VILLAGE OF MAYFIELD
CUYAHOGA COUNTY, OHIO

AUDIT REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2013

James G. Zupka, CPA, Inc.
Certified Public Accountants

VILLAGE OF MAYFIELD
CUYAHOGA COUNTY, OHIO
AUDIT REPORT
FOR THE YEARS ENDED DECEMBER 31, 2013

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INDEPENDENT AUDITOR'S REPORT

Village Council
Village of Mayfield
Mayfield Village, Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Mayfield, Cuyahoga County, Ohio (the Village), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Village'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 the cash basis of accounting described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 Village'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 Village'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 cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Mayfield, Ohio, as of December 31, 2013, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund and SCM&R Fund thereof for the year then ended in accordance with the basis of accounting described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Supplemental and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village of Mayfield, Ohio's basic financial statements. Management's Discussion and Analysis includes tables of net position, changes in net position, governmental activities, and outstanding debt. These tables provide additional analysis and are not a required part of the basic financial statements.

These tables are management's responsibility, 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 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, these tables are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion and Analysis, and we express no opinion or any other assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2014, on our consideration of the Village of Mayfield, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Mayfield, Ohio's internal control over financial reporting and compliance.

James G. Zupka, CPA,
President

Digitally signed by James G. Zupka, CPA, President
DN: cn=James G. Zupka, CPA, President, o=James G. Zupka, CPA, Inc., ou=Accounting, email=jgzcpa@sbcglobal.net, c=US
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James G. Zupka, CPA, Inc.
Certified Public Accountants

February 17, 2014

VILLAGE OF MAYFIELD
CUYAHOGA COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

This discussion and analysis of the performance of the Village of Mayfield, Cuyahoga County, Ohio (the Village) provides an overall review of the Village's financial activities for the year ended December 31, 2013, within the limitations of the Village's cash basis of accounting. The intent of this discussion and analysis is to look at the Village's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

Financial Highlights

Highlights for 2013 are as follows:

- On May 4, 2010, Mayfield Village residents approved a one-half percent increase in the municipal income tax rate. This tax rate increase went into effect on July 1, 2010 and was expected to generate approximately $3 million of additional revenue annually. These annual proceeds are being used to retire debt, grow reserves, offer economic development incentives to existing and prospective businesses, support daily operations and fund capital equipment and infrastructure needs. For 2012 and 2013, this tax rate increase generated additional revenues totaling $3,766,933 and $4,051,343, respectively.

- Net position of governmental activities increased by $4,167,770 or 32.6 percent compared to 2012. This increase in position is primarily attributable to increases in the General Fund of $2,064,897, the Green Corridor Construction Fund of $1,097,559 and Other Governmental Funds of $527,705. The increase in the General Fund resulted from conservative budgeting and prudent fiscal management. The increases in the Green Corridor Construction Fund and Other Governmental Funds resulted from putting monies aside to fund future capital projects, primarily the construction of the Village's trail system and the renovation of the Community Room.

- The Village's general receipts are primarily made up of municipal income taxes, property taxes, and tax incremental financing revenue or payments in lieu of taxes. These items account for 85.0 percent of total general receipts. Municipal income taxes increased by $1,097,691 or 7.2 percent, property taxes decreased by $30,691 or 4.4 percent and payments in lieu of taxes decreased by $31,845 or 3.2 percent as compared to 2012.

- Total disbursements decreased $123,923 or .7 percent as compared to 2012.

Using the Basic Financial Statements

Report Components

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

The statement of net position and the statement of activities display information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Village as a Whole

The statement of net position and the statement of activities reflect how the Village did financially during 2013, within the limitations of the cash basis of accounting. The statement of net position presents the cash balances of the governmental activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other nonfinancial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes. The statement of net position and the statement of activities reflect how the Village did financially during 2013, within the limitations of cash basis accounting.

In the statement of net position and the statement of activities, we express the Village's activities as the following:

> ***Governmental activities.*** The Village's basic services are reported here, including police, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Village's Most Significant Funds

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into two categories: governmental and fiduciary.

Governmental Funds - Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village's major governmental funds in 2013 are the General Fund, the Street Construction Maintenance and Repair Fund, the General Bond Retirement Fund and the Green Corridor Construction Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Village's programs.

The Village as a Whole

Table 1 provides a summary of the Village's net position for 2013 compared to 2012 on a cash basis:

(Table 1)
Net Position

Governmental Activities

	2013	2012	Change
Assets			
Equity in Pooled Cash and Cash Equivalents	$16,941,215	$12,773,445	$4,167,770
Net Position			
Restricted for:			
Capital Projects	$1,436,763	$242,564	$1,194,199
Debt Service	345,559	93,307	252,252
Other Purposes	710,114	471,208	238,906
Unrestricted	14,448,779	11,966,366	2,482,413
Total Net Position	$16,941,215	$12,773,445	$4,167,770

Net position of governmental activities increased $4,167,770 or 32.6 percent as compared to 2012. As previously mentioned, this increase in position is primarily attributable to increases in the General Fund of $2,064,897, the Green Corridor Construction Fund of $1,097,559 and Other Governmental Funds of $527,705.

Table 2 reflects the changes in net position on a cash basis in 2013 and 2012 for governmental activities.

