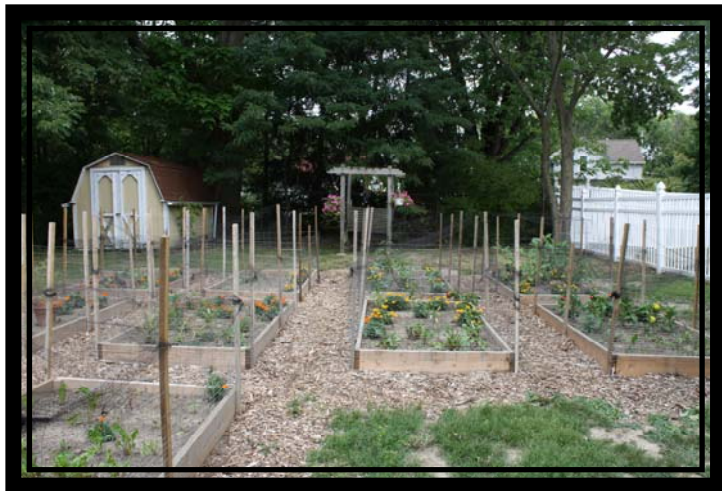


City of Berea, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2012



Mayor Cyril Kleem



Dave Yost • Auditor of State

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, 2012 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

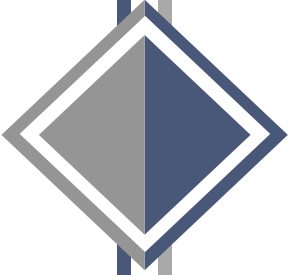
July 8, 2013

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CITY OF BEREA, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2012**

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



INTRODUCTORY SECTION

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2012

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Cuyahoga County, Ohio
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Cuyahoga County, Ohio
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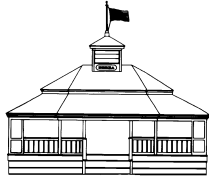
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Comprehensive Annual Financial Report
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CITY OF BERE A

“The Grindstone City”

Cyril M. Kleem
Mayor

Dana J. Kavander, CPA, CPFA
Director of Finance

11 Berea Commons
Berea, Ohio 44017

Phone: 440-826-5889
Fax: 440-234-5630
Website www.cityofberea.org
Email dkavander@cityofberea.org

June 14, 2013

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

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Berea, Ohio for the year ended December 31, 2012.

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and the Ohio Revised Code Section 117.38 which requires cities to file unaudited general purpose external financial statements with the Auditor of State within 150 days of fiscal year end.

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

Rea & Associates, Inc. has issued an unqualified (“clean”) opinion on the City of Berea’s financial statements for the year ended December 31, 2012. The independent auditor’s report is located at the front of the financial section of this report.

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

The basic financial statements and notes provide an overview of the City's financial position and operating results, the Combining Statements for non-major funds and other schedules that provide detailed information relative to the basic financial statements follow.

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 ten miles from downtown Cleveland. The City's population from the 2010 Federal Census was 19,093 residents. Total land area is approximately 6.5 square miles.

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

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

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

Form of Government

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

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

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

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

The **Police Department** enforces local, state, and federal laws in addition to protecting citizens and their property. The department takes a community oriented policing approach that has been met with great success. Numerous programs are offered to citizens and students. The department, under the direction of the Director of Public Safety and headed by the Chief of Police, consists of three bureaus. The Patrol Division oversees the staff of patrol officers. The Services Operational Division oversees the dispatch, Drug Abuse Resistance Education, Animal Control, Parking Control, Auxiliary, School Guards, Jail operations, and firearms training. The Detective Bureau oversees the City's investigative services and the Youth Diversion program.

The **Fire Department** provides fire suppression, emergency medical services, Hazmat response, extrication, and search and rescue, placing a strong emphasis on fire prevention, community involvement and education. The Director of Public Safety oversees the Chief of Fire who leads a department. 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. The City Service Division is responsible for the maintenance of all City vehicles, buildings, traffic lights and signs, public grounds, tree trimming, snow and leaf removal. The Storm Sewers and Drains Division maintain proper drainage control. The Street Paving and Repair Division handle the non-contractual maintenance of City streets. The Street Striping and Marking Division is responsible for the painting of street lines and markings. The Forestry Division oversees the forestry services and the annual tree

planting. The City outsources its rubbish and recycling services. The City has its own water plant, which is also handled by the Service Department. The water plant has a supply division and a distribution division, which insures the water supply's safe and the water lines are properly maintained. The department also handles the billing and collection for the City's water department and the Northeast Ohio Regional Sewer District. The Sewer department oversees the collection of sewage and the maintenance of the City's sewer lines.

The **Building, Engineering, Housing and Social Services** Director oversee the building division, the engineering division and the housing and social services divisions. 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 department works in conjunction with the Planning Commission, Board of Zoning Appeals, and the Heritage Architectural Review Board. The Engineering Division insures that all contractors working in Berea meet the general engineering requirements of the City. This department controls the review and implementation of plans and programs relating to the City's infrastructure. The Housing and Social Services Division provides programs and assistance to older adults, and numerous residents that participate and volunteer their time. The division handles the various senior programs, special events throughout the year, Berea Welfare Assistance Program, and various housing programs. The Housing and Social Services Division 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, running/walking track, exercise equipment, weight room, basketball courts, and various multi-purpose rooms. The recreation center offers many classes and programs to residents and non-residents. The department also oversees the outdoor pool and paddleboats at the City's Coe Lake. The Recreation Department also supervises several baseball/softball fields and maintains several playgrounds throughout the City.

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.

The **Finance Department** is responsible for the accurate recording of all receipts and disbursements. The department issues bi-weekly payroll and maintains the capital asset system. The department compiles the annual budget, the tax budget, the Comprehensive Annual Financial Report, and assists the Mayor in all financial decisions. The City's computer operations are also managed through the Finance Department. This includes the maintenance of all City computer and electronic equipment. This department also handles all purchasing needed to maintain operations for all departments. In addition to overseeing these duties, the Director of Finance is also the City's Tax Administrator and utilizes the Regional Income Tax Agency to oversee the collection and distribution of the City's income tax.

Economic Condition and Outlook

Location is one of the greatest assets of the City of Berea. As a major suburb of the City of Cleveland, its proximity to Cleveland Hopkins International Airport and easy access to three interstate highways has contributed to the City's continued economic growth. The City has seen an increase in commercial growth on the west side of the City as a result of the Bagley Road underpass project. Bagley Road was re-engineered as an underpass under the CSX railroad tracks. This has resulted in less traffic congestion due to the significant increase in train traffic and has opened the area up for significant economic growth with the improvement and expansion of existing businesses as well as the development of new business opportunities. The Helwig Whistle Stop retail space was developed featuring restaurants, office space and a day care center. Additional stand-alone retail and restaurant businesses have been added to this area as well as storefront improvements to existing commercial businesses.

The City's Rocco J. Colonna Industrial Park has continued to be an important contribution to the City's commercial employment and economic tax base with its many light industrial businesses. A commercial strip on the corridor includes a health food restaurant and Gold's Gym. 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 opportunities. The City of Berea continues to be in high demand for businesses looking for new locations to open a new business or to relocate their current business.

The City owns the Cleveland Browns headquarters and training facility. Spring training is a great opportunity to bring football fans to Berea to watch the team prepare for their season. The Cleveland Browns continue to play a vital role in Berea's community. The facility is located on the City's north end; the location is currently undergoing a major transformation and revitalization. The City is committed to working with the Cleveland Browns to ensure the team remains a vital part of our community.

The City of Berea annexed 123 acres of land in 2002 for a new housing development. This development is anticipated to add 650-700 homes to Berea. Construction began in 2004 and about 525 homes have been built through 2012. The homes range from \$200,000 up to \$400,000. Approximately 50 homes will be built in 2013.

Current Year Projects: In 2012, the City's road program totaled over \$800,000 and included 29 roads. The biggest road project was in the Polish Village area and entailed a complete reconstruction of three streets and was over one-third of the total spent in 2012. The water lines, sanitary and storm sewers were also replaced. In addition to the roads, total sidewalk and apron replacements were conducted on Runn, Depot and Berea Streets.

The City also began a complete water, storm sewer, sanitary sewer, and road replacement project in the Westbridge, Elmwood, Oakdale and Parkway Drive residential area for over \$2.5 million. The project began in 2012 and will be completed in 2013.

In downtown Berea, there are four bridges which surround several shopping complexes. In 2010, one of the bridges, owned by the County was replaced including the City's waterline that ran under the bridge. In 2012, the second of four bridges began its replacement. The bridge, surrounding roadway and waterline was replaced. The total replacement is in excess of \$1 million dollars. The remaining two bridges are being considered in the near future.

The City is undertaking some renovations to the First Avenue Revitalization Area which includes the Cleveland Browns Training Facility. The facility will see improvements as well as parking, demolition and landscaping to the area which will complement the north end area and is adjacent to the north end overpass project. The City has invested \$1 million dollars towards improvements to this area.

Future Outlook: The future economic outlook for the City of Berea is promising. Despite the sagging economic condition nationwide, and Berea being an older community, most thought the City could not expand and grow. However, the City has seen significant changes. The annexation for housing development along with another smaller development has helped bring higher tax bracket taxpayers that Berea has been seeking. The City anticipates continued development in both residential and commercial areas.

The City has completed both of its major railroad underpass/overpass projects. The completion of the overpass and underpass has resulted in an opportunity for new development. The completion of the western underpass brought new construction and development to the commercial area. The northern overpass that was recently completed includes increased land development opportunities. This area is minutes to the Cleveland Hopkins' International Airport as well as easy access to several interstates. The north end is the north gateway to the City and its options are endless. The City has been working on developing a plan for development of this area and anticipate some exciting improvements to the area in future development and new businesses.

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

Future Projects:

The City is undertaking additional renovations to the First Avenue Revitalization Area which includes the Cleveland Browns Headquarters and Training Facility. The City and the Cleveland Browns have partnered up to make significant improvements to the Cleveland Browns headquarters. The Cleveland Browns are renovating the second floor of the administrative facility to house additional employees. The City will assist with electrical system improvements which have not been updated since the facility was built in the 1990's.

The Berea Municipal Court hopes to construct a new municipal court in the future. The project is currently in the planning stage. No location has been finalized at this time.

Long-Term Financial Planning

The City maintains a Fund Balance Policy. The purpose of the Fund Balance Policy is to establish a fund balance/retained earnings policy that is tailored to the needs of the City and to ensure against unanticipated events that would adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. This policy was created to establish long-term goals for building and reserving the City's General Fund Balance, to reserve funds for anticipated retirement payouts, and to establish a General Fund Rainy Day Fund for additional long-term stability. The City's primary goal was to begin reserving funds for the retirement payouts. The City will continue to maintain the funds needed to meet anticipated retirement payouts while also working towards meeting its goal of a General Fund undesignated balance that exceeds 15% of annual operating expenditures and other financing uses (transfers). The third reserve was designed to reserve at least one month of annual operating expenditures and other financing uses (transfers) for a Rainy Day Designated Fund Balance.

The City has committed to maintaining a positive General Fund balance and the establishment of the reserves. The Finance Department reviews all monetary transactions on an on-going basis and works diligently to monitor revenues and reprioritize expenditures so that all fund balances, especially the General Fund, maintain optimal balances.

The City has developed a Six-Year Capital Plan which encompasses 2013 through 2018. The capital plan looks at the City's departmental needs during this time period and the possible funding available. The plan is heavily focused on infrastructure improvements and over \$33 million dollars of improvements are included in the six-year plan. The capital plan will be reviewed and updated periodically.

Other Information

GFOA Certificate of Achievement Award: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Berea, Ohio for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2011. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

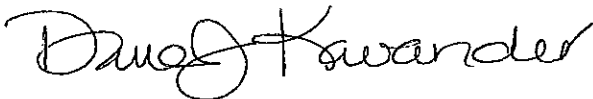
In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose content conforms to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Berea began preparing the Comprehensive Annual Financial Report and began submitting the report for the award ten years ago. The City has received the Certificate of Achievement for the last ten consecutive years. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "Dana J. Kavander". The signature is written in a cursive style with a large, stylized initial "D".

Dana J. Kavander, CPA, CFE, CIA

Director of Finance

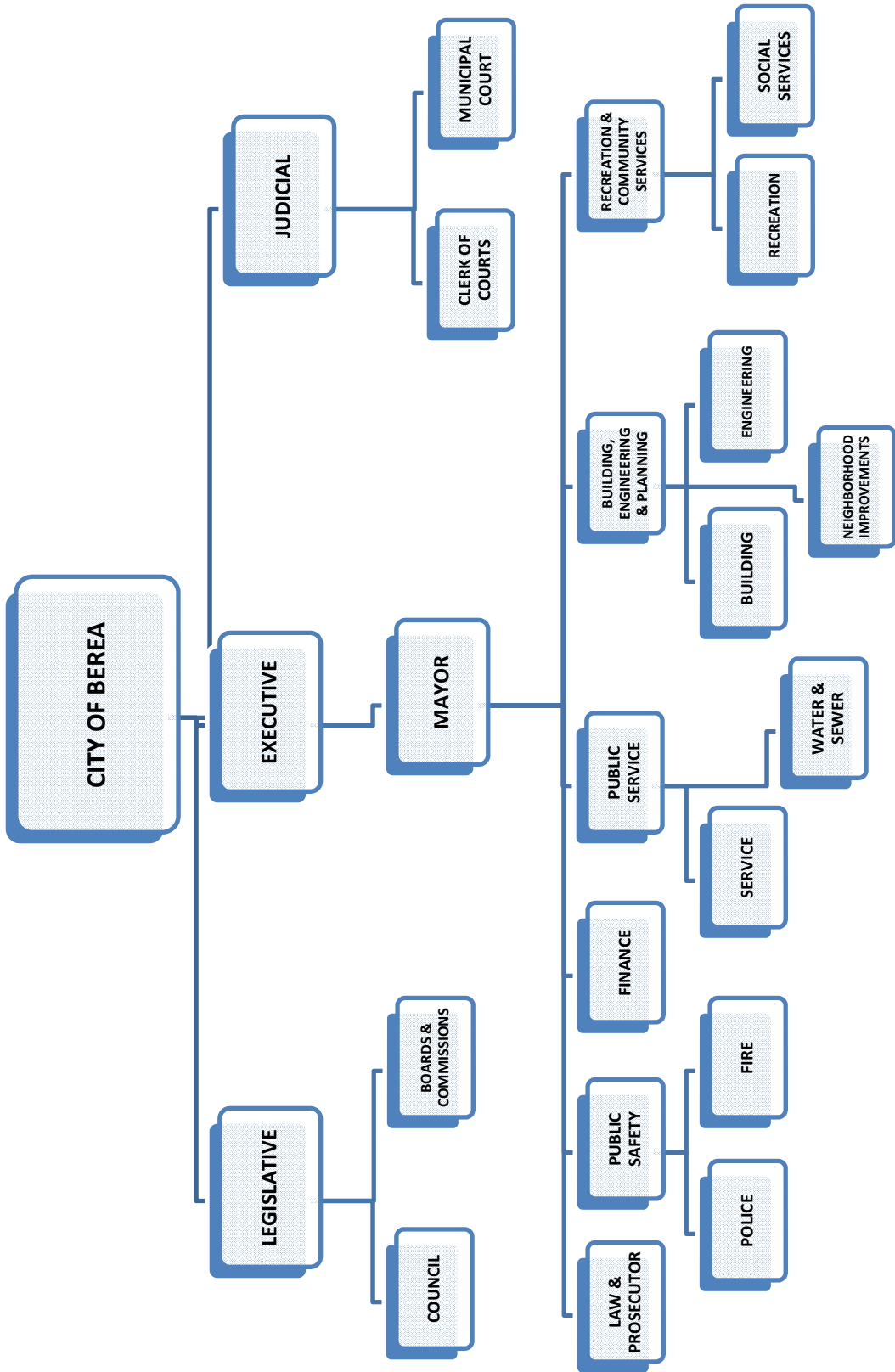
**CITY OF BEREA, OHIO
PRINCIPAL OFFICIALS
DECEMBER 31, 2012**

ELECTED OFFICIALS

Mayor	Cyril M. Kleem
President of Council	Mary K. Brown
Council Member-at-Large	Dale Lange
Council Member-at-Large	Dean W. Van Dress
Council Member - Ward 1	Margarette S. Key
Council Member - Ward 2	Nick Haschka
Council Member - Ward 3	Jim Maxwell
Council Member - Ward 4	Cheryl A. Banaszak
Council Member - Ward 5	Richard T. Malott

APPOINTED OFFICIALS

Director of Finance	Dana J. Kavander
Director of Law	James N. Walters, III
Director of Public Safety	Kenneth Adams
Director of Public Service	R. James Brown
Director of Recreation & Community Services	Barbara Jones
Director of Housing, Engineering, and Planning	Matthew J. Madzy



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, 2011

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.



