980,541)	(20,087,247)	(11,701,692)	(16,232,187)
Business-Type Activities	43,202	(295,138)	(1,726,886)	(1,543,217)
<i>Total Primary Government Net Expense</i>	<u>(21,937,339)</u>	<u>(20,382,385)</u>	<u>(13,428,578)</u>	<u>(17,775,404)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	\$ 1,619,709	\$ 1,601,003	\$ 1,582,799	\$ 1,723,505
Other Purposes *	2,180,142	2,154,612	2,133,441	2,101,086
Municipal Income Taxes levied for:				
General Purposes	14,039,940	12,904,124	13,048,547	11,813,246
Grants and Entitlements not Restricted to				
Specific Programs	799,109	829,061	833,594	988,566
Investment Income	37,474	66,491	206,755	101,924
Other Taxes	295,898	250,729	307,904	336,730
Miscellaneous	264,660	203,802	96,362	51,988
Unrestricted Donations	0	785,000	0	0
Transfers	(605,000)	(590,000)	(131,400)	(1,160,000)
Extraordinary Item	0	0	0	0
<i>Total Governmental Activities</i>	<u>18,631,932</u>	<u>18,204,822</u>	<u>18,078,002</u>	<u>15,957,045</u>
Business-Type Activities				
Property Taxes levied for:				
Water Improvements	456,895	453,634	449,682	450,379
Transfers	605,000	590,000	131,400	1,160,000
Miscellaneous	3,531	0	0	0
<i>Total Business-Type Activities</i>	<u>1,065,426</u>	<u>1,043,634</u>	<u>581,082</u>	<u>1,610,379</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>19,697,358</u>	<u>19,248,456</u>	<u>18,659,084</u>	<u>17,567,424</u>
<b>Change in Net Position</b>				
Governmental Activities	(3,348,609)	(1,882,425)	6,376,310	(275,142)
Business-Type Activities	1,108,628	748,496	(1,145,804)	67,162
<i>Total Primary Government Change in Net Position</i>	<u>\$ (2,239,981)</u>	<u>\$ (1,133,929)</u>	<u>\$ 5,230,506</u>	<u>\$ (207,980)</u>

\* Includes Police and Fire Pension and Debt Service

2014	2013	2012	Restated 2011	2010	2009
\$ 3,705,293 946,637	\$ 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
4,651,930	4,491,425	4,578,948	4,062,435	4,359,277	4,512,693
29,274,844	28,675,704	28,370,738	23,219,759	28,331,564	26,287,946
(18,893,871) (1,337,912)	(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)
(20,231,783)	(14,783,666)	(18,233,915)	(13,855,232)	(14,979,203)	(12,162,464)
\$ 1,547,123 2,297,347	\$ 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
11,050,350	11,876,563	11,446,700	10,601,210	10,479,704	9,993,755
1,068,337 119,998 284,641 51,552 0	1,317,382 15,527 272,968 88,056 0	1,244,125 128,363 278,888 57,616 0	1,675,190 137,585 260,819 94,120 0	2,307,793 136,442 283,047 201,081 0	1,777,548 124,123 199,128 128,338 0
(1,163,000) (174,900)	(810,910) 0	(261,000) 0	(4,175,433) 0	32,922 0	(730,094) 0
15,081,448	16,667,085	16,878,853	12,657,183	17,323,380	15,970,927
449,104 1,163,000 0	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
1,612,104	1,268,619	719,874	4,636,245	425,830	1,273,974
16,693,552	17,935,704	17,598,727	17,293,428	17,749,210	17,244,901
(3,812,423) 274,192	2,942,433 209,605	(426,757) (208,431)	(610,288) 4,048,484	2,394,166 375,841	4,723,111 359,326
\$ (3,538,231)	\$ 3,152,038	\$ (635,188)	\$ 3,438,196	\$ 2,770,007	\$ 5,082,437

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

	2018	2017	Restated 2016	2015
<b>General Fund</b>				
Reserved	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved	0	0	0	0
Nonspendable	57,180	61,395	63,365	70,707
Committed	1,629,589	1,299,960	1,341,207	989,402
Assigned	58,246	134,385	104,751	122,676
Unassigned	3,244,150	3,217,049	3,782,248	3,345,925
<b>Total General Fund</b>	<b>4,989,165</b>	<b>4,712,789</b>	<b>5,291,571</b>	<b>4,528,710</b>
<b>All Other Governmental Funds</b>				
Reserved	0	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue funds	0	0	0	0
Debt Service funds	0	0	0	0
Capital Projects funds	0	0	0	0
Nonspendable	139,272	154,335	191,624	152,760
Restricted	2,351,837	2,031,231	1,747,703	5,817,924
Committed	2,302,698	3,685,650	2,806,089	9,776,259
Unassigned	(4,250,640)	(3,956,306)	(4,093,608)	0
<b>Total All Other Governmental Funds</b>	<b>543,167</b>	<b>1,914,910</b>	<b>651,808</b>	<b>15,746,943</b>
<b>Total Governmental Funds</b>	<b>\$ 5,532,332</b>	<b>\$ 6,627,699</b>	<b>\$ 5,943,379</b>	<b>\$ 20,275,653</b>



