

CITY OF BEREHA, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Honorable Mayor, Finance Director, and
Members of Council
City of Berea, Ohio

We have reviewed the Independent Auditor's Report of the City of Berea, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2000 to December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 26, 2001

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CITY OF BEREA, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2000

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JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

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Garfield Hts., Ohio 44125

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Ohio Society of Certified Public Accountants

**REPORT ON COMPLIANCE AND INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor, Finance Director, and
Members of Council
City of Berea, Ohio

We have audited the general purpose financial statements of the City of Berea, Ohio (the City), as of and for the year ended December 31, 2000, and have issued our report thereon dated June 8, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance which we have reported to the management of the City of Berea in a separate letter dated June 8, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control and noncompliance over financial reporting that we have reported to the management of the City in a separate letter dated June 8, 2001.

This report is intended for the information and use of the Finance Committee of Council, members of City Council, management, and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

June 8, 2001

James G. Zupka
Certified Public Accountant

CITY OF BEREA, OHIO
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2000

The prior audit report, as of December 31, 1999, included no citations. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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CITY OF BEREA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2000

**Prepared by the Department of Finance
Dana J. Kavander, CPA, CFE, CIA, Director of Finance
Andrea D. Morris, Assistant Director of Finance**

Cover Story: The cover picture represents the Berea Clock Tower dedicated in 2000.

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 For the Year Ended December 31, 2000
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CITY OF BEREA

"The Grindstone City"

Joseph W. Biddlecombe
Mayor

11 Berea Commons
Berea, Ohio 44017
(440) 826-5800
Fax: (440) 826-1446
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June 8, 2001

Honorable Mayor Joseph W. Biddlecombe
Members of City Council
Citizens of Berea, Ohio

We are pleased to submit the Comprehensive Annual Financial Report of the City of Berea for the fiscal year ended December 31, 2000. Responsibility for both the accuracy of the information contained herein, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes a table of contents, the letter of transmittal, a list of principal elected and appointed officials, and the City's organizational charts. The financial section includes the independent accountants' report on the financial statements and schedules, the general purpose financial statements, and the combining individual fund and account group statements and schedules. The statistical section includes selected financial and demographic data that provide users a summarized history of information.

A reporting entity includes the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading.

The primary government of the City includes all funds, departments, and activities that are part of the legal entity. Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes.

Using these criteria, the City includes all City departments, boards, and commissions whose activities are directly controlled by the City Council through the budgetary process. The City has oversight responsibility for the Berea Municipal Court by appropriating and financing its operations through the General Fund. The reporting entity of the City does not include any component units.

The City is affiliated with the Southwest General Health Center, a jointly governed organization and an Ohio non-profit corporation providing health services to the communities of Berea, Brook Park, Middleburg Heights, Olmsted

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Falls, Strongsville, and Cumbia Township. Each of these communities supports the hospital through property tax levies and has representation on the board of trustees. The Community Hospital Special Revenue Fund accounts for the City of Berea's portion of the property tax revenues collected, which are subsequently distributed to the Health Center.

The City has excluded from this report various autonomous agencies, such as the Berea Public Library operated by the Cuyahoga County Commissioners and the Berea City School District, which operates under an elected board. In addition, the Tri-City Senior Center is a non-profit organization serving the communities of Berea, Brook Park, and Middleburg Heights. The City supports the center through a property tax levy. The Tri-City Senior Center Special Revenue Fund accounts for the City of Berea's portion of the property tax revenues collected, which are subsequently distributed to the senior center. The senior center has also been excluded from this report since Council does not exercise oversight responsibility over the Center's operations.

History of Berea

Berea earned its named by the flip of a coin on September 27, 1836. Berea grew from an agricultural area to a quarry town in 1840. John Baldwin is credited with the discovery of a lathe to cut slabs of stone into grindstones, thus making "Berea sandstone" world famous. The grindstones were used to sharpen tools for farm, home and industry. The large sandstone from Berea quarries were used in prestigious buildings in the United States and abroad. In the 1940's, grindstones were replaced with carbon grinding wheels, and cement was being used more often in construction. The City holds a "Grindstone Festival" every year to honor its past. (Berea Historical Society and "Men of Grit and Greatness" by W. F. Holzworth)

Situated in the southwest portion of Cuyahoga County, Berea is 10 miles from downtown Cleveland. Current population is 18,790 residents and a total land area of 5.9 square miles.

The City is served by diversified transportation facilities. Immediate access is to four State and U.S. highways and Interstate highways: I-71, I-80, I-90, and I-480. The City is served by Norfolk-Southern and CSX railroads and is adjacent to areas served by Amtrak railroad. The City is also served by the Cleveland Hopkins International Airport, located within 3 miles of the City, and by Burke Lakefront Airport, located within 15 miles of the City. This proximity makes Berea a desirable location for residents and commercial enterprises.

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

The City utilizes over 80 acres of City-owned Park land to house a variety of recreational facilities including an outdoor municipal pool, playgrounds, softball and football fields. In addition, approximately 370 acres of the Cleveland Metroparks System are located in the City. The Metropark's Rocky River Reservation contains the Wallace and Baldwin Lakes for swimming, boating, ice skating and fishing along with all-purpose trails for biking, jogging, hiking and physical fitness facilities. Other features of the Reservation include the Berea Falls Scenic Overlook, Music Mound, hiking

trails, horseback riding trails, and the Wallace Lake, Baldwin Lake, and South Baldwin picnic areas.

Form of Government

The City operates under and is governed by the laws of the State of Ohio and its own Charter, which was first adopted by the electorate in 1960. The charter provides for a mayor-council form of government. Legislative authority is vested in a seven-member council. The Council is composed of two members elected at-large and five members who are elected by wards, for two-year terms. The presiding officer is the President of Council, who is elected at-large by the electors for a two-year term. All members of Council serve in a part-time capacity.

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

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

Established by charter, the municipal government consists of six departments. A director who is appointed by and reports directly to the Mayor heads each department. All directors work closely with the Mayor in providing the citizens of Berea with the highest quality of services while maintaining efficiency and cost effectiveness.

The **Police Department** enforces local, state, and federal laws in addition to protecting citizens and their property. Most recently, the department has taken a more community oriented policing approach, which has been met with great success. Numerous programs are offered to citizens and students. The department, which is headed by the Chief of Police, consists of three bureaus: the Patrol Division, the Services Operational Division, and the Detective Bureau. The Patrol Division oversees the staff of patrol officers. The Services Operational Budget oversees the dispatch, Drug Abuse Resistance Education, Animal Control, Parking Control, Auxiliary, School Guards, Jail operations, and firearms training. The Detective Bureau oversees the City's investigative services and the Youth Diversion program handled by the City and also the County's diversion program's satellite office at City hall.

The **Fire Department** provides fire suppression, emergency medical services, Haz-Mat response, extrication, and search and rescue, along with community fire prevention and education to our residents and businesses. The Chief of Fire heads the department, which is staffed by 23 full-time members. The department has 2 fully equipped advanced-life-support rescue squads, two pumpers and a 110-foot Aerial Tower.

The **Service Department** is comprised of several divisions administered by a director. This department is responsible for the maintenance of all City vehicles, buildings and traffic lights and signs, public grounds, tree trimming, snow and leaf removal. Storm Sewers and Drains maintain proper drainage control. Rubbish Collection and Disposal collects waste and processes recyclables. Street Paving and Repair handles the non-contractual maintenance of City streets. Street Striping and Markings is responsible for

the painting of street lines and markings. The City has its own water plant, which is also handled by the Service Department. The water plant has a supply division and a distribution division, which insures the water supply is safe and the water lines are properly maintained. The Sewer department oversees the collection of sewage and the maintenance of the City's sewer lines. The Building Department is responsible for interpreting and enforcing all building codes in the City. The department also issues permits and citations, conducts site inspections, and licenses all contractors. This department is responsible for the implementation of plans and programs that promote the comprehensive and orderly development of the City. The Engineering Department must insure that all contractors working in Berea meet the general engineering requirements of the City. This department controls the review and implementation of plans and programs relating to the City's infrastructure.

The **Recreation Department** provides numerous recreational activities and programs throughout the year. The City has a recreation center, which includes an indoor pool, sauna, steam room, racquetball courts, weight room, basketball courts and various multi-purpose rooms. The recreation center offers many classes and programs to residents and non-residents. The department also oversees the outdoor pool, free canoe rentals, rental of the gazebo and pavilion area at the City's Coe Lake. The recreation department also supervises several baseball/softball fields and maintains several playgrounds throughout the City. The department also oversees the collection and distribution of food for Berea Welfare. Several programs and assistance to seniors and handicapped and disable individuals are offered, including free snow removal for qualifying individuals.

The **Finance Department** is responsible for the accurate recording of all receipts and disbursements. The department issues bi-weekly payroll and maintains the fixed asset system. The department compiles the annual budget, the tax budget, the annual financial report, and assists the Mayor in all financial decisions. The department also handles the billing and collection for the City's water department and the Northeast Ohio Regional Sewer district. The City's computer operations are also managed through the finance department. This includes the City's web page and the maintenance of all City computer and electronic equipment. This department also handles all purchasing needed to maintain operations. All personnel matters, including health insurance, are also handled by this department. In addition to overseeing these duties, the Director of Finance is also the City's Tax Administration and oversees the collection and distribution of the City's income tax, which is operated by the Regional Income Tax Agency.

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

Economic Condition and Outlook

The City has continued its aggressive position to increase its commercial and economic development. The Rocco J. Colonna Industrial Park, annexed in 1987, has several new industries and businesses, which have added to the City's employment and economic tax base.

The City has seen signs of growth and expansion in both the Berea City School District and Baldwin-Wallace College. Baldwin-Wallace College, for example, has seen record high student population, and has build a new dormitory in 2000 to meet expanding housing needs.

The Cleveland Browns returned to Berea in 1999. The City owns a \$21 million dollar full training facility and administrative offices used by the former team.

Major Initiatives

Current Year Projects - The largest projects in the history of the City of Berea are the two railroad underpass projects on the two main roads in the City. During 1998, CSX Corporation (CSX) and Norfolk Southern Corporation (NS) entered into an operations play for the purchase of the Conrail Corporation operations. Part of the plan involved routing and re-routing train traffic in the Cleveland area. Berea is the crossing point of both major railroad lines, thus causing a significant increase in train traffic through two of Berea's main thoroughfares. As a result, The City of Berea, CSX Corporation and NS Corporation entered into an agreement in June 1998. The agreement secured \$47.25 million in federal, state and railroad funds to construct rail/grade underpasses at these two main intersections in Berea. During 2000, the initial design and plan implementation began. Actual construction is expected to begin in December 2001 for the West Bagley Road underpass and June 2002 for the Front Street underpass. The end of 2003 should complete both projects.

The City in late 1999 began a project to install booster pumps on the City's two elevated water towers. The booster pumps would help to increase the static pressure (the pressure of water pumped through the City's water lines) from its current 45 PSI up to a maximum of about 80 PSI. The increase would offer improved water pressure for households, but also improve the water pressure to assist the fire department in putting out fires. Due to many factors, the project was re-engineered in 2000 and plans to slowly increase the water pressure are scheduled for 2001.

In 2000, the City constructed a new playground, the Pearl Street playground at the request of the neighborhood. The City also made improvements to two other playgrounds, Groza and Mucklo, including replacement of equipment and groundcovers. In 1999, during the construction of the Coe Lake boardwalk and pavilion area, the City's skateboard park was removed. A committee was established to determine a new location and in 2000 the new and improved skateboard park was constructed downtown, on City property between the City's water plant and the Metroparks.

Future Projects - Besides the two railroad underpass projects currently in the design phase, the City is active in several other projects as well. In 2001 the City began its citywide traffic signalization project. The project entails replacing all City traffic signals with new state of the art computerized signals. The cost of the project is \$2,352,000 and is paid for by a grant with the Ohio Department of Transportation.

During 2001, the City Council authorized the issuance and sale of bond anticipation notes in the amount of \$800,000 to cover half of the cost of a major sanitary sewer and water line replacement project along North Rocky River Drive. The project replaces one of the City's main interceptors, replacing an 18-inch sanitary sewer with a 48-inch sanitary sewer line. In addition, several water and sewer lines projects are scheduled for 2001 throughout the City.

The fire department plans on replacing their backup 1979 fire squad. The vehicle was retrofitted with a new chassis in 1990. The estimated cost for the vehicle is about \$150,000. The fire department plans on replacing its

pumper in the year 2004, with an estimated cost of \$400,000. The police department is remodeling the dispatch area in 2001. The remodeling includes new office equipment and a new dispatch console.

A much-anticipated project began in 2001. In City was awarded a grant with the Ohio Department of Natural Resources to improve Groza Field. Groza Field, named after the Cleveland Browns Hall of Fame football legion, Lou "The Toe" Groza. The project was finally approved in 2001, and the building was completed in time for baseball's opening day. The site includes a new building, which houses the scorekeeper's area, concession, maintenance, restrooms, and storage that was previously in several different buildings. The fencing for the three fields were replaced, with improvements to the dugouts and a bullpen was added. Future plans include adding basketball courts and improvements to the pathways and parking areas.

Financial Information

Internal Control - Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

An independent review is done periodically on the fixed assets of the City to value and insure their existence. The Finance Department is committed to strengthening internal controls to assure the safeguarding of assets and to provide reasonable assurance that the financial transactions are properly recorded. The City's fixed asset software system allows for detailed reporting and analysis. Individual departments perform an annual inventory and work with the Finance Department to assure accuracy and accountability.

Budgetary controls - Detailed provisions for the City's budget, tax levies, and appropriations are set forth in the Ohio Revised Code and in the City's Charter. The Mayor, with the assistance of the Director of Finance, is required to submit to council not less than 30 days before the end of each fiscal year an estimate of revenue and expenditures termed the "budget" for the succeeding fiscal year. The Director of Finance, based on the annual estimate, submits to Council an appropriation ordinance for the next succeeding fiscal year. Council is required to adopt the appropriation ordinance within ninety days after the beginning of the fiscal year covered by such ordinance. Council usually adopts the final appropriation ordinance for the year before the end of that year. The Director of Finance prepares the City's tax budget and the tax budget ordinance is approved by Council, and then forwarded by July 20th to the Cuyahoga County Budget Commission.

The City maintains budgetary control on a cash (non-GAAP) basis by fund and within each fund by department at major object levels that include personal service and other expenditures. For management purposes, the major object level is further defined, with budgeted amounts not to exceed the aggregate appropriated by Council. Budgetary control is maintained by an encumbrance accounting system. Encumbered amounts lapse at year-end, however, the encumbrances generally are re-appropriated as part of the following year's budget.

Accounting system - During the year 2000, the City purchased new versions of

the automated governmental accounting software developed and licensed by Creative Microsystems, Inc. This software controls budgetary accounting, payroll, utility billing, and fixed assets. In 2000, the City also upgraded its hardware to accommodate the new software. All software packages, except utility were installed and operational during the year 2000, except utility billing. The utility billing software will be installed in 2001.

The City's accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Generally accepted accounting principles determine the type of funds used.

The City maintains records on a budgetary basis for all fund types. To prepare this report, the finance department prepares adjusting entries for the various funds to convert the budgetary basis records to modified accrual basis of accounting for all governmental and fiduciary fund types, and to the accrual basis for the proprietary fund types. Modified accrual basis of accounting requires that revenues be recognized when both measurable and available. Expenditures are recorded as fund liabilities when incurred, except for interest on long-term debt which is recorded when due. The accrual basis of accounting recognizes revenues when earned and expense when incurred. A more detailed explanation of the basis of accounting for the various funds is included in the Notes to the General Purpose Financial Statements, located in the Financial Section of this report.

General governmental function - The General Fund encompasses the general governmental functions of the City and all other functions not accounted for in other funds. General Fund revenues and expenditures of significant increases and decreases on a GAAP basis are summarized as follows:

<u>Revenues:</u>	<u>2000</u>	<u>1999</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Property taxes	\$ 1,245,867	\$ 1,359,736	\$ (113,869)	(9.37)%
Municipal income taxes	7,119,648	5,874,741	1,244,907	21.91
Other local taxes	218,203	184,570	33,633	18.22
Intergovernmental	1,811,636	1,618,302	193,334	11.95
Charges for services	134,317	6,273	128,044	2041.19
Licenses and permits	185,528	228,029	(42,501)	(18.64)
Fines and forfeitures	843,110	723,687	119,423	16.50
Investment income	277,351	206,474	70,877	34.33
Miscellaneous income	<u>38,898</u>	<u>63,341</u>	<u>(24,443)</u>	<u>(38.59)</u>
Total revenue	<u>\$11,874,558</u>	<u>\$10,265,153</u>	<u>\$1,609,405</u>	

The property tax revenue decreased 9.37 percent due to a re-allocation of property tax millage to the debt service fund. The Municipal income tax revenue increased 21.91 percent due to the return of the Cleveland Browns football team, the City's largest income taxpayer. Intergovernmental revenue increased 11.95 percent due to increases in franchise fees. Charges for services increase 2,041.19 percent due to an increase in court collections for probation revenue of approximately \$108,000 for 2000. License and permits decreased 18.64 percent due to a decrease in all areas of building and contractor fees and permits. Fines and forfeitures increased 16.50 percent

due to an increase in fines collected in the criminal division of the Berea Municipal Court.
Investment income increased 34.33 percent due to improved interest rates in 2000.

General Fund expenditures and explanations of significant increases and decreases on the GAAP basis are summarized as follows:

<u>Expenditures:</u>	<u>2000</u>	<u>1999</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Security of persons and property	\$3,812,881	\$3,690,700	\$ 122,181	3.31 %
Leisure time activities	238,765	146,931	91,834	62.25
Community environment	306,069	282,028	24,041	8.52
Basic Utility services	978,654	980,434	(1,780)	(.18)
General government	<u>4,003,124</u>	<u>3,626,666</u>	<u>376,458</u>	10.38
Total expenditures	<u>\$9,339,493</u>	<u>\$8,726,759</u>	<u>\$ 612,734</u>	

Expenditures for leisure time activities increased by 62.25 percent due to a re-allocation of service department wages. General government increased 10.38 percent due to an increase in wages and other expenditures for the Berea Municipal Court, a new employee in the Council office, and the GAAP adjustments for sick leave accrual. In addition, due to increase in income tax revenue, the associated fees also increased.

Special revenue funds - The special revenue funds are used for certain revenue sources, primarily grants and fees that are restricted by law or other formal action to expenditures for specific purposes. All special revenue funds are subject to an annual budget. The special revenue funds include: Recreation, Municipal Income Tax, State Highway, Street Construction, Maintenance and Repair, Litter Control, Fire Pension, Police Pension, COPS Grant, Street Lighting, Tri-City Senior Center, Community Hospital, Community Development Block Grant, Municipal Vehicle Tax Levy, Law Enforcement, Indigent Drivers Alcohol Treatment, DUI Education, DUI Housing, Court Computer, Court Computer Research, State Highway Patrol, and Mayor's Special Projects funds.

Capital project funds - The capital project funds include all major capital improvement projects of the City, including the construction of additional water and sewer lines and water plant building improvements. The primary source for financing the City's capital improvement program are general obligation bond and note proceeds, income taxes, ambulance fees, grants and other outside funding sources, and contributions from the General Fund. The capital project funds include General Capital Improvement, Safety Capital Improvement, Sewer Capital Improvement, Water Capital Improvement, Recreation Capital Improvement, and Railroad Capital Improvement funds.

Enterprise funds - The Enterprise Funds account for the operations of the City's water plant and sewer collection system. In addition, the Cleveland Browns Enterprise Fund accounts for the Cleveland Browns portion of the urban renewal taxable bonds. The City receives revenue from the Browns, through a trustee, to pay off the debt. The City is not responsible for paying off the Browns' portion of the debt, however, due to lease provisions, the City may pay on the debt if it chooses, although the City has no legal obligation to do so.

The Water Revenue Fund is used for the operations of the City's water plant. The plant is the only water plant in Cuyahoga County other than those operated

in the Cleveland system. The City of Berea provides water service to all residential and business customers within the City and to approximately 100 customers in the cities of Middleburg Heights and Olmsted Falls.

The Sewer Revenue Fund is used to for the maintenance of the sewer lines that are owned by the City. The City contracts with the Northeast Ohio Regional Sewer District to provide sewer services. The City does the billing on behalf of the Regional Sewer District and maintains a separate fund, the Regional Sewer Agency Fund, for these monies which are sent to the District.

Operating resources for the water and sewer funds are provided by user charges and operating transfers from the General Fund. In addition, with the passage of an income tax rate increase in 1992, the water rates were frozen for ten years and the Municipal Income Tax Special Revenue Fund transfers monies to offset the deficits created by the frozen rates. Construction and acquisition of capital assets for the water and sewer operations are financed by general obligation bonds, bond anticipation note proceeds, or transfers from the General or Municipal Income Tax Funds.

Internal service funds - The City maintains self-insurance funds for employee health benefits and for its property and liability insurance. The Medical Benefits Internal Service Fund accounts for the City's health insurance plans include medical, surgical, prescription drug, and dental and vision benefits. The plan provides coverage with certain deductibles, co-pays, and maximum benefits. The City has excess insurance coverage for claims over a specified amount. The fund accounts for the self-insured claims and payments of premiums for the excess liability insurance coverage and administrative costs. Revenues of the fund consist of payments from other City funds. The premium is determined using historical cost data provided by the insurance carriers and is charged to the fund that records the salary expenditure of the covered employee using the pre-determined rate for family or single coverage.

The Property/Liability Insurance Internal Service Fund accounts for the City's uninsured and insured risk of loss from its exposure to various risks of loss due to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The fund accounts for the insurance cost to provide coverage with certain deductibles and excess insurance coverage over specified amounts for significant claims and to pay for administrative costs. This City contracts with a risk claims manager who provides self-insured administration and claims handling for the City. Revenues of the fund consist of payments from other City funds based on estimates of the amounts needed to the claims.

Debt Administration

The Debt Service Funds accumulates resources for the payment of principal and interest on long-term general obligations of the City and special assessment obligations with governmental commitment. The source of revenue for the bond retirement funds include property taxes, restricted income taxes, special assessment funds and transfers from other funds.

The City's has a respectable As3 bond rating from Moody's Investors Service, Inc. Several factors are used by Moody's to determine a communities bond rating. Some of the City's key credit characteristics include: (1) the City's diversified tax base including its favorable location in the Cleveland Metro area, significant development in its industrial parks, and plans for continued development, (2) the return of the Cleveland Browns football team and its impact on the City's income tax revenues, (3) the City's history of prudent fiscal management, which enabled the City to manage its finances despite the

loss in income tax revenues and (4) the City's manageable debt burden of 3.3% and a slight above average amortization rate of 60% over ten years.

Under state statutes, the debt limitation is 10.5 percent of the total assessed property valuation. As of December 31, 2000, the City's net general obligation debt of \$14,767,024 was well below the legal limit of \$31,476,407, resulting in a ration of net bonded debt to assessed valuation of 4.92 percent. The debt per capita is \$778.44.

In 2000, the City did not issue any new debt. Interest rates on bonds currently outstanding varied from 4.56 to 11.34 percent. During 2001, the Council passed an ordinance providing for the issuance and sale of bond anticipation notes in the amount of \$800,000 to cover a portion of the cost replacing the main sanitary sewer and water lines for the north end of Berea.

Cash Management

Cash management is a vital component in the City's overall financial strategy. The finance department has an aggressive cash management program to maximize the use of the City's cash resources. The primary objectives of the City's investment policy are safety, liquidity, and yield. Preservation of capital and the protection of investment principal are of prime importance. In addition to protecting investments, the City must plan for short and long-term liabilities. Cash balances and investment schedules are continually evaluated to ensure both liquidity and maximum yield. Major considerations are timing of cash flows necessary to pay City liabilities and available interest rates. As City funds become available they are invested in short-term certificates of deposit or other securities authorized by state statute. The City currently uses interest bearing checking accounts and certificate of deposits. Interest earned is allocated to the General Fund based on the requirements of the Ohio constitution, state statutes and local ordinances. Interest earnings for 2000 totaled \$279,370. The City cash is pooled for investment purposes, unless designated for a specific purpose, in order to generate the highest possible yield. By law, financial institutions may establish a collateral pool to cover all public deposits. All deposits and investments are covered by pooled collateral with a face value equal to at least 110% of deposits. Trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions, hold the collateral.

Risk Management

The City is self-insured for its property and liability insurance. The Property/Liability Insurance Internal Service Fund accounts for the insurance costs to provide coverage with certain deductibles and excess insurance coverage over specified amounts for significant claims and to pay for administrative costs. This City contracts with Admiral Risk Management to provide self-insured administration and claims handling for the City. Revenues of the fund consist of payments from other City funds based on estimates of the amounts needed to the claims. Property valuations are revised annually to provide insurance companies and the City with an accurate inventory of insurable property and replacement cost values.

