

**City of Berea**  
**Cuyahoga County, Ohio**

**Report Letter**  
**December 31, 2007**





Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Berea, Cuyahoga County, prepared by Rea & Associates, Inc., for the audit period January 1, 2007 through December 31, 2007. 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.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

August 8, 2008

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**CITY OF BEREA**

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# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

*Focused on Your Future.*

June 23, 2008

To the Honorable Mayor and City Council  
City of Berea  
Cuyahoga County, Ohio

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Berea as of and for the year ended December 31, 2007, which collectively comprise the City of Berea's basic financial statements and have issued our report thereon dated June 23, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Berea's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Berea's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the City of Berea in a separate letter dated June 23, 2008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Berea's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City of Berea in a separate letter dated June 23, 2008.

This report is intended solely for the information and use of the Mayor, Members of the City Council, and management, and is not intended to be and should not be used by anyone other than those specified parties.

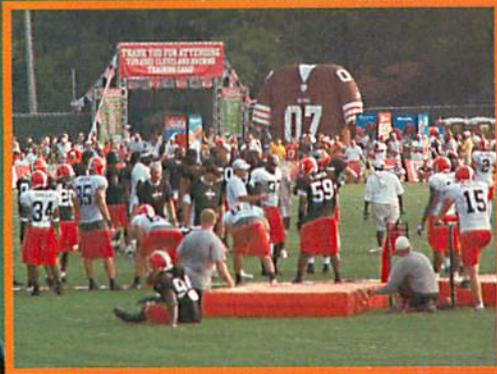
*Hea & Associates, Inc.*

**CITY OF BEREA  
SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2007**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected, Significantly Different Corrective Action Taken or Finding No Longer Valid Explain</b>
2006-001	City appropriations exceeded the total of the certified estimated revenue available.	Yes	

# CITY OF BEREA, OHIO

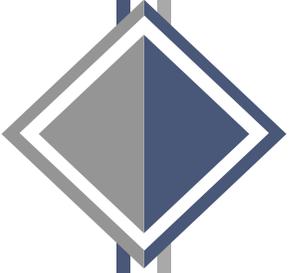
Mayor Cyril M. Kleem



## Comprehensive Annual Financial Report

For the Year Ended December 31, 2007





# INTRODUCTORY SECTION

**CITY OF BEREA, OHIO**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT FOR  
THE YEAR ENDED  
DECEMBER 31, 2007**

**ISSUED BY: DEPARTMENT OF FINANCE  
DANA KAVANDER, CPA, CPFA, CFE, CIA  
DIRECTOR OF FINANCE**

The Cleveland Browns Training Camp is held annually in Berea, Ohio. The Training Camp was held July 27<sup>th</sup> through August 23, 2007 at the Cleveland Browns headquarters at 76 Lou Groza Boulevard.

CITY OF BEREA, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2007

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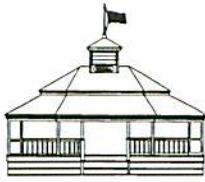
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# CITY OF BEREA

*"The Grindstone City"*

**Cyril M. Kleem**  
*Mayor*

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

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June 23, 2008

Honorable Mayor Cyril M. Kleem  
Members of City Council  
Citizens of Berea, Ohio

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Berea, Ohio (the "City") for the year ended December 31, 2007. We believe this report, prepared by the Department of Finance, presents comprehensive financial and operating information about the City's activities during 2007 that is useful to the citizens and taxpayers. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and the results of operations of the City; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

GAAP requires a narrative introduction, overview, and analysis called the Management's Discussion and Analysis (MD&A) to accompany the basic financial statements.

This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the Independent Auditors. The Basic Financial Statements and Notes provide an overview of the City's financial position and information relative to the basic financial statements.

## **History of Berea**

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

Situated in the southwest portion of Cuyahoga County, Berea is 10 miles from downtown Cleveland. The City's population from the 2000 Federal Census was 18,790 residents. Total land area is approximately 5.9 square miles.

The City is served by diversified transportation facilities. There is immediate access to three State and U.S. highways and Interstate highways: I-71, I-80, 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 three miles of the City, and by Burke Lakefront Airport, located within 15 miles of the City. The 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 County Community College, Notre Dame College, Ursuline College, Oberlin College and the University of Akron.

The City utilizes over 80 acres of City-owned Park land to house a variety of recreational facilities including an outdoor municipal pool, playgrounds, 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 community of Berea, Brook Park, Middleburg Heights, Strongsville, Olmsted Falls, Olmsted Township, parts of the Ohio Turnpike and Cleveland Metroparks.

Established by charter, the municipal government consists of six departments. The Mayor has appointed three directors, a police chief, fire chief and an office manager who oversee these departments. 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 Division oversees the dispatch, Drug Abuse Resistance Education, Animal Control, Parking Control, Auxiliary, School Guards, Jail operations, and firearms training. The Detective Bureau oversees the City's investigative services, the Youth Diversion program, and the County's diversion program's satellite office at City hall.

The Fire Department provides fire suppression, emergency medical services, Hazmat 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, traffic lights and signs, public grounds, tree trimming, snow and leaf removal. The Storm Sewers and Drains Division maintain proper drainage control. The Street Paving and Repair Division handles the non-contractual maintenance of City streets. The Street Striping and Markings Division 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 Service Department also handles the rental of the City's outdoor gazebo and pavilion area as well as assistance to qualifying seniors, handicapped and disabled residents with free snow removal.

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 and free canoe rentals at the City's Coe Lake. The Recreation Department also supervises several baseball/softball fields and maintains several playgrounds throughout the City.

The Finance Department is responsible for the accurate recording of all receipts and disbursement. The department issues bi-weekly payroll and maintains the capital 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 for all departments. In addition to overseeing these duties, the Director of Finance is also the City's Tax Administrator and utilizes the Regional Income Tax Agency to oversee the collection and distribution of the City's income tax.

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

## **Reporting Entity**

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 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 City participates in several jointly governed organizations, including the Southwest General Health Center, Woodvale Union Cemetery, the Southwest Council of Governments, the Northeast Ohio Public Energy Council, and the Southwest Suburban Airport Council of Governments. Note 17 to the basic financial statements describes the City's relationship to these entities.

## **Economic Condition and Outlook**

### **Summary of Local Economy**

Location is one of the greatest assets of the City of Berea. As a major suburb of the City of Cleveland, its proximity to Cleveland Hopkins International Airport and easy access to three interstate highways has contributed to the City's continued economic growth. The City has continued its aggressive position to increase its commercial and economic development. The Rocco J. Colonna Industrial Park, has several new industries and businesses, which have added to the City's employment and economic tax base. The addition of two new housing developments and two new high end apartment buildings will also contribute to the City's economic growth and provide much needed housing for the City.

## **Major Industries Affecting the City Economy**

The Cleveland Browns returned to Berea in 1999. The City owns a \$28 million full training facility and administrative offices used by the team. The Cleveland Browns continue to play a vital role in our community.

Several businesses in the Rocco J. Colonna Industrial Park are currently expanding their buildings. Low interest rates have made it possible for area businesses to consider expansion.

The City of Berea annexed 123 acres of land in 2002 for a new housing development. This development is anticipated to add about 440 homes and 250 townhouses to Berea. Construction began in 2004 and 255 homes have been built through 2007. The homes range from \$170,000 up to \$350,000. Approximately 60 homes will be built in 2008 and the entire project will not be completed until 2010.

Another housing development, Trailhead Village, is planned in the Nobottom Road/Barrett Road area. This development has sold 14 homes through 2007. It is expected to sell an additional 5 in 2008. There are plans for approximately 47 homes ranging in price from \$300,000 and up.

An upscale apartment complex was completed in 2006 on Grayton Road with 141 units which will help the local economy.

## **Future Economic Outlook**

The future economic outlook for the City of Berea is promising. Despite the sagging economic condition nationwide, and an older community, most thought the City could not expand and grow, the City has seen significant changes. The annexation for housing development along with another smaller development, will help bring higher tax bracket taxpayers that Berea has been seeking. An upscale apartment complex will also entice new residents to our community.

Moody's Investors Service confirmed this assessment of the City. In 2006, the City of Berea has its bond rating reviewed. Moody's reaffirmed the City of Berea's Aa3 bond rating.

Moody's stated:

- That this rating is based on the City's stable suburban tax base experiencing modest new construction activity; narrowed financial flexibility; and manageable debt profile.
- That Moody's expects the City's tax base to continue to grow modestly as recently annexed land is developed and the City continues to take advantage of development opportunities.
- The City's 1.9% debt burden is moderate and below state and national medians.

With the housing developments, expansions to area businesses and the development of the Berea Community Development Corporation, the City is looking to the future by addressing its population growth, housing concerns, and increasing income tax and property tax revenues.

## **Major Initiatives**

### **Current Year Projects**

The largest projects in the history of the City of Berea are the two railroad overpass and underpass projects on the two main roads in the City. During 1998, CSX Corporation (CSX) and Norfolk Southern Corporation (NS) entered into an operations plan 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 an underpass on West Bagley Road and an underpass on Front Street in Berea. In 2001, the initial design phase was completed and plan implementation began. This phase saw the beginning of land acquisition surrounding the West Bagley Road area. Actual construction began in late summer 2002 for the West Bagley Road underpass and the Front Street railroad project began site development in 2003.

The West Bagley Road Underpass Project was completed in 2005. The Front Street Project has been reconsidered and due to rising costs and improved bridge alternatives, it has been determined that the City will construct an overpass rather than an underpass at this location. During 2007, the City continued the land acquisition in the Front Street area with construction planned to begin in late 2008.

In 2007, the City completed the construction of two major water line projects, Milton/Maplelawn and Barberrry/Eastland Road. These projects brought new water lines, catch basins, manholes, and storm sewers along with new sidewalks, curbs and roadways to each area. In addition, the City completed a major downtown streetscape project in the Seminary/Church and Front Street area. This project included new sidewalks, curbs parking and decorative lighting. The City's road program was over one million dollars and included replacing curbs, sidewalks, aprons, catch basins, manholes, roadways, trees and landscaping over various City streets.

Also, in 2007 the City entered into an agreement for the renovation of the Berea Municipal Water Plant. The engineering began in 2006 and construction began in late 2007. Total project cost is estimated at \$6,400,000 which will be divided into separate phases over the next three years. The renovation of the water plant will provide high quality water to the City, optimize water works plant capacity, help meet and exceed current anticipated federal and state drinking water regulations and maximize operational flexibility, efficiency and safety.

### **Future Projects**

The City's two railroad projects continue to be the largest undertaking in the City's history. In addition to the railroad projects, the City is active in several other projects.

A joint Issue II project is planned for Eastland Road between the cities of Berea, Brook Park and Middleburg Heights. The total cost for the three cities of approximately \$2 million and will involve improving the roadway for safer travel through this three-way intersection.

The City is continuing its effort to improve the roads throughout the City.

A Coe Lake Nature Trail and Pedestrian Bridge CDBG project is scheduled in 2008. The project will include installation of a nature trail and a friendly pedestrian bridge which is ADA accessible.

The City is planning on two sewer projects in 2008 including the Lindberg/Westlawn sanitary sewer project and the Fair Street pump station (phase I). The City is also planning a water line replacement project as part of the Eastland Road project with the County.

## **Risk Management**

The City is self-insured for its property and liability insurance. The Property/Liability Insurance Internal Service Fund accounts for the operation of the City's property and liability self-insurance program. The City contracts with St. Paul Insurance Company 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 pay 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 which include medical, surgical, prescription drug, and dental and vision benefits. The traditional plan with a Preferred Provider Organization (PPO) is self-funded and administered by a third party administrator. For the traditional plan, the preferred provider prices all claims which are then submitted to the third party administrator. The third party administrator reviews and processes the claims, which the City then pays. Control of the plan rests with the City. 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.

A Health Maintenance Organization (HMO) is also offered to the employees. All covered HMO employees also receive prescription, vision and dental benefits.

The State of Ohio provides workers' compensation coverage. 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.

## 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, 2007. Rea & Associates, Inc. conducted this year's audit. Their report is presented in the financial section.

### GFOA Certificate of Achievement Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Berea, Ohio for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2006. This was the sixth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### Acknowledgments

This Comprehensive Annual Financial Report was prepared by the Finance Department with the efficient and dedicated services of its entire staff and with the assistance of James G. Zupka, CPA, Inc. I appreciate their expertise and assistance. Appreciation is also expressed to all City departments for their cooperation and assistance. I would also like to acknowledge the cooperation of the team from Rea and Associates, Inc., who conducted a thorough audit of our finances.

In closing, I would like to thank the Mayor, City Council and the citizens of our fine community, for without your continued support, the preparation of this report would have been possible.

Respectfully submitted,



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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Berea  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director

**CITY OF BEREA, OHIO  
PRINCIPAL OFFICIALS  
DECEMBER 31, 2007**

**ELECTED OFFICIALS**

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

Joseph W. Biddlecombe  
Richard T. Malott  
Dale A. Lange  
James Walters  
Adrian Maldonado  
Kathey S. Brown  
Jim Maxwell  
George Capellas  
James M. Baker

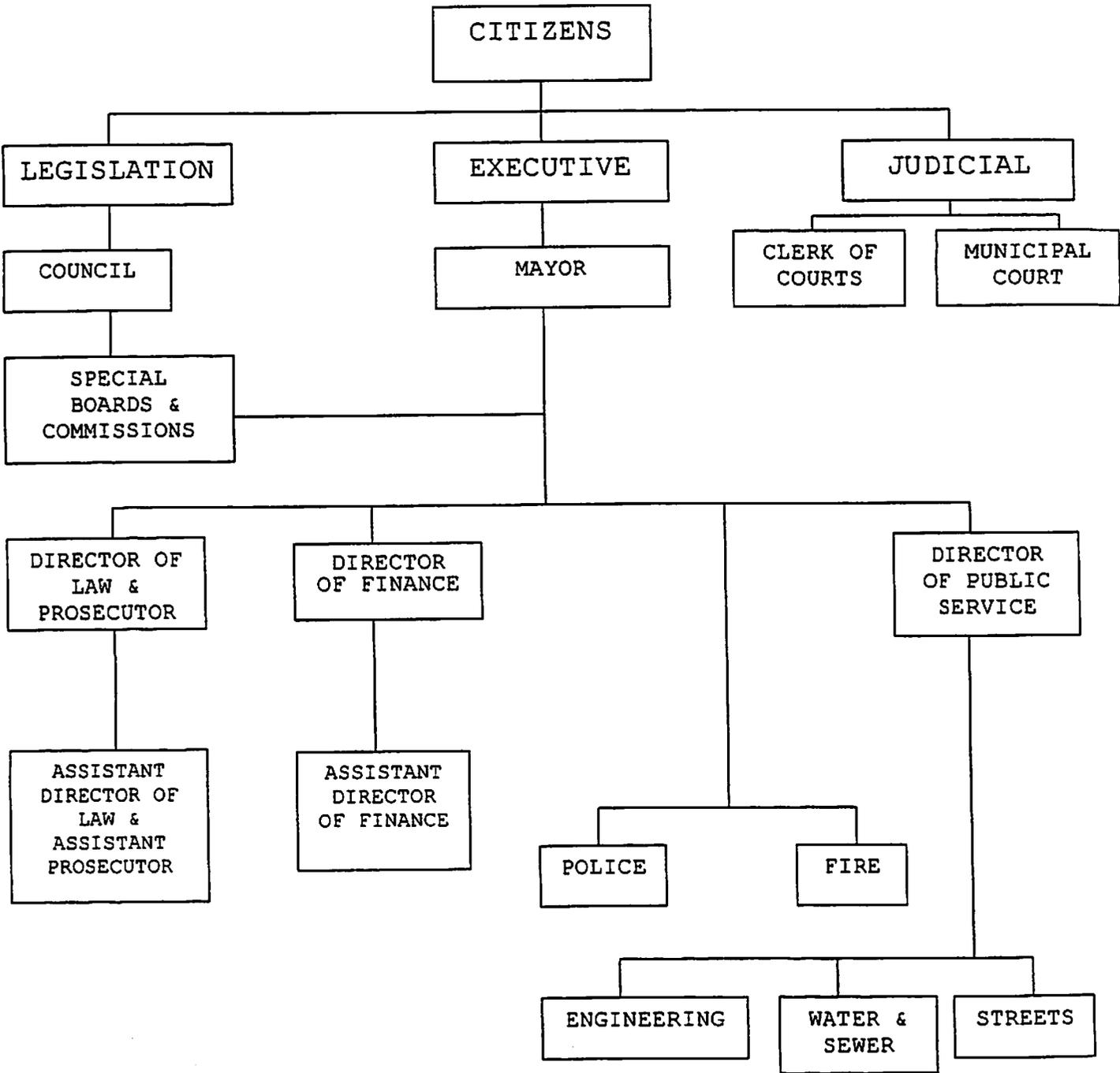
**APPOINTED OFFICIALS**

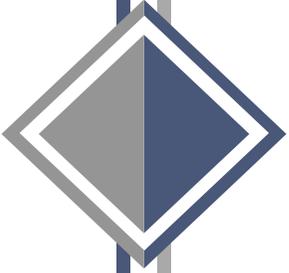
Director of Finance  
Director of Law  
Director of Public Service

Dana J. Kavander  
Gregory M. Sponseller  
R. James Brown

\* Mayor Joseph W. Biddlecombe retired at December 31, 2007 and the current Mayor Cyril M. Kleem assumed the mayor's position on January 2, 2008.

CITY OF BEREA, OHIO  
 ORGANIZATIONAL CHART





# FINANCIAL SECTION



# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

*Focused on Your Future.*

June 23, 2008

To The Honorable Mayor and City Council  
City of Berea  
Cuyahoga County, Ohio

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Berea, Cuyahoga County, Ohio, as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Berea's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Berea, Cuyahoga County, Ohio, as of December 31, 2007 and the respective changes in financial position and the cash flows where applicable, thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2008 on our consideration of the City of Berea's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 12 is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Berea, Cuyahoga County, Ohio's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Hea & Associates, Inc.*

**CITY OF BEREA, OHIO**  
**Management's Discussion and Analysis**  
**for the Year Ended December 31, 2007**  
**Unaudited**

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The discussion and analysis of the City of Berea's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2007. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements, and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for 2007 are as follows:

- Total assets of the City exceeded its liabilities at the close of the most recent year by \$78,866,295 (net assets).
- Total assets increased by \$8,589,990 or 8.5 percent from 2006.
- Total liabilities increased by \$2,532,496 or 9.0 percent from 2006.
- Total net assets increased by \$6,057,494 or 8.3 percent from 2006.
- Total capital assets increased by \$7,032,414 or 8.2 percent over 2006.
- Total outstanding long-term liabilities increased by \$813,753 or 3.9 percent over 2006.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the City as a financial whole, or as an entire operating entity. The statements provide a detailed look at the City's specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term, as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds, with all other nonmajor funds presented in total in one column.

**CITY OF BEREA, OHIO**  
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***Reporting the City as a Whole***

*Statement of Net Assets and Statement of Activities*

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and asks the question, "How did we do financially during 2007?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's *net assets* and changes in those assets. This change in net assets is important because it tells the reader whether, for the City as a whole, the *financial position* of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of the City's capital assets also need to be evaluated.

The Statement of Net Assets and Statement of Activities are divided into the following categories:

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)
- Program Expenses and Revenues
- General Revenues
- Net Assets Beginning of Year and Year's End

***Reporting the City of Berea's Most Significant Funds***

*Fund Financial Statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The presentation of the City's major funds begins on page 15. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds, which account for the multitude of services, facilities, and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City, our major funds are the general fund, general bond retirement fund, railroad capital improvement fund, court capital improvement fund, water revenue fund, and sewer revenue fund.

**CITY OF BEREA, OHIO**  
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Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. All City activities are reported in the governmental funds focusing on how money flows into and out of those funds and balances left at year end available for spending in future periods. Our funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds - Proprietary funds have historically operated as enterprise funds using the same basis of accounting as business type activities; therefore, these statements will essentially match the information provided in statements for the City as a whole.

### **The City as a Whole**

You may recall that the Statement of Net Assets pictures the City as a whole.

**CITY OF BEREA, OHIO**  
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Table 1 provides a summary of the City's net assets for 2007 compared to 2006:

**Table 1 - Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
<b>Assets</b>						
Current and Other Assets	\$ 13,657,455	\$ 13,001,319	\$ 2,881,448	\$ 1,980,008	\$ 16,538,903	\$ 14,981,327
Capital Assets	<u>65,377,836</u>	<u>61,568,404</u>	<u>27,642,940</u>	<u>24,419,958</u>	<u>93,020,776</u>	<u>85,988,362</u>
<b>Total Assets</b>	<u>79,035,291</u>	<u>74,569,723</u>	<u>30,524,388</u>	<u>26,399,966</u>	<u>109,559,679</u>	<u>100,969,689</u>
<b>Liabilities</b>						
Current and Other Liabilities	8,106,191	6,739,827	1,147,758	795,379	9,253,949	7,535,206
Long-Term Liabilities:						
Due Within One Year	1,238,412	1,319,240	623,180	337,345	1,861,592	1,656,585
Due in More than One Year	<u>12,390,631</u>	<u>13,435,804</u>	<u>7,187,212</u>	<u>5,533,293</u>	<u>19,577,843</u>	<u>18,969,097</u>
<b>Total Liabilities</b>	<u>21,735,234</u>	<u>21,494,871</u>	<u>8,958,150</u>	<u>6,666,017</u>	<u>30,693,384</u>	<u>28,160,888</u>
<b>Net Assets</b>						
Invested in Capital Assets						
Net of Debt	53,184,519	48,121,514	19,953,368	18,647,776	73,137,887	66,769,290
Restricted for :						
Capital Projects	0	232,205	0	0	0	232,205
Debt Service	680,940	670,019	0	0	680,940	670,019
Special Revenue	2,096,437	2,053,168	0	0	2,096,437	2,053,168
Unrestricted (Deficit)	<u>1,338,161</u>	<u>1,997,946</u>	<u>1,612,870</u>	<u>1,086,173</u>	<u>2,951,031</u>	<u>3,084,119</u>
<b>Total Net Assets</b>	<u>\$57,300,057</u>	<u>\$ 53,074,852</u>	<u>\$21,566,238</u>	<u>\$19,733,949</u>	<u>\$ 78,866,295</u>	<u>\$72,808,801</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$78,866,295 at year end 2007. By far the largest portion of the City's net assets (approximately 93 percent) reflects its investment in capital assets including land and land improvements, construction in progress, buildings and building improvements, machinery and equipment, furniture and fixtures, and infrastructure. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets increased by \$8,589,990 from 2006 to 2007. The increase was due mainly to the City reporting construction in progress for the railroad projects and water plant improvements, along with infrastructure additions to governmental and business-type activities.

In addition, total liabilities increased by \$2,532,496, which is mainly due to issuances of bond anticipation notes for the courthouse improvements, OWDA and OPWC loans for various water and sewer improvements. City's net assets increased by \$6,057,494.

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

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Table 2 shows the changes in net assets for fiscal year 2007 compared to 2006.

**Table 2 - Change in Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 4,135,123	\$ 4,537,414	\$ 3,877,526	\$ 3,509,853	\$ 8,012,649	\$ 8,047,267
Operating Grants and Contributions	849,915	758,735	0	0	849,915	758,735
Capital Grants and Contributions	4,860,546	3,226,734	1,765,871	2,259,330	6,626,417	5,486,064
General Revenues:						
Property and Other Local Taxes	4,934,190	4,671,052	51,425	0	4,985,615	4,671,052
Income Tax	9,723,119	10,314,141	0	0	9,723,119	10,314,141
Grants and Entitlements	2,072,711	1,960,590	25,441	0	2,098,152	1,960,590
Investment Earnings	252,034	344,936	0	0	252,034	344,936
Miscellaneous	184,150	87,296	0	0	184,150	87,296
<b>Total Revenues</b>	<b>27,011,788</b>	<b>25,900,898</b>	<b>5,720,263</b>	<b>5,769,183</b>	<b>32,732,051</b>	<b>31,670,081</b>
<b>Program Expenses</b>						
Security of Persons and Property	6,438,828	6,639,568	0	0	6,438,828	6,639,568
Public Health	120,472	144,833	0	0	120,472	144,833
Leisure Time Activities	3,373,362	2,029,456	0	0	3,373,362	2,029,456
Community Development	542,237	638,547	0	0	542,237	638,547
Public Works	1,262,949	1,122,270	0	0	1,262,949	1,122,270
Transportation	2,548,409	2,535,627	0	0	2,548,409	2,535,627
General Government	7,354,994	7,798,798	0	0	7,354,994	7,798,798
Interest and Fiscal Charges	1,070,332	1,292,593	0	0	1,070,332	1,292,593
Water	0	0	3,048,752	3,292,666	3,048,752	3,292,666
Sewer	0	0	914,222	1,000,028	914,222	1,000,028
<b>Total Program Expenses</b>	<b>22,711,583</b>	<b>22,201,692</b>	<b>3,962,974</b>	<b>4,292,694</b>	<b>26,674,557</b>	<b>26,494,386</b>
Increase in Net Assets						
Before Transfers	4,300,205	3,699,206	1,757,289	1,476,489	6,057,494	5,175,695
Transfers	(75,000)	(125,000)	75,000	125,000	0	0
Increase in Net Assets	4,225,205	3,574,206	1,832,289	1,601,489	6,057,494	5,175,695
Net Assets Beginning of Year, as Restated (Note 3)	53,074,852	49,500,646	19,733,949	18,132,460	72,808,801	67,633,106
<b>Net Assets End of Year</b>	<b>\$ 57,300,057</b>	<b>\$53,074,852</b>	<b>\$21,566,238</b>	<b>\$19,733,949</b>	<b>\$78,866,295</b>	<b>\$72,808,801</b>

**Governmental Activities**

Governmental activities increased the City's net assets by \$4,225,205, thereby accounting for 8.0 percent growth in total net assets. The primary reason for the increase in net assets relates to an increase in governmental revenues and expenses remained relatively consistent with prior year.

Several revenue sources fund our governmental activities with the City income tax being the largest contributor. The income tax rate of 2 percent was created by City Charter and became effective January 1992. This tax created by a Charter amendment will remain until such time as the City's electorate changes the rate, which is not anticipated. The income tax revenue amount for 2007 was \$9,723,119. General revenues from grants and entitlements, such as local government funds, are also sources of revenue.

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Income tax collections in 2007 were 5.73 percent lower than in 2006, due to fluctuations in the economy. Of the \$27,011,788 in total governmental revenue, income tax accounts for 36 percent of that total. Property and other local taxes of \$4,934,190 accounts for 18 percent, with program revenues accounting for 36 percent of governmental activities. Grants and entitlements, investment earnings and miscellaneous income account for the remaining 9 percent.

For the most part, increases in expenses relate mainly to the increase in leisure time activities. While the City continues to expend significant money towards its improvements to its infrastructure, it fluctuates annually. The railroad underpass project's funding varies annually, and the Bagley Road Underpass project was completed in 2005. The Front Street Overpass project has been in the engineering and design, and acquisition phase. In addition, the City has been aggressively working on improving the City's infrastructure by installing new water, sewer and storm lines as well as road improvements. The largest program function of the City was for general government, which represents approximately 32 percent of program expenses in 2007. The next largest program function relates to security of persons and property, which includes the police and fire departments and represents approximately 28 percent of program expenses in 2007.

***Business-Type Activities***

The business type activities of the City, which include the City's water and sewer operations, increased the City's net assets by \$1,832,289. Net program revenues exceeded program expenses in the amount of \$1,450,259 for the water operations for 2007. This was the result from the City receiving capital contributions of \$1,459,661 from contractors of the Sandstone Ridge Housing Development. Net program revenues exceeded program expenses in the sewer revenue activity in the amount of \$230,164 for 2007.

**The City's Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Information about the City's governmental funds begins on page 15. These funds are accounted for using the modified accrual basis of accounting.

As of December 31, 2007, the City's governmental funds reported combined ending fund balances of \$2,912,074. Of that amount, \$2,593,441 constitutes unreserved fund balances, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchases of the prior period of \$318,633.

**CITY OF BEREA, OHIO**  
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All governmental funds had total revenue of \$28,801,753 and expenditures of \$29,364,403 leaving a deficit of \$562,650 (which includes other financing sources/uses). While the City did achieve some revenue growth in 2007, expenses out paced revenue due to capital outlay, debt payment and increases in salaries and benefits.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance for the general fund was \$1,636,600, of which \$1,593,057 was unreserved. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balances and total fund balance to the sum of total fund expenditures and other financing uses. Unreserved fund balance represents 10.7 percent of total general fund expenditures and other financing uses, while total fund balance represents 11.0 percent of that same amount. These numbers are a representation of the City's financial performance and condition.

The City's general bond retirement fund experienced an increase in fund balance of \$233,771 due to the refunding of bonds and the related expenditures being paid in 2006.