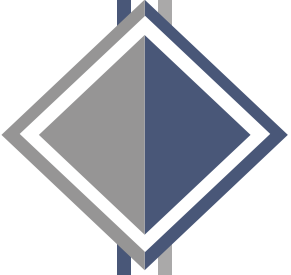
Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

June 14, 2013

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Berea (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 2 to the financial statements, the 2011 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4–12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hea & Associates, Inc.

City of Berea
Cuyahoga County
Management's Discussion and Analysis
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(Unaudited)

The discussion and analysis of the City of Berea's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2012. 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 2012 are as follows:

- In total, net position decreased \$.6 million, which represents a 1 percent decrease from 2011. Net position of governmental activities decreased \$.4 million. Net position of business-type activities decreased \$.2 million.
- Total capital assets decreased \$2.9 million in 2012. Capital assets of governmental activities decreased \$2.1 million and capital assets of business-type activities decreased \$.7 million.
- Outstanding debt increased from \$29.6 million to \$30.6 million due to additional bond anticipation notes issued during 2012.

Using this Comprehensive Annual Financial Report (CAFR)

This report is designed to allow the reader to look at the financial activities of the City of Berea as a whole and is intended to allow the reader to obtain a summary view or a more detailed view of the City's operations, as they prefer.

The Statement of Net Position and the Statement of Activities provide information from a summary perspective showing the effects of the operations for the year 2012 and how they affected the operations of the City as a whole.

Reporting the City of Berea as a Whole

Statement of Net Position and the Statement of Activities

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column. In the case of the City of Berea, the general fund is by far the most significant fund. Business-type funds consist of the water revenue and sewer revenue funds.

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A question typically asked about the City's finances "How did we do financially during 2012?" The Statement of Net Position 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 most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the City of Berea's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been safeguarded for specific activities or objectives. The City uses many funds to account for financial transactions. However, these fund financial statements focus on the City's most significant funds. The City's major governmental funds are the general fund and the general bond retirement fund.

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

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

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Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for the fiduciary funds is much like that used for proprietary funds.

The City of Berea as a Whole

Recall that the Statement of Net Position provides the perspective of the City as a whole. Table 1 provides a summary of the City's net position for 2012 compared to 2011:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2012	Restated 2011	2012	Restated 2011	2012	Restated 2011
Assets						
Current and Other Assets	\$ 19,336,756	\$ 17,872,883	\$ 4,205,652	\$ 2,763,170	\$ 23,542,408	\$ 20,636,053
Capital Assets	71,540,804	73,690,414	37,185,523	37,893,071	108,726,327	111,583,485
<i>Total Assets</i>	<u>90,877,560</u>	<u>91,563,297</u>	<u>41,391,175</u>	<u>40,656,241</u>	<u>132,268,735</u>	<u>132,219,538</u>
Liabilities						
Long-Term Liabilities	17,975,981	17,973,858	14,197,189	13,187,142	32,173,170	31,161,000
Other Liabilities	4,769,636	5,030,739	784,236	850,918	5,553,872	5,881,657
<i>Total Liabilities</i>	<u>22,745,617</u>	<u>23,004,597</u>	<u>14,981,425</u>	<u>14,038,060</u>	<u>37,727,042</u>	<u>37,042,657</u>
Net Position						
Net Investment in						
Capital Assets	57,295,806	58,992,954	23,368,937	24,600,139	80,664,743	83,593,093
Restricted	4,919,131	5,089,048	0	0	4,919,131	5,089,048
Unrestricted	5,917,006	4,476,698	3,040,813	2,018,042	8,957,819	6,494,740
<i>Total Net Position</i>	<u>\$ 68,131,943</u>	<u>\$ 68,558,700</u>	<u>\$ 26,409,750</u>	<u>\$ 26,618,181</u>	<u>\$ 94,541,693</u>	<u>\$ 95,176,881</u>

At year end, capital assets represented 82 percent of total assets. Capital assets include, land, intangibles, land improvements, buildings, building improvements, machinery and equipment, furniture and fixtures, vehicles and construction in progress. The net investment in capital assets is \$80.7 million at December 31, 2012, with \$57.3 million in governmental activities and \$23.4 million in business-type activities. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the City's net position, \$4.9 million or 5 percent, represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position of \$9.0 million may be used to meet the government's ongoing obligations to citizens and creditors.

Total assets in the governmental activities decreased by \$.7 million. Cash increased \$1.5 million over the prior year mainly from unspent proceeds on bond anticipation notes. Capital assets decreased \$2.1 million due to depreciation exceeding acquisitions in 2012. Liabilities decreased \$.3 million from 2011

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with no individually significant item accounting for the difference. Net position in the governmental activities decreased \$.4 million from 2011.

Business-type activities had a decrease in net position of \$.2 million from 2011.

Table 2 shows the changes in net position for fiscal year 2012 and 2011.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2012	Restated 2011	2012	Restated 2011	2012	Restated 2011
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$ 4,748,576	\$ 4,265,634	\$ 3,420,686	\$ 3,392,702	\$ 8,169,262	\$ 7,658,336
Operating Grants	976,221	898,340	0	0	976,221	898,340
Capital Grants	761,383	725,879	229,957	0	991,340	725,879
<i>General Revenues:</i>						
Property Taxes	3,984,161	4,063,692	448,972	458,166	4,433,133	4,521,858
Income Taxes	11,446,700	10,601,210	0	0	11,446,700	10,601,210
Other Taxes	278,888	260,819	0	0	278,888	260,819
Grants and Entitlements	1,244,125	1,675,190	0	81,972	1,244,125	1,757,162
Investment Earnings	128,363	137,585	0	0	128,363	137,585
Miscellaneous	57,616	94,120	9,902	2,646	67,518	96,766
<i>Total Revenues</i>	<u>23,626,033</u>	<u>22,722,469</u>	<u>4,109,517</u>	<u>3,935,486</u>	<u>27,735,550</u>	<u>26,657,955</u>
Program Expenses						
General Government	6,992,774	6,201,327	0	0	6,992,774	6,201,327
Security of Persons and Property	6,755,965	6,441,638	0	0	6,755,965	6,441,638
Public Health	155,326	187,320	0	0	155,326	187,320
Leisure Time Services	3,262,399	2,714,029	0	0	3,262,399	2,714,029
Community Development	465,302	455,883	0	0	465,302	455,883
Public Works	1,167,636	1,370,499	0	0	1,167,636	1,370,499
Transportation	4,557,209	1,335,639	0	0	4,557,209	1,335,639
Interest and Fiscal Charges	435,179	450,989	0	0	435,179	450,989
<i>Enterprise Operations:</i>						
Water	0	0	3,655,963	3,580,655	3,655,963	3,580,655
Sewer	0	0	922,985	481,780	922,985	481,780
<i>Total Program Expenses</i>	<u>23,791,790</u>	<u>19,157,324</u>	<u>4,578,948</u>	<u>4,062,435</u>	<u>28,370,738</u>	<u>23,219,759</u>
<i>Increase (Decrease) in Net Position</i>	(165,757)	3,565,145	(469,431)	(126,949)	(635,188)	3,438,196
Transfers	(261,000)	(4,175,433)	261,000	4,175,433	0	0
<i>Change in Net Position</i>	(426,757)	(610,288)	(208,431)	4,048,484	(635,188)	3,438,196
<i>Net Position Beginning of Year,</i>						
<i>Restated, See Note 2U</i>	<u>68,558,700</u>	<u>69,168,988</u>	<u>26,618,181</u>	<u>22,569,697</u>	<u>95,176,881</u>	<u>91,738,685</u>
<i>Net Position End of Year</i>	<u>\$ 68,131,943</u>	<u>\$ 68,558,700</u>	<u>\$ 26,409,750</u>	<u>\$ 26,618,181</u>	<u>\$ 94,541,693</u>	<u>\$ 95,176,881</u>

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Governmental Activities

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

The City's income tax is at a rate of 2.0 percent. Both residents of the City and non-residents who work inside the City are subject to the income tax. However if residents work in a locality that has a municipal income tax, the City provides 100 percent credit up to the amount owed for those who pay income tax to another city.

General revenues include grants and entitlements, such as local government funds. With the combination of property tax, income tax and intergovernmental funding all expenses in the governmental activities are funded. The City monitors its sources of revenues very closely for fluctuations.

Revenues increased \$.9 million from 2011, partially due to an increase in income taxes due to the City at year end.

Expenses increased \$4.6 million over 2011. The largest part of this is a \$3.2 million increase in transportation expense for projects and repair expenses that do not meet the criteria to be capitalized. The largest program function of the City was for general government, which represents approximately 29 percent of program expenses in 2012. 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. General government and security of persons and property expenses increased \$.8 million and \$.3 million, respectively over 2011.

Business-Type Activities

Business-type activities include water and sewer operations. The revenues are generated primarily from charges for services. In 2012, charges for services of \$3.4 million accounted for 83 percent of the business type revenues. The total expenses for the utilities were \$4.6 million in 2012. The business-type activities had a decrease in net position of \$.2 million over 2011.

The City's Funds

Governmental Funds

Information about the City's governmental funds begins on page 16. These funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of \$22.8 million and expenditures of \$27.8 million. The funds are monitored consistently with adjustments made throughout the year in budgets to accommodate yearly revenues.

The general fund's net change in fund balance for fiscal year 2012 was an increase of \$.3 million. Expenditures in 2012 decreased by \$.3 million with no individually significant item accounting for the decrease.

The fund balance of the general bond retirement fund increased by \$.3 million due to the timing of revenues to cover principal payments.

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Other governmental funds had an increase in fund balance of \$.5 million, partially due to grant revenue for road improvement projects.

Proprietary Funds

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

Unrestricted net position of the water fund at the end of the year amounted to \$2.4 million and the unrestricted net position of the sewer fund were \$.6 million. The decrease in net position for the water fund was \$.2 million and the sewer fund had an increase in net position of \$9,848. Other factors concerning the finances of these two funds have already been addressed in the discussion of the business-type activities.

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 2012, the City amended its general fund budget on various occasions. All recommendations for appropriation changes come to Council from the City Finance Director. The Finance Committee of Council reviews them, and they make their recommendation to the Council as a whole.

For the general fund, the actual revenue and final budget basis revenue of \$16.4 million, were \$.2 million under the original budget estimates of \$16.6 million. Charges for services was slightly lower than originally estimated.

Final expenditure appropriations of \$13.4 million were \$.3 million higher than the actual expenditures of \$13.1 million, as cost savings were recognized for general government and security of persons and property throughout the year. Original expenditure appropriations were \$.2 million over final appropriations.

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Capital Assets and Debt Administration

Capital Assets

At the end of year 2012, the City had \$108.7 million invested in capital assets. A total of \$71.5 million of this was for governmental activities and \$37.2 million being attributable to business-type activities. Table 3 shows fiscal year 2012 balances compared with 2011.

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

	Governmental Activities		Business-Type Activities		Total	
		Restated		Restated		Restated
	2012	2011	2012	2011	2012	2011
Land	\$ 8,535,201	\$ 8,535,201	\$ 93,181	\$ 93,181	\$ 8,628,382	\$ 8,628,382
Intangible	2,183,636	2,183,636	1,154,237	1,154,237	3,337,873	3,337,873
Land Improvements	2,344,542	2,575,297	183,812	240,318	2,528,354	2,815,615
Buildings	6,869,050	7,211,770	2,893,758	3,015,711	9,762,808	10,227,481
Building and Other Improvements	9,019,052	9,612,857	1,866,805	1,956,796	10,885,857	11,569,653
Machinery and Equipment	1,491,431	1,587,562	3,023,660	3,151,066	4,515,091	4,738,628
Furniture and Fixtures	65,134	96,796	20,820	14,742	85,954	111,538
Vehicles	701,771	730,342	56,148	26,992	757,919	757,334
Bridges	6,815,629	6,419,583	0	0	6,815,629	6,419,583
Roads	27,198,739	22,546,413	0	0	27,198,739	22,546,413
Sidewalks	1,259,458	1,224,060	0	0	1,259,458	1,224,060
Traffic Signals	3,623,263	3,702,543	0	0	3,623,263	3,702,543
Water Lines	0	0	8,261,245	7,875,769	8,261,245	7,875,769
Storm Sewers	0	0	11,132,903	11,421,919	11,132,903	11,421,919
Sanitary Sewers	0	0	8,293,632	8,515,846	8,293,632	8,515,846
Construction in Progress	1,433,898	7,264,354	205,322	426,494	1,639,220	7,690,848
<i>Total</i>	<u>\$ 71,540,804</u>	<u>\$ 73,690,414</u>	<u>\$ 37,185,523</u>	<u>\$ 37,893,071</u>	<u>\$ 108,726,327</u>	<u>\$ 111,583,485</u>

The \$2.1 million decrease in capital assets of governmental activities was attributable to current year depreciation and disposals exceeding additional purchases. The \$1.0 million decrease in capital assets of business-type activities is due to current year depreciation and disposals exceeding additional purchases. See Note 9 for additional information about the capital assets of the City.

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Debt

The outstanding debt for the City as of December 31, 2012 was \$30.6 million. See Note 13 for additional details. Table 4 summarizes outstanding debt.