The City also has a self-insurance program for employee health care. The Medical Benefits Internal Service Fund accounts for the City's health insurance plans include medical, surgical, prescription drug, and dental and vision benefits. The plan provides coverage with certain deductibles, co-

pays, and maximum benefits. The City has excess insurance coverage for claims over a specified amount. The premium is determined using historical cost data provided by the insurance carriers and is charged to the fund that records the salary expenditure of the covered employee using the pre-determined rate for family or single coverage. The City expects to assume no additional risks in the near future.

Other Information

Independent audit - In accordance with Ohio law, annual independent audits are required to be performed on all financial operations of the City. Either the Auditor of the State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. Included in this report is an unqualified audit opinion regarding the City's financial statements for the year ended December 31, 2000. The independent public accounting firm, James G. Zupka, CPA, Inc. conducted this year's audit.

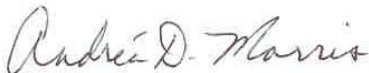
Acknowledgements - This comprehensive annual financial report was prepared by the Finance Department with the efficient and dedicated services of its entire staff. Appreciation is also expressed to all City departments for their cooperation and assistance. We would also like to acknowledge the cooperation of the team from James G. Zupka, CPA, Inc., who conducted a thorough audit of our finances.

In closing, we would like to thank the Mayor and City Council, and the citizens of our fine community, for without your continued support, the preparation of this report to help ensure the continued financial integrity of the City, would not have been possible.

Respectfully submitted,

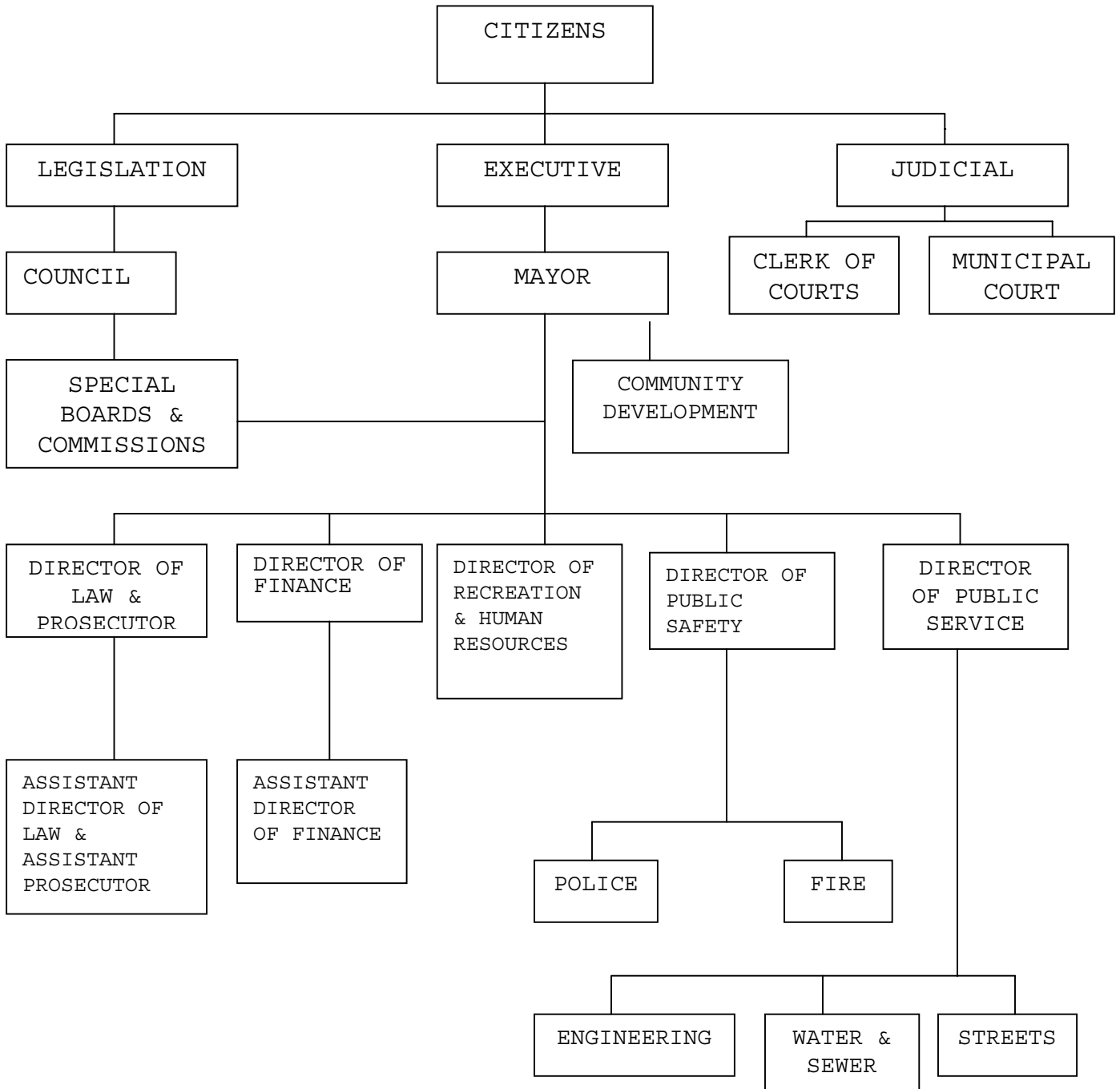


Dana J. Kavander, CPA, CFE, CIA
Director of Finance



Andrea D. Morris,
Assistant Director of Finance

CITY OF BEREA, OHIO
ORGANIZATIONAL CHART



CITY OF BEREA, OHIO
List of Principal Officials
December 31, 2000

ELECTED OFFICIALS

Mayor	Joseph W. Biddlecombe
President of Council	Stanley F. Maxwell
Council Member-at-Large	Richard T. Malott
Council Member-at-Large	Gregory H. Miller
Council Member - Ward 1	Markiel J. Perkins
Council Member - Ward 2	James J. Brown
Council Member - Ward 3	Hugh C. "Oz" Arey
Council Member - Ward 4	George Capellas
Council Member - Ward 5	James M. Baker

APPOINTED OFFICIALS

Director of Finance	Dana J. Kavander
Director of Law	Gregory M. Sponseller
Director of Recreation and Human Resources	Linda S. Root
Director of Service	R. James Brown

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JAMES G. ZUPKA, C.P.A., INC.

*Certified Public Accountants
5240 East 98th Street
Garfield Heights, Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475-6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Joseph W. Biddlecombe, Mayor
and Members of City Council
City of Berea, Ohio

The Honorable Jim Petro
Auditor of State
State of Ohio

We have audited the accompanying general purpose financial statements of the City of Berea, Ohio, as of and for the year ended December 31, 2000, as listed in the accompanying Table of Contents. These general purpose financial statements are the responsibility of the City of Berea, Ohio's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Berea, Ohio, as of December 31, 2000, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 8, 2001 on our consideration of the City of Berea, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City of Berea, Ohio taken as a whole. The combining and individual fund and account group financial statement and schedules listed in the accompanying Table of Contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Berea, Ohio. Such additional information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the general purpose financial statements taken as a whole.

We did not audit the statistical data included in the statistical section of this report and, therefore, express no opinion thereon.

June 8, 2001


James G. Zupka
Certified Public Accountant

CITY OF BEREA, OHIO

Combined Balance Sheet - All Fund Types and Account Groups
As of December 31, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Project
Assets and other debits:				
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,436,213	\$ 710,941	\$ 219,132	\$ 324,980
Receivables:				
Taxes	2,725,315	1,096,773	2,039,204	11,489
Accounts	126,822	0	0	30,000
Accrued interest	17,658	35	0	0
Intergovernmental	116,108	23,211	0	0
Interfund	70,449	10,060	0	0
Special assessments	1,420	403,714	0	10,960
Cleveland Browns	0	0	0	0
Prepaid items	8,431	190	0	2,685
Inventory of supplies	10,086	33,645	0	0
Fixed assets (net, where applicable, of accumulated depreciation)	0	0	0	0
Other debits:				
Amount available in debt service for retirement of general long-term obligations	0	0	0	0
Amount to be provided for retirement of general long-term obligations	0	0	0	0
Amount to be provided for retirement of taxable obligation bonds	0	0	0	0
Total assets and other debits	<u>\$ 4,512,502</u>	<u>\$ 2,278,569</u>	<u>\$ 2,258,336</u>	<u>\$ 380,114</u>

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Total (Memorandum Only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$ 189,840	\$ 153,054	\$ 953,572	\$ 0	\$ 0	\$ 3,987,732
0	0	0	0	0	5,872,781
464,111	0	735,817	0	0	1,356,750
109,267	0	0	0	0	126,960
0	0	0	0	0	139,319
0	0	0	0	0	80,509
0	0	0	0	0	416,094
5,379,474	0	0	0	0	5,379,474
0	4,956	0	0	0	16,262
16,566	0	0	0	0	60,297
8,414,265	0	0	39,829,718	0	48,243,983
0	0	0	0	219,132	219,132
0	0	0	0	17,862,931	17,862,931
0	0	0	0	869,526	869,526
<u>\$14,573,523</u>	<u>\$ 158,010</u>	<u>\$ 1,689,389</u>	<u>\$39,829,718</u>	<u>\$18,951,589</u>	<u>\$84,631,750</u>

(continued)

CITY OF BEREA, OHIO

Combined Balance Sheet - All Fund Types and Account Groups
As of December 31, 2000
(continued)

	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>
Liabilities, fund equity and other credits:				
Liabilities:				
Accounts payable	\$ 119,869	\$ 164,312	\$ 0	\$ 432,111
Interfund payable	0	0	0	0
Accrued wages and benefits	110,604	24,362	0	0
Accrued compensated absences	40,692	1,873	0	0
Accrued worker's compensation	148,507	27,719	0	0
Accrued pension	0	0	0	0
Due to other governments		0	0	0
0				
Due to others	32,513	10,838	0	0
Deposits held and due to others	0	0	0	0
Deferred revenue	1,681,226	1,154,646	2,039,204	10,960
Accrued interest payable		0	0	0
0				
General obligation bonds payable	0	0	0	0
Taxable obligation bonds payable:				
City's portion	0	0	0	0
City's portion covered by Cleveland Browns receivable	0	0	0	0
Cleveland Browns bonds payable	0	0	0	0
Cleveland Browns interest payable	0	0	0	0
Notes payable	0	0	0	50,000
O.W.D.A. loans payable	0	0	0	0
Total liabilities	<u>2,133,411</u>	<u>1,383,750</u>	<u>2,039,204</u>	<u>493,071</u>
Fund equity and other credits:				
Investment in general fixed assets	0	0	0	0
Contributed capital	0	0	0	0
Retained earnings:				
Unreserved (deficit)	0	0	0	0
Fund balance:				
Reserved for encumbrances	24,724	33,880	0	17,833
Reserved for inventory	10,086	33,645	0	0
Reserved for prepaids	8,431	190	0	0
Reserved for debt service	0	0	219,132	2,685
Undesignated	2,335,850	827,104	0	(133,475)
Total fund equity (deficit), and other credits	<u>2,379,091</u>	<u>894,819</u>	<u>219,132</u>	<u>(112,957)</u>
Total liabilities, fund equity and other credits	\$ <u>4,512,502</u>	\$ <u>2,278,569</u>	\$ <u>2,258,336</u>	\$ <u>380,114</u>

See accompanying notes to the general purpose financial statements

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Total (Memorandum Only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$ 35,021	\$ 185,285	\$ 434,152	\$ 0	\$ 0	\$ 1,370,750
0	0	80,509	0	0	80,509
19,724	0	0	0	0	154,690
60,148	0	0	0	752,820	855,533
24,067	0	0	0	0	200,293
26,142	0	0	0	587,219	613,361
0	0	823,003	0	0	823,003
0	0	0	0	0	43,351
0	0	347,405	0	0	347,405
0	0	0	0	0	4,886,036
107,529	0	0	0	0	107,529
0	0	0	0	16,692,024	16,692,024
0	0	0	0	869,526	869,526
438,868	0	0	0	0	438,868
4,940,606	0	0	0	0	4,940,606
109,267	0	0	0	0	109,267
0	0	0	0	50,000	100,000
3,593,144	0	0	0	0	3,593,144
<u>9,354,516</u>	<u>185,285</u>	<u>1,685,069</u>	<u>0</u>	<u>18,951,589</u>	<u>36,225,895</u>
0	0	0	39,829,718	0	39,829,718
6,503,836	0	0	0	0	6,503,836
(1,284,829)	(27,275)	0	0	0	(1,312,104)
0	0	0	0	0	76,437
0	0	0	0	0	43,731
0	0	0	0	0	8,621
0	0	0	0	0	221,817
0	0	4,320	0	0	3,033,799
<u>5,219,007</u>	<u>(27,275)</u>	<u>4,320</u>	<u>39,829,718</u>	<u>0</u>	<u>48,405,855</u>
<u>\$14,573,523</u>	<u>\$ 158,010</u>	<u>\$ 1,689,389</u>	<u>\$39,829,718</u>	<u>\$18,951,589</u>	<u>\$84,631,750</u>

CITY OF BEREA, OHIO
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 All Governmental Fund Types and Expendable Trust Funds
 For the Year Ended December 31, 2000

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Revenues:			
Property taxes	\$ 1,245,867	\$ 570,746	\$ 1,589,705
Municipal income taxes	7,119,648	2,373,216	0
Other local taxes	218,203	0	0
Intergovernmental	1,811,636	712,907	402,649
Charges for services	134,317	222,369	0
Licenses and permits	185,528	0	0
Fines and forfeitures	843,110	130,621	0
Special assessments	0	463,107	24,760
Investment income	277,351	121	0
Miscellaneous income	38,898	13,105	0
Total revenues	<u>11,874,558</u>	<u>4,486,192</u>	<u>2,017,114</u>
Expenditures:			
Current operations and maintenance:			
Security of persons and property	3,812,881	1,181,834	0
Public health and welfare	0	116,878	0
Leisure time activities	238,765	1,047,439	0
Community development	306,069	45,032	0
Basic utility services	978,654	0	0
Transportation	0	1,091,761	0
General government	4,003,124	198,659	229
Capital outlay	0	0	0
Debt service:			
Principal retirement	0	0	1,460,000
Interest and fiscal charges	0	0	854,458
Total expenditures	<u>9,339,493</u>	<u>3,681,603</u>	<u>2,314,687</u>
Excess (deficiency) of revenues over expenditures	<u>2,535,065</u>	<u>804,589</u>	<u>(297,573)</u>
Other financing sources (uses):			
Operating transfers - in		0 1,361,100	300,000
Operating transfers - out	(1,864,600)	(2,200,544)	0
Proceeds from OWDA loans		0	0
Sale of fixed assets	0	0	0
Total other financing sources (uses)	<u>(1,864,600)</u>	<u>(839,444)</u>	<u>300,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses			
	670,465	(34,855)	2,427
Fund balance, beginning of year	1,704,371	943,179	216,705
Increase (decrease) in reserve for Inventory	4,255	(13,505)	0
Fund balance, end of year	<u>\$ 2,379,091</u>	<u>\$ 894,819</u>	<u>\$ 219,132</u>

See accompanying notes to the general purpose financial statements

<u>Capital Project</u>	<u>Fiduciary Fund Type Expendable Trust</u>	<u>Totals (Memorandum Only)</u>
\$ 0	\$ 0	\$ 3,406,318
0	0	9,492,864
0	0	218,203
30,000	0	2,957,192
260,290	0	616,976
0	0	185,528
33,041	0	1,006,772
0	0	487,867
0	0	277,472
<u>103,031</u>	<u>400</u>	<u>155,434</u>
<u>426,362</u>	<u>400</u>	<u>18,804,626</u>
0	0	4,994,715
0	0	116,878
0	0	1,286,204
0	0	351,101
0	0	978,654
0	0	1,091,761
0	0	4,202,012
2,421,206	0	2,421,206
50,000	0	1,510,000
<u>0</u>	<u>0</u>	<u>854,458</u>
<u>2,471,206</u>	<u>0</u>	<u>17,806,989</u>
(2,044,844)	<u>400</u>	<u>997,637</u>
1,221,544	0	2,882,644
0	0	(4,065,144)
363,468	0	363,468
899	0	899
<u>1,585,911</u>	<u>0</u>	<u>(818,133)</u>
(458,933)	<u>400</u>	<u>179,504</u>
<u>345,976</u>	<u>3,920</u>	<u>3,214,151</u>
0	0	(9,250)
<u>\$ (112,957)</u>	<u>\$ 4,320</u>	<u>\$ 3,384,405</u>

CITY OF BEREA, OHIO

Combined Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
All Governmental Fund Types and Expendable Trust Funds
For the Year Ended December 31, 2000

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 1,245,866	\$ 1,245,866	\$ 0
Municipal income taxes	6,527,612	6,527,612	0
Other local taxes	200,322	200,322	0
Intergovernmental	1,697,973	1,697,973	0
Charges for services	132,317	132,317	0
Licenses and permits	185,528	185,528	0
Fines and forfeitures	836,649	836,649	0
Investment income	274,201	274,201	0
Miscellaneous income	68,464	68,464	0
Total revenues	<u>11,168,932</u>	<u>11,168,932</u>	<u>0</u>
Expenditures:			
Current operations and maintenance:			
Security of persons and property	3,860,200	3,792,810	67,390
Leisure time activities	264,500	256,429	8,071
Community development	287,200	284,422	2,778
Basic utility services	977,500	967,290	10,210
General government	3,988,912	3,851,676	137,236
Total expenditures	<u>9,378,312</u>	<u>9,152,627</u>	<u>225,685</u>
Excess (deficiency) of revenues over expenditures	<u>1,790,620</u>	<u>2,016,305</u>	<u>225,685</u>
Other financing sources (uses):			
Operating transfers - out	(1,864,600)	(1,864,600)	0
Total other financing sources (uses)	<u>(1,864,600)</u>	<u>(1,864,600)</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(73,980)</u>	<u>151,705</u>	<u>225,685</u>
Fund balance, beginning of year	1,252,868	1,252,868	0
Unexpended prior year encumbrances	<u>6,913</u>	<u>6,913</u>	<u>0</u>
Fund balance, end of year	<u>\$ 1,185,801</u>	<u>\$ 1,411,486</u>	<u>\$ 225,685</u>

(continued)

CITY OF BEREA, OHIO

Combined Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
All Governmental Fund Types and Expendable Trust Funds
For the Year Ended December 31, 2000
(continued)

	Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 570,748	\$ 570,748	\$ 0
Municipal income taxes	2,175,872	2,175,872	0
Intergovernmental	750,659	750,659	0
Charges for services	222,369	222,369	0
Fines and forfeitures	126,527	126,527	0
Special assessments	463,106	463,106	0
Investment income	117	117	0
Miscellaneous income	13,105	13,105	0
Total revenues	4,322,503	4,322,503	0
Expenditures:			
Current operations and maintenance:			
Security of persons and property	1,128,537	1,113,212	15,325
Public health and welfare	116,878	116,878	0
Leisure time activities	1,025,323	1,010,044	15,279
Community development	48,922	48,922	0
Transportation	1,126,958	1,077,396	49,562
General government	227,207	204,385	22,822
Total expenditures	3,673,825	3,570,837	102,988
Excess (deficiency) of revenues over expenditures	648,678	751,666	102,988
Other financing sources (uses):			
Operating transfers - in	1,361,100	1,361,100	0
Operating transfers - out	(2,200,544)	(2,200,544)	0
Total other financing sources(uses)	(839,444)	(839,444)	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(190,766)	(87,778)	102,988
Fund balance, beginning of year	718,686	718,686	0
Unexpended prior year encumbrances	23,639	23,639	0
Fund balance, end of year	\$ 551,559	\$ 654,547	\$ 102,988

(continued)

CITY OF BEREA, OHIO

Combined Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
All Governmental Fund Types and Expendable Trust Funds
For the Year Ended December 31, 2000
(continued)

	Debt Service Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 1,589,705	\$ 1,589,705	\$ 0
Intergovernmental	402,649	402,649	0
Special assessments	24,760	24,760	0
Total revenues	2,017,114	2,017,114	0
Expenditures:			
Current operations and maintenance:			
General government	250	229	21
Debt service:			
Principal retirement	1,460,000	1,460,000	0
Interest and fiscal charges	855,000	854,457	543
Total expenditures	2,315,250	2,314,686	564
Excess (deficiency) of revenues over expenditures	(298,136)	(297,572)	564
Other financing sources (uses):			
Operating transfers - in	300,000	300,000	0
Total other financing sources (uses)	300,000	300,000	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,864	2,428	564
Fund balance, beginning of year	216,705	216,705	0
Fund balance, end of year	\$ 218,569	\$ 219,133	\$ 564

(continued)

CITY OF BEREA, OHIO

Combined Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
All Governmental Fund Types and Expendable Trust Funds
For the Year Ended December 31, 2000
(continued)

	Capital Project Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 262,663	\$ 262,663	\$ 0
Fines and forfeitures	33,042	33,042	0
Miscellaneous income	103,030	103,030	0
Total revenues	398,735	398,735	0
Expenditures:			
Capital outlay	2,353,564	2,085,193	268,371
Debt service:			
Principal retirement	50,000	50,000	0
Total expenditures	2,403,564	2,135,193	268,371
Excess (deficiency) of revenues over expenditures	(2,004,829)	(1,736,458)	268,371
Other financing sources (uses):			
Operating transfers - in	1,221,544	1,221,544	0
Proceeds from OWDA loans	363,468	363,468	0
Sale of fixed assets	899	899	0
Total other financing sources (uses)	1,585,911	1,585,911	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(418,918)	(150,547)	268,371
Fund balance, beginning of year	417,785	417,785	0
Unexpended prior year encumbrances	33,241	33,241	0
Fund balance, end of year	\$ 32,108	\$ 300,479	\$ 268,371

(continued)

CITY OF BEREA, OHIO

Combined Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
All Governmental Fund Types and Expendable Trust Funds
For the Year Ended December 31, 2000
(continued)

	Expendable Trust Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Miscellaneous income	\$ 400	\$ 400	\$ 0
Total revenues	400	400	0
Expenditures:			
	0	0	0
Excess (deficiency) of revenues over expenditures	400	400	0
Fund balance, beginning of year	3,920	3,920	0
Fund balance, end of year	\$ 4,320	\$ 4,320	\$ 0

(continued)

CITY OF BEREA, OHIO

Combined Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
All Governmental Fund Types and Expendable Trust Funds
For the Year Ended December 31, 2000

	Totals (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 3,406,319	\$ 3,406,319	\$ 0
Municipal income taxes	8,703,484	8,703,484	0
Other local taxes	200,322	200,322	0
Intergovernmental	2,851,281	2,851,281	0
Charges for services	617,349	617,349	0
Licenses and permits	185,528	185,528	0
Fines and forfeitures	996,218	996,218	0
Special assessments	487,866	487,866	0
Investment income	274,318	274,318	0
Miscellaneous income	184,999	184,999	0
Total revenues	<u>17,907,684</u>	<u>17,907,684</u>	<u>0</u>
Expenditures:			
Current operations and maintenance:			
Security of persons and property	4,988,737	4,906,022	82,715
Public health and welfare	116,878	116,878	0
Leisure time activities	1,289,823	1,266,473	23,350
Community development	336,122	333,344	2,778
Basic utility services	977,500	967,290	10,210
Transportation	1,126,958	1,077,396	49,562
General government	4,216,369	4,056,290	160,079
Capital outlay	2,353,564	2,085,193	268,371
Debt service:			
Principal retirement	1,510,000	1,510,000	0
Interest and fiscal charges	855,000	854,457	543
Total expenditures	<u>17,770,951</u>	<u>17,173,343</u>	<u>597,608</u>
Excess (deficiency) of revenues over expenditures	<u>136,733</u>	<u>734,341</u>	<u>597,608</u>
Other financing sources (uses):			
Operating transfers - in	2,882,644	2,882,644	0
Operating transfers - out	(4,065,144)	(4,065,144)	0
Proceeds from OWDA loans	363,468	363,468	0
Sale of fixed assets	899	899	0
Total other financing sources (uses)	<u>(818,133)</u>	<u>(818,133)</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(681,400)</u>	<u>(83,792)</u>	<u>597,608</u>
Fund balance, beginning of year	2,609,964	2,609,964	0
Unexpended prior year encumbrances	63,793	63,793	0
Fund balance, end of year	<u>\$ 1,992,357</u>	<u>\$ 2,589,965</u>	<u>\$ 597,608</u>

See accompanying notes to the general purpose financial statements

CITY OF BEREA, OHIO

Combined Statement of Revenues,
Expenses, and Changes in Fund Equity
All Proprietary Fund Types
For the Year Ended December 31, 2000