The balance in the railroad capital improvement fund decreased \$220,763 due to payments made for the Front Street right of way costs.

The balance in the court capital improvement fund decreased \$50,487 due to the expenditures towards the planning phase of the Court construction and debt payment for the bond anticipation notes relating to the court construction project.

***General Fund Budgeting Highlights***

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. During the course of fiscal year 2007, the City amended its general fund budget, but not significantly. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for Ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund, and within major category, the key categories being "Personal Services" and "Other". The general fund supports many of our major activities including the Police Department, the Fire Department, the Municipal Court, and most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the general fund, original budgeted revenues were \$14,500,000. The final budgeted amount was \$14,576,000 (which includes other financing sources). The City's ending unencumbered cash balance in the general fund was \$438,866 above the final budgeted amount.

The differences between the general fund's original appropriation budget and the final amended appropriation budget were minor, amounting to 1.2 percent. The actual expenditures were 2.0 percent less than the budgeted amount mostly due to decreases in general government and security of persons and property.

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**Capital Assets and Debt Administration**

*Capital Assets*

**Table 3 - Capital Assets at December 31 - Net of Accumulated Depreciation**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2007	2006	2007	2006	2007	2006
Land	\$ 4,906,603	\$ 4,869,798	\$ 93,181	\$ 93,181	\$ 4,999,784	\$ 4,962,979
Construction in Progress	9,048,432	6,059,879	1,499,560	333,194	10,547,992	6,393,073
Buildings	7,900,185	8,230,288	1,276,057	1,302,665	9,176,242	9,532,953
Land Improvements	3,422,069	3,196,629	468,481	505,873	3,890,550	3,702,502
Building Improvements	7,717,669	8,440,935	0	0	7,717,669	8,440,935
Machinery and Equipment	1,377,105	1,405,765	863,600	788,855	2,240,705	2,194,620
Furniture and Fixtures	179,527	160,646	29,918	0	209,445	160,646
Vehicles	700,444	610,669	45,955	35,127	746,399	645,796
Infrastructure:						
Bridges	7,322,159	7,582,697	0	0	7,322,159	7,582,697
Roads	20,284,439	19,081,322	0	0	20,284,439	19,081,322
Sidewalks	1,098,582	451,491	0	0	1,098,582	451,491
Traffic Signals	1,420,622	1,478,285	0	0	1,420,622	1,478,285
Water Lines	0	0	4,828,350	3,804,104	4,828,350	3,804,104
Storm Sewers	0	0	11,209,742	10,466,077	11,209,742	10,466,077
Sanitary Sewers	0	0	7,328,096	7,090,882	7,328,096	7,090,882
<b>Totals</b>	<b>\$ 65,377,836</b>	<b>\$ 61,568,404</b>	<b>\$ 27,642,940</b>	<b>\$ 24,419,958</b>	<b>\$ 93,020,776</b>	<b>\$ 85,988,362</b>

Total capital assets for the City as of December 31, 2007 were \$93,020,776, a \$7,032,414 increase over 2006. The most significant increases in capital assets are a result of various capital projects such as various road improvements including a Downtown revitalization project, Barberrly/Eastland and Milton/Maplelawn waterline projects and right of way acquisition as part of the Front Street Railroad project. The City has received approximately \$2.5 million from state funds to pay for the right of way acquisition and engineering of the Front Street Railroad Project. Construction is scheduled to begin in late 2008. The City is committed to a long-term goal of rebuilding its infrastructure and facilities. A capital plan is in place providing for rebuilding major residential streets, water, sewer and storm sewer lines, and adding additional facilities to complement our current structures. See Note 9 for additional information on capital assets.

*Debt*

On December 31, 2007, the City had \$19,876,902 in bonds, capital lease and loans outstanding.

**Table 4 - Outstanding Debt at Year End**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2007	2006	2007	2006	2007	2006
General Obligation Bonds	\$ 10,770,000	\$ 11,785,756	\$ 0	\$ 0	\$ 10,770,000	\$ 11,785,756
Urban Renewal Bonds	1,050,000	1,225,000	0	0	1,050,000	1,225,000
Capital Leases	367,330	276,127	261,225	211,911	628,555	488,038
OWDA Loans	0	0	6,575,269	5,199,454	6,575,269	5,199,454
OPWC Loan	0	0	853,078	360,817	853,078	360,817
<b>Total</b>	<b>\$ 12,187,330</b>	<b>\$ 13,286,883</b>	<b>\$ 7,689,572</b>	<b>\$ 5,772,182</b>	<b>\$ 19,876,902</b>	<b>\$ 19,059,065</b>

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**Unaudited**

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The General Obligation Bonds are composed of various bonds for the construction of various streets, recreation center, water and sewer lines, various building improvements, and many more projects.

The urban renewal bonds are for improvements in the First Avenue Community section of the City. This area is part of the National Community Reinvestment ACT (CRA).

The OWDA and OPWC loans are paid semi-annually from the Water Revenue fund and the Sewer Revenue Fund.

See Notes 13 and 14 for additional information on outstanding debt and long-term liabilities. Also see Note 15 for additional information on capital leases.

**Current Financial Related Activities**

The City is financially strong. Over the past fifteen years we have enjoyed strong growth in revenues and at the same time adopted a strong, fiscally responsible financial plan to live within our means. In 1992, we increased our income tax from 1.5 percent to 2 percent promising our constituents that the City of Berea would improve its facilities and infrastructure, and increase its level of services without the need for additional taxes. Since that time, we built our Recreation Center, acquired 162 acres of annexed property, expanded our recreational playing fields and completed numerous building improvements.

For many years, the City had reduced its health care costs, by operating a self-funded insurance program. While the cost increases for medical insurance are unavoidable in today's environment, the City is working diligently to maintain a high level of coverage for its employees at the lowest cost possible.

The Director of Finance, Mayor and City Council work extremely hard at keeping debt low. The City has secured \$48 million in federal, state and railroad funds to construct an overpass and underpass at the railroad crossing within the City of Berea. We plan our finances so that we can pay cash for many of the facility improvements and acquisitions, and continue to pay cash for all equipment and other major purchases necessary to maintain our level of services. We live within our means and plan ahead knowing that our budget enables us to spend less than the revenues we receive. However, improvements to the water plant and plans to construct a municipal court will require the City to borrow funds.

**CITY OF BEREA, OHIO**  
**Management's Discussion and Analysis**  
**for the Year Ended December 31, 2007**  
**Unaudited**

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**Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and demonstrate the City's accountability for all money it receives, spends, and invests. Please direct any questions about this report or financial information inquiries to the Director of Finance, Dana J. Kavander, CPA, CPFA, CFE, CIA, City of Berea, 11 Berea Commons, Berea, Ohio 44017, or telephone 440-826-5800. We also offer information regarding our City on our web site, [www.bereaohio.com](http://www.bereaohio.com).

**CITY OF BEREA, OHIO**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2007**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash, Cash Equivalents and Investments	\$ 4,250,938	\$ 456,154	\$ 4,707,092
Materials and Supplies Inventory	111,524	24,061	135,585
Accrued Interest Receivable	9,419	0	9,419
Accounts Receivable	179,911	1,453,810	1,633,721
Intergovernmental Receivable	1,442,245	25,441	1,467,686
Prepays Items	22,721	0	22,721
Taxes Receivable	6,790,276	521,001	7,311,277
Special Assessments Receivable	745,402	400,981	1,146,383
Unamortized Bond Issuance Costs	105,019	0	105,019
Nondrepreciable Capital Assets	13,955,035	1,592,741	15,547,776
Depreciable Capital Assets, Net	<u>51,422,801</u>	<u>26,050,199</u>	<u>77,473,000</u>
<b>Total Assets</b>	<u>79,035,291</u>	<u>30,524,388</u>	<u>109,559,679</u>
<b>Liabilities</b>			
Accounts Payable	512,723	29,695	542,418
Contracts Payable	429,628	267,175	696,803
Retainage Payable	0	44,557	44,557
Accrued Wages and Benefits Payable	371,726	60,992	432,718
Intergovernmental Payable	783,205	101,921	885,126
Claims Payable	118,915	0	118,915
Accrued Interest Payable	82,118	173,842	255,960
Matured Compensated Absences Payable	38,132	0	38,132
Unearned Revenue	4,019,744	469,576	4,489,320
Notes Payable	1,750,000	0	1,750,000
Long-Term Liabilities:			
Due Within One Year	1,238,412	623,180	1,861,592
Due In More than One Year	<u>12,390,631</u>	<u>7,187,212</u>	<u>19,577,843</u>
<b>Total Liabilities</b>	<u>21,735,234</u>	<u>8,958,150</u>	<u>30,693,384</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	53,184,519	19,953,368	73,137,887
Restricted for:			
Debt Service	680,940	0	680,940
Special Revenue	2,096,437	0	2,096,437
Unrestricted	<u>1,338,161</u>	<u>1,612,870</u>	<u>2,951,031</u>
<b>Total Net Assets</b>	<u>\$ 57,300,057</u>	<u>\$ 21,566,238</u>	<u>\$ 78,866,295</u>

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services and Sales	Operating Grants, Interest, & Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<i>Primary Government</i>							
<b><u>Governmental Activities</u></b>							
Security of Persons and Property	\$ 6,438,828	\$ 510,215	\$ 120,903	\$ 0	\$ (5,807,710)	\$ 0	\$ (5,807,710)
Public Health	120,472	0	0	0	(120,472)	0	(120,472)
Leisure Time Activities	3,373,362	413,284	500	0	(2,959,578)	0	(2,959,578)
Community Development	542,237	461,435	0	0	(80,802)	0	(80,802)
Public Works	1,262,949	6,715	0	0	(1,256,234)	0	(1,256,234)
Transportation	2,548,409	43	728,512	4,860,546	3,040,692	0	3,040,692
General Government	7,354,994	2,743,431	0	0	(4,611,563)	0	(4,611,563)
Interest and Fiscal Charges	1,070,332	0	0	0	(1,070,332)	0	(1,070,332)
<b>Total Governmental Activities</b>	<u>22,711,583</u>	<u>4,135,123</u>	<u>849,915</u>	<u>4,860,546</u>	<u>(12,865,999)</u>	<u>0</u>	<u>(12,865,999)</u>
<b><u>Business-Type Activities</u></b>							
Water	3,048,752	3,039,350	0	1,459,661	0	1,450,259	1,450,259
Sewer	914,222	838,176	0	306,210	0	230,164	230,164
<b>Total Business-Type Activities</b>	<u>3,962,974</u>	<u>3,877,526</u>	<u>0</u>	<u>1,765,871</u>	<u>0</u>	<u>1,680,423</u>	<u>1,680,423</u>
<b>Total Primary Government</b>	<u>\$ 26,674,557</u>	<u>\$ 8,012,649</u>	<u>\$ 849,915</u>	<u>\$ 6,626,417</u>	<u>(12,865,999)</u>	<u>1,680,423</u>	<u>(11,185,576)</u>
<b><u>General Revenues</u></b>							
Property Taxes Levied for:							
General Purposes					2,161,447	51,425	2,212,872
Special Revenue					839,387	0	839,387
Debt Service					1,927,453	0	1,927,453
Income Tax Levied for:							
General Purposes					7,292,340	0	7,292,340
Special Revenue					2,430,779	0	2,430,779
Other Taxes					5,903	0	5,903
Grants and Entitlements not Restricted to Specific Programs					2,072,711	25,441	2,098,152
Investment Earnings					252,034	0	252,034
Miscellaneous					184,150	0	184,150
<b>Total General Revenues</b>					<u>17,166,204</u>	<u>76,866</u>	<u>17,243,070</u>
Transfers					(75,000)	75,000	0
<b>Total General Revenues and Transfers</b>					<u>17,091,204</u>	<u>151,866</u>	<u>17,243,070</u>
Change in Net Assets					4,225,205	1,832,289	6,057,494
Net Assets Beginning of Year					<u>53,074,852</u>	<u>19,733,949</u>	<u>72,808,801</u>
<b>Net Assets End of Year</b>					<u>\$ 57,300,057</u>	<u>\$21,566,238</u>	<u>\$ 78,866,295</u>

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2007**

	General Fund	General Bond Retirement Fund	Railroad Capital Improvement Fund	Court Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash, Cash Equivalents and Investments	\$ 922,293	\$ 468,848	\$ 396,003	\$1,694,407	\$ 716,819	\$ 4,198,370
Receivables:						
Taxes	3,781,637	1,588,197	0	0	1,420,442	6,790,276
Accounts	139,645	0	0	20,802	19,464	179,911
Accrued Interest	9,419	0	0	0	0	9,419
Special Assessments	0	17,580	0	0	727,822	745,402
Interfund	117,617	0	0	0	0	117,617
Intergovernmental Receivable	628,464	77,552	176,774	0	559,455	1,442,245
Material and Supplies Inventory	19,439	0	0	0	92,085	111,524
Prepaid Items	6,409	0	0	0	16,312	22,721
Advances to Other Funds	0	0	0	0	150,000	150,000
<b>Total Assets</b>	<u>\$5,624,923</u>	<u>\$ 2,152,177</u>	<u>\$ 572,777</u>	<u>\$1,715,209</u>	<u>\$ 3,702,399</u>	<u>\$ 13,767,485</u>
<b>Liabilities</b>						
Accounts Payable	\$ 220,839	\$ 0	\$ 176,773	\$ 0	\$ 113,661	\$ 511,273
Contracts Payable	0	0	414,738	0	14,890	429,628
Accrued Wages and Benefits	342,661	0	0	0	29,065	371,726
Matured Compensated Absences	38,132	0	0	0	0	38,132
Intergovernmental Payable	435,731	0	0	0	347,474	783,205
Interfund Payable	0	0	0	0	117,617	117,617
Deferred Revenue	2,950,960	1,683,329	0	0	2,069,541	6,703,830
Notes Payable	0	0	0	1,750,000	0	1,750,000
Advances from Other Funds	0	0	150,000	0	0	150,000
<b>Total Liabilities</b>	<u>3,988,323</u>	<u>1,683,329</u>	<u>741,511</u>	<u>1,750,000</u>	<u>2,692,248</u>	<u>10,855,411</u>
<b>Fund Balances</b>						
Reserved for Inventory	19,439	0	0	0	92,085	111,524
Reserved for Prepaid Items	6,409	0	0	0	16,312	22,721
Reserved for Encumbrances	17,695	0	0	0	16,693	34,388
Reserved for Loans	0	0	0	0	150,000	150,000
Unreserved, Undesignated, Reported in:						
General Fund	1,593,057	0	0	0	0	1,593,057
Special Revenue Funds	0	0	0	0	855,636	855,636
Debt Service Funds	0	468,848	0	0	0	468,848
Capital Project Funds	0	0	(168,734)	(34,791)	(120,575)	(324,100)
<b>Total Fund Balances (Deficits)</b>	<u>1,636,600</u>	<u>468,848</u>	<u>(168,734)</u>	<u>(34,791)</u>	<u>1,010,151</u>	<u>2,912,074</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$5,624,923</u>	<u>\$ 2,152,177</u>	<u>\$ 572,777</u>	<u>\$1,715,209</u>	<u>\$3,702,399</u>	<u>\$13,767,485</u>

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**  
**DECEMBER 31, 2007**

Total Governmental Fund Balances \$ 2,912,074

*Amounts reported for governmental activities in the statement of net assets are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 65,377,836

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	\$ 440,226	
Income Tax	726,318	
Intergovernmental	772,140	
Special Assessments	<u>745,402</u>	
Total		2,684,086

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. (67,797)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (82,118)

Unamortized Bond Issuance Cost 105,019

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

General Obligation Bonds	(10,770,000)	
Urban Renewal Bonds	(1,050,000)	
Capital Lease	(367,330)	
Unamortized Bond Premium	(111,006)	
Compensated Absences	(1,092,372)	
Police and Fire Pension Liability	<u>(238,335)</u>	
Total		<u>(13,629,043)</u>

**Net Assets of Governmental Activities \$57,300,057**

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	General Fund	General Bond Retirement Fund	Railroad Capital Improvement Fund	Court Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Local Taxes - Income Tax	\$6,320,416	\$ 0	\$ 0	\$ 0	\$ 2,507,803	\$ 8,828,219
Local Taxes - Property Tax	3,326,627	1,909,799	0	0	818,579	6,055,005
Other Local Taxes	7,615	0	0	0	0	7,615
Intergovernmental Revenue	1,621,545	230,346	2,730,116	0	1,206,905	5,788,912
Special Assessments	0	15,635	0	0	591,710	607,345
Charges for Services	717,956	0	0	0	422,475	1,140,431
Fees, Licenses and Permits	570,760	0	0	0	29,163	599,923
Fines and Forfeitures	1,533,353	0	0	317,225	391,693	2,242,271
Interest Income	193,217	0	0	58,819	43	252,079
Other	107,516	0	5,993	0	25,598	139,107
<b>Total Revenues</b>	<u>14,399,005</u>	<u>2,155,780</u>	<u>2,736,109</u>	<u>376,044</u>	<u>5,993,969</u>	<u>25,660,907</u>
<b>Expenditures</b>						
Current:						
Security of Persons and Property	4,879,090	0	0	0	1,320,515	6,199,605
Public Health	0	0	0	0	120,472	120,472
Leisure Time Activities	741,228	0	0	0	1,031,251	1,772,479
Community Development	547,564	0	0	0	0	547,564
Public Works	1,238,342	0	0	0	3,277	1,241,619
Transportation	0	0	0	0	966,443	966,443
General Government	7,058,869	5,259	0	0	280,810	7,344,938
Capital Outlay	0	0	2,956,872	218,631	2,720,083	5,895,586
Debt Service:						
Principal Retirement	0	1,190,756	0	0	69,390	1,260,146
Interest and Fiscal Charges	0	933,894	0	0	24,178	958,072
<b>Total Expenditures</b>	<u>14,465,093</u>	<u>2,129,909</u>	<u>2,956,872</u>	<u>218,631</u>	<u>6,536,419</u>	<u>26,306,924</u>
Excess of Revenues Over (Under) Expenditures	<u>(66,088)</u>	<u>25,871</u>	<u>(220,763)</u>	<u>157,413</u>	<u>(542,450)</u>	<u>(646,017)</u>
<b>Other Financing Sources (Uses)</b>						
Sale of Capital Assets	0	0	0	0	2,292	2,292
Inception of Capital Lease	0	0	0	0	156,075	156,075
Transfers In	91,579	207,900	0	0	2,683,000	2,982,479
Transfers Out	<u>(416,000)</u>	<u>0</u>	<u>0</u>	<u>(207,900)</u>	<u>(2,433,579)</u>	<u>(3,057,479)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(324,421)</u>	<u>207,900</u>	<u>0</u>	<u>(207,900)</u>	<u>407,788</u>	<u>83,367</u>
Net Change in Fund Balances	(390,509)	233,771	(220,763)	(50,487)	(134,662)	(562,650)
Fund Balances Beginning of Year	<u>2,027,109</u>	<u>235,077</u>	<u>52,029</u>	<u>15,696</u>	<u>1,144,813</u>	<u>3,474,724</u>
<b>Fund Balances (Deficits) End of Year</b>	<u>\$1,636,600</u>	<u>\$ 468,848</u>	<u>\$(168,734)</u>	<u>\$ (34,791)</u>	<u>\$ 1,010,151</u>	<u>\$ 2,912,074</u>

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

Net Change in Fund Balances - Total Governmental Funds \$ (562,650)

*Amounts reported for governmental activities in the Statement of Activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Additions	\$ 6,347,327	
Current Year Depreciation	<u>(3,528,443)</u>	
Total		2,818,884

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (261,050)

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 1,251,598

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent Property Taxes	76,271	
Municipal Income Taxes	(308,091)	
Special Assessments	136,433	
Intergovernmental	<u>(7,166)</u>	
Total		(102,553)

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of activities. 1,255,628

Issuance of capital leases in the governmental funds increased long-term liabilities in the statement of net assets. (156,075)

Premium on bonds issued are recognized as revenues in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities. 6,530

Bond issuance costs are recognized as expenditures in the governmental funds; however, they are amortized over the life of the issuance in the statement of activities. (52,510)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds an interest expenditure is reported when due. (66,280)

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	15,400	
Police and Fire	<u>4,518</u>	
Total		19,918

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the entity-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. 73,765

**Change in Net Assets of Governmental Activities.** \$ 4,225,205

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
<b><u>Revenues</u></b>				
Property Taxes	\$ 2,090,000	\$ 2,123,638	\$ 2,123,638	\$ 0
Income Taxes	7,500,000	7,534,863	7,534,863	0
Other Local Taxes	6,000	7,614	7,614	0
Intergovernmental	1,263,850	1,830,866	1,830,866	0
Charges for Services	719,600	676,732	748,283	71,551
Fees, Licenses, and Permits	1,080,000	522,541	522,541	0
Fines and Forfeitures	1,506,000	1,540,547	1,540,547	0
Investment Income	240,150	140,104	207,168	67,064
Refunds and Reimbursements	20,000	30,707	30,707	0
Other	<u>74,400</u>	<u>76,809</u>	<u>76,809</u>	<u>0</u>
<b>Total Revenues</b>	<u>14,500,000</u>	<u>14,484,421</u>	<u>14,623,036</u>	<u>138,615</u>
<b><u>Expenditures</u></b>				
Current Operations and Maintenance:				
Security of Persons and Property	4,980,732	4,980,732	4,879,866	100,866
Leisure Time Activities	777,470	770,741	768,658	2,083
Community Development	568,098	561,603	545,384	16,219
Public Works	1,200,813	1,207,995	1,190,439	17,556
General Government	<u>7,203,937</u>	<u>7,062,891</u>	<u>6,908,364</u>	<u>154,527</u>
<b>Total Expenditures</b>	<u>14,731,050</u>	<u>14,583,962</u>	<u>14,292,711</u>	<u>291,251</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(231,050)</u>	<u>(99,541)</u>	<u>330,325</u>	<u>429,866</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In	0	91,579	91,579	0
Transfers Out	<u>(460,000)</u>	<u>(425,000)</u>	<u>(416,000)</u>	<u>9,000</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(460,000)</u>	<u>(333,421)</u>	<u>(324,421)</u>	<u>9,000</u>
Net Change in Fund Balance	(691,050)	(432,962)	5,904	438,866
Fund Balance Beginning of Year	955,511	955,511	955,511	0
Prior Year Encumbrances Appropriated	<u>13,848</u>	<u>13,848</u>	<u>13,848</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 278,309</u>	<u>\$ 536,397</u>	<u>\$ 975,263</u>	<u>\$ 438,866</u>

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2007**

	Enterprise Funds			Governmental Activities Internal Service Funds
	Water Revenue	Sewer Revenue	Total	
<b>Assets</b>				
<b>Current Assets</b>				
Cash, Cash Equivalents and Investments	\$ 362,840	\$ 93,314	\$ 456,154	\$ 52,568
Material and Supplies Inventory	24,061	0	24,061	0
Receivables:				
Taxes	521,001	0	521,001	0
Accounts	1,144,042	309,768	1,453,810	0
Intergovernmental Receivable	25,441	0	25,441	0
Special Assessments Receivable	<u>307,591</u>	<u>93,390</u>	<u>400,981</u>	<u>0</u>
<b>Total Current Assets</b>	<u>2,384,976</u>	<u>496,472</u>	<u>2,881,448</u>	<u>52,568</u>
<b>Noncurrent Assets</b>				
<b>Capital Assets:</b>				
Nondepreciable Capital Assets	947,588	645,153	1,592,741	0
Depreciable Capital Assets, Net	<u>16,128,269</u>	<u>9,921,930</u>	<u>26,050,199</u>	<u>0</u>
<b>Total Noncurrent Assets</b>	<u>17,075,857</u>	<u>10,567,083</u>	<u>27,642,940</u>	<u>0</u>
<b>Total Assets</b>	<u>\$19,460,833</u>	<u>\$11,063,555</u>	<u>\$30,524,388</u>	<u>\$ 52,568</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 19,356	\$ 10,339	\$ 29,695	\$ 1,450
Contracts Payable	267,175	0	267,175	0
Retainage Payable	21,367	23,190	44,557	0
Accrued Wages and Benefits	48,172	12,820	60,992	0
Due to Governments	83,894	18,027	101,921	0
Claims Payable	0	0	0	118,915
Unearned Revenue	469,576	0	469,576	0
Compensated Absences	3,589	0	3,589	0
Accrued Interest Payable	95,033	78,809	173,842	0
OWDA Loans Payable	382,212	144,855	527,067	0
OPWC Loans Payable	0	18,504	18,504	0
Capital Lease	<u>22,564</u>	<u>51,456</u>	<u>74,020</u>	<u>0</u>
<b>Total Current Liabilities</b>	<u>1,412,938</u>	<u>358,000</u>	<u>1,770,938</u>	<u>120,365</u>
<b>Non-Current Liabilities</b>				
Compensated Absences Payable	117,231	0	117,231	0
OWDA Loans Payable	3,084,395	2,963,807	6,048,202	0
OPWC Loans Payable	0	834,574	834,574	0
Capital Leases	<u>75,474</u>	<u>111,731</u>	<u>187,205</u>	<u>0</u>
<b>Total Non-Current Liabilities</b>	<u>3,277,100</u>	<u>3,910,112</u>	<u>7,187,212</u>	<u>0</u>
<b>Total Liabilities</b>	<u>4,690,038</u>	<u>4,268,112</u>	<u>8,958,150</u>	<u>120,365</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	13,511,212	6,442,156	19,953,368	0
Unrestricted (Deficit)	<u>1,259,583</u>	<u>353,287</u>	<u>1,612,870</u>	<u>(67,797)</u>
<b>Total Net Assets</b>	<u>\$14,770,795</u>	<u>\$ 6,795,443</u>	<u>\$21,566,238</u>	<u>\$ (67,797)</u>

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**FUND NET ASSETS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	Enterprise Funds			Governmental
	Water Revenue	Sewer Revenue	Total	Activities Internal Service Funds
<b><u>Operating Revenues</u></b>				
Charges for Services	\$ 2,918,964	\$ 818,179	\$ 3,737,143	\$ 2,060,414
Miscellaneous	<u>64,308</u>	<u>363</u>	<u>64,671</u>	<u>0</u>
<b>Total Operating Revenues</b>	<u>2,983,272</u>	<u>818,542</u>	<u>3,801,814</u>	<u>2,060,414</u>
<b><u>Operating Expenses</u></b>				
Personal Services	1,536,683	302,347	1,839,030	0
Materials and Supplies Inventory	803,191	10,339	813,530	0
Contractual Services	10,047	106,966	117,013	519,164
Claims	0	0	0	1,469,038
Depreciation	<u>572,674</u>	<u>252,710</u>	<u>825,384</u>	<u>0</u>
<b>Total Operating Expenses</b>	<u>2,922,595</u>	<u>672,362</u>	<u>3,594,957</u>	<u>1,988,202</u>
Net Income (Loss) from Operations	<u>60,677</u>	<u>146,180</u>	<u>206,857</u>	<u>72,212</u>
<b><u>Non-Operating Revenues (Expenses)</u></b>				
Property Taxes	51,425	0	51,425	0
Intergovernmental	25,441	0	25,441	0
Special Assessments	56,078	19,634	75,712	0
Interest	0	0	0	1,553
Interest and Fiscal Charges	(126,157)	(209,062)	(335,219)	0
Loss on Disposal of Fixed Assets	<u>0</u>	<u>(32,798)</u>	<u>(32,798)</u>	<u>0</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u>6,787</u>	<u>(222,226)</u>	<u>(215,439)</u>	<u>1,553</u>
Income (Loss) before Contributions and Transfers	67,464	(76,046)	(8,582)	73,765
Transfers In	10,000	65,000	75,000	0
Capital Contributions	<u>1,459,661</u>	<u>306,210</u>	<u>1,765,871</u>	<u>0</u>
Change in Net Assets	1,537,125	295,164	1,832,289	73,765
Net Assets Beginning of Year	<u>13,233,670</u>	<u>6,500,279</u>	<u>19,733,949</u>	<u>(141,562)</u>
<b>Net Assets End of Year</b>	<u>\$14,770,795</u>	<u>\$ 6,795,443</u>	<u>\$21,566,238</u>	<u>\$ (67,797)</u>

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	Enterprise Funds			Governmental
	Water Revenue	Sewer Revenue	Total	Activities Internal Service Funds
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$ 2,748,216	\$ 784,423	\$ 3,532,639	\$ 2,060,414
Cash Received from Refunds and Reimbursement	64,308	363	64,671	0
Cash Payments to Employees for Services and Benefits	(1,482,677)	(303,137)	(1,785,814)	0
Cash Payments for Contractual and Other Services	0	(151,509)	(151,509)	(519,151)
Cash Payments for Materials and Supplies	(798,896)	0	(798,896)	0
Cash Payments for Claims	0	0	0	(1,533,894)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>530,951</u>	<u>330,140</u>	<u>861,091</u>	<u>7,369</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers In	10,000	65,000	75,000	0
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>10,000</u>	<u>65,000</u>	<u>75,000</u>	<u>0</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition and Construction of Assets	(1,714,847)	(594,743)	(2,309,590)	0
Principal Payments	(148,042)	(204,934)	(352,976)	0
Proceeds from Long-Term Debt	1,602,656	510,765	2,113,421	0
Interest and Fiscal Charges	(91,570)	(168,689)	(260,259)	0
<b>Net Cash Provided by (Used In) Capital and Related Financing Activities</b>	<u>(351,803)</u>	<u>(457,601)</u>	<u>(809,404)</u>	<u>0</u>
<b>Cash Flows from Investing Activities</b>				
Interest on Investments	0	0	0	1,553
<b>Net Cash Provided by Investing Activities</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,553</u>
Net Increase (Decrease) in Cash and Cash Equivalents	189,148	(62,461)	126,687	8,922
Cash and Cash Equivalents Beginning of Year	173,692	155,775	329,467	43,646
<b>Cash and Cash Equivalents End of Year</b>	<u>\$ 362,840</u>	<u>\$ 93,314</u>	<u>\$ 456,154</u>	<u>\$ 52,568</u>
<b>Reconciliation of Operating Gain (Loss) to Net Cash Provided by (Used In) Operating Activities</b>				
Operating Gain (Loss)	\$ 60,677	\$ 146,180	\$ 206,857	\$ 72,212
Adjustment:				
Depreciation	572,674	252,710	825,384	0
(Increase) Decrease in Assets:				
Accounts Receivable	(170,748)	(33,756)	(204,504)	0
Prepaid Items	10,047	201	10,248	2,257
Materials and Supplies Inventory	(1,735)	0	(1,735)	0
Increase (Decrease) in Liabilities:				
Accounts Payable	4,830	(34,405)	(29,575)	13
Accrued Wages and Benefits	10,701	(3,543)	7,158	0
Intergovernmental	20,941	2,753	23,694	0
Compensated Absences	22,364	0	22,364	0
Contracts Payable	1,200	0	1,200	(67,113)
<b>Net Cash Provided by (Used In) Operating Activities</b>	<u>\$ 530,951</u>	<u>\$ 330,140</u>	<u>\$ 861,091</u>	<u>\$ 7,369</u>

**Schedule of Noncash Capital Financing Activities**

As of December 31, 2007, the Water and Sewer Revenue Funds received capital assets from various sources in the amount of \$1,459,661 and \$306,210, respectively. In addition, the Water and Sewer Revenue Funds recorded capitalized interest and OWDA fees as additions to OWDA loans in the amount of \$44,967 and \$13,940, respectively.