Table 4
Outstanding Debt, at December 31

	Governmental Activities		Business-Type Activities Activities		Total	
	Restated		Restated			
	2012	2011	2012	2011	2012	2011
<i>General Obligation Bonds:</i>						
1993 Various Purpose Bonds	\$ 140,000	\$ 265,000	\$ 0	\$ 0	\$ 140,000	\$ 265,000
2004 Library Refunding Bonds	0	105,000	0	0	0	105,000
2004 Various Purpose Refunding Bonds	0	250,000	0	0	0	250,000
2006 Various Purpose Bonds	5,500,000	6,130,000	0	0	5,500,000	6,130,000
2010 Various Purpose Bonds	2,595,000	2,660,000	0	0	2,595,000	2,660,000
<i>Other Obligations:</i>						
Urban Renewal Bonds	50,000	270,000	0	0	50,000	270,000
OWDA Loans	0	0	11,216,680	11,599,072	11,216,680	11,599,072
OPWC Loans	1,957,419	1,754,769	869,483	923,487	2,826,902	2,678,256
Loan Payable	0	0	349,263	388,070	349,263	388,070
Bond Anticipation Notes	6,112,550	4,810,000	1,537,450	40,000	7,650,000	4,850,000
Capital Leases	164,023	263,112	121,025	148,169	285,048	411,281
Totals	<u>\$ 16,518,992</u>	<u>\$ 16,507,881</u>	<u>\$ 14,093,901</u>	<u>\$ 13,098,798</u>	<u>\$ 30,612,893</u>	<u>\$ 29,606,679</u>

Current Financial Related Activities

The City is financially stable despite the national economic situation. Over the past few years the city has experienced a reduction in revenues and has had to reevaluate the way it provides its services to the residents. We have maintained our commitment to a strong, fiscally responsible financial plan to live within our means. With the loss of revenue in the City's general fund due to cuts in the distribution of local government funds at the state level, the elimination of inheritance tax, and the loss of property tax revenues due to a reduction in property values throughout the County and in various areas of the country, the City is evaluating its expenditures for a reduction in costs. The City has seen a slight reduction in wages due to pending retirements with limited replacements and a reduction in expenditures for departmental budgets. The City will continue its plan to be fiscally responsible and to review all departmental budgets for improvements in efficiency and effectiveness and to look for ways to reduce costs to offset losses in revenues.

The City has continued its stance on improvements to the City's infrastructure. The ability to apply for grants in combination with the non-interest loans has continued to prove that the City has made a serious commitment to actively look for funds to assist in the improvements needed for our community. The City has undertaken several key projects to improve the neighborhoods throughout the City including

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improvements to the Polish Village area, the replacement of two of the four bridges in downtown Berea, continuing improvements to supplement the \$6.5 million dollars spent on the City's water treatment plant, and water line, storm sewer, and sanitary sewer improvements to the City's Westbridge, Elmwood, Oakdale, and Parkway Drive area.

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. Several years ago, the City developed a self-funded insurance program and has been able to minimize its cost increases and reduce its health care costs. All employees who are eligible for health insurance contribute fifteen (15%) percent of the actual costs of the insurance. The City has also created a Health Insurance Committee, which is made up of a member from each union and one person from the non-union sector, to review costs and consider cost-saving measures to contain the premiums for health insurance.

The City has developed a North End Revitalization Plan to assist in the overall plan for economic development at the City's north end gateway after a \$24 million railroad overpass project is completed on the main thoroughfare through the City's north end. The City is currently in discussions with developers to assist in the revitalization and development of the City's north end now that the railroad overpass project has been completed.

The City developed a Fund Balance Policy to establish criteria for growing its general fund balance and support future retirements. This policy fits well into the City's overall plan for fiscal responsibility and financial management. The City also developed a six-year Capital Improvement Plan to review upcoming capital projects through 2018 and to review funding sources for these projects. The City continues to be fiscally responsible with a plan of over \$33 million in capital improvements over the six-year planning period without increasing its outstanding debt.

Contacting the City's Finance Department

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

City of Berea
Cuyahoga County, Ohio
Statement of Net Position
December 31, 2012

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 8,758,094	\$ 2,196,301	\$ 10,954,395
Accounts Receivable	384,893	1,434,163	1,819,056
Accrued Interest Receivable	8,514	0	8,514
Intergovernmental Receivable	967,407	31,724	999,131
Taxes Receivable	7,024,613	457,005	7,481,618
Special Assessments Receivable	657,522	0	657,522
Loans Receivable	1,351,172	0	1,351,172
Prepaid Items	17,364	9,842	27,206
Materials and Supplies Inventory	167,177	76,617	243,794
Non-Depreciable Capital Assets	12,152,735	1,452,740	13,605,475
Depreciable Capital Assets, Net	59,388,069	35,732,783	95,120,852
<i>Total Assets</i>	<u>90,877,560</u>	<u>41,391,175</u>	<u>132,268,735</u>
Liabilities			
Accounts Payable	271,429	28,575	300,004
Accrued Wages	289,793	30,964	320,757
Intergovernmental Payable	453,304	39,964	493,268
Accrued Interest Payable	70,753	255,450	326,203
Claims Payable	148,344	0	148,344
Unearned Revenue	3,536,013	429,283	3,965,296
Long-Term Liabilities:			
Due Within One Year	7,285,663	2,295,454	9,581,117
Due in More Than One Year	10,690,318	11,901,735	22,592,053
<i>Total Liabilities</i>	<u>22,745,617</u>	<u>14,981,425</u>	<u>37,727,042</u>
Net Position			
Net Investment in Capital Assets	57,295,806	23,368,937	80,664,743
Restricted for:			
Debt Service	2,642,411	0	2,642,411
Street Lighting	1,042,402	0	1,042,402
Street Maintenance and Repair	478,130	0	478,130
Court Operations and Capital Outlay	306,864	0	306,864
Other Purposes	449,324	0	449,324
Unrestricted	5,917,006	3,040,813	8,957,819
<i>Total Net Position</i>	<u>\$ 68,131,943</u>	<u>\$ 26,409,750</u>	<u>\$ 94,541,693</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Activities
For the Year Ended December 31, 2012

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities				
General Government	\$ 6,992,774	\$ 2,707,588	\$ 25,000	\$ 0
Security of Persons and Property	6,755,965	1,182,585	79,039	0
Public Health	155,326	33,801	46,060	0
Leisure Time Services	3,262,399	541,377	17,223	0
Community Development	465,302	26,005	0	0
Public Works	1,167,636	0	0	0
Transportation	4,557,209	257,220	808,899	761,383
Interest and Fiscal Charges	435,179	0	0	0
<i>Total Governmental Activities</i>	<u>23,791,790</u>	<u>4,748,576</u>	<u>976,221</u>	<u>761,383</u>
Business-Type Activities				
Water	3,655,963	2,663,002	0	154,957
Sewer	922,985	757,684	0	75,000
<i>Total Business-Type Activities</i>	<u>4,578,948</u>	<u>3,420,686</u>	<u>0</u>	<u>229,957</u>
<i>Total Primary Government</i>	<u>\$ 28,370,738</u>	<u>\$ 8,169,262</u>	<u>\$ 976,221</u>	<u>\$ 991,340</u>

General Revenues:

Property Taxes Levied for:

- General Purposes
- Police and Fire Pension
- Debt Service
- Water Improvements

Income Taxes Levied for:

- General Purposes

Other Taxes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Restated, See Note 2U.

Net Position End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (4,260,186)	\$ 0	\$ (4,260,186)
(5,494,341)	0	(5,494,341)
(75,465)	0	(75,465)
(2,703,799)	0	(2,703,799)
(439,297)	0	(439,297)
(1,167,636)	0	(1,167,636)
(2,729,707)	0	(2,729,707)
(435,179)	0	(435,179)
<u>(17,305,610)</u>	<u>0</u>	<u>(17,305,610)</u>
0	(838,004)	(838,004)
0	(90,301)	(90,301)
<u>0</u>	<u>(928,305)</u>	<u>(928,305)</u>
<u>(17,305,610)</u>	<u>(928,305)</u>	<u>(18,233,915)</u>
1,643,154	0	1,643,154
747,797	0	747,797
1,593,210	0	1,593,210
0	448,972	448,972
11,446,700	0	11,446,700
278,888	0	278,888
1,244,125	0	1,244,125
128,363	0	128,363
57,616	9,902	67,518
<u>17,139,853</u>	<u>458,874</u>	<u>17,598,727</u>
<u>(261,000)</u>	<u>261,000</u>	<u>0</u>
<u>16,878,853</u>	<u>719,874</u>	<u>17,598,727</u>
(426,757)	(208,431)	(635,188)
<u>68,558,700</u>	<u>26,618,181</u>	<u>95,176,881</u>
<u>\$ 68,131,943</u>	<u>\$ 26,409,750</u>	<u>\$ 94,541,693</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Balance Sheet
Governmental Funds
December 31, 2012

	General	General Bond Retirement	All Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 2,679,563	\$ 1,688,574	\$ 3,988,545	\$ 8,356,682
Accounts Receivable	312,292	0	72,601	384,893
Accrued Interest Receivable	8,514	0	0	8,514
Intergovernmental Receivable	380,503	109,902	477,002	967,407
Taxes Receivable	4,854,537	1,434,426	735,650	7,024,613
Special Assessments Receivable	24,661	11,173	621,688	657,522
Loans Receivable	0	0	1,351,172	1,351,172
Interfund Receivable	0	750,000	0	750,000
Prepaid Items	3,564	0	13,800	17,364
Materials and Supplies Inventory	15,125	0	152,052	167,177
<i>Total Assets</i>	<u>\$ 8,278,759</u>	<u>\$ 3,994,075</u>	<u>\$ 7,412,510</u>	<u>\$ 19,685,344</u>
Liabilities				
Accounts Payable	\$ 177,998	\$ 5,354	\$ 88,077	\$ 271,429
Accrued Wages	254,818	0	34,975	289,793
Intergovernmental Payable	200,582	0	252,722	453,304
Interfund Payable	0	0	750,000	750,000
Deferred Revenue	3,107,056	1,555,501	1,627,515	6,290,072
<i>Total Liabilities</i>	<u>3,740,454</u>	<u>1,560,855</u>	<u>2,753,289</u>	<u>8,054,598</u>
Fund Balances				
Nonspendable	43,383	0	165,852	209,235
Restricted	0	2,433,220	2,303,676	4,736,896
Committed	1,274,241	0	2,369,907	3,644,148
Assigned	174,933	0	0	174,933
Unassigned	3,045,748	0	(180,214)	2,865,534
<i>Total Fund Balances</i>	<u>4,538,305</u>	<u>2,433,220</u>	<u>4,659,221</u>	<u>11,630,746</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 8,278,759</u>	<u>\$ 3,994,075</u>	<u>\$ 7,412,510</u>	<u>\$ 19,685,344</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2012

Total Governmental Fund Balances		\$ 11,630,746
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		71,540,804
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	\$ 228,938	
Income Tax	1,079,552	
Intergovernmental	737,942	
Special Assessments	657,522	
Charges for Services	50,105	2,754,059
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		253,068
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(70,753)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(8,235,000)	
Urban Renewal Bonds	(50,000)	
OPWC Loans	(1,957,419)	
Bond Anticipation Notes	(6,112,550)	
Bond Premium	(78,356)	
Police and Fire Pension	(212,664)	
Capital Leases	(164,023)	
Compensated Absences	(1,165,969)	(17,975,981)
<i>Net Position of Governmental Activities</i>		\$ 68,131,943

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2012

	General	General Bond Retirement	All Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$ 1,594,966	\$ 1,580,389	\$ 731,506	\$ 3,906,861
Income Taxes	10,758,113	0	0	10,758,113
Other Local Taxes	278,888	0	0	278,888
Special Assessments	12,244	12,886	663,840	688,970
Charges for Services	394,980	0	756,957	1,151,937
Licenses and Permits	367,536	0	30,025	397,561
Fines and Forfeitures	1,510,789	0	970,348	2,481,137
Intergovernmental	1,155,474	268,457	1,418,749	2,842,680
Interest	128,363	25,000	4,974	158,337
Rent	0	0	22,279	22,279
Contributions and Donations	0	0	45,230	45,230
Reimbursements	21,405	0	0	21,405
Other	20,136	0	4,725	24,861
<i>Total Revenues</i>	<u>16,242,894</u>	<u>1,886,732</u>	<u>4,648,633</u>	<u>22,778,259</u>
Expenditures				
Current:				
General Government	6,055,190	53,907	658,095	6,767,192
Security of Persons and Property	4,922,225	0	1,509,582	6,431,807
Public Health	0	0	155,326	155,326
Leisure Time Services	468,591	0	1,313,129	1,781,720
Community Development	462,267	0	0	462,267
Public Works	1,144,731	0	0	1,144,731
Transportation	0	0	799,062	799,062
Capital Outlay	0	0	3,479,757	3,479,757
Debt Service:				
Principal Retirement	0	6,205,000	104,664	6,309,664
Interest and Fiscal Charges	0	433,350	47,408	480,758
<i>Total Expenditures</i>	<u>13,053,004</u>	<u>6,692,257</u>	<u>8,067,023</u>	<u>27,812,284</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,189,890</u>	<u>(4,805,525)</u>	<u>(3,418,390)</u>	<u>(5,034,025)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	3,025	3,025
Proceeds from OPWC Loans	0	0	202,650	202,650
Premium on Debt Issuance	0	45,518	0	45,518
Proceeds from Notes Issued	0	4,850,000	1,262,550	6,112,550
Transfers In	0	275,654	2,712,570	2,988,224
Transfers Out	(2,933,570)	(40,000)	(275,654)	(3,249,224)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,933,570)</u>	<u>5,131,172</u>	<u>3,905,141</u>	<u>6,102,743</u>
<i>Net Change in Fund Balance</i>	256,320	325,647	486,751	1,068,718
<i>Fund Balance Beginning of Year</i> <i>Restated, See Note 2U.</i>	<u>4,281,985</u>	<u>2,107,573</u>	<u>4,172,470</u>	<u>10,562,028</u>
<i>Fund Balance End of Year</i>	<u>\$ 4,538,305</u>	<u>\$ 2,433,220</u>	<u>\$ 4,659,221</u>	<u>\$ 11,630,746</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2012*

Net Change in Fund Balances - Total Governmental Funds	\$	1,068,718
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded additions in the current period.		
Capital Asset Additions	\$ 2,170,943	
Current Year Depreciation	<u>(4,320,553)</u>	(2,149,610)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	(58,501)	
Income Tax	708,337	
Intergovernmental	(136,397)	
Charges for Services	(19,750)	
Special Assessments	<u>(22,674)</u>	471,015
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	1,175,000	
Urban Renewal Bonds	220,000	
Bond Anticipation Notes	4,810,000	
Capital Lease	99,089	
Police and Fire Pension	<u>5,575</u>	6,309,664
Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
OPWC Loans	(202,650)	
Bond Anticipation Notes	<u>(6,112,550)</u>	(6,315,200)
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and bond issuance costs and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	(6,469)	
Amortization of Premium on Bonds	<u>6,530</u>	61
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		191,712
Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences		<u>(3,117)</u>
<i>Change in Net Position of Governmental Activities</i>	\$	<u><u>(426,757)</u></u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2012