	Enterprise	Internal Service	Total (Memorandum Only)
Operating revenues:			
Charges for services	\$ 1,249,451	\$ 0	\$ 1,249,451
Miscellaneous income	0	975,646	975,646
Total operating revenues	1,249,451	975,646	2,225,097
Operating expenses:			
Personal services	1,262,188	0	1,262,188
Contractual services	373,412	1,222,998	1,596,410
Materials and supplies	157,264	0	157,264
Transportation	2,606	0	2,606
Depreciation	434,765	0	434,765
Total operating expenses	2,230,235	1,222,998	3,453,233
Operating loss	(980,784)	(247,352)	(1,228,136)
Non-operating revenues (expenses):			
Interest income	0	1,898	1,898
Interest expense	(186,228)	0	(186,228)
Total non-operating revenues (expenses)	(186,228)	1,898	(184,330)
Loss before operating transfers	(1,167,012)	(245,454)	(1,412,466)
Operating transfers - in	983,525	255,000	1,238,525
Net loss	(183,487)	9,546	(173,941)
Add: Depreciation on fixed assets acquired under contributed capital	434,765	0	434,765
Increase (decrease) in retained Earnings	251,278	9,546	260,824
Retained earnings (deficit), beginning of year (Restated - Note 2)	(1,536,107)	(36,821)	(1,572,928)
Retained earnings (deficit), end of year	(1,284,829)	(27,275)	(1,312,104)
Contributed capital, beginning of year	10,237,340	0	10,237,340
Less: Depreciation on fixed assets acquired with contributed capital	(434,765)	0	(434,765)
Add: Capital contributed from government	(3,298,739)	0	(3,298,739)
Contributed capital, end of year	6,503,836	0	6,503,836
Total fund equity (deficit), end of year	\$ 5,219,007	\$ (27,275)	\$ 5,191,732
See accompanying notes to the general purpose financial statements			

CITY OF BEREA, OHIO

Combined Statement of Revenues, Expenses, and Changes in
Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
All Proprietary Fund Types
For the Year Ended December 31, 2000

	Enterprise Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 1,238,859	\$ 1,238,859	\$ 0
Total revenues	1,238,859	1,238,859	0
Expenses:			
Personal services	1,276,150	1,239,041	37,109
Contractual services	390,300	370,210	20,090
Materials and supplies	150,150	138,135	12,015
Transportation	3,050	2,541	509
Principal retirement	177,242	177,141	101
Interest	198,102	198,102	0
Total expenses	2,194,994	2,125,170	69,824
Excess (deficiency) of revenues over expenses	(956,135)	(886,311)	69,824
Other financing sources (uses):			
Operating transfers - in	983,525	983,525	0
Total operating financing sources (uses)	983,525	983,525	0
Excess (deficiency) of revenues over expenses and operating transfers	27,390	97,214	69,824
Fund balance, beginning of year	54,125	54,125	0
Unexpended prior year encumbrances	30,850	30,850	0
Fund balance, end of year	\$ 112,365	\$ 182,189	\$ 69,824

(continued)

CITY OF BEREA, OHIO

Combined Statement of Revenues, Expenses, and Changes in
Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
All Proprietary Fund Types
For the Year Ended December 31, 2000
(continued)

	Internal Service Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Investment income	\$ 1,898	\$ 1,898	\$ 0
Miscellaneous income	<u>975,647</u>	<u>975,647</u>	<u>0</u>
Total revenues	<u>977,545</u>	<u>977,545</u>	<u>0</u>
Expenses:			
Contractual services	<u>1,160,000</u>	<u>1,153,968</u>	<u>6,032</u>
Total expenses	<u>1,160,000</u>	<u>1,153,968</u>	<u>6,032</u>
Excess (deficiency) of revenues over expenses	(182,455)	(176,423)	6,032
Other financing sources (uses):			
Operating transfers - in	<u>255,000</u>	<u>255,000</u>	<u>0</u>
Total operating financing sources (uses)	<u>255,000</u>	<u>255,000</u>	<u>0</u>
Excess (deficiency) of revenues over expenses and operating transfers	72,545	78,577	6,032
Fund balance, beginning of year	74,204	74,204	0
Unexpended prior year encumbrances	<u>275</u>	<u>275</u>	<u>0</u>
Fund balance, end of year	<u>\$ 147,024</u>	<u>\$ 153,056</u>	<u>\$ 6,032</u>

(continued)

CITY OF BEREA, OHIO

Combined Statement of Revenues, Expenses, and Changes in
Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
All Proprietary Fund Types
For the Year Ended December 31, 2000
(continued)

	Totals (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 1,238,859	\$ 1,238,859	\$ 0
Investment income	1,898	1,898	0
Miscellaneous income	975,647	975,647	0
Total revenues	2,216,404	2,216,404	0
Expenses:			
Personal services	1,276,150	1,239,041	37,109
Contractual services	1,550,300	1,524,178	26,122
Materials and supplies	150,150	138,135	12,015
Transportation	3,050	2,541	509
Principal retirement	177,242	177,141	101
Interest	198,102	198,102	0
Total expenses	3,354,994	3,279,138	75,856
Excess (deficiency) of revenues over expenses	(1,138,590)	(1,062,734)	75,856
Other financing sources (uses):			
Operating transfers - in	1,238,525	1,238,525	0
Total operating financing sources (uses)	1,238,525	1,238,525	0
Excess (deficiency) of revenues over expenses and operating transfers	99,935	175,791	75,856
Fund balance, beginning of year	128,329	128,329	0
Unexpended prior year encumbrances	31,125	31,125	0
Fund balance, end of year	\$ 259,389	\$ 335,245	\$ 75,856

See accompanying notes to the general purpose financial statements

CITY OF BEREA

Combined Statement of Cash Flows
All Proprietary Fund Types
For the Year Ended December 31, 2000

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total (Memorandum Only)</u>
Increase (decrease) in cash and cash equivalents:			
Cash flows from operating activities:			
Cash received from customers	\$ 1,238,860	\$ 0	\$ 1,238,860
Cash received from other revenues	0	975,646	975,646
Cash payments for personal services	(1,239,041)	0	(1,239,041)
Cash payments for travel and transportation	(2,541)	0	(2,541)
Cash payments for contractual services	(364,185)	(1,153,969)	(1,518,154)
Cash payments for vendors for supplies and materials	(147,034)	0	(147,034)
Net cash (used) by operating activities	(513,941)	(178,323)	(692,264)
Cash flows from non-capital financing activities:			
Operating transfers to other funds	0	0	0
Operating transfers from other funds	983,525	255,000	1,238,525
Net cash provided by non-capital financing activities	983,525	255,000	1,238,525
Cash flow used in capital and related financing activities:			
Principal paid on OWDA loans	(177,141)	0	(177,141)
Interest paid on OWDA loans	(198,102)	0	(198,102)
Net cash (used) in capital and related financing activities	(375,243)	0	(375,243)
Cash flow from investing activities:			
Interest received	0	1,898	1,898
Net cash provided by investing activities	0	1,898	1,898
Net increase(decrease) in cash and cash equivalents	94,341	78,575	172,916
Cash and cash equivalents, beginning of year	95,499	74,479	169,978
Cash and cash equivalents, end of year	\$ 189,840	\$ 153,054	\$ 342,894

See accompanying notes to the general purpose financial statements

CITY OF BEREA, OHIO

Combined Statement of Cash Flows
All Proprietary Fund Types
For the Year ended December 31, 2000
(continued)

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total (Memorandum Only)</u>
Reconciliation of operating loss to net cash (used)for operating activities:			
Operating loss	\$ (980,784)	\$ (247,352)	\$(1,228,136)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation	434,765	0	434,765
Changes in assets and liabilities:			
Increase in accounts receivable	(10,591)	0	(10,591)
Decrease in inventory of supplies	10,193	0	10,193
Increase in prepaid items	0	(231)	(231)
Increase in accounts payable	8,440	69,260	77,700
Increase in accrued worker's compensation	19,502	0	19,502
Increase in accrued wages and benefits	4,715	0	4,715
Increase in accrued compensated absences	8,990	0	8,990
Decrease in accrued pension	(9,171)	0	(9,171)
Net cash used for operating activities	\$ (513,941)	\$ (178,323)	\$ (692,264)

See accompanying notes to the general purpose financial statements

CITY OF BEREA

Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. THE REPORTING ENTITY

The City of Berea is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a mayor-council form of government, was adopted May 3, 1960.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the City are not misleading. This definition of reporting entity is found in GASB Statement No. 14, "The Financial Reporting Entity".

The City of Berea's primary government consists of all funds and departments which are not legally separate from the City. They include a police force, a fire fighting force, a street maintenance and sanitation force, planning and zoning departments, a parks and recreation system, a water treatment system, and a staff to provide essential support to these service providers.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The reporting entity of the City does not include any component units.

The City is associated with two jointly governed organizations, the Southwest General Health Center and the Woodvale Union Cemetery. These organizations are presented in Note 9 to the combined financial statements.

B. BASIS OF PRESENTATION - FUND ACCOUNTING

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION - FUND ACCOUNTING (continued)

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate fund types. The following categories and fund types are used by the City:

GOVERNMENTAL FUNDS

Governmental funds are those funds through which most governmental functions are typically financed. The acquisition, use, and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position. The following are the City's governmental fund types:

General Fund

The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter of the City of Berea and/or the general laws of Ohio.

Special Revenue Funds

The special revenue funds are used to account for revenues derived from specific taxes, grants, or other sources, other than amounts relating to major capital projects, whose use is restricted. The uses and limitations of each special revenue fund are specified by City ordinances or Federal and State statutes.

Debt Service Funds

The debt service funds are used to account for the accumulation of resources for, and the payment of general long-term and special assessment principal, interest, and related costs, other than those paid by proprietary funds.

Capital Project Funds

The capital project funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

PROPRIETARY FUNDS

The proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and cash flows. The following are the City's proprietary fund types:

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION - FUND ACCOUNTING (continued)

Enterprise Funds

The enterprise funds are used to account for the City's water and sewer operations. They are financed and operated in a manner similar to private sector business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds

The internal service funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

FIDUCIARY FUNDS

Expendable trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

ACCOUNT GROUPS

To make a clear distinction between fixed assets related to specific funds and those of the general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group

The general fixed assets account group is used to account for fixed assets other than those accounted for in the proprietary funds. These assets do not represent financial resources available for expenditure.

General Long-Term Obligations Account Group

The general long-term obligations account group is used to account for all unmatured long-term obligations of the City that are not a specific liability of the proprietary funds.

C. BASIS OF ACCOUNTING

The financial statements of the City of Berea have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BASIS OF ACCOUNTING (continued)

standard-setting body for establishing governmental accounting and financial reporting principles. With respect to proprietary activities, the City has adopted GASB Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Units That Use Proprietary Fund Accounting*. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to the proprietary funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds represent increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used for reporting purposes by the governmental fund types, and agency funds. Under this method of accounting, the City recognizes revenue when it becomes both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which the City considers to be 60 days after year-end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Principal and interest on general long-term and special assessment obligations are recognized when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Revenues accrued at the end of the year include income taxes withheld by employers, intergovernmental revenues (including motor vehicle license fees, gasoline tax, and local government assistance), fines and forfeitures, interest on investments, and reimbursements due from federally funded projects for which corresponding expenditures have been made.

Other revenues, including income taxes other than those withheld by employers, certain charges for services, licenses, permits, and other revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BASIS OF ACCOUNTING (continued)

revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of December 31, 2000, and delinquent property taxes, whose availability is indeterminate and which are not intended to finance the current year, have been recorded as deferred revenue. Special assessment installments are also recorded as deferred revenue because they do not meet the availability criteria.

The accrual basis of accounting is used for reporting purposes by the proprietary fund types. Revenues are recognized when they are earned and expenses are recorded when incurred. Unbilled service charges are recognized as revenue at year end.

D. BUDGETS AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing the budgetary data reported in the combined financial statements:

TAX BUDGET

A tax budget of estimated revenue and expenditures for all funds is submitted to the County Auditor, as Secretary to the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year. All funds, except agency funds, are legally required to be budgeted.

ESTIMATED RESOURCES

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews revenue estimates. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund.

On or about January 1, the certificate of estimated resources is amended to include the actual fund balances at December 31. Further amendments may be made during the year if the Director of Finance determines that the previous revenue estimates need to be increased or decreased, and the County Budget Commission considers the changes reasonable. The amounts set forth in the financial statements represent estimates from the final amended certificate issued in 2000.

ANNUAL ESTIMATE

The Mayor, with the assistance of the Director of Finance, is required by charter to submit to Council, on or before December 1 of each fiscal year, an estimated expenditures for each fund of the City for the next succeeding fiscal year. The annual estimate serves as the basis for appropriations (the appropriated budget) in each fund.

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BUDGETS AND BUDGETARY ACCOUNTING (continued)

APPROPRIATIONS

An appropriation ordinance (appropriated budget) to control the level of expenditures for all funds must be legally enacted on or about January 1. Appropriations may not exceed estimated resources as established in the amended certificate of estimated resources. Supplemental appropriations may be adopted by Council action. The Council approves appropriations by department for personal services and other. The other expenditures include fringes, contractual services, materials and supplies, capital outlay, and miscellaneous. Amounts shown in the financial statements represent the original appropriated budget amounts and all supplemental appropriations adopted through December 31, 2000.

BUDGETED LEVEL OF EXPENDITURE

Administrative control is maintained through the establishment of budgets. Appropriated funds may not be expended for purposes other than those designated in the appropriation ordinance without authority from Council. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation adopted by Council. For all funds, Council appropriations are made to personal services and other for each department. The appropriations set by Council must remain fixed unless amended by Council ordinance. More detailed appropriation allocations may be made by the Director of Finance as long as the allocations are within Council's appropriated amount.

ENCUMBRANCES

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year-end are reported as a reservation of fund balance for subsequent year expenditures for governmental funds, and as a note disclosure for proprietary funds.

LAPSING OF APPROPRIATION

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried over for the subsequent year's expenditures and is reappropriated.

E. POOLED CASH AND INVESTMENTS

To improve cash management, the City pools all individual cash balances in a bank account and short-term cash equivalents. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents" on the combined balance sheet.

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. POOLED CASH AND INVESTMENTS (continued)

Interest allocation is determined by the Ohio Constitution, state statutes, and local ordinances adopted under City Charter. Under these provisions, City funds required to receive interest allocations are: 1) those which receive proceeds from the sale of notes and/or bonds; 2) those which receive distributions of state gasoline tax and motor vehicle licenses fees (street maintenance and state highway special revenue funds); 3) the self-insurance fund. All remaining interest is allocated to the general fund. Legally, proprietary funds generally do not receive interest. Interest credited to the general fund during fiscal year 2000, amounted to \$277,351, which includes \$141,450 assigned from other City funds. In accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City records all its investments at fair value except for non participating investment contracts (certificates of deposit) which are reported at cost. See Note 3 Deposits and Investments. For purposes of the Combined Statement of Cash Flows and for presentation on the Combined Balance Sheet, investments with original maturities of three months or less are considered to be cash equivalents.

F. INTERFUND RECEIVABLES/PAYABLES

Receivables and payables arising between funds for goods provided or services rendered are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans, or the short-term portion of advances, are classified as "interfund receivables/payables."

G. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond December 31, 2000, are recorded as prepaid items using the allocation method. Prepayments are reported as assets of the fund that will derive future benefits from the expenditure. The reserve for prepaids, in the governmental funds, indicates the amount of the prepaid is not available as a current financial resource of the fund.

H. INVENTORY OF SUPPLIES

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

I. FIXED ASSETS

The fixed asset values were initially determined at December 31, 1986, assigning original acquisition costs when such information was available. In cases where information supporting original costs were not available, estimated historical costs were developed. For certain fixed assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at fair market value on the date donated.

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. FIXED ASSETS (continued)

GENERAL FIXED ASSETS

General fixed assets (fixed assets used in governmental fund type operations) are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Assets in the general fixed assets account group are not depreciated.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency are capitalized at cost in the general fixed asset account group.

Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, lighting systems, and drainage systems, are not capitalized and are not reported. These assets are immovable and of value only to the government.

PROPRIETARY FUND FIXED ASSETS

Fixed assets associated with enterprise fund activities are accounted for in those funds. Depreciation is calculated using the straight-line method over the assets' estimated useful lives. The assets in the enterprise funds are depreciated on the following basis:

	<u>YEARS</u>
Buildings	7 - 50
Machinery and equipment	6 - 40
Vehicles	5 - 7
Sewer lines	50
Water lines	50

CAPITALIZATION OF INTEREST

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The City's policy is to capitalize net interest on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project from the date of borrowing until completion of the project and the interest earned from temporary investment of the debt proceeds over the same period. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2000, interest incurred on proprietary fund construction projects was immaterial.

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. COMPENSATED ABSENCES

A liability for leave benefits should be accrued according to NCGA Statement 4 if they meet the following conditions:

1. The employer's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

The determination of the amount is based on the various benefit policies of the City. The amount of the liabilities at year end is the amount of benefits payable based on the policy. The liabilities are split between current and non-current.

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy credits vacation leave on a calendar year basis. The City does not allow the unused balance to be carried over from one calendar year to the next without the approval of the Director of the department and the Mayor. City employees are paid for earned, unused vacation leave at the end of each year and at the time of termination of employment.

For all employees, except firefighters, sick leave is earned at the rate of four and six-tenths hours for every eighty hours worked. Firefighters earn sick leave at the rate of 24 hours, which equals one tour of duty, per month. Each employee with 10 - 20 years of service with the City is paid for one-fourth of the employee's earned unused sick leave, not to exceed 360 hours, or 17 tours of duty for firefighters, upon separation from the City. Each employee with 20 or more years of service with the City is paid for one-fourth of the employee's earned unused sick leave, limited to 63 tours for firefighters, upon separation from the City. The full balance may be transferred to another governmental agency if not taken upon separation.

Additionally, beginning January 1, 1995, firefighters with 20 or more years of service with the City may elect to sell back up to 12 tours of duty of accumulated sick leave in any one calendar year. The firefighter will be paid at their current pay rate multiplied by 25% of the total number of sick leave tours sold back.

GASB Statement 16, effective for fiscal years beginning after June 15, 1993, prescribes changes in the accrual for compensated absences. According to this statement, a liability for compensated absences should be recorded when future payments for such absences have been earned by employees regardless of their vesting status. The City employs the vesting method of calculation with the following assumptions: 1.) for all police and fire employees, it was assumed that they will achieve ten years of employment 2.) for all other City employees, it was assumed that if they have been employed five years, they will achieve ten years of employment. An accrual was made for these individuals based on normal sick leave limitations of the City. If the employee has not reached five years of employment, it was assumed that they would not achieve ten years of

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. COMPENSATED ABSENCES (continued)

employment. No accrual was made for these employees.

For governmental funds, the City provides a liability for unpaid accumulated sick leave for employees. The current portion of unpaid compensated absences is the amount to be paid using available expendable resources, and is reported as an accrued liability in the fund from which the individuals who have accumulated the unpaid compensated absences are paid. The balance of the liability is reported in the general long-term obligation account group. At December 31, 2000 these amounts were \$42,565 and \$752,820, respectively.

In proprietary funds, compensated absences are expensed when earned. The entire amount of unpaid compensated absences is reported as a fund liability. The liability for compensated absences in the proprietary funds at December 31, 2000 was \$60,148.

K. LONG-TERM OBLIGATIONS

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term obligation account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Under Ohio law, a debt retirement fund must be created and used for the payment of all debt principal and interest. Generally accepted accounting principles require the allocation of the debt liability among the capital projects and enterprise funds, and the general long-term obligation account group, with principal and interest payments on matured general obligation long-term debt being reported in the debt service funds. To comply with GAAP reporting requirements, the City's debt retirement funds have been split among the appropriate funds and account group. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

Contributed capital represents donations by developers, contributions made by the City and assets whose construction was financed by special assessments. These assets are recorded at their fair market value on the date contributed and are not subject to repayment.

Prior to 1987, the City had not prepared its financial statements in accordance with generally accepted accounting principles. Therefore, the exact amount of contributed capital pertaining to years prior to 1987 cannot be determined. It has been the policy of the City to construct and acquire capital assets used in operations of the water and sewer funds with resources of the capital project funds or through donations by developers. These assets are recorded as contributed capital in the accompanying combined financial statements.

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. RESERVES OF FUND EQUITY

Reserves of fund equity in governmental funds indicate that a portion of the fund balances are not available for expenditure or are legally segregated for a specific future use. Fund balances are reserved for encumbrances, inventory of supplies, and prepaid items.

N. INTERFUND TRANSACTIONS

During the course of normal operations, the City has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. Operating subsidies are also recorded as operating transfers.

Non-recurring and non-routine transfers of equity between funds, capital contributions to the enterprise funds, the subsequent return of all or part of such contributions, and the transfer of residual balances of discontinued funds or projects to the general fund, capital project funds, or debt service funds (when financed with debt proceeds) are classified as residual equity transfers.

Transactions that constitute reimbursements for expenditures or expenses initially made from a fund that are properly allocable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures and expenses in the fund that is reimbursed.

O. INTERGOVERNMENTAL REVENUES

In governmental funds, federal grants awarded on a non-reimbursement basis are recorded as intergovernmental receivables and revenues when measurable and available. Federal reimbursable grants are recorded as intergovernmental receivables and revenues when the related liabilities are incurred.

P. STATEMENT OF CASH FLOWS

For purposes of the Statement of Cash Flows, the proprietary funds consider all highly liquid investments held by trustees, with a maturity of three months or less when purchased, to be cash equivalents. In addition, all cash and investments with the City's treasurer are also considered to be cash equivalents since they are available to the proprietary funds on demand.

Q. MEMORANDUM ONLY - TOTAL COLUMNS ON COMBINED FINANCIAL STATEMENTS

Total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 2 - RESTATEMENT OF PRIOR YEAR'S FUND EQUITY

A restatement in the amount of \$725,000 was made in the water revenue fund, for the adjustment of the overstatement of OWDA loans receivable. The beginning of the year's retained earnings and net loss were restated to account for this change. The following schedule shows this restatement:

	<u>Water Revenue Fund</u>
Retained Earnings, December 31, 1999	\$ (811,107)
Adjustment	<u>(725,000)</u>
Restated Retained Earnings, January 1, 2000	<u>\$ (1,536,107)</u>
	<u>Water Revenue Fund</u>
Net Loss, December 31, 1999	\$ (46,611)
Adjustment	<u>(725,000)</u>
Restated Net Loss, January 1, 2000	<u>\$ (771,611)</u>

NOTE 3 - FUND EQUITY DEFICITS

SPECIAL REVENUE FUNDS

The recreation fund has a deficit of \$34,788, caused by the application of generally accepted accounting principles. The general fund or the municipal income tax fund is liable for any deficit in the recreation fund and provides operating transfers when cash is needed, not when accruals occur.

CAPITAL PROJECTS FUNDS

The recreation capital improvement fund and the railroad capital improvement fund have deficits of \$143,770 and \$172,948, respectively, caused by the application of generally accepted accounting principles. Funds are provided when cash is needed, not when accruals occur.

ENTERPRISE FUNDS

The water revenue and sewer revenue funds have retained deficit earnings of \$1,200,248 and \$84,581, respectively, as a result of accumulated operating losses, and the application of generally accepted accounting principles. Funds are provided when cash is needed, not when accruals occur.

INTERNAL SERVICE FUNDS

The medical benefits fund has a retained deficit earnings of \$51,939, as a result of accumulated operating losses, and the application of generally accepted accounting principles. Funds are provided when cash is needed, not when accruals occur.

NOTE 4 - DEPOSITS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash and cash equivalents. State statutes classify monies held by the City into three categories.

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Category 1 consists of active funds. "Active" funds are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Category 2 consists of "inactive" funds. Inactive funds are public deposits that Council has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Category 3 consists of "interim" funds. Interim funds 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 funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Depository Insurance

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 110% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements," collateral held in single financial collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

The GASB has established risk categories for deposits and investments as follows:

Deposits:

- Category 1 Insured or collateralized with securities held by the City of by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Uncollateralized. (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the entity's name.)

Investments:

- Category 1 Insured or registered, with securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

DEPOSITS

At year end, the carrying amount and fair value of the City's deposits was \$3,987,732 and the bank balance was \$4,174,823. Of the bank balance:

1. \$512,794 was covered by Federal depository insurance.
2. \$3,662,029 was covered by collateral held by third party trustees pursuant to Section 135.181, Revised Code, in collateralized pools securing all public funds on deposit with specific depository institutions but not in the name of the City.

INVESTMENTS

City has no investments during 2000.

NOTE 5 - INCOME TAX

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

The City, by ordinance, allocates income tax revenues and expenditures for collecting, administering, and enforcing the tax to the general fund and the municipal income tax fund. The general fund receives three-fourths and the municipal income tax fund receives one-fourth of the total income tax revenue. Income tax revenue for 2000, on the GAAP basis was \$7,119,648 for the general fund and \$2,373,216 for the municipal income tax fund. On the budget basis revenue was \$6,527,612 for the general fund and \$2,175,872 for the municipal income tax fund.