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2007**

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	<u>Agency Funds</u>
<b><u>Assets</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$ 1,014,988
Equity in Pooled Cash Segregated	286,998
Receivables:	
Accounts Receivable	1,058,897
Special Assessment Receivable	<u>317,997</u>
<b>Total Assets</b>	<b><u>\$ 2,678,880</u></b>
 <b><u>Liabilities</u></b>	
Accounts Payable	\$ 530,292
Retainage Payable	77,580
Due to Other Governments	1,592,269
Deposits Held and Due to Others	<u>478,739</u>
<b>Total Liabilities</b>	<b><u>\$ 2,678,880</u></b>

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

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**NOTE 1: DESCRIPTION OF THE CITY AND THE REPORTING ENTITY**

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

**The Reporting Entity**

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

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

The City participates in several jointly governed organizations, including the Northeast Ohio Public Energy Council, the Southwest Council of Governments, the Southwest General Health Center, the Southwest Suburban Airport Council of Governments, and the Woodvale Union Cemetery. A jointly governed organization is managed by representatives from each of the governments that create the organization, but there is no ongoing financial interest nor responsibility on the part of the participating governments. These organizations are presented in Note 18 to the basic financial statements.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental and business-type activities and its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. The more significant of the City's accounting policies are described below.

**A. Basis of Presentation**

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

**Government-wide Financial Statements**

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A. **Basis of Presentation** (Continued)

**Fund Financial Statements**

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

B. **Fund Accounting**

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

**Governmental Funds**

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

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

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**B. Fund Accounting** (Continued)

*Railroad Capital Improvement Fund* - The railroad capital improvement fund accounts for monies received and expended for the building of railroad underpasses in association with state and federal grants.

*Court Capital Improvement Fund* - The court capital improvement fund accounts for monies received and expended for the construction of a municipal court building.

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

***Proprietary Funds***

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

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

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

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

***Internal Service Funds***

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**B. Fund Accounting** (Continued)

***Fiduciary Funds***

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

**C. Measurement Focus**

***Government-wide Financial Statements***

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

***Fund Financial Statements***

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **Measurement Focus** (Continued)

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

D. **Basis of Accounting**

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

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **Basis of Accounting** (Continued)

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

**Deferred Revenue/Unearned Revenue** - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2007, but which were levied to finance year 2008 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**E. Cash, Cash Equivalents and Investments**

To improve cash management cash received by the City is pooled. Each fund's pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. For purpose of the statement of cash flows, the proprietary funds' shares of equity in pooled certificates of deposit are considered to be cash equivalents.

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

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

During 2007, investments were limited to Federal Home Loans, mortgage bank notes, repurchase agreement, and State Treasury Asset Reserve of Ohio (STAROhio).

STAROhio is an investment pool managed by the State Treasury's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2007.

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the Ohio Revised Code and the Berea Municipal Code. Interest revenue credited to the general fund during 2007 amounted to \$193,217, which includes \$143,521 assigned from other City funds. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 6, "Cash, Cash Equivalents and Investments."

**F. Materials and Supplies Inventory**

Inventories are valued at cost using the first-in, first-out (FIFO) method. Inventories are recorded as expenditures when consumed rather than when purchased.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2007, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**H. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five-thousand dollars. The City's infrastructure consists of roads, storm sewers, sanitary sewers, water lines, bridges, traffic signals, and sidewalks and includes infrastructure acquired prior to December 31, 1980. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized. Interest incurred during the year was not material.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**I. Interfund Balances**

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

In addition, outstanding interfund loans that are due in more than one year and unpaid amounts for interfund services are reported as “advance to/from other funds”. Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**J. Compensated Absences**

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those employees that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees’ wage rates at year end, taking into consideration any limits specified in the City’s termination policies.

**K. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and special termination benefits that will be paid from governmental funds are

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

K. **Accrued Liabilities and Long-term Obligations** (Continued)

reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

L. **Fund Balance Reserves**

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances, inventories, loans and prepaids.

M. **Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City did not report any asset balance restricted by enabling legislation.

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

N. **Operating Revenues and Expenses**

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

O. **Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. In the government-wide financial statements, capital contributions are recorded as capital grants and contributions.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**P. Interfund Activity**

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Q. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type occurred in 2007.

**R. Estimates**

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

**S. Budgetary Data**

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

S. **Budgetary Data** (Continued)

funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director of Finance. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2007.

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

NOTE 3: **CHANGES IN ACCOUNTING PRINCIPLES**

For fiscal year 2007, the City has implemented GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*.

GASB Statement No. 48 provides guidance on accounting for sales and pledges of receivables and future revenues. The Statement also requires governments to disclose in the notes to the financial statements the amount of future revenues that have been pledged or sold. The implementation of GASB Statement No. 48 did not have an effect on the financial statements of the City.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 4: **COMPLIANCE AND ACCOUNTABILITY**

**A. Fund Deficits**

**Special Revenue Funds**

The recreation fund has a deficit of \$41,049, 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 transfers when cash is needed, not when accruals occur.

The fire pension fund has a deficit of \$118,721 and the police pension fund has a deficit of \$130,828, which resulted from accrued liabilities. The general fund is liable for the deficits in these funds and will provide transfers when cash is required, not when accruals occur.

The street lighting fund has a deficit of \$45,046 which resulted from accrued liabilities. The general fund is liable for the deficits in these funds and will provide transfers when cash is required not when accruals occur.

**Capital Projects Funds**

The general capital improvement fund, railroad capital improvement fund, and court capital improvement fund had deficits of \$132,507, \$168,734 and \$34,791, respectively. The deficits were a result of acquisition of major repair of infrastructure or capital assets 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 had a deficit of \$70,299, 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.

**B. Legal Compliance**

The City had a negative cash balance in the general improvement fund of \$117,617 and a negative budgetary fund balance of \$118,827. The water fund reported a negative fund balance of \$77,864 on March 31, 2007, and the sewer fund reported negative fund balances at various times during the year. These negative balances indicate that revenue from other sources were used to pay obligations of this fund, contrary to Ohio Revised Code 5705.10.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(CONTINUED)**

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**NOTE 5: BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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

<u>Net Change in Fund Balances</u>	<u>General</u>
GAAP Basis	\$ (390,509)
Net Adjustment for Revenue Accruals	224,029
Net Adjustment for Expenditure Accruals	217,036
Encumbrances	<u>(44,652)</u>
Budget Basis	<u>\$ 5,904</u>

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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**NOTE 6: CASH, CASH EQUIVALENTS, AND INVESTMENTS**

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

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

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

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

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

- 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;

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 6: **CASH, CASH EQUIVALENTS, AND INVESTMENTS** (Continued)

- 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;
- 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 Treasurer's investment pool (STAROhio).

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

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

***Cash on Hand*** - At December 31, 2007 the City had \$6,675 in undeposited cash on hand, which is included in the balance sheet of the City as part of "Cash, Cash Equivalents and Investments".

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

NOTE 6: **CASH, CASH EQUIVALENTS AND INVESTMENTS** (Continued)

*Deposits* - At year-end, the carrying amount of the City's deposits was \$682,945 and the bank balance was \$2,004,581. Of the bank balance:

1. \$536,824 was covered by Federal depository insurance, by collateral held by the City, or by collateral held by the City's agent in the name of the City; and
2. \$1,467,757 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department in the City's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

The carrying amount of the Municipal Court Bond fund was \$286,998 and the bank balance was \$323,587. This fund is maintained separately and is fully insured.

*Investments* - The City has a formal investment policy. The objective of the policy shall be the preservation of capital and protection of principal while earning investment interest. Safety of principal is the primary objective of the investment program. The City follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investments Pools*, and records all its investments at fair value. All investments are in an internal investment pool.

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

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>	<u>Credit Rating (*)</u>	<u>Fair Value</u>
STAROhio	<1	AAA	\$ 404,595
U. S. Agency Notes - Federal Home Loan Bank	<1	AAA	726,688
U.S. Agency Discount Notes - Federal Home Loan Mortgage Corp.	<1	AAA	877,803
U.S. Agency Discount Notes - Federal National Mortgage Assn.	<1	AAA	637,975
Repurchase Agreement	<1	AAA	<u>2,385,399</u>
<b>Total Portfolio</b>			<b><u>\$ 5,032,460</u></b>

\*Credit rating was obtained from Standard and Poor for all investments.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

NOTE 6: **CASH, CASH EQUIVALENTS, AND INVESTMENTS** (Continued)

***Interest Rate Risk*** - As a means of limiting its exposure to fair value of losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within 5 years from the date of purchase, and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

***Credit Risk*** - The credit risk of the City's investments is in the table above. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that would further limit its investment choices.

***Custodial Credit Risk*** - For an investment, custodial risk is that risk that, in the event of the failure of the counterparty, the City will no longer be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

***Concentration of Credit Risk*** - The City places no limit on the amount it may invest in any one issuer. The City's investment in STAROhio represents 8 percent of the City's total investments, 14 percent in U.S. Agency Notes, 30 percent in U.S. Agency Discount Notes, and 48 percent in Repurchase Agreement.

Reconciliation of cash, cash equivalents, and investments are as follows:

	Cash & Cash <u>Equivalents*</u>	<u>Investments</u>
*Per Fund Financial Statements	\$ 5,986,123	\$ 22,955
Certificates of Deposit (with maturities of more than 3 months)	22,955	(22,955)
Investments:		
STAROhio	(404,595)	404,595
Various Agency Notes	(2,242,466)	2,242,466
Repurchase Agreement	(2,385,399)	2,385,399
Per GASB Statement No. 3	<u>\$ 976,618</u>	<u>\$ 5,032,460</u>

\* Includes Petty Cash and Cash in segregated accounts.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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**NOTE 7: RECEIVABLES**

Receivables at December 31, 2007 consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for utility service). No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in more than one year amount to \$17,580 in the general bond retirement fund and \$727,822 in other governmental funds. At December 31, 2007 the amount of delinquent special assessments was \$179,919.

**A. Income Taxes**

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

The City, by ordinance, allocates income tax revenues and expenditures for collecting, administering, and enforcing the tax to the general fund 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.

**B. Property Taxes**

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 2006. Real property taxes are payable annually or semi-annually. The first payment is due December 31, with the remainder payable by June 20.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 7: **RECEIVABLES** (Continued)

**B. Property Taxes** (Continued)

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 preceding year. Tangible personal property assessments are being phased out over future periods. The assessed percentage for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and 0 percent for 2009. 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 semi-annually, 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 35 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 year ended December 31, 2007 was \$17.20 per \$1,000 of assessed valuation. The assessed values of real and tangible personal property, upon which 2007 property tax receipts were based, are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 292,092,770
Public Utility Tangible Personal Property	9,363,610
Other Real Property	81,827,550
Tangible Personal	<u>14,509,423</u>
Total	<u>\$ 397,793,353</u>

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

NOTE 7: **RECEIVABLES** (Continued)

C. **Intergovernmental Receivable**

A summary of the intergovernmental receivable follows:

<u>Governmental Activities</u>	<u>Amount</u>
Local Government	\$ 433,760
Estate Tax	86,876
Homestead and Rollback	217,783
Gasoline Tax	289,943
Auto Registration	51,780
Permissive Tax	5,973
Grants	<u>356,130</u>
Total	<u>\$ 1,442,245</u>
<u>Business-Type Activities</u>	
Water Fund:	
Homestead and Rollback	<u>\$ 25,441</u>

NOTE 8: **INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

A. **Interfund Transfers**

<u>Transfers Out</u>	<u>Transfers In</u>					<u>Total</u>
	<u>General</u>	<u>General Bond Retirement</u>	<u>Nonmajor Governmental</u>	<u>Water Revenue</u>	<u>Sewer Revenue</u>	
General	\$ 0	\$ 0	\$ 416,000	\$ 0	\$ 0	\$ 416,000
Court Capital Improvement	0	207,900	0	0	0	207,900
Nonmajor Governmental Funds	<u>91,579</u>	<u>0</u>	<u>2,267,000</u>	<u>10,000</u>	<u>65,000</u>	<u>2,433,579</u>
Total	<u>\$ 91,579</u>	<u>\$ 207,900</u>	<u>\$ 2,683,000</u>	<u>\$ 10,000</u>	<u>\$ 65,000</u>	<u>\$ 3,057,479</u>

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

NOTE 8: **INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS** (Continued)

A. **Interfund Transfers** (Continued)

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations or debt service; to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed. In 1992, the voter's authorized the Issue 9 tax levy. Proceeds from the levy are recorded in the municipal income tax fund and can be transferred out for various purposes. The following transfers out were made from the municipal income tax fund:

Recreation Fund	\$ 627,000
Recreation Capital Improvement Fund	25,000
General Improvement Fund	1,500,000
Safety Capital Improvement Fund	115,000
Sewer Revenue Fund	65,000
Water Revenue Fund	10,000
Total	<u>\$ 2,342,000</u>

In 2007, a financial statement transfer of \$207,900 was made to reflect the debt service payment related to the Municipal Court Improvement BANs in the General Bond Retirement Fund.

B. **Interfund Receivables/Payables**

The general fund reported an interfund receivable of \$117,617 and the general capital improvement fund reported interfund payable of \$117,617, respectively, at December 31, 2007. This interfund loan was made to cover the negative cash balance in the general capital improvement fund.

<b><u>Advances from/to Other Funds</u></b>	<b><u>Receivables</u></b>	<b><u>Payables</u></b>
<i>Special Revenue Fund</i>		
Municipal Income Tax	\$ 150,000	\$ 0
<i>Capital Projects Fund</i>		
Railroad Capital Improvement	0	150,000
<b>Total All Funds</b>	<u>\$ 150,000</u>	<u>\$ 150,000</u>

As of December 31, 2007, interfund balance is attributable mainly from a working capital loan made to the Railroad Capital Improvement Fund that the Municipal Income Tax Fund does not expect to collect in the subsequent year.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

**NOTE 9: CAPITAL ASSETS**

A summary of changes in capital assets during 2007 follows:

	<u>Balance</u> <u>12/31/2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2007</u>
<b><u>Government Activities</u></b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 4,869,798	\$ 2,507,989	\$ 0	\$ 7,377,787
Construction in Progress	<u>6,059,879</u>	<u>517,369</u>	<u>0</u>	<u>6,577,248</u>
<i>Total Capital Not Being Depreciated</i>	<u>10,929,677</u>	<u>3,025,358</u>	<u>0</u>	<u>13,955,035</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	7,503,450	578,854	0	8,082,304
Buildings	14,236,858	15,695	(15,695)	14,236,858
Building Improvements	18,871,094	139,167	0	19,010,261
Machinery and Equipment	4,353,105	187,555	(49,895)	4,490,765
Furniture and Fixtures	847,163	62,969	0	910,132
Vehicles	1,489,696	165,352	(82,149)	1,572,899
Infrastructure:				
Bridges	8,255,846	0	0	8,255,846
Roads	30,713,426	2,705,526	(432,664)	32,986,288
Sidewalks	537,436	718,449	0	1,255,885
Traffic Signals	<u>1,663,700</u>	<u>0</u>	<u>0</u>	<u>1,663,700</u>
<i>Total Capital Assets Being Depreciated</i>	<u>88,471,774</u>	<u>4,573,567</u>	<u>(580,403)</u>	<u>92,464,938</u>
<i>Less Accumulated Depreciation</i>				
Land Improvements	(4,306,821)	(353,413)	0	(4,660,234)
Buildings	(6,006,570)	(330,103)	0	(6,336,673)
Building Improvements	(10,430,159)	(862,433)	0	(11,292,592)
Machinery and Equipment	(2,947,340)	(216,217)	49,896	(3,113,661)
Furniture and Fixtures	(686,517)	(44,088)	0	(730,605)
Vehicles	(879,027)	(75,577)	82,149	(872,455)
Infrastructure:				
Bridges	(673,149)	(260,538)	0	(933,687)
Roads	(11,632,104)	(1,257,053)	187,308	(12,701,849)
Sidewalks	(85,945)	(71,358)	0	(157,303)
Traffic Signals	<u>(185,415)</u>	<u>(57,663)</u>	<u>0</u>	<u>(243,078)</u>
<i>Total Accumulated Depreciation</i>	<u>(37,833,047)</u>	<u>*(3,528,443)</u>	<u>319,353</u>	<u>(41,042,137)</u>
<i>Total Capital Assets Being Depreciated,</i> <i>Net</i>	<u>50,638,727</u>	<u>1,045,124</u>	<u>(261,050)</u>	<u>51,422,801</u>
<b>Governmental Activities Capital</b> <b>Assets, Net</b>	<u>\$ 61,568,404</u>	<u>\$ 4,070,482</u>	<u>\$ (261,050)</u>	<u>\$ 65,377,836</u>

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

NOTE 9: **CAPITAL ASSETS** (Continued)

	Balance <u>12/31/2006</u>	Additions	Deletions	Balance <u>12/31/2007</u>
<b>Business-Type Activities</b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 93,181	\$ 0	\$ 0	\$ 93,181
Construction in Progress	<u>333,194</u>	<u>1,166,366</u>	<u>0</u>	<u>1,499,560</u>
<i>Total Capital Not Being Depreciated</i>	<u>426,375</u>	<u>1,166,366</u>	<u>0</u>	<u>1,592,741</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	892,394	24,800	0	917,194
Buildings	2,997,906	40,725	0	3,038,631
Building Improvements	36,180	0	0	36,180
Machinery and Equipment	2,108,969	154,052	0	2,263,021
Furniture and Fixtures	0	32,220	0	32,220
Vehicles	58,059	21,116	0	79,175
Infrastructure:				
Water Lines	5,023,595	1,135,703	0	6,159,298
Storm Sewers	11,516,326	1,054,402	0	12,570,728
Sanitary Sewers	<u>8,326,056</u>	<u>451,780</u>	<u>(52,900)</u>	<u>8,724,936</u>
<i>Total Capital Assets Being Depreciated</i>	<u>30,959,485</u>	<u>2,914,798</u>	<u>(52,900)</u>	<u>33,821,383</u>
<i>Less Accumulated Depreciation</i>				
Land Improvements	(386,521)	(62,192)	0	(448,713)
Buildings	(1,695,241)	(67,334)	0	(1,762,575)
Building Improvements	(36,180)	0	0	(36,180)
Machinery and Equipment	(1,320,114)	(79,307)	0	(1,399,421)
Furniture and Fixtures	0	(2,301)	0	(2,301)
Vehicles	(22,931)	(10,289)	0	(33,220)
Infrastructure:				
Water Lines	(1,219,492)	(111,456)	0	(1,330,948)
Storm Sewers	(1,050,249)	(310,737)	0	(1,360,986)
Sanitary Sewers	<u>(1,235,174)</u>	<u>(181,768)</u>	<u>20,102</u>	<u>(1,396,840)</u>
<i>Total Accumulated Depreciation</i>	<u>(6,965,902)</u>	<u>(825,384)</u>	<u>20,102</u>	<u>(7,771,184)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>23,993,583</u>	<u>2,089,414</u>	<u>(32,798)</u>	<u>26,050,199</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 24,419,958</u>	<u>\$ 3,255,780</u>	<u>\$ (32,798)</u>	<u>\$27,642,940</u>

\*Depreciation expense was charged to governmental activities as follows:

Security of Persons and Property	\$ 250,383
Leisure Time Activities	1,598,907
Public Works	24,180
Transportation	1,580,759
General Government	<u>74,214</u>
Total Depreciation Expense	<u>\$ 3,528,443</u>

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 10: **DEFINED BENEFIT PENSION PLANS**

**A. Ohio Public Employees Retirement System**

All City full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans, as described below:

- The Traditional Pension Plan (TP) - a cost-sharing, multiple-employer defined benefit pension plan;
- The Member-Directed Plan (MD) - a benefit contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed plan, members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings.
- The Combined Plan (CO) - a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Pension plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor, death benefits, and annual cost of living adjustments to members of both the Traditional Pension and the Combined plans. Members of the Member-Directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377 or by using the OPERS website at [www.opers.org](http://www.opers.org).

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2007, member and employer contribution rates were consistent across all three plans, (TP, MD, and CO). Plan members are required to contribute 9.5 percent of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City was 8.85 percent of covered payroll from January 1 to June 30, 2007, and 7.85 from July 1 to December 31, 2007. The City's required contributions to OPERS for the years ended December 31, 2007, 2006, and 2005, were \$917,093, \$855,700, and \$832,561, respectively. The full amount has been contributed for 2006 and 2005. 73.06 percent has been contributed for 2007.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 10: **DEFINED BENEFIT PENSION PLANS** (Continued)

**B. Ohio Police and Fire Pension Fund**

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

Plan members are required to contribute 10.0 percent of their annual covered salary to fund pension obligations while the City is required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters were \$434,439 and \$419,541 for the year ended December 31, 2007, \$429,912 and \$432,833 for the year ended December 31, 2006 and \$394,388 and \$408,234 for the year ended December 31, 2005, equal to the required contributions for each year. The full amount has been contributed for 2006 and 2005. 71.67 percent and 71.45 percent has been contributed for 2007, respectively, with the remainder being reported as a liability.

NOTE 11: **POSTEMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and primary survivor recipients is available with both the Traditional and the Combined Plan; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2007 employer rate was 13.85 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for State and local employer units. Active members do not make contributions to the OPEB Plan.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 11: **POSTEMPLOYMENT BENEFITS** (Continued)

A. **Ohio Public Employees Retirement System** (Continued)

OPERS Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care was 5.00 percent from January 1 through June 30, 2007, and 6.00 percent from July 1 through December 31, 2007. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS' latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50 percent to 5 percent annually for the next 8 years. In subsequent years (9 and beyond), health care costs were assumed to increase at 4 percent (the projected wage inflation rate).

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

As of December 31, 2007, the number of active contributing participants in the Traditional Pension and Combined plans totaled 374,979. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 362,130. Actual City contributions for 2007 which were used to fund post-employment benefits were \$364,208. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS' net assets available for payment of benefits at December 31, 2006 (the latest information available) was \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 11: **POSTEMPLOYMENT BENEFITS** (Continued)

A. **Ohio Public Employees Retirement System** (Continued)

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow the benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

B. **Ohio Police and Fire Pension Fund**

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

OP&F provides post-retirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check, or is a spouse or eligible dependent child of such person. 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 full-time or on a two-thirds basis. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45. Health care funding and accounting is on a pay-as-you-go basis.

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 11: **POSTEMPLOYMENT BENEFITS** (Continued)

**B. Ohio Police and Fire Pension Fund** (Continued)

The Ohio Revised Code provides for contributions requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50 percent and 24.00 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50 percent of covered payroll for police employer units and 24.00 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F's post-employment health care plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2007, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

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. Beginning in 2001, all retirees and survivors have monthly health care contributions. The number of OP&F participants eligible to receive health care benefits as of December 31, 2006, the date of the last actuarial valuation was 14,120 for police and 10,563 for firefighters.

The City's actual contributions for 2007 that were used to fund post-employment health care benefits were \$150,383 for police and \$117,996 for firefighters. The OP&F's total health care expenses for the year ended December 31, 2006 (the latest information available) was \$120,373,722, which was net of member contributions of \$58,532,848.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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**NOTE 12: COMPENSATED ABSENCES**

The criteria for determining vacation and sick leave components are derived from negotiated agreements, City ordinances and State laws. Vacation leave is earned at rates vary depending upon length of service and standard work week. Vacation leave is vested in the employee on January 1 of each year. Accumulated vacation may be carried over into the following year, not to exceed more than one week of vacation.