2014	2013	2012	Restated 2011	Restated 2010	2009
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 159,796
0	0	0	0	0	3,463,751
79,707	79,091	43,383	47,891	24,344	0
906,735	1,094,998	1,274,241	927,075	831,180	0
16,501	269,616	174,933	6,106	0	0
3,676,231	3,183,708	3,045,748	3,300,913	3,401,823	0
4,679,174	4,627,413	4,538,305	4,281,985	4,257,347	3,623,547
0	0	0	0	0	639,238
0	0	0	0	0	954,698
0	0	0	0	0	847,063
0	0	0	0	0	1,893,439
140,227	308,599	165,852	145,798	1,088,175	0
5,628,560	5,293,239	4,736,896	4,511,298	4,307,437	0
2,568,923	1,992,296	2,369,907	1,663,444	490,670	0
(10,775)	(24,599)	(180,214)	(234,632)	(230,943)	0
8,326,935	7,569,535	7,092,441	6,085,908	5,655,339	4,334,438
\$ 13,006,109	\$ 12,196,948	\$ 11,630,746	\$ 10,367,893	\$ 9,912,686	\$ 7,957,985

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

	2018	2017	Restated 2016	2015
<b>Revenues</b>				
Property and Other Taxes	\$ 4,042,641	\$ 4,035,283	\$ 4,029,967	\$ 4,108,059
Municipal Income Taxes	13,857,990	13,169,693	12,964,761	11,522,435
Special Assessments	664,686	672,143	697,250	690,267
Charges for Services	1,255,271	1,211,063	1,170,989	1,090,799
Licenses and Permits	660,432	425,217	469,101	501,837
Fines and Forfeitures	3,072,449	2,891,810	2,771,839	2,561,010
Intergovernmental	4,723,726	4,983,408	2,821,548	2,383,109
Interest	42,009	77,112	222,633	115,730
Contributions and Donations	9,843	891,834	55,275	28,411
Other	370,120	325,119	185,120	175,675
<i>Total Revenues</i>	<u>28,699,167</u>	<u>28,682,682</u>	<u>25,388,483</u>	<u>23,177,332</u>
<b>Expenditures</b>				
Current:				
General Government	8,092,820	7,848,082	7,098,947	7,218,501
Security of Persons and Property	7,622,174	7,150,207	7,169,095	6,873,297
Public Health	97,319	117,192	118,279	151,785
Leisure Time Services	2,562,905	2,246,657	2,182,361	2,138,513
Community Development	367,898	470,334	365,529	372,423
Public Works	1,229,101	1,247,725	1,238,247	1,217,697
Transportation	1,041,911	966,075	707,046	902,569
Capital Outlay	6,758,246	7,583,352	15,329,450	4,687,901
Debt Service:				
Principal Retirement	9,677,601	8,114,869	12,136,653	8,488,251
Interest and Fiscal Charges	855,135	722,211	766,722	613,929
<i>Total Expenditures</i>	<u>38,305,110</u>	<u>36,466,704</u>	<u>47,112,329</u>	<u>32,664,866</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(9,605,943)</u>	<u>(7,784,022)</u>	<u>(21,723,846)</u>	<u>(9,487,534)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Assets	16,552	63,142	13,240	0
Issuance of General Obligation Bonds	0	0	2,875,000	6,748,000
Premium on Debt Issuance	107,790	111,472	107,690	373,578
Payment to Refunding Bond Escrow Agent	0	0	(2,775,000)	0
Issuance of Notes	8,550,900	8,200,900	6,642,500	10,795,500
Inception of Capital Lease	167,680	52,168	657,954	0
Issuance of Loans	272,654	630,660	1,588	0
Discount on Debt Issued	0	0	0	0
Transfers In	3,839,000	3,704,824	3,594,800	3,426,000
Transfers Out	(4,444,000)	(4,294,824)	(3,726,200)	(4,586,000)
<i>Total Other Financing Sources (Uses)</i>	<u>8,510,576</u>	<u>8,468,342</u>	<u>7,391,572</u>	<u>16,757,078</u>
Extraordinary Item	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$ (1,095,367)</u>	<u>\$ 684,320</u>	<u>\$ (14,332,274)</u>	<u>\$ 7,269,544</u>
Debt Service as a Percentage of Noncapital Expenditures	32%	30%	51%	33%

	2014	2013	2012	2011	2010	2009
\$	4,013,444	\$ 3,984,795	\$ 4,185,749	\$ 4,187,409	\$ 4,167,796	\$ 4,270,718
	11,823,354	11,114,942	10,758,113	10,454,513	10,922,715	10,181,318
	687,958	695,079	688,970	682,786	700,167	517,918
	1,046,221	983,567	1,151,937	1,056,890	1,113,097	993,872
	359,641	393,275	397,561	363,372	480,979	408,421
	2,536,488	2,428,863	2,481,137	2,189,582	2,364,651	2,443,123
	2,083,875	2,926,659	2,842,680	2,897,594	3,274,546	3,402,160
	134,515	29,048	158,337	137,585	136,442	124,123
	51,111	52,163	45,230	62,932	258,686	94,495
	159,448	250,293	68,545	116,901	165,369	175,973
	<u>22,896,055</u>	<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>
	7,183,125	6,431,561	6,767,192	6,714,835	6,791,331	6,329,229
	6,354,515	6,505,370	6,431,807	6,458,138	6,663,889	6,474,662
	151,971	134,122	155,326	187,320	211,300	119,132
	2,034,896	1,852,113	1,781,720	1,614,757	1,544,300	1,610,617
	291,721	404,860	462,267	471,003	503,772	505,093
	1,215,079	1,148,881	1,144,731	1,350,451	1,327,127	1,089,789
	925,472	776,220	799,062	851,322	890,006	884,337
	4,152,414	4,371,739	3,479,757	3,113,744	3,195,787	3,430,872
	5,466,560	7,142,238	6,309,664	5,324,475	7,241,978	2,275,311
	486,428	607,363	480,758	503,506	623,917	545,979
	<u>28,262,181</u>	<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>(5,366,126)</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>
	2,722	20,700	3,025	0	1,817	10,578
	0	4,005,000	0	0	2,725,000	0
	42,965	88,152	45,518	5,703	14,728	0
	0	0	0	0	0	0
	7,467,500	4,514,500	6,112,550	4,810,000	3,850,000	5,850,000
	0	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
	3,347,410	3,132,525	2,988,224	3,495,100	2,615,670	7,637,068
	<u>(4,510,410)</u>	<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>6,350,187</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>(174,900)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$	<u>809,161</u>	<u>\$ 566,202</u>	<u>\$ 1,068,718</u>	<u>\$ 455,207</u>	<u>\$ 1,930,357</u>	<u>\$ 5,285,132</u>
	23%	38%	26%	24%	33%	18%