NOTE 6 - PROPERTY TAX

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2000. Real property taxes are payable annually or semiannually. The first payment is due January 20, with the remainder payable by June 20.

Taxes collected on tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 6 - PROPERTY TAX (continued)

preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Berea. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate applied to real property for the fiscal year ended December 31, 2000 was \$17.60 per \$1,000 of assessed valuation. The assessed values of real and tangible personal property, upon which 2000 property tax receipts were based, are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 261,116,900
Public Utility Real and Tangible	12,577,200
Tangible Personal	<u>26,081,201</u>
Total	<u>\$ 299,775,301</u>

NOTE 7 - INTERGOVERNMENTAL RECEIVABLE

Receivables at December 31, 2000 consisted of taxes, accounts (e.g., billings for user charged services, including unbilled utility services), special assessments, interest on investments, and intergovernmental receivables arising from grants, entitlements or shared revenues. All receivables are considered fully collectable. A summary of the principal items of intergovernmental receivables follows:

<u>FUND TYPE / FUND / REVENUE CLASSIFICATION</u>	<u>AMOUNTS</u>
<u>GENERAL FUND</u>	
Local government - state & county	\$ 14,171
Estate tax	<u>101,937</u>
Total General Fund	<u>116,108</u>

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 7 - INTERGOVERNMENTAL RECEIVABLE (continued)

<u>FUND TYPE / FUND / REVENUE CLASSIFICATION</u>	<u>AMOUNTS</u>
<u>SPECIAL REVENUE FUNDS</u>	
<u>Street Construction, Maintenance and Repair Fund</u>	
Gasoline tax	\$ 12,925
Motor vehicle licenses	<u>6,204</u>
Total Street Construction Maintenance and Repair Fund	19,129
<u>State Highway Fund</u>	
Gasoline tax	1,048
Automobile registrations	<u>503</u>
Total State Highway Fund	1,551
<u>Municipal Vehicle Tax Levy Fund</u>	
Permissive motor vehicle tax	<u>2,531</u>
Total Special Revenue Funds	<u>23,211</u>
Total Intergovernmental Receivable	\$ <u>139,319</u>

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 8 - FIXED ASSETS

A. GENERAL FIXED ASSETS

Changes in general fixed assets during 2000 were as follows:

	BALANCE 1-1-00	ADDITIONS	DISPOSALS	BALANCE 12-31-00
Land	\$ 2,795,632	\$ 15,860	\$ 0	\$ 2,811,492
Land Improvements	6,075,004	53,130	0	6,128,134
Buildings	13,907,690	3,993	0	13,911,683
Building Improvements	10,422,781	470,218	0	10,892,999
Machinery and Equipment	2,017,597	214,907	37,417	2,195,087
Vehicles	2,810,664	390,135	25,998	3,174,801
Subtotal	<u>38,029,368</u>	<u>1,148,243</u>	<u>63,415</u>	<u>39,114,196</u>
Construction in Progress	<u>216,409</u>	<u>499,113</u>	<u>0</u>	<u>715,522</u>
Total General Fixed Assets	<u>\$38,245,777</u>	<u>\$ 1,647,356</u>	<u>\$ 63,415</u>	<u>\$39,829,718</u>

B. FUND FIXED ASSETS

All fund fixed assets relate to the sewer and water enterprise funds.
The balances as of December 31, 2000, for the two funds were as follows:

	SEWER REVENUE	WATER REVENUE	TOTAL ENTERPRISE FUNDS
Land	\$ 34,119	\$ 76,090	\$ 110,209
Land Improvements	400,312	746,110	1,146,422
Buildings	0	884,817	884,817
Building Improvements	0	1,528,500	1,528,500
Machinery and Equipment	310,232	1,394,641	1,704,873
Vehicles	0	33,288	33,288
Sewer Lines	6,733,197	0	6,733,197
Water Lines	0	5,950,179	5,950,179
Subtotal	<u>7,477,860</u>	<u>10,613,625</u>	<u>18,091,485</u>
Construction in Progress	<u>0</u>	<u>455,779</u>	<u>455,779</u>
Total Fund Fixed Assets	<u>7,477,860</u>	<u>11,069,404</u>	<u>18,547,264</u>
Less Accumulated Depreciation	<u>(3,718,635)</u>	<u>(6,414,364)</u>	<u>(10,132,999)</u>
Net Fund Fixed Assets	<u>\$ 3,759,225</u>	<u>\$ 4,655,040</u>	<u>\$ 8,414,265</u>

A restatement in the amount of \$(1,899,256) was made in the sewer revenue fund.
The overstatement occurred in construction in progress due to a posting error.
The beginning of the year construction in progress balance was restated to
account for the error, \$(1,899,256), from \$2,849,256 to \$950,000.

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 9 - JOINTLY GOVERNED ORGANIZATIONS

SOUTHWEST GENERAL HEALTH CENTER

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

The Health Center is governed by a Board of Trustees consisting of the following: one member of the legislative body from each of the political subdivisions, one resident from each of the political subdivisions who is not a member of the legislative body, three persons who are residents of any of the participating political subdivisions, the president and the executive vice president of the corporations, and the president and the vice president of the medical staff. The legislative body of each political subdivision elect their own member to serve on the Board of Trustees of the Health Center.

The Board exercises total control over the operation of the Health Center including budgeting, appropriating, contracting and designating management. Each City's control is limited to its representation on the Board. In 2000, the City of Berea contributed \$116,879 of property tax levies to the Health Center.

WOODVALE UNION CEMETERY

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

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

The joint council exercises control over the operation of the Cemetery through budgeting, appropriating, and contracting. The Board of Trustees control daily operations of the Cemetery. Each City's control is limited to its representation on the Joint Council. In 2000, the City of Berea contributed \$7,500 to the Cemetery.

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 10 - DEFINED BENEFIT PENSION PLANS

All of the City's full-time employees participate in one of two separate retirement systems which are cost-sharing, multiple-employer defined benefit pension plans.

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM

The following information was provided by PERS of Ohio to assist the City in complying with the GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

The City of Berea contributes to the Public Employees Retirement System of Ohio (PERS), a cost-sharing, multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand alone financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The Retirement Board instituted a temporary employer contribution rate rollback for calendar year 2000. The rate rollback was 20% for state and local government divisions. The 2000 employer contribution rate for local government employer units was 10.84 percent of covered payroll, 6.54 percent to fund the pension and 4.3 percent to fund health care. The 1999 and 1998 employer contribution rates were 13.55 percent. The contribution requirement of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 2000, 1999, and 1998 were \$610,871, \$609,290, and \$563,621, respectively, which were equal to the required contributions for each year.

The PERS of Ohio provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the PERS of Ohio is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the 2000 employer contribution rate (identified above) that was used to fund health care for the year 2000 was 4.3 percent of covered payroll, which amounted to \$203,343.

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the PERS of Ohio's latest actuarial review performed as of December 31, 1999. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used.

Under this approach assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 1999 was 7.75 percent. An annual increase of 4.75 percent compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75 percent base increase, were assumed to range from 0.54 percent to 5.1 percent. Health care costs were assumed to increase 4.75 percent annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 401,339. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 1999 was \$10,805.5 million.

The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively.

B. OHIO POLICE AND FIRE PENSION FUND (the "OP&F" Fund)

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing, multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent and 24.0 percent respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2000, 1999, and 1998 were \$333,710, \$326,093, and \$306,156 for police and \$319,727, \$306,228, and \$298,199 for firefighters, respectively, which were equal to the required contributions for each year.

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. OHIO POLICE AND FIRE PENSION FUND (the "OP&F" Fund) (Continued)

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 2000 covered payroll that was used to fund postemployment health care benefits was \$155,647 representing 7.25 percent of covered payroll for police and \$98,647 representing 7.25 percent of covered payroll for fire.

Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 1999, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 12,467 for police and 9,807 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 1999 were \$95,004,633, which was net of member contributions of \$5,518,098.

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 11 - OUTSTANDING DEBT

A. BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS

Bonded debt and other long-term obligations payable activity for the year ended December 31, 2000 are as follows:

	Balance January 1, 2000	Addition	(Reduction)	Balance December 31, 2000
<u>GENERAL OBLIGATION BONDS:</u>				
4.68% 1989 Various Purpose	\$ 2,273,475	\$ 0	\$ (435,000)	\$ 1,838,475
6.10% 1992 Library	1,035,000	0	(55,000)	980,000
4.68% 1989 Various Purpose	889,946	0	(305,000)	584,946
6.10% 1992 Various Purpose	3,025,000	0	(195,000)	2,830,000
4.68% 1993 Various Purpose	1,898,603	0	(180,000)	1,718,603
5.35% 1999 Various Purpose	7,000,000	0	(185,000)	6,815,000
 Total General Obligation Bonds	 16,122,024	 0	 (1,355,000)	 14,767,024
 <u>URBAN RENEWAL BONDS:</u>				
6.100% 1992 Urban Renewal	1,515,000	0	(80,000)	1,435,000
4.680% 1993 Urban Renewal	515,000	0	(25,000)	490,000
 Total Urban Renewal Bonds	 2,030,000	 0	 (105,000)	 1,925,000
 <u>OHIO WATER DEVELOPMENT AUTHORITY LOANS (OWDA):</u>				
4.56% 1994 Sewer	384,680	0	(18,353)	366,327
6.72% 1994 Water	971,766	0	(39,514)	932,252
6.11% 1997 Sewer	674,108	0	(14,144)	659,964
5.66% 1998 Sewer	207,655	0	(18,367)	189,288
5.66% 1998 Water	92,291	0	(8,145)	84,146
5.58% 1999 Sewer	714,785	0	(40,232)	674,553
5.50% 1999 Water	550,000	0	(24,882)	525,118
5.50% 1999 Water	175,000	0	(13,504)	161,496
 Total OWDA Loans	 3,770,285	 0	 (177,141)	 3,593,144
 <u>OTHER LONG-TERM BENEFITS:</u>				
Accrued pension	633,614	0	(46,395)	587,219
Accrued sick and vacation	555,214	197,606	0	752,820
 Total Other	 1,188,828	 197,606	 (46,395)	 1,340,039
 Total	 \$23,111,137	 \$ 197,606	 \$(1,683,536)	 \$21,625,207

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 11 - OUTSTANDING DEBT (continued)

A. BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS (continued)

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. The general obligation bonds outstanding as of December 31, 2000 are to be repaid from both voted and unvoted property taxes levied on all taxable property located within the City, municipal income taxes, and transfers from the water revenue fund for exempt properties. Exempt properties include organizations exempt from taxation, such as colleges and churches, as well as property outside the City's jurisdiction who are provided water services from the City. The City assesses these exempt properties through a surcharge on their water bills to pay for the debt.

The City pays installments on the accrued liability of the Police and Firemen's Disability and Pension Fund of Ohio. This liability was incurred when the State of Ohio established the statewide pension system for Police and Firemen in 1967. As of December 31, 2000, the liability of the City was \$266,309, payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary. The liability is reported in the general long-term obligations account group. The current portion is not included as a current liability in either the police pension transfer fund or the fire pension transfer fund because it is not material in amount.

A retirement schedule for Other Long-Term Benefits is not presented due to the undeterminable nature of the annual requirements.

The City's overall legal debt margin was \$16,928,515 at December 31, 2000.

<u>TAXABLE BONDS -</u> <u>O.R.C. SECTION 725</u> <u>(URBAN RENEWAL)</u>	<u>Balance</u> <u>January 1,</u> <u>2000</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31,</u> <u>2000</u>
<u>City Portion:</u>			
11.34% 1990			
Cleveland Browns	\$ 869,526	\$ 0	\$ 869,526
<u>Cleveland Brown's</u> <u>Portion:</u>			
**11.34% 1990			
Cleveland Browns	624,558	185,690	438,868
**11.34% 1990			
Cleveland Browns	<u>5,555,915</u>	<u>615,309</u>	<u>4,940,606</u>
Total Cleveland Browns Portion	<u>6,180,473</u>	<u>800,999</u>	<u>5,379,474</u>
Total Taxable Bonds	\$ <u>7,049,999</u>	\$ <u>800,999</u>	\$ <u>6,249,000</u>

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 11 - OUTSTANDING DEBT (continued)

A. BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS (continued)

During 1990, the City issued \$10,000,000 of Urban Renewal Taxable Municipal Bonds (O.R.C. Section 725), the first of its kind in the State of Ohio. These bonds were used for the construction of an office and training facility which is owned by the City and leased to the Cleveland Browns. The Cleveland Browns are responsible for \$5,379,474 of the bonds, reported in the Cleveland Browns enterprise fund, and the City is responsible for \$869,526 of the bonds, reported in the general long-term debt account group. The \$800,999 bond reduction was paid by the Cleveland Browns.

** During 1996, the Cleveland Browns franchise was relocated. The Browns portion of the bonds were assumed by the National Football League (NFL). In addition, the NFL will pay \$350,000 annually from 1996 through 2002 as cash relief to cover the City's annual payment, or \$1,073,161 of the City's outstanding bond balance. The remaining balance on the City's portion of the bonds will be \$350,000 annually due in the years 2003 through 2005. In October, 1998, the NFL assigned the lease agreements to the new Cleveland Browns Franchise, as well as the cash relief payments to the City. See Note 12 - Leases, for additional information.

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2000 are as follows:

Year	General Obligation Bonds	Urban Renewal Bonds	City's Taxable Bonds	Browns Taxable Bonds	OWDA Loan	Total
2001	\$ 2,186,436	\$ 222,604	\$ 0	\$ 1,580,915	\$ 376,333	\$ 4,366,288
2002	2,181,376	227,074	0	1,579,417	376,333	4,364,200
2003	2,193,569	225,939	350,000	1,226,842	376,333	4,372,683
2004	2,152,451	221,184	350,000	1,224,886	376,333	4,324,854
2005	1,717,389	224,249	350,000	1,834,187	376,333	4,502,158
There- after	<u>13,370,061</u>	<u>1,633,438</u>	<u>0</u>	<u>0</u>	<u>3,707,282</u>	<u>18,710,781</u>
Total	<u>\$23,801,282</u>	<u>\$ 2,754,488</u>	<u>\$ 1,050,000</u>	<u>\$ 7,446,247</u>	<u>\$ 5,588,947</u>	<u>\$40,640,964</u>

B. NOTE DEBT

Note debt activity for the year ended December 31, 2000, consisted of the following:

	Balance			Balance		
	January 1, 2000	Additions	Reductions	December 31, 2000		
Promissory Note	<u>100,000</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u>		
Total General Obligation Notes	<u>\$ 100,000</u>	<u>\$ 0</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>		

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 11 - OUTSTANDING DEBT (continued)

C. SHORT-TERM NOTE DEBT

Short-term note debt activity for the year ended December 31, 2000, consisted of the following:

	Balance		Balance	
	January 1, 2000	Additions	Reductions	December 31, 2000
Promissory Note	50,000	50,000	50,000	50,000

In fiscal year 1997 the City signed a promissory note in the amount of \$250,000, with 0.00% interest, for the purchase of a building. Payments on the note are payable in five annual installments due on or before the first day of May of each year, commencing May 1, 1998 with the last payment being due on May 1, 2002. In fiscal year 1999, the building was sold. However, at the request of the note holder, the City remains responsible for the promissory note payments, per the original schedule.

On June 4, 2001, the City passed ordinance number '2001-50' providing for the issuance and sale of bond anticipation notes in the amount of \$800,000, with approximately 6.00% interest, for the replacement of sanitary sewer and water lines in the City's North End.

NOTE 12 - LEASES

The City entered into a lease agreement in 1990 for the rental of an office and training facility with the Cleveland Browns, which for accounting purposes is reported as an operating lease. The Cleveland Browns are responsible under the lease to assume all cost of maintenance and liability insurance, including major repairs and improvements. The facility, constructed by the City on City-owned land, is the property of the City. The cost of land improvements were paid for by the Cleveland Browns, and the improvements are the property of the City.

The facility and land improvements were funded through taxable urban renewal bonds for \$10,000,000 and approximately \$5,500,000 from the Cleveland Browns. The City's original portion of the \$10,000,000 taxable bonds is \$2,496,349 plus interest and is paid out of the General Fund's non-tax revenues. The Browns' original portion of the taxable bonds is \$7,503,651. The balance of this debt as of December 31, 1998 was reclassified due to the cash relief payment agreement to \$869,526 for the City's portion of the debt and \$6,899,473 for the Cleveland Browns' portion of the debt. As of December 31, 2000, the Cleveland Browns' portion of the debt is \$5,379,474. The City is not responsible for repaying the Browns' portion of the debt; however, due to provisions in the office and training facility lease agreement, the City may pay on the debt if it chooses, although the City has no legal obligation to do so. The bond payments are to be paid to a trustee who is responsible for principal and interest payments to the holders of the bonds.

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 12 - LEASES (Continued)

During 1996, the Brown's franchise was relocated. According to the office and training facility lease agreement, due to the relocation 1) the facility could be subleased, with the City's consent or 2) the Browns organization could pay off both the Browns and the City's outstanding bonds on the facility. To guarantee the relocation of a future team in the City of Berea, the City agreed to sublease the facility to the NFL until the time when a new team was headquartered in the City. The NFL also agreed to provide the City with \$350,000 cash relief annually from 1996 to 2002. During 1999, the new Cleveland Browns franchise assumed the office and training facility lease. In addition, the new Cleveland Browns Franchise will provide the City with \$350,000 cash relief annually from 1998 to 2002.

NOTE 13 - CONSTRUCTION COMMITMENTS

As of December 31, 2000 the City had the following commitments with respect to capital projects:

<u>Capital Projects</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Police Department Remodel	\$ 83,748	May 2001
Groza Field House	280,668	June 2001
Booster Pumps	<u>44,221</u>	July 2001
Total	<u>\$ 408,637</u>	

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 14 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The City maintains three enterprise funds. The water and sewer funds are intended to be self-supporting through user fees charged for services to the public. The Cleveland Browns Fund accounts for the revenues received from the Browns and for the payment of the Browns' portion of the taxable urban renewal bonds. Financial segment information as of and for the year ended December 31, 2000 is presented as follows:

	WATER REVENUE FUND	SEWER REVENUE FUND	CLEVELAND BROWNS FUND	TOTAL
Operating Revenues	\$ 750,047	\$ 499,404	\$ 0	\$ 1,249,451
Depreciation Expense	262,891	171,874	0	434,765
Operating (Loss) Income	(944,551)	(36,233)	0	(980,784)
Operating Transfers - In	911,025	72,500	0	983,525
Operating Transfers - Out	0	0	0	0
Net Loss	(119,415)	(64,073)	0	(183,488)
Contributed Capital	3,694,610	2,809,226	0	6,503,836
Property, Plant and Equipment:				
Additions	396,385	0	0	396,385
Deletions	845,868	0	0	845,868
Total Assets	5,068,904	4,015,878	5,488,741	14,573,523
Net Working Capital	241,618	207,571	109,267	558,456
Taxable Obligation				
Bonds Payable	0	0	438,868	438,868
Cleveland Browns Bonds Payable	0	0	4,940,606	4,940,606
Interest Payable	74,415	33,114	109,267	216,796
O.W.D.A. Loans Payable	2,362,976	1,230,168	0	3,593,144
Total Equity	2,494,362	2,724,645	0	5,219,007

NOTE 15 - INTERFUND RECEIVABLES/PAYABLES

At December 31, 2000, the interfund receivables and payables were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$70,449	\$ 0
Indigent Drivers Alcohol Treatment Fund	80	0
Court Computer Fund	7,647	0
Court Computer Research Fund	2,295	0
State Highway Patrol Fund	38	0
Municipal Court Fund	<u>0</u>	<u>80,509</u>
Total Interfund Receivables/ Payables	<u>\$80,509</u>	<u>\$80,509</u>

NOTE 16 - OPERATING TRANSFERS

The City's Combined Statement of Revenue, Expenditures, and Changes in Fund Balances displays operating transfers-in and transfers-out for the year ended December 31, 2000. These totals are not in agreement due to the regional sewer

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 16 - OPERATING TRANSFERS (continued)

fund, an agency fund. The regional sewer fund made a transfer of \$56,025 to the water revenue fund, during the reporting period for billing charges. A reconciliation of operating transfers, including the regional sewer fund is as follows:

<u>Fund</u>	<u>Transfers-in</u>	<u>Transfers-out</u>
General	\$ <u>0</u>	\$1,864,600
<u>Special Revenue</u>		
Recreation	785,500	0
Municipal Income Tax	0	2,096,500
S.C.M.R.	575,600	0
Litter Control	0	24,050
Muni Vehicle Tax	0	76,000
Police Pension	0	0
Mayor Special Project	0	3,994
Total Special Revenue	<u>1,361,100</u>	<u>2,200,544</u>
<u>Debt Service</u>		
General Bond Retirement	300,000	0
Total Debt Service	<u>300,000</u>	<u>0</u>
<u>Capital Projects</u>		
General Improvement	905,550	0
Sewer Capital Improvement	35,000	0
Water Capital Improvement	186,000	0
Recreation Capital Improvement	94,994	0
Total Capital Projects	<u>1,221,544</u>	<u>0</u>
<u>Enterprise</u>		
Water Revenue	911,025	0
Sewer Revenue	72,500	0
Total Enterprise	<u>983,525</u>	<u>0</u>
<u>Internal Service</u>		
Property/Liability Insurance	255,000	0
Total Internal Service	<u>255,000</u>	<u>0</u>
<u>Agency</u>		
Regional Sewer	0	56,025
Total Internal Service	<u>0</u>	<u>56,025</u>
Total All Funds	<u>\$4,121,169</u>	<u>\$4,121,169</u>

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law, is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING (continued)

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types and Statement of Revenues, Expenses, and Changes in Fund Balances - Budget and Actual - All Proprietary Fund Types are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are identified as follows:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, encumbrances are recorded as the equivalent of an expenditure (budget basis) as opposed to a reservation of fund balance for governmental funds, and note disclosure for proprietary funds (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the government funds and proprietary funds are as follows:

<u>Excess (Deficiency) of Revenues & Other Sources Over Expenditures and Other Uses All Governmental Fund Types</u>				
<u>Governmental Funds</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>
GAAP Basis	\$ 670,465	\$ (34,855)	\$ 2,427	\$ (458,933)
<u>Increases (Decreases)</u>				
<u>Due to:</u>				
Revenue Accruals	(705,626)	(163,689)	0	(27,627)
Expenditure Accruals	<u>186,866</u>	<u>110,766</u>	<u>1</u>	<u>336,013</u>
Budget Basis	<u>\$ 151,705</u>	<u>\$ (87,778)</u>	<u>\$ 2,428</u>	<u>\$ (150,547)</u>
<u>Net Loss/Excess (Deficiency) of Revenues and Operating Transfers Over Expenses All Proprietary Fund Types</u>				
<u>Proprietary Funds</u>	<u>Enterprise</u>		<u>Internal Service</u>	
Net (Loss) Income	\$ (183,487)		\$ 9,546	
<u>Increases (Decreases) Due To:</u>				
Revenue Accruals	(10,592)		0	
Expense Accruals	43,862		69,031	
Inventory	(10,193)		0	
Depreciation Expense	434,765		0	
Debt Retirement	<u>(177,141)</u>		<u>0</u>	
Budget Basis	<u>\$ 97,214</u>		<u>\$ 78,577</u>	

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 18 - RISK MANAGEMENT

A. PROPERTY AND LIABILITY INSURANCE

The City of Berea 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 fiscal year 1993, the City established a property and liability insurance internal service fund to account for and finance its uninsured and insured risk of loss. Under this program, the property and liability insurance fund provides coverage up to a maximum of \$25,000 for each general liability claim, with stop loss of \$250,000. The City purchases commercial insurance for claims in excess of coverage provided by the fund for all risk of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The general fund, recreation special revenue fund and the water revenue and sewer revenue enterprise funds participate in the program and make payments to the property and liability insurance internal service fund based on estimates of the amounts needed to pay prior year and current year claims. The claims liability of \$34,341 at December 31, 2000 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. Changes in the property and liability insurance internal service fund claims liability balance for the years ended 1999 and 2000 are as follows:

	<u>Balance, January 1</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance, December 31</u>
1999	\$ 43,909	\$291,380	\$305,235	\$ 30,054
2000	30,054	228,372	224,085	34,341

B. MEDICAL BENEFITS

The City of Berea has elected to provide employee medical, surgical, prescription drug, dental, and vision benefits. The City maintains a self-insurance internal service fund to account for this program. The plan provides medical/surgical coverage with certain deductibles, co-pays and maximum benefits as noted in the plan. The dental/vision benefits are also subject to certain deductibles, co-pays and maximum benefits as noted in the plan. The prescription drug plan utilizes a \$2 generic, \$4 brand name deductible per prescription. The plan is administered by Benefit Services, Inc. and overseen by Legacy Administrative Services, Inc. All claims are reviewed by Benefit Services, Inc. and the City of Berea, before claims are paid by the City. All of the above limitations are subject to certain guidelines and restrictions.