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property Taxes	\$ 1,615,664	\$ 1,594,966	\$ 1,594,966	\$ 0
Income Taxes	11,016,666	10,842,275	10,842,275	0
Other Local Taxes	262,000	282,140	282,140	0
Special Assessments	2,000	12,244	12,244	0
Charges for Services	628,000	402,578	402,578	0
Licenses and Permits	330,000	367,536	367,536	0
Fines and Forfeitures	1,495,000	1,508,846	1,508,846	0
Intergovernmental	1,043,461	1,266,987	1,266,987	0
Interest	150,000	96,590	96,590	0
Refunds and Reimbursements	23,893	13,600	13,600	0
Other	19,639	27,023	27,023	0
<i>Total Revenues</i>	<u>16,586,323</u>	<u>16,414,785</u>	<u>16,414,785</u>	<u>0</u>
Expenditures				
Current:				
General Government	6,289,506	6,194,857	6,081,574	113,283
Security of Persons and Property	4,982,800	4,979,400	4,890,937	88,463
Leisure Time Services	464,100	477,600	467,989	9,611
Community Development	466,251	476,251	461,828	14,423
Public Works	1,340,250	1,257,850	1,178,067	79,783
<i>Total Expenditures</i>	<u>13,542,907</u>	<u>13,385,958</u>	<u>13,080,395</u>	<u>305,563</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,043,416</u>	<u>3,028,827</u>	<u>3,334,390</u>	<u>305,563</u>
Other Financing Sources (Uses)				
Transfers Out	(1,824,033)	(2,933,570)	(2,933,570)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,824,033)</u>	<u>(2,933,570)</u>	<u>(2,933,570)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,219,383	95,257	400,820	305,563
<i>Fund Balance Beginning of Year</i>	2,127,108	2,127,108	2,127,108	0
Prior Year Encumbrances Appropriated	8,031	8,031	8,031	0
<i>Fund Balance End of Year</i>	<u>\$ 3,354,522</u>	<u>\$ 2,230,396</u>	<u>\$ 2,535,959</u>	<u>\$ 305,563</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2012

	Enterprise Funds			Governmental Activities -
	Water Revenue	Sewer Revenue	Total	Internal Service Fund
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Investments	\$ 1,161,560	\$ 1,034,741	\$ 2,196,301	\$ 401,412
Accounts Receivable	1,050,183	383,980	1,434,163	0
Intergovernmental Receivable	31,724	0	31,724	0
Taxes Receivable	457,005	0	457,005	0
Prepaid Items	9,842	0	9,842	0
Materials and Supplies Inventory	76,617	0	76,617	0
<i>Total Current Assets</i>	<u>2,786,931</u>	<u>1,418,721</u>	<u>4,205,652</u>	<u>401,412</u>
<i>Non-Current Assets:</i>				
Non-Depreciable Capital Assets	1,144,010	308,730	1,452,740	0
Depreciable Capital Assets, Net	24,278,834	11,453,949	35,732,783	0
<i>Total Non-Current Assets</i>	<u>25,422,844</u>	<u>11,762,679</u>	<u>37,185,523</u>	<u>0</u>
<i>Total Assets</i>	<u>28,209,775</u>	<u>13,181,400</u>	<u>41,391,175</u>	<u>401,412</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	24,618	3,957	28,575	0
Accrued Wages	26,170	4,794	30,964	0
Intergovernmental Payable	34,735	5,229	39,964	0
Accrued Interest Payable	183,789	71,661	255,450	0
Claims Payable	0	0	0	148,344
Unearned Revenue	429,283	0	429,283	0
Compensated Absences Payable	1,416	1,326	2,742	0
Capital Leases Payable	28,335	0	28,335	0
Bond Anticipation Notes Payable	797,450	740,000	1,537,450	0
Loans Payable	0	38,807	38,807	0
OPWC Loans Payable	0	54,004	54,004	0
OWDA Loans Payable	459,053	175,063	634,116	0
<i>Total Current Liabilities</i>	<u>1,984,849</u>	<u>1,094,841</u>	<u>3,079,690</u>	<u>148,344</u>
<i>Long-Term Liabilities:</i>				
Compensated Absences Payable - Net of Current Portion	99,220	1,326	100,546	0
Capital Leases Payable - Net of Current Portion	92,690	0	92,690	0
Loans Payable - Net of Current Portion	0	310,456	310,456	0
OPWC Loans Payable - Net of Current Portion	13,576	801,903	815,479	0
OWDA Loans Payable - Net of Current Portion	7,957,146	2,625,418	10,582,564	0
<i>Total Long-Term Liabilities</i>	<u>8,162,632</u>	<u>3,739,103</u>	<u>11,901,735</u>	<u>0</u>
<i>Total Liabilities</i>	<u>10,147,481</u>	<u>4,833,944</u>	<u>14,981,425</u>	<u>148,344</u>
Net Position				
Net Investment in Capital Assets	15,639,915	7,729,022	23,368,937	0
Unrestricted	2,422,379	618,434	3,040,813	253,068
<i>Total Net Position</i>	<u>\$ 18,062,294</u>	<u>\$ 8,347,456</u>	<u>\$ 26,409,750</u>	<u>\$ 253,068</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2012

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Revenue	Sewer Revenue	Totals	
Operating Revenues				
Charges for Services	\$ 2,663,002	\$ 757,684	\$ 3,420,686	\$ 2,661,057
Reimbursements	8,950	0	8,950	0
Other	803	149	952	703
<i>Total Operating Revenues</i>	<u>2,672,755</u>	<u>757,833</u>	<u>3,430,588</u>	<u>2,661,760</u>
Operating Expenses				
Personal Services	1,614,140	199,808	1,813,948	0
Contractual Services	256,204	257,495	513,699	754,238
Materials and Supplies	427,205	24,857	452,062	0
Claims	0	0	0	1,715,563
Depreciation	985,256	303,046	1,288,302	0
Other	12,730	3,365	16,095	247
<i>Total Operating Expenses</i>	<u>3,295,535</u>	<u>788,571</u>	<u>4,084,106</u>	<u>2,470,048</u>
<i>Operating Income (Loss)</i>	<u>(622,780)</u>	<u>(30,738)</u>	<u>(653,518)</u>	<u>191,712</u>
Non-Operating Revenues (Expense)				
Intergovernmental	154,957	0	154,957	0
Property Taxes	448,972	0	448,972	0
Interest and Fiscal Charges	(360,428)	(134,414)	(494,842)	0
<i>Total Non-Operating Revenues (Expense)</i>	<u>243,501</u>	<u>(134,414)</u>	<u>109,087</u>	<u>0</u>
<i>Income (Loss) Before Capital Contributions and Transfers</i>	<u>(379,279)</u>	<u>(165,152)</u>	<u>(544,431)</u>	<u>191,712</u>
Capital Contributions	0	75,000	75,000	0
Transfers In	161,000	100,000	261,000	0
<i>Change in Net Position</i>	<u>(218,279)</u>	<u>9,848</u>	<u>(208,431)</u>	<u>191,712</u>
<i>Net Position Beginning of Year Restated, See Note 2U.</i>	<u>18,280,573</u>	<u>8,337,608</u>	<u>26,618,181</u>	<u>61,356</u>
<i>Net Position End of Year</i>	<u>\$ 18,062,294</u>	<u>\$ 8,347,456</u>	<u>\$ 26,409,750</u>	<u>\$ 253,068</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2012

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Revenue	Sewer Revenue	Totals	
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 2,749,628	\$ 679,923	\$ 3,429,551	\$ 2,661,760
Cash Payments to Suppliers for Goods and Services	(440,759)	(24,857)	(465,616)	0
Cash Payments to Employees for Services and Benefits	(1,598,173)	(199,932)	(1,798,105)	0
Cash Payments for Contractual Services	(328,339)	(262,003)	(590,342)	(763,897)
Cash Payments for Claims	0	0	0	(1,678,630)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>382,357</u>	<u>193,131</u>	<u>575,488</u>	<u>219,233</u>
Cash Flows from Noncapital Financing Activities				
Property Taxes	454,779	0	454,779	0
Transfers In	161,000	100,000	261,000	0
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>615,779</u>	<u>100,000</u>	<u>715,779</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities				
Intergovernmental Revenue	154,842	0	154,842	0
Capital Grants	0	75,000	75,000	0
Proceeds of Bond Anticipation Notes	797,450	740,000	1,537,450	0
Proceeds of OWDA Loans	249,475	123,468	372,943	0
Acquisition of Capital Assets	(513,143)	(67,611)	(580,754)	0
Principal Payments on Debt and Leases	(665,589)	(244,367)	(909,956)	0
Interest Payments on Debt and Leases	(351,264)	(137,246)	(488,510)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(328,229)</u>	<u>489,244</u>	<u>161,015</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	669,907	782,375	1,452,282	219,233
<i>Cash and Investments Beginning of Year</i>	491,653	252,366	744,019	182,179
<i>Cash and Investments End of Year</i>	<u>\$ 1,161,560</u>	<u>\$ 1,034,741</u>	<u>\$ 2,196,301</u>	<u>\$ 401,412</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$ (622,780)	\$ (30,738)	\$ (653,518)	\$ 191,712
Adjustments:				
Depreciation	985,256	303,046	1,288,302	0
(Increase) Decrease in Assets:				
Accounts Receivable	76,873	(77,910)	(1,037)	0
Prepaid Items	(13)	0	(13)	0
Materials and Supplies Inventory	(13,541)	0	(13,541)	0
Increase (Decrease) in Liabilities:				
Accounts Payable	(59,405)	(1,143)	(60,548)	(9,412)
Accrued Wages	1,644	1,601	3,245	0
Compensated Absences Payable	16,158	(1,214)	14,944	0
Intergovernmental Payable	(1,835)	(511)	(2,346)	0
Claims Payable	0	0	0	36,933
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u>\$ 382,357</u>	<u>\$ 193,131</u>	<u>\$ 575,488</u>	<u>\$ 219,233</u>

Noncash Capital Financing Activities:

As of December 31, 2012, the water fund recorded capitalized interest as an addition to OWDA loans in the amount of \$56 and the sewer revenue fund recorded an OWDA principal adjustment of \$5,390 as a decrease in loan balance.

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Assets and Liabilities
Agency Funds
December 31, 2012

Assets

Equity in Pooled Cash and Investments	\$ 952,793
Equity in Pooled Cash Segregated	178,744
Accounts Receivable	<u>1,319,851</u>

Total Assets \$ 2,451,388

Liabilities

Accounts Payable	\$ 622,823
Due to Other Governments	1,631,988
Deposits Held and Due to Others	<u>196,577</u>

Total Liabilities \$ 2,451,388

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

NOTE 1 - DESCRIPTION OF THE CITY AND THE REPORTING ENTITY

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

The Reporting Entity

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

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

The City participates in several jointly governed organizations, including the Northeast Ohio Public Energy Council, the Southwest Council of Governments, the Southwest General Health Center 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 or responsibility on the part of the participating governments. These organizations are presented in Note 17 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

A. Basis of Presentation

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

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

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

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

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:

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund also accounts for the activities related to the Issue 9 tax levy collections passed by ordinance in November, 1992. 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.

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

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

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

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

Sewer Revenue Fund - The sewer revenue fund is used to account for the operations of the sewage collection 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 three internal service funds account for funds reserved to finance a self insurance program for hospitalization benefits and a self insurance program for property and liability losses and to account for the payment of worker's comp insurance.

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 Position. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and 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.

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 position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of the proprietary activities.

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.

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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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, 2012 but which were levied to finance year 2013 operations, have been recorded as deferred/unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred/unearned revenue.

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

E. Cash and Investments

To improve cash management cash received by the City is pooled. Each fund's pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. Interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements. For purpose of the statement of cash flows, the proprietary funds' 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 Assets and Liabilities 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 2012, investments were limited to money market funds, negotiable certificates of deposit, Federal Farm Credit Bank and Federal National Mortgage government bonds and State Treasury Asset Reserve of Ohio (STAROhio).

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

STAROhio is an investment pool managed by the State Treasurer'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, 2012.

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 2012 amounted to \$128,363, which includes \$98,990 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."

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

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.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2012, 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 position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

All capital assets are depreciated except for land, intangible 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

I. Interfund Balances

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

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 and compensated absences that will be paid from governmental funds 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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

L. Fund Balance

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

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

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council. The City Council has, by resolution, authorized the Finance Director to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

M. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City did not report any balances restricted by enabling legislation.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position 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. In 2012, the business-type activities received a capital contribution of \$75,000 from an outside source.

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 2012.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 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 2012.

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.

T. Changes in Accounting Principles

For the year ended December 31, 2012, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements", GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", and GASB Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions – an Amendment of GASB Statement No. 53."

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the City.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

GASB Statement No. 62 incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the City.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. It also amends the net asset reporting requirements of GASB Statement No. 34 by incorporating deferred outflows and inflows into the definitions and renaming the residual measure as net position, rather than net assets.

GASB Statement No. 64 clarifies the circumstances in which a hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The implementation of GASB Statement No. 64 did not have an effect on the financial statements of the City.

U. Restatement of Fund Balances/Net Position

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

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

	General Fund	General Bond Retirement Fund	Other Governmental Funds	Total
Fund Balance, December 31, 2011	\$ 4,281,985	\$ 2,107,573	\$ 3,978,335	\$ 10,367,893
Change in Expenditures	0	0	194,135	194,135
Restated Fund Balance, January 1, 2012	<u>\$ 4,281,985</u>	<u>\$ 2,107,573</u>	<u>\$ 4,172,470</u>	<u>\$ 10,562,028</u>

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

	Governmental Activities	Business-Type Activities
Net Position December 31, 2011	\$ 68,471,755	\$ 26,065,200
Change in Capital Assets	(296,116)	296,116
Change in Expenditures	194,135	(194,135)
Change in Long Term Obligations	188,926	451,000
Restated Net Position January 1, 2012	<u>\$ 68,558,700</u>	<u>\$ 26,618,181</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

	<u>Water Revenue</u>	<u>Sewer Revenue</u>	<u>Total</u>
Net Position December 31, 2011	\$ 17,998,192	\$ 8,067,008	\$ 26,065,200
Change in Capital Assets	296,116	0	296,116
Change in Expenditures	(194,135)	0	(194,135)
Change in Long Term Obligations	<u>180,400</u>	<u>270,600</u>	<u>451,000</u>
Restated Net Position January 1, 2012	<u>\$ 18,280,573</u>	<u>\$ 8,337,608</u>	<u>\$ 26,618,181</u>

NOTE 3 – ACCOUNTABILITY

Fund balances at December 31, 2012 included the following individual fund deficits:

	<u>Deficit Fund Balance</u>
<i>Other Governmental Funds:</i>	
Fire Pension Fund	\$ 91,882
Police Pension fund	<u>88,332</u>
	<u>\$ 180,214</u>

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

NOTE 4 – FUND BALANCE

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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

Fund Balance	General Fund	General Bond Retirement Fund	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Unclaimed Monies	\$ 24,694	\$ 0	\$ 0	\$ 24,694
Inventory	15,125	0	152,052	167,177
Prepays	3,564	0	13,800	17,364
Total Nonspendable	<u>43,383</u>	<u>0</u>	<u>165,852</u>	<u>209,235</u>
<u>Restricted for:</u>				
Bond Retirement	0	2,433,220	0	2,433,220
Court Operations and Capital Outlay	0	0	1,245,356	1,245,356
Drug and Alcohol Programs	0	0	284,321	284,321
Security Operations and Programs	0	0	149,820	149,820
Street Improvement and Repair	0	0	180,870	180,870
Street Lighting	0	0	437,623	437,623
Other Programs	0	0	5,686	5,686
Total Restricted	<u>0</u>	<u>2,433,220</u>	<u>2,303,676</u>	<u>4,736,896</u>
<u>Committed to:</u>				
Income Tax (See Note 7.A.)	1,029,482	0	0	1,029,482
Retirements	153,396	0	0	153,396
Recreational Programs	0	0	78,843	78,843
Court Operations and Capital Outlay	91,363	0	0	91,363
General Capital Outlay	0	0	318,928	318,928
Neighborhood Capital Improvement	0	0	100,216	100,216
Community Programs	0	0	71,156	71,156
Recreation Capital Outlay	0	0	114,925	114,925
Safety Equipment Capital Outlay	0	0	334,667	334,667
Loans Receivable	0	0	1,351,172	1,351,172
Total Committed	<u>1,274,241</u>	<u>0</u>	<u>2,369,907</u>	<u>3,644,148</u>
<u>Assigned for:</u>				
Encumbrances:				
General Government	7,067	0	0	7,067
Security of Persons and Property	591	0	0	591
Leisure Time Activities	133	0	0	133
Public Works	21,665	0	0	21,665
Subsequent Year Appropriations	145,477	0	0	145,477
Total Assigned	<u>174,933</u>	<u>0</u>	<u>0</u>	<u>174,933</u>
Unassigned (Deficit)	<u>3,045,748</u>	<u>0</u>	<u>(180,214)</u>	<u>2,865,534</u>
Total Fund Balance (Deficit)	<u>\$ 4,538,305</u>	<u>\$ 2,433,220</u>	<u>\$ 4,659,221</u>	<u>\$ 11,630,746</u>

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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 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 an assignment of fund balance (GAAP).
4. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets (budget).