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

Collection Year	City of Berea					Berea School District
	General	Special Revenue	Water Revenue	Debt Service	Total	
2018	7.95	3.00	1.40	4.45	16.80	82.20
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

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, generate the property tax revenue billed in that year. The City's basic property tax rate may be increased only by a majority vote of the City's residents

Charter millage is consistently applied to all types of property

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

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

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



<u>Olmsted Falls School District</u>	<u>Polaris JVSD</u>	<u>Cuyahoga Co &amp; Special Taxing Districts (1)</u>
100.00	3.09	23.93
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

**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
2018	\$ 368,945,630	\$ 1,054,130,371	\$ 10,757,950	\$ 12,224,943
2017	361,784,080	1,033,668,800	9,572,450	10,877,784
2016	360,410,630	1,029,744,657	8,980,160	10,204,727
2015	370,843,110	1,059,551,743	8,714,150	9,902,443
2014	373,633,920	1,067,525,486	8,242,980	9,367,023
2013	375,142,810	1,071,836,600	6,823,640	7,754,136
2012	369,786,280	1,056,532,229	6,522,740	7,412,205
2011	368,473,230	1,052,780,657	6,323,310	7,185,580
2010	382,502,610	1,092,864,600	6,122,200	6,957,045
2009	383,481,630	1,095,661,800	5,884,150	6,686,534

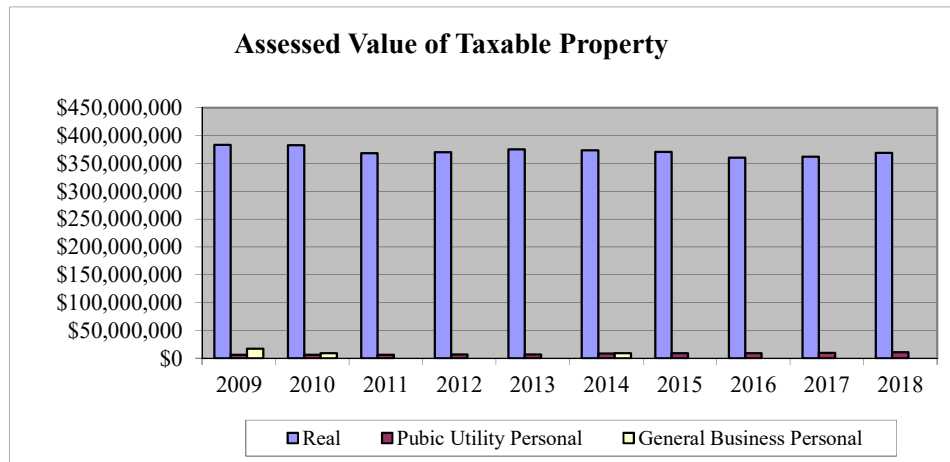
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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
2018	\$ 4,852,805	\$ 4,697,807	96.81%	\$ 103,289	\$ 4,801,096	98.93%	\$ 241,169	4.97%
2017	4,823,222	4,702,417	97.50	115,653	4,818,070	99.89	260,740	0.05
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

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*  
 2018 and 2009

Taxpayer	2018	
	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%
<b>Total</b>	<b>\$ 26,541,940</b>	<b>7.19%</b>
<b>Total Assessed Valuation</b>	<b>\$ 368,945,630</b>	
Taxpayer	2009	
	Real Property Assessed Valuation (1)	Percentage Of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 4,806,100	1.25%
Tower in the Park LTD	3,710,010	0.97%
Echo Berea Associates, LLC	2,914,530	0.76%
West Valley Plaza	2,726,580	0.71%
Berea Properties Co.	2,694,910	0.70%
A&F Machine Products Co.	2,494,220	0.65%
OHI Asset II LLC	2,482,880	0.65%
Berea Square Co., LLC	1,873,380	0.49%
Tuthill Corporation	1,713,600	0.45%
680 North LLC	1,662,500	0.43%
<b>Total</b>	<b>\$ 27,078,710</b>	<b>7.06%</b>
<b>Total Assessed Valuation</b>	<b>\$ 383,481,630</b>	

Source: County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2018 and 2009 collection: were based.