The City of Berea pays into the self-insurance internal service fund \$725 for family coverage and \$325 for single coverage per month. The premium is charged to the fund that records the salary expenditure of the covered employee. The premium is based upon historical cost data provided by the insurance carriers.

CITY OF BEREA

Notes to the General Purpose Financial Statements (continued)
For the Year Ended December 31, 2000

NOTE 18 - RISK MANAGEMENT (continued)

B. MEDICAL BENEFITS (continued)

The claims liability of \$150,944 reported in the medical benefits internal service fund at December 31, 2000 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims cost, including estimates of cost relating to incurred but not reported claims, be reported. Changes in the medical benefits internal service fund's claims liability amount in 1999 and 2000 were as follows:

	<u>Balance</u> <u>January 1</u>	<u>Current</u> <u>Year</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance</u> <u>December 31</u>
1999	\$ 95,218	\$680,577	\$689,824	\$ 85,971
2000	85,971	994,857	929,884	150,944

C. WORKERS' COMPENSATION

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

NOTE 19 - CONTINGENCIES

A. LITIGATION

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

B. GRANTS

The disbursement of funds received under federal and state grants generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any potential disallowed claims resulting from such an audit could become a liability of the City. However, City management believes any such disallowed claims would be immaterial on the overall financial position of the City at December 31, 2000.

**Combining, Individual Fund
and Account Group Statements
and Schedules**

GENERAL FUND

The general fund is established to account for resources traditionally associated with the general governmental operations of the City that are not required to be accounted for in other specific funds.

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 1,245,866	\$ 1,245,866	\$ 0
Municipal income taxes	6,527,612	6,527,612	0
Other local taxes	200,322	200,322	0
Intergovernmental	1,697,973	1,697,973	0
Charges for services	132,317	132,317	0
Licenses and permits	185,528	185,528	0
Fines and forfeitures	836,649	836,649	0
Investment income	274,201	274,201	0
Miscellaneous income	68,464	68,464	0
Total revenues	11,168,932	11,168,932	0
Expenditures:			
Current operations and maintenance:			
<i>Security of persons and property</i>			
Public safety			
Personal service	4,000	4,000	0
Other	0	0	0
Total public safety	4,000	4,000	0
Police department			
Personal service	2,225,000	2,173,760	51,240
Other	183,500	178,359	5,141
Total police department	2,408,500	2,352,119	56,381
Fire department			
Personal service	1,388,500	1,377,592	10,908
Other	59,200	59,099	101
Total fire department	1,447,700	1,436,691	11,009
Total security of persons and Property	3,860,200	3,792,810	67,390
<i>Leisure time activities</i>			
Public grounds			
Personal service	134,000	128,296	5,704
Other	130,500	128,133	2,367
Total public grounds	264,500	256,429	8,071
Total leisure time activities	\$ 264,500	\$ 256,429	\$ 8,071

(continued)

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<i>Community development</i>			
Building department			
Personal service	\$ 255,000	\$ 252,345	\$ 2,655
Other	<u>32,200</u>	<u>32,077</u>	<u>123</u>
Total building department	<u>287,200</u>	<u>284,422</u>	<u>2,778</u>
<i>Total community development</i>	<u>287,200</u>	<u>284,422</u>	<u>2,778</u>
<i>Basic utility services</i>			
Storm sewers and drains			
Personal service	104,000	103,037	963
Other	<u>67,000</u>	<u>64,863</u>	<u>2,137</u>
Total storm sewers and drains	<u>171,000</u>	<u>167,900</u>	<u>3,100</u>
Refuse collection and disposal			
Personal service	441,500	436,357	5,143
Other	<u>365,000</u>	<u>363,033</u>	<u>1,967</u>
Total refuse collection and Disposal	<u>806,500</u>	<u>799,390</u>	<u>7,110</u>
<i>Total basic utility services</i>	<u>977,500</u>	<u>967,290</u>	<u>10,210</u>
<i>General Government</i>			
Council			
Personal service	139,006	136,242	2,764
Other	<u>7,400</u>	<u>7,345</u>	<u>55</u>
Total council	<u>146,406</u>	<u>143,587</u>	<u>2,819</u>
Mayor			
Personal service	142,000	140,323	1,677
Other	<u>6,700</u>	<u>6,501</u>	<u>199</u>
Total mayor	<u>148,700</u>	<u>146,824</u>	<u>1,876</u>
Finance			
Personal service	285,200	279,643	5,557
Other	<u>10,400</u>	<u>10,291</u>	<u>109</u>
Total finance	<u>295,600</u>	<u>289,934</u>	<u>5,666</u>
Community development			
Personal service	102,800	100,677	2,123
Other	<u>82,000</u>	<u>79,988</u>	<u>2,012</u>
Total community development	<u>\$ 184,800</u>	<u>\$ 180,665</u>	<u>\$ 4,135</u> (continued)

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Law			
Personal service	\$ 200,000	\$ 187,808	\$ 12,192
Other	<u>16,500</u>	<u>16,448</u>	<u>52</u>
Total law	<u>216,500</u>	<u>204,256</u>	<u>12,244</u>
Civil service commission			
Personal service	206	130	76
Other	<u>7,700</u>	<u>7,671</u>	<u>29</u>
Total civil service commission	<u>7,906</u>	<u>7,801</u>	<u>105</u>
Municipal court			
Personal service	625,000	619,349	5,651
Other	<u>296,300</u>	<u>286,514</u>	<u>9,786</u>
Total municipal court	<u>921,300</u>	<u>905,863</u>	<u>15,437</u>
General government land and buildings			
Personal service	0	0	0
Other	<u>299,500</u>	<u>295,430</u>	<u>4,070</u>
Total general government land and buildings	<u>299,500</u>	<u>295,430</u>	<u>4,070</u>
Service administration			
Personal service	110,000	104,749	5,251
Other	<u>11,200</u>	<u>11,080</u>	<u>120</u>
Total service administration	<u>121,200</u>	<u>115,829</u>	<u>5,371</u>
Planning and development			
Personal service	0	0	0
Other	<u>12,000</u>	<u>11,935</u>	<u>65</u>
Total planning and development	<u>12,000</u>	<u>11,935</u>	<u>65</u>
Contingencies			
Personal service	40,000	0	40,000
Other	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Total contingencies	<u>\$ 50,000</u>	<u>\$ 0</u>	<u>\$ 50,000</u> (continued)

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Administration			
Personal service	\$ 96,000	\$ 88,957	\$ 7,043
Other	<u>1,489,000</u>	<u>1,460,595</u>	<u>28,405</u>
Total administration	<u>1,585,000</u>	<u>1,549,552</u>	<u>35,448</u>
<i>Total general government</i>	<u>3,988,912</u>	<u>3,851,676</u>	<u>137,236</u>
Total expenditures	<u>9,378,312</u>	<u>9,152,627</u>	<u>225,685</u>
Excess (deficiency) of revenues over expenditures	<u>1,790,620</u>	<u>2,016,305</u>	<u>225,685</u>
Other financing sources (uses):			
Operating transfers - out	(1,864,600)	(1,864,600)	0
Sale of Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>(1,864,600)</u>	<u>(1,864,600)</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(73,980)	151,705	225,685
Fund balance, beginning of year	1,252,868	1,252,868	0
Unexpended prior year encumbrances	<u>6,913</u>	<u>6,913</u>	<u>0</u>
Fund balance, end of year	<u>\$ 1,185,801</u>	<u>\$ 1,411,486</u>	<u>\$ 225,685</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law and administrative action to expenditures for specified purposes.

Recreation Fund - to account for fees collected and property taxes levied for the purpose of paying the costs of acquiring, constructing, improving, operating or maintaining the City's recreational facilities and programs.

Municipal Income Tax Fund - to account for the accumulation of income taxes levied.

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

S.C.M.R. Fund - to account for that portion of the State gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

Litter Control Fund - to account for revenues received from grants and local revenues to be used for the recycling program.

Fire Pension Transfer Fund - to accumulate property taxes levied for the payment of current employer contributions for fire disability and pension benefits and the accrued liability.

Police Pension Transfer Fund - to accumulate property taxes levied for the payment of current employer contributions for police disability and pension benefits and the accrued liability.

COPS Grant Fund - to account for revenues received from the U. S. Department of Justice and expenditures incurred as prescribed under the COPS Grant Program.

Street Lighting Fund - to account for special assessments levied to pay the costs of street lighting in certain areas of the City.

Tri-City Senior Center Fund - to account for a special property tax levied to provide the City's contribution to the Tri-City Senior Center, a nonprofit organization serving the senior citizens of Berea, Brook Park, and Middleburg Heights.

Community Hospital Fund - to account for a special property tax levied to provide resources to support a health care facility.

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

(continued)

SPECIAL REVENUE FUNDS (continued)

Municipal Vehicle Tax Levy Fund - to account for the additional motor vehicle registration fees designated for maintenance and repair of streets within the City.

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

Indigent Drivers Alcohol Treatment Fund - to account for the resources obtained from DUI fines and designated, by state statute, for a state approved alcohol treatment program.

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

DUI Housing Cost Fund - to account for court fees obtained from DUI cases and restricted by State statute, for expenditures incurred in housing costs due to DUI offenses.

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

Court Computer Research Fund - to account for court fees, restricted for the use and maintenance of the computers within the Berea Municipal Court, Judge's Office.

State Highway Patrol Fund - to account for the resources obtained from state highway fines and designated, by state statute, for expenditures that would enhance the law library.

Mayor's Special Projects - to account for revenue received to be used for the Berea Welfare Program.

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CITY OF BEREA, OHIO
Combining Balance Sheet
All Special Revenue Funds
December 31, 2000

	Recreation	Municipal Income Tax	State Highway	Street Maintenance
Assets:				
Equity in pooled cash and cash equivalents	\$ 28,106	\$ 122,407	\$ 2,608	\$ 90,954
Receivables:				
Taxes	0	345,841	0	0
Accrued interest	0	0	0	0
Intergovernmental	0	0	1,551	19,129
Interfund	0	0	0	0
Special assessments	0	0	0	0
Prepaid items	0	0	0	190
Inventory of supplies	0	0	0	33,645
Total Assets	\$ 28,106	\$ 468,248	\$ 4,159	\$ 143,918
Liabilities:				
Accounts payable	\$ 39,640	\$ 0	\$ 0	\$ 49,434
Accrued wages and benefits	8,886	0	0	15,476
Accrued compensated absences	456	0	0	1,417
Accrued worker's compensation	13,912	0	0	13,807
Due to others	0	10,838	0	0
Deferred revenue	0	0	0	0
Total Liabilities	62,894	10,838	0	80,134
Fund Equity				
Fund balance:				
Reserved for encumbrances	2,612	0	0	7,003
Reserved for inventory	0	0	0	33,645
Reserved for prepaids	0	0	0	190
Undesignated	(37,400)	457,410	4,159	22,946
Total Fund Equity (deficit)	(34,788)	457,410	4,159	63,784
Total Liabilities and Fund Equity	\$ 28,106	\$ 468,248	\$ 4,159	\$ 143,918

Tri-City	Litter Control	Fire Pension	Police Pension	Grant	COPS Lighting	Street Senior
\$	0	\$ 69,534	\$ 48,573	\$ 0	\$ 197,297	\$ 867
	0	311,833	311,833	0	0	16,592
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	403,714	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
\$	<u>0</u>	<u>381,367</u>	<u>360,406</u>	<u>0</u>	<u>601,011</u>	<u>17,459</u>
\$	0	\$ 0	\$ 0	\$ 0	\$ 58,414	\$ 0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	311,833	311,833	0	403,714	16,592
	0	311,833	311,833	0	462,128	16,592
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	69,534	48,573	0	138,883	867
	0	69,534	48,573	0	138,883	867
\$	<u>0</u>	<u>381,367</u>	<u>360,406</u>	<u>0</u>	<u>601,011</u>	<u>17,459</u>

(continued)

CITY OF BEREA, OHIO
Combining Balance Sheet
All Special Revenue Funds (continued)
December 31, 2000

	Community Hospital	Community Development Block Grant	Municipal Vehicle Tax Levy	Law Enforcement
Assets:				
Equity in pooled cash and cash equivalents	\$	4,735	\$ 4,885	\$ 3,657
6,754				
Receivables:				
Taxes	110,674	0	0	0
Accrued interest		0	0	35
0				
Intergovernmental	0	0	2,531	0
Interfund	0	0	0	0
Special assessments	0	0	0	0
Prepaid items	0	0	0	0
Inventory of supplies	0	0	0	0
Total Assets	\$ 115,409	\$ 4,885	\$ 6,223	\$ 6,754
Liabilities:				
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 6,754
Accrued wages and benefits	0	0	0	0
Accrued compensated absences	0	0	0	0
Accrued worker's compensation	0	0	0	0
Due to others	0	0	0	0
Deferred revenue	110,674	0	0	0
Total Liabilities	110,674	0	0	6,754
Fund Equity				
Fund balance:				
Reserved for encumbrances	0	0	0	0
Reserved for inventory	0	0	0	0
Reserved for prepaids	0	0	0	0
Undesignated	4,735	4,885	6,223	0
Total Fund Equity (deficit)	4,735	4,885	6,223	0
Total Liabilities and Fund Equity	\$ 115,409	\$ 4,885	\$ 6,223	\$ 6,754

Indigent Drivers Alcohol	DUI Education	DUI Housing	Court Computer	Court Computer Research	State Highway Patrol
\$ 60,785	\$ 9,935	\$ 58	\$ 49,654	\$ 10,132	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
80	0	0	7,647	2,295	38
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>60,865</u>	<u>9,935</u>	<u>58</u>	<u>57,301</u>	<u>12,427</u>	<u>38</u>
\$ 9,750	\$ 0	\$ 0	\$ 0	\$ 320	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>9,750</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>320</u>	<u>0</u>
7,300	0	0	16,965	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>43,815</u>	<u>9,935</u>	<u>58</u>	<u>40,336</u>	<u>12,107</u>	<u>38</u>
<u>51,115</u>	<u>9,935</u>	<u>58</u>	<u>57,301</u>	<u>12,107</u>	<u>38</u>
<u>\$ 60,865</u>	<u>\$ 9,935</u>	<u>\$ 58</u>	<u>\$ 57,301</u>	<u>\$ 12,427</u>	<u>\$ 38</u>

(continued)

CITY OF BEREA, OHIO
Combining Balance Sheet
All Special Revenue Funds (continued)
December 31, 2000

	Mayor's Special Projects		Totals	
Assets:				
Equity in pooled cash and cash equivalents	\$	0	\$ 710,941	
Receivables:				
Taxes	0	1,096,773		
Accrued interest		0		35
Intergovernmental	0	23,211		
Interfund	0	10,060		
Special assessments	0	403,714		
Prepaid items	0	190		
Inventory of supplies	0	33,645		
Total Assets	\$	0	\$ 2,278,569	
Liabilities:				
Accounts payable	\$	0	\$ 164,312	
Accrued wages and benefits	0	24,362		
Accrued compensated absences	0	1,873		
Accrued worker's compensation	0	27,719		
Due to others	0	10,838		
Deferred revenue	0	1,154,646		
Total Liabilities	0	1,383,750		
Fund Equity				
Fund balance:				
Reserved for encumbrances	0	33,880		
Reserved for inventory	0	33,645		
Reserved for prepaids	0	190		
Undesignated	0	827,104		
Total Fund Equity (deficit)	0	894,819		
Total Liabilities and Fund Equity	\$	0	\$ 2,278,569	

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CITY OF BEREA, OHIO

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
All Special Revenue Funds
For the Year Ended December 31, 2000

	Recreation	Municipal Income Tax	State Highway
Revenues:			
Property taxes	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	2,373,216	0
Intergovernmental	0	0	31,545
Charges for services	222,369	0	0
Fines and forfeitures	0	0	0
Special assessments	0	0	0
Investment income	0	0	0
Miscellaneous income	8,375	0	0
Total revenues	230,744	2,373,216	31,545
Expenditures:			
Current operations and maintenance:			
Security of persons and property	0	0	0
Public health and welfare	0	0	0
Leisure time activities	1,029,616	0	0
Community development	0	0	0
Transportation	0	0	69,146
General government	0	39,234	0
Total expenditures	1,029,616	39,234	69,146
Excess (deficiency) of revenues over expenditures	(798,872)	2,333,982	(37,601)
Other financing sources (uses):			
Operating transfers - in	785,500		0 0
Operating transfers - out	0	(2,096,500)	0
Total other financing sources (uses)	785,500	(2,096,500)	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(13,372)	237,482	(37,601)
Fund balance, beginning of year	(21,416)	219,928	41,760
Increase (decrease) in reserve for Inventory	0	0	0
Fund balance, end of year	\$ (34,788)	\$ 457,410	\$ 4,159

<u>Street Maintenance</u>	<u>Litter Control</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>COPS Grant</u>	<u>Street Lighting</u>
\$ 0	\$ 0	\$ 239,053	\$ 239,053	\$ 0	\$ 0
0	0	0	0	0	0
389,055	0	60,548	60,548	38,389	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	463,107
0	0	0	0	0	0
0	0	0	0	0	0
<u>389,055</u>	<u>0</u>	<u>299,601</u>	<u>299,601</u>	<u>38,389</u>	<u>463,107</u>
0	0	322,895	344,531	38,389	467,917
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,022,615	0	0	0	0	0
0	0	0	0	0	0
<u>1,022,615</u>	<u>0</u>	<u>322,895</u>	<u>344,531</u>	<u>38,389</u>	<u>467,917</u>
<u>(633,560)</u>	<u>0</u>	<u>(23,294)</u>	<u>(44,930)</u>	<u>0</u>	<u>(4,810)</u>
575,600	0	0	0	0	0
0	(24,050)	0	0	0	0
<u>575,600</u>	<u>(24,050)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(57,960)</u>	<u>(24,050)</u>	<u>(23,294)</u>	<u>(44,930)</u>	<u>0</u>	<u>(4,810)</u>
135,249	24,050	92,828	93,503	0	143,693
<u>(13,505)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 63,784</u>	<u>\$ 0</u>	<u>\$ 69,534</u>	<u>\$ 48,573</u>	<u>\$ 0</u>	<u>\$ 138,883</u>

(continued)

CITY OF BEREA, OHIO

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
All Special Revenue Funds (continued)
For the Year Ended December 31, 2000

	<u>Tri-City Senior Center</u>	<u>Community Hospital</u>	<u>Community Development Block Grant</u>
Revenues:			
Property taxes	\$ 13,247	\$ 79,393	\$ 0
Municipal income taxes	0	0	0
Intergovernmental	4,477	36,950	52,605
Charges for services	0	0	0
Fines and forfeitures	0	0	0
Special assessments	0	0	0
Investment income	0	0	0
Miscellaneous income	0	0	0
Total revenues	<u>17,724</u>	<u>116,343</u>	<u>52,605</u>
Expenditures:			
Current operations and maintenance:			
Security of persons and property	0	0	0
Public health and welfare	0	116,878	0
Leisure time activities	17,087	0	0
Community development	0	0	45,032
Transportation	0	0	0
General government	0	0	0
Total expenditures	<u>17,087</u>	<u>116,878</u>	<u>45,032</u>
Excess (deficiency) of revenues over expenditures	<u>637</u>	<u>(535)</u>	<u>7,573</u>
Other financing sources (uses):			
Operating transfers - in		0	0
Operating transfers - out	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>637</u>	<u>(535)</u>	<u>7,573</u>
Fund balance, beginning of year	230	5,270	(2,688)
Increase (decrease) in reserve for Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, end of year	<u>\$ 867</u>	<u>\$ 4,735</u>	<u>\$ 4,885</u>

Municipal Vehicle Tax Levy	Law Enforcement	Indigent Drivers Alcohol	DUI Education	DUI Housing	Court Computer
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
38,790	0	0	0	0	0
0	0	0	0	0	0
0	2,952	36,991	1,999	0	70,577
0	0	0	0	0	0
121	0	0	0	0	0
0	0	0	0	0	0
<u>38,911</u>	<u>2,952</u>	<u>36,991</u>	<u>1,999</u>	<u>0</u>	<u>70,577</u>
0	7,437	0	665	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	48,265	0	0	99,333
<u>0</u>	<u>7,437</u>	<u>48,265</u>	<u>665</u>	<u>0</u>	<u>99,333</u>
<u>38,911</u>	<u>(4,485)</u>	<u>(11,274)</u>	<u>1,334</u>	<u>0</u>	<u>(28,756)</u>
0	0	0	0	0	0
(76,000)	0	0	0	0	0
<u>(76,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(37,089)</u>	<u>(4,485)</u>	<u>(11,274)</u>	<u>1,334</u>	<u>0</u>	<u>(28,756)</u>
43,312	4,485	62,389	8,601	58	86,057
0	0	0	0	0	0
<u>\$ 6,223</u>	<u>\$ 0</u>	<u>\$ 51,115</u>	<u>\$ 9,935</u>	<u>\$ 58</u>	<u>\$ 57,301</u>

(continued)

CITY OF BEREA, OHIO

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
All Special Revenue Funds (continued)
For the Year Ended December 31, 2000

	Court Computer Research	State Highway Patrol	Mayor's Special Projects
Revenues:			
Property taxes	\$ 0	\$ 0	\$ 0
Municipal income taxes	0	0	0
Intergovernmental	0	0	0
Charges for services	0	0	0
Fines and forfeitures	17,420	682	0
Special assessments	0	0	0
Investment income	0	0	0
Miscellaneous income	0	0	4,730
Total revenues	17,420	682	4,730
Expenditures:			
Current operations and maintenance:			
Security of persons and property	0	0	0
Public health and welfare	0	0	0
Leisure time activities	0	0	736
Community development	0	0	0
Transportation	0	0	0
General government	11,120	707	0
Total expenditures	11,120	707	736
Excess (deficiency) of revenues over expenditures	6,300	(25)	3,994
Other financing sources (uses):			
Operating transfers - in		0	0
Operating transfers - out	0	0	(3,994)
Total other financing sources (uses)	0	0	(3,994)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	6,300	(25)	0
Fund balance, beginning of year	5,807	63	0
Increase (decrease) in reserve for Inventory	0	0	0
Fund balance, end of year	\$ 12,107	\$ 38	\$ 0

	<u>Totals</u>	—
\$	570,746	
	2,373,216	
	712,907	
	222,369	
	130,621	
	463,107	
	121	
	<u>13,105</u>	
	<u>4,486,192</u>	

	1,181,834
	116,878
	1,047,439
	45,032
	1,091,761
	<u>198,659</u>
	<u>3,681,603</u>

	<u>804,589</u>
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	1,361,100
	<u>(2,200,544)</u>
	<u>(839,444)</u>

	<u>(34,855)</u>
--	-----------------

	943,179
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	<u>(13,505)</u>
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\$	<u><u>894,819</u></u>
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CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 222,369	\$ 222,369	\$ 0
Miscellaneous income	<u>8,375</u>	<u>8,375</u>	<u>0</u>
Total revenues	<u>230,744</u>	<u>230,744</u>	<u>0</u>
Expenditures:			
Current operations and maintenance:			
Leisure time activities	<u>1,007,500</u>	<u>992,221</u>	<u>15,279</u>
Total expenditures	<u>1,007,500</u>	<u>992,221</u>	<u>15,279</u>
Excess (deficiency) of revenues over expenditures	<u>(776,756)</u>	<u>(761,477)</u>	<u>15,279</u>
Other financing sources (uses):			
Operating transfers - in	<u>785,500</u>	<u>785,500</u>	<u>0</u>
Total other financing sources (uses)	<u>785,500</u>	<u>785,500</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	8,744	24,023	15,279
Fund balance, beginning of year	912	912	0
Unexpended prior year encumbrances	<u>558</u>	<u>558</u>	<u>0</u>
Fund balance, end of year	<u>\$ 10,214</u>	<u>\$ 25,493</u>	<u>\$ 15,279</u>

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Municipal Income Tax Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Municipal income taxes	\$ 2,175,872	\$ 2,175,872	\$ 0
Total revenues	2,175,872	2,175,872	0
Expenditures:			
Current operations and maintenance:			
General government	35,000	33,028	1,972
Total expenditures	35,000	33,028	1,972
Excess (deficiency) of revenues over expenditures	2,140,872	2,142,844	1,972
Other financing sources (uses):			
Operating transfers - out	(2,096,500)	(2,096,500)	0
Total other financing sources (uses)	(2,096,500)	(2,096,500)	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	44,372	46,344	1,972
Fund balance, beginning of year	76,063	76,063	0
Fund balance, end of year	\$ 120,435	\$ 122,407	\$ 1,972