(Table 2)
Changes in Net Position
Governmental Activities

	2013	2012	Change
Receipts:			
Program Receipts:			
Charges for Services and Sales	$1,224,967	$1,441,793	($216,826)
Operating Grants and Contributions	13,302	46,529	(33,227)
Capital Grants and Contributions	154,134	371,231	(217,097)
Total Program Receipts	1,392,403	1,859,553	(467,150)
General Receipts:			
Property Taxes	674,723	705,414	(30,691)
Municipal Income Taxes	16,344,492	15,246,801	1,097,691
Hotel Taxes	249,726	223,615	26,111
Grants and Entitlements Not Restricted to Specific Programs	633,830	1,089,705	(455,875)
Payments in Lieu of Taxes	954,639	986,484	(31,845)
Franchise Taxes	58,706	58,765	(59)
Interest	33,486	13,846	19,640
Proceeds of Notes	1,900,000	2,400,000	(500,000)
Premium on Debt	5,305	7,399	(2,094)
Sale of Capital Assets	23,945	16,301	7,644
Miscellaneous	255,291	143,547	111,744
Total General Receipts	21,134,143	20,891,877	242,266
Total Receipts	22,526,546	22,751,430	(224,884)
Disbursements:			
General Government	2,746,827	2,565,186	181,641
Security of Persons and Property	5,484,662	5,472,669	11,993
Public Health Services	14,779	18,279	(3,500)
Leisure Time Activities	961,797	950,589	11,208
Basic Utility Services	219,638	261,617	(41,979)
Community Development	351,270	363,179	(11,909)
Transportation	2,326,161	2,216,745	109,416
Capital Outlay	2,251,040	2,121,904	129,136
Debt Service			
Principal Retirement	3,675,140	4,135,154	(460,014)
Interest and Fiscal Charges	327,462	377,377	(49,915)
Total Disbursements	18,358,776	18,482,699	(123,923)
Increase (Decrease) in Net Position	4,167,770	4,268,731	(100,961)
Net Position, Beginning of Year	12,773,445	8,504,714	4,268,731
Net Position, End of Year	$16,941,215	$12,773,445	$ 4,167,770

Program receipts represent 6.2 percent of total receipts in 2013 and are comprised of charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program.

General receipts represent 93.8 percent of the Village's total receipts, and of this amount, 85.0 percent represents municipal income taxes, property taxes and payment in lieu of taxes and 9.0 percent represents proceeds from notes issued. State and federal grants and entitlements, hotel taxes, franchise taxes, proceeds from sale of capital assets, investment income and miscellaneous receipts make up the balance of the Village's general receipts.

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of the Mayor's Office, Council, the Finance and Economic Development Office, the Law Department and other departments.

Security of Persons and Property are the costs of police, fire protection and emergency medical services. Public Health Services consist of payments to the Dog Warden, payments to the Cuyahoga County Board of Health and the Flu Shot program. Leisure Time Activities is the maintenance of the parks and playing fields. Transportation is the cost of maintaining the Village roads.

Table 3 presents a summary for governmental activities for 2013 and 2012, the total cost of services and the net cost of providing those services.

(Table 3)
Governmental Activities

	Total Cost of Services 2013	Total Cost of Services 2012	Net Cost of Services 2013	Net Cost of Services 2012
General Government	$2,746,827	$2,565,186	$2,440,960	$2,237,238
Security of Persons and Property	5,484,662	5,472,669	4,999,829	4,805,775
Public Health Services	14,779	18,279	11,779	15,279
Leisure Time Activities	961,797	950,589	561,816	504,145
Basic Utility Services	219,638	261,617	216,723	260,188
Community Development	351,270	363,179	350,327	362,047
Transportation	2,326,161	2,216,745	2,289,661	2,179,045
Capital Outlay	2,251,040	2,121,904	2,246,810	1,897,145
Debt Service:				
Principal Retirement	3,675,140	4,135,154	3,521,006	3,984,907
Interest and Fiscal Charges	327,462	377,377	327,462	377,377
Total	$18,358,776	$18,482,699	$16,966,373	$16,623,146

The Village's Funds

Total governmental funds had receipts and other financing sources excluding transfers and advances of $22,526,546 and disbursements of $18,358,776. The greatest changes within governmental funds occurred within the General Fund and the Green Corridor Construction Fund. The General Fund increased by $2,064,897 or 18.0 percent, the result of conservative budgeting and prudent fiscal management. The Green Corridor Construction Fund increased by $1,097,559 or 452.48 percent, the result of putting monies aside to fund construction of the Village's trail system.

General Fund Budgeting Highlight

The Village's budget is prepared according to the laws of the State of Ohio and is based on accounting for certain transactions on a cash basis for receipts, expenditures, and encumbrances. The most significant budgeted fund is the General Fund. The legal level of budgetary control is at the fund, department and object level for all funds.

During 2013, the Village amended its General Fund budget to reflect changing circumstances. Original and final budgeted revenues were $14,777,155 and $17,087,155, respectively, and actual receipts were $18,384,215. Original and final budgeted appropriations were $17,395,146 and $17,140,008, respectively, and actual expenditures were $16,693,417.

Debt Administration

The outstanding debt for the Village as of December 31, 2013 was $10,010,668. This balance reflects a decrease of $1,775,140 from the balance at December 31, 2012 of $11,785,808.

(Table 4)

Outstanding Debt at December 31

	Governmental Activities		
	2013	2012	Change
Notes Payable	$1,900,000	$2,400,000	($500,000)
General Obligation Bonds	4,725,000	5,150,000	(425,000)
OPWC Loans	918,369	991,120	(72,751)
OWDA Loans	675,342	728,963	(53,621)
State Infrastructure Bank Loans	1,791,957	2,515,725	(723,768)
Totals	$10,010,668	$11,785,808	($1,775,140)

The notes payable were issued for the purpose of acquiring certain real estate, existing buildings and other structures located thereon for the purpose of improving the parks and recreation system and to conserve, preserve and enhance the availability of open spaces in the Village. They are dated August 28, 2013, mature on August 28, 2014 and bear interest at the rate of 1.000 percent.

Debt Administration (Continued)

The general obligation bonds include $650,000 issued for construction of the fire station, $3,330,000 issued for the construction of the police station, and $745,000 issued for construction of the Highland Road underpass.

The OPWC loans are interest free and include $52,382 relating to the 1996 Worton Park Sanitary Sewer System Project, $631,658 relating to the 2003 S.O.M. Center Road Widening Project and $234,329 relating to the 2012 Raleigh, Beta, Wilson Mills Road Renovation Project.

The OWDA loans include $63,873 relating to the 1996 Worton Park Sanitary Sewer System Project and $611,469 relating to the 2008 Highland Road, Metro Park Drive and Zorn Lane septic systems conversion project.