**City of Berea, Ohio**  
*Principal Taxpayers - Municipal Tax*  
 2018 and 2009

<u>2018</u>	
Taxpayer	Percentage of Tax Collected
Cleveland Browns Football	30.00%
Baldwin Wallace College	6.86%
Berea City School District	3.45%
Ohio Guidestone	1.94%
City of Berea	1.56%
Ohio Turnpike Commission	1.19%
OHNH EMP LLC	1.12%
ColorMatrix	1.06%
Sound Com Corp	1.03%
Polyone Corp	0.91%
Total	<u>49.12%</u>

<u>2009</u>	
Taxpayer	Percentage of Tax Collected
Cleveland Browns Football	24.43%
Baldwin Wallace College	8.33%
Berea City School District	5.49%
City of Berea	2.29%
Berea Childrens Home	2.28%
ABNF LLC	2.06%
Ohio Turnpike Commission	1.66%
ColorMatrix Corp.	1.20%
Standby Screw Machine Products	1.12%
Tuthill Corporation	1.07%
Total	<u>49.93%</u>

Source: Regional Income Tax Agency

**City of Berea, Ohio**  
Principal Employers  
2018 and 2009

<u>2018</u>		
<u>Employer</u>	<u>Number of Employees</u>	<u>Percentage of Total City Employment</u>
Baldwin Wallace College	3,131	25.24%
Ohio Guidestone	629	5.07%
Berea City School District	620	5.00%
Cleveland Browns Football	579	4.67%
OHNH EMP LLC	564	4.55%
City of Berea	304	2.45%
Standby Screw Machine Products	119	0.96%
Ohio Turnpike Commission	110	0.89%
Polyone Corp	91	0.73%
Sound Com Systems Corp	70	0.56%
Total	<u>6,217</u>	<u>50.12%</u>
Total Employment within the City	<u>12,406</u>	
<u>2009</u>		
<u>Employer</u>	<u>Number of Employees</u>	<u>Percentage of Total City Employment</u>
Baldwin Wallace College	1,958	14.17%
Berea City School District	970	7.02%
Berea Childrens Home	537	3.89%
Cleveland Browns Football	449	3.25%
City of Berea	328	2.37%
AmeriMark Direct LLC	298	2.16%
Standby Screw Machine Products	190	1.37%
ColorMatrix Corp.	154	1.11%
Tuthill Corp.	149	1.08%
Ohio Turnpike Commission	120	0.87%
Total	<u>5,153</u>	<u>37.29%</u>
Total Employment within the City	<u>13,820</u>	

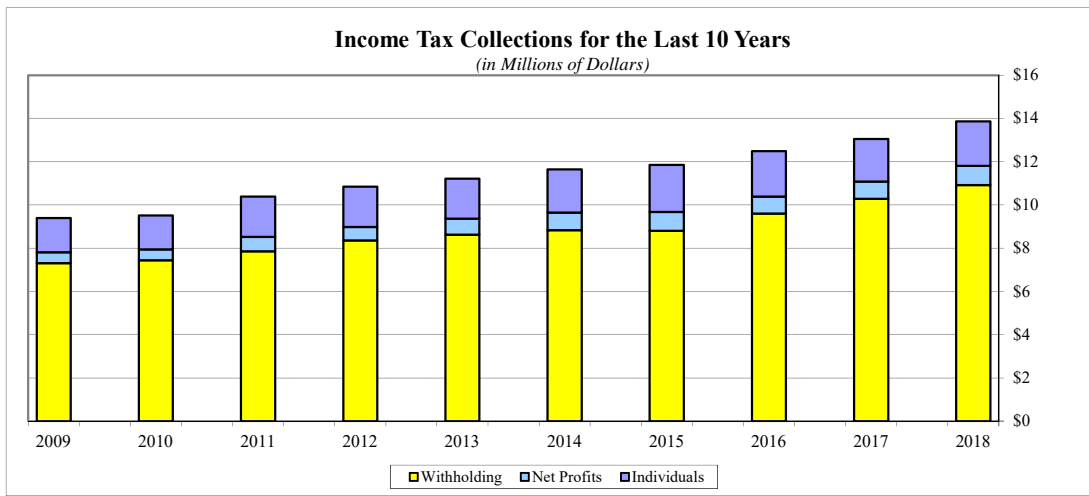
Source: Regional Income Tax Agency

**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
2018	2.00%	\$ 13,861,048	\$ 10,916,826	78.76%	\$ 885,405	6.39%
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

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>
\$	2,058,817	14.85%
	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

**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
2018	\$ 13,353,062	\$ 0	\$ 521,740	\$ 8,550,900	\$ 200,000	\$ 2,396,798
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

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)
\$ 110,000	\$ 40,326	\$ 232,840	\$ 0	\$ 12,165,927	\$ 37,571,593	\$ 462,718,855	8.12%	\$ 1,968
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

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

Year	Charges for Services	Direct Operating Expenses (1)	Net Revenues Available	Debt Service		
				Principal	Interest	Coverage
2018	\$ 3,208,585	\$ 3,739,288	\$ (530,703)	\$ 741,700	\$ 376,932	(210.78%)
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
2018	19,093	\$ 379,703,580	\$ 22,013,962	\$ 0	\$ 22,013,962	5.80%	\$ 1,152.99
2017	19,093	371,356,530	22,897,224	0	22,897,224	6.03	1,199.25
2016	19,093	369,390,790	22,562,086	0	22,562,086	6.08	1,181.69
2015	19,093	379,557,260	27,768,348	2,878,542	24,889,806	6.56	1,303.61
2014	19,093	381,876,900	19,307,132	2,812,637	16,494,495	4.32	863.90
2013	19,093	381,966,450	17,193,070	2,549,373	14,643,697	3.83	766.97
2012	19,093	376,309,020	15,935,000	2,433,220	13,501,780	3.59	707.16
2011	19,093	374,796,540	14,530,000	2,107,573	12,422,427	3.31	650.63
2010	19,093	397,801,842	14,875,000	1,036,136	13,838,864	3.48	724.81
2009	18,970	406,164,524	15,405,000	847,063	14,557,937	3.58	767.42