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 32,564	\$ 32,564	\$ 0
Total revenues	32,564	32,564	0
Expenditures:			
Current operations and maintenance:			
Transportation	78,758	58,831	19,927
Total expenditures	78,758	58,831	19,927
Excess (deficiency) of revenues over expenditures	(46,194)	(26,267)	19,927
Fund balance, beginning of year	25,738	25,738	0
Unexpended prior year encumbrances	3,135	3,135	0
Fund balance, end of year	\$ (17,321)	\$ 2,606	\$ 19,927

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Street Maintenance Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 401,629	\$ 401,629	\$ 0
Total revenues	401,629	401,629	0
Expenditures:			
Current operations and maintenance:			
Transportation	1,048,200	1,018,565	29,635
Total expenditures	1,048,200	1,018,565	29,635
Excess (deficiency) of revenues over expenditures	(646,571)	(616,936)	29,635
Other financing sources (uses):			
Operating transfers - in	575,600	575,600	0
Total other financing sources (uses)	575,600	575,600	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(70,971)	(41,336)	29,635
Fund balance, beginning of year	101,773	101,773	0
Unexpended prior year encumbrances	1,006	1,006	0
Fund balance, end of year	\$ 31,808	\$ 61,443	\$ 29,635

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Litter Control Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 24,050	\$ 24,050	\$ 0
Total revenues	24,050	24,050	0
Expenditures:			
Current operations and maintenance:			
General government	0	0	0
Total expenditures	0	0	0
Excess (deficiency) of revenues over expenditures	24,050	24,050	0
Other financing sources (uses):			
Operating transfers - out	(24,050)	(24,050)	0
Total other financing sources (uses)	(24,050)	(24,050)	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	0	0	0
Fund balance, beginning of year	0	0	0
Unexpended prior year encumbrances	0	0	0
Fund balance, end of year	\$ 0	\$ 0	\$ 0

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 239,054	\$ 239,054	\$ 0
Intergovernmental	60,548	60,548	0
Total revenues	299,602	299,602	0
Expenditures:			
Current operations and maintenance:			
Security of persons and property	323,800	322,895	905
Total expenditures	323,800	322,895	905
Excess (deficiency) of revenues over expenditures	(24,198)	(23,293)	905
Fund balance, beginning of year	92,827	92,827	0
Fund balance, end of year	\$ 68,629	\$ 69,534	\$ 905

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 239,054	\$ 239,054	\$ 0
Intergovernmental	60,548	60,548	0
Total revenues	299,602	299,602	0
Expenditures:			
Current operations and maintenance:			
Security of persons and property	346,000	344,531	1,469
Total expenditures	346,000	344,531	1,469
Excess (deficiency) of revenues over expenditures	(46,398)	(44,929)	1,469
Fund balance, beginning of year	93,502	93,502	0
Fund balance, end of year	\$ 47,104	\$ 47,104	\$ 1,469

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
COPS Grant Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 38,389	\$ 38,389	\$ 0
Total revenues	38,389	38,389	0
Expenditures:			
Current operations and maintenance:			
Security of persons and property	38,389	38,389	0
Total expenditures	38,389	38,389	0
Excess (deficiency) of revenues over expenditures	0	0	0
Fund balance, beginning of year	0	0	0
Fund balance, end of year	\$ 0	\$ 0	\$ 0

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Special assessments	\$ 463,106	\$ 463,106	\$ 0
Total revenues	463,106	463,106	0
Expenditures:			
Current operations and maintenance:			
Security of persons and property	419,000	406,049	12,951
Total expenditures	419,000	406,049	12,951
Excess (deficiency) of revenues over expenditures	44,106	57,057	12,951
Fund balance, beginning of year	134,506	134,506	0
Unexpended prior year encumbrances	5,732	5,732	0
Fund balance, end of year	\$ 184,344	\$ 197,295	\$ 12,951

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Tri-City Senior Center Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 13,247	\$ 13,247	\$ 0
Intergovernmental	<u>4,477</u>	<u>4,477</u>	<u>0</u>
Total revenues	<u>17,724</u>	<u>17,724</u>	<u>0</u>
Expenditures:			
Current operations and maintenance:			
Leisure time activities	<u>17,087</u>	<u>17,087</u>	<u>0</u>
Total expenditures	<u>17,087</u>	<u>17,087</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	637	637	0
Fund balance, beginning of year	<u>230</u>	<u>230</u>	<u>0</u>
Fund balance, end of year	<u>\$ 867</u>	<u>\$ 867</u>	<u>\$ 0</u>

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Community Hospital Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 79,393	\$ 79,393	\$ 0
Intergovernmental	36,950	36,950	0
Total revenues	116,343	116,343	0
Expenditures:			
Current operations and maintenance:			
Public health and welfare	116,878	116,878	0
Total expenditures	116,878	116,878	0
Excess (deficiency) of revenues over expenditures	(535)	(535)	0
Fund balance, beginning of year	5,270	5,270	0
Fund balance, end of year	\$ 4,735	\$ 4,735	\$ 0

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 52,605	\$ 52,605	\$ 0
Total revenues	52,605	52,605	0
Expenditures:			
Current operations and maintenance:			
Community development	48,922	48,922	0
Total expenditures	48,922	48,922	0
Excess (deficiency) of revenues over expenditures	3,683	3,683	0
Fund balance, beginning of year	1,202	1,202	0
Fund balance, end of year	\$ 4,885	\$ 4,885	\$ 0

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Municipal Vehicle Tax Levy Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 38,899	\$ 38,899	\$ 0
Investment income	117	117	0
Total revenues	39,016	39,016	0
Expenditures:			
Current operations and maintenance:			
General government	0	0	0
Total expenditures	0	0	0
Excess (deficiency) of revenues over expenditures	39,016	39,016	0
Other financing sources (uses):			
Operating transfers - out	(76,000)	(76,000)	0
Total other financing sources (uses)	(76,000)	(76,000)	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(36,984)	(36,984)	0
Fund balance, beginning of year	40,640	40,640	0
Fund balance, end of year	\$ 3,656	\$ 3,656	\$ 0

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines and forfeitures	\$ 2,951	\$ 2,951	\$ 0
Total revenues	2,951	2,951	0
Expenditures:			
Current operations and maintenance:			
Security of persons and property	683	683	0
Total expenditures	683	683	0
Excess (deficiency) of revenues over expenditures	2,268	2,268	0
Fund balance, beginning of year	4,485	4,485	0
Fund balance, end of year	\$ 6,753	\$ 6,753	\$ 0

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Alcohol Treatment Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines and forfeitures	\$ 37,641	\$ 37,641	\$ 0
Total revenues	37,641	37,641	0
Expenditures:			
Current operations and maintenance:			
General government	53,500	43,400	10,100
Total expenditures	53,500	43,400	10,100
Excess (deficiency) of revenues over expenditures	(15,856)	(5,759)	10,100
Fund balance, beginning of year	46,036	46,036	0
Unexpended prior year encumbrances	13,208	13,208	0
Fund balance, end of year	\$ 43,385	\$ 53,485	\$ 10,100

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
DUI Education Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines and forfeitures	\$ 2,084	\$ 2,084	\$ 0
Total revenues	2,084	2,084	0
Expenditures:			
Current operations and maintenance:			
Security of persons and property	665	665	0
Total expenditures	665	665	0
Excess (deficiency) of revenues over expenditures	1,419	1,419	0
Fund balance, beginning of year	8,516	8,516	0
Fund balance, end of year	\$ 9,935	\$ 9,935	\$ 0

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
DUI Housing Fund
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	0	0	0
Fund balance, beginning of year	<u>58</u>	<u>58</u>	<u>0</u>
Fund balance, end of year	\$ <u><u>58</u></u>	\$ <u><u>58</u></u>	\$ <u><u>0</u></u>

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Court Computer Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines and forfeitures	\$ 67,776	\$ 67,776	\$ 0
Total revenues	67,776	67,776	0
Expenditures:			
Current operations and maintenance:			
General government	126,000	116,450	9,550
Total expenditures	126,000	116,450	9,550
Excess (deficiency) of revenues over expenditures	(58,224)	(48,674)	9,550
Fund balance, beginning of year	81,364	81,364	0
Fund balance, end of year	\$ 23,140	\$ 32,690	\$ 9,550

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Court Computer Research Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines and forfeitures	\$ 15,368	\$ 15,368	\$ 0
Total revenues	15,368	15,368	0
Expenditures:			
Current operations and maintenance:			
General government	12,000	10,800	1,200
Total expenditures	12,000	10,800	1,200
Excess (deficiency) of revenues over expenditures	3,368	4,568	1,200
Fund balance, beginning of year	5,564	5,564	0
Fund balance, end of year	\$ 8,932	\$ 10,132	\$ 1,200

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
State Highway Patrol Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines and forfeitures	\$ 707	\$ 707	\$ 0
Total revenues	707	707	0
Expenditures:			
Current operations and maintenance:			
General government	707	707	0
Total expenditures	707	707	0
Excess (deficiency) of revenues over expenditures	0	0	0
Fund balance, beginning of year	0	0	0
Fund balance, end of year	\$ 0	\$ 0	\$ 0

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Mayor's Special Projects Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Miscellaneous income	\$ 4,730	\$ 4,730	\$ 0
Total revenues	4,730	4,730	0
Expenditures:			
Current operations and maintenance:			
Leisure time activities	736	736	0
Total expenditures	736	736	0
Excess (deficiency) of revenues over expenditures	3,994	3,994	0
Other financing sources (uses):			
Operating transfers - out	(3,994)	(3,994)	0
Total other financing sources (uses)	(3,994)	(3,994)	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	0	0	0
Fund balance, beginning of year	0	0	0
Fund balance, end of year	\$ 0	\$ 0	\$ 0

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property taxes	\$ 570,748	\$ 570,748	\$ 0
Municipal income taxes	2,175,872	2,175,872	0
Intergovernmental	750,659	750,659	0
Charges for services	222,369	222,369	0
Fines and forfeitures	126,527	126,527	0
Special assessments	463,106	463,106	0
Investment income	117	117	0
Miscellaneous income	13,105	13,105	0
Total revenues	4,322,503	4,322,503	0
Expenditures:			
Current operations and maintenance:			
Security of persons and property	1,128,537	1,113,212	15,325
Public health and welfare	116,878	116,878	0
Leisure time activities	1,025,323	1,010,044	15,279
Community development	48,922	48,922	0
Transportation	1,126,958	1,077,396	49,562
General government	227,207	204,385	22,822
Total expenditures	3,673,825	3,570,837	102,988
Excess (deficiency) of revenues over expenditures	648,678	751,666	102,988
Other financing sources (uses):			
Operating transfers - in	1,361,100	1,361,100	0
Operating transfers - out	(2,200,544)	(2,200,544)	0
Total other financing sources (uses)	(839,444)	(839,444)	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(190,766)	(87,778)	102,988
Fund balance, beginning of year	718,686	718,686	0
Unexpended prior year encumbrances	23,639	23,639	0
Fund balance, end of year	\$ 551,559	\$ 654,547	\$ 102,988

DEBT SERVICE FUNDS

The debt service funds are used to account for the accumulation of resources for, and the payment of debt reported in the general long-term obligation account group.

General Bond Retirement Fund - to account for resources that are used for payment of principal and interest and fiscal charges on general obligation debt.

Taxable Bond Retirement Fund - to account for resources that are used for the payment of the City's portion of the principal and interest on the Cleveland Browns taxable bond.

The City is currently only using the general bond retirement fund. The taxable bond retirement fund will be used when the City is required to pay its portion of the principal and interest on the Cleveland Browns taxable bond in the year 2003.

CAPITAL PROJECTS FUNDS

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

General Improvement Fund - to account for one-half of the City's admission tax revenues and other financial resources designated for the acquisition or major repair of infrastructure or general fixed assets.

Safety Capital Improvement Fund - to account for revenue earmarked for improvements to the Police and Fire department and the acquisition of capital equipment.

Sewer Capital Improvement Fund - to account for monies borrowed which are designated for capital improvements to the wastewater system.

Water Capital Improvement Fund - to account for monies borrowed which are designated for capital improvement to the water system.

Recreation Capital Improvement Fund - to account for monies borrowed or transferred from the recreation fund designated for capital improvements for recreational purposes.

Railroad Capital Improvement Fund - to account for monies received and expended for the building of railroad underpasses in association with state and federal grants.

CITY OF BEREA, OHIO
Combining Balance Sheet
All Capital Projects Funds
December 31, 2000

	<u>General Improvement</u>	<u>Safety Capital Improvement</u>	<u>Sewer Capital Improvement</u>	<u>Water Capital Improvement</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 142,861	\$ 27,390	\$ 56,108	\$ 59,691
Receivables:				
Taxes	0	11,489	0	0
Accounts	0	0	0	0
Special assessments	10,960	0	0	0
Prepaid items	<u>0</u>	<u>2,685</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 153,821</u>	<u>\$ 41,564</u>	<u>\$ 56,108</u>	<u>\$ 59,691</u>
Liabilities:				
Accounts payable	\$ 21,697	\$ 2,880	\$ 21,886	\$ 0
Deferred revenue	10,960	0	0	0
Notes Payable	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>82,657</u>	<u>2,880</u>	<u>21,886</u>	<u>0</u>
Fund Equity				
Fund balance:				
Reserved for encumbrances	533	0	0	0
Reserved for prepaids	0	2,685	0	0
Undesignated	<u>70,631</u>	<u>35,999</u>	<u>34,222</u>	<u>59,691</u>
Total Fund Equity (deficit)	<u>71,164</u>	<u>38,684</u>	<u>34,222</u>	<u>59,691</u>
Total Liabilities and Fund Equity	<u>\$ 153,821</u>	<u>\$ 41,564</u>	<u>\$ 56,108</u>	<u>\$ 59,691</u>

<u>Recreation Capital Improvement</u>	<u>Railroad Capital Improvement</u>	<u>Totals</u>
\$ 38,930	\$ 0	\$ 324,980
0	0	11,489
30,000	0	30,000
0	0	10,960
<u>0</u>	<u>0</u>	<u>2,685</u>
<u>\$ 68,930</u>	<u>\$ 0</u>	<u>\$ 380,114</u>
\$ 212,700	\$ 172,948	\$ 432,111
0	0	10,960
<u>0</u>	<u>0</u>	<u>50,000</u>
<u>212,700</u>	<u>172,948</u>	<u>493,071</u>
17,300	0	17,833
0	0	2,685
<u>(161,070)</u>	<u>(172,948)</u>	<u>(133,475)</u>
<u>(143,770)</u>	<u>(172,948)</u>	<u>(112,957)</u>
<u>\$ 68,930</u>	<u>\$ 0</u>	<u>\$ 380,114</u>

CITY OF BEREA, OHIO

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
All Capital Projects Funds
For the Year Ended December 31, 2000

	<u>General Improvement</u>	<u>Safety Capital Improvement</u>	<u>Sewer Capital Improvement</u>
Revenues:			
Intergovernmental	\$ 0	\$ 0	\$ 0
Charges for services	56,918	203,052	0
Fines and forfeitures	33,041	0	0
Miscellaneous income	83,000	0	0
Total revenues	<u>172,959</u>	<u>203,052</u>	<u>0</u>
Expenditures:			
Capital outlay	823,942	164,368	33,116
Debt service:			
Principal retirement	50,000	0	0
Total expenditures	<u>873,942</u>	<u>164,368</u>	<u>33,116</u>
Excess (deficiency) of revenues over expenditures	<u>(700,983)</u>	<u>38,684</u>	<u>(33,116)</u>
Other financing sources (uses):			
Operating transfers - in	905,550	0	35,000
Proceeds from OWDA loans	0	0	0
Sale of fixed assets	899	0	0
Total other financing sources (uses)	<u>906,449</u>	<u>0</u>	<u>35,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>205,466</u>	<u>38,684</u>	<u>1,884</u>
Fund balance, beginning of year	(134,302)	0	32,338
Fund balance, end of year	<u>\$ 71,164</u>	<u>\$ 38,684</u>	<u>\$ 34,222</u>

<u>Water Capital Improvement</u>	<u>Recreation Capital Improvement</u>	<u>Railroad Capital Improvement</u>	<u>Totals</u>
\$ 0	\$ 30,000	\$ 0	\$ 30,000
0	320	0	260,290
0	0	0	33,041
0	<u>20,031</u>	0	<u>103,031</u>
<u>0</u>	<u>50,351</u>	<u>0</u>	<u>426,362</u>
543,014	338,687	518,079	2,421,206
0	0	0	50,000
<u>543,014</u>	<u>338,687</u>	<u>518,079</u>	<u>2,471,206</u>
(543,014)	(288,336)	(518,079)	(2,044,844)
186,000	94,994	0	1,221,544
363,468	0	0	363,468
0	0	0	899
<u>549,468</u>	<u>94,994</u>	<u>0</u>	<u>1,585,911</u>
6,454	(193,342)	(518,079)	(458,933)
53,237	49,572	345,131	345,976
<u>\$ 59,691</u>	<u>\$ (143,770)</u>	<u>\$ (172,948)</u>	<u>\$ (112,957)</u>

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
General Improvement Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 70,780	\$ 70,780	\$ 0
Fines and forfeitures	33,041	33,041	0
Miscellaneous income	83,000	83,000	0
Total revenues	186,821	186,821	0
Expenditures:			
Capital outlay	1,026,555	954,186	72,369
Debt service:			
Principal retirement	50,000	50,000	0
Total expenditures	1,076,555	1,004,186	72,369
Excess (deficiency) of revenues over expenditures	(889,734)	(817,365)	72,369
Other financing sources (uses):			
Operating transfers - in	905,550	905,550	0
Sale of Fixed Assets	899	899	0
Total other financing sources (uses)	906,449	906,449	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	16,715	89,084	72,369
Fund balance, beginning of year	46,080	46,080	0
Unexpended prior year encumbrances	497	497	0
Fund balance, end of year	\$ 63,292	\$ 135,661	\$ 72,369

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Safety Capital Improvement Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 191,563	\$ 191,563	\$ 0
Total revenues	191,563	191,563	0
Expenditures:			
Capital outlay	164,300	164,173	127
Total expenditures	164,300	164,173	127
Excess (deficiency) of revenues over expenditures	27,263	27,390	127
Fund balance, beginning of year	0	0	0
Fund balance, end of year	\$ 27,263	\$ 27,390	\$ 127

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Sewer Capital Improvement Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Expenditures:			
Capital outlay	<u>11,300</u>	<u>11,230</u>	<u>70</u>
Total expenditures	<u>11,300</u>	<u>11,230</u>	<u>70</u>
Excess (deficiency) of revenues over expenditures	<u>(11,300)</u>	<u>(11,230)</u>	<u>70</u>
Other financing sources (uses):			
Operating transfers - in	<u>35,000</u>	<u>35,000</u>	<u>0</u>
Total other financing sources (uses)	<u>35,000</u>	<u>35,000</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>23,700</u>	<u>23,770</u>	<u>70</u>
Fund balance, beginning of year	<u>32,338</u>	<u>32,338</u>	<u>0</u>
Fund balance, end of year	<u>\$ 56,038</u>	<u>\$ 56,108</u>	<u>\$ 70</u>

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Water Capital Improvement Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Expenditures:			
Capital outlay	<u>547,650</u>	<u>534,745</u>	<u>12,905</u>
Total expenditures	<u>547,650</u>	<u>534,745</u>	<u>12,905</u>
Excess (deficiency) of revenues over expenditures	<u>(547,650)</u>	<u>(534,745)</u>	<u>12,905</u>
Other financing sources (uses):			
Operating transfers - in	186,000	186,000	0
Proceeds from OWDA loans	<u>363,468</u>	<u>363,468</u>	<u>0</u>
Total other financing sources (uses)	<u>549,468</u>	<u>549,468</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,818	14,723	12,905
Fund balance, beginning of year	40,296	40,296	0
Unexpended prior year encumbrances	<u>4,672</u>	<u>4,672</u>	<u>0</u>
Fund balance, end of year	<u>\$ 46,786</u>	<u>\$ 59,691</u>	<u>\$ 12,905</u>

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Recreation Capital Improvement Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 320	\$ 320	\$ 0
Miscellaneous income	<u>20,031</u>	<u>20,031</u>	<u>0</u>
Total revenues	<u>20,351</u>	<u>20,351</u>	<u>0</u>
Expenditures:			
Capital outlay	<u>143,600</u>	<u>143,287</u>	<u>313</u>
Total expenditures	<u>143,600</u>	<u>143,287</u>	<u>313</u>
Excess (deficiency) of revenues over expenditures	<u>(123,249)</u>	<u>(122,936)</u>	<u>313</u>
Other financing sources (uses):			
Operating transfers - in	<u>94,994</u>	<u>94,994</u>	<u>0</u>
Total other financing sources (uses)	<u>94,994</u>	<u>94,994</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(28,255)</u>	<u>(27,942)</u>	<u>313</u>
Fund balance, beginning of year	49,071	49,071	0
Unexpended prior year encumbrances	<u>500</u>	<u>500</u>	<u>0</u>
Fund balance, end of year	<u>\$ 21,316</u>	<u>\$ 21,629</u>	<u>\$ 313</u>

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Railroad Capital Improvement Fund
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Expenditures:			
Capital outlay	460,159	277,572	182,587
Total expenditures	<u>460,159</u>	<u>277,572</u>	<u>182,587</u>
Excess (deficiency) of revenues over expenditures	(460,159)	(277,572)	(182,587)
Fund balance, beginning of year	250,000	250,000	0
Unexpended prior year encumbrances	<u>27,572</u>	<u>27,572</u>	<u>0</u>
Fund balance, end of year	\$ <u>(182,587)</u>	\$ <u>0</u>	\$ <u>182,587</u>

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
All Capital Projects Funds
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 262,663	\$ 262,663	\$ 0
Fines and forfeitures	33,041	33,041	0
Miscellaneous income	103,030	103,030	0
Total revenues	398,735	398,735	0
Expenditures:			
Capital outlay	2,353,564	2,085,193	268,371
Debt service:			
Principal retirement	50,000	50,000	0
Total expenditures	2,403,564	2,135,193	268,371
Excess (deficiency) of revenues over expenditures	(2,004,829)	(1,736,458)	268,371
Other financing sources (uses):			
Operating transfers - in	1,221,544	1,221,544	0
Proceeds from OWDA Loans	363,468	363,468	0
Sale of Fixed Assets	899	899	0
Total other financing sources (uses)	1,585,911	1,585,911	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(418,918)	(150,547)	268,371
Fund balance, beginning of year	417,785	417,785	0
Unexpended prior year encumbrances	33,241	33,241	0
Fund balance, end of year	\$ 32,108	\$ 300,479	\$ 268,371

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

Sewer Revenue Fund - to account for the operations of the sewage collection and treatment plant operations.

Cleveland Browns Fund - to account for the debt service payments for the construction of the Browns training facility.