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

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

**NOTE 13: NOTES PAYABLE**

A summary of the note transactions for the year ended December 31, 2007 follows:

	<u>Outstanding</u> <u>12/31/2006</u>	<u>Increase</u>	<u>Decrease</u>	<u>Outstanding</u> <u>12/31/2007</u>
3.95% Municipal Court Improvement Notes	\$ 200,000	\$ 0	\$ (200,000)	\$ 0
4.00% Municipal Court Improvement Notes	0	1,750,000	0	1,750,000
Totals	<u>\$ 200,000</u>	<u>\$1,750,000</u>	<u>\$ (200,000)</u>	<u>\$1,750,000</u>

In 2007, the City issued \$1,750,000 in Municipal Court Improvement Notes to finance contractual obligations of the new municipal court of the City.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

**NOTE 14: LONG-TERM OBLIGATIONS**

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

	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
<b>General Obligation Bonds</b>				
Waterworks Bonds	1993	2007	4.68%	\$ 3,098,475
1993 Various Purpose Bonds	1993	2013	4.68%	2,878,603
1999 Various Purpose Bonds	1999	2018	5.35%	7,785,000
2004 Various Purpose Refunding Bonds	2004	2012	2.00%	3,025,000
2006 Various Purpose Refunding Bonds	2006	2026	3.75%	7,365,000
<b>Urban Renewal Bonds</b>				
First Avenue Community Bonds	2004	2012	2.00%	1,205,000
First Avenue Community Bonds	1992	2013	4.68%	650,000
<b>OPWC Loans</b>				
Sewer	2005	2025	0%	370,069
Sewer	2007	2027	0%	510,765
<b>OWDA Loans</b>				
Sewer	1994	2014	4.56%	465,000
Water	1994	2014	6.72%	1,135,000
Sewer	1997	2022	6.11%	700,000
Sewer	1998	2008	5.66%	225,000
Water	1998	2008	5.66%	100,000
Sewer	1999	2019	5.54%	705,173
Water	2000	2014	5.56%	550,000
Water	2000	2009	5.56%	175,000
Sewer	2004	2034	4.66%	1,200,000
Sewer	2005	2036	3.75%	713,940
Water	2006	2027	4.42%	1,156,254
Water	2006	2012	3.20%	859,153
Water	2007	2038	4.17%	1,109,436
Water	2007	2028	3.25%	1,930,593

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

**NOTE 14: LONG-TERM OBLIGATIONS (Continued)**

A schedule of changes in long-term obligations of the City during 2007 follows:

	Balance at 12/31/06	Increase	Decrease	Balance at 12/31/07	Due in One Year
<b>Governmental Activities</b>					
<i>General Obligation Bonds</i>					
1993 Waterworks Bonds	\$ 85,756	\$ 0	\$ (85,756)	\$ 0	\$ 0
1993 Various Purpose Bonds	935,000	0	(150,000)	785,000	165,000
1999 Various Purpose Bonds	1,340,000	0	(215,000)	1,125,000	280,000
2004 Library Bonds Refunded	565,000	0	(80,000)	485,000	85,000
2004 Various Purpose	1,495,000	0	(335,000)	1,160,000	215,000
2006 Various Purpose Bonds	7,365,000	0	(150,000)	7,215,000	150,000
<i>Total General Obligation Bonds</i>	<u>11,785,756</u>	<u>0</u>	<u>(1,015,756)</u>	<u>10,770,000</u>	<u>895,000</u>
<i>Urban Renewal Bonds</i>					
2004 First Avenue Community Bonds	920,000	0	(140,000)	780,000	140,000
1993 First Avenue Community Bonds	305,000	0	(35,000)	270,000	40,000
<i>Total Urban Renewal Bonds</i>	<u>1,225,000</u>	<u>0</u>	<u>(175,000)</u>	<u>1,050,000</u>	<u>180,000</u>
<i>Other Long-Term Liabilities</i>					
Capital Lease Obligations:					
Street Sweeper	139,512	0	(32,537)	106,975	34,050
Aerial Truck	136,615	0	(24,957)	111,658	26,088
Tractor	0	15,346	(7,378)	7,968	7,968
Dump Truck	0	108,530	0	108,530	19,586
Roller	0	32,199	0	32,199	4,698
Unamortized Bond Premium	117,536	0	(6,530)	111,006	0
Compensated Absences	1,107,772	51,072	(66,472)	1,092,372	66,260
Police and Fire Pension Liability	242,853	0	(4,518)	238,335	4,762
<i>Total Long-Term Liabilities</i>	<u>1,744,288</u>	<u>207,147</u>	<u>(142,392)</u>	<u>1,809,043</u>	<u>163,412</u>
<b>Total Governmental Activities</b>	<u>14,755,044</u>	<u>207,147</u>	<u>(1,333,148)</u>	<u>13,629,043</u>	<u>1,238,412</u>
<b>Business-Type Activities</b>					
OWDA Loans:					
Water	62,891	0	(19,825)	43,066	20,943
Water	348,358	0	(35,658)	312,700	37,668
Water	632,727	0	(62,297)	570,430	66,483
Water	24,628	0	(11,975)	12,653	12,652
Water	230,602	449,504	0	680,106	161,097
Water	667,819	241,914	(18,287)	891,446	37,795
Water	0	929,745	0	929,745	9,724
Water	0	26,460	0	26,460	35,850
Sewer	237,000	0	(25,164)	211,836	26,325
Sewer	554,986	0	(21,423)	533,563	22,732
Sewer	55,412	0	(26,943)	28,469	28,469
Sewer	523,811	0	(30,185)	493,626	31,858
Sewer	1,161,220	0	(20,798)	1,140,422	21,778
Sewer	700,000	13,940	(13,193)	700,747	13,693
<i>Total OWDA Loans</i>	<u>5,199,454</u>	<u>1,661,563</u>	<u>(285,748)</u>	<u>6,575,269</u>	<u>527,067</u>
Capital Lease Obligation:					
Sewer Cleaner	169,070	0	(38,820)	130,250	41,033
Bobcat	42,841	0	(9,904)	32,937	10,423
Backhoe	0	98,038	0	98,038	22,564
OPWC:					
Sewer	360,817	0	(18,504)	342,313	18,504
Sewer	0	510,765	0	510,765	0
Compensated Absences	98,456	25,277	(2,913)	120,820	3,589
<b>Total Business-Type Activities</b>	<u>5,870,638</u>	<u>2,295,643</u>	<u>(355,889)</u>	<u>7,810,392</u>	<u>623,180</u>
<b>Total Long-Term Liabilities</b>	<u>\$ 20,625,682</u>	<u>\$ 2,502,790</u>	<u>\$ (1,689,037)</u>	<u>\$ 21,439,435</u>	<u>\$ 1,861,592</u>

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 14: **LONG-TERM OBLIGATIONS** (Continued)

***General Obligation Bonds*** - General obligations bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. The general obligation bonds will be retired from the general obligation debt service fund. The general obligation bonds outstanding as of December 31, 2007 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.

***Urban Renewal Bonds*** - Urban renewal bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. Urban renewal bonds are to be repaid from property taxes approved for that purpose, and will be retired from the general obligation debt service fund.

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

***OPWC Loan*** - The Ohio Public Works Commission (OPWC) loans are a zero percent loan and paid from the enterprise fund.

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

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

**Prior Years' Debt Defeasance**

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of December 31, 2007, the amount of defeased debt outstanding amounted to \$4,255,000.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

NOTE 14: **LONG-TERM OBLIGATIONS** (Continued)

The City has the ability to issue \$10,226,432 of additional debt without obtaining voter approval.

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2007 are as follows:

**Governmental Activities**

Year	General Obligation Bonds		Urban Renewal Bonds		Total	Total
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 895,000	\$ 435,566	\$ 180,000	\$ 42,088	\$ 1,075,000	\$ 477,654
2009	1,000,000	399,170	190,000	35,838	1,190,000	435,008
2010	1,055,000	357,488	200,000	28,538	1,255,000	386,026
2011	1,070,000	312,762	210,000	20,419	1,280,000	333,181
2012	1,110,000	270,170	220,000	11,925	1,330,000	282,095
2013-2017	3,610,000	848,125	50,000	2,563	3,660,000	850,688
2018-2022	1,415,000	245,111	0	0	1,415,000	245,111
2023-2027	615,000	62,800	0	0	615,000	62,800
Total	<u>\$ 10,770,000</u>	<u>\$ 2,931,192</u>	<u>\$ 1,050,000</u>	<u>\$ 141,371</u>	<u>\$ 11,820,000</u>	<u>\$ 3,072,563</u>

**Business-Type Activities**

Year	OWDA		OPWC	Total	Total
	Principal	Interest	Principal	Principal	Interest
2008	\$ 527,067	\$ 284,091	\$ 18,504	\$ 545,571	\$ 284,091
2009	474,875	261,194	18,503	493,378	261,194
2010	473,638	239,908	18,503	492,141	239,908
2011	480,556	218,526	18,503	499,059	218,526
2012	323,967	196,070	18,503	342,470	196,070
2013-2017	1,689,757	1,388,118	92,517	1,782,274	1,388,118
2018-2022	611,806	326,234	92,517	704,323	326,234
2023-2027	367,720	204,853	575,528	943,248	204,853
2028-2032	482,348	116,684	0	482,348	116,684
2033-2037	1,143,535	20,958	0	1,143,535	20,958
Total	<u>\$ 6,575,269</u>	<u>\$ 3,256,636</u>	<u>\$ 853,078</u>	<u>\$ 7,428,347</u>	<u>\$ 3,256,636</u>

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

**NOTE 15: CAPITAL LEASES**

In 2007, the City entered into capital lease agreements for a 2007 Dump Truck, 2007 Roller and a 2007 Backhoe. The capital leases requires monthly installments of principal and interest of \$25,265, \$6,405 and \$27,996 respectively through December 2013. All items are long-term agreement leases, which meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, *Accounting for Leases*.

The assets acquired through capital leases are as follows:

	Governmental Activities					
	Street Sweeper	Aerial Truck	Tractor	Dump Truck	Roller	Total
<b>Asset</b>						
Machinery & Equipment	\$ 195,124	\$ 155,730	\$ 25,817	\$ 108,530	\$ 32,199	\$ 517,400
Less: Accumulated Depreciation	<u>(24,391)</u>	<u>(46,719)</u>	<u>(3,873)</u>	<u>(2,713)</u>	<u>(805)</u>	<u>(78,501)</u>
	<u>\$ 170,733</u>	<u>\$ 109,011</u>	<u>\$ 21,944</u>	<u>\$ 105,817</u>	<u>\$ 31,394</u>	<u>\$ 438,899</u>
	Business-Type Activities					
	Sewer Jet	Bobcat	Backhoe	Total		
<b>Asset</b>						
Machinery & Equipment	\$ 242,287	\$ 59,216	\$ 98,038	\$ 399,541		
Less: Accumulated Depreciation	<u>(30,286)</u>	<u>(7,402)</u>	<u>(4,902)</u>	<u>(42,590)</u>		
	<u>\$ 212,001</u>	<u>\$ 51,814</u>	<u>\$ 93,136</u>	<u>\$ 356,951</u>		

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

	Governmental Activities					
	Street Sweeper	Aerial Truck	Tractor	Dump Truck	Roller	Total
Year Ending December 31:						
2008	\$ 39,025	\$ 31,146	\$ 8,606	\$ 25,165	\$ 6,405	\$ 110,347
2009	39,025	31,146	0	25,165	6,405	101,741
2010	39,025	31,146	0	25,165	6,405	101,741
2011	0	31,146	0	25,165	6,405	62,716
2012	0	0	0	25,165	6,405	31,570
2013	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,405</u>	<u>6,405</u>
Minimum Lease Payments	117,075	124,584	8,606	125,825	38,430	414,520
Less: Amount Representing Interest	<u>(10,100)</u>	<u>(12,926)</u>	<u>(638)</u>	<u>(17,295)</u>	<u>(6,231)</u>	<u>(47,190)</u>
Present Value of Net Lease Payments	<u>\$ 106,975</u>	<u>\$ 111,658</u>	<u>\$ 7,968</u>	<u>\$ 108,530</u>	<u>\$ 32,199</u>	<u>\$ 367,330</u>

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

NOTE 15: **CAPITAL LEASES** (Continued)

Year Ending December 31:	Business-Type Activities			
	<u>Sewer Jet</u>	<u>Bobcat</u>	<u>Backhoe</u>	<u>Total</u>
2008	\$ 48,457	\$ 11,843	\$ 27,996	\$ 88,296
2009	48,457	11,843	27,996	88,296
2010	48,457	11,843	27,996	88,296
2011	<u>0</u>	<u>0</u>	<u>27,996</u>	<u>27,996</u>
Minimum Lease				
Payments	145,371	35,529	111,984	292,884
Less: Amount				
Representing Interest	<u>(15,121)</u>	<u>(2,592)</u>	<u>(13,946)</u>	<u>(31,659)</u>
Present Value of Net				
Lease Payments	<u>\$ 130,250</u>	<u>\$ 32,937</u>	<u>\$ 98,038</u>	<u>\$ 261,225</u>

NOTE 16: **OPERATING LEASES - LESSOR DISCLOSURE**

The City leases space on its water tower for cellular antennae. The lease revenue due in 2007 amounted to \$117,905.

NOTE 17: **RISK MANAGEMENT**

A. **Property and Liability Insurance**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 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 and street maintenance special revenue funds and the water revenue and sewer revenue enterprise funds participate in the program and make payments to the property and liability insurance internal service fund based on estimates of the amounts needed to pay prior year and current year claims.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 17: **RISK MANAGEMENT** (Continued)

A. **Property and Liability Insurance** (Continued)

The City has no claims liability at December 31, 2007.

Changes in the property and liability insurance internal service fund claims liability balance for the years ended 2005, 2006, and 2007 are as follows:

	<u>Balance</u> <u>January 1</u>	<u>Current</u> <u>Years Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance</u> <u>December 31</u>
2005	\$ 20,500	\$ 15,772	\$ 21,272	\$ 15,000
2006	\$ 15,000	\$ 6,657	\$ 21,657	\$ 0
2007	\$ 0	\$ 42,871	\$ 42,871	\$ 0

B. **Medical Benefits**

The City has elected to provide employee medical, surgical, prescription drug, dental, and vision benefits. The City maintains a self-insurance internal services fund to account for this program. The plan provides medical/surgical coverage with certain deductibles, co-pays and maximum benefits as noted in the plan. The dental/vision benefits are also subject to certain deductibles, co-pays and maximum benefits as noted in the plan. The prescription drug plan utilizes a \$5 generic, \$10 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 before claims are paid by the City. All of the above limitations are subject to certain guidelines and restrictions.

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**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

NOTE 17: **RISK MANAGEMENT** (Continued)

**B. Medical Benefits** (Continued)

The City pays into the self-insurance internal service fund \$1,131 for family coverage and \$507 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. The claims liability of \$118,915 reported in the medical benefits internal service fund at December 31, 2007 is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims cost, including estimates of cost relating to incurred but not reported claims, be reported. Changes in the medical benefits internal service fund's claims liability amount in 2005, 2006, and 2007 were as follows:

	<u>Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2005	\$ 147,394	\$ 1,816,900	\$ 1,710,020	\$ 254,274
2006	\$ 254,274	\$ 1,729,955	\$ 1,798,201	\$ 186,028
2007	\$ 186,028	\$ 1,426,167	\$ 1,493,280	\$ 118,915

**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 18: **JOINTLY GOVERNED ORGANIZATIONS**

**A. Southwest Council of Governments**

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 18: **JOINTLY GOVERNED ORGANIZATIONS** (Continued)

A. **Southwest Council of Governments** (Continued)

The Council has established two subsidiary organizations, the Hazardous Material Response Team (HAZMAT), which provides hazardous material protection and assistance, and the Southwest Enforcement Bureau, which provides extra assistance to cities in the form of a SWAT team. In 2007, the City of Berea contributed \$7,500 to the Council. The Council's financial statements may be obtained by contacting Southwest Council of Governments, Parma Heights, Ohio 44130.

B. **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 2007, the City of Berea contributed \$119,515 to the Health Center.

C. **Southwest Suburban Airport Council of Governments**

The City is a member of the Southwest Suburban Airport Council of Governments (SSAC). SSAC was formed to protect the environment and quality of life within the southwest suburban area from the impact of expansion of the Cleveland Hopkins International Airport. The Council presently includes the cities of Berea and Middleburg Heights.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 18: **JOINTLY GOVERNED ORGANIZATIONS** (Continued)

C. **Southwest Suburban Airport Council of Governments** (Continued)

The Council's Board is comprised of one member from each of the participating communities. The Board oversees and manages the operation of the Council. The degree of control exercised by each City is limited to its representation on the Board. The City contributed \$162 in 2007 to the Southwest Suburban Airport Council of Government. Financial information can be obtained by contacting Timothy Pope, Treasurer, 15700 Bagley Road, Middleburg Heights, Ohio 44130.

D. **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 2007 the City of Berea contributed \$10,000 to the Cemetery for operations. Woodvale Union Cemetery reimbursed the City \$25,000 toward the City's costs of renovating and constructing the addition to the cemetery administration building.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 18: **JOINTLY GOVERNED ORGANIZATIONS** (Continued)

E. **Northeast Ohio Public Energy Council**

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Berea did not contribute to NOPEC during 2007. Financial information can be obtained by contacting Joseph Migliorini, the Board Chairman, at 175 South Main Street, Akron, Ohio 44308 or at the website [www.nopecinfo.org](http://www.nopecinfo.org).

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, 2007.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**  
**(CONTINUED)**

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NOTE 20: **SUBSEQUENT EVENT**

On April 2, 2008, the City issued \$1,000,000 in Bond Anticipation Notes (BANs) at an interest rate of 2.45 percent. These BANs will be used to finance various capital improvements and will mature on April 2, 2009.

On April 24, 2008, the City received two loans from the Ohio Development Water Authority. The first loan was for \$1,105,000 at an interest rate of 4.78 percent and will be used for water capital improvements. The second loan was for \$345,000 at an interest rate of 4.28% and will be used for sewer capital improvements.

**CITY OF BEREA, OHIO**

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

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

CITY OF BEREA, OHIO

COMBINING STATEMENTS - NONMAJOR FUNDS

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*Nonmajor Special Revenue Funds*

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Following is a description of the City's nonmajor special revenue funds:

**Recreation Fund** - to account for fees collected and income 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 tax 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.

**Street Maintenance Fund** - to account for that portion of the State gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

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

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

**DARE Grant Fund** - to account for revenues received from the State Attorney General's Office and expenditures incurred as prescribed under the DARE Grant Program.

**Animal Control Fund** - to account for revenues generated from animal control activities.

**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)

CITY OF BEREA, OHIO

COMBINING STATEMENTS - NONMAJOR FUNDS

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*Nonmajor Special Revenue Funds*

(Continued)

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

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

**First Offenders Diversion Fund** - to account for court fees, restricted for the operation of the court's First Offenders Program.

**Probation Fund** - to account for court fees, restricted for the operation of the Court Probation Program.

**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.

**Indigent Driving School Fund** - to account for court fees, restricted for the payment of driving school fees charged to indigent defendants.

**DUS Diversion Fund** - to account for court fees obtained from DUS cases restricted for the operation of the Court's DUS Diversion Program.

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

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

**Court Special Projects Fund** - to account for court fees, restricted for the use of special projects within the Berea Municipal Court.

**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.

(Continued)

**CITY OF BEREA, OHIO**

**COMBINING STATEMENTS - NONMAJOR FUNDS**

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***Nonmajor Capital Projects Funds***

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

**General Capital 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 capital assets.

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

**Recreation Capital Improvement Fund** - to account for monies borrowed or earmarked for capital improvements for recreational purposes.

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

**CITY OF BEREA, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2007**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b><u>Assets</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$ 691,161	\$ 25,658	\$ 716,819
Receivables:			
Taxes	1,420,442	0	1,420,442
Accounts	17,464	2,000	19,464
Intergovernmental	559,455	0	559,455
Special Assessments	727,822	0	727,822
Advances to Other Funds	150,000	0	150,000
Prepaid Items	16,312	0	16,312
Materials and Supplies Inventory	92,085	0	92,085
<b>Total Assets</b>	<b><u>\$3,674,741</u></b>	<b><u>\$ 27,658</u></b>	<b><u>\$3,702,399</u></b>
<b><u>Liabilities</u></b>			
Accounts Payable	\$ 99,144	\$ 14,517	\$ 113,661
Contracts Payable	0	14,890	14,890
Accrued Wages and Benefits Payable	29,065	0	29,065
Intergovernmental Payable	347,474	0	347,474
Interfund Payable	0	117,617	117,617
Deferred Revenue	2,069,541	0	2,069,541
<b>Total Liabilities</b>	<b><u>2,545,224</u></b>	<b><u>147,024</u></b>	<b><u>2,692,248</u></b>
<b><u>Fund Balances</u></b>			
Reserved for Encumbrances	15,484	1,209	16,693
Reserved for Inventory	92,085	0	92,085
Reserved for Prepays	16,312	0	16,312
Reserved for Loans	150,000	0	150,000
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	855,636	0	855,636
Capital Projects Funds	0	(120,575)	(120,575)
<b>Total Fund Balances (Deficit)</b>	<b><u>1,129,517</u></b>	<b><u>(119,366)</u></b>	<b><u>1,010,151</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$3,674,741</u></b>	<b><u>\$ 27,658</u></b>	<b><u>\$ 3,702,399</u></b>

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Local Taxes - Income Taxes	\$ 2,507,803	\$ 0	\$ 2,507,803
Local Taxes - Property Taxes	818,579	0	818,579
Intergovernmental	974,617	232,288	1,206,905
Special Assessments	591,710	0	591,710
Charges for Services	382,140	40,335	422,475
Fees, Licenses, and Permits	0	29,163	29,163
Fines and Forfeitures	391,693	0	391,693
Interest	43	0	43
Other	21,840	3,758	25,598
<b>Total Revenues</b>	<u>5,688,425</u>	<u>305,544</u>	<u>5,993,969</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property	1,320,515	0	1,320,515
Public Health and Welfare	120,472	0	120,472
Leisure Time Activities	1,031,251	0	1,031,251
Public Works	3,277	0	3,277
Transportation	966,443	0	966,443
General Government	280,810	0	280,810
Capital Outlay	331,118	2,388,965	2,720,083
Debt Service:			
Principal Retirement	29,475	39,915	69,390
Interest and Fiscal Charges	16,463	7,715	24,178
<b>Total Expenditures</b>	<u>4,099,824</u>	<u>2,436,595</u>	<u>6,536,419</u>
Excess of Revenues Over (Under) Expenditures	<u>1,588,601</u>	<u>(2,131,051)</u>	<u>(542,450)</u>
<b>Other Financing Sources (Uses)</b>			
Sale of Capital Assets	0	2,292	2,292
Capital Leases	0	156,075	156,075
Transfers In	895,000	1,788,000	2,683,000
Transfers Out	(2,433,579)	0	(2,433,579)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,538,579)</u>	<u>1,946,367</u>	<u>407,788</u>
Net Change in Fund Balances	50,022	(184,684)	(134,662)
Fund Balances Beginning of Year	<u>1,079,495</u>	<u>65,318</u>	<u>1,144,813</u>
<b>Fund Balances (Deficit) End of Year</b>	<u>\$1,129,517</u>	<u>\$ (119,366)</u>	<u>\$ 1,010,151</u>

**CITY OF BEREA, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2007**

	<u>Recreation</u>	<u>Municipal Income Tax</u>	<u>State Highway</u>	<u>Street Maintenance</u>	<u>Fire Pension</u>	<u>Police Pension</u>
<b><u>Assets</u></b>						
Equity in Pooled Cash and Cash Equivalents	\$ 23,710	\$ 120,168	\$ 6,577	\$ 52,969	\$ 19,617	\$ 14,096
Receivables:						
Taxes	0	582,577	0	0	373,692	373,692
Accounts	4,463	0	0	0	0	0
Intergovernmental	0	0	25,630	316,094	18,248	18,248
Special Assessments	0	0	0	0	0	0
Advances to Other Funds	0	150,000	0	0	0	0
Prepaid Items	0	0	0	0	0	0
Materials and Supplies						
Inventory	0	0	0	92,085	0	0
<b>Total Assets</b>	<u>\$ 28,173</u>	<u>\$ 852,745</u>	<u>\$ 32,207</u>	<u>\$ 461,148</u>	<u>\$ 411,557</u>	<u>\$ 406,036</u>
<b><u>Liabilities</u></b>						
Accounts Payable	\$ 19,778	\$ 0	\$ 0	\$ 6,063	\$ 0	\$ 0
Accrued Wages and Benefits Payable	16,956	0	0	12,109	0	0
Intergovernmental Payable	32,488	0	0	31,724	138,338	144,924
Deferred Revenue	0	181,580	21,310	260,050	391,940	391,940
<b>Total Liabilities</b>	<u>69,222</u>	<u>181,580</u>	<u>21,310</u>	<u>309,946</u>	<u>530,278</u>	<u>536,864</u>
<b><u>Fund Balances</u></b>						
Reserved for Encumbrances	2,266	0	0	0	0	0
Reserved for Inventory	0	0	0	92,085	0	0
Reserved for Prepaids	0	0	0	0	0	0
Reserved for Loans	0	150,000	0	0	0	0
Unreserved, Undesignated (Deficit):						
Special Revenue	<u>(43,315)</u>	<u>521,165</u>	<u>10,897</u>	<u>59,117</u>	<u>(118,721)</u>	<u>(130,828)</u>
<b>Total Fund Balances (Deficit)</b>	<u>(41,049)</u>	<u>671,165</u>	<u>10,897</u>	<u>151,202</u>	<u>(118,721)</u>	<u>(130,828)</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 28,173</u>	<u>\$ 852,745</u>	<u>\$ 32,207</u>	<u>\$ 461,148</u>	<u>\$ 411,557</u>	<u>\$ 406,036</u>

(Continued)

**CITY OF BEREA, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
DECEMBER 31, 2007**

	<u>D.A.R.E. Grant</u>	<u>Animal Control</u>	<u>Street Lighting</u>	<u>Tri-City Senior Center</u>	<u>Community Hospital</u>	<u>Community Development Block Grant</u>
<b><u>Assets</u></b>						
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 130	\$ 24,456	\$ 0	\$ 2,667	\$ 3,671
Receivables:						
Taxes	0	0	0	0	90,481	0
Accounts	0	0	0	0	0	0
Intergovernmental	20,844	0	0	0	4,418	150,000
Special Assessments	0	0	727,822	0	0	0
Advances to Other Funds	0	0	0	0	0	0
Prepaid Items	0	0	0	0	0	0
Materials and Supplies						
Inventory	0	0	0	0	0	0
<b>Total Assets</b>	<u>\$ 20,844</u>	<u>\$ 130</u>	<u>\$ 752,278</u>	<u>\$ 0</u>	<u>\$ 97,566</u>	<u>\$ 153,671</u>
<b><u>Liabilities</u></b>						
Accounts Payable	\$ 0	\$ 0	\$ 69,502	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0	0
Deferred Revenue	0	0	727,822	0	94,899	0
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>797,324</u>	<u>0</u>	<u>94,899</u>	<u>0</u>
<b><u>Fund Balances</u></b>						
Reserved for Encumbrances	0	0	0	0	0	0
Reserved for Inventory	0	0	0	0	0	0
Reserved for Prepaids	0	0	0	0	0	0
Reserved for Loss	0	0	0	0	0	0
Unreserved, Undesignated (Deficit):						
Special Revenue	20,844	130	(45,046)	0	2,667	153,671
<b>Total Fund Balances (Deficit)</b>	<u>20,844</u>	<u>130</u>	<u>(45,046)</u>	<u>0</u>	<u>2,667</u>	<u>153,671</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 20,844</u>	<u>\$ 130</u>	<u>\$ 752,278</u>	<u>\$ 0</u>	<u>\$ 97,566</u>	<u>\$ 153,671</u>

(Continued)

**CITY OF BEREA, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**DECEMBER 31, 2007**

	<u>Municipal Vehicle Tax Levy</u>	<u>Law Enforcement</u>	<u>First Offenders Diversion</u>	<u>Probation</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>DUI Education</u>
<b><u>Assets</u></b>						
Equity in Pooled Cash and Cash Equivalents	\$ 2,358	\$ 23,768	\$ 0	\$ 0	\$ 53,962	\$ 5,822
Receivables:						
Taxes	0	0	0	0	0	0
Accounts	0	0	0	0	0	0
Intergovernmental	5,973	0	0	0	0	0
Special Assessments	0	0	0	0	0	0
Advances to Other Funds	0	0	0	0	0	0
Prepaid Items	0	0	0	0	0	0
Materials and Supplies						
Inventory	0	0	0	0	0	0
<b>Total Assets</b>	<u>\$ 8,331</u>	<u>\$ 23,768</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 53,962</u>	<u>\$ 5,822</u>
<b><u>Liabilities</u></b>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0	0
Deferred Revenue	0	0	0	0	0	0
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b><u>Fund Balances</u></b>						
Reserved for Encumbrances	0	0	0	0	7,725	0
Reserved for Inventory	0	0	0	0	0	0
Reserved for Prepaids	0	0	0	0	0	0
Reserved for Loans	0	0	0	0	0	0
Unreserved, Undesignated (Deficit):						
Special Revenue	8,331	23,768	0	0	46,237	5,822
<b>Total Fund Balances (Deficit)</b>	<u>8,331</u>	<u>23,768</u>	<u>0</u>	<u>0</u>	<u>53,962</u>	<u>5,822</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 8,331</u>	<u>\$ 23,768</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 53,962</u>	<u>\$ 5,822</u>

(Continued)

**CITY OF BEREA, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
DECEMBER 31, 2007**

	<u>Indigent Driving School</u>	<u>DUS Diversion</u>	<u>Court Computer</u>	<u>Court Computer Research</u>	<u>Court Special Projects</u>	<u>State Highway Patrol</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b><u>Assets</u></b>							
Equity in Pooled Cash and Cash Equivalents	\$ 753	\$ 0	\$ 96,464	\$ 164,999	\$ 74,974	\$ 0	\$ 691,161
Receivables:							
Taxes	0	0	0	0	0	0	1,420,442
Accounts	0	0	5,447	7,554	0	0	17,464
Intergovernmental	0	0	0	0	0	0	559,455
Special Assessments	0	0	0	0	0	0	727,822
Advances to Other Funds	0	0	0	0	0	0	150,000
Prepaid Items	0	0	16,312	0	0	0	16,312
Materials and Supplies							
Inventory	0	0	0	0	0	0	92,085
<b>Total Assets</b>	<u>\$ 753</u>	<u>\$ 0</u>	<u>\$ 118,223</u>	<u>\$ 172,553</u>	<u>\$ 74,974</u>	<u>\$ 0</u>	<u>\$ 3,674,741</u>
<b><u>Liabilities</u></b>							
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 3,801	\$ 0	\$ 0	\$ 99,144
Accrued Wages and Benefits Payable	0	0	0	0	0	0	29,065
Intergovernmental Payable	0	0	0	0	0	0	347,474
Deferred Revenue	0	0	0	0	0	0	2,069,541
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,801</u>	<u>0</u>	<u>0</u>	<u>2,545,224</u>
<b><u>Fund Balances</u></b>							
Reserved for Encumbrances	0	0	2,117	3,211	165	0	15,484
Reserved for Inventory	0	0	0	0	0	0	92,085
Reserved for Prepaids	0	0	16,312	0	0	0	16,312
Reserved for Loans	0	0	0	0	0	0	150,000
Unreserved, Undesignated (Deficit):							
Special Revenue	753	0	99,794	165,541	74,809	0	855,636
<b>Total Fund Balances (Deficit)</b>	<u>753</u>	<u>0</u>	<u>118,223</u>	<u>168,752</u>	<u>74,974</u>	<u>0</u>	<u>1,129,517</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 753</u>	<u>\$ 0</u>	<u>\$ 118,223</u>	<u>\$ 172,553</u>	<u>\$ 74,974</u>	<u>\$ 0</u>	<u>\$ 3,674,741</u>