The Village has two State Infrastructure Bank (S.I.B.) Loans from the Ohio Department of Transportation. The first S.I.B. loan is being repaid over a seventeen year period with a 4 percent interest rate. As of December 31, 2013, the outstanding balance of the first S.I.B. loan was $1,286,751. The second S.I.B. loan will be repaid over nine years with a 3 percent interest rate. The outstanding balance of the second S.I.B. loan as of December 31, 2013 was $505,206. The debt service payments for both S.I.B. loans are offset by annual special assessments and Tax Incremental Financing Payments or Payments in Lieu of Taxes exceeding $900,000 per year.

For further information regarding the Village's debt, refer to Notes 10 and 11 to the basic financial statements.

Current Issues

On May 4, 2010, Mayfield Village residents approved a one-half percent increase in the municipal income tax rate. This tax rate increase went into effect on July 1, 2010 and was expected to generate approximately $3 million of additional revenue annually. These annual proceeds are being used to retire debt, grow reserves, offer economic development incentives to existing and prospective businesses, support daily operations and fund capital equipment and infrastructure needs. For 2012 and 2013, this tax rate increase generated additional revenues totaling $3,766,933 and $4,051,343, respectively.

On September 4, 2013, the Village received final approval on Federal NOACA funding to be used towards the construction of the Village's trail system. The funding is equal to 80 percent of eligible construction costs, up to a maximum of $1,067,418. Construction costs have been bid at $1,334,272. The project commenced in the fall of 2013 and will be completed by the summer of 2014.

Contacting Mayfield Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Ronald C. Wynne, CPA, Director of Finance, Mayfield Village, 6622 Wilson Mills Road, Mayfield Village, Ohio 44143. Mr. Wynne can be contacted via email at rwynne@mayfieldvillage.com or via the Village website at www.mayfieldvillage.com.

Village of Mayfield, Ohio
Cuyahoga County
Statement of Net Position - Cash Basis
December 31, 2013

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$16,941,215
Net Position	
Restricted for:	
Capital Projects	$1,436,763
Debt Service	345,559
Other Purposes	710,114
Unrestricted	14,448,779
Total Net Position	$16,941,215

See accompanying notes to the basic financial statements

Village of Mayfield, Ohio
Cuyahoga County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2013

		Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Current:					
General Government	$2,746,827	$305,867	$0	$0	($2,440,960)
Security of Persons and Property	5,484,662	471,531	13,302	0	(4,999,829)
Public Health Services	14,779	3,000	0	0	(11,779)
Leisure Time Activities	961,797	399,981	0	0	(561,816)
Basic Utility Services	219,638	2,915	0	0	(216,723)
Community Development	351,270	943	0	0	(350,327)
Transportation	2,326,161	36,500	0	0	(2,289,661)
Capital Outlay	2,251,040	4,230	0	0	(2,246,810)
Debt Service:					
Principal Retirement	3,675,140	0	0	154,134	(3,521,006)
Interest and Fiscal Charges	327,462	0	0	0	(327,462)
Total Governmental Activities	$18,358,776	$1,224,967	$13,302	$154,134	(16,966,373)

General Receipts	
Property Taxes Levied for:	
General Purposes	164,963
Debt Service	405,541
Other Purposes	104,219
Municipal Income Taxes	16,344,492
Hotel Taxes	249,726
Grants and Entitlements not Restricted to Specific Programs	633,830
Payments in Lieu of Taxes	954,639
Franchise Taxes	58,706
Interest	33,486
Notes Issued	1,900,000
Premium on Debt	5,305
Sale of Capital Assets	23,945
Miscellaneous	255,291
Total General Receipts	21,134,143
Change in Net Position	4,167,770
Net Position, Beginning of Year	12,773,445
Net Position, End of Year	$16,941,215

See accompanying notes to the basic financial statements

Village of Mayfield, Ohio
Cuyahoga County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2013

	General	S.C.M. & R.	General Bond Retirement	Green Corridor Construction	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	$13,563,847	$351,980	$345,559	$1,340,123	$1,339,706	$16,941,215
Fund Balances						
Restricted	$1,334	$351,980	$345,559	$1,340,123	$453,440	$2,492,436
Committed	196,388	0	0	0	886,266	1,082,654
Assigned	3,024,387	0	0	0	0	3,024,387
Unassigned	10,341,738	0	0	0	0	10,341,738
Total Fund Balances	$13,563,847	$351,980	$345,559	$1,340,123	$1,339,706	$16,941,215

See accompanying notes to the basic financial statements

Village of Mayfield, Ohio
Cuyahoga County
Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2013