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

Net Change in Fund Balance

	General **
GAAP Basis	\$ 256,320
Net Adjustment for Revenue Accruals	277,235
Net Adjustment for Expenditure Accruals	14,981
Funds Budgeted Elsewhere	(91,373)
Encumbrances	(56,343)
Budget Basis	\$ 400,820

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

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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:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
6. The State Treasurer's investment pool (STAROhio).

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7. Certain banker's acceptances and commercial paper notes in an amount not to exceed 25% of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of the City's cash and deposits is provided by the Federal Deposit Insurance Corporation, as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all uninsured public deposits. The face value of the pooled collateral must equal at least 105 percent of uninsured public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Cash on Hand - At December 31, 2012 the City had \$10,500 in undeposited cash on hand, which is included in the balance sheet of the City as part of "Equity in Pooled Cash and Investments".

Deposits - At year-end, the carrying amount of the City's deposits was \$5,067,485 and the bank balance was \$5,371,900. Of the bank balance:

1. \$2,308,138 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. \$3,063,762 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 \$178,744 ("Equity in Pooled Cash Segregated") and the bank balance was \$201,925. This fund is maintained separately and is fully insured.

Deposits in interest-bearing accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a coverage limit of \$250,000 per financial institution through December 31, 2012. Insurance on deposits in noninterest-bearing accounts is unlimited through December 31, 2012. The City has both interest-bearing and noninterest-bearing accounts.

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Beginning January 1, 2013, noninterest-bearing accounts will no longer be insured separately from the City's other accounts at the same financial institution. Instead, noninterest-bearing and interest-bearing accounts will collectively be insured up to a coverage limit of \$250,000, at each separate financial institution.

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:

Standard & Poor's	Investment	Fair Value	Investment Maturities (in years)			% Total
			Less than 1	1 - 4	4 - 5	
AAAm	STAROhio	\$ 66,227	\$ 66,227	\$ 0	\$ 0	1.0%
***	Negotiable Certificates of Deposit	5,475,499	1,154,000	3,557,224	764,275	80.2%
	U.S. Agency Notes:					
AAA	Federal Farm Credit	500,460	0	0	500,460	7.3%
AAA	Federal National Mortgage Assn.	500,435	0	0	500,435	7.3%
AAAm	Dreyfus Money Market	22,306	22,306	0	0	0.3%
A+	Multi-Bank Securities Money Market	264,276	264,276	0	0	3.9%
		<u>\$ 6,829,203</u>	<u>\$ 1,506,809</u>	<u>\$ 3,557,224</u>	<u>\$ 1,765,170</u>	<u>100.0%</u>
***	Fully insured under FDIC					

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.

STAROhio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAROhio as of June 30, 2012, is 53 days and carries a rating of AAAm by Standard and Poor's.

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.

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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's investment in repurchase agreements is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the City. 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 investment percentages are listed above.

NOTE 7 – RECEIVABLES

Receivables at December 31, 2012 consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, loans, outstanding advances, and accounts (billings for utility service). No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

Special assessments and delinquent special assessments will primarily be collected in more than one year and amount to \$24,661 in the general fund, \$11,173 in the general bond retirement fund and \$621,688 in other governmental funds.

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 (75%) and to the municipal income tax fund (25%). The income tax revenues collected in the municipal income tax fund is designated for water, recreation, debt, and capital expenditures. The funds cannot be spent for any other reason. The allocation to the four areas is designated annually during the budgetary process approved by Council. Total cash basis income tax collections for 2012 were \$10,842,275, which was allocated at \$8,131,706 to the general fund and \$2,710,569 to the municipal income tax fund. On the accrual basis, income tax revenue was \$11,446,700 in the governmental activities. At year end, the municipal income tax fund had \$1,029,482 in unencumbered funds, for financial statement purposes, that will be allocated to other funds as approved by the Issue 9 tax levy.

B. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2012 for real and public utility property taxes represents collections of the 2011 taxes.

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2012 real property taxes were levied after October 1, 2012 on the assessed value as of January 1, 2012, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2012 real property taxes are collected in and intended to finance 2013.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2012 public utility property taxes which became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phased out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property was eliminated in calendar year 2010. The tax was phased out by reducing the assessment rate on the property each year. The bill replaced the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2010, the City was fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements are being phased out. On June 30, 2011, House Bill No. 153 was signed into law, which further reduced the amounts of these reimbursements.

The full tax rate for all City operations for the year ended December 31, 2012, was \$16.80 per \$1,000 of assessed valuation. The assessed values of real property upon which 2012 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 375,069,610
Public Utilities - Real	73,200
Public Utilities - Personal	<u>6,823,640</u>
Total	<u>\$ 381,966,450</u>

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. 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.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Berea. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility real and tangible personal property taxes, and outstanding delinquencies which became measurable as of December 31, 2012, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2012 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis,

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collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

C. Intergovernmental Receivable

A summary of the intergovernmental receivable follows:

	Amount
<i>Governmental Activities:</i>	
Homestead/Rollback	\$ 267,221
Tax Loss Reimbursement	23,479
Estate Tax	132,547
Auto Registration	54,215
Gasoline Tax	265,324
Permissive Tax	8,729
Local Government	109,477
Grants	98,816
Other	7,599
 Total	 \$ 967,407
	Amount
<i>Business-Type Activities</i>	
Water Fund:	
Homestead/Rollback	\$ 31,724

D. Loans Receivable

The City is reporting a long-term loan receivable related to the Eastland Road Construction project. During 2005, the Cities of Berea, Middleburg Heights and Brook Park, along with Cuyahoga County, entered into an agreement that involves various improvements between Bagley Road and State Route 237. As part of this agreement, the City has entered into a loan agreement with the Ohio Public Works Commission (OPWC) in the amount of \$1,754,769 to help fund some of the construction costs. Although the City of Berea is obligated for the entire loan, the agreement between the Cities obligates the City of Middleburg Heights (43 percent) and the City of Brook Park (34 percent) to make annual debt service payments to the City of Berea to help make the annual debt service payments to OPWC.

As of December 31, 2012, there is a long-term OWPC loans payable by the City in the amount of \$1,754,769 (See Note 13). A corresponding long-term loans receivable has been reported in the City's financial statements in the amount of \$1,351,172, which represents the combined amount owed (77 percent) by the City of Middleburg Heights and the City of Brook Park to the City. These loans are classified as loans receivable on the balance sheet, considered collectible in full, and are expected to be collected in more than one year.

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NOTE 8 - INTERFUND TRANSFERS

Transfers Out	Transfers In				Total
	General Bond Retirement	Nonmajor Governmental	Water Revenue	Sewer Revenue	
General Fund	\$ 0	\$ 2,712,570	\$ 121,000	\$ 100,000	\$ 2,933,570
General Bond Retirement	0	0	40,000	0	40,000
Nonmajor Governmental	275,654	0	0	0	275,654
Total	\$ 275,654	\$ 2,712,570	\$ 161,000	\$ 100,000	\$ 3,249,224

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 general fund, for financial statement purposes, and can be transferred out for various purposes. The following transfers out were made from the general fund:

Fund	Amount
Recreation Fund	\$ 894,000
Recreation Capital Improvement Fund	150,000
General Capital Improvement Fund	630,000
Safety Capital Improvement Fund	53,570
Neighborhood Capital Improvement Fund	595,000
Water Revenue Fund	121,000
Sewer Revenue Fund	100,000
Total	\$ 2,543,570

In addition, the general fund transferred \$120,000 to the street maintenance and repair fund, \$60,000 to the fire pension fund, \$95,000 to the police pension fund and \$115,000 to the neighborhood capital improvement fund for expenditures.

The railroad capital improvement fund transferred \$275,654 to the general bond retirement fund to pay for debt issues relating to the railroad improvements and the general bond retirement fund transferred \$40,000 to the water revenue fund to pay debt issues relating to water improvements. The City has a voted debt levy that can be used for any type of debt.

In 2012, governmental activities made cash transfers to business-type activities in the amount of \$261,000.

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NOTE 9 - CAPITAL ASSETS

A summary of changes in capital assets during 2012 follows:

	Restated Balance 12/31/11	Additions	Reductions	Balance 12/31/12
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 8,535,201	\$ 0	\$ 0	\$ 8,535,201
Intangible	2,183,636	0	0	2,183,636
Construction in Progress	7,264,354	1,243,615	(7,074,071)	1,433,898
<i>Total Capital Assets Not Being Depreciated</i>	<u>17,983,191</u>	<u>1,243,615</u>	<u>(7,074,071)</u>	<u>12,152,735</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	8,634,769	132,559	0	8,767,328
Buildings	14,779,553	0	0	14,779,553
Building Improvements	24,030,415	353,378	0	24,383,793
Machinery and Equipment	5,208,234	184,222	(172,496)	5,219,960
Furniture and Fixtures	989,917	7,000	0	996,917
Vehicles	1,840,896	144,824	(127,310)	1,858,410
Infrastructure:				
Bridges	8,418,322	669,187	0	9,087,509
Roads	40,909,583	6,328,587	0	47,238,170
Sidewalks	1,672,415	120,996	0	1,793,411
Traffic Signals	4,167,448	60,646	0	4,228,094
<i>Total Capital Assets Being Depreciated</i>	<u>110,651,552</u>	<u>8,001,399</u>	<u>(299,806)</u>	<u>118,353,145</u>
<i>Accumulated Depreciation</i>				
Land Improvements	(6,059,472)	(363,314)	0	(6,422,786)
Buildings	(7,567,783)	(342,720)	0	(7,910,503)
Building Improvements	(14,417,558)	(947,183)	0	(15,364,741)
Machinery and Equipment	(3,620,672)	(280,353)	172,496	(3,728,529)
Furniture and Fixtures	(893,121)	(38,662)	0	(931,783)
Vehicles	(1,110,554)	(173,395)	127,310	(1,156,639)
Infrastructure:				
Bridges	(1,998,739)	(273,141)	0	(2,271,880)
Roads	(18,363,170)	(1,676,261)	0	(20,039,431)
Sidewalks	(448,355)	(85,598)	0	(533,953)
Traffic Signals	(464,905)	(139,926)	0	(604,831)
<i>Total Accumulated Depreciation</i>	<u>(54,944,329)</u>	<u>(4,320,553)</u>	<u>299,806</u>	<u>(58,965,076)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>55,707,223</u>	<u>3,680,846</u>	<u>0</u>	<u>59,388,069</u>
Governmental Activities Capital Assets, Net	<u>\$73,690,414</u>	<u>\$ 4,924,461</u>	<u>\$ (7,074,071)</u>	<u>\$71,540,804</u>

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	Restated Balance 12/31/11	Additions	Reductions	Balance 12/31/12
Business-Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 93,181	\$ 0	\$ 0	\$ 93,181
Intangible	1,154,237	0	0	1,154,237
Construction in Progress	426,494	74,944	(296,116)	205,322
<i>Total Capital Assets Not Being Depreciated</i>	<u>1,673,912</u>	<u>74,944</u>	<u>(296,116)</u>	<u>1,452,740</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	924,694	0	0	924,694
Buildings	4,941,378	0	0	4,941,378
Building Improvements	2,147,132	0	0	2,147,132
Machinery and Equipment	5,106,768	106,625	0	5,213,393
Furniture and Fixtures	37,252	12,000	0	49,252
Vehicles	110,409	47,188	0	157,597
Infrastructure:				
Water Lines	9,752,050	583,271	0	10,335,321
Storm Sewers	14,113,700	52,842	0	14,166,542
Sanitary Sewers	10,698,559	0	0	10,698,559
<i>Total Capital Assets Being Depreciated</i>	<u>47,831,942</u>	<u>801,926</u>	<u>0</u>	<u>48,633,868</u>
<i>Accumulated Depreciation</i>				
Land Improvements	(684,376)	(56,506)	0	(740,882)
Buildings	(1,925,667)	(121,953)	0	(2,047,620)
Building Improvements	(190,336)	(89,991)	0	(280,327)
Machinery and Equipment	(1,955,702)	(234,031)	0	(2,189,733)
Furniture and Fixtures	(22,510)	(5,922)	0	(28,432)
Vehicles	(83,417)	(18,032)	0	(101,449)
Infrastructure:				
Water Lines	(1,876,281)	(197,795)	0	(2,074,076)
Storm Sewers	(2,691,781)	(341,858)	0	(3,033,639)
Sanitary Sewers	(2,182,713)	(222,214)	0	(2,404,927)
<i>Total Accumulated Depreciation</i>	<u>(11,612,783)</u>	<u>(1,288,302)</u>	<u>0</u>	<u>(12,901,085)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>36,219,159</u>	<u>(486,376)</u>	<u>0</u>	<u>35,732,783</u>
Business-Type Activities Capital Assets, Net	<u>\$37,893,071</u>	<u>\$ (411,432)</u>	<u>\$ (296,116)</u>	<u>\$37,185,523</u>

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Depreciation expense was charged to governmental activities as follows:

	Depreciation
Security of Persons and Property	\$ 379,141
Leisure Time Activities	1,477,445
Public Works	23,119
Transportation	2,085,961
General Government	354,887
Total Depreciation Expense	\$ 4,320,553

NOTE 10 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

For the year ended December 31, 2012, members in state and local classifications contributed 10.0 percent of covered payroll while public safety and law enforcement members contributed 11.5 percent and 12.1 percent, respectively.

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The City's 2012 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.1 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.0 percent during calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent during calendar year 2012.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010, were \$600,228, \$621,568, and \$559,323, respectively. For 2012, 92.3 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010. Contributions made to the Member-Directed Plan for 2012 were \$5,428 made by the City and \$3,877 made by the plan members.

Ohio Police and Fire Pension Fund

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

Funding Policy - Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. The City's contributions to OP&F for police and firefighters were \$290,129 and \$305,107 for the year ended December 31, 2012, \$303,368 and \$333,372 for the year ended December 31, 2011, and \$302,715 and \$325,962 for the year ended December 31, 2010, respectively. 76.1 percent for police and 75.8 percent for firefighters has been contributed for 2012. The full amount has been contributed for 2011 and 2010.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and firefighters in 1967. As of December 31, 2012, the unfunded liability of the City was \$212,664, payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary.

Social Security System

As of December 31, 2012, none of the Council members have elected to be covered by Social Security rather than OPERS.

NOTE 11 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

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multiple employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution OPERS is set aside for the funding of post-retirement health care coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent during calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent during calendar year 2012.