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Recreation</u>	<u>Municipal Income Tax</u>	<u>State Highway</u>	<u>Street Maintenance</u>	<u>Fire Pension</u>	<u>Police Pension</u>
<b>Revenues</b>						
Local Taxes - Income Tax	\$ 0	\$ 2,507,803	\$ 0	\$ 0	\$ 0	\$ 0
Local Taxes - Property Taxes	0	0	0	0	356,972	356,972
Intergovernmental	0	0	50,241	613,446	44,230	44,230
Special Assessments	0	0	0	0	0	0
Charges for Services	382,140	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Other	19,119	0	0	726	0	0
<b>Total Revenues</b>	<u>401,259</u>	<u>2,507,803</u>	<u>50,241</u>	<u>614,172</u>	<u>401,202</u>	<u>401,202</u>
<b>Expenditures</b>						
Current:						
Security of Persons and Property	0	0	0	0	422,764	435,993
Public Health and Welfare	0	0	0	0	0	0
Leisure Time Activities	1,031,251	0	0	0	0	0
Public Works	3,277	0	0	0	0	0
Transportation	0	0	55,000	873,443	0	0
General Government	0	54,060	0	0	0	0
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	1,160	3,358
Interest and Fiscal Charges	0	0	0	0	2,638	7,636
<b>Total Expenditures</b>	<u>1,034,528</u>	<u>54,060</u>	<u>55,000</u>	<u>873,443</u>	<u>426,562</u>	<u>446,987</u>
Excess of Revenues Over (Under) Expenditures	<u>(633,269)</u>	<u>2,453,743</u>	<u>(4,759)</u>	<u>(259,271)</u>	<u>(25,360)</u>	<u>(45,785)</u>
<b>Other Financing Sources</b>						
<b>(Uses)</b>						
Transfers In	627,000	0	0	213,000	20,000	35,000
Transfers Out	0	(2,342,000)	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>627,000</u>	<u>(2,342,000)</u>	<u>0</u>	<u>213,000</u>	<u>20,000</u>	<u>35,000</u>
Net Change in Fund Balances	(6,269)	111,743	(4,759)	(46,271)	(5,360)	(10,785)
Fund Balances (Deficit) Beginning of Year	<u>(34,780)</u>	<u>559,422</u>	<u>15,656</u>	<u>197,473</u>	<u>(113,361)</u>	<u>(120,043)</u>
<b>Fund Balances (Deficit) End of Year</b>	<u>\$ (41,049)</u>	<u>\$ 671,165</u>	<u>\$ 10,897</u>	<u>\$ 151,202</u>	<u>\$ (118,721)</u>	<u>\$ (130,828)</u>

(Continued)

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	D.A.R.E. <u>Grant</u>	Animal <u>Control</u>	Street <u>Lighting</u>	Tri-City Senior <u>Center</u>	Community <u>Hospital</u>	Community Development <u>Block Grant</u>
<b>Revenues</b>						
Local Taxes - Income Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Local Taxes - Property Taxes	0	0	0	0	104,635	0
Intergovernmental	20,844	0	0	265	14,023	150,000
Special Assessments	0	0	591,710	0	0	0
Charges for Services	0	0	0	0	0	0
Fines and Forfeitures	0	515	0	0	0	0
Interest	0	0	0	0	0	0
Other	0	0	1,995	0	0	0
<b>Total Revenues</b>	<u>20,844</u>	<u>515</u>	<u>593,705</u>	<u>265</u>	<u>118,658</u>	<u>150,000</u>
<b>Expenditures</b>						
Current:						
Security of Persons and Property	20,239	385	439,837	0	0	0
Public Health and Welfare	0	0	0	956	119,516	0
Leisure Time Activities	0	0	0	0	0	0
Public Works	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
General Government	0	0	0	0	0	0
Capital Outlay	0	0	331,118	0	0	0
Debt Service:						
Principal Retirement	0	0	24,957	0	0	0
Interest and Fiscal Charges	0	0	6,189	0	0	0
<b>Total Expenditures</b>	<u>20,239</u>	<u>385</u>	<u>802,101</u>	<u>956</u>	<u>119,516</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>605</u>	<u>130</u>	<u>(208,396)</u>	<u>(691)</u>	<u>(858)</u>	<u>150,000</u>
<b>Other Financing Sources</b>						
<b>(Uses)</b>						
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	605	130	(208,396)	(691)	(858)	150,000
Fund Balances (Deficit) Beginning of Year	<u>20,239</u>	<u>0</u>	<u>163,350</u>	<u>691</u>	<u>3,525</u>	<u>3,671</u>
<b>Fund Balances (Deficit) End of Year</b>	<u>\$ 20,844</u>	<u>\$ 130</u>	<u>\$ (45,046)</u>	<u>\$ 0</u>	<u>\$ 2,667</u>	<u>\$ 153,671</u>

(Continued)

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	Municipal Vehicle Tax Levy	Law Enforcement	First Offenders Diversion	Probation	Indigent Drivers Alcohol Treatment	DUI Education
<b>Revenues</b>						
Local Taxes - Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Local Taxes - Property Taxes	0	0	0	0	0	0
Intergovernmental	37,338	0	0	0	0	0
Special Assessments	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	0
Fines and Forfeitures	0	23,785	4,300	87,239	40,753	2,028
Interest	43	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total Revenues</b>	<u>37,381</u>	<u>23,785</u>	<u>4,300</u>	<u>87,239</u>	<u>40,753</u>	<u>2,028</u>
<b>Expenditures</b>						
Current:						
Security of Persons and Property	0	1,071	0	0	0	226
Public Health and Welfare	0	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0	0
Public Works	0	0	0	0	0	0
Transportation	38,000	0	0	0	0	0
General Government	0	0	0	80,656	20,462	0
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<b>Total Expenditures</b>	<u>38,000</u>	<u>1,071</u>	<u>0</u>	<u>80,656</u>	<u>20,462</u>	<u>226</u>
Excess of Revenues Over (Under) Expenditures	<u>(619)</u>	<u>22,714</u>	<u>4,300</u>	<u>6,583</u>	<u>20,291</u>	<u>1,802</u>
<b>Other Financing Sources</b>						
<b>(Uses)</b>						
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	(15,910)	(10,163)	(20,000)	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>(15,910)</u>	<u>(10,163)</u>	<u>(20,000)</u>	<u>0</u>
Net Change in Fund Balances	(619)	22,714	(11,610)	(3,580)	291	1,802
Fund Balances (Deficit) Beginning of Year	<u>8,950</u>	<u>1,054</u>	<u>11,610</u>	<u>3,580</u>	<u>53,671</u>	<u>4,020</u>
<b>Fund Balances (Deficit) End of Year</b>	<u>\$ 8,331</u>	<u>\$ 23,768</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 53,962</u>	<u>\$ 5,822</u>

(Continued)

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	Indigent Driving School	DUS Diversion	Court Computer	Court Computer Research	Court Special Projects	State Highway Patrol	Total Nonmajor Special Revenue Funds
<b>Revenues</b>							
Local Taxes - Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,507,803
Local Taxes - Property Taxes	0	0	0	0	0	0	818,579
Intergovernmental	0	0	0	0	0	0	974,617
Special Assessment	0	0	0	0	0	0	591,710
Charges for Services	0	0	0	0	0	0	382,140
Fines and Forfeitures	200	8,628	94,561	45,875	78,977	4,832	391,693
Interest	0	0	0	0	0	0	43
Miscellaneous	0	0	0	0	0	0	21,840
<b>Total Revenues</b>	<u>200</u>	<u>8,628</u>	<u>94,561</u>	<u>45,875</u>	<u>78,977</u>	<u>4,832</u>	<u>5,688,425</u>
<b>Expenditures</b>							
Current:							
Security of Persons and Property	0	0	0	0	0	0	1,320,515
Public Health and Welfare	0	0	0	0	0	0	120,472
Leisure Time Activities	0	0	0	0	0	0	1,031,251
Public Works	0	0	0	0	0	0	3,277
Transportation	0	0	0	0	0	0	966,443
General Government	0	0	90,387	26,410	4,003	4,832	280,810
Capital Outlay	0	0	0	0	0	0	331,118
Debt Service:							
Principal Retirement	0	0	0	0	0	0	29,475
Interest and Fiscal Charges	0	0	0	0	0	0	16,463
<b>Total Expenditures</b>	<u>0</u>	<u>0</u>	<u>90,387</u>	<u>26,410</u>	<u>4,003</u>	<u>4,832</u>	<u>4,099,824</u>
Excess of Revenues Over (Under) Expenditures	<u>200</u>	<u>8,628</u>	<u>4,174</u>	<u>19,465</u>	<u>74,974</u>	<u>0</u>	<u>1,588,601</u>
<b>Other Financing Sources</b>							
<b>(Uses)</b>							
Transfers In	0	0	0	0	0	0	895,000
Transfers Out	0	(45,506)	0	0	0	0	(2,433,579)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>(45,506)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,538,579)</u>
Net Change in Fund Balances	200	(36,878)	4,174	19,465	74,974	0	50,022
Fund Balances (Deficit) Beginning of Year	<u>553</u>	<u>36,878</u>	<u>114,049</u>	<u>149,287</u>	<u>0</u>	<u>0</u>	<u>1,079,495</u>
<b>Fund Balances (Deficit) End of Year</b>	<u>\$ 753</u>	<u>\$ 0</u>	<u>\$ 118,223</u>	<u>\$ 168,752</u>	<u>\$ 74,974</u>	<u>\$ 0</u>	<u>\$ 1,129,517</u>

**CITY OF BEREA, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2007**

	General Capital Improvement	Safety Capital Improvement	Recreation Capital Improvement	Neighborhood Improvement	Total Nonmajor Capital Projects Funds
<b><u>Assets</u></b>					
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 20,360	\$ 2,228	\$ 3,070	\$ 25,658
Receivables:					
Accounts	<u>0</u>	<u>0</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
<b>Total Assets</b>	<u><u>\$ 0</u></u>	<u><u>\$ 20,360</u></u>	<u><u>\$ 4,228</u></u>	<u><u>\$ 3,070</u></u>	<u><u>\$ 27,658</u></u>
<b><u>Liabilities</u></b>					
Accounts Payable	\$ 0	\$ 14,517	\$ 0	\$ 0	\$ 14,517
Contracts Payable	14,890	0	0	0	14,890
Interfund Payable	<u>117,617</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>117,617</u>
<b>Total Liabilities</b>	<u>132,507</u>	<u>14,517</u>	<u>0</u>	<u>0</u>	<u>147,024</u>
<b><u>Fund Balances</u></b>					
Reserved for Encumbrances	1,209	0	0	0	1,209
Unreserved, Undesignated:					
Capital Projects	<u>(133,716)</u>	<u>5,843</u>	<u>4,228</u>	<u>3,070</u>	<u>(120,575)</u>
<b>Total Fund Balances (Deficit)</b>	<u>(132,507)</u>	<u>5,843</u>	<u>4,228</u>	<u>3,070</u>	<u>(119,366)</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 0</u></u>	<u><u>\$ 20,360</u></u>	<u><u>\$ 4,228</u></u>	<u><u>\$ 3,070</u></u>	<u><u>\$ 27,658</u></u>

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	General Capital Improvement	Safety Capital Improvement	Recreation Capital Improvement	Neighborhood Improvement	Total Nonmajor Capital Projects Funds
<b>Revenues</b>					
Intergovernmental	\$ 132,229	\$ 100,059	0	\$ 0	\$ 232,288
Charges for Services	0	40,335	0	0	40,335
Fees, Licenses and Permits	0	0	0	29,163	29,163
Other	0	1,000	2,758	0	3,758
<b>Total Revenues</b>	<u>132,229</u>	<u>141,394</u>	<u>2,758</u>	<u>29,163</u>	<u>305,544</u>
<b>Expenditures</b>					
Capital Outlay	1,928,352	325,649	60,471	74,493	2,388,965
Debt Service:					
Principal Retirement	32,537	0	7,378	0	39,915
Interest and Fiscal Charges	6,487	0	1,228	0	7,715
<b>Total Expenditures</b>	<u>1,967,376</u>	<u>325,649</u>	<u>69,077</u>	<u>74,493</u>	<u>2,436,595</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,835,147)</u>	<u>(184,255)</u>	<u>(66,319)</u>	<u>(45,330)</u>	<u>(2,131,051)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	2,292	0	0	0	2,292
Capital Leases	140,729	0	15,346	0	156,075
Transfers In	1,600,000	115,000	25,000	48,000	1,788,000
<b>Total Other Financing Sources (Uses)</b>	<u>1,743,021</u>	<u>115,000</u>	<u>40,346</u>	<u>48,000</u>	<u>1,946,367</u>
Net Change in Fund Balances	(92,126)	(69,255)	(25,973)	2,670	(184,684)
Fund Balances (Deficit), Beginning of Year	<u>(40,381)</u>	<u>75,098</u>	<u>30,201</u>	<u>400</u>	<u>65,318</u>
<b>Fund Balances (Deficit) End of Year</b>	<u><u>\$ (132,507)</u></u>	<u><u>\$ 5,843</u></u>	<u><u>\$ 4,228</u></u>	<u><u>\$ 3,070</u></u>	<u><u>\$ (119,366)</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Property Taxes	\$ 2,090,000	\$ 2,123,638	\$ 2,123,638	\$ 0
Municipal Income Taxes	7,500,000	7,534,863	7,534,863	0
Other Local Taxes	6,000	7,614	7,614	0
Intergovernmental	1,263,850	1,830,866	1,830,866	0
Charges for Services	719,600	676,732	748,283	71,551
Fees, Licenses and Permits	1,080,000	522,541	522,541	0
Fines and Forfeitures	1,506,000	1,540,547	1,540,547	0
Investment Income	240,150	140,104	207,168	67,064
Refunds and Reimbursements	20,000	30,707	30,707	0
Other	<u>74,400</u>	<u>76,809</u>	<u>76,809</u>	<u>0</u>
<b>Total Revenues</b>	<u>14,500,000</u>	<u>14,484,421</u>	<u>14,623,036</u>	<u>138,615</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Service	2,796,282	2,816,282	2,783,322	32,960
Other	<u>331,300</u>	<u>311,300</u>	<u>275,143</u>	<u>36,157</u>
Total Police Department	<u>3,127,582</u>	<u>3,127,582</u>	<u>3,058,465</u>	<u>69,117</u>
Fire Department:				
Personal Service	1,796,200	1,796,200	1,769,472	26,728
Other	<u>56,950</u>	<u>56,950</u>	<u>51,929</u>	<u>5,021</u>
Total Fire Department	<u>1,853,150</u>	<u>1,853,150</u>	<u>1,821,401</u>	<u>31,749</u>
Total Security of Persons and Property	<u>4,980,732</u>	<u>4,980,732</u>	<u>4,879,866</u>	<u>100,866</u>
Leisure Time Activities:				
Public Grounds:				
Personal Service	647,154	638,236	638,122	114
Other	<u>130,316</u>	<u>132,505</u>	<u>130,536</u>	<u>1,969</u>
Total Public Grounds	<u>777,470</u>	<u>770,741</u>	<u>768,658</u>	<u>2,083</u>
Total Leisure Time Activities	<u>777,470</u>	<u>770,741</u>	<u>768,658</u>	<u>2,083</u>
Community Development:				
Building Department:				
Personal Service	318,689	314,562	298,806	15,756
Other	<u>24,201</u>	<u>24,796</u>	<u>24,770</u>	<u>26</u>
Total Building Department	<u>342,890</u>	<u>339,358</u>	<u>323,576</u>	<u>15,782</u>

(Continued)

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Engineering Department:				
Personal Service	193,560	190,414	189,996	418
Other	<u>31,648</u>	<u>31,831</u>	<u>31,812</u>	<u>19</u>
Total Engineering Department	<u>225,208</u>	<u>222,245</u>	<u>221,808</u>	<u>437</u>
Total Community Development	<u>568,098</u>	<u>561,603</u>	<u>545,384</u>	<u>16,219</u>
Public Works:				
Storm Sewers and Drains:				
Personal Service	39,103	38,932	38,769	163
Other	<u>67,019</u>	<u>68,293</u>	<u>68,199</u>	<u>94</u>
Total Storm Sewers and Drains	<u>106,122</u>	<u>107,225</u>	<u>106,968</u>	<u>257</u>
Refuse Collection and Disposal:				
Personal Service	1,955	1,000	162	838
Other	<u>757,692</u>	<u>765,710</u>	<u>765,462</u>	<u>248</u>
Total Refuse Collection and Disposal	<u>759,647</u>	<u>766,710</u>	<u>765,624</u>	<u>1,086</u>
Recycling Collection:				
Personal Service	<u>3,910</u>	<u>4,615</u>	<u>4,615</u>	<u>0</u>
Total Recycling Collection	<u>3,910</u>	<u>4,615</u>	<u>4,615</u>	<u>0</u>
Leaf Collection:				
Personal Service	52,789	51,910	51,400	510
Other	<u>9,308</u>	<u>9,289</u>	<u>9,235</u>	<u>54</u>
Total Leaf Collection	<u>62,097</u>	<u>61,199</u>	<u>60,635</u>	<u>564</u>
Snow Removal:				
Personal Service	136,860	134,700	127,206	7,494
Other	<u>132,177</u>	<u>133,546</u>	<u>125,391</u>	<u>8,155</u>
Total Snow Removal	<u>269,037</u>	<u>268,246</u>	<u>252,597</u>	<u>15,649</u>
Total Public Works	<u>1,200,813</u>	<u>1,207,995</u>	<u>1,190,439</u>	<u>17,556</u>
General Government:				
Council:				
Personal Service	139,271	139,271	139,181	90
Other	<u>4,000</u>	<u>4,000</u>	<u>3,866</u>	<u>134</u>
Total Council	<u>143,271</u>	<u>143,271</u>	<u>143,047</u>	<u>224</u>
Mayor:				
Personal Service	181,939	187,939	187,066	873
Other	<u>2,550</u>	<u>2,550</u>	<u>2,007</u>	<u>543</u>
Total Mayor	<u>184,489</u>	<u>190,489</u>	<u>189,073</u>	<u>1,416</u>

(Continued)

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Finance:				
Personal Service	272,174	278,174	275,833	2,341
Other	12,200	12,200	11,678	522
Total Finance	<u>284,374</u>	<u>290,374</u>	<u>287,511</u>	<u>2,863</u>
Law:				
Personal Service	238,712	238,712	238,559	153
Other	11,300	11,300	11,200	100
Total Law	<u>250,012</u>	<u>250,012</u>	<u>249,759</u>	<u>253</u>
Civil Service Commission:				
Personal Service	6	6	0	6
Other	100	100	0	100
Total Civil Service Commission	<u>106</u>	<u>106</u>	<u>0</u>	<u>106</u>
Municipal Court:				
Personal Service	935,867	994,867	990,626	4,241
Other	750,450	711,450	700,236	11,214
Total Municipal Court	<u>1,686,317</u>	<u>1,706,317</u>	<u>1,690,862</u>	<u>15,455</u>
Administration:				
Personal Service	20,445	22,445	20,833	1,612
Other	3,344,507	3,173,420	3,051,389	122,031
Total Administration	<u>3,364,952</u>	<u>3,195,865</u>	<u>3,072,222</u>	<u>123,643</u>
Municipal Fleet and Equipment:				
Personal Services	201,380	198,336	197,394	942
Other	245,738	248,484	246,417	2,067
Total Municipal Fleet and Equipment	<u>447,118</u>	<u>446,820</u>	<u>443,811</u>	<u>3,009</u>
Municipal Building:				
Other	448,658	452,167	451,627	540
Total Municipal Building	<u>448,658</u>	<u>452,167</u>	<u>451,627</u>	<u>540</u>
Service Administration:				
Personal Services	359,747	352,442	352,388	54
Other	14,893	15,028	14,938	90
Total Service Administration	<u>374,640</u>	<u>367,470</u>	<u>367,326</u>	<u>144</u>
Planning and Development:				
Other	20,000	20,000	13,126	6,874
Total Planning and Development	<u>20,000</u>	<u>20,000</u>	<u>13,126</u>	<u>6,874</u>
Total General Government	<u>7,203,937</u>	<u>7,062,891</u>	<u>6,908,364</u>	<u>154,527</u>
<b>Total Expenditures</b>	<u>14,731,050</u>	<u>14,583,962</u>	<u>14,292,711</u>	<u>291,251</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Excess of Revenue Over (Under) Expenditures	<u>(231,050)</u>	<u>(99,541)</u>	<u>330,325</u>	<u>429,866</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In	0	91,579	91,579	0
Transfers Out	<u>(460,000)</u>	<u>(425,000)</u>	<u>(416,000)</u>	<u>9,000</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(460,000)</u>	<u>(333,421)</u>	<u>(324,421)</u>	<u>9,000</u>
Net Change in Fund Balance	(691,050)	(432,962)	5,904	438,866
Fund Balance Beginning of Year	955,511	955,511	955,511	0
Prior Year Encumbrances Appropriated	<u>13,848</u>	<u>13,848</u>	<u>13,848</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 278,309</u>	<u>\$ 536,397</u>	<u>\$ 975,263</u>	<u>\$ 438,866</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**GENERAL BOND RETIREMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Property Taxes	\$ 1,909,798	\$ 1,909,798	\$ 0
Intergovernmental	230,346	230,346	0
Special Assessments	<u>7,000</u>	<u>15,635</u>	<u>8,635</u>
<b>Total Revenues</b>	<u>2,147,144</u>	<u>2,155,779</u>	<u>8,635</u>
<b><u>Expenditures</u></b>			
Current:			
General Government	12,621	5,259	7,362
Debt Service:			
Principal Retirement	1,190,757	1,190,756	1
Interest and Fiscal Charges	<u>925,994</u>	<u>925,994</u>	<u>0</u>
<b>Total Expenditures</b>	<u>2,129,372</u>	<u>2,122,009</u>	<u>7,363</u>
Excess of Revenues Over Expenditures	<u>17,772</u>	<u>33,770</u>	<u>15,998</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Advances In	<u>15,000</u>	<u>15,000</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Net Change in Fund Balance	32,772	48,770	15,998
Fund Balance Beginning of Year	<u>420,078</u>	<u>420,078</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 452,850</u>	<u>\$ 468,848</u>	<u>\$ 15,998</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**RAILROAD CAPITAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Intergovernmental	\$23,944,007	\$ 2,679,823	\$(21,264,184)
Other	<u>5,993</u>	<u>5,993</u>	<u>0</u>
<b>Total Revenues</b>	<u>23,950,000</u>	<u>2,685,816</u>	<u>(21,264,184)</u>
<b><u>Expenditures</u></b>			
Current:			
Capital Outlay	<u>24,000,000</u>	<u>2,821,634</u>	<u>21,178,366</u>
<b>Total Expenditures</b>	<u>24,000,000</u>	<u>2,821,634</u>	<u>21,178,366</u>
Excess of Revenues Over (Under) Expenditures	<u>(50,000)</u>	<u>(135,818)</u>	<u>(85,818)</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Advances In	<u>50,000</u>	<u>50,000</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Net Change in Fund Balance	0	(85,818)	(85,818)
Fund Balance Beginning of Year	<u>134,735</u>	<u>134,735</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 134,735</u>	<u>\$ 48,917</u>	<u>\$ (85,818)</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**COURT CAPITAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 314,283	\$ 324,861	\$ 10,578
Investment Income	36,824	58,819	21,995
<b>Total Revenues</b>	<u>351,107</u>	<u>383,680</u>	<u>32,573</u>
<b><u>Expenditures</u></b>			
Current:			
Capital Outlay	1,779,353	218,631	1,560,722
Principal Retirement	200,000	200,000	0
Interest and Fiscal Charges	7,900	7,900	0
<b>Total Expenditures</b>	<u>1,987,253</u>	<u>426,531</u>	<u>1,560,722</u>
Excess of Revenue Over (Under) Expenditures	<u>(1,636,146)</u>	<u>(42,851)</u>	<u>1,593,295</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Advances Out	(15,000)	(15,000)	0
Proceeds from Sale of Notes	1,750,000	1,750,000	0
<b>Total Other Financing Sources (Uses)</b>	<u>1,735,000</u>	<u>1,735,000</u>	<u>0</u>
Net Change in Fund Balance	98,854	1,692,149	1,593,295
Fund Balance Beginning of Year	<u>2,258</u>	<u>2,258</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 101,112</u>	<u>\$ 1,694,407</u>	<u>\$ 1,593,295</u>