	General	S.C.M. & R.	General Bond Retirement	Green Corridor Construction	Other Governmental Funds	Total Governmental Funds
Receipts						
Municipal Income Taxes	$16,344,492	$0	$0	$0	$0	$16,344,492
Property Taxes	164,963	0	405,541	0	104,219	674,723
Hotel Taxes	41,060	0	0	0	208,666	249,726
Special Assessments	0	0	154,134	0	86,844	240,978
Payments in Lieu of Taxes	0	0	954,639	0	0	954,639
Charges for Services	640,347	0	0	0	7,230	647,577
Fees, Licenses and Permits	108,732	0	0	0	943	109,675
Fines and Forfeitures	156,275	0	0	0	0	156,275
Intergovernmental	427,381	145,781	39,985	0	33,984	647,131
Franchise Taxes	0	29,353	0	0	29,353	58,706
Rentals	196,824	0	0	0	19,805	216,629
Contributions and Donations	2,200	0	0	0	5,768	7,968
Interest	32,431	975	0	0	80	33,486
Miscellaneous	255,291	0	0	0	0	255,291
Total Receipts	18,369,996	176,109	1,554,299	0	496,892	20,597,296
Disbursements						
Current:						
General Government	2,719,643	0	4,750	0	22,434	2,746,827
Security of Persons and Property	5,362,461	0	0	0	122,201	5,484,662
Public Health Services	13,918	0	0	0	861	14,779
Leisure Time Activities	957,391	0	0	0	4,406	961,797
Basic Utility Services	197,638	0	0	0	22,000	219,638
Community Development	350,303	0	0	0	967	351,270
Transportation	2,146,774	90,943	0	0	88,444	2,326,161
Capital Outlay	672,054	969,809	0	144,859	464,318	2,251,040
Debt Service:						
Principal Retirement	0	0	3,675,140	0	0	3,675,140
Interest and Fiscal Charges	0	0	327,462	0	0	327,462
Total Disbursements	12,420,182	1,060,752	4,007,352	144,859	725,631	18,358,776
Excess of Receipts Over (Under) Disbursements	5,949,814	(884,643)	(2,453,053)	(144,859)	(228,739)	2,238,520
Other Financing Sources (Uses)						
Sale of Capital Assets	23,945	0	0	0	0	23,945
Notes Issued	0	0	1,900,000	0	0	1,900,000
Premium on Debt	0	0	5,305	0	0	5,305
Transfers In	0	1,110,000	800,000	175,000	756,444	2,841,444
Transfers Out	(2,841,444)	0	0	0	0	(2,841,444)
Advances In	0	0	0	1,067,418	0	1,067,418
Advances Out	(1,067,418)	0	0	0	0	(1,067,418)
Total Other Financing Sources (Uses)	(3,884,917)	1,110,000	2,705,305	1,242,418	756,444	1,929,250
Net Change in Fund Balances	2,064,897	225,357	252,252	1,097,559	527,705	4,167,770
Fund Balances, Beginning of Year	11,498,950	126,623	93,307	242,564	812,001	12,773,445
Fund Balances, End of Year	$13,563,847	$351,980	$345,559	$1,340,123	$1,339,706	$16,941,215

See accompanying notes to the basic financial statements

Village of Mayfield, Ohio
Cuyahoga County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Municipal Income Taxes	$13,200,000	$15,275,000	$16,344,492	$1,069,492
Property Taxes	165,000	165,000	164,963	(37)
Hotel Taxes	35,000	35,000	41,060	6,060
Charges for Services	650,960	610,960	640,347	29,387
Fees, Licenses and Permits	96,675	96,675	105,817	9,142
Fines and Forfeitures	154,200	154,200	156,275	2,075
Intergovernmental	164,070	364,070	427,381	63,311
Rentals	154,000	154,000	190,013	36,013
Contributions and Donations	0	0	2,200	2,200
Interest	10,000	10,000	32,431	22,431
Miscellaneous	132,250	207,250	255,291	48,041
Total Receipts	14,762,155	17,072,155	18,360,270	1,288,115
Disbursements				
Current:				
General Government	2,788,796	2,788,796	2,827,749	(38,953)
Security of Persons and Property	5,722,885	5,722,885	5,482,269	240,616
Public Health Services	15,000	15,000	13,893	1,107
Leisure Time Activities	1,009,305	1,009,305	978,285	31,020
Basic Utility Services	198,000	198,000	214,261	(16,261)
Community Development	396,680	396,680	355,096	41,584
Transportation	2,174,080	2,174,080	2,171,109	2,971
Capital Outlay	846,400	846,400	661,893	184,507
Total Disbursements	13,151,146	13,151,146	12,704,555	446,591
Excess of Receipts Over Disbursements	1,611,009	3,921,009	5,655,715	1,734,706
Other Financing Sources (Uses)				
Sale of Capital Assets	15,000	15,000	23,945	8,945
Transfers Out	(4,244,000)	(2,921,444)	(2,921,444)	0
Advances Out	0	(1,067,418)	(1,067,418)	0
Total Other Financing Sources (Uses)	(4,229,000)	(3,973,862)	(3,964,917)	8,945
Net Change in Fund Balance	(2,617,991)	(52,853)	1,690,798	1,743,651
Unencumbered Fund Balance, Beginning of Year	10,773,775	10,773,775	10,773,775	0
Prior Year Encumbrances Appropriated	614,395	614,395	614,395	0
Unencumbered Fund Balance, End of Year	$8,770,179	$11,335,317	$13,078,968	$1,743,651

See accompanying notes to the basic financial statements

Village of Mayfield, Ohio
Cuyahoga County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
S.C.M. & R. Fund
For the Year Ended December 31, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	$147,000	$147,000	$145,781	($1,219)
Franchise Taxes	25,000	25,000	29,353	4,353
Interest	100	100	975	875
Total Receipts	172,100	172,100	176,109	4,009
Disbursements				
Current:				
Transportation	136,000	136,000	90,943	45,057
Capital Outlay	1,205,000	1,205,000	1,081,396	123,604
Total Disbursements	1,341,000	1,341,000	1,172,339	168,661
Excess of Disbursements Over Receipts	(1,168,900)	(1,168,900)	(996,230)	172,670
Other Financing Sources				
Transfers In	1,110,000	1,110,000	1,110,000	0
Total Other Financing Sources	1,110,000	1,110,000	1,110,000	0
Net Change in Fund Balance	(58,900)	(58,900)	113,770	172,670
Unencumbered Fund Balance, Beginning of Year	121,772	121,772	121,772	0
Prior Year Encumbrances Appropriated	4,851	4,851	4,851	0
Unencumbered Fund Balance, End of Year	$67,723	$67,723	$240,393	$172,670

See accompanying notes to the basic financial statements

Village of Mayfield, Ohio
Cuyahoga County
Statement of Fiduciary Net Position - Cash Basis
Agency Funds
December 31, 2013

Assets	
Equity in Pooled Cash and Cash Equivalents	$16,754
Net Position	
Held on Behalf of Contractors	$16,754

See accompanying notes to the basic financial statements

NOTE 1. DESCRIPTION OF THE VILLAGE AND REPORTING ENTITY

The Village of Mayfield, Cuyahoga County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected seven-member Council and Mayor. The Village provides general government services, maintenance of roads, garbage collection, sanitary sewer and storm sewer facilities, building, zoning, and police and fire protection.