The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and coverage selected.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$242,229, \$248,610 and \$318,387, respectively. For 2012, 92.4 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

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Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement 45.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2012, 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 is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$153,598 and \$119,390 for the year ended December 31, 2012, \$160,607 and \$130,450 for the year ended December 31, 2011, and \$160,261 and \$127,550 for the year ended December 31, 2010. 76.1 percent has been contributed for police and 75.8 percent has been contributed for firefighters for 2012. The full amount has been contributed for 2011 and 2010.

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. Vacation time not taken by the end of the calendar year will be paid to the employee in the preceding January at the prior year's rate.

For all employees, except for firefighters, sick leave is earned at the rate of four and sixteenths hours per bi-weekly pay period. Firefighters earn sick leave at the rate of 24 hours, which equals one tour of duty, per month. Each employee with 10 - 20 years of service with the City is paid for one-third of the employee's earned unused sick leave, not to exceed 360 hours, or 17 tours of duty for firefighters, upon separation from the City. Each employee with 20 or more years of service with the City is paid for one-third of the employee's earned unused sick leave, limited to 63 tours for firefighters, upon separation from the City. Beginning in 2011, the payment upon retirement, for union employees, will be paid over three years. The full balance may be transferred to another governmental agency if not taken upon separation.

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

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NOTE 13 - LONG-TERM OBLIGATIONS

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
General Obligation Bonds				
1993 Various Purpose Bonds	1993	2013	4.68%	\$ 2,878,603
2004 Various Purpose Refunding Bonds	2004	2012	2.00%	2,230,000
2004 Library Refunding Bonds	2004	2012	2.00%	795,000
2006 Various Purpose Refunding Bonds	2006	2026	3.75%	7,365,000
2010 Various Purpose Bonds	2010	2030	2.00% - 4.375%	2,725,000
Urban Renewal Bonds				
First Avenue Community Bonds	2004	2012	2.00%	1,205,000
First Avenue Community Bonds	1992	2013	4.68%	650,000
OPWC Loans				
Sewer	2005	2025	0.00%	370,069
Sewer	2007	2027	0.00%	710,000
Sewer	2011	2030	0.00%	61,500 *
Water	2011	2031	0.00%	41,000 *
Governmental Activities	2009	2029	0.00%	1,754,769 *
Governmental Activities	2012	2032	0.00%	202,650
OWDA Loans				
Sewer	1994	2014	4.56%	465,000
Sewer	1997	2022	6.11%	700,000
Sewer	1999	2019	5.54%	705,173
Sewer	2004	2034	4.66%	1,200,000
Sewer	2005	2036	3.75%	713,940
Sewer	2008	2024	4.28%	345,251 *
Sewer	2011	2022	3.49%	123,902 *

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	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
OWDA Loans				
Water	1994	2014	6.72%	1,135,000
Water	2000	2014	5.56%	550,000
Water	2006	2012	3.20%	859,153
Water	2006	2027	4.42%	1,156,254
Water	2007	2038	4.17%	1,109,436
Water	2007	2028	3.25%	1,930,593 *
Water	2008	2038	4.78%	1,105,020 *
Water	2009	2030	3.70%	3,783,447 *
Water	2011	2042	3.49%	914,952 *

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

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A schedule of changes in long-term obligations of the City during 2012 follows:

	Restated Balance 12/31/11	Additions	Reductions	Balance 12/31/12	Due Within One Year
Governmental Activities					
<i>General Obligation Bonds</i>					
1993 Various Purpose Bonds	\$ 265,000	\$ 0	\$ (125,000)	\$ 140,000	\$ 140,000
2004 Library Bonds Refunded	105,000	0	(105,000)	0	0
2004 Various Purpose Bonds	250,000	0	(250,000)	0	0
2006 Various Purpose Bonds	6,130,000	0	(630,000)	5,500,000	650,000
2010 Various Purpose Bonds	2,660,000	0	(65,000)	2,595,000	65,000
<i>Total General Obligation Bonds</i>	<u>9,410,000</u>	<u>0</u>	<u>(1,175,000)</u>	<u>8,235,000</u>	<u>855,000</u>
<i>Urban Renewal Bonds</i>					
2004 First Avenue Community Bonds	170,000	0	(170,000)	0	0
1993 First Avenue Community Bonds	100,000	0	(50,000)	50,000	50,000
<i>Total Urban Renewal Bonds</i>	<u>270,000</u>	<u>0</u>	<u>(220,000)</u>	<u>50,000</u>	<u>50,000</u>
<i>Bond Anticipation Notes</i>					
1.05% Various Improvement Notes	3,850,000	0	(3,850,000)	0	0
1.05% Various Improvement Notes	801,000	0	(801,000)	0	0
1.05% Various Improvement Notes	83,000	0	(83,000)	0	0
1.05% Various Improvement Notes	76,000	0	(76,000)	0	0
1.00% Various Improvement Notes	0	4,850,000	0	4,850,000	4,850,000
1.00% Various Improvement Notes	0	849,250	0	849,250	849,250
1.00% Various Improvement Notes	0	251,800	0	251,800	251,800
1.00% Various Improvement Notes	0	161,500	0	161,500	161,500
<i>Total Bond Anticipation Notes</i>	<u>4,810,000</u>	<u>6,112,550</u>	<u>(4,810,000)</u>	<u>6,112,550</u>	<u>6,112,550</u>
<i>OPWC Loans Payable</i>					
2009 Road Improvements	1,754,769	0	0	1,754,769	0
2012 Bridge Replacement	0	202,650	0	202,650	10,132
<i>Total OPWC Loans</i>	<u>1,754,769</u>	<u>202,650</u>	<u>0</u>	<u>1,957,419</u>	<u>10,132</u>
<i>Other Long Term Obligations</i>					
<i>Capital Lease Obligations:</i>					
Dump Truck	23,935	0	(23,935)	0	0
Roller	11,858	0	(5,776)	6,082	6,082
Plow Tractor	75,351	0	(23,808)	51,543	25,094
International Truck	39,904	0	(19,489)	20,415	20,415
Asphalt Truck	112,064	0	(26,081)	85,983	27,331
<i>Total Capital Lease Obligations</i>	<u>263,112</u>	<u>0</u>	<u>(99,089)</u>	<u>164,023</u>	<u>78,922</u>
Unamortized Bond Premium	84,886	0	(6,530)	78,356	6,530
Compensated Absences	1,162,852	185,975	(182,858)	1,165,969	166,881
Police and Fire Pension Liability	218,239	0	(5,575)	212,664	5,648
<i>Total Other Long Term Obligations</i>	<u>1,729,089</u>	<u>185,975</u>	<u>(294,052)</u>	<u>1,621,012</u>	<u>257,981</u>
Total Governmental Activities	<u>\$ 17,973,858</u>	<u>\$ 6,501,175</u>	<u>\$ (6,499,052)</u>	<u>\$ 17,975,981</u>	<u>\$ 7,285,663</u>

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	Restated Balance 12/31/11	Additions	Reductions	Balance 12/31/12	Due Within One Year
Business-Type Activities					
<i>OWDA Loans</i>					
Water	\$ 148,804	\$ 0	\$ (46,907)	\$ 101,897	\$ 49,552
Water	276,470	0	(86,237)	190,233	92,033
Water	182,063	0	(182,063)	0	0
Water	768,186	0	(35,419)	732,767	37,002
Water	1,039,040	0	(22,052)	1,016,988	22,981
Water	1,670,373	0	(78,194)	1,592,179	80,106
Water	1,005,483	0	(11,407)	994,076	19,911
Water	3,671,491	0	(136,166)	3,535,325	139,956
Water	3,203	249,531	0	252,734	17,512
Sewer	99,024	0	(31,525)	67,499	32,982
Sewer	433,959	0	(28,818)	405,141	30,578
Sewer	355,209	0	(39,526)	315,683	41,716
Sewer	1,046,953	0	(26,185)	1,020,768	27,419
Sewer	642,787	0	(15,887)	626,900	16,488
Sewer	255,593	0	(9,775)	245,818	15,238
Sewer	434	123,468	(5,230)	118,672	10,642
<i>Total OWDA Loans</i>	<u>11,599,072</u>	<u>372,999</u>	<u>(755,391)</u>	<u>11,216,680</u>	<u>634,116</u>
<i>OPWC Loans</i>					
Sewer	268,297	0	(18,504)	249,793	18,504
Sewer	621,250	0	(35,500)	585,750	35,500
Sewer	20,364	0	0	20,364	0
Water	13,576	0	0	13,576	0
<i>Total OPWC Loans</i>	<u>923,487</u>	<u>0</u>	<u>(54,004)</u>	<u>869,483</u>	<u>54,004</u>
Loan Payable	388,070	0	(38,807)	349,263	38,807
<i>Bond Anticipation Note</i>					
1.05% Various Improvement Note	40,000	0	(40,000)	0	0
1.00% Various Improvement Note	0	1,537,450	0	1,537,450	1,537,450
<i>Total Bond Anticipation Notes</i>	<u>40,000</u>	<u>1,537,450</u>	<u>(40,000)</u>	<u>1,537,450</u>	<u>1,537,450</u>
<i>Other Long Term Obligations</i>					
<i>Capital Lease Obligations:</i>					
International	148,169	0	(27,144)	121,025	28,335
Compensated Absences	88,344	22,956	(8,012)	103,288	2,742
<i>Total Other Long Term Obligations</i>	<u>236,513</u>	<u>22,956</u>	<u>(35,156)</u>	<u>224,313</u>	<u>31,077</u>
Total Business-Type Activities	<u>\$ 13,187,142</u>	<u>\$ 1,933,405</u>	<u>\$ (923,358)</u>	<u>\$ 14,197,189</u>	<u>\$ 2,295,454</u>

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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, 2012 are to be repaid from both voted and unvoted property taxes levied on all taxable property located within the City, municipal income taxes, and transfers from the water revenue fund for exempt properties. Exempt properties include organizations exempt from taxation, such as colleges and churches, as well as property outside the City's jurisdiction who are provided water services from the City. The City assesses these exempt properties through a surcharge on their water bills to pay for the debt.

In March, 2010, the City issued general obligation bonds in the amount of \$2.725 million for permanent improvements. The bonds maturing on or after December 1, 2030 are subject to prior redemption, by and at the sole option of the City, either in whole or in part (as selected by the City), and in integral multiples of \$5,000 on any date on or after December 1, 2019, at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date. Term bonds maturing in 2020, 2025 and 2030 are subject to mandatory prior redemption.

Serial Bonds

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2012	65,000	2014	85,000
2013	65,000	2015	105,000

<u>2020 Term Bonds</u>		<u>2025 Term Bonds</u>		<u>2030 Term Bonds</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2016	\$65,000	2021	\$195,000	2026	\$135,000
2017	65,000	2022	200,000	2027	140,000
2018	65,000	2023	210,000	2028	145,000
2019	180,000	2024	220,000	2029	150,000
2020	185,000	2025	225,000	2030	160,000

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 general capital improvement fund, which includes resources related to loans receivable (See Note 7.D.) and the sewer enterprise fund. The governmental OPWC project is not completed. There is no amortization schedule available, and it has been excluded from the following amortization schedule.

The City has pledged future net customer revenue to repay \$5,717,770 and \$835,543 in OWDA and OPWC loans, respectively. Current year principal and interest payments, as a percentage of net customer revenues, on all OWDA and OPWC loans were 54.1 percent. The percentage is expected to decrease in

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the future as expansion projects begin operations in years to come. The total principal and interest remaining to be paid on all OWDA and OPWC loans is \$5,982,893 and \$835,543, respectively, which includes the full principal and interest payments on the fully drawn down loans. Principal and interest paid for the current year and total net available revenues were \$875,823 and \$1,618,713, respectively.

Loan Payable – During 2008, the City entered into an agreement with the City of Olmsted Falls, Ohio for a joint construction project on Lindberg/Westlawn Road. As part of this agreement, the City agreed to make annual debt service payments to the City of Olmsted Falls to cover annual debt service payments from a loan the City of Olmsted Falls entered into with OPWC in order to provide funding for the project.

Notes Payable - In 2012, the City issued \$7,650,000 in Various Purposes Notes to refund the Recreation Improvement Notes, to purchase vehicles for the service, police and recreation departments and to finance the service department and other improvement projects. The notes will be paid by the general bond retirement fund, the general improvement fund, the safety capital improvement fund, the recreation capital improvement fund, the water revenue fund and the sewer revenue 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.

The City has the ability to issue \$9,093,825 of additional debt without obtaining voter approval. Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2012 are as follows:

Governmental Activities							
Year	General Obligation Bonds		Urban Renewal Bonds		OPWC (1)	Totals	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2013	\$ 855,000	\$ 325,918	\$ 50,000	\$ 2,562	\$ 10,132	\$ 915,132	\$ 328,480
2014	750,000	293,068	0	0	10,132	760,132	293,068
2015	795,000	266,432	0	0	10,132	805,132	266,432
2016	785,000	238,064	0	0	10,132	795,132	238,064
2017	810,000	206,988	0	0	10,132	820,132	206,988
2018 - 2022	2,235,000	644,724	0	0	50,660	2,285,660	644,724
2023 - 2027	1,550,000	270,180	0	0	50,665	1,600,665	270,180
2028 - 2032	455,000	40,468	0	0	50,665	505,665	40,468
Total	\$ 8,235,000	\$ 2,285,842	\$ 50,000	\$ 2,562	\$ 202,650	\$ 8,487,650	\$ 2,288,404

- (1) OPWC loan issued in 2009 has not been fully drawn down, thus there are no amortization schedules available. The balance of the loan drawn totaling \$1,754,769 is reported as long term obligations due in more than one year.

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On March 27, 2013, payment is due in full on the bond anticipation notes in the amounts of \$7,650,000 plus interest at 1.00 percent.

Business-Type Activities

Year	OWDA (1)		OPWC (2)	Loan	Total	
	Principal	Interest	Principal	Principal	Principal	Interest
2013	\$ 634,116	\$ 483,933	\$ 54,004	\$ 38,807	\$ 726,927	\$ 483,933
2014	406,734	244,288	54,004	38,807	499,545	244,288
2015	232,531	223,451	54,004	38,807	325,342	223,451
2016	243,929	212,053	54,004	38,807	336,740	212,053
2017	255,901	200,080	54,004	38,807	348,712	200,080
2018 - 2022	1,258,730	810,947	270,020	155,228	1,683,978	810,947
2023 - 2027	1,071,294	537,438	242,253	0	1,313,547	537,438
2028 - 2032	910,782	323,515	53,250	0	964,032	323,515
2033 - 2037	855,200	115,244	0	0	855,200	115,244
2038	96,769	2,999	0	0	96,769	2,999
Total	\$ 5,965,986	\$ 3,153,948	\$ 835,543	\$ 349,263	\$ 7,150,792	\$ 3,153,948

- (1) OWDA loans issued in 2007, 2009 and 2011 have not been fully drawn down, thus there are no amortization schedules available. Some of these loans will have retirement payments in 2013 totaling \$248,216, and are reported as long term obligations due within one year. The balance of the loans drawn totaling \$5,250,694 are reported as long term obligations due in more than one year.
- (2) OPWC loans issued in 2011 have not been fully drawn down, thus there are no amortization schedules available. The balance of the loans drawn totaling \$33,940 are reported as long term obligations due in more than one year.