(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, 2018*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct</b>			
City of Berea	\$ 25,022,500	100.00%	\$ 25,022,500
<i>Total Direct Debt</i>	<u>25,022,500</u>		<u>25,022,500</u>
<b>Overlapping</b>			
Berea City School District	109,890,000	26.84%	29,494,476
Olmsted Falls School District	31,634,960	4.80%	1,518,478
Polaris Career Center	2,105,000	7.93%	166,927
Cuyahoga Community College	212,260,000	1.36%	2,886,736
Cuyahoga County	144,850,000	1.36%	1,969,960
<i>Total Overlapping Debt</i>	<u>500,739,960</u>		<u>36,036,577</u>
Grand Total	<u>\$ 525,762,460</u>		<u>\$ 61,059,077</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*

	2018	2017	2016	2015
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	22,013,962	22,897,224	22,562,086	27,768,348
Total Gross Indebtedness	22,013,962	22,897,224	22,562,086	27,768,348
Less:				
General Obligation Bonds and Notes	0	0	0	(7,000,000)
Amount Available in Debt Service Fund	0	0	0	(2,878,542)
Total Net Debt Applicable to Debt Limit	22,013,962	22,897,224	22,562,086	17,889,806
Legal Debt Margin Within 10 ½ % Limitations	\$ 17,854,914	\$ 16,095,212	\$ 16,223,947	\$ 21,963,706
Legal Debt Margin as a Percentage of the Debt Limit	44.78%	41.28%	41.83%	55.11%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	20,883,697	20,424,609	20,316,493	20,875,649
Total Gross Indebtedness	22,013,962	22,897,224	22,562,086	27,768,348
Less:				
General Obligation Bonds and Notes	0	0	0	(7,000,000)
Amount Available in Debt Service Fund	0	0	0	(2,878,542)
Net Debt Within 5 ½ % Limitations	22,013,962	22,897,224	22,562,086	17,889,806
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$ (1,130,265)	\$ (2,472,615)	\$ (2,245,593)	\$ 2,985,843
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	-5.41%	-12.11%	-11.05%	14.30%

Source: City Financial Records



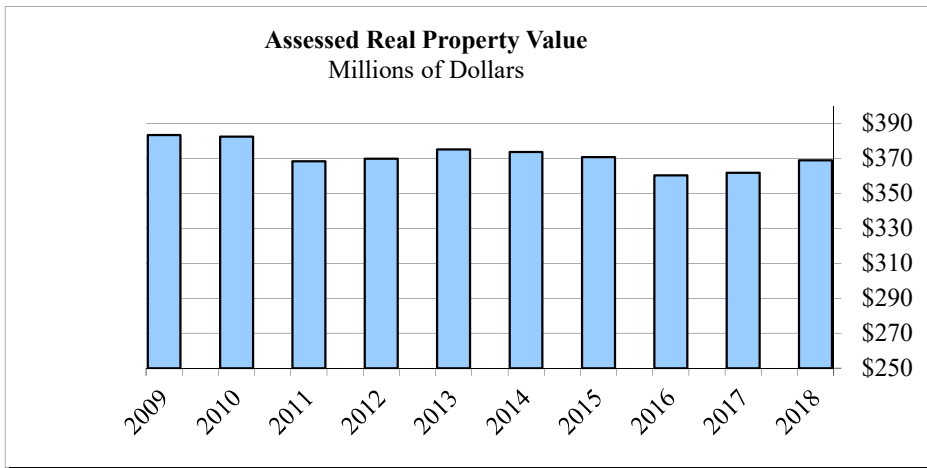
2014	2013	2012	2011	2010	2009
<u>\$ 381,876,900</u>	<u>\$ 381,966,450</u>	<u>\$ 376,309,020</u>	<u>\$ 374,796,540</u>	<u>\$ 397,801,842</u>	<u>\$ 406,164,524</u>
<u>40,097,075</u>	<u>40,106,477</u>	<u>39,512,447</u>	<u>39,353,637</u>	<u>41,769,193</u>	<u>42,647,275</u>
<u>18,147,132</u>	<u>16,055,070</u>	<u>14,397,550</u>	<u>14,530,000</u>	<u>14,875,000</u>	<u>15,405,000</u>
<u>18,147,132</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>0</u>	<u>0</u>	<u>(50,000)</u>	<u>(270,000)</u>	<u>(480,000)</u>	<u>(680,000)</u>
<u>(2,812,637)</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>15,334,495</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>\$ 24,762,580</u>	<u>\$ 26,600,780</u>	<u>\$ 27,598,117</u>	<u>\$ 27,201,210</u>	<u>\$ 28,410,329</u>	<u>\$ 28,769,338</u>
61.76%	66.33%	69.85%	69.12%	68.02%	67.46%
<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>18,147,132</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>0</u>	<u>0</u>	<u>(50,000)</u>	<u>(270,000)</u>	<u>(480,000)</u>	<u>(680,000)</u>
<u>(2,812,637)</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>15,334,495</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>\$ 5,668,735</u>	<u>\$ 7,502,458</u>	<u>\$ 8,782,666</u>	<u>\$ 8,461,383</u>	<u>\$ 8,520,237</u>	<u>\$ 8,461,112</u>
26.99%	35.71%	42.43%	41.05%	38.94%	37.88%