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the Village is obligated for the debt of the organization. The Village is also financially accountable for any organizations for which the Village approves the budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Village, are accessible to the Village and are significant in amount to the Village. The Village has no component units.

The Village participates in the Northeast Ohio Public Energy Council (NOPEC), Eastern Suburban Regional Council of Governments, and Mayfield Union Cemetery, jointly governed organizations. Note 14 to the financial statements provides additional information for these entities.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America ("GAAP"). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board ("GASB") pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village's accounting policies.

A. Basis of Presentation

The Village's basic financial statements consist of government-wide financial 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements usually distinguish between those activities of the Village that are governmental and those that are considered business-type activities. The Village has no business-type activities.

The government-wide statement of net position presents the cash balances of the governmental activities of the Village at year end. The government-wide statement of activities compares disbursements with program receipts for each program or function of the Village's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the Village's general receipts.

FUND FINANCIAL STATEMENTS

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

B. Fund Accounting

The Village 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. The funds of the Village are divided into two categories, governmental and fiduciary.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Village are financed. Governmental funds are financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the Village's major governmental funds:

General Fund – The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred accordingly to the Charter of the Village and/or general laws of Ohio.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Street Construction Maintenance and Repair (S.C.M. & R.) Fund – The S.C.M. & R. Fund receives cable franchise fees, gasoline tax and motor vehicle license registration fees for the maintenance and repair of streets within the Village.

General Bond Retirement Fund – The General Bond Retirement Fund receives property taxes and note proceeds for the retirement of the Village bonds and notes.

Green Corridor Construction Fund – The Green Corridor Construction Fund receives transfers from the General Fund and grant monies for the construction of the Village's trail system.

The other governmental funds of the Village account for grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

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 Village under a trust agreement for individuals, private organizations or other governments and are therefore not available to support the Village's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Village's only fiduciary funds are agency funds which account for the collection and distribution of contractor's performance bonds and to receive bail bond money which is remitted to the Lyndhurst Municipal Court.

C. Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in the notes.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, 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 the Village Council may appropriate.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund, department and object level for all funds. Budgetary modifications may only be made by ordinance of the Village Council at the legal level of control.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Director of Finance. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Village Council.

The appropriations ordinance 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 ordinance 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 the Village Council during the year.

E. Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through the Village's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2013, investments were limited to certificates of deposit, municipal securities, STAR Ohio, a money market fund and a savings bond.

Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices or, in the case of mutual funds, current share price. Non-participating investment contracts such as repurchase agreements are reported at cost.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest earnings are allocated to Village funds according to State statutes, the Charter and Codified Ordinances of the Village, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2013 was $32,431 which includes $5,334 assigned from other Village funds.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

G. Inventory and Prepaid Items

The Village reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Interfund Receivables/Payables

The Village reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for post-retirement health care benefits.

L. Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor capital outlay expenditures are reported at inception. Lease payments are reported when paid.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The government-wide statement of net position reports $2,492,436 of restricted net position, none of which is restricted by enabling legislation. Net position restricted for other purposes include resources restricted for street construction, maintenance and repair, street lighting and law enforcement. The Village's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted resources are available.

N. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. 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 are 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 interfund loans.

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.

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of Village Council. Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Village 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 Village Council or a Village official delegated that authority by ordinance, or by State Statute.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village 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.

O. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies 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. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

NOTE 3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund and S.C.M. & R. Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budget basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis), and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to $339,375 in the General Fund and $111,587 in the S.C.M. & R. Fund.

Additionally, certain funds that are legally budgeted in separate special revenue funds are considered part of the General Fund in the cash basis financial statements. However, on the budgetary basis, the activity of these special revenue funds is excluded resulting in a decrease in fund balance of the General Fund of $145,504.

NOTE 4. DEPOSITS AND INVESTMENTS

The Village has elected to follow the provisions of State statutes. State statutes classify monies held by the Village into three categories.

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

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

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

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Finance Director by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligation or security 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 the market value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least two percent and to 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 or Ohio local governments;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio); and

8. Commercial paper and bankers acceptances with appropriate limitations if ORC training requirements have been met.

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 Village, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, all of the Village's bank balance of $13,919,325 was insured or collateralized.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Village or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2013, the Village had the following investments:

Investment Type	Carrying Value	Investment Maturity
U.S. Savings Bond	$1,000	12 Years
Money Market Fund	9,516	Daily
Municipal Securities	107,216	39 Months
STAR Ohio	72,528	Average 60 Days
Negotiable Certificates of Deposit	3,057,338	13 to 38 Months
Total Portfolio	$3,247,598	

Interest Rate Risk: As a means of limiting its exposure to fair value losses caused by rising interest rates, the Village's investment policy requires that operating funds be invested primarily in investments so that securities mature to meet cash requirements for ongoing operations. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Credit Risk: The money market fund carries a rating of Aaa-mf by Moody's and AAAm by Standard and Poor's. The municipal securities carry a rating of A3 by Moody's. STAR Ohio carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Village has no policy that addresses credit risk.

Concentration of Credit Risk: The Village places no limit on the amount it may invest in any one issuer. The Village's investments in U.S. Savings Bond, Money Market Fund, Municipal Securities, STAR Ohio and Negotiable Certificates of Deposit represent .03%, .29%, 3.30%, 2.23% and 94.14%, respectively.

NOTE 5. INCOME TAXES

The Village levies a municipal income tax of 2.0 percent on all salaries, wages, lottery winnings, commissions and other compensation, and net profits earned within the Village as well as income of residents earned outside of the Village. The Village allows a credit of the lesser of actual taxes paid to another municipality or one hundred percent of the Village's municipal tax rate on taxable income. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

The Regional Income Tax Agency (RITA) administers and collects income taxes for the Village. Employers within the Village withhold income tax on employee compensation and remit the tax to RITA either monthly or quarterly, as required. RITA distributes to the Village its portion of the income tax monthly. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. Income tax revenue is credited to the General Fund.

NOTE 6. PROPERTY TAXES

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

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

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, 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. 2013 public utility property taxes which became a lien on December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes.