**CITY OF BEREА, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**RECREATION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Charges for Services	\$ 371,342	\$ 379,072	\$ 7,730
Refund and Reimbursements	16,619	16,619	0
Other	<u>2,500</u>	<u>2,500</u>	<u>0</u>
<b>Total Revenues</b>	<u>390,461</u>	<u>398,191</u>	<u>7,730</u>
<b><u>Expenditures</u></b>			
Current:			
Leisure Time Activities:			
Personal Services	479,184	475,974	3,210
Other	<u>556,648</u>	<u>549,586</u>	<u>7,062</u>
<b>Total Expenditures</b>	<u>1,035,832</u>	<u>1,025,560</u>	<u>10,272</u>
Excess of Revenues Over (Under) Expenditures	<u>(645,371)</u>	<u>(627,369)</u>	<u>18,002</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In	<u>627,000</u>	<u>627,000</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>627,000</u>	<u>627,000</u>	<u>0</u>
Net Change in Fund Balance	(18,371)	(369)	18,002
Fund Balance Beginning of Year	18,181	18,181	0
Prior Year Encumbrances Appropriated	<u>632</u>	<u>632</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 442</u>	<u>\$ 18,444</u>	<u>\$ 18,002</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**MUNICIPAL INCOME TAX FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Municipal Income Tax	\$ 2,511,621	\$ 2,511,621	\$ 0
<b>Total Revenues</b>	<u>2,511,621</u>	<u>2,511,621</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
General Government	<u>65,000</u>	<u>53,987</u>	<u>11,013</u>
<b>Total Expenditures</b>	<u>65,000</u>	<u>53,987</u>	<u>11,013</u>
Excess of Revenues Over (Under) Expenditures	<u>2,446,621</u>	<u>2,457,634</u>	<u>11,013</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers Out	(2,390,000)	(2,342,000)	48,000
Advances Out	<u>(50,000)</u>	<u>(50,000)</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(2,440,000)</u>	<u>(2,392,000)</u>	<u>48,000</u>
Net Change in Fund Balance	6,621	65,634	59,013
Fund Balance Beginning of Year	<u>54,533</u>	<u>54,533</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 61,154</u>	<u>\$ 120,167</u>	<u>\$ 59,013</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**STATE HIGHWAY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Intergovernmental	\$ 48,000	\$ 51,258	\$ 3,258
<b>Total Revenues</b>	<u>48,000</u>	<u>51,258</u>	<u>3,258</u>
<b><u>Expenditures</u></b>			
Current:			
Transportation	<u>55,000</u>	<u>55,000</u>	<u>0</u>
<b>Total Expenditures</b>	<u>55,000</u>	<u>55,000</u>	<u>0</u>
Net Change in Fund Balance	(7,000)	(3,742)	3,258
Fund Balance Beginning of Year	<u>10,318</u>	<u>10,318</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 3,318</u></u>	<u><u>\$ 6,576</u></u>	<u><u>\$ 3,258</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**STREET MAINTENANCE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Intergovernmental	\$ 598,274	\$ 632,187	\$ 33,913
Refunds and Reimbursements	726	726	0
<b>Total Revenues</b>	<u>599,000</u>	<u>632,913</u>	<u>33,913</u>
<b><u>Expenditures</u></b>			
Current:			
Transportation	862,087	839,243	22,844
<b>Total Expenditures</b>	<u>862,087</u>	<u>839,243</u>	<u>22,844</u>
Excess of Revenues Over (Under) Expenditures	<u>(263,087)</u>	<u>(206,330)</u>	<u>56,757</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In	222,000	213,000	(9,000)
<b>Total Other Financing Sources (Uses)</b>	<u>222,000</u>	<u>213,000</u>	<u>(9,000)</u>
Net Change in Fund Balance	(41,087)	6,670	47,757
Fund Balance Beginning of Year	45,820	45,820	0
Prior Year Encumbrances Appropriated	89	89	0
<b>Fund Balance End of Year</b>	<u>\$ 4,822</u>	<u>\$ 52,579</u>	<u>\$ 47,757</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**FIRE PENSION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Property Taxes	\$ 356,972	\$ 356,972	\$ 0
Intergovernmental	<u>42,290</u>	<u>44,230</u>	<u>1,940</u>
<b>Total Revenues</b>	<u>399,262</u>	<u>401,202</u>	<u>1,940</u>
<b><u>Expenditures</u></b>			
Current:			
Security of Persons and Property	<u>420,709</u>	<u>418,751</u>	<u>1,958</u>
<b>Total Expenditures</b>	<u>420,709</u>	<u>418,751</u>	<u>1,958</u>
Excess of Revenues Over (Under) Expenditures	<u>(21,447)</u>	<u>(17,549)</u>	<u>3,898</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In	<u>20,000</u>	<u>20,000</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>20,000</u>	<u>20,000</u>	<u>0</u>
Net Change in Fund Balance	(1,447)	2,451	3,898
<b>Fund Balance Beginning of Year</b>	<u>17,165</u>	<u>17,165</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 15,718</u>	<u>\$ 19,616</u>	<u>\$ 3,898</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**POLICE PENSION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Property Taxes	\$ 356,972	\$ 356,972	\$ 0
Intergovernmental	42,290	44,230	1,940
<b>Total Revenues</b>	<u>399,262</u>	<u>401,202</u>	<u>1,940</u>
<b><u>Expenditures</u></b>			
Current:			
Security of Persons and Property	439,952	438,938	1,014
<b>Total Expenditures</b>	<u>439,952</u>	<u>438,938</u>	<u>1,014</u>
Excess of Revenues Over (Under) Expenditures	<u>(40,690)</u>	<u>(37,736)</u>	<u>2,954</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In	35,000	35,000	0
<b>Total Other Financing Sources (Uses)</b>	<u>35,000</u>	<u>35,000</u>	<u>0</u>
Net Change in Fund Balance	(5,690)	(2,736)	2,954
Fund Balance at Beginning of Year	<u>16,832</u>	<u>16,832</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 11,142</u>	<u>\$ 14,096</u>	<u>\$ 2,954</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**DARE GRANT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
<b>Total Revenues</b>	\$ 0	\$ 0	\$ 0
<b><u>Expenditures</u></b>			
Current:			
Security of Persons and Property	20,239	20,239	0
<b>Total Expenditures</b>	20,239	20,239	0
Net Change in Fund Balance	(20,239)	(20,239)	0
Fund Balance Beginning of Year	20,239	20,239	0
<b>Fund Balance End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**ANIMAL CONTROL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 515	\$ 515	\$ 0
<b>Total Revenues</b>	<u>515</u>	<u>515</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Security of Persons and Property	<u>385</u>	<u>385</u>	<u>0</u>
<b>Total Expenditures</b>	<u>385</u>	<u>385</u>	<u>0</u>
Net Change in Fund Balance	130	130	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 130</u></u>	<u><u>\$ 130</u></u>	<u><u>\$ 0</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**STREET LIGHTING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Special Assessments	\$ 591,710	\$ 591,710	\$ 0
Refunds and Reimbursements	<u>1,995</u>	<u>1,995</u>	<u>0</u>
<b>Total Revenues</b>	<u>593,705</u>	<u>593,705</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Security of Persons and Property	<u>832,788</u>	<u>812,590</u>	<u>20,198</u>
<b>Total Expenditures</b>	<u>832,788</u>	<u>812,590</u>	<u>20,198</u>
Net Change in Fund Balance	(239,083)	(218,885)	20,198
Fund Balance Beginning of Year	242,758	242,758	0
Prior Year Encumbrances Appropriated	<u>583</u>	<u>583</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 4,258</u></u>	<u><u>\$ 24,456</u></u>	<u><u>\$ 20,198</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**TRI-CITY SENIOR CENTER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
<b><u>Revenues</u></b>			
Intergovernmental	\$ 265	\$ 265	\$ 0
<b>Total Revenues</b>	<u>265</u>	<u>265</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Public Health and Welfare	<u>956</u>	<u>956</u>	<u>0</u>
<b>Total Expenditures</b>	<u>956</u>	<u>956</u>	<u>0</u>
Net Change in Fund Balance	(691)	(691)	0
Fund Balance Beginning of Year	<u>691</u>	<u>691</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**COMMUNITY HOSPITAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Property Taxes	\$ 104,635	\$ 104,635	\$ 0
Intergovernmental	<u>12,082</u>	<u>14,023</u>	<u>1,941</u>
<b>Total Revenues</b>	<u>116,717</u>	<u>118,658</u>	<u>1,941</u>
<b><u>Expenditures</u></b>			
Current:			
Public Health and Welfare	<u>119,515</u>	<u>119,515</u>	<u>0</u>
<b>Total Expenditures</b>	<u>119,515</u>	<u>119,515</u>	<u>0</u>
Net Change in Fund Balance	(2,798)	(857)	1,941
Fund Balance at Beginning of Year	<u>3,525</u>	<u>3,525</u>	<u>0</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 727</u></u>	<u><u>\$ 2,668</u></u>	<u><u>\$ 1,941</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Total Revenues</b>	\$ 0	\$ 0	\$ 0
<b>Total Expenditures</b>	0	0	0
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In	150,000	0	(150,000)
Transfers Out	<u>(150,000)</u>	<u>0</u>	<u>150,000</u>
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>3,671</u>	<u>3,671</u>	<u>0</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 3,671</u></u>	<u><u>\$ 3,671</u></u>	<u><u>\$ 0</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**MUNICIPAL VEHICLE TAX LEVY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Intergovernmental	\$ 37,339	\$ 37,339	\$ 0
Investment Income	<u>43</u>	<u>43</u>	<u>0</u>
<b>Total Revenues</b>	<u>37,382</u>	<u>37,382</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Transportation	<u>38,000</u>	<u>38,000</u>	<u>0</u>
<b>Total Expenditures</b>	<u>38,000</u>	<u>38,000</u>	<u>0</u>
Net Change in Fund Balance	(618)	(618)	0
Fund Balance Beginning of Year	<u>2,978</u>	<u>2,978</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 2,360</u></u>	<u><u>\$ 2,360</u></u>	<u><u>\$ 0</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**LAW ENFORCEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 23,756	\$ 23,785	\$ 29
<b>Total Revenues</b>	<u>23,756</u>	<u>23,785</u>	<u>29</u>
<b><u>Expenditures</u></b>			
Current:			
Security of Persons and Property	<u>2,500</u>	<u>1,071</u>	<u>1,429</u>
<b>Total Expenditures</b>	<u>2,500</u>	<u>1,071</u>	<u>1,429</u>
Net Change in Fund Balance	21,256	22,714	1,458
Fund Balance Beginning of Year	<u>1,054</u>	<u>1,054</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 22,310</u></u>	<u><u>\$ 23,768</u></u>	<u><u>\$ 1,458</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**FIRST OFFENDERS DIVERSION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 5,200	\$ 5,200	\$ 0
<b>Total Revenues</b>	<u>5,200</u>	<u>5,200</u>	<u>0</u>
<b>Total Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>5,200</u>	<u>5,200</u>	<u>0</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers Out	<u>(15,910)</u>	<u>(15,910)</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(15,910)</u>	<u>(15,910)</u>	<u>0</u>
Net Change in Fund Balance	(10,710)	(10,710)	0
Fund Balance Beginning of Year	<u>10,710</u>	<u>10,710</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**PROBATION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 106,101	\$ 106,101	\$ 0
<b>Total Revenues</b>	<u>106,101</u>	<u>106,101</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
General Government	<u>99,476</u>	<u>99,476</u>	<u>0</u>
<b>Total Expenditures</b>	<u>99,476</u>	<u>99,476</u>	<u>0</u>
Excess of Revenues Over Expenditures	<u>6,625</u>	<u>6,625</u>	<u>0</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers Out	<u>(10,163)</u>	<u>(10,163)</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(10,163)</u>	<u>(10,163)</u>	<u>0</u>
Net Change in Fund Balance	(3,538)	(3,538)	0
Fund Balance Beginning of Year	<u>3,538</u>	<u>3,538</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**INDIGENT DRIVERS ALCOHOL TREATMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 41,703	\$ 41,703	\$ 0
<b>Total Revenues</b>	<u>41,703</u>	<u>41,703</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
General Government	<u>34,000</u>	<u>30,136</u>	<u>3,864</u>
<b>Total Expenditures</b>	<u>34,000</u>	<u>30,136</u>	<u>3,864</u>
Excess of Revenues Over Expenditures	<u>7,703</u>	<u>11,567</u>	<u>3,864</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers Out	<u>(20,000)</u>	<u>(20,000)</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(20,000)</u>	<u>(20,000)</u>	<u>0</u>
Net Change in Fund Balance	(12,297)	(8,433)	3,864
Fund Balance Beginning of Year	52,391	52,391	0
Prior Year Encumbrances Appropriated	<u>2,280</u>	<u>2,280</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 42,374</u>	<u>\$ 46,238</u>	<u>\$ 3,864</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**DUI EDUCATION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 2,027	\$ 2,027	\$ 0
<b>Total Revenues</b>	<u>2,027</u>	<u>2,027</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Security of Persons and Property	<u>3,800</u>	<u>226</u>	<u>3,574</u>
<b>Total Expenditures</b>	<u>3,800</u>	<u>226</u>	<u>3,574</u>
Net Change in Fund Balance	(1,773)	1,801	3,574
Fund Balance Beginning of Year	<u>4,020</u>	<u>4,020</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 2,247</u></u>	<u><u>\$ 5,821</u></u>	<u><u>\$ 3,574</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**INDIGENT DRIVING SCHOOL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 200	\$ 200	\$ 0
<b>Total Revenues</b>	<u>200</u>	<u>200</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
General Government	<u>1,808</u>	<u>1,455</u>	<u>353</u>
<b>Total Expenditures</b>	<u>1,808</u>	<u>1,455</u>	<u>353</u>
Net Change in Fund Balance	(1,608)	(1,255)	353
Fund Balance Beginning of Year	<u>2,008</u>	<u>2,008</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 400</u></u>	<u><u>\$ 753</u></u>	<u><u>\$ 353</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**DUS DIVERSION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 10,093	\$ 10,093	\$ 0
<b>Total Revenues</b>	<u>10,093</u>	<u>10,093</u>	<u>0</u>
<b>Total Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenue Over Expenditures	<u>10,093</u>	<u>10,093</u>	<u>0</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers Out	<u>(45,506)</u>	<u>(45,506)</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(45,506)</u>	<u>(45,506)</u>	<u>0</u>
Net Change in Fund Balance	(35,413)	(35,413)	0
Fund Balance Beginning of Year	<u>35,413</u>	<u>35,413</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**COURT COMPUTER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 95,743	\$ 95,743	\$ 0
<b>Total Revenues</b>	<u>95,743</u>	<u>95,743</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
General Government	<u>125,000</u>	<u>108,044</u>	<u>16,956</u>
<b>Total Expenditures</b>	<u>125,000</u>	<u>108,044</u>	<u>16,956</u>
Net Change in Fund Balance	(29,257)	(12,301)	16,956
Fund Balance Beginning of Year	<u>106,648</u>	<u>106,648</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 77,391</u></u>	<u><u>\$ 94,347</u></u>	<u><u>\$ 16,956</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**COURT COMPUTER RESEARCH FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 41,187	\$ 41,187	\$ 0
<b>Total Revenues</b>	<u>41,187</u>	<u>41,187</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
General Government	<u>125,000</u>	<u>30,002</u>	<u>94,998</u>
<b>Total Expenditures</b>	<u>125,000</u>	<u>30,002</u>	<u>94,998</u>
Net Change in Fund Balance	(83,813)	11,185	94,998
Fund Balance Beginning of Year	<u>150,603</u>	<u>150,603</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 66,790</u></u>	<u><u>\$ 161,788</u></u>	<u><u>\$ 94,998</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**COURT SPECIAL PROJECTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fees, Licenses and Permits	\$ 78,977	\$ 78,977	\$ 0
<b>Total Revenues</b>	<u>78,977</u>	<u>78,977</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
General Government	<u>20,000</u>	<u>4,168</u>	<u>15,832</u>
<b>Total Expenditures</b>	<u>20,000</u>	<u>4,168</u>	<u>15,832</u>
Net Change in Fund Balance	58,977	74,809	15,832
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 58,977</u></u>	<u><u>\$ 74,809</u></u>	<u><u>\$ 15,832</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE-BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**STATE HIGHWAY PATROL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 4,832	\$ 4,832	\$ 0
<b>Total Revenues</b>	<u>4,832</u>	<u>4,832</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
General Government	<u>4,832</u>	<u>4,832</u>	<u>0</u>
<b>Total Expenditures</b>	<u>4,832</u>	<u>4,832</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**GENERAL CAPITAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Intergovernmental	\$ 744,280	\$ 792,280	\$ 48,000
<b>Total Revenues</b>	<u>744,280</u>	<u>792,280</u>	<u>48,000</u>
<b><u>Expenditures</u></b>			
Current:			
Capital Outlay	2,660,975	2,632,415	28,560
Debt Service:			
Bond Principal Retirement	32,538	32,538	0
Interest	<u>6,487</u>	<u>6,487</u>	<u>0</u>
<b>Total Expenditures</b>	<u>2,700,000</u>	<u>2,671,440</u>	<u>28,560</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,955,720)</u>	<u>(1,879,160)</u>	<u>76,560</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In	1,798,000	1,600,000	(198,000)
Sale of Capital Assets	<u>2,292</u>	<u>2,292</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>1,800,292</u>	<u>1,602,292</u>	<u>(198,000)</u>
Net Change in Fund Balance	(155,428)	(276,868)	(121,440)
Fund Balance - Beginning of Year	<u>158,041</u>	<u>158,041</u>	<u>0</u>
<b>Fund Balance (Deficit) - End of Year</b>	<u>\$ 2,613</u>	<u>\$ (118,827)</u>	<u>\$ (121,440)</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**SAFETY CAPITAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Intergovernmental	\$ 100,059	\$ 100,059	\$ 0
Charges for Services	40,335	40,335	0
Other	<u>1,000</u>	<u>1,000</u>	<u>0</u>
<b>Total Revenues</b>	<u>141,394</u>	<u>141,394</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Capital Outlay	<u>333,000</u>	<u>317,133</u>	<u>15,867</u>
<b>Total Expenditures</b>	<u>333,000</u>	<u>317,133</u>	<u>15,867</u>
Excess of Revenues Over (Under) Expenditures	<u>(191,606)</u>	<u>(175,739)</u>	<u>15,867</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In	<u>115,000</u>	<u>115,000</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>115,000</u>	<u>115,000</u>	<u>0</u>
Net Change in Fund Balance	(76,606)	(60,739)	15,867
Fund Balance - Beginning of Year	<u>81,098</u>	<u>81,098</u>	<u>0</u>
<b>Fund Balance - End of Year</b>	<u>\$ 4,492</u>	<u>\$ 20,359</u>	<u>\$ 15,867</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**RECREATION CAPITAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Other	\$ 14,741	\$ 14,741	\$ 0
<b>Total Revenues</b>	<u>14,741</u>	<u>14,741</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Capital Outlay	<u>53,731</u>	<u>53,731</u>	<u>0</u>
<b>Total Expenses</b>	<u>53,731</u>	<u>53,731</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(38,990)</u>	<u>(38,990)</u>	<u>0</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In	<u>25,000</u>	<u>25,000</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Net Change in Fund Balance	(13,990)	(13,990)	0
Fund Balance Beginning of Year	<u>16,217</u>	<u>16,217</u>	<u>0</u>
<b>Fund Balance- End of Year</b>	<u>\$ 2,227</u>	<u>\$ 2,227</u>	<u>\$ 0</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**NEIGHBORHOOD IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fees, Licenses, and Permits	\$ 28,588	\$ 29,163	\$ 575
<b>Total Revenues</b>	<u>28,588</u>	<u>29,163</u>	<u>575</u>
<b><u>Expenditures</u></b>			
Current:			
Capital Outlay	<u>75,000</u>	<u>74,493</u>	<u>507</u>
<b>Total Expenditures</b>	<u>75,000</u>	<u>74,493</u>	<u>507</u>
Excess of Revenues Over (Under) Expenditures	<u>(46,412)</u>	<u>(45,330)</u>	<u>1,082</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In	<u>48,000</u>	<u>48,000</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>48,000</u>	<u>48,000</u>	<u>0</u>
Net Change in Fund Balance	1,588	2,670	1,082
Fund Balance - Beginning of Year	<u>400</u>	<u>400</u>	<u>0</u>
<b>Fund Balance - End of Year</b>	<u>\$ 1,988</u>	<u>\$ 3,070</u>	<u>\$ 1,082</u>

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENTS - INTERNAL SERVICE FUNDS**

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

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

**Property/Liability Insurance Fund** - To account for the operation of the City's self-insurance program for property and liability insurance.

**CITY OF BEREA, OHIO  
 COMBINING STATEMENT OF NET ASSETS  
 INTERNAL SERVICE FUNDS  
 DECEMBER 31, 2007**

	<u>Medical Benefits</u>	<u>Property/ Liability Insurance</u>	<u>Total Internal Service</u>
<b><u>Assets</u></b>			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 50,066	\$ 2,502	\$ 52,568
<b>Total Assets</b>	<u>\$ 50,066</u>	<u>\$ 2,502</u>	<u>\$ 52,568</u>
<b><u>Liabilities</u></b>			
Current Liabilities:			
Accounts Payable	\$ 1,450	\$ 0	\$ 1,450
Claims Payable	<u>118,915</u>	<u>0</u>	<u>118,915</u>
Total Current Liabilities	<u>120,365</u>	<u>0</u>	<u>120,365</u>
<b><u>Net Assets</u></b>			
Unrestricted (Deficit)	<u>(70,299)</u>	<u>2,502</u>	<u>(67,797)</u>
<b>Total Net Assets (Deficit)</b>	<u>(70,299)</u>	<u>2,502</u>	<u>(67,797)</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 50,066</u>	<u>\$ 2,502</u>	<u>\$ 52,568</u>

**CITY OF BEREА, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Medical Benefits</u>	<u>Property/ Liability Insurance</u>	<u>Total Internal Service</u>
<b><u>Operating Revenues</u></b>			
Charges for Services	\$ 1,815,172	\$ 245,242	\$ 2,060,414
<b>Total Operating Revenues</b>	<u>1,815,172</u>	<u>245,242</u>	<u>2,060,414</u>
<b><u>Operating Expenses</u></b>			
Contractual Services	318,043	201,121	519,164
Claims	<u>1,426,167</u>	<u>42,871</u>	<u>1,469,038</u>
<b>Total Operating Expenses</b>	<u>1,744,210</u>	<u>243,992</u>	<u>1,988,202</u>
Operating Income	<u>70,962</u>	<u>1,250</u>	<u>72,212</u>
<b><u>Non-Operating Revenues (Expenses)</u></b>			
Interest	<u>1,553</u>	<u>0</u>	<u>1,553</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u>1,553</u>	<u>0</u>	<u>1,553</u>
Change in Net Assets	72,515	1,250	73,765
Net Assets (Deficit), Beginning of Year	<u>(142,814)</u>	<u>1,252</u>	<u>(141,562)</u>
<b>Total Net Assets (Deficit), End of Year</b>	<u>\$ (70,299)</u>	<u>\$ 2,502</u>	<u>\$ (67,797)</u>

**CITY OF BEREHA, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS -**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Medical Benefits</u>	<u>Property/ Liability Insurance</u>	<u>Total Internal Service Funds</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
<b><u>Cash Flows from Operating Activities</u></b>			
Cash Received from Customers	\$ 1,815,172	\$ 245,242	\$ 2,060,414
Cash Payments for Contractual and Other Services	(316,593)	(202,558)	(519,151)
Cash Payments for Claims	<u>(1,493,280)</u>	<u>(40,614)</u>	<u>(1,533,894)</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>5,299</u>	<u>2,070</u>	<u>7,369</u>
<b><u>Cash Flows from Investing Activities</u></b>			
Interest on Investments	<u>1,553</u>	<u>0</u>	<u>1,553</u>
<b>Net Cash Provided by Investing Activities</b>	<u>1,553</u>	<u>0</u>	<u>1,553</u>
Net Increase (Decrease) in Cash and Cash Equivalents	6,852	2,070	8,922
Cash and Cash Equivalents Beginning of Year	<u>43,214</u>	<u>432</u>	<u>43,646</u>
<b>Cash and Cash Equivalents End of Year</b>	<u>\$ 50,066</u>	<u>\$ 2,502</u>	<u>\$ 52,568</u>
<b><u>Reconciliation of Operating Income (Loss)</u></b>			
<b><u>to Net Cash Provided by (Used for) Operating Activities</u></b>			
Operating Income (Loss)	\$ 70,962	\$ 1,250	\$ 72,212
(Increases) Decrease in Assets:			
Prepaid Items	0	2,257	2,257
Increase (Decrease in Liabilities:			
Accounts Payable	1,450	(1,437)	13
Claims Payable	<u>(67,113)</u>	<u>0</u>	<u>(67,113)</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ 5,299</u>	<u>\$ 2,070</u>	<u>\$ 7,369</u>

**CITY OF BEREA, OHIO**

**COMBINING STATEMENTS - AGENCY FUNDS**

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***Fiduciary Funds***

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

***Agency Funds***

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

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

**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.

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

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**DECEMBER 31, 2007**

	<u>Regional Sewer</u>	<u>Unclaimed Monies</u>	<u>Contract Retainer</u>	<u>Guarantee Deposits</u>
<b><u>Assets</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$ 551,844	\$ 19,606	\$ 228,809	\$ 211,301
Equity In Pooled Cash Segregated	0	0	0	0
Receivables:				
Accounts	1,058,897	0	0	0
Special Assessment	<u>317,997</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Assets</b>	<b><u>\$ 1,928,738</u></b>	<b><u>\$ 19,606</u></b>	<b><u>\$ 228,809</u></b>	<b><u>\$ 211,301</u></b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 530,292	\$ 0	\$ 0	\$ 0
Retainage Payable	0	0	77,580	0
Due to Other Governments	1,398,446	0	0	0
Deposits Held and Due to Others	<u>0</u>	<u>19,606</u>	<u>151,229</u>	<u>211,301</u>
<b>Total Liabilities</b>	<b><u>\$ 1,928,738</u></b>	<b><u>\$ 19,606</u></b>	<b><u>\$ 228,809</u></b>	<b><u>\$ 211,301</u></b>

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**DECEMBER 31, 2007**  
**(CONTINUED)**

	<u>Ohio Board of Building Standards</u>	<u>Municipal Court</u>	<u>Total All Agency Funds</u>
<b><u>Assets</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$ 3,428	\$ 0	\$ 1,014,988
Equity in Pooled Cash Segregated	0	286,998	286,998
Receivables:			
Accounts Receivable	0	0	1,058,897
Special Assessment Receivable	<u>0</u>	<u>0</u>	<u>317,997</u>
<b>Total Assets</b>	<b><u>\$ 3,428</u></b>	<b><u>\$ 286,998</u></b>	<b><u>\$ 2,678,880</u></b>
<b><u>Liabilities</u></b>			
Accounts Payable	\$ 0	\$ 0	\$ 530,292
Retainage Payable	0	0	77,580
Due to Other Governments	3,428	190,395	1,592,269
Deposits Held and Due to Others	<u>0</u>	<u>96,603</u>	<u>478,739</u>
<b>Total Liabilities</b>	<b><u>\$ 3,428</u></b>	<b><u>\$ 286,998</u></b>	<b><u>\$ 2,678,880</u></b>

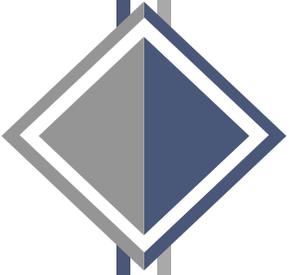
**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Balance</u> <u>12/31/2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2007</u>
<b><u>Regional Sewer</u></b>				
<b><u>Assets</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$ 481,230	\$ 70,614	\$ 0	\$ 551,844
Receivables:				
Accounts	945,528	113,369	0	1,058,897
Special Assessment	248,394	69,603	0	317,997
<b>Total Assets</b>	<b><u>\$ 1,675,152</u></b>	<b><u>\$ 253,586</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 1,928,738</u></b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 458,660	\$ 71,632	\$ 0	\$ 530,292
Due to Other Governments	1,216,492	181,954	0	1,398,446
<b>Total Liabilities</b>	<b><u>\$ 1,675,152</u></b>	<b><u>\$ 253,586</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 1,928,738</u></b>
<b><u>Unclaimed Monies</u></b>				
<b><u>Assets</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$ 18,043	\$ 1,563	\$ 0	\$ 19,606
<b>Total Assets</b>	<b><u>\$ 18,043</u></b>	<b><u>\$ 1,563</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 19,606</u></b>
<b><u>Liabilities</u></b>				
Deposits Held and Due to Others	\$ 18,043	\$ 1,563	\$ 0	\$ 19,606
<b>Total Liabilities</b>	<b><u>\$ 18,043</u></b>	<b><u>\$ 1,563</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 19,606</u></b>
<b><u>Contract Retainer</u></b>				
<b><u>Assets</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$ 131,372	\$ 97,437	\$ 0	\$ 228,809
<b>Total Assets</b>	<b><u>\$ 131,372</u></b>	<b><u>\$ 97,437</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 228,809</u></b>
<b><u>Liabilities</u></b>				
Retainage Payable	\$ 0	\$ 77,580	\$ 0	\$ 77,580
Deposits Held and Due to Others	131,372	19,857	0	151,229
<b>Total Liabilities</b>	<b><u>\$ 131,372</u></b>	<b><u>\$ 97,437</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 228,809</u></b>
<b><u>Guarantee Deposits</u></b>				
<b><u>Assets</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$ 175,893	\$ 35,408	\$ 0	\$ 211,301
<b>Total Assets</b>	<b><u>\$ 175,893</u></b>	<b><u>\$ 35,408</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 211,301</u></b>
<b><u>Liabilities</u></b>				
Deposits Held and Due to Others	\$ 175,893	\$ 35,408	0	\$ 211,301
<b>Total Liabilities</b>	<b><u>\$ 175,893</u></b>	<b><u>\$ 35,408</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 211,301</u></b>

(Continued)

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS - (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Balance</u> <u>12/31/2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2007</u>
<b><u>Ohio Board of Building Standards</u></b>				
<b><u>Assets</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$ 2,579	\$ 849	\$ 0	\$ 3,428
<b>Total Assets</b>	<b><u>\$ 2,579</u></b>	<b><u>\$ 849</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 3,428</u></b>
<b><u>Liabilities</u></b>				
Due to Other Governments	\$ 2,579	\$ 849	\$ 0	\$ 3,428
<b>Total Liabilities</b>	<b><u>\$ 2,579</u></b>	<b><u>\$ 849</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 3,428</u></b>
<b><u>Municipal Court</u></b>				
<b><u>Assets</u></b>				
Equity in Pooled Cash Segregated	\$ 371,408	\$ 0	\$ 84,410	\$ 286,998
<b>Total Assets</b>	<b><u>\$ 371,408</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 84,410</u></b>	<b><u>\$ 286,998</u></b>
<b><u>Liabilities</u></b>				
Due to Other Governments	\$ 296,432	\$ 0	\$ 106,037	\$ 190,395
Deposits Held and Due to Others	74,976	21,627	0	96,603
<b>Total Liabilities</b>	<b><u>\$ 371,408</u></b>	<b><u>\$ 21,627</u></b>	<b><u>\$ 106,037</u></b>	<b><u>\$ 286,998</u></b>
<b><u>Total All Agency Funds</u></b>				
<b><u>Assets</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$ 809,117	\$ 205,871	\$ 0	\$ 1,014,988
Equity in Pooled Cash Segregated	371,408	0	84,410	286,998
Receivables:				
Accounts	945,528	113,369	0	1,058,897
Special Assessment	248,394	69,603	0	317,997
<b>Total Assets</b>	<b><u>\$ 2,374,447</u></b>	<b><u>\$ 388,843</u></b>	<b><u>\$ 84,410</u></b>	<b><u>\$ 2,678,880</u></b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 458,660	\$ 71,632	\$ 0	\$ 530,292
Retainage Payable	0	77,580	0	77,580
Due to Other Governments	1,515,503	182,803	106,037	1,592,269
Deposits Held and Due to Others	400,284	78,455	0	478,739
<b>Total Liabilities</b>	<b><u>\$ 2,374,447</u></b>	<b><u>\$ 410,470</u></b>	<b><u>\$ 106,037</u></b>	<b><u>\$ 2,678,880</u></b>



# STATISTICAL SECTION

# STATISTICAL SECTION

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This part of the City of Berea's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b><i>Financial Trends</i></b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changes over time.	S2-S5
<b><i>Revenue Capacity</i></b>	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the municipal income tax and the property tax.	S6-S14
<b><i>Debt Capacity</i></b>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S15-S18
<b><i>Demographic and Economic Information</i></b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	S19
<b><i>Operating Information</i></b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.	S20-S24

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003. Schedules presenting government-wide information begin in that year.