**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)
2018	19,093	\$ 462,718,855	\$ 24,235	\$ 50,278	37.1
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

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	6,198	4.0%	\$ 140,000	\$ 368,945,630
3,350	6,379	4.9%	122,500	361,784,080
3,350	6,537	5.3%	123,000	360,416,630
3,350	6,736	4.0%	119,100	370,843,110
3,350	6,910	6.0%	120,821	373,633,920
3,350	7,111	7.2%	123,056	375,142,810
3,350	7,121	8.6%	116,313	369,786,280
3,350	7,000	8.0%	120,453	368,473,230
3,450	7,099	8.6%	112,380	382,502,610
3,365	7,181	10.2%	116,352	383,481,630



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

Function/Program	2018	2017	2016	2015	2014
General Government					
Council	5.0	5.0	5.0	5.0	5.0
Finance	4.5	5.0	4.5	4.5	4.5
Law	4.5	4.0	4.0	3.5	2.0
Administration	20.5	13.5	19.0	10.5	11.0
Engineer	3.0	3.0	3.0	3.5	3.5
Civil Service	0.0	0.0	0.0	0.0	0.0
Court	33.0	31.0	30.0	28.0	30.5
Public Building	3.0	4.5	2.5	2.0	2.0
Security of Persons and Property					
Police	32.5	32.0	31.0	28.0	30.0
Police - Auxiliary	3.0	3.5	3.5	3.5	3.5
Police - Dispatchers/Office	2.5	2.5	2.5	4.0	7.0
Police - Animal Wardens	0.5	0.5	0.5	0.5	0.5
Police - School guards/Parking Control	1.5	1.0	1.5	1.5	1.5
Fire	23.0	23.0	23.0	23.0	22.0
Fire - Secretary - Other	0.0	0.0	0.0	0.0	0.0
Leisure Time Services					
Recreation - Admin	15.0	15.5	16.0	15.5	16.5
Recreation - Programs	15.0	14.0	14.0	13.5	14.5
Recreation - Pools	27.5	25.0	23.0	24.5	21.5
Jitney	4.0	4.0	4.5	3.0	3.0
Transportation					
Service	39.5	36.0	30.0	33.0	30.0
Basic Utility Services					
Water	13.5	17.5	13.5	12.5	12.5
Totals:	<u>251.0</u>	<u>240.5</u>	<u>231.0</u>	<u>219.5</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.

2013	2012	2011	2010	2009
5.0	5.0	5.0	6.0	5.0
4.5	4.5	4.5	4.5	4.5
1.0	1.0	2.0	2.0	2.0
6.5	6.0	5.5	8.0	6.0
3.0	2.0	2.0	2.0	2.0
0.0	0.0	0.0	0.0	0.0
28.0	29.5	30.0	30.5	28.5
8.5	6.5	8.5	7.0	9.0
31.5	30.5	30.5	32.0	32.0
2.5	4.0	4.0	4.0	4.0
8.0	7.5	7.5	7.5	7.5
1.0	0.5	0.5	1.0	1.0
2.0	1.5	1.5	2.0	2.5
21.0	21.0	22.0	23.0	23.0
0.0	0.0	0.0	0.0	0.0
15.5	19.0	16.0	21.0	14.0
13.5	15.0	15.0	11.0	9.0
19.5	18.0	23.0	22.5	16.5
3.5	3.5	3.5	3.5	2.5
32.0	30.0	32.0	34.0	36.0
14.5	15.0	14.0	21.0	20.5
<u>221.0</u>	<u>220.0</u>	<u>227.0</u>	<u>242.5</u>	<u>225.5</u>

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

Function/Program	2018	2017	2016	2015
<b>General Government</b>				
<i>Council and Clerk(1)</i>				
Number of Ordinances Passed	50	45	66	70
Number of Resolutions Passed	22	16	34	15
<i>Finance Department(2)</i>				
Number of checks/ vouchers issued	3,526	3,405	3,445	3,316
Amount of checks written (Accounts Payable - in thousands)	\$ 17,155	\$ 17,475	\$ 23,116	\$ 16,619
General Fund Interest earnings (cash basis)	\$ 216,569	\$ 143,802	\$ 193,312	\$ 129,245
Number of Journal Entries issued	474	525	515	417
Number of Budget Adjustments issued	3	7	8	6
Agency Ratings - Moody's Financial Services	AA2	AA2	AA2	AA2
General Fund Receipts (cash basis in thousands)	\$ 14,516	\$ 13,400	\$ 13,158	\$ 12,808
General Fund Expenditures (cash basis in thousands)	\$ 14,256	\$ 13,523	\$ 13,121	\$ 12,665
General Fund Cash Balances (in thousands)	\$ 2,170	\$ 1,910	\$ 1,981	\$ 1,996
<i>Municipal Court(3)</i>				
Total Civil/Small claims cases filed	2,629	2,578	2,030	2,762
Number of Berea civil/small claims cases	506	502	399	566
Total Criminal cases filed	2,074	1,880	2,145	2,364
Number of Berea felony cases	69	66	53	38
Number of Berea misdemeanor cases	456	472	401	387
<i>Civil Service(4)</i>				
Number of police entry tests administered	1	0	1	0
Number of fire entry tests administered	0	0	0	0
Number of police promotional tests administered	0	0	0	0
Number of fire promotional tests administered	0	0	0	0
Number of hires of Police Officers from certified lists	3	3	2	4
Number of hires of Fire/Medics from certified lists	0	0	0	1
Number of promotions from police certified lists	0	0	0	1
Number of promotions from fire certified lists	0	0	0	1
<b>Security of Persons &amp; Property</b>				
<i>Police(5)</i>				
Total Calls for Services	16,791	17,228	18,144	16,219
Number of traffic citations issued	1,636	1,734	1,598	989
Number of parking citations issued	2,137	1,806	2,519	1,135
Number of criminal arrests	1,637	1,470	1,374	750
Animal Warden service calls responded to per annual report	137	126	222	664
Police Dept. Auxiliary hours worked		1,948	2,102	2,096
DUI Arrests	119	176	137	65
Motor Vehicle Accidents	265	293	276	231
Property damage accidents/Self reported traffic accidents	74	60	89	106
<i>Fire(6)</i>				
EMS Calls	2,170	2,226	2,742	1,919
Ambulance Billing Collections (net)	\$ 445,712	\$ 417,486	\$ 453,662	\$ 410,456
Fire Calls	600	616	615	617
Fires with Loss	25	19	10	11
Fires with Losses exceeding \$10K	4	7	7	6
Fire Losses \$	\$ 500,000	\$ 500,000	\$ 750,000	\$ 351,500
Fire Safety Inspections	411	389	244	180