NOTE 6. PROPERTY TAXES (Continued)

The full tax rate for all Village operations for the year ended December 31, 2013, was $7.30 per $1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2013 property tax receipts were based are as follows:

Real Estate:	
Residential/Agricultural	$96,472,820
Other Real Estate	69,375,370
Tangible Personal Property:	
Public Utility	4,564,520
Total Assessed Values	$170,412,710

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Fiscal Officer periodically remits to the Village its portion of the taxes collected.

NOTE 7. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2013, the Village contracted with several insurance companies for various types of coverage as follows:

Types of Coverage	Amount of Coverage
Commercial Property	$24,262,145
General Liability	1,000,000
Commercial Crime	1,000,000
Inland Marine	995,906
Automobile	1,000,000
Police Liability	1,000,000
Employment Practices Liability	1,000,000
Public Officials	1,000,000
Commercial Umbrella Liability	5,000,000

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

Workers' compensation coverage is provided by the State. The Village pays the State Workers' Compensation System a premium based on a rate of $1.78 per $100 of salaries. This rate is calculated based on accident history and administrative costs.

The Village provides all of its full-time employees and one of its part-time employees with hospitalization through the Cuyahoga County Benefits Regionalization Program, and dental insurance through Delta Dental of Ohio.

NOTE 8. DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

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

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set in the Ohio Revised Code, are not to exceed 10.0 percent of covered payroll. For the year ended December 31, 2013, members in state and local classifications contributed 10.0 percent of covered payroll while public safety and law enforcement members contributed 12.0 percent and 12.6 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2013, member and employer contribution rates were consistent across all three plans.

The Village's contribution rate for 2013 was 14.0 percent, except for those plan members in public safety and law enforcement, for whom the Village's contribution rate was 18.1 percent of covered payroll. The portion of the Village's contributions allocated to health care for members in the Traditional Pension Plan was 1.0 percent during calendar year 2013. The portion of the Village's contributions allocated to health care for members in the Combined Plan was 1.0 percent during calendar year 2013. Employer contribution rates are actuarially determined.

The Village's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012 and 2011 were $448,213, $348,212 and $337,624, respectively; 100 percent has been contributed for 2013, 2012 and 2011. Contributions to the Member-Directed Plan for 2013 were $2,326 made by the Village and $1,661 made by the plan members.

NOTE 8. DEFINED BENEFIT PENSION PLANS (Continued)

B. Ohio Police and Fire Pension Fund

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

Funding Policy - The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary from January 1, 2013 thru July 1, 2013 and 10.75 percent from July 2, 2013 thru December 31, 2013. Throughout 2013, employers were required to contribute 19.5 percent for police officers and 24.0 percent for firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits from January 1, 2013 thru May 31, 2013 was 14.81 percent of covered payroll for police officers and 19.31 percent of covered payroll for firefighters. The portion of employer contributions used to fund pension benefits from June 1, 2013 thru December 31, 2013 was 16.65 percent of covered payroll for police officers and 21.15 percent of covered payroll for firefighters. For 2013, a portion of the Village's contributions equal to 4.69 percent of covered payroll from January 1, 2013 thru May 31, 2013 and 2.85 percent of covered payroll from June 1, 2013 thru December 31, 2013 was allocated to fund the post-employment health care plan. The Village's contributions to OP&F for police and firefighters were $272,610 and $171,948 for the year ended December 31, 2013, $195,924 and $145,791 for the year ended December 31, 2012 and $183,025 and $140,492 for the year ended December 31, 2011, respectively. The full amount has been contributed for 2013, 2012 and 2011.

NOTE 9. POST-EMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

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

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

NOTE 9. POST-EMPLOYMENT BENEFITS (Continued)

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained 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 post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the Traditional Pension and Combined Plans is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local government employers contributed at a rate of 14.0 percent of covered payroll and public safety and law enforcement employees contributed 18.1 percent. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan was 1.0 percent during calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1.0 percent during calendar year 2013.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retirees or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The Village's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012 and 2011 were $34,463, $139,275 and $135,040, respectively; 100 percent has been contributed for 2013, 2012 and 2011.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law enforcement and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

NOTE 9. POST-EMPLOYMENT BENEFITS (Continued)

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability or survivor benefit check 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 GASB Statement 45.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide 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. That report may be obtained by writing to OP&F, 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 by Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. Active members do not make contributions to the OPEB Plan.

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

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 the year ended December 31, 2013, the employer contribution allocated to the health care plan was 4.69 percent of covered payroll from January 1, 2013 thru May 31, 2013 and 2.85% of covered payroll from June 1, 2013 thru December 31, 2013. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 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.

NOTE 9. POST-EMPLOYMENT BENEFITS (Continued)

The Village's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were $65,906 and $31,977 for the year ended December 31, 2013, $103,654 and $56,978 for the year ended December 31, 2012 and $96,830 and $54,907 for the year ended December 31, 2011, respectively. The full amount has been contributed for 2013, 2012 and 2011.

NOTE 10. NOTES PAYABLE

The changes in the Village's notes payable during 2013 were as follows:

Governmental Activities	Interest Rate	Outstanding 12/31/2012	Additions	(Reductions)	Outstanding 12/31/2013
2012 Bond Anticipation Notes	1.000%	$2,400,000	$0	($2,400,000)	$0
2013 Bond Anticipation Notes	1.000%	0	1,900,000	0	1,900,000
Total Governmental Activities		$2,400,000	$1,900,000	($2,400,000)	$1,900,000

The bond anticipation notes are backed by the full faith and credit of the Village and mature within one year. They will be paid from the general obligation bond retirement debt service fund. The bond anticipation notes were issued to acquire land and real estate to conserve, preserve, and enhance the availability of open spaces, and for recreational purposes.