CITY OF BEREA, OHIO
Combining Balance Sheet
All Enterprise Funds
December 31, 2000

	Water Revenue	Sewer Revenue	Cleveland Browns Trust	Totals
Assets				
<u>Current assets:</u>				
Equity in pooled cash and cash equivalents	\$ 127,813	\$ 62,027	\$ 0	\$ 189,840
Receivables:				
Accounts	269,485	194,626	0	464,111
Accrued interest		0	0	109,267
Inventory of supplies	16,566	0	0	16,566
Total current assets	413,864	256,653	109,267	779,784
<u>Noncurrent Assets</u>				
Receivables:				
Cleveland Browns		0	0	5,379,474
Fixed asset (net, where applicable, of accumulated depreciation)	4,655,040	3,759,225	0	8,414,265
Total noncurrent assets	4,655,040	3,759,225	5,379,474	13,793,739
Total assets	\$ 5,068,904	\$ 4,015,878	\$ 5,488,741	\$14,573,523
Liabilities and equity				
<u>Current Liabilities:</u>				
Accounts payable	\$ 31,656	\$ 3,365	\$ 0	\$ 35,021
Accrued wages and benefits	17,030	2,694	0	19,724
Accrued compensated absences	48,166	11,982	0	60,148
Accrued worker's compensation	18,799	5,268	0	24,067
Accrued pension	21,500	4,642	0	26,142
Accrued interest payable	74,415	33,114	0	107,529
Total current liabilities	211,566	61,065	0	272,631
<u>Noncurrent liabilities:</u>				
Taxable obligation bonds Payable				
City's portion covered by Cleveland Browns receivable	0	0	438,868	438,868
Cleveland Browns bonds Payable	0	0	4,940,606	4,940,606
Cleveland Browns interest Payable	0	0	109,267	109,267
O.W.D.A. loans payable	2,362,976	1,230,168	0	3,593,144
Total noncurrent liabilities	2,362,976	1,230,168	5,488,741	9,081,885
Total liabilities	2,574,542	1,291,233	5,488,741	9,354,516

(continued)

CITY OF BEREA, OHIO
Combining Balance Sheet
All Enterprise Funds (continued)
December 31, 2000

	Water Revenue	Sewer Revenue	Cleveland Browns Trust	Totals
<i>Equity:</i>				
Contributed capital	\$ 3,694,610	\$ 2,809,226	\$ 0	\$ 6,503,836
Retained earnings				
Unreserved (deficit)	<u>(1,200,248)</u>	<u>(84,581)</u>	<u>0</u>	<u>(1,284,829)</u>
<i>Total equity</i>	<u>2,494,362</u>	<u>2,724,645</u>	<u>0</u>	<u>5,219,007</u>
Total liabilities and fund equity	<u>\$ 5,068,904</u>	<u>\$ 4,015,878</u>	<u>\$ 5,488,741</u>	<u>\$14,573,523</u>

CITY OF BEREA, OHIO

Combining Statement of Revenues,
Expenses, and Changes in Fund Equity
All Enterprise Funds
For the Year Ended December 31, 2000

	<u>Water Revenue</u>	<u>Sewer Revenue</u>	<u>Cleveland Browns Trust</u>	<u>Totals</u>
Operating revenues:				
Charges for services	\$ 750,047	\$ 499,404	\$ 0	\$ 1,249,451
Total operating revenues	<u>750,047</u>	<u>499,404</u>	<u>0</u>	<u>1,249,451</u>
Operating expenses:				
Personal services	988,298	273,890	0	1,262,188
Contractual services	334,598	38,814	0	373,412
Materials and supplies	106,205	51,059	0	157,264
Transportation	2,606	0	0	2,606
Depreciation	262,891	171,874	0	434,765
Total operating expenses	<u>1,694,598</u>	<u>535,637</u>	<u>0</u>	<u>2,230,235</u>
Operating loss	(944,551)	(36,233)	0	(980,784)
Non-operating revenues (expenses):				
Interest expense	(85,888)	(100,340)	0	(186,228)
Total non-operating revenues (expenses)	<u>(85,888)</u>	<u>(100,340)</u>	<u>0</u>	<u>(186,228)</u>
Loss before operating transfers	(1,030,439)	(136,573)	0	(1,167,012)
Operating transfers - in <u>983,525</u>	<u>911,025</u>	<u>72,500</u>	<u>0</u>	<u> </u>
Net loss	(119,414)	(64,073)	0	(183,487)
Add: Depreciation on fixed assets acquired under contributed capital	<u>262,891</u>	<u>171,874</u>	<u>0</u>	<u>434,765</u>
Increase (decrease) in retained Earnings	143,477	107,801	0	251,278
Retained earnings (deficit), beginning of year (Restated - Note 2)	<u>(1,343,725)</u>	<u>(192,382)</u>	<u>0</u>	<u>(1,536,107)</u>
Retained earnings (deficit), end of year	<u>(1,200,248)</u>	<u>(84,581)</u>	<u>0</u>	<u>(1,284,829)</u>
Contributed capital, beginning of year	4,406,984	5,830,356	0	10,237,340
Less: Depreciation on fixed assets acquired with contributed capital	(262,891)	(171,874)	0	(434,765)
Add: Capital contributed from government	<u>(449,483)</u>	<u>(2,849,256)</u>	<u>0</u>	<u>(3,298,739)</u>
Contributed capital, end of year <u>6,503,836</u>	<u>3,694,610</u>	<u>2,809,226</u>	<u>0</u>	<u> </u>
Total fund equity (deficit), end				

of year

\$ 2,494,362 \$ 2,724,645 \$ 0 \$ 5,219,007

CITY OF BEREA, OHIO

Schedule of Revenues, Expenses, and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Revenue Fund
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ <u>743,351</u>	\$ <u>743,351</u>	\$ <u>0</u>
Total revenues	<u>743,351</u>	<u>743,351</u>	<u>0</u>
Expenses:			
Personal services	979,950	965,729	14,221
Contractual services	346,800	332,527	14,273
Materials and supplies	96,950	86,620	10,330
Transportation	3,050	2,541	509
Principal retirement	86,046	86,045	1
Interest	<u>109,727</u>	<u>109,727</u>	<u>0</u>
Total expenses	<u>1,622,523</u>	<u>1,583,189</u>	<u>39,334</u>
Excess (deficiency) of revenues over expenses	(879,172)	(839,838)	39,334
Other financing sources (uses):			
Operating transfers - in	<u>911,025</u>	<u>911,025</u>	<u>0</u>
Total operating financing sources (uses)	<u>911,025</u>	<u>911,025</u>	<u>0</u>
Excess (deficiency) of revenues over expenses and operating transfers	31,853	71,187	39,334
Fund equity, beginning of year	18,839	18,839	0
Unexpended prior year encumbrances	<u>30,850</u>	<u>30,850</u>	<u>0</u>
Fund equity, end of year	<u>\$ 81,542</u>	<u>\$ 120,876</u>	<u>\$ 39,334</u>

CITY OF BEREA, OHIO

Schedule of Revenues, Expenses, and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Revenue Fund
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 495,508	\$ 495,508	\$ 0
Total revenues	<u>495,508</u>	<u>495,508</u>	<u>0</u>
Expenses:			
Personal services	296,200	273,312	22,888
Contractual services	43,500	37,683	5,817
Materials and supplies	53,200	51,515	1,685
Principal retirement	91,196	91,096	100
Interest	<u>88,375</u>	<u>88,375</u>	<u>0</u>
Total expenses	<u>572,471</u>	<u>541,981</u>	<u>30,490</u>
Excess (deficiency) of revenues over expenses	(76,963)	(46,473)	(30,490)
Other financing sources (uses):			
Operating transfers - in	<u>72,500</u>	<u>72,500</u>	<u>0</u>
Total operating financing sources (uses)	<u>72,500</u>	<u>72,500</u>	<u>0</u>
Excess (deficiency) of revenues over expenses and operating transfers	(4,463)	26,027	30,490
Fund equity, beginning of year	<u>35,286</u>	<u>35,286</u>	<u>0</u>
Fund equity, end of year	<u>\$ 30,823</u>	<u>\$ 61,313</u>	<u>\$ 30,490</u>

CITY OF BEREA, OHIO

Schedule of Revenues, Expenses, and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
All Enterprise Funds
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 1,238,859	\$ 1,238,859	\$ 0
Total revenues	<u>1,238,859</u>	<u>1,238,859</u>	<u>0</u>
Expenses:			
Personal services	1,276,150	1,239,041	37,109
Contractual services	390,300	370,210	20,090
Materials and supplies	150,150	138,135	12,015
Transportation	3,050	2,541	509
Principal retirement	177,242	177,141	101
Interest	198,102	198,102	0
Total expenses	<u>2,194,994</u>	<u>2,125,170</u>	<u>69,824</u>
Excess (deficiency) of revenues over expenses	(956,135)	(886,311)	69,824
Other financing sources (uses):			
Operating transfers - in	983,525	983,525	0
Total operating financing sources (uses)	<u>983,525</u>	<u>983,525</u>	<u>0</u>
Excess (deficiency) of revenues over expenses and operating transfers	27,390	97,214	69,824
Fund equity, beginning of year	54,125	54,125	0
Unexpended prior year encumbrances	<u>30,850</u>	<u>30,850</u>	<u>0</u>
Fund equity, end of year	<u>\$ 112,365</u>	<u>\$ 182,189</u>	<u>\$ 69,824</u>

CITY OF BEREA

Combining Statement of Cash Flows
All Enterprise Funds
For the Year Ended December 31, 2000

	Water Revenue	Sewer Revenue	Totals
Increase (decrease) in cash and cash equivalents:			
Cash flows from operating activities:			
Cash received from customers	\$ 743,351	\$ 495,509	\$ 1,238,860
Cash payments for personal services	(965,729)	(273,312)	(1,239,041)
Cash payments for travel and transportation	(2,541)	0	(2,541)
Cash payments for contractual services	(326,722)	(37,463)	(364,185)
Cash payments for vendors for supplies and materials	(96,012)	(51,022)	(147,034)
Net cash (used) by operating activities	(647,653)	133,712	(513,941)
Cash flows from non-capital financing activities:			
Operating transfers from other funds	911,025	72,500	983,525
Net cash provided by non-capital financing activities	911,025	72,500	983,525
Cash flow used in capital and related financing activities:			
Principal paid on OWDA loans	(86,045)	(91,096)	(177,141)
Interest paid on OWDA loans	(109,727)	(88,375)	(198,102)
Net cash (used) in capital and related financing activities	(195,772)	(179,471)	(375,243)
Net increase(decrease) in cash and cash equivalents	67,600	26,741	94,341
Cash and cash equivalents, beginning of year	60,213	35,286	95,499
Cash and cash equivalents, end of year	\$ 127,813	\$ 62,027	\$ 189,840 (continued)

CITY OF BEREA, OHIO

Combining Statement of Cash Flows
All Enterprise Funds (continued)
For the Year ended December 31, 2000

	Water Revenue	Sewer Revenue	Totals
Reconciliation of operating loss to net cash (used)for operating activities:			
Operating loss	\$ (944,551)	\$ (36,233)	\$ (980,784)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation	262,891	171,874	434,765
Changes in assets and liabilities:			
Increase in accounts receivable	(6,696)	(3,895)	(10,591)
Decrease in inventory of supplies	10,193	0	10,193
Increase in accounts payable	7,053	1,387	8,440
Increase in accrued worker's Compensation	15,251	4,251	19,502
Increase in accrued wages and Benefits	5,307	(592)	4,715
Increase in accrued compensated Absences	8,405	585	8,990
Decrease in accrued pension	<u>(5,506)</u>	<u>(3,665)</u>	<u>(9,171)</u>
Net cash used for operating activities	<u>\$ (647,653)</u>	<u>\$ 133,712</u>	<u>\$ (513,941)</u>

INTERNAL SERVICE FUNDS

The internal service fund is used to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

Medical Benefits Fund - *The City has one internal service fund to account for the operation of the City's self-insurance program for employee health benefits. The legal level of budgetary control is the same level reported in the general purpose financial statements.*

Property/Liability Insurance Fund - *The City has one internal service fund to account for the operation of the City's self-insurance program for property and liability insurance. The legal level of budgetary control is the same level reported in the general purpose financial statements.*

CITY OF BEREA, OHIO
Combining Balance Sheet
All Internal Service Funds
December 31, 2000

	<u>Medical Benefits</u>	<u>Property/ Liability Insurance</u>	<u>Totals</u>
Assets			
<i>Current assets:</i>			
Equity in pooled cash and cash equivalents	\$ 99,005	\$ 54,049	\$ 153,054
Prepaid items	<u>0</u>	<u>4,956</u>	<u>4,956</u>
Total assets	\$ <u>99,005</u>	\$ <u>59,005</u>	\$ <u>158,010</u>
Liabilities and equity			
<i>Current Liabilities:</i>			
Accounts payable	<u>150,944</u>	<u>34,341</u>	<u>185,285</u>
Total liabilities	<u>150,944</u>	<u>34,341</u>	<u>185,285</u>
<i>Equity:</i>			
Retained earnings			
Unreserved (deficit)	<u>(51,939)</u>	<u>24,664</u>	<u>(27,275)</u>
Total equity	<u>(51,939)</u>	<u>24,664</u>	<u>(27,275)</u>
Total liabilities and fund equity	\$ <u>99,005</u>	\$ <u>59,005</u>	\$ <u>158,010</u>

CITY OF BEREA, OHIO

Combining Statement of Revenues,
Expenses, and Changes in Fund Equity
All Internal Service Funds
For the Year Ended December 31, 2000

	Medical Benefits	Property/ Liability Insurance	Totals
Operating revenues:			
Miscellaneous income	\$ 959,183	\$ 16,463	\$ 975,646
Total operating revenues	959,183	16,463	975,646
Operating expenses:			
Contractual services	994,857	228,141	1,222,998
Total operating expenses	994,857	228,141	1,222,998
Operating loss	(35,674)	(211,678)	(247,352)
Non-operating revenues (expenses):			
Interest income	1,898	0	1,898
Total non-operating revenues (expenses)	1,898	0	1,898
Loss before operating transfers	(33,776)	(211,678)	(245,454)
Operating transfers - in	0	255,000	255,000
Net loss	(33,776)	43,322	9,546
Retained earnings (deficit), beginning of year	(18,163)	(18,658)	(36,821)
Retained earnings (deficit), end of year	(51,939)	24,664	(27,275)
Total fund equity (deficit), end of year	\$ (51,939)	\$ 24,664	\$ (27,275)

CITY OF BEREA, OHIO

Schedule of Revenues, Expenses, and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
Medical Benefits Fund
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Investment income	\$ 1,898	\$ 1,898	\$ 0
Miscellaneous income	959,184	959,184	0
Total revenues	<u>961,082</u>	<u>961,082</u>	<u>0</u>
Expenses:			
Contractual services	930,000	929,884	116
Total expenses	<u>930,000</u>	<u>929,884</u>	<u>116</u>
Excess (deficiency) of revenues over expenses	31,082	31,198	116
Fund equity, beginning of year	67,533	67,533	0
Unexpended prior year encumbrances	<u>275</u>	<u>275</u>	<u>0</u>
Fund equity, end of year	<u>\$ 98,890</u>	<u>\$ 99,006</u>	<u>\$ 116</u>

CITY OF BEREA, OHIO

Schedule of Revenues, Expenses, and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
Property/Liability Fund (continued)
For the Year Ended December 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Miscellaneous income	\$ <u>16,463</u>	\$ <u>16,463</u>	\$ <u>0</u>
Total revenues	<u>16,463</u>	<u>16,463</u>	<u>0</u>
Expenses:			
Contractual services	<u>230,000</u>	<u>224,084</u>	<u>5,916</u>
Total expenses	<u>230,000</u>	<u>224,084</u>	<u>5,916</u>
Excess (deficiency) of revenues over expenses	(213,537)	(207,621)	5,916
Other financing sources (uses):			
Operating transfers - in	<u>255,000</u>	<u>255,000</u>	<u>0</u>
Total operating financing sources (uses)	<u>255,000</u>	<u>255,000</u>	<u>0</u>
Excess (deficiency) of revenues over expenses and operating transfers	41,463	47,379	5,916
Fund equity, beginning of year	6,671	6,671	0
Unexpended prior year encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Fund equity, end of year	<u>\$ 48,134</u>	<u>\$ 54,050</u>	<u>\$ 5,916</u>

CITY OF BEREA, OHIO

Schedule of Revenues, Expenses, and Changes in
Fund Equity - Budget (Non-GAAP Basis) and Actual
All Internal Service Funds
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Investment income	\$ 1,898	\$ 1,898	\$ 0
Miscellaneous income	975,647	975,647	0
Total revenues	<u>977,545</u>	<u>977,545</u>	<u>0</u>
Expenses:			
Contractual services	<u>1,160,000</u>	<u>1,153,968</u>	<u>6,032</u>
Total expenses	<u>1,160,000</u>	<u>1,153,968</u>	<u>6,032</u>
Excess (deficiency) of revenues over expenses	(182,455)	(176,423)	6,032
Other financing sources (uses):			
Operating transfers - in	<u>255,000</u>	<u>255,000</u>	<u>0</u>
Total operating financing sources (uses)	<u>255,000</u>	<u>255,000</u>	<u>0</u>
Excess (deficiency) of revenues over expenses and operating transfers	72,545	78,577	6,032
Fund equity, beginning of year	74,204	74,204	0
Unexpended prior year encumbrances	<u>275</u>	<u>275</u>	<u>0</u>
Fund equity, end of year	<u>\$ 147,024</u>	<u>\$ 153,056</u>	<u>\$ 6,032</u>

CITY OF BEREA

Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended December 31, 2000

	<u>Medical Benefits</u>	<u>Property/ Liability Insurance</u>	<u>Totals</u>
Increase (decrease) in cash and cash equivalents:			
Cash flows from operating activities:			
Cash received from other revenues	\$ 959,183	\$ 16,463	\$ 975,646
Cash payments for contractual services	<u>(929,884)</u>	<u>(224,085)</u>	<u>(1,153,969)</u>
Net cash (used) by operating activities	<u>29,299</u>	<u>(207,622)</u>	<u>(178,323)</u>
Cash flows from non-capital financing activities:			
Operating transfers from other funds	<u>0</u>	<u>255,000</u>	<u>255,000</u>
Net cash provided by non-capital financing activities	<u>0</u>	<u>255,000</u>	<u>255,000</u>
Cash flow from investing activities:			
Interest received	<u>1,898</u>	<u>0</u>	<u>1,898</u>
Net cash provided by investing activities	<u>1,898</u>	<u>0</u>	<u>1,898</u>
Net increase(decrease) in cash and cash equivalents	31,197	47,378	78,575
Cash and cash equivalents, beginning of year	<u>67,808</u>	<u>6,671</u>	<u>74,479</u>
Cash and cash equivalents, end of year	\$ <u><u>99,005</u></u>	\$ <u><u>54,049</u></u>	\$ <u><u>153,054</u></u> (continued)

CITY OF BEREA, OHIO

Combining Statement of Cash Flows
All Internal Service Funds (continued)
For the Year ended December 31, 2000

	<u>Medical Benefits</u>	<u>Property/ Liability Insurance</u>	<u>Totals</u>
Reconciliation of operating loss to net cash (used)for operating activities:			
Operating loss	\$ (35,674)	\$ (211,678)	\$ (247,352)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Changes in assets and liabilities:			
Increase in prepaid items	0	(231)	(231)
Increase in accounts payable	<u>64,973</u>	<u>4,287</u>	<u>69,260</u>
Net cash used for operating Activities	<u>\$ 29,299</u>	<u>\$ (207,622)</u>	<u>\$ (178,323)</u>

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FIDUCIARY FUNDS

Fiduciary funds are used to account for the assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The following are the City's fiduciary fund types:

Expendable Trust Funds

Unclaimed Monies Trust Fund - to account for monies which have been unclaimed.

Agency Funds

Regional Sewer Agency Fund - to account for the collection of revenues to be remitted to the Northeast Ohio Regional Sewer District.

Contract Retainer Fund - to account for monies withheld from payments on construction contracts, to insure compliance regarding the project with the City.

Guarantee Deposits Fund - to account for the deposits made by builders to insure compliance with building codes.

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

County Dog Licenses Fund - to account for county dog license fees collected from residents and disbursed to the County.

Municipal Court Fund - to account for the collection and distribution of revenue associated with the operations of the Berea Municipal Court.

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CITY OF BEREA, OHIO
Combining Balance Sheet
All Trust and Agency Funds
December 31, 2000

	Expendable	Agency Funds			
	Trust				
	Fund	Regional	Contract	Guarantee	
	Unclaimed	Sewer	Retainer	Deposits	
	Monies				
	Trust				
Assets:					
Equity in pooled cash and cash equivalents	\$	9,576	\$ 486,977	\$ 26,046	\$
70,163					
Receivables:					
Accounts	0	735,817	0	0	
Total Assets	<u>\$ 9,576</u>	<u>\$ 1,222,794</u>	<u>\$ 26,046</u>	<u>\$ 70,163</u>	
Liabilities:					
Accounts payable	\$ 0	\$ 434,152	\$ 0	\$ 0	
Interfund payable	0	0	0	0	
Due to other governments		0	788,642	0	0
Deposits held and due to Others	5,256	0	26,046	70,163	
Total Liabilities	<u>5,256</u>	<u>1,222,794</u>	<u>26,046</u>	<u>70,163</u>	
Fund Equity					
Fund balance:					
Undesignated	4,320	0	0	0	
Total Fund Equity (deficit)	<u>4,320</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Total Liabilities and Fund Equity	<u>\$ 9,576</u>	<u>\$ 1,222,794</u>	<u>\$ 26,046</u>	<u>\$ 70,163</u>	

Agency Funds			
Ohio Board Of Building Standards	County Dog Licenses	Municipal Court	Totals
\$ 1,814	\$ 30	\$ 358,966	\$ 953,572
<u>0</u>	<u>0</u>	<u>0</u>	<u>735,817</u>
<u>\$ 1,814</u>	<u>\$ 30</u>	<u>\$ 358,966</u>	<u>\$ 1,689,389</u>
\$ 0	\$ 0	\$ 0	\$ 434,152
0	0	80,509	80,509
1,814	30	32,517	823,003
<u>0</u>	<u>0</u>	<u>245,940</u>	<u>347,405</u>
<u>1,814</u>	<u>30</u>	<u>358,966</u>	<u>1,685,069</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>4,320</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>4,320</u>
<u>\$ 1,814</u>	<u>\$ 30</u>	<u>\$ 358,966</u>	<u>\$ 1,689,389</u>

CITY OF BEREA, OHIO

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Expendable Trust Fund
For the Year Ended December 31, 2000

	<u>Unclaimed Monies</u>
Revenues:	
Miscellaneous income	\$ 400
Total revenues	<u>400</u>
Expenditures:	<u>0</u>
Excess (deficiency) of revenues over expenditures	400
Fund balance, beginning of year	<u>3,920</u>
Fund balance, end of year	<u>\$ 4,320</u>

CITY OF BEREA, OHIO

Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget (Non-GAAP Basis) and Actual
Unclaimed Monies Trust Fund
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Miscellaneous income	\$ <u>400</u>	\$ <u>400</u>	\$ <u>0</u>
Total revenues	<u>400</u>	<u>400</u>	<u>0</u>
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	400	400	0
Fund balance, beginning of year	<u>3,920</u>	<u>3,920</u>	<u>0</u>
Fund balance, end of year	<u>\$ 4,320</u>	<u>\$ 4,320</u>	<u>\$ 0</u>

CITY OF BEREA, OHIO

Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2000

	<u>Balance</u> <u>12/31/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/00</u>
Regional Sewer				
Assets:				
Equity in pooled cash and cash equivalents	\$ 512,293	\$	0	\$ 25,316
486,977				
Receivables:				
Accounts	<u>685,892</u>	<u>735,817</u>	<u>685,892</u>	<u>735,817</u>
Total Assets	\$ <u>1,198,185</u>	\$ <u>735,817</u>	\$ <u>711,208</u>	\$ <u>1,222,794</u>
Liabilities:				
Accounts payable	\$ 459,480	\$ 434,152	\$ 459,480	\$ 434,152
Due to other governments	<u>738,705</u>	<u>1,907,740</u>	<u>1,857,803</u>	<u>788,642</u>
Total Liabilities	\$ <u>1,198,185</u>	\$ <u>2,341,892</u>	\$ <u>2,317,283</u>	\$ <u>1,222,794</u>
 Contract Retainer				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>31,464</u>	\$ <u>0</u>	\$ <u>5,418</u>	\$ <u>26,046</u>
26,046				
Total Assets	\$ <u>31,464</u>	\$ <u>0</u>	\$ <u>5,418</u>	\$ <u>26,046</u>
Liabilities:				
Deposits held and due to Others	\$ <u>31,464</u>	\$ <u>30,980</u>	\$ <u>36,398</u>	\$ <u>26,046</u>
Total Liabilities	\$ <u>31,464</u>	\$ <u>30,980</u>	\$ <u>36,398</u>	\$ <u>26,046</u>
 Guarantee Deposits				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>54,084</u>	\$ <u>16,079</u>	\$ <u>0</u>	\$ <u>70,163</u>
70,163				
Total Assets	\$ <u>54,084</u>	\$ <u>16,079</u>	\$ <u>0</u>	\$ <u>70,163</u>
Liabilities:				
Deposits held and due to Others	\$ <u>54,084</u>	\$ <u>20,500</u>	\$ <u>4,421</u>	\$ <u>70,163</u>
Total Liabilities	\$ <u>54,084</u>	\$ <u>20,500</u>	\$ <u>4,421</u>	\$ <u>70,163</u>

(continued)

CITY OF BEREA, OHIO

Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2000

	Balance 12/31/99	Additions	Reductions	Balance 12/31/00
Ohio Board of Building Standards				
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,926	\$ 0	\$ 112	\$ 1,814
<u>1,814</u>				
Total Assets	\$ 1,926	\$ 0	\$ 112	\$ 1,814
Liabilities:				
Due to other governments	\$ 1,926	\$ 2,326	\$ 2,438	\$ 1,814
Total Liabilities	\$ 1,926	\$ 2,326	\$ 2,438	\$ 1,814
County Dog Licenses				
Assets:				
Equity in pooled cash and cash equivalents	\$ 10	\$ 20	\$ 0	\$ 30
<u>30</u>				
Total Assets	\$ 10	\$ 20	\$ 0	\$ 30
Liabilities:				
Due to other governments	\$ 10	\$ 454	\$ 434	\$ 30
Total Liabilities	\$ 10	\$ 454	\$ 434	\$ 30
Municipal Court				
Assets:				
Equity in pooled cash and cash equivalents	\$ 346,841	\$ 2,595,737	\$ 2,583,612	\$ 358,966
<u>358,966</u>				
Total Assets	\$ 346,841	\$ 2,595,737	\$ 2,583,612	\$ 358,966
Liabilities:				
Interfund payable	\$ 69,956	\$ 1,055,638	\$ 1,045,085	\$ 80,509
Due to other governments	46,050	556,061	569,594	32,517
Deposits held and due to Others	230,835	984,038	968,933	245,940
Total Liabilities	\$ 346,841	\$ 2,595,737	\$ 2,583,612	\$ 358,966

(continued)

CITY OF BEREA, OHIO

Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2000

	<u>Balance</u> <u>12/31/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/00</u>
Total All Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 946,618	\$ 2,611,836	\$ 2,614,458	\$ 943,996
Receivables:				
Accounts	<u>685,892</u>	<u>735,817</u>	<u>685,892</u>	<u>735,817</u>
Total Assets	<u>\$ 1,632,510</u>	<u>\$ 3,347,653</u>	<u>\$ 3,300,350</u>	<u>\$ 1,679,813</u>
Liabilities:				
Accounts payable	\$ 459,480	\$ 434,152	\$ 459,480	\$ 434,152
Interfund payable	69,956	1,055,638	1,045,085	80,509
Due to other governments	786,691	2,466,581	2,430,269	823,003
Deposits held and due to Others	<u>316,383</u>	<u>1,035,518</u>	<u>1,009,752</u>	<u>342,149</u>
Total Liabilities	<u>\$ 1,632,510</u>	<u>\$ 4,991,889</u>	<u>\$ 4,944,586</u>	<u>\$ 1,679,813</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

The general fixed asset account group is used to account for long-lived assets not used in the operations of the proprietary funds.