	2014	2013	2012	2011	2010	2009
	75	71	74	53	66	67
	17	15	16	15	15	19
	3,389	1,806	3,396	3,456	3,494	3,329
\$	17,269	\$ 19,028	\$ 16,298	\$ 15,718	\$ 16,403	\$ 16,312
\$	128,796	\$ 74,755	\$ 96,590	\$ 116,562	\$ 148,186	\$ 131,865
	304	315	278	266	280	288
	6	5	6	5	4	6
	AA2	AA2	AA2	AA2	AA2	AA3
\$	12,160	\$ 12,216	\$ 13,720	\$ 13,596	\$ 13,823	\$ 13,742
\$	12,043	\$ 11,812	\$ 13,519	\$ 13,646	\$ 13,759	\$ 14,289
\$	1,853	\$ 1,735	\$ 1,331	\$ 1,130	\$ 1,180	\$ 1,116
	2,908	2,697	2,529	3,183	3,462	3,598
	589	577	576	802	817	812
	2,316	1,963	1,900	1,641	1,539	1,773
	30	22	4	9	9	30
	385	410	445	390	400	436
	1	0	1	0	145	0
	0	0	1	0	179	0
	2	0	0	0	2	0
	0	0	2	0	1	0
	1	0	2	3	0	0
	2	0	2	6	0	0
	4	0	0	2	0	0
	0	0	1	5	0	0
	9,202	7,553	8,094	28,192	24,723	28,663
	1,523	1,898	2,334	1,666	1,995	1,964
	1,608	1,898	2,479	2,289	2,156	2,096
	1,176	1,186	1,429	1,243	1,335	1,435
	349	230	1,720	1,163	1,209	1,360
	2,128	2,089	2,229	2,137	2,209	1,971
	97	82	85	95	97	96
	327	298	292	274	305	330
	101	90	84	90	88	40
	1,916	1,755	1,689	1,715	1,622	1,555
\$	427,296	\$ 404,008	\$ 385,006	\$ 355,938	\$ 351,982	\$ 328,363
	565	426	441	254	227	227
	43	28	19	6	5	12
	0	2	3	4	2	5
\$	5,300	\$ 60,000	\$ 714,500	\$ 286,250	\$ 210,100	\$ 314,400
	300	350	230	836	876	738

(continued)

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

Function/Program	2018	2017	2016	2015
<b>Leisure Time Services</b>				
<i>Recreation(2)</i>				
Outdoor swimming pool receipts	\$ 103,402	\$ 112,627	\$ 108,372	\$ 97,645
Membership receipts	\$ 187,600	\$ 184,641	\$ 163,084	\$ 171,594
Program fees (Includes indoor and outdoor rec programs)	\$ 254,162	\$ 241,764	\$ 237,832	\$ 228,339
<i>Building Department(7)</i>				
Construction Permits Issued	1,667	1,335	1,453	1,439
Estimated Value of Construction	\$ 87,363,903	\$ 22,673,883	\$ 27,238,831	\$ 19,280,049
Amount of Revenue generated from permits	\$ 524,372	\$ 324,689	\$ 361,469	\$ 386,808
Number of contract registrations issued	613	390	574	579
Amount of Revenue generated from contract registrations	\$ 61,875	\$ 80,625	\$ 67,500	\$ 70,750
Number of rental inspections performed*	0	0	735	289
Number of point of sale inspections	414	414	382	254
<i>Engineer Contracted Services(8)</i>				
Dollar amount of Construction overseen by Engineer	\$ 5,171,216	\$ 4,734,175	\$ 4,237,877	\$ 3,433,017
<b>Transportation(8,10)</b>				
Street Improvements - asphalt overlay (linear feet)	10,510	10,510	10,510	10,510
Street Repair (Curbs, aprons, berms, asphalt) (hours)	16,862	16,907	14,245	14,778
Municipal Signs (hours)	2,945	2,028	2,524	2,656
Paint Striping (hours)	381	243	198	561
Street Cleaning (hours)	602	694	710	838
Snow & Ice Removal regular hours	2,925	2,275	1,429	2,452
Snow & Ice Removal overtime hours	1,206	782	624	544
Sewer Crew (hours)	4,771	4,824	4,737	5,647
Leaf collection (hours)	1,991	2,025	1,907	2,000
Number of Trees Planted per year	181	48	55	0
Tons of snow melting salt purchased (Nov-Mar)	1,498	3,733	3,014	3,048
Cost of salt purchased	\$ 101,079	\$ 40,056	\$ 125,742	\$ 155,555
<b>Water Department(9)</b>				
Average Water Rate per 1000 gallons of water used	\$ 4.09	\$ 4.09	\$ 4.09	\$ 4.09
<b>Wastewater Department(9)</b>				
Average Wastewater Rates per 1000 gallons of water used	\$ 11.98	\$ 11.28	\$ 10.65	\$ 9.57
Average daily flow (Millions of gallons per day)	1.80	1.80	1.90	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