NOTE 11. DEBT

Original issue amounts and year of maturity of the Village's loans were as follows:

Debt Issue	Interest Rate	Original Issue	Year of Maturity
Governmental Activities			
General Obligation Bonds:			
2006 Fire Station Refunding	3.7%-5.0%	$1,890,000	2016
2006 Police Station Refunding	3.7%-5.0%	4,500,000	2026
2006 Highland Road Underpass Refunding	3.7%-5.0%	1,000,000	2026
OPWC Loans:			
1996 Worton Park	0%	299,329	2017
2003 S.O.M. Center Road Widening	0%	902,368	2027
2012 Raleigh, Beta, Wilson Mills Road Renovation	0%	253,328	2032
OWDA Loans:			
1996 Sewer Construction	4.04% - 4.16%	253,846	2016
2008 Sewer Construction	3.25%	800,000	2027
1998 State Infrastructure Bank Loan	4.00%	3,445,275	2018
2004 State Infrastructure Bank Loan	3.00%	3,990,000	2014

NOTE 11. DEBT (Continued)

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

	Outstanding 12/31/2012	Additions	(Reductions)	Outstanding 12/31/2013	Due in One Year
Governmental Activities					
General Obligation Bonds:					
2006 Fire Station Refunding	$845,000	$0	($195,000)	$650,000	$210,000
2006 Police Station Refunding	3,520,000	0	(190,000)	3,330,000	200,000
2006 Highland Road Underpass Refunding	785,000	0	(40,000)	745,000	45,000
Total General Obligation Bonds	5,150,000	0	(425,000)	4,725,000	455,000
OPWC Loans:					
1996 Worton Park	67,349	0	(14,967)	52,382	14,966
2003 S.O.M. Center Road Widening	676,776	0	(45,118)	631,658	45,119
2012 Raleigh, Beta, Wilson Mills Road Renovation	246,995	0	(12,666)	234,329	12,667
Total OPWC Loans	991,120	0	(72,751)	918,369	72,752
OWDA Loans:					
1996 Sewer Construction	83,487	0	(19,614)	63,873	20,429
2008 Sewer Construction	645,476	0	(34,007)	611,469	35,122
Total OWDA Loans	728,963	0	(53,621)	675,342	55,551
State Infrastructure Bank Loans:					
1998 State Infrastructure Bank Loan	1,520,134	0	(233,383)	1,286,751	241,030
2004 State Infrastructure Bank Loan	995,591	0	(490,385)	505,206	505,206
Total State Infrastructure Bank Loans	2,515,725	0	(723,768)	1,791,957	746,236
Total Governmental Activities	$9,385,808	$0	($1,275,140)	$8,110,668	$1,329,539

In 2006, the Village issued $7,390,000 in general obligation refunding bonds and at varying interest rates. Proceeds were used to fully refund the outstanding 1996 Fire Station general obligation bonds and to fund the construction of a new police station and underpass on Highland Road.

Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 1996 Fire Station general obligation bonds. As a result, $1,990,000 of these bonds were considered defeased. The amount still outstanding at December 31, 2013 is $660,000.

The Worton Park, S.O.M. Center Road and Raleigh, Beta, Wilson Mills Road Renovation OPWC loans and the Sewer Construction OWDA loans will be paid from the general obligation bond retirement debt service fund.

NOTE 11. DEBT (Continued)

The State Infrastructure Bank Loans were issued for the completion of the North Commons Boulevard and Parkview Drive Construction on the interior roadway project and the engineering and the right-of-way acquisition for the widening of S.O.M. Center Road. The loan will be repaid in part by the proceeds of a Tax Incremental Financing Plan agreed between the Progressive Casualty Insurance Company and the Village in 1999.

The Village has assigned the future proceeds to the Ohio Department of Transportation.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2013, are as follows:

Governmental Activities

	General Obligation Bonds		OPWC Loans		OWDA Loans	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2014	$455,000	$186,655	$72,752	$0	$55,551	$22,011
2015	465,000	166,180	72,751	0	57,552	20,011
2016	490,000	148,975	72,751	0	59,625	17,937
2017	270,000	130,600	65,268	0	38,689	16,023
2018	280,000	120,340	57,785	0	39,956	14,756
2019-2023	1,610,000	428,443	288,924	0	220,296	53,262
2024-2028	1,155,000	94,000	243,806	0	203,673	15,116
2029-2032	0	0	44,332	0	0	0
Total	$4,725,000	$1,275,193	$918,369	$0	$675,342	$159,116

	State Infrastructure Bank Loans		Total	
Year	Principal	Interest	Principal	Interest
2014	$746,236	$51,272	$1,329,539	$259,938
2015	248,927	31,979	844,230	218,170
2016	257,083	23,824	879,459	190,736
2017	265,506	15,401	639,463	162,024
2018	274,205	6,701	651,946	141,797
2019-2023	0	0	2,119,220	481,705
2024-2028	0	0	1,602,479	109,116
2029-2032	0	0	44,332	0
Total	$1,791,957	$129,177	$8,110,668	$ 1,563,485.96

The Ohio Revised Code provides that net general obligation debt of the Village, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Village. The Ohio Revised Code further provides that total voted and unvoted net debt of the Village less the same exempt debt shall never exceed an amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2013, were an overall debt margin of $13,513,894 and an unvoted debt margin of $4,993,258.

NOTE 12. FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	S.C.M. & R.	General Bond Retirement	Green Corridor Construction	Other Governmental Funds	Total Governmental Funds
Restricted for:						
Road Maintenance and Improvements	$0	$351,980	$0	$0	$26,793	$378,773
Police and Fire Operations	0	0	0	0	71,577	71,577
Police Pension	0	0	0	0	754	754
Cemetery	1,334	0	0	0	19,769	21,103
Street Lighting	0	0	0	0	222,733	222,733
Debt Service	0	0	345,559	0	0	345,559
Drug and Alcohol Education and Enforcement	0	0	0	0	2,029	2,029
DARE Program	0	0	0	0	13,006	13,006
Construction of Green Corridor	0	0	0	1,340,123	0	1,340,123
Construction of Ballfield Restrooms	0	0	0	0	72,551	72,551
Sanitary Sewer Conversion Projects	0	0	0	0	24,089	24,089
Other Purposes	0	0	0	0	139	139
Total Restricted	1,334	351,980	345,559	1,340,123	453,440	2,492,436
Committed to:						
Economic Development	0	0	0	0	365,379	365,379
Capital Improvements	0	0	0	0	429,169	429,169
Other Purposes	196,388	0	0	0	91,718	288,106
Total Committed	196,388	0	0	0	886,266	1,082,654
Assigned to:						
Capital Improvements	123,593	0	0	0	0	123,593
Sanitary Sewer Conversion Projects	2,737,230	0	0	0	0	2,737,230
Other Purposes	163,564	0	0	0	0	163,564
Total Assigned	3,024,387	0	0	0	0	3,024,387
Unassigned:	10,341,738	0	0	0	0	10,341,738
Total Fund Balances	$13,563,847	$351,980	$345,559	$1,340,123	$1,339,706	$16,941,215