CITY OF BEREA, OHIO

Schedule of General Fixed Assets by Sources
December 31, 2000

General Fixed Assets	
Land	\$ 2,811,493
Land improvements	6,128,134
Buildings	13,911,683
Building improvements	10,892,998
Machinery and equipment	2,195,087
Vehicles	3,174,800
Construction in progress	<u>715,523</u>
Total general fixed assets	<u>\$39,829,718</u>
Investments in General Fixed Assets From:	
General fund	\$12,778,109
Special revenue fund	810,700
Capital projects fund	<u>26,240,909</u>
Total general fixed assets	<u>\$39,829,718</u>

CITY OF BEREA, OHIO

Schedule of General Fixed Assets
by Function and Activity
December 31, 2000

Function and Activity	Total	Land	Land Improvement
Security of persons and property			
Police department	\$ 856,360	\$ 4,550	\$ 0
Fire department	1,391,707	149,766	6,450
Street lighting	<u>106,210</u>	<u>0</u>	<u>0</u>
Total security of persons and property	<u>2,354,277</u>	<u>154,316</u>	<u>6,450</u>
Leisure time activities			
Administrative	508,399	386,867	30,906
Playgrounds	884,982	93,312	556,185
Swimming pool	308,306	0	27,093
Recreation Center	<u>4,235,769</u>	<u>0</u>	<u>163,600</u>
Total Leisure time activities	<u>5,937,456</u>	<u>480,179</u>	<u>777,784</u>
Community development			
Building department	<u>48,742</u>	<u>0</u>	<u>0</u>
Total community development	<u>48,742</u>	<u>0</u>	<u>0</u>
Basic utility services			
Refuse collection	1,272,522	0	0
Storm sewers and drains	<u>61,662</u>	<u>0</u>	<u>0</u>
Total basic utility services	<u>1,334,184</u>	<u>0</u>	<u>0</u>
Transportation			
Street paving and repair	<u>206,251</u>	<u>0</u>	<u>0</u>
Total transportation	<u>206,251</u>	<u>0</u>	<u>0</u>
General Government			
Council	31,244	0	0
Mayor	13,415	0	0
Finance	54,163	0	0
Community development	7,616	0	0
Law	22,257	0	0
Court	229,200	0	0
Government land and Buildings	5,293,207	1,106,242	1,238,591
Service administration	850,276	741	0
Administration	<u>44,515</u>	<u>0</u>	<u>0</u>
Total General Government	<u>6,545,893</u>	<u>1,106,983</u>	<u>1,238,591</u>
Library	1,424,651	20,015	0
Cleveland Browns	<u>21,262,742</u>	<u>1,050,000</u>	<u>4,105,309</u>
Total general fixed assets by Function	39,114,196	<u>\$ 2,811,493</u>	<u>\$ 6,128,134</u>
Construction in progress	<u>715,522</u>		
Total general fixed assets	<u>\$39,829,718</u>		

Building	Building Improvement	Machinery and Equipment	Vehicles
\$ 56,574	\$ 143,350	\$ 247,488	\$ 404,398
162,986	1,558	92,908	978,039
<u>0</u>	<u>0</u>	<u>106,210</u>	<u>0</u>
219,560	144,908	446,606	1,382,437
34,937	15,249	12,165	28,275
93,295	0	142,190	0
95,019	176,189	10,005	0
<u>0</u>	<u>3,849,611</u>	<u>183,308</u>	<u>39,250</u>
223,251	4,041,049	347,668	67,525
<u>0</u>	<u>1,215</u>	<u>37,532</u>	<u>9,995</u>
<u>0</u>	<u>1,215</u>	<u>37,532</u>	<u>9,995</u>
0	0	273,394	999,128
<u>0</u>	<u>0</u>	<u>5,000</u>	<u>56,662</u>
<u>0</u>	<u>0</u>	<u>278,394</u>	<u>1,055,790</u>
<u>0</u>	<u>0</u>	<u>134,181</u>	<u>72,070</u>
<u>0</u>	<u>0</u>	<u>134,181</u>	<u>72,070</u>
0	0	31,244	0
0	0	13,415	0
0	2,950	51,213	0
0	0	7,616	0
0	11,933	10,324	0
0	18,097	211,103	0
1,090,953	1,726,442	100,491	30,488
0	0	293,039	556,496
<u>0</u>	<u>0</u>	<u>44,515</u>	<u>0</u>
1,090,953	1,759,422	762,960	586,984
418,592	875,526	110,518	0
<u>11,959,327</u>	<u>4,070,878</u>	<u>77,228</u>	<u>0</u>
<u>\$13,911,683</u>	<u>\$10,892,998</u>	<u>\$ 2,195,087</u>	<u>\$ 3,174,801</u>

CITY OF BEREA, OHIO
Schedule of Changes in General Fixed Assets
by Function and Activity
December 31, 2000

<u>Function and Activity</u>	<u>Balance January 1, 2000</u>	<u>Additions</u>	<u>Deductions</u>
Security of persons and property			
Police department	\$ 794,498	\$ 88,399	\$ 26,537
Fire department	1,363,495	28,212	0
Street lighting	106,210	0	0
Total security of persons and property	<u>2,264,203</u>	<u>116,611</u>	<u>26,537</u>
Leisure time activities			
Administrative	508,399	0	0
Playgrounds	851,516	33,466	0
Swimming pool	308,306	0	0
Recreation Center	4,206,236	29,533	0
Total Leisure time activities	<u>5,874,457</u>	<u>62,999</u>	<u>0</u>
Community development			
Building department	48,742	0	0
Total community development	<u>48,742</u>	<u>0</u>	<u>0</u>
Basic utility services			
Refuse collection	1,060,620	211,902	0
Storm sewers and drains	57,402	4,260	0
Total basic utility services	<u>1,118,022</u>	<u>216,162</u>	<u>0</u>
Transportation			
Street paving and repair	154,178	52,073	0
Total transportation	<u>154,178</u>	<u>52,073</u>	<u>0</u>
General Government			
Council	28,508	4,483	1,747
Mayor	13,415	0	0
Finance	48,332	7,431	1,600
Community development	6,386	1,230	0
Law	20,481	1,776	0
Court	179,584	52,828	3,212
Government land and Buildings	5,204,857	88,350	0
Service administration	779,505	70,770	0
Administration	17,006	27,509	0
Total General Government	<u>6,298,074</u>	<u>254,377</u>	<u>6,559</u>
Library	1,454,970	0	30,319
Cleveland Browns	20,816,722	446,020	0
Total general fixed assets by Function	<u>38,029,368</u>	<u>1,148,242</u>	<u>63,415</u>
Construction in progress	216,409	499,114	0
Total general fixed assets	<u>\$38,245,777</u>	<u>\$ 1,647,356</u>	<u>\$ 63,415</u>

Balance
December 31,
2000 —

\$ 856,360
1,391,707
106,210

2,354,277

508,399
884,982
308,306
4,235,769

5,937,456

48,742

48,742

1,272,522
61,662

1,334,184

206,251

206,251

31,244
13,415
54,163
7,616
22,257
229,200

5,293,207
850,275
44,515

6,545,892

1,424,651
21,262,742

39,114,195

715,523
\$39,829,718

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City of Berea, Ohio
 General Fund Expenditures by Function
 Last Ten Years

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Security of persons and property	\$3,812,881	\$3,690,700	\$3,437,394	\$3,477,726
Public health and welfare	0	0	0	0
Leisure time activities	238,765	146,931	94,187	81,339
Community development	306,069	282,028	233,010	231,922
Basic utility services	978,654	980,434	898,050	895,341
Transportation	0	0	0	0
General government	4,003,124	3,626,666	3,102,992	3,144,540
Debt Service	0	0	0	0
	<u>\$9,339,493</u>	<u>\$8,726,759</u>	<u>\$7,765,633</u>	<u>\$7,830,868</u>

Source: City of Berea records

1996	1995	1994	1993	1992	1991
\$3,372,181	\$3,258,419	\$2,967,916	\$3,236,435	\$3,017,505	\$2,660,330
0	0	0	94	0	0
55,299	113,197	93,365	79,557	80,420	66,126
252,552	293,533	250,011	275,365	223,593	217,026
929,627	924,867	935,068	924,920	899,338	842,698
0	0	2,334	0	0	0
3,465,346	3,395,549	3,134,313	3,368,209	3,415,910	2,653,077
0	0	0	270	0	0
<u>\$8,075,005</u>	<u>\$7,985,565</u>	<u>\$7,383,007</u>	<u>\$7,884,850</u>	<u>\$7,636,766</u>	<u>\$6,439,257</u>

City of Berea, Ohio
 General Fund Revenues by Source
 Last Ten Years

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Property taxes	\$1,245,867	\$1,359,736	\$1,371,358	\$702,266
Municipal income taxes	7,119,648	5,874,741	5,110,259	4,752,376
Other local taxes	218,203	184,570	178,857	165,450
Intergovernmental	1,811,636	1,618,302	1,522,782	1,426,444
Charges for services	134,317	6,273	16,248	49,694
Licenses and permits	185,528	228,029	240,197	226,246
Fines and forfeitures	843,110	723,687	730,872	682,562
Investment income	277,351	206,474	228,348	214,320
Refunds and reimbursements	0	0	22,643	6,190
Miscellaneous	38,898	63,341	1,889	17,727
	<u>\$11,874,558</u>	<u>\$10,265,153</u>	<u>\$9,423,453</u>	<u>\$8,243,275</u>

Source: City of Berea records

<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>
\$1,845,239	\$1,893,395	\$1,621,015	\$1,356,129	\$1,852,758	\$1,309,893
5,153,799	4,993,532	4,873,547	5,553,553	4,375,191	3,880,083
159,565	115,014	171,883	155,088	126,617	96,322
1,145,382	1,131,404	759,012	846,510	889,357	781,106
20,126	93,973	140,659	36,128	17,526	16,292
123,739	176,115	159,646	146,767	192,811	212,293
664,362	681,382	751,796	675,516	445,379	414,687
184,972	184,578	75,788	67,062	85,289	173,440
213,608	92,742	295,221	98,118	44,572	0
6,194	98,526	19,994	15,766	17,455	39,410
<u>\$9,516,986</u>	<u>\$9,460,661</u>	<u>\$8,868,561</u>	<u>\$8,950,637</u>	<u>\$8,046,955</u>	<u>\$6,923,526</u>

City of Berea, Ohio
Property Tax Levies and Collections
Last Ten Years

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total (1) Tax Collections	Percent of		Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes To Total Tax Levy
					Total Tax Collections To Tax Levy	Total Tax Collections To Tax Levy		
2000	\$4,592,422	\$4,230,158	\$129,836	\$4,356,098	94.9%	94.9%	\$112,887	2.5%
1999	4,553,640	4,216,328	133,673	4,350,001	95.5%	95.5%	104,185	2.3%
1998	4,493,534	4,194,818	87,437	4,282,115	95.3%	95.3%	92,151	2.1%
1997	4,211,642	3,932,668	75,138	4,007,806	95.2%	95.2%	112,699	2.7%
1996	4,227,073	3,936,751	130,576	4,067,327	96.2%	96.2%	55,718	1.3%
1995	4,186,203	3,910,203	67,595	3,977,800	95.0%	95.0%	70,160	1.7%
1994	3,863,653	3,536,844	71,811	3,604,719	93.3%	93.3%	69,404	1.8%
1993	4,077,001	3,591,341	63,564	3,654,905	89.6%	89.6%	164,614	4.0%
1992	3,915,728	3,620,097	49,205	3,669,301	93.7%	93.7%	123,932	3.2%
1991	3,497,214	3,261,444	52,264	3,307,605	94.6%	94.6%	60,239	1.7%

Source: Cuyahoga County Auditor

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

City of Berea, Ohio
 Assessed Valuation and Estimated True Values
 Last Ten Years

Collection Year	Real	Public Utility Tangible	Tangible Personal	Total Assessed Valuation	Total Estimated True Values
2000	\$261,116,900	\$12,577,200	\$26,081,201	\$299,775,301	\$864,665,362
1999	259,376,610	13,773,550	24,088,592	297,238,752	853,082,158
1998	258,944,960	14,148,170	24,163,501	297,256,631	852,574,213
1997	237,398,710	13,703,410	22,177,711	273,279,831	782,564,929
1996	236,396,400	13,878,740	21,952,150	272,227,290	778,998,181
1995	234,199,410	15,102,270	18,632,201	267,933,881	760,831,646
1994	207,552,140	14,366,010	21,500,493	243,418,643	695,333,098
1993	206,575,190	14,115,200	20,242,741	240,933,131	687,225,793
1992	199,834,720	14,188,140	18,425,570	232,448,430	657,946,806
1991	164,815,580	13,224,710	17,514,310	195,554,600	550,797,552

Source: Cuyahoga County Auditor

City of Berea, Ohio

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

Year	City of Berea			Berea		Olmsted Falls		Polaris		Cuyahoga County & Special Taxing Districts(1)		Total
	General	Special Revenue	Debt Service	Total	School District	School District	School District	JVSD	JVSD	Districts(1)	Districts(1)	
2000	7.95	3.10	6.65	17.70	63.90	91.70	2.40	2.40	2.40	16.70	16.70	100.70
1999	8.40	3.10	6.20	17.70	58.00	79.90	2.40	2.40	2.40	16.70	16.70	94.80
1998	8.55	3.10	6.15	17.80	57.90	79.90	2.40	2.40	2.40	18.00	18.00	96.10
1997	8.67	3.10	6.03	17.80	57.90	80.10	2.40	2.40	2.40	18.00	18.00	96.10
1996	8.67	3.10	6.03	17.80	57.00	78.10	2.50	2.50	2.50	18.00	18.00	95.30
1995	9.31	3.10	5.39	17.80	56.90	74.90	2.50	2.50	2.50	18.20	18.20	95.40
1994	9.20	3.10	6.00	18.30	57.00	68.50	2.50	2.50	2.50	17.80	17.80	95.60
1993	9.95	3.60	5.25	18.80	51.10	68.60	2.50	2.50	2.50	17.80	17.80	90.20
1992	9.95	3.90	5.25	19.10	50.20	69.20	2.50	2.50	2.50	17.80	17.80	89.60
1991	8.65	3.90	7.15	19.70	50.30	60.60	2.50	2.50	2.50	17.80	17.80	90.30

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

Source: Cuyahoga County Auditor

City of Berea, Ohio
 Special Assessment Collections
 Last Ten Years

Year	Billed	Amount Collected	Percent Collected	Total Delinquent
2000	\$612,737	\$557,586	91.00%	\$58,318
1999	619,959	579,588	93.49%	43,901
1998	560,150	522,906	93.35%	40,077
1997	578,388	542,232	93.75%	37,916
1996	568,972	546,499	96.05%	24,057
1995	492,229	471,728	95.84%	21,982
1994	514,560	489,828	95.19%	26,249
1993	480,473	456,098	94.93%	25,097
1992	399,531	380,256	95.18%	19,084
1991	364,374	353,433	97.00%	11,659

These figures represent only amounts certified to and collected by the Cuyahoga County Auditor and does not included prepayments paid directly to the City.

Source: Cuyahoga County Auditor

City of Berea, Ohio

Ratio of Net General Bonded Debt to Assessed
Value and Net Bonded Debt per Capita
Last Ten Years

Year	Population(1)	Assessed Valuation(2)	Gross Bonded Debt(3)	Debt		Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Valuation		Net Bonded Debt Per Capita
				Service Monies Available	Net Bonded Debt		Bonded Debt To Assessed Valuation	Net Bonded Debt Per Capita	
2000	18,790	\$299,775,301	16,692,024	219,132	16,472,892	5.50%		\$876.68	
1999	19,051	297,238,752	18,152,024	216,705	17,935,319	6.03%		941.44	
1998	19,051	297,256,631	19,547,024	280,160	19,266,864	6.48%		1,011.33	
1997	19,051	273,279,831	20,892,024	36,353	20,855,671	7.63%		1,094.73	
1996	19,051	272,227,290	22,317,026	961,572	21,355,454	7.84%		1,120.96	
1995	19,051	267,933,881	23,392,026	595,025	22,797,001	8.51%		1,196.63	
1994	19,051	243,418,643	23,272,026	81,850	23,190,176	9.53%		1,217.27	
1993	19,051	240,933,131	21,817,023	88,813	21,728,210	9.02%		1,140.53	
1992	19,051	232,448,430	18,890,000	437,964	18,452,036	7.94%		968.56	
1991	19,051	195,554,600	16,465,000	1,447,242	15,017,758	7.68%		788.29	

(1) Source: U.S. Bureau of Census, Census of Population, conducted in 1990 and 2000.

(2) Source: Cuyahoga County Auditor

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

City of Berea, Ohio
Computation of Legal Debt Margin
December 31, 2000

<i>Total assessed valuation</i>	<u><u>\$299,775,301</u></u>
<i>Overall debt limitation (10 1/2% of assessed valuation)</i>	<u>31,476,407</u>
Total bonds and notes	18,000,418
Less: Urban renewal bonds	(1,925,000)
Taxable Bonds (Chapter 725)	<u>(1,308,394)</u>
Net voted and unvoted debt	14,767,024
Less: Amount available in Debt Service Funds	<u>(219,132)</u>
Net debt within 10 1/2% limitation	<u>14,547,892</u>
<i>Overall debt margin unused</i>	<u><u>16,709,383</u></u>
<i>Unvoted debt limitation (5 1/2% of assessed valuation)</i>	16,487,642
Total unvoted bonds and notes	11,948,549
Less: Amount available in Debt Service Funds	<u>(219,132)</u>
Net debt within 5 1/2% limitation	<u>11,729,417</u>
<i>Overall unvoted debt margin unused</i>	<u><u>4,758,225</u></u>

Source: City of Berea records

City of Berea, Ohio
 Computation of Direct and Overlapping Debt
 December 31, 2000

<u>Jurisdiction</u>	<u>Debt Outstanding(1)</u>	<u>Percentage Applicable To City</u>	<u>Amount Applicable To City</u>
City of Berea	\$16,692,024	100.00%	\$16,692,024
Berea School District	12,265,000	95.00%	11,651,750
Olmsted Falls School District	14,743,045	5.00%	737,152
Cuyahoga County	231,044,636	1.17%	2,703,222
Greater Cleveland Regional Transit Authority	98,030,000	1.17%	<u>1,146,951</u>
			<u><u>\$32,931,099</u></u>

Source: Cuyahoga County Auditor

The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing the overlapping subdivision's assessed valuation within the City by its total assessed valuation.

(1) The debt outstanding includes general obligation bonded and note debt.

City of Berea, Ohio
Ratio of Annual Debt Principal Expenditures
for General Bonded Debt to Total General Fund Expenditures
Last Ten Years

Year	Debt Principal (1)	General Fund Expenditures	Ratio of Debt Principal to General Fund Expenditures
2000	\$1,460,000	\$9,339,493	15.63%
1999	1,395,000	8,726,759	15.99%
1998	1,150,000	7,765,633	14.81%
1997	1,165,000	7,830,868	14.88%
1996	1,040,000	8,075,005	12.88%
1995	1,045,000	7,985,565	13.09%
1994	1,205,000	7,383,007	16.32%
1993	970,000	7,884,850	12.30%
1992	560,000	7,636,766	7.33%
1991	565,000	6,439,257	8.77%

(1) Includes principal paid on general obligation bonds, urban renewal bonds and bond anticipation notes.

Source: City of Berea records.

City of Berea, Ohio
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Population(1)</u>	<u>School Enrollment (2)</u>
2000	18,790	7937
1999	19,051	7941
1998	19,051	7946
1997	19,051	7958
1996	19,051	7997
1995	19,051	7997
1994	19,051	7879
1993	19,051	7832
1992	19,051	7846
1991	19,051	7845

Source: U.S. Census, Census of population, 1990 and 2000

Source: Berea City School District

City of Berea, Ohio
Construction and Bank Deposits
Last Ten Years

Year	Number of Construction Permits Issued	Residential Construction Value(1)	Commercial Construction Value(1)	Domestic Bank Deposits in the County (2) (in thousands)	Financial Institution Deposits in the City(3)
2000	820	\$4,119,008	\$17,536,770	\$61,942,764	\$4,174,823
1999	648	4,084,185	15,116,889	57,816,942	4,343,528
1998	630	4,018,575	18,049,517	58,904,596	4,136,396
1997	612	4,164,530	9,564,505	53,941,971	3,519,104
1996	623	3,677,715	3,227,882	27,068,211	3,814,845
1995	588	7,579,751	10,084,045	22,694,304	2,327,126
1994	635	4,949,538	12,638,647	21,101,872	4,292,094
1993	606	4,187,875	10,474,890	21,008,821	3,291,003
1992	573	5,811,025	5,860,885	19,379,203	2,412,555
1991	602	6,398,710	7,551,729	18,392,143	3,412,394

(1) Source: City of Berea building department reports

(2) Source: Federal Reserve Bank of Cleveland

(3) Total balances per bank for all institutions receiving City of Berea deposits.

(4) Large increase in deposits due to Key Bank becoming a single charter in 1997.

City of Berea, Ohio
 Principal Taxpayers
 December 31, 2000

Taxpayer	Real Property Assessed Valuation(1)	Percentage of Assessed Valuation
Cleveland Electric Illuminating Company	\$5,444,340	1.82%
Tower in the Park, Ltd.	4,014,430	1.34%
R. R. Donnelley & Sons, Co.	3,252,200	1.08%
Columbia Gas of Ohio, Inc.	2,979,780	0.99%
Ohio Bell Telephone Co.	2,725,010	0.91%
Aristocrat Berea Nursing	1,927,350	0.64%
Merrick Chevrolet, Co.	1,720,100	0.57%
A & F Machine Products Co.	1,521,660	0.51%
PVF Service Corporation	1,414,110	0.47%
Trans Healthcare of Ohio	1,291,640	0.43%

(1) Assessed valuation based on the valuation of property for taxes collected in 1999 and a review of the largest 10 taxpayer's parcels for the City. Total valuation listed for each taxpayer does not include all parcels owned by that taxpayer in the County.

Source: Cuyahoga County Auditor

City of Berea, Ohio
Miscellaneous Statistics
December 31, 2000

Date of incorporation:		
As a village		1850
As a City		1930
Date Charter adopted		1960
Form of government		Mayor/Council
Area of square miles		5.9
Miles of street		60
Number of street lights (per light bill)		3607 in 2000
Number of employees:		
Full-time		153
Part-time		39
Fire protection:		
Number of stations		1
Number of firemen and officers		23
Number of calls answered		2
Fire		279
Rescue Squad		1349
Number of formal inspections conducted		650
Police protection:		
Number of stations		1
Number of police personnel, officers, and		
dispatchers		61
Number of patrol units		16
Number of law violations:		
Physical arrests		911
Traffic violations		2020
Parking violations		2320
Municipal Court:		
Number of employees, including judge		19
Total number of traffic cases		4963
Total number of criminal cases		1922
Total marriages performed		74
Water System:		
Number of water plants		1
Miles of water mains		60
Daily average consumption in gallons		1.57 million
Maximum daily capacity in gallons		3.6 million

City of Berea, Ohio
Miscellaneous Statistics (Continued)
December 31, 2000

Sewerage System:	
Miles of sanitary sewers	60
Miles of storm sewers	60
Education: (within the City)	
Number of elementary schools	4
Number of secondary schools	2
Number of parochial Schools(elementary)	2
Number of university/colleges	1
Culture and Recreation:	
Community Centers	2
Parks:	
Metroparks	1
City parks	4
Park Acreage:	
Metroparks	370
City parks	80
Municipal swimming pools:	
Outdoor	1
Indoor	1



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CITY OF BEREA

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 14, 2001**