NOTE 14 - CAPITAL LEASES

The City is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the capital assets and the long-term debt liabilities in the governmental and business-type activities, respectively. Capitalized assets acquired under capital leases are all classified as machinery and equipment. All items are long-term agreement leases, which meets the criteria of a capital lease as they transfer benefits and risks of ownership to the lessee.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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

Governmental Activities

Year Ending December 31,	Roller	Plow Tractor	International Truck	Asphalt Truck	Total
2013	\$ 6,404	\$ 27,877	\$ 21,385	\$ 31,449	\$ 87,115
2014	0	27,877	0	31,449	59,326
2015	0	0	0	31,449	31,449
Minimum Lease Payments	6,404	55,754	21,385	94,347	177,890
Less Amount Representing Interest	<u>(322)</u>	<u>(4,211)</u>	<u>(970)</u>	<u>(8,364)</u>	<u>(13,867)</u>
Present Value of Net Lease Payments	<u>\$ 6,082</u>	<u>\$ 51,543</u>	<u>\$ 20,415</u>	<u>\$ 85,983</u>	<u>\$ 164,023</u>

Business-Type Activities

Year Ending December 31,	International
2013	\$ 33,648
2014	33,648
2015	33,648
2016	33,648
Minimum Lease Payments	\$ 134,592
Less Amount Representing Interest	<u>(13,567)</u>
Present Value of Net Lease Payments	<u>\$ 121,025</u>

NOTE 15 - OPERATING LEASES - LESSOR DISCLOSURE

The City leases space on its water tower for cellular antennae. The lease revenue due in 2012 amounted to \$45,226.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

NOTE 16 - 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. The City maintains a property and liability insurance internal service fund to account for and finance its uninsured and insured risk of loss. Under this program, the general liability and property losses are covered to \$25,000 and \$50,000 respectively. 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. There has not been a significant reduction in coverage from the prior year.

The City has no claims liability at December 31, 2012 or 2011.

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 United Healthcare/UMR and overseen by The Fedeli Group. All claims are reviewed by United Healthcare/UMR and the City before claims are paid by the City. All of the above limitations are subject to certain guidelines and restrictions.

The City pays into the self-insurance internal service fund \$1,431 for family coverage and \$641 for single coverage per month. The premium is charged to the fund that records the salary expenditure of the covered employee. The premium is based upon historical cost data provided by the insurance carriers. Employees contribute 15 percent of the prior year's actual costs for health insurance through a payroll deduction. Employees contributed \$81.24 for single coverage or \$199.04 for family coverage for medical, dental and vision.

The claims liability of \$148,344 reported in the medical benefits internal service fund at December 31, 2012 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 2011 and 2012 were as follows and typically are retired within three months of year end:

	<u>Balance</u> <u>January 1</u>	<u>Current</u> <u>Year Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance</u> <u>December 31</u>
2011	\$ 115,134	\$ 1,633,176	\$ 1,636,899	\$ 111,411
2012	\$ 111,411	\$ 1,715,563	\$ 1,678,630	\$ 148,344

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 17 - 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.

The Council has established two subsidiary organizations, the Southwest Emergency Response Team (SERT), which provides hazardous material protection and assistance, technical rescue, fire investigation and tactical EMS services, and the Southwest Enforcement Bureau (SEB), which provides extra assistance to cities in the form of a SWAT team. In 2012, the City of Berea contributed \$15,000 to the Council. The Council's financial statements may be obtained by contacting Dana J. Kavander, Treasurer, 11 Berea Commons, Berea, Ohio 44017.

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 elects their own member to serve on the Board of Trustees of the Health Center. The Board exercises total control over the operation of the Health Center including budgeting, appropriating, contracting and designating management. Each City's control is limited to its representation on the Board. In 2012, the City of Berea contributed \$90,995.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

C. Woodvale Union Cemetery

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

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

The joint council exercises control over the operation of the Cemetery through budgeting, appropriating, and contracting. The Board of Trustees control daily operations of the Cemetery. Each City's control is limited to its representation on the Joint Council. In 2012 the City of Berea contributed \$10,000 to the Cemetery for operations.

D. 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 2012. 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.

NOTE 18 – 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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 are subject to audit by the grantor agencies. Any potential disallowed claims resulting from such an audit could become a liability of the City. However, City management believes any such disallowed claims would be immaterial on the overall financial position of the City at December 31, 2012.

NOTE 19 – COMMITMENTS

A. Contractual Commitment

The City had the following contractual commitment outstanding at December 31, 2012:

	Contractual Commitment	Expended	Balance Remaining
Beech Street OPWC Project	\$ 102,500	\$ 33,940	\$ 68,560

B. Other Commitments

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the City’s commitments for encumbrances in the governmental funds were as follows:

Fund	Amount
General Fund	\$ 29,456
Nonmajor Governmental Funds	209,480
	\$ 238,936

NOTE 20 – INTERFUND BALANCES

The account balances reported in the fund financial statements for “interfund receivable” and “interfund payable” as of December 31, 2012 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Bond Retirement	\$ 750,000	\$ 0
Nonmajor Governmental Funds	0	750,000
Total	\$ 750,000	\$ 750,000

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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

In March 2012, the City issued a treasury investment in the amount of \$1,000,000, which was authorized under Chapter 133.29 of the Ohio Revised Code between the general bond retirement fund and the general capital improvement fund. The purpose of this treasury investment was to finance the costs of urban renewal projects until the issuance of urban renewal bonds. A payment of \$250,000 was made during 2012. This note matures on March 27, 2013 with an interest rate of 1.00%.

NOTE 21 – SUBSEQUENT EVENT

On March 26, 2013, the City issued \$4,005,000 in General Obligation Bonds (GOBs) at an average interest rate of 2.0 percent. These GOBs will be used to retire existing (BANs) and will mature in 2033.

On March 26, 2013, the City issued \$5,652,500 in Bond Anticipation Notes (BANs) at an interest rate of 1.0 percent. These BANs will be used to finance various capital improvements and will mature on March 26, 2014.

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**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
Cuyahoga County, Ohio
Combining Statements –
Nonmajor Funds

Nonmajor Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific sources that are legally restricted or committed to expenditure for specified purposes. With the implementation of GASB No. 54, the animal control special revenue fund has been classified with the general fund for GAAP reporting purposes. However, this fund has its own legally adopted budget. As a result, an Individual Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual has been presented for this fund. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

Recreation Fund

To account for a percentage of the monies received from delinquent real estate tax assessment collections. Half of the money is to be distributed to the prosecutor and the other half to the treasurer to be used for the collection of delinquent property taxes and assessments.

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.

Berea Welfare Fund

To account for donations and expenditures incurred for Berea welfare assistance.

Special Events Fund

To account for revenues and expenditures for Berea special events.

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

Nonmajor Special Revenue Funds

Senior Services Fund

To account for revenues and expenditures for senior programs.

Community Hospital Fund

To account for a special property tax levied to provide resources to support a health care facility.

Community Development Block Grant Fund

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

Municipal Vehicle Tax Levy Fund

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

Law Enforcement Fund

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

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.

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

Nonmajor Special Revenue Funds

Court Special Projects Fund

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

Court Special Projects II Fund

To account for funds restricted to the needs of the Berea Municipal Court and to support and enhance its operation.

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.

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

Nonmajor Capital Projects Funds

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

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.

Railroad Capital Improvement Fund

To account for monies received and expended for the building of a railroad underpass in association with state and federal grants.

Court Capital Improvement Fund

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

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Investments	\$ 1,516,122	\$ 2,472,423	\$ 3,988,545
Accounts Receivable	54,814	17,787	72,601
Intergovernmental Receivable	372,370	104,632	477,002
Taxes Receivable	735,650	0	735,650
Special Assessments Receivable	604,779	16,909	621,688
Loans Receivable	0	1,351,172	1,351,172
Prepaid Items	13,800	0	13,800
Materials and Supplies Inventory	151,965	87	152,052
<i>Total Assets</i>	<u>\$ 3,449,500</u>	<u>\$ 3,963,010</u>	<u>\$ 7,412,510</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 75,299	\$ 12,778	\$ 88,077
Accrued Wages	30,710	4,265	34,975
Intergovernmental Payable	245,951	6,771	252,722
Interfund Payable	0	750,000	750,000
Deferred Revenue	1,610,606	16,909	1,627,515
<i>Total Liabilities</i>	<u>1,962,566</u>	<u>790,723</u>	<u>2,753,289</u>
Fund Balances			
Nonspendable	165,765	87	165,852
Restricted	1,351,384	952,292	2,303,676
Committed	149,999	2,219,908	2,369,907
Unassigned	(180,214)	0	(180,214)
<i>Total Fund Balances</i>	<u>1,486,934</u>	<u>3,172,287</u>	<u>4,659,221</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 3,449,500</u>	<u>\$ 3,963,010</u>	<u>\$ 7,412,510</u>

City of Berea
Cuyahoga County, Ohio
Combining Statements of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$ 731,506	\$ 0	\$ 731,506
Special Assessments	663,840	0	663,840
Charges for Services	556,957	200,000	756,957
Licenses and Permits	0	30,025	30,025
Fines and Forfeitures	713,128	257,220	970,348
Intergovernmental	849,040	569,709	1,418,749
Interest	4,974	0	4,974
Rent	0	22,279	22,279
Contributions and Donations	42,002	3,228	45,230
Other	1,429	3,296	4,725
<i>Total Revenues</i>	<u>3,562,876</u>	<u>1,085,757</u>	<u>4,648,633</u>
Expenditures			
Current:			
General Government	658,095	0	658,095
Security of Persons and Property	1,509,582	0	1,509,582
Public Health	155,326	0	155,326
Leisure Time Services	1,313,129	0	1,313,129
Transportation	799,062	0	799,062
Capital Outlay	76,138	3,403,619	3,479,757
Debt Service:			
Principal Retirement	5,575	99,089	104,664
Interest and Fiscal Charges	9,217	38,191	47,408
<i>Total Expenditures</i>	<u>4,526,124</u>	<u>3,540,899</u>	<u>8,067,023</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(963,248)	(2,455,142)	(3,418,390)
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	0	3,025	3,025
Proceeds from OPWC Loans	0	202,650	202,650
Proceeds from Notes Issued	0	1,262,550	1,262,550
Transfers In	1,169,000	1,543,570	2,712,570
Transfers Out	0	(275,654)	(275,654)
<i>Total Other Financing Sources (Uses)</i>	<u>1,169,000</u>	<u>2,736,141</u>	<u>3,905,141</u>
<i>Net Change in Fund Balances</i>	205,752	280,999	486,751
<i>Fund Balances Beginning of Year</i>			
<i>Restated, See Note 2.U.</i>	<u>1,281,182</u>	<u>2,891,288</u>	<u>4,172,470</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,486,934</u>	<u>\$ 3,172,287</u>	<u>\$ 4,659,221</u>

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

	Recreation Fund	State Highway Fund	Street Maintenance Fund	Fire Pension Fund	Police Pension Fund
Assets					
Equity in Pooled Cash and Investments	\$ 125,133	\$ 10,341	\$ 73,372	\$ 11,917	\$ 18,743
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	0	23,969	295,570	22,660	22,660
Taxes Receivable	0	0	0	326,433	326,433
Special Assessments Receivable	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Materials and Supplies Inventory	1,473	0	150,492	0	0
<i>Total Assets</i>	<u>\$ 126,606</u>	<u>\$ 34,310</u>	<u>\$ 519,434</u>	<u>\$ 361,010</u>	<u>\$ 367,836</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 14,882	\$ 0	\$ 95	\$ 1,203	\$ 1,203
Accrued Wages	13,395	0	11,721	0	0
Intergovernmental Payable	18,013	0	12,713	102,596	105,872
Deferred Revenue	0	16,523	203,736	349,093	349,093
<i>Total Liabilities</i>	<u>46,290</u>	<u>16,523</u>	<u>228,265</u>	<u>452,892</u>	<u>456,168</u>
Fund Balances					
Nonspendable	1,473	0	150,492	0	0
Restricted	0	17,787	140,677	0	0
Committed	78,843	0	0	0	0
Unassigned	0	0	0	(91,882)	(88,332)
<i>Total Fund Balances (Deficit)</i>	<u>80,316</u>	<u>17,787</u>	<u>291,169</u>	<u>(91,882)</u>	<u>(88,332)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 126,606</u>	<u>\$ 34,310</u>	<u>\$ 519,434</u>	<u>\$ 361,010</u>	<u>\$ 367,836</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

	DARE Grant Fund	Street Lighting Fund	Berea Welfare Fund	Special Events Fund	Senior Services Fund
Assets					
Equity in Pooled Cash and Investments	\$ 0	\$ 484,968	\$ 64,664	\$ 1,874	\$ 7,432
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	0
Taxes Receivable	0	0	0	0	0
Special Assessments Receivable	0	604,779	0	0	0
Prepaid Items	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 0</u>	<u>\$ 1,089,747</u>	<u>\$ 64,664</u>	<u>\$ 1,874</u>	<u>\$ 7,432</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 0	\$ 47,345	\$ 2,814	\$ 0	\$ 0
Accrued Wages	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Deferred Revenue	0	604,779	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>652,124</u>	<u>2,814</u>	<u>0</u>	<u>0</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	0	437,623	0	0	0
Committed	0	0	61,850	1,874	7,432
Unassigned	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>437,623</u>	<u>61,850</u>	<u>1,874</u>	<u>7,432</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 0</u>	<u>\$ 1,089,747</u>	<u>\$ 64,664</u>	<u>\$ 1,874</u>	<u>\$ 7,432</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

	Community Hospital Fund	Community Development Block Grant Fund	Municipal Vehicle Tax Levy Fund	Law Enforcement Fund	Probation Fund
Assets					
Equity in Pooled Cash and Investments	\$ 6,889	\$ 0	\$ 19,493	\$ 18,683	\$ 65,989
Accounts Receivable	0	0	0	0	28,185
Intergovernmental Receivable	4,598	0	2,913	0	0
Taxes Receivable	82,784	0	0	0	0
Special Assessments Receivable	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 94,271</u>	<u>\$ 0</u>	<u>\$ 22,406</u>	<u>\$ 18,683</u>	<u>\$ 94,174</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 1,203	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages	0	0	0	0	3,647
Intergovernmental Payable	0	0	0	0	4,800
Deferred Revenue	87,382	0	0	0	0
<i>Total Liabilities</i>	<u>88,585</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,447</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	5,686	0	22,406	18,683	85,727
Committed	0	0	0	0	0
Unassigned	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>5,686</u>	<u>0</u>	<u>22,406</u>	<u>18,683</u>	<u>85,727</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 94,271</u>	<u>\$ 0</u>	<u>\$ 22,406</u>	<u>\$ 18,683</u>	<u>\$ 94,174</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

	Indigent Drivers Alcohol Treatment Fund	DUI Education Fund	Indigent Driving School Fund	DUS Diversion Fund	Court Computer Fund
Assets					
Equity in Pooled Cash and Investments	\$ 267,581	\$ 12,512	\$ 1,028	\$ 45,879	\$ 33,650
Accounts Receivable	3,200	0	0	1,373	8,770
Intergovernmental Receivable	0	0	0	0	0
Taxes Receivable	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 270,781</u>	<u>\$ 12,512</u>	<u>\$ 1,028</u>	<u>\$ 47,252</u>	<u>\$ 42,420</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages	0	0	0	854	699
Intergovernmental Payable	0	0	0	988	908
Deferred Revenue	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,842</u>	<u>1,607</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	270,781	12,512	1,028	45,410	40,813
Committed	0	0	0	0	0
Unassigned	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>270,781</u>	<u>12,512</u>	<u>1,028</u>	<u>45,410</u>	<u>40,813</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 270,781</u>	<u>\$ 12,512</u>	<u>\$ 1,028</u>	<u>\$ 47,252</u>	<u>\$ 42,420</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