**CITY OF BEREA, OHIO**  
**NET ASSETS BY COMPONENT LAST FIVE YEARS**  
**(Accrual Basis of Accounting)**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b><u>Governmental Activities</u></b>					
Invested in Capital Assets, Net of Related Debt	\$53,184,519	\$48,121,514	\$42,381,980	\$45,448,288	\$32,753,184
Restricted for:					
Capital Projects	0	232,205	3,264,410	4,515,207	5,088,512
Debt Service	680,940	670,019	643,931	657,684	306,605
Special Revenue	2,096,437	2,053,168	2,460,328	2,031,958	1,675,371
Unrestricted	<u>1,338,161</u>	<u>1,997,946</u>	<u>749,997</u>	<u>1,203,314</u>	<u>440,214</u>
<b>Total Governmental Activities Net Assets</b>	<u>57,300,057</u>	<u>53,074,852</u>	<u>49,500,646</u>	<u>53,856,451</u>	<u>40,263,886</u>
<b><u>Business-Type Activities</u></b>					
Invested in Capital Assets, Net of Related Debt	19,953,368	18,647,776	16,754,484	8,818,160	8,272,544
Unrestricted	<u>1,612,870</u>	<u>1,086,173</u>	<u>1,377,976</u>	<u>839,608</u>	<u>463,839</u>
<b>Total Business-Type Activities Net Assets</b>	<u>21,566,238</u>	<u>19,733,949</u>	<u>18,132,460</u>	<u>9,657,768</u>	<u>8,736,383</u>
<b><u>Primary Government</u></b>					
Invested in Capital Assets, Net of Related Debt	73,137,887	66,769,290	59,136,464	54,266,448	41,025,728
Restricted	2,777,377	2,955,392	6,368,669	7,204,849	7,070,488
Unrestricted (Deficit)	<u>2,951,031</u>	<u>3,084,119</u>	<u>2,127,973</u>	<u>2,042,922</u>	<u>904,053</u>
<b>Total Primary Government Net Assets</b>	<u>\$78,866,295</u>	<u>\$72,808,801</u>	<u>\$67,633,106</u>	<u>\$63,514,219</u>	<u>\$49,000,269</u>

**CITY OF BEREA, OHIO**  
**CHANGES IN NET ASSETS**  
**LAST FIVE YEARS**  
**(Accrual Basis of Accounting)**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>PROGRAM REVENUES</b>					
<b>Governmental Activities</b>					
Charges for Services:					
General Government	\$ 2,743,431	\$ 2,757,377	\$ 2,498,563	\$ 2,149,876	\$ 2,520,426
Security of Persons and Property	510,215	428,927	391,611	477,761	540,091
Leisure Time Activities	413,284	381,189	317,031	280,562	450,076
Community Development	461,435	967,225	660,539	449,421	180,031
Public Works	6,715	2,696	128,455	295,098	90,015
Transportation	43	0	41	3,617,529	5,220,882
Total Charges for Services	<u>4,135,123</u>	<u>4,537,414</u>	<u>3,996,240</u>	<u>7,270,247</u>	<u>9,001,521</u>
Operating Grants, Contributions and Interest:					
General Government	0	447	950	0	0
Security of Persons and Property	120,903	20,239	24,068	17,756	17,278
Leisure Time Activities	500	1,250	0	0	0
Transportation	728,512	736,799	961,694	655,972	539,059
Total Operating Grants, Contributions and Interest	<u>849,915</u>	<u>758,735</u>	<u>986,712</u>	<u>673,728</u>	<u>556,337</u>
Capital Grants and Contributions:					
Security of Persons and Property	0	220,893	0	0	0
Leisure Time Activities	0	473,648	0	0	258,160
Community Development	0	150,000	0	0	175,804
Basic Utility Services	0	0	0	613,294	0
Transportation	4,860,546	2,382,193	4,064,393	9,018,803	3,748,743
General Government	0	0	1,260,873	0	0
Total Capital Grants and Contributions	<u>4,860,546</u>	<u>3,226,734</u>	<u>5,325,266</u>	<u>9,632,097</u>	<u>4,182,707</u>
<b>Total Governmental Activities Program Revenues</b>	<u>9,845,584</u>	<u>8,522,883</u>	<u>10,308,218</u>	<u>17,576,072</u>	<u>13,740,565</u>
<b>Business-Type Activities</b>					
Charges for Services:					
Water	3,039,350	2,716,951	2,552,951	1,941,215	1,180,637
Sewer	838,176	792,902	766,157	559,478	491,000
Capital Grants and Contributions:					
Water	1,459,661	1,670,964	2,121,365	0	0
Sewer	306,210	588,366	868,307	0	0
<b>Total Business-Type Activities Program Revenues</b>	<u>5,643,397</u>	<u>5,769,183</u>	<u>6,308,780</u>	<u>2,500,693</u>	<u>1,671,637</u>
<b>Total Primary Government Program Revenues</b>	<u>15,488,981</u>	<u>14,292,066</u>	<u>16,616,998</u>	<u>20,076,765</u>	<u>15,412,202</u>
<b>EXPENSES</b>					
<b>Governmental Activities</b>					
General Government	7,354,994	7,798,798	8,413,294	6,007,892	6,002,685
Security of Persons and Property	6,438,828	6,639,568	5,845,715	5,512,773	4,478,817
Public Health	120,472	144,833	130,574	120,860	119,042
Leisure Time Activities	3,373,362	2,029,456	3,869,281	1,144,893	1,750,225
Community Environment	542,237	638,547	501,952	374,633	254,795
Public Works	1,262,949	1,122,270	889,213	1,446,006	1,539,776
Transportation	2,548,409	2,535,627	2,160,819	2,670,581	899,290
Interest and Fiscal Charges	1,070,332	1,292,593	1,085,275	1,561,094	1,389,907
<b>Total Governmental Activities Expenses</b>	<u>22,711,583</u>	<u>22,201,692</u>	<u>22,896,123</u>	<u>18,838,732</u>	<u>16,434,537</u>
<b>Business-Type Activities</b>					
Water	3,048,752	3,292,666	2,603,840	2,005,238	1,970,077
Sewer	914,222	1,000,028	1,486,172	575,435	526,892
<b>Total Business-Type Activities Expenses</b>	<u>3,962,974</u>	<u>4,292,694</u>	<u>4,090,012</u>	<u>2,580,673</u>	<u>2,496,969</u>
Total Primary Government Expenses	<u>26,674,557</u>	<u>26,494,386</u>	<u>26,986,135</u>	<u>21,419,405</u>	<u>18,931,506</u>
<b>NET (EXPENSES)/REVENUE</b>					
Governmental Activities	(12,865,999)	(13,678,809)	(12,587,905)	(1,262,660)	(2,693,972)
Business-Type Activities	1,680,423	1,476,489	2,218,768	(79,980)	(825,332)
<b>Total Primary Government Net Expense</b>	<u>(11,185,576)</u>	<u>(12,202,320)</u>	<u>(10,369,137)</u>	<u>(1,342,640)</u>	<u>(3,519,304)</u>

(Continued)

**CITY OF BEREA, OHIO**  
**CHANGES IN NET ASSETS**  
**LAST FIVE YEARS**  
**(Accrual Basis of Accounting)**  
**(CONTINUED)**

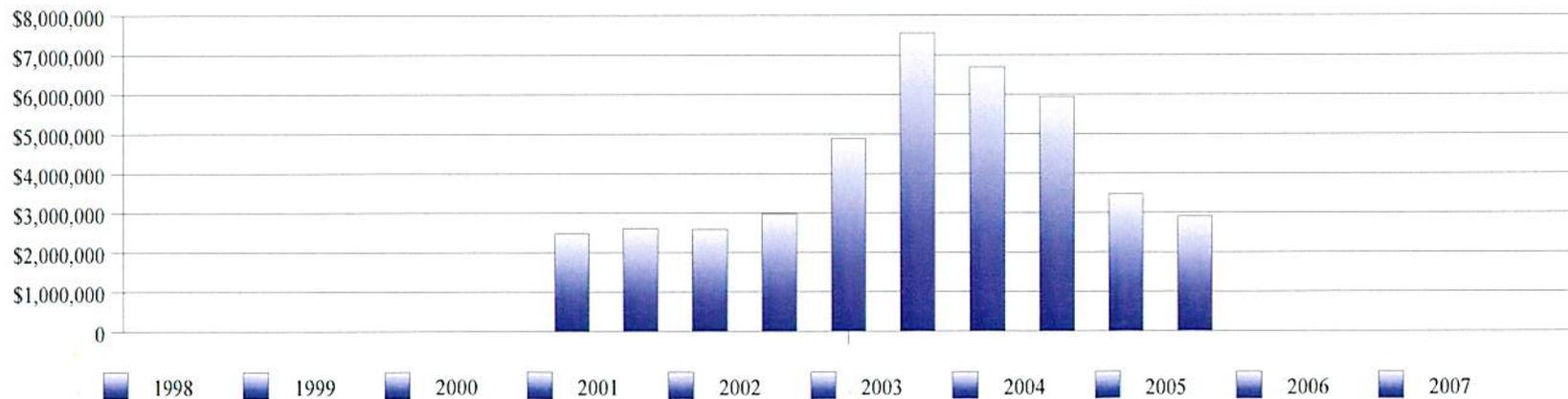
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b><u>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</u></b>					
<b>Governmental Activities:</b>					
Property Taxes Levied for:					
General Purposes	\$ 2,161,447	\$ 2,088,896	\$ 1,976,838	\$ 3,634,820	\$ 2,052,840
Other Purposes	2,766,840	2,568,680	2,456,646	2,301,511	1,745,486
Municipal Income Tax Levied for:					
General Purposes	7,292,340	7,735,605	7,116,009	8,902,933	8,694,407
Special Revenue	2,430,779	2,578,536	2,372,003	0	0
Grants and Entitlements not Restricted to Specific Programs	2,072,711	1,960,590	1,180,922	1,878,981	1,381,784
Investment Income	252,034	344,936	195,954	57,230	33,133
Other Taxes	5,903	13,476	18,486	0	0
Miscellaneous	184,150	87,296	78,228	1,182	1,148
Transfers	<u>(75,000)</u>	<u>(125,000)</u>	<u>(305,000)</u>	<u>(1,054,943)</u>	<u>(819,500)</u>
<b>Total Governmental Activities</b>	<u>17,091,204</u>	<u>17,253,015</u>	<u>15,090,086</u>	<u>15,721,714</u>	<u>13,089,298</u>
<b>Business-Type Activities</b>					
Property Taxes Levied for:					
General Purposes	51,425	0	0	0	0
Grants and Entitlements not Restricted	25,441	0	0	0	0
Municipal Income Taxes Levied for:					
Other Purpose - Debt Service	0	0	0	0	34,079
Capital Contributions	0	0	0	0	257,348
Transfers	<u>75,000</u>	<u>125,000</u>	<u>305,000</u>	<u>1,054,943</u>	<u>879,756</u>
<b>Total Business-Type Activities</b>	<u>151,866</u>	<u>125,000</u>	<u>305,000</u>	<u>1,054,943</u>	<u>1,171,183</u>
<b>Total Primary Government General Revenues and Other Changes in Net Assets</b>	<u>17,243,070</u>	<u>17,378,015</u>	<u>15,395,086</u>	<u>16,776,657</u>	<u>14,260,481</u>
<b><u>CHANGES IN NET ASSETS</u></b>					
Governmental Activities	4,225,205	3,574,206	2,502,181	14,459,054	10,395,326
Business-Type Activities	<u>1,832,289</u>	<u>1,601,489</u>	<u>2,523,768</u>	<u>974,963</u>	<u>345,851</u>
<b>Total Primary Government Change in Net Assets</b>	<u>\$ 6,057,494</u>	<u>\$ 5,175,695</u>	<u>\$ 5,025,949</u>	<u>\$15,434,017</u>	<u>\$10,741,177</u>

**CITY OF BEREA, OHIO**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
**(Modified Accrual Basis of Accounting)**

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>GENERAL FUND</b>										
Reserved	\$ 43,543	\$ 21,772	\$ 26,705	\$ 26,433	\$ 32,492	\$ 33,691	\$ 6,760	\$ 6,913	\$ 40,537	\$ 14,884
Unreserved, Undesignated	<u>1,593,057</u>	<u>2,005,337</u>	<u>928,138</u>	<u>871,105</u>	<u>1,099,360</u>	<u>2,265,686</u>	<u>1,155,007</u>	<u>1,404,573</u>	<u>1,213,139</u>	<u>939,500</u>
<b>Total General Fund</b>	<u>1,636,600</u>	<u>2,027,109</u>	<u>954,843</u>	<u>897,538</u>	<u>1,131,852</u>	<u>2,299,377</u>	<u>1,161,767</u>	<u>1,411,486</u>	<u>1,253,676</u>	<u>954,384</u>
<b>ALL OTHER-GOVERNMENTAL FUNDS</b>										
Reserved	275,090	219,815	120,073	200,289	154,362	562,559	549,394	56,880	56,806	47,154
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	855,636	859,680	1,219,959	1,253,437	1,116,034	1,062,659	340,639	630,908	678,858	657,512
Debt Service Funds	468,848	235,077	374,539	346,796	348,485	0	129,492	219,133	216,705	280,160
Capital Projects Funds	(324,100)	133,043	3,272,463	3,993,463	4,804,724	968,239	795,068	267,238	400,807	533,863
Permanent Funds	0	0	0	0	0	0	4,605	4,320	0	0
<b>Total All Other-Governmental Funds</b>	<u>1,275,474</u>	<u>1,447,615</u>	<u>4,987,034</u>	<u>5,794,156</u>	<u>6,423,605</u>	<u>2,593,457</u>	<u>1,819,198</u>	<u>1,178,479</u>	<u>1,353,176</u>	<u>1,518,689</u>
<b>TOTAL GOVERNMENTAL FUNDS</b>	<u>\$ 2,912,074</u>	<u>\$ 3,474,724</u>	<u>\$ 5,941,877</u>	<u>\$ 6,691,694</u>	<u>\$ 7,555,457</u>	<u>\$ 4,892,834</u>	<u>\$ 2,980,965</u>	<u>\$ 2,589,965</u>	<u>\$ 2,606,852</u>	<u>\$ 2,473,073</u>

Information prior to 1998 is not available.

**Unreserved General Fund Balance**



**CITY OF BEREA, OHIO**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
**(Modified Accrual Basis of Accounting)**

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>REVENUES</b>										
Municipal Income Taxes	\$ 8,828,219	\$ 10,563,354	\$ 9,291,061	\$ 8,891,029	\$ 8,180,722	\$ 9,080,486	\$ 8,539,789	\$ 3,606,641	\$ 3,602,643	\$ 3,560,863
Property and Other Local Taxes	6,062,620	4,733,365	4,592,855	4,740,860	4,501,531	3,723,187	3,926,380	8,703,484	7,778,138	6,808,840
Charges for Services	1,140,431	1,003,101	749,245	4,607,832	5,823,306	563,878	765,401	617,349	479,029	509,552
Fees, Licences and Permits	599,923	998,953	882,642	600,031	214,274	153,214	156,720	185,528	228,029	240,197
Fines and Forfeitures	2,242,271	2,255,125	2,017,012	1,917,864	1,975,713	1,928,362	1,303,073	996,218	845,397	909,462
Intergovernmental	5,788,912	3,618,018	4,491,032	11,961,187	6,825,904	6,443,731	4,128,910	2,851,281	3,674,028	2,577,095
Special Assessments	607,345	495,358	575,716	548,532	600,987	542,375	499,868	487,866	472,079	432,952
Interest Income	252,079	344,936	195,980	57,230	33,133	79,783	218,782	274,318	227,170	228,455
Other	139,107	199,684	663,941	113,319	129,433	309,649	1,872,049	184,999	469,538	2,667,079
<b>Total Revenues</b>	<u>25,660,907</u>	<u>24,211,894</u>	<u>23,459,484</u>	<u>33,437,884</u>	<u>28,285,003</u>	<u>22,824,665</u>	<u>21,410,972</u>	<u>17,907,684</u>	<u>17,776,051</u>	<u>17,934,495</u>
<b>EXPENDITURES</b>										
Current:										
General Government	7,344,938	7,043,959	6,616,462	6,165,039	5,897,318	4,913,272	4,475,039	4,056,290	3,762,988	3,277,988
Security of Persons and Property	6,199,605	6,613,828	6,305,057	5,645,043	5,583,442	5,522,321	5,585,523	4,906,022	4,948,047	4,684,243
Public Health	120,472	144,833	130,574	120,860	119,042	117,680	121,902	116,878	115,000	111,229
Leisure Time Activities	1,772,479	1,693,868	1,951,111	1,787,729	1,817,903	1,321,802	1,305,615	1,266,473	1,206,623	979,910
Community Development	547,564	535,008	421,281	367,363	365,892	371,253	333,151	333,344	286,344	235,773
Public Works	1,241,619	1,019,438	826,085	753,301	826,385	889,504	1,022,764	967,290	997,618	893,091
Transportation	966,443	876,475	787,638	686,509	641,113	1,281,752	1,220,266	1,077,396	944,649	908,834
Capital Outlay	5,895,586	3,653,127	4,663,870	12,190,032	11,114,811	8,204,525	5,002,077	2,085,193	3,672,364	3,728,996
Debt Service:										
Principal Retirement	1,260,146	6,853,359	8,892,656	9,862,504	2,950,624	2,206,525	1,384,937	1,510,000	8,630,000	9,705,000
Interest and Fiscal Charges	958,072	1,113,234	1,100,417	1,804,223	1,136,832	1,075,925	1,074,103	854,457	949,971	963,730
<b>Total Expenditures</b>	<u>26,306,924</u>	<u>29,547,129</u>	<u>31,695,151</u>	<u>39,382,603</u>	<u>30,453,362</u>	<u>25,904,559</u>	<u>21,525,377</u>	<u>17,173,343</u>	<u>25,513,604</u>	<u>25,488,794</u>
Excess of Revenues Over (Under) Expenditures	<u>(646,017)</u>	<u>(5,335,235)</u>	<u>(8,235,667)</u>	<u>(5,944,719)</u>	<u>(2,168,359)</u>	<u>(3,079,894)</u>	<u>(114,405)</u>	<u>734,341</u>	<u>(7,737,553)</u>	<u>(7,554,299)</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Sale of Capital Assets	2,292	8,318	0	1,182	1,148	3,832	9,736	899	283,305	4,415
Refunding Bond Issuance Cost	0	(210,039)	0	0	0	0	0	0	0	0
General Obligation Bonds Issued	0	0	0	4,173,956	4,454,742	0	0	0	7,185,000	0
General Obligation Bonds Refunded	0	7,365,000	0	(4,125,000)	0	0	0	0	0	0
Premium on Refunding Bond	0	124,066	0	0	0	0	0	0	0	0
Payment to Refunding Bond Escrow Agent	0	(4,430,878)	0	0	0	0	0	0	0	0
Notes Issued	0	0	7,600,000	6,452,665	1,300,000	1,300,000	800,000	0	0	0
Capital Leases	156,075	136,615	170,604	0	0	0	0	0	0	0
Other	0	0	2,043,000	0	0	4,804,886	0	363,468	1,000,684	8,410,000
Transfers In	2,982,479	2,981,550	0	2,018,850	2,044,539	2,528,693	3,278,169	2,882,644	2,418,580	2,649,826
Transfers Out	(3,057,479)	(3,106,550)	(2,348,000)	(2,591,450)	(3,085,439)	(3,675,893)	(4,244,269)	(4,065,144)	(3,113,580)	(3,174,826)
<b>Total Other Financing Sources (Uses)</b>	<u>83,367</u>	<u>2,868,082</u>	<u>7,465,604</u>	<u>5,930,203</u>	<u>4,714,990</u>	<u>4,961,518</u>	<u>(156,364)</u>	<u>(818,133)</u>	<u>7,773,989</u>	<u>7,889,415</u>
<b>Net Change in Fund Balances</b>	<u>\$ (562,650)</u>	<u>\$ (2,467,153)</u>	<u>\$ (770,063)</u>	<u>\$ (14,516)</u>	<u>\$ 2,546,631</u>	<u>\$ 1,881,624</u>	<u>\$ (270,769)</u>	<u>\$ (83,792)</u>	<u>\$ 36,436</u>	<u>\$ 335,116</u>
Debt Service as a Percentage of Noncapital Expenditures	12%	32%	39%	43%	75%	19%	15%	16%	44%	49%

Information prior to 1998 is not available.

**CITY OF BEREA, OHIO  
 BERA CITY SCHOOL DISTRICT  
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
 (PER \$1,000 OF ASSESSED VALUATION)  
 LAST TEN YEARS**

<u>Year</u>	<u>City of Berea</u>			<u>Total</u>	<u>Berea School District</u>	<u>Polaris JVSD</u>	<u>Cuyahoga Co. &amp; Special Taxing Districts (1)</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>					
2007	8.85	3.00	5.35	17.20	74.90	2.40	20.20	114.70
2006	8.95	3.10	5.35	17.50	69.70	2.40	20.30	109.90
2005	9.05	3.10	5.45	17.60	69.80	2.40	20.30	110.10
2004	7.95	3.10	6.45	17.50	69.80	2.40	19.40	109.10
2003	7.95	3.10	6.55	17.60	69.80	2.40	17.60	107.40
2002	7.95	3.10	6.45	17.50	63.80	2.40	17.60	101.30
2001	7.95	3.10	6.55	17.60	63.80	2.40	17.60	101.40
2000	7.95	3.10	6.65	17.70	63.90	2.40	16.70	100.70
1999	8.40	3.10	6.20	17.70	58.00	2.40	16.70	94.80
1998	8.55	3.10	6.15	17.80	57.90	2.40	18.00	96.10

Source: Cuyahoga County Auditor

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

Charter millage is consistently applied to all types of property.

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

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

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

**CITY OF BEREA, OHIO  
 OLMSTED FALLS CITY SCHOOL DISTRICT  
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
 (PER \$1,000 OF ASSESSED VALUATION)  
 LAST TEN YEARS**

<u>Year</u>	<u>City of Berea</u>			<u>Total</u>	<u>Olmsted Falls School District</u>	<u>Polaris JVSD</u>	<u>Cuyahoga Co. &amp; Special Taxing Districts (1)</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>					
2007	8.85	3.00	4.35	16.20	89.80	2.40	20.20	128.60
2006	9.05	3.10	4.35	16.50	89.70	2.40	20.30	128.90
2005	9.05	3.10	4.45	16.60	89.80	2.40	20.30	129.10
2004	7.95	3.10	5.45	16.50	90.00	2.40	19.40	128.30
2003	7.95	3.10	5.55	16.60	90.00	2.40	17.60	126.60
2002	7.95	3.10	5.45	16.50	90.00	2.40	17.60	126.50
2001	7.95	3.10	5.55	16.60	90.30	2.40	17.60	126.90
2000	7.95	3.10	5.65	16.70	91.70	2.40	16.70	127.50
1999	8.40	3.10	5.20	16.70	79.90	2.40	16.70	115.70
1998	8.55	3.10	5.15	16.80	79.90	2.40	18.00	117.10

Source: Cuyahoga County Auditor

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

Charter millage is consistently applied to all types of property.

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

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

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

**CITY OF BEREA, OHIO**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY**  
**LAST TEN YEARS**

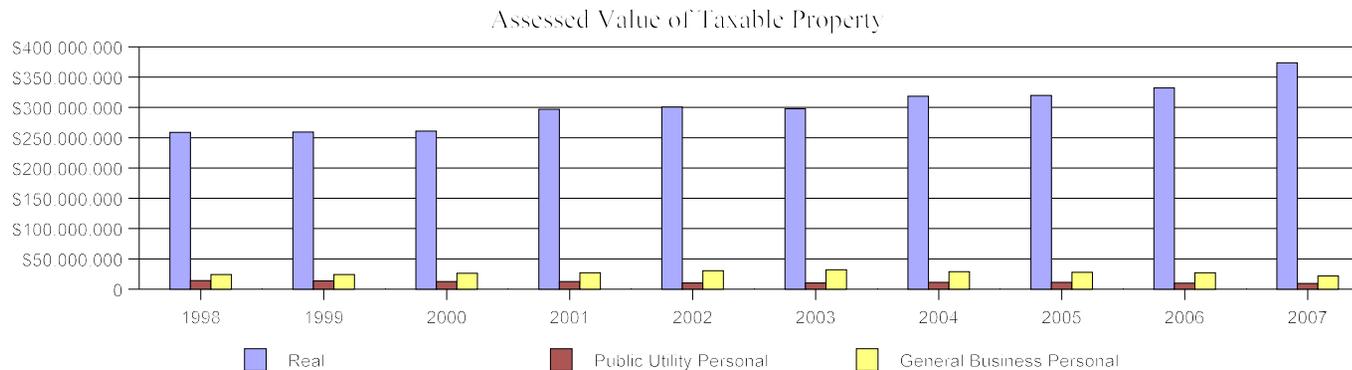
Collection Year	Real Property		Tangible Personal Property				Total		Ratio	Weighted Average Tax Rate
	Assessed Value	Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value		
			Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
2007	\$ 373,920,320	\$1,068,343,771	\$ 9,363,610	\$ 10,640,466	\$ 21,763,047	\$ 174,104,376	\$ 405,046,977	\$1,253,088,613	32.32	21.877524
2006	332,121,860	948,919,600	10,067,780	11,440,659	27,069,592	144,371,157	369,259,232	1,104,731,416	33.43	22.502435
2005	319,853,310	913,866,600	11,175,430	12,699,352	27,861,498	111,445,992	358,890,238	1,038,011,944	34.57	22.669398
2004	318,662,520	910,464,343	11,176,770	12,700,875	28,773,884	115,095,536	358,613,174	1,038,260,754	34.54	22.467167
2003	297,914,120	851,183,200	10,255,400	11,653,864	32,207,409	128,829,636	340,376,929	991,666,700	34.32	22.762036
2002	300,807,200	859,449,143	10,323,810	11,731,602	30,531,818	122,127,272	341,662,828	993,308,017	34.40	22.606003
2001	297,018,160	848,623,314	12,663,290	14,390,102	27,221,866	108,887,464	336,903,316	971,900,881	34.66	22.801425
2000	261,116,900	746,048,286	12,577,200	14,292,273	26,081,201	104,324,804	299,775,301	864,665,362	34.67	23.380501
1999	259,376,610	741,076,029	13,773,550	15,651,761	24,088,592	96,354,368	297,238,752	853,082,158	34.84	23.430062
1998	258,944,960	739,842,743	14,148,170	16,077,466	24,163,501	96,654,004	297,256,631	852,574,213	34.87	23.596405

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage will be 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 ½ percent and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

Source: Ohio Department of Taxation



**CITY OF BEREA, OHIO  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS**

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
2007	\$ 5,317,600	\$ 4,990,340	93.85	\$ 491,651	\$ 5,686,735	106.95	\$ 671,570	12.63
2006	6,498,219	5,700,609	87.73	316,167	6,016,776	92.59	491,707	7.57
2005	6,397,752	5,519,694	86.28	275,937	5,795,631	90.59	573,888	8.97
2004	5,402,046	4,835,331	89.51	210,845	5,046,176	93.41	402,346	7.45
2003	4,930,458	4,589,470	93.08	155,580	4,715,050	96.24	409,880	8.31
2002	5,113,482	4,584,946	89.66	182,474	4,767,420	93.23	318,128	6.22
2001	5,141,000	4,621,579	89.90	169,010	4,790,589	93.18	331,816	6.45
2000	4,592,422	4,230,158	92.11	129,836	4,359,994	94.94	112,887	2.46
1999	4,553,640	4,216,328	92.59	133,673	4,350,001	95.53	104,185	2.29
1998	4,493,534	4,194,818	93.35	87,437	4,282,255	95.30	92,151	2.05

Source: Cuyahoga County Auditor

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

Note: The County does not identify delinquent collections by the year for which the tax was levied.