2014	2013	2012	2011	2010	2009
\$ 87,834	\$ 83,694	\$ 94,715	\$ 87,184	\$ 78,107	\$ 80,418
\$ 173,949	\$ 188,740	\$ 187,664	\$ 188,758	\$ 199,473	\$ 166,046
\$ 172,533	\$ 151,096	\$ 149,361	\$ 119,983	\$ 82,992	\$ 66,515
1,235	1,278	1,365	1,481	1,551	1,673
\$ 14,571,224	\$ 18,812,145	\$ 31,824,793	\$ 36,768,876	\$ 34,130,240	\$ 77,870,198
\$ 175,946	\$ 274,278	\$ 289,842	\$ 299,738	\$ 431,117	\$ 625,070
513	527	560	570	523	548
\$ 64,125	\$ 65,875	\$ 56,000	\$ 57,000	\$ 50,100	\$ 54,800
587	529	481	470	198	146
344	192	190	169	183	200
\$ 2,071,675	\$ 3,755,000	\$ 1,779,077	\$ 1,625,020	\$ 5,707,254	\$ 2,813,504
10,560	10,510	4,752	13,186	10,757	21,200
14,831	11,057	12,675	15,609	16,455	17,611
2,223	3,567	4,169	4,023	3,972	3,599
448	1,146	2,022	1,948	2,028	1,267
733	1,037	1,732	1,714	1,993	2,033
3,004	1,290	89	1,717	1,381	2,016
1,099	729	600	689	1,158	977
6,291	6,149	2,973	4,403	5,164	5,589
1,836	1,907	1,300	1,605	1,831	2,346
78	105	118	101	58	60
4,900	2,971	1,866	3,081	3,979	3,439
\$ 149,046	\$ 94,943	\$ 85,076	\$ 142,537	\$ 180,833	\$ 198,600
\$ 4.09	\$ 4.09	\$ 4.71	\$ 4.71	\$ 4.09	\$ 4.09
\$ 8.63	\$ 7.75	\$ 7.01	\$ 6.40	\$ 6.33	\$ 6.33
2.00	2.20	1.96	2.04	2.00	2.07

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

Function/Program	2018	2017	2016	2015
<b>General Government</b>				
Number of Buildings	4	4	4	4
Square footage of Buildings:				
City Hall/Municipal Court	20,900	20,900	20,900	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	8	10
Inspection Vehicles	4	4	4	4
Municipal Court Vehicles	1	1	1	1
<b>Police</b>				
Stations	1	1	1	1
Square footage of station	9,700	9,700	9,700	9,700
Vehicles	28	28	28	28
<b>Fire</b>				
Stations	1	1	1	1
Square footage of station	7,900	7,900	7,900	7,900
Vehicles:				
Aerial Tower	1	1	1	1
Pumpers	2	2	2	2
Rescue Ambulances	2	2	2	2
Utility	1	1	1	1
Staff vehicles	2	2	2	2
<b>Recreation</b>				
Number of Parks	5	5	5	5
Number of Pools	2	2	2	2
Number of Racquetball Courts	1	1	1	1
Number of Basketball Courts	3	3	3	3
Number of Baseball Diamonds	4	4	4	4
Number of Soccer Fields	3	3	3	3
Number of Playground Areas	6	6	6	6
Number of Vehicles	5	5	5	4
<b>Other Public Works</b>				
Streets (miles)	73.4	73.4	73.4	73.4
Service Vehicles	40	40	40	35
<b>Wastewater</b>				
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
<b>Water Department</b>				
Water Lines (miles)	84.0	84.0	84.0	84.0
Vehicles	8	8	8	6

Source: City of Berea Service Department

2014	2013	2012	2011	2010	2009
4	4	4	4	4	4
17,000	17,000	17,000	17,000	17,000	17,000
19,100	19,100	19,100	19,100	19,100	19,100
25,400	25,400	25,400	25,400	25,400	25,400
33,000	33,000	33,000	33,000	33,000	33,000
10	11	12	11	9	11
4	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
28	24	26	22	23	22
1	1	1	1	1	1
7,900	7,900	7,900	7,900	7,900	7,900
1	1	1	1	1	1
2	2	3	2	2	2
2	2	3	3	3	2
1	0	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	1	2	2
3	3	3	2	2	2
4	4	4	4	4	4
3	3	3	3	2	2
5	5	5	4	4	4
4	4	4	3	2	3
73.4	89.8	90.3	90.3	89.9	89.8
35	38	42	43	39	34
75.5	76.2	73.5	73.5	73.5	73.5
90.5	53.5	53.5	53.5	73.5	53.4
2	2	2	2	2	2
84.0	83.9	80.3	80.3	77.0	79.7
6	7	8	7	6	6

**This page intentionally left blank.**

OHIO AUDITOR OF STATE  
**KEITH FABER**



**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 20, 2019**