NOTE 13. INTERFUND TRANSACTIONS

Transfers and Advances made during the year ended December 31, 2013 were as follows:

Transfers from the General Fund to:	
Community Room Fund	$300,000
Eastgate/Meadowood Sewer Conversion Fund	25,000
General Bond Retirement Fund	800,000
Green Corridor Construction Fund	175,000
Parkview Ballfields Construction Fund	350,000
Parkview Pool Improvement Fund	81,444
S.C.M. & R. Fund	1,110,000
Total Transfers from the General Fund	$2,841,444
Advances from the General Fund to:	
Green Corridor Construction Fund	$1,067,418
Total Advances from the General Fund	$1,067,418

Transfers and Advances from the General Fund represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The Advance to the Green Corridor Construction Fund will be repaid to the General Fund in 2014 with the proceeds received from a federal NOACA grant.

NOTE 14. JOINTLY GOVERNED ORGANIZATIONS

Northeast Ohio Public Energy Council (NOPEC)

The Village 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 in 2000 to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity and natural gas. NOPEC is currently comprised of 134 members serving 174 communities in 10 counties. The intent of NOPEC is to provide electricity and natural gas at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity and natural gas to the citizens of its member communities. The Village did not contribute to NOPEC during 2013.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the ten-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, 31360 Solon Road, Suite 33, Solon, Ohio 44139 or at the website, www.nopecinfo.org.

NOTE 14. JOINTLY GOVERNED ORGANIZATIONS (Continued)

Eastern Suburban Regional Council of Governments

The Village is a member of The Eastern Suburban Regional Council of Governments (ESRCOG), which was formed in 1972 to foster cooperation between member municipalities through sharing of facilities for mutual benefit. The governing body of ESRCOG is a council comprised of one representative from each of the six participating municipalities. The Council operates in accordance with a written agreement establishing ESRCOG pursuant to Ohio Revised Code Chapter 167. The Council established one subsidiary organization, the Suburban Police Anti-Crime Network (SPAN), which provides for the mutual interchange and sharing of police personnel and police equipment to be utilized by all six (6) participating member municipalities. In 2013, all participating municipalities contributed $84,000. The Council adopts a budget for ESRCOG annually. Each member municipality's degree of control is limited to its representation on the Council. In 2013, the Village contributed $14,000, which represents 16.67 percent of the total contributions.

The Mayfield Union Cemetery

The Mayfield Union Cemetery is a jointly governed organization among three local communities (Village of Mayfield, Highland Heights and Mayfield Heights). The jointly governed organization was formed based on the boundaries in relation to the cemetery. Each of the communities contributes a nominal fee for the maintenance of the cemetery. In 2013, Mayfield Village contributed $1,000. The Village of Mayfield assumes the daily accounting and reporting of the cemetery finances. The Cemetery Board consists of three Board members; one council member appointed from each of the three communities. Financial information can be obtained by contacting the Director of Finance at the Village of Mayfield, 6622 Wilson Mills Road, Mayfield Village, Ohio 44143.

NOTE 15. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

At December 31, 2013, the Village's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
2013 Road Program	$974,457	$882,870	$91,587
Soccer Field Restrooms	327,325	262,674	64,651
Greenway Trail	1,334,272	45,694	1,288,578
Total	$2,636,054	$1,191,238	$1,444,816

NOTE 16. CONTINGENT LIABILITIES

A. Federal and State Grants

The Village receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the Village at December 31, 2013.

B. Litigation

The Village is a party in legal proceedings. The Village is of the opinion that the ultimate disposition of all claims and legal proceedings will not have a material effect, if any, on the financial condition of the Village.

NOTE 17. CHANGE IN ACCOUNTING PRINCIPLES

For 2013, the Village implemented GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34” and GASB Statement No. 66, “Technical Corrections-2012”.

GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. The Statement amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. Finally, the Statement also clarifies the reporting of equity interests in legally separate organizations. The implementation of GASB Statement No. 61 did not result in any change in the Village’s 2013 financial statements.

GASB Statement No. 66 enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. The implementation of GASB Statement No. 66 did not result in any change in the Village’s 2013 financial statements.

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants (216) 475 - 6136 Ohio Society of Certified Public Accountants

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*

Village Council
Village of Mayfield
Mayfield Village, Ohio

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 of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Mayfield, Cuyahoga County, Ohio, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Village of Mayfield, Ohio's basic financial statements, and have issued our report thereon dated February 17, 2014, wherein we noted that the Village of Mayfield, Ohio, uses a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Mayfield, Ohio'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 Village of Mayfield, Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Mayfield, Ohio'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 Village of Mayfield, Ohio'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 Village of Mayfield, Ohio'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 Village of Mayfield, Ohio's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James G. Zupka, CPA,
President

Digitally signed by James G. Zupka, CPA, President
DN: cn=James G. Zupka, CPA, President, o=James G. Zupka, CPA, Inc., ou=Accounting, email=jgzcpa@sbcglobal.net, c=US
Date: 2014.03.19 13:40:53 -04'00'

James G. Zupka, CPA, Inc.
Certified Public Accountants

February 17, 2014

VILLAGE OF MAYFIELD
CUYAHOGA COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012

As of December 31, 2012, there were no audit findings. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.