**CITY OF BEREA, OHIO  
PRINCIPAL TAXPAYERS - REAL ESTATE TAX  
2007 AND 1998**

<u>Taxpayer</u>	2007	
	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage of Real Assessed Valuation</u>
Cleveland Electric Illuminating Co.	\$ 4,181,270	1.1182249%
Tower in the Park LTD.	4,027,980	1.0772295%
OHI Asset II LLC	2,795,210	0.7475416%
Berea Properties Company	2,763,990	0.7391922%
West Valley Plaza	2,726,580	0.7291874%
Berea Square Co. LLC	1,873,380	0.5010105%
A & F Machine Products Co.	1,860,430	0.4975472%
Tuthill Corp.	1,713,600	0.4582795%
680 North LLC	1,662,500	0.4446134%
Berea Lake Towers	<u>1,490,660</u>	<u>0.3986571%</u>
Total	<u>\$ 25,095,600</u>	<u>6.71%</u>
Total Assessed Valuation	<u>\$ 373,920,320</u>	

<u>Taxpayer</u>	1998	
	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage of Real Assessed Valuation</u>
Cleveland Electric Illuminating Co.	\$ 5,773,300	2.23%
Ohio Bell Telephone Co.	3,945,530	1.52%
Tower in the Park LTD	3,606,330	1.39%
Columbia Gas of Ohio Inc.	3,198,490	1.24%
Berea Properties Company	2,146,310	0.83%
Cleveland Senior Care Corp.	1,820,000	0.70%
RR Donnelley Ohio LLC	1,589,000	0.62%
A & F Machine Products Co.	1,499,800	0.58%
Ohio Turnpike	1,417,500	0.55%
West Valley Plaza	<u>1,305,150</u>	<u>0.50%</u>
Total	<u>\$ 26,301,410</u>	<u>10.16%</u>
Total Assessed Valuation	<u>\$ 258,944,960</u>	

Source: County Auditor

(1) The amounts presented represent the assessed values upon which 2007 and 1998 collection were based.

**CITY OF BEREA, OHIO  
PRINCIPAL TAXPAYERS - MUNICIPAL TAX  
2007 AND 1997**

<u>Taxpayer</u>	2007	
	<u>Tax</u>	<u>Percentage of Tax Collected</u>
Cleveland Browns Football	\$ 2,182,952	21.54%
Baldwin Wallace College	746,312	7.37%
Berea City School District	513,870	5.07%
City of Berea	213,990	2.11%
Berea Childrens Home	184,764	1.82%
Ohio Turnpike Commission	150,395	1.48%
ABNF LLC	140,301	1.39%
ColorMatrix Corp.	138,118	1.37%
Standby Screw Machine Products	134,215	1.32%
Tuthill Corporation	106,475	1.05%
<b>Total</b>	<b>\$ 4,511,392</b>	<b>44.52%</b>
<b>Total Tax Collected</b>	<b>\$ 10,132,495</b>	

<u>Taxpayer</u>	1997*	
	<u>Tax</u>	<u>Percentage of Tax Collected</u>
Baldwin Wallace College	\$ 551,560	8.09%
Berea City School District	437,547	6.42%
Penton Media Inc.	235,415	3.46%
Tuthill Corporation	180,127	2.64%
Aristocrat Berea	171,978	2.52%
Standby Screw Machine Products	153,999	2.26%
Jaco Manufacturing Co.	139,491	2.05%
City of Berea	136,835	2.01%
Berea Childrens Home	101,733	1.50%
Weekleys Mailing Service	84,663	1.24%
<b>Total</b>	<b>\$ 2,193,348</b>	<b>32.19%</b>
<b>Total Tax Collected</b>	<b>\$ 6,813,677</b>	

Source: Regional Income Tax Agency  
\*1998 Data Unavailable

**CITY OF BEREA, OHIO  
PRINCIPAL EMPLOYERS  
CURRENT YEAR**

<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Baldwin Wallace College	1,250	9.88%
Berea City School District	942	7.44%
Berea Childrens Home	515	4.07%
ABNF LLC	453	3.58%
Cleveland Browns Football	370	2.92%
City of Berea	341	2.69%
Standby Screw Machine Products	301	2.38%
Tuthill Corp.	139	1.10%
ColorMatrix Corp.	120	0.95%
Ohio Turnpike Commission	<u>119</u>	<u>0.94%</u>
 Total	 <u>4,550</u>	 <u>35.95%</u>
 Total Employment within the City	 <u>12,658</u>	

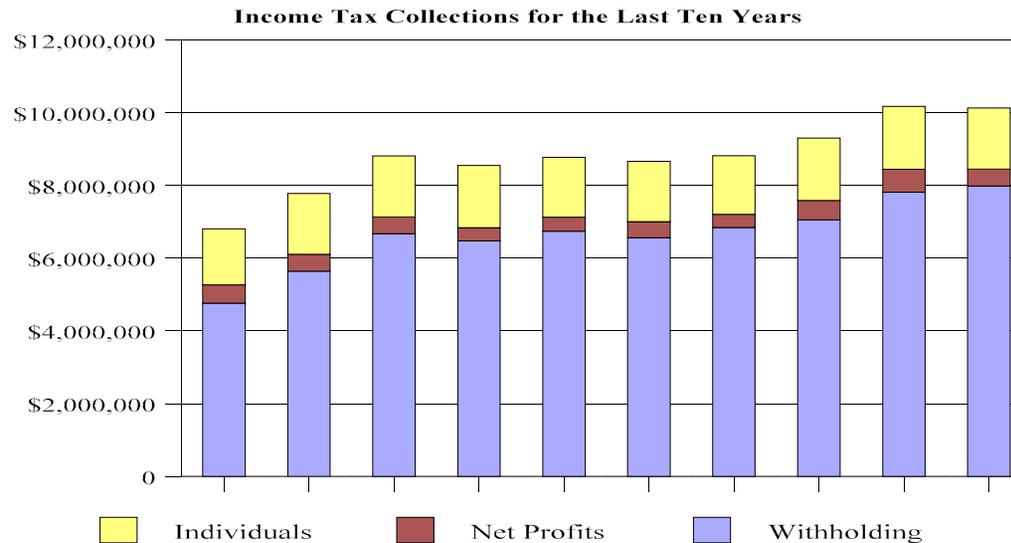
Source: Regional Income Tax Agency

Note: 1998 Information not available

**CITY OF BEREA, OHIO  
INCOME TAX REVENUE BASE AND COLLECTIONS  
LAST TEN YEARS**

<u>Tax Year (1)</u>	<u>Tax Rate (2)</u>	<u>Total Tax Collected</u>	<u>Percentage Taxes from Withholding</u>	<u>of Taxes from Withholding</u>	<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2007	2.00%	\$ 10,132,495	\$ 7,987,336	78.83%	\$ 466,872	4.61%	\$ 1,678,287	16.56%
2006	2.00%	10,314,141	7,925,524	76.84%	634,449	6.15%	1,754,168	17.01%
2005	2.00%	9,304,978	7,054,038	75.81%	535,723	5.76%	1,715,217	18.43%
2004	2.00%	8,821,879	6,844,373	77.58%	364,126	4.13%	1,613,380	18.29%
2003	2.00%	8,664,989	6,568,754	75.81%	434,830	5.02%	1,661,405	19.17%
2002	2.00%	8,775,247	6,746,299	76.88%	385,470	4.39%	1,643,478	18.73%
2001	2.00%	8,551,169	6,475,930	75.73%	366,038	4.28%	1,709,201	19.99%
2000	2.00%	8,816,777	6,675,153	75.71%	467,274	5.30%	1,674,350	18.99%
1999	2.00%	7,783,943	5,642,319	72.49%	467,274	6.00%	1,674,350	21.51%
1998	2.00%	6,812,549	4,765,176	69.95%	501,620	7.36%	1,545,753	22.69%

(1) 2002 through 2007 are on an Accrual Basis and 1998 through 2001 are on a Modified Accrual Basis.  
Note: The City is prohibited by statute from presenting information regarding individual taxpayers.



**CITY OF BEREA, OHIO**  
**RATIOS OF OUTSTANDING DEBT TO TOTAL PERSONAL INCOME AND DEBT PER CAPITA**  
**LAST FIVE YEARS**

Year	GOVERNMENTAL ACTIVITIES						BUSINESS-TYPE ACTIVITIES						Percentage of Personal Income (1)	Per Capital (1)
	General Obligation Bonds	Urban Renewal Bond	Capital Lease	Notes Payable	Taxable Bond City Portion	SIB Loan	Capital Lease	OWDA and OPWC	Taxable Bond Browns Portion	Total Primary Government	Total Personal Income			
2007	\$ 10,770,000	\$ 1,050,000	\$ 367,330	\$ 1,750,000	\$ 0	\$ 0	\$ 261,225	\$ 7,428,347	\$ 0	\$ 21,626,902	\$ 406,709,550	5.32%	\$ 999	
2006	11,785,756	1,225,000	276,127	200,000	0	0	211,911	5,560,271	0	19,259,065	406,709,550	4.74%	1,015	
2005	9,528,023	1,395,000	170,604	5,800,000	0	0	256,731	4,911,537	0	22,061,895	406,709,550	5.42%	1,163	
2004	10,373,346	1,520,000	0	5,800,000	322,333	0	0	3,479,864	1,673,666	23,169,209	406,709,550	5.70%	1,221	
2003	11,038,430	1,570,000	0	1,300,000	611,033	7,369,300	0	3,065,686	2,626,996	27,581,445	406,709,550	6.78%	1,454	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of Demographic and Economic Statistics on page S19 for personal income and population data.

Information prior to 2003 is not available.

**CITY OF BEREA, OHIO**  
**RATIO OF NET GENERAL BONDED DEBT TO**  
**ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**  
**LAST TEN YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Valuation (2)</u>	<u>Governmental Gross Bonded Debt (3)</u>	<u>Debt Service Monies Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt per Capita</u>
2007	18,970	\$405,046,977	\$13,570,000	\$468,848	\$13,101,152	3.23%	697.24
2006	18,970	369,259,232	13,210,756	\$235,077	12,975,679	3.51%	690.56
2005	18,970	358,890,238	16,723,023	374,539	16,348,484	4.56%	861.81
2004	18,970	358,613,174	17,693,346	346,796	17,346,550	4.84%	914.42
2003	18,970	340,376,929	13,908,430	348,485	13,559,945	3.98%	714.81
2002	18,970	341,662,828	15,300,561	324,530	14,976,031	4.38%	789.46
2001	18,970	336,903,316	16,157,087	476,890	15,680,197	4.65%	826.58
2000	18,970	299,775,301	16,692,024	219,132	16,472,892	5.50%	868.37
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

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

(2) Source: Cuyahoga County Auditor

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

**CITY OF BEREA, OHIO  
LEGAL DEBT MARGIN  
LAST TEN YEARS**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Total Assessed Property Value	<u>\$405,046,977</u>	<u>\$369,259,232</u>	<u>\$358,890,238</u>	<u>\$358,613,174</u>	<u>\$340,375,929</u>	<u>\$341,662,828</u>	<u>\$336,903,848</u>	<u>\$299,775,301</u>	<u>\$297,238,752</u>	<u>\$297,256,631</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>42,529,933</u>	<u>42,529,933</u>	<u>37,683,475</u>	<u>37,654,383</u>	<u>37,654,383</u>	<u>35,874,597</u>	<u>35,374,904</u>	<u>31,476,407</u>	<u>31,210,069</u>	<u>31,211,946</u>
Debt Outstanding:										
General Obligation Bonds	<u>13,570,000</u>	<u>13,010,756</u>	<u>16,723,023</u>	<u>18,015,679</u>	<u>14,519,463</u>	<u>16,170,087</u>	<u>17,258,137</u>	<u>18,000,418</u>	<u>0</u>	<u>0</u>
Total Gross Indebtedness	<u>13,570,000</u>	<u>13,010,756</u>	<u>16,723,023</u>	<u>18,015,679</u>	<u>14,519,463</u>	<u>16,170,087</u>	<u>17,258,137</u>	<u>18,000,418</u>	<u>0</u>	<u>0</u>
Less:										
General Obligation Bonds	(1,050,000)	(1,225,000)	(1,395,000)	(322,333)	(611,033)	(869,526)	(1,101,050)	(1,308,394)	0	0
OPWC Loans	0	0	0	(1,520,000)	(1,570,000)	(1,695,000)	(1,815,000)	(1,925,000)	0	0
Amount Available in Debt Service Fund	<u>(468,848)</u>	<u>0</u>								
Total Net Debt Applicable to Debt Limit	<u>12,051,152</u>	<u>11,785,756</u>	<u>15,328,023</u>	<u>16,173,346</u>	<u>12,338,430</u>	<u>13,605,561</u>	<u>14,342,087</u>	<u>14,767,024</u>	<u>0</u>	<u>0</u>
Legal Debt Margin Within 10 ½% Limitations	<u>\$30,478,781</u>	<u>\$30,744,177</u>	<u>\$22,355,452</u>	<u>\$21,481,037</u>	<u>\$25,315,953</u>	<u>\$22,269,036</u>	<u>\$ 21,032,817</u>	<u>\$ 16,709,383</u>	<u>\$ 31,210,069</u>	<u>\$ 31,211,946</u>
Legal Debt Margin as a Percentage of the Debt Limit	71.66%	72.29%	59.32%	57.05%	67.23%	62.0%	59.46%	53.09%	100.00%	100.00%
Unvoted Debt Limitation (5 ½% of Assessed Valuation)	<u>\$22,277,584</u>	<u>\$22,277,584</u>	<u>\$19,738,963</u>	<u>\$19,723,725</u>	<u>\$19,723,725</u>	<u>\$18,791,456</u>	<u>\$18,529,712</u>	<u>\$ 16,487,642</u>	<u>\$16,348,131</u>	<u>\$ 16,349,115</u>
Total Gross Indebtedness	13,570,000	13,010,756	16,723,023	18,015,679	14,519,463	16,171,087	17,258,137	18,000,418	0	0
Less:										
General Obligation Bonds	(1,050,000)	(1,225,000)	(1,395,000)	(322,333)	(611,033)	(869,526)	(1,101,050)	(1,308,394)	0	0
OPWC Loans	0	0	0	(1,520,000)	(1,570,000)	(1,695,000)	(1,815,000)	(1,925,000)	0	0
Amount Available in Debt Service Fund	<u>(468,848)</u>	<u>0</u>								
Net Debt Within 51/2% Limitations	<u>12,051,152</u>	<u>11,785,756</u>	<u>15,328,023</u>	<u>16,173,346</u>	<u>12,338,430</u>	<u>13,605,561</u>	<u>14,342,087</u>	<u>14,767,024</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin Within 5 ½% Limitations	<u>\$10,226,432</u>	<u>\$10,491,828</u>	<u>\$ 4,410,940</u>	<u>\$ 3,550,379</u>	<u>\$ 7,385,295</u>	<u>\$ 5,185,895</u>	<u>\$ 4,187,625</u>	<u>\$ 1,720,618</u>	<u>\$16,348,131</u>	<u>\$16,349,115</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitations	45.90%	47.10%	22.35%	18.00%	37.44%	27.60%	22.60%	10.44%	100.00%	100.00%

Source: City Financial Records

**CITY OF BEREA, OHIO  
COMPUTATION OF DIRECT AND OVERLAPPING  
GOVERNMENTAL ACTIVITIES DEBT  
DECEMBER 31, 2007**

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City</u>
<b>Direct</b>			
City of Berea	<u>\$13,570,000</u>	100%	<u>\$13,570,000</u>
<b>Total Direct Debt</b>	<u>13,570,000</u>		<u>13,570,000</u>
<b>Overlapping</b>			
Berea City School District	18,617,802	23.54%	4,382,651
Olmsted Falls School District	21,884,046	5.35%	1,171,335
Cuyahoga County	194,593,691	1.22%	2,377,088
Greater Cleveland Regional Transit Authority	<u>147,385,000</u>	1.22%	<u>1,800,403</u>
<b>Total Overlapping Debt</b>	<u>382,480,539</u>		<u>9,731,477</u>
<b>GRAND TOTAL</b>	<u>\$396,050,539</u>		<u>\$23,301,477</u>

Source: Cuyahoga County Auditor

- (1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.
- (2) The debt outstanding includes general obligation bonded and note debt.

**CITY OF BEREA, OHIO  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>Educational Attainment: Bachelor's Degree of Higher (1)</u>	<u>School Enrollment (2)</u>	<u>Cuyahoga County Unemployment Rate (3)</u>	<u>Average Sales Price of Residential Property (4)</u>	<u>Total Assessed Property Value (4)</u>
2007	18,790	\$ 406,709,550	\$ 21,645	\$ 45,615	36.1	3,365	7,713	6.2%	\$ 142,614	\$ 373,920,320
2006	18,790	406,709,550	21,645	45,615	36.1	3,365	7,418	5.4%	130,645	332,121,860
2005	18,790	406,709,550	21,645	45,615	36.1	3,365	7,535	5.6%	139,071	319,853,310
2004	18,790	406,709,550	21,645	45,615	36.1	3,365	7,801	5.9%	129,206	318,662,520
2003	18,790	406,709,550	21,645	45,615	36.1	3,365	7,561	6.0%	127,289	297,914,120
2002	18,790	406,709,550	21,645	45,615	36.1	3,365	7,737	5.4%	124,053	300,807,200
2001	18,790	406,709,550	21,645	45,615	36.1	3,365	7,809	4.4%	120,519	297,018,160
2000	18,790	406,709,550	21,645	45,615	36.1	3,365	7,814	3.9%	116,500	261,116,900
1999	19,051	N/A	N/A	N/A	N/A	N/A	7,941	4.2%	111,800	259,376,610
1998	19,051	N/A	N/A	N/A	N/A	N/A	7,946	4.1%	110,600	258,944,960

(1) Source: U.S. Census

(a) Years 2000 through 2006 - 2000 Federal Census

(b) Years 1998 through 1999 - Not Available

(2) Source: Ohio Department of Education Website: "http://www.ode.state.oh.us/data"

(3) Source: Bureau of Labor Statistics

(4) Source: County Auditor

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

**CITY OF BEREA, OHIO  
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY  
FUNCTION/PROGRAM  
LAST FIVE YEARS**

<u>FUNCTION/PROGRAM</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b><u>Governmental</u></b>					
General Government:					
Council	5.0	5.0	5.0	5.0	5.0
Finance	7.0	5.5	5.0	5.0	5.5
Law	4.0	4.0	4.0	4.0	5.0
Administration	5.0	4.0	5.5	6.5	6.0
Engineer	3.0	3.0	3.0	2.0	2.0
Civil Service	0.0	2.5	2.5	3.0	3.0
Court	27.0	29.0	30.5	31.0	26.5
Public Building	5.5	5.0	3.0	2.5	3.5
Security of Persons and Property:					
Police	32.0	31.0	31.0	31.0	32.0
Police - Auxiliary	4.5	4.5	4.5	5.5	3.0
Police - Dispatchers/Office	9.0	8.5	8.5	8.0	8.5
Police - Animal Wardens	1.0	1.0	1.0	1.0	1.0
Police - School Guards/ Parking Control	3.5	3.5	4.0	4.0	3.5
Fire	22.0	22.0	23.0	21.0	23.0
Fire - Secretary - Other	0.0	0.0	1.0	0.5	0.5
Leisure Time Activities:					
Recreation - Administrative	15.0	14.0	5.0	6.0	8.0
Recreation - Programs	14.0	7.0	13.0	11.0	13.5
Recreation - Pools	23.0	15.0	17.0	14.5	11.5
Jitney	2.0	2.0	1.0	1.0	1.0
Transportation					
Service	41.0	34.0	35.0	36.0	33.0
Basic Utility Services:					
Water	<u>17.5</u>	<u>19.0</u>	<u>18.0</u>	<u>18.5</u>	<u>17.0</u>
<b>Totals</b>	<u>241.0</u>	<u>219.5</u>	<u>220.5</u>	<u>217.0</u>	<u>212.0</u>

Source: City Payroll Department W-2 Audit Listing

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

**CITY OF BEREA, OHIO**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST FIVE YEARS (1)**

**FUNCTION/PROGRAM**

<b>General Government</b>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b><i>Council and Clerk (2)</i></b>					
Number of Ordinances Passed	62	59	62	71	47
Number of Resolutions Passed	15	25	22	25	12
<b><i>Finance Department (3)</i></b>					
Number of Checks/Vouchers Issued	3,404	3,398	3,246	2,969	3,128
Amount of Checks written (Accounts Payable - in thousands)	\$ 28,113	\$ 15,455	\$ 16,519	N/A	N/A
General Fund Interest Earnings (Cash Basis)	\$ 178,482	\$ 236,248	\$ 130,350	\$ 38,953	\$ 30,791
Number of Journal Entries Issued	244	207	200	198	193
Number of Budget Adjustments Issued	5	4	5	5	4
Agency Ratings - Moody's Financial Services	AA3	AA3	AA3	AA3	AA3
General Fund Receipts (Cash Basis in Thousands)	\$ 40,747	\$ 14,321	\$ 13,417	\$ 12,426	\$ 11,581
General Fund Expenditures (Cash Basis in Thousands)	\$ 38,785	\$ 13,994	\$ 13,356	\$ 12,171	\$ 12,082
General Fund Cash Balances (in Thousands)	5,702	969	642	581	327
<b><i>Municipal Court (4)</i></b>					
Total Civil/Small claims cases filed	3,802	3,288	3,012	3,220	N/A
Number of Berea Civil/Small Claims Cases	871	779	741	818	N/A
Total Criminal Cases Files	2,175	2,303	2,837	2,074	N/A
Number of Berea Felony Cases	57	52	48	39	N/A
Number of Berea Misdemeanor Cases	507	616	656	626	N/A
<b><i>Civil Service (5)</i></b>					
Number of Police Entry Tests Administered	0	120	0	162	0
Number of Fire Entry Test Administered	0	139	0	166	0
Number of Police Promotional Tests Administered	0	0	12	0	0
Number of Fire Promotional Tests Administered	0	0	0	0	0
Number of Hires of Police Officers From Certified Lists	1	1	2	0	0
Number of Hires of Fire/Medics From Certified Lists	0	0	2	0	0
Number of Promotions from Police Certified Lists	0	2	1	0	0
Number of Promotions from Fire Certified List	0	0	0	0	0
<b><i>Security of Persons and Property</i></b>					
<b>Police: (6)</b>					
Total Calls for Services	31,904	33,430	30,329	35,470	36,688
Number of Traffic Citations Issued	2,548	2,632	1,589	2,304	2,728
Number of Parking Citations Issued	2,515	2,371	1,707	2,380	2,199
Number of Criminal Arrests	1,497	1,847	1,371	1,705	1,746
Animal Warden Service Calls Responded to Per Annual Report	341	380	N/A	N/A	N/A
Police Department Auxiliary Hours Worked	3,473	3,412	N/A	N/A	N/A
DUI Arrests	113	209	162	208	188
Motor Vehicle Accidents	338	306	348	385	401
Property Damage Accidents/Self Reported Traffic Accidents	175	100	133	134	154

(Continued)

**CITY OF BEREA, OHIO**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST FIVE YEARS (1)**  
**(CONTINUED)**

**FUNCTION/PROGRAM**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Fire (7)</b>					
EMS Calls	1,539	1,594	1,514	1,412	1,330
Ambulance Billing Collections (net)	\$ 318,208	\$ 230,416	\$ 276,472	\$ 280,390	\$ 251,067
Fire Calls	262	226	242	209	198
Fires With Loss	10	15	19	19	28
Fires with Losses exceeding \$10K	6	7	6	7	5
Fire Losses in Dollars	\$ 390,095	\$ 193,598	\$ 692,734	\$ 623,582	\$ 785,145
Fire Safety Inspections	756	758	762	753	735
<b>Leisure Time Activities (3)</b>					
<b>Recreation:</b>					
Swimming Pool Receipts	\$ 76,324	\$ 65,482	\$ 67,002	\$ 56,600	\$ 48,231
Membership Receipts	157,693	157,280	104,487	102,184	85,220
Program Fees	44,416	45,933	26,294	33,105	34,102
<b>Building Department (9)</b>					
Construction Permits Issued	1,533	1,853	1,727	1,728	1,365
Estimated Value of Construction	\$ 9,901,081	\$ 23,586,423	\$ 21,510,741	\$ 29,758,263	\$ 9,269,370
Amount of Revenue Generated from Permits	\$ 618,813	\$ 1,185,594	\$ 741,419	\$ 707,419	\$ 122,329
Number of Contract Registration Issued	543	536	571	589	546
Amount of Revenue Generated from Contract Registrations	\$ 54,300	\$ 53,600	\$ 57,100	\$ 58,900	\$ 43,680
Number of Rental Inspections Performed	245	98	16	4	N/A
Number of Point of Sale Inspections	241	267	259	266	135
<b>Engineer Contracted Services (8)</b>					
Dollar Amount of Construction Overseen by Engineer	\$ 6,427,990	\$ 7,372,177	\$ 6,076,671	\$ 6,547,293	\$ 10,673,732
<b>Transportation (10,12)</b>					
Street Improvements - Asphalt Overlay (Linear Feet)	17,108	26,558	32,525	17,266	24,446
Street Repair (Curbs, Aprons, Berms, Asphalt) (Hours)	20,005	14,150	8,316	12,180	13,119
Municipal Signs (Hours)	3,597	2,491	1,538	1,541	1,235
Paint Striping (Hours)	1,580	1,302	1,581	987	975
Street Cleaning (Hours)	1,662	1,778	1,688	1,431	1,609
Snow & Ice Removal Regular Hours	3,324	1,207	5,654	4,148	3,971
Snow & Ice Removal Overtime Hours	1,771	660	2,842	1,635	2,898
Sewer Crew (Hours)	6,990	3,684	4,226	3,388	3,886
Leaf Collection (Hours)	2,226	1,443	1,785	2,917	2,590
Number of Trees Planted per Year	173	0	72	89	0
Tons of Snow Melting Salt Purchased (Nov-Mar)	3,980	2,812	4,120	4,352	6,395
Cost of Salt Purchased	\$ 164,208	\$ 118,454	\$ 166,526	\$ 164,040	\$ 232,003

(Continued)

**CITY OF BEREA, OHIO**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST FIVE YEARS (1)**  
**(CONTINUED)**

**FUNCTION/PROGRAM**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b><i>Water Department (11)</i></b>					
Average Water Rates per 1000 Gallons of Water Used	\$ 4.39	\$4.00	\$3.22	\$2.43	\$1.68
<b><i>Wastewater Department (11)</i></b>					
Average Wastewater Rates per 1000 Gallons of Water Used	\$ 1.26	\$1.21	\$1.16	\$1.12	\$0.92
Average Daily Flow (Millions of Gallons Per Day)	2.15	2.00	2.15	2.02	1.83

(1) Information Prior to 2002 is not available.

(2) Source: City of Berea Council

(3) Source: City of Berea Finance Department

(4) Source: City of Berea Municipal Court

(5) Source: City of Berea Law Department

(6) Source: Berea Police Department

(7) Source: Berea Fire Department

(9) Source: City of Berea Building Department

(10) Source: City of Berea Service Department

(11) Source: City of Berea Water Department

(12) Source: City of Berea Payroll Department

**CITY OF BEREA, OHIO**  
**CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM**  
**LAST FIVE YEARS**

**FUNCTION/PROGRAM**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b><u>General Government</u></b>					
Number of Buildings	4	4	4	4	4
Square Footage of Buildings					
City Hall/Municipal Court	14,500	14,500	14,500	14,500	14,500
Water Plant	2,075	2,075	2,075	2,075	2,075
Service Garage	3,000	3,000	3,000	3,000	3,000
Recreation Center	30,000	30,000	30,000	30,000	30,000
Administrative Vehicles	3	3	N/A	N/A	N/A
Inspection Vehicles	6	6	N/A	N/A	N/A
Municipal Court Vehicles	1	1	N/A	N/A	N/A
<b><u>Police</u></b>					
Stations	1	1	1	1	1
Square Footage of Station	9,700	9,700	9,700	9,700	9,700
Vehicles	N/A	N/A	N/A	N/A	N/A
<b><u>Fire</u></b>					
Stations	1	1	1	1	1
Square Footage of Station	5,000	5,000	5,000	5,000	5,000
Vehicles:					
Aerial Tower	1	1	1	1	1
Pumpers	2	2	2	2	2
Rescue Ambulances	2	2	2	2	2
Utility	1	1	1	1	1
Staff Vehicles	2	2	2	2	2
<b><u>Recreation</u></b>					
Number of Parks	5	5	5	4	4
Number of Pools	2	2	2	2	2
Number of Racquetball Courts	2	2	2	2	2
Number of Basketball Courts	2	2	2	2	2
Number of Baseball Diamonds	4	4	4	4	4
Number of Soccer Fields	2	2	2	2	2
Number of Playground Areas	4	4	4	3	3
Number of Vehicles	5	5	N/A	N/A	N/A
<b><u>Other Public Works</u></b>					
Streets (Miles)	86.00	82.50	82.50	82.50	82.50
Service Vehicles	25	25	N/A	N/A	N/A
<b><u>Wastewater</u></b>					
Sanitary Sewers (Miles)	73.50	73.50	73.50	73.50	73.50
Storm Sewers (Miles)	73.50	73.50	73.50	73.50	73.50
Vehicles	2	2	N/A	N/A	N/A
<b><u>Water Department</u></b>					
Water Lines (miles)	77.00	77.00	77.00	77.00	77.00
Vehicles	5	5	N/A	N/A	N/A





**Mary Taylor, CPA**  
Auditor of State

**CITY OF BEREA**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 3, 2009**