	Court Computer Research Fund	Court Special Projects Fund	Court Special Projects II Fund	State Highway Patrol Fund	Total Nonmajor Special Revenue Funds
Assets					
Equity in Pooled Cash and Investments	\$ 111,466	\$ 68,730	\$ 65,778	\$ 0	\$ 1,516,122
Accounts Receivable	2,645	8,758	1,883	0	54,814
Intergovernmental Receivable	0	0	0	0	372,370
Taxes Receivable	0	0	0	0	735,650
Special Assessments Receivable	0	0	0	0	604,779
Prepaid Items	13,800	0	0	0	13,800
Materials and Supplies Inventory	0	0	0	0	151,965
<i>Total Assets</i>	<u>\$ 127,911</u>	<u>\$ 77,488</u>	<u>\$ 67,661</u>	<u>\$ 0</u>	<u>\$ 3,449,500</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 0	\$ 6,554	\$ 0	\$ 0	\$ 75,299
Accrued Wages	394	0	0	0	30,710
Intergovernmental Payable	61	0	0	0	245,951
Deferred Revenue	0	0	0	0	1,610,606
<i>Total Liabilities</i>	<u>455</u>	<u>6,554</u>	<u>0</u>	<u>0</u>	<u>1,962,566</u>
Fund Balances					
Nonspendable	13,800	0	0	0	165,765
Restricted	113,656	70,934	67,661	0	1,351,384
Committed	0	0	0	0	149,999
Unassigned	0	0	0	0	(180,214)
<i>Total Fund Balances (Deficit)</i>	<u>127,456</u>	<u>70,934</u>	<u>67,661</u>	<u>0</u>	<u>1,486,934</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 127,911</u>	<u>\$ 77,488</u>	<u>\$ 67,661</u>	<u>\$ 0</u>	<u>\$ 3,449,500</u>

City of Berea
Cuyahoga County, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2012

	Recreation Fund	State Highway Fund	Street Maintenance Fund	Fire Pension Fund	Police Pension Fund
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 325,853	\$ 325,853
Special Assessments	0	0	0	0	0
Charges for Services	519,098	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	0	50,816	626,722	55,352	55,352
Interest	0	4,195	779	0	0
Contributions and Donations	0	0	0	0	0
Other	1,143	0	286	0	0
<i>Total Revenues</i>	<u>520,241</u>	<u>55,011</u>	<u>627,787</u>	<u>381,205</u>	<u>381,205</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	0	0	425,698	444,930
Public Health	0	0	0	0	0
Leisure Time Services	1,313,129	0	0	0	0
Transportation	0	59,000	705,062	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	1,431	4,144
Interest and Fiscal Charges	0	0	0	2,367	6,850
<i>Total Expenditures</i>	<u>1,313,129</u>	<u>59,000</u>	<u>705,062</u>	<u>429,496</u>	<u>455,924</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(792,888)	(3,989)	(77,275)	(48,291)	(74,719)
Other Financing Sources (Uses)					
Transfers In	894,000	0	120,000	60,000	95,000
<i>Total Other Financing Sources (Uses)</i>	<u>894,000</u>	<u>0</u>	<u>120,000</u>	<u>60,000</u>	<u>95,000</u>
<i>Net Change in Fund Balances</i>	101,112	(3,989)	42,725	11,709	20,281
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(20,796)</u>	<u>21,776</u>	<u>248,444</u>	<u>(103,591)</u>	<u>(108,613)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 80,316</u>	<u>\$ 17,787</u>	<u>\$ 291,169</u>	<u>\$ (91,882)</u>	<u>\$ (88,332)</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2012

	DARE Grant Fund	Street Lighting Fund *	Berea Welfare Fund	Special Events Fund	Senior Services Fund
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Assessments	0	663,840	0	0	0
Charges for Services	0	0	0	23,944	13,915
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	4,290	0	0	0	0
Interest	0	0	0	0	0
Contributions and Donations	0	0	33,160	1,857	6,985
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>4,290</u>	<u>663,840</u>	<u>33,160</u>	<u>25,801</u>	<u>20,900</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	4,290	634,664	0	0	0
Public Health	0	0	20,790	24,401	17,937
Leisure Time Services	0	0	0	0	0
Transportation	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>4,290</u>	<u>634,664</u>	<u>20,790</u>	<u>24,401</u>	<u>17,937</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	29,176	12,370	1,400	2,963
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	29,176	12,370	1,400	2,963
<i>Fund Balances (Deficit) Beginning of Year</i>	0	408,447	49,480	474	4,469
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 437,623</u>	<u>\$ 61,850</u>	<u>\$ 1,874</u>	<u>\$ 7,432</u>

(continued)

* Restated Beginning Fund Balance, See Note 2.U.

City of Berea
Cuyahoga County, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2012

	Community Hospital Fund	Community Development Block Grant Fund	Municipal Vehicle Tax Levy Fund	Law Enforcement Fund	Probation Fund
Revenues					
Property Taxes	\$ 79,800	\$ 0	\$ 0	\$ 0	\$ 0
Special Assessments	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	0	0	160	314,883
Intergovernmental	18,084	0	38,424	0	0
Interest	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>97,884</u>	<u>0</u>	<u>38,424</u>	<u>160</u>	<u>314,883</u>
Expenditures					
Current:					
General Government	0	0	0	0	247,501
Security of Persons and Property	0	0	0	0	0
Public Health	92,198	0	0	0	0
Leisure Time Services	0	0	0	0	0
Transportation	0	0	35,000	0	0
Capital Outlay	0	76,138	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>92,198</u>	<u>76,138</u>	<u>35,000</u>	<u>0</u>	<u>247,501</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	5,686	(76,138)	3,424	160	67,382
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	5,686	(76,138)	3,424	160	67,382
<i>Fund Balances (Deficit) Beginning of Year</i>	0	76,138	18,982	18,523	18,345
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 5,686</u>	<u>\$ 0</u>	<u>\$ 22,406</u>	<u>\$ 18,683</u>	<u>\$ 85,727</u>

(continued)

City of Berea
Cuyahoga County, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2012

	Indigent Drivers Alcohol Treatment Fund	DUI Education Fund	Indigent Driving School Fund	DUS Diversion Fund	Court Computer Fund
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Assessments	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	99,490	1,350	0	28,847	126,742
Intergovernmental	0	0	0	0	0
Interest	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>99,490</u>	<u>1,350</u>	<u>0</u>	<u>28,847</u>	<u>126,742</u>
Expenditures					
Current:					
General Government	23,629	0	0	37,692	154,613
Security of Persons and Property	0	0	0	0	0
Public Health	0	0	0	0	0
Leisure Time Services	0	0	0	0	0
Transportation	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>23,629</u>	<u>0</u>	<u>0</u>	<u>37,692</u>	<u>154,613</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	75,861	1,350	0	(8,845)	(27,871)
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	75,861	1,350	0	(8,845)	(27,871)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>194,920</u>	<u>11,162</u>	<u>1,028</u>	<u>54,255</u>	<u>68,684</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 270,781</u>	<u>\$ 12,512</u>	<u>\$ 1,028</u>	<u>\$ 45,410</u>	<u>\$ 40,813</u>

(continued)

City of Berea
Cuyahoga County, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2012

	Court Computer Research Fund	Court Special Projects Fund	Court Special Projects II Fund	State Highway Patrol Fund	Total Nonmajor Special Revenue Funds *
Revenues					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 731,506
Special Assessments	0	0	0	0	663,840
Charges for Services	0	0	0	0	556,957
Fines and Forfeitures	38,425	77,108	20,779	5,344	713,128
Intergovernmental	0	0	0	0	849,040
Interest	0	0	0	0	4,974
Contributions and Donations	0	0	0	0	42,002
Other	0	0	0	0	1,429
<i>Total Revenues</i>	<u>38,425</u>	<u>77,108</u>	<u>20,779</u>	<u>5,344</u>	<u>3,562,876</u>
Expenditures					
Current:					
General Government	22,487	154,247	11,444	6,482	658,095
Security of Persons and Property	0	0	0	0	1,509,582
Public Health	0	0	0	0	155,326
Leisure Time Services	0	0	0	0	1,313,129
Transportation	0	0	0	0	799,062
Capital Outlay	0	0	0	0	76,138
Debt Service:					
Principal Retirement	0	0	0	0	5,575
Interest and Fiscal Charges	0	0	0	0	9,217
<i>Total Expenditures</i>	<u>22,487</u>	<u>154,247</u>	<u>11,444</u>	<u>6,482</u>	<u>4,526,124</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	15,938	(77,139)	9,335	(1,138)	(963,248)
Other Financing Sources (Uses)					
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,169,000</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,169,000</u>
<i>Net Change in Fund Balances</i>	15,938	(77,139)	9,335	(1,138)	205,752
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>111,518</u>	<u>148,073</u>	<u>58,326</u>	<u>1,138</u>	<u>1,281,182</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 127,456</u>	<u>\$ 70,934</u>	<u>\$ 67,661</u>	<u>\$ 0</u>	<u>\$ 1,486,934</u>

* Restated Beginning Fund Balance, See Note 2.U.

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2012

	General Capital Improvement Fund	Safety Capital Improvement Fund	Recreation Capital Improvement Fund	Neighborhood Improvement Fund
Assets				
Equity in Pooled Cash and Investments	\$ 1,020,470	\$ 285,083	\$ 114,925	\$ 117,440
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	48,458	56,174	0	0
Special Assessments Receivable	0	0	0	16,909
Loans Receivable	1,351,172	0	0	0
Materials and Supplies Inventory	0	0	0	87
<i>Total Assets</i>	<u>\$ 2,420,100</u>	<u>\$ 341,257</u>	<u>\$ 114,925</u>	<u>\$ 134,436</u>
Liabilities and Fund Balance				
Liabilities				
Accounts Payable	\$ 0	\$ 6,590	\$ 0	\$ 6,188
Accrued Wages	0	0	0	4,265
Intergovernmental Payable	0	0	0	6,771
Interfund Payable	750,000	0	0	0
Deferred Revenue	0	0	0	16,909
<i>Total Liabilities</i>	<u>750,000</u>	<u>6,590</u>	<u>0</u>	<u>34,133</u>
Fund Balances				
Nonspendable	0	0	0	87
Restricted	0	0	0	0
Committed	1,670,100	334,667	114,925	100,216
<i>Total Fund Balances (Deficit)</i>	<u>1,670,100</u>	<u>334,667</u>	<u>114,925</u>	<u>100,303</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 2,420,100</u>	<u>\$ 341,257</u>	<u>\$ 114,925</u>	<u>\$ 134,436</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2012

	Railroad Capital Improvement Fund	Court Capital Improvement Fund	Totals
	<u> </u>	<u> </u>	<u> </u>
Assets			
Equity in Pooled Cash and Investments	\$ 0	\$ 934,505	\$ 2,472,423
Accounts Receivable	0	17,787	17,787
Intergovernmental Receivable	0	0	104,632
Special Assessments Receivable	0	0	16,909
Loans Receivable	0	0	1,351,172
Materials and Supplies Inventory	0	0	87
	<u> </u>	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>\$ 0</u>	<u>\$ 952,292</u>	<u>\$ 3,963,010</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 12,778
Accrued Wages	0	0	4,265
Intergovernmental Payable	0	0	6,771
Interfund Payable	0	0	750,000
Deferred Revenue	0	0	16,909
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>790,723</u>
Fund Balances			
Nonspendable	0	0	87
Restricted	0	952,292	952,292
Committed	0	0	2,219,908
	<u> </u>	<u> </u>	<u> </u>
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>952,292</u>	<u>3,172,287</u>
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 0</u>	<u>\$ 952,292</u>	<u>\$ 3,963,010</u>

City of Berea
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2012

	General Capital Improvement Fund *	Safety Capital Improvement Fund	Recreation Capital Improvement Fund	Neighborhood Improvement Fund
Revenues				
Charges for Services	\$ 0	\$ 200,000	\$ 0	\$ 0
Licenses and Permits	0	0	0	30,025
Fines and Forfeitures	0	0	0	0
Intergovernmental	480,965	71,521	17,223	0
Rent	0	0	22,279	0
Contributions and Donations	0	3,228	0	0
Other	0	3,122	0	174
<i>Total Revenues</i>	<u>480,965</u>	<u>277,871</u>	<u>39,502</u>	<u>30,199</u>
Expenditures				
Capital Outlay	2,143,299	255,949	306,126	645,906
Debt Service:				
Principal Retirement	99,089	0	0	0
Interest and Fiscal Charges	38,191	0	0	0
<i>Total Expenditures</i>	<u>2,280,579</u>	<u>255,949</u>	<u>306,126</u>	<u>645,906</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,799,614)</u>	<u>21,922</u>	<u>(266,624)</u>	<u>(615,707)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	3,025	0	0	0
Proceeds from OPWC Loans	202,650	0	0	0
Proceeds from Notes Issued	849,250	251,800	161,500	0
Transfers In	630,000	53,570	150,000	710,000
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,684,925</u>	<u>305,370</u>	<u>311,500</u>	<u>710,000</u>
<i>Net Change in Fund Balances</i>	(114,689)	327,292	44,876	94,293
<i>Fund Balances Beginning of Year</i>	<u>1,784,789</u>	<u>7,375</u>	<u>70,049</u>	<u>6,010</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,670,100</u>	<u>\$ 334,667</u>	<u>\$ 114,925</u>	<u>\$ 100,303</u>

(continued)

* Restated Beginning Fund Balance, See Note 2.U.

City of Berea
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2012

	Railroad Capital Improvement Fund	Court Capital Improvement Fund	Totals
Revenues			
Charges for Services	\$ 0	\$ 0	\$ 200,000
Licenses and Permits	0	0	30,025
Fines and Forfeitures	0	257,220	257,220
Intergovernmental	0	0	569,709
Rent	0	0	22,279
Contributions and Donations	0	0	3,228
Other	0	0	3,296
<i>Total Revenues</i>	<u>0</u>	<u>257,220</u>	<u>1,085,757</u>
Expenditures			
Capital Outlay	0	52,339	3,403,619
Debt Service:			
Principal Retirement	0	0	99,089
Interest and Fiscal Charges	0	0	38,191
<i>Total Expenditures</i>	<u>0</u>	<u>52,339</u>	<u>3,540,899</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>204,881</u>	<u>(2,455,142)</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	0	0	3,025
Proceeds from OPWC Loans	0	0	202,650
Proceeds from Notes Issued	0	0	1,262,550
Transfers In	0	0	1,543,570
Transfers Out	(275,654)	0	(275,654)
<i>Total Other Financing Sources (Uses)</i>	<u>(275,654)</u>	<u>0</u>	<u>2,736,141</u>
<i>Net Change in Fund Balances</i>	(275,654)	204,881	280,999
<i>Fund Balances Beginning of Year</i>	<u>275,654</u>	<u>747,411</u>	<u>2,891,288</u>
<i>Fund Balances End of Year</i>	<u>\$ 0</u>	<u>\$ 952,292</u>	<u>\$ 3,172,287</u>

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

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Municipal Income Taxes	\$ 10,842,275	\$ 10,842,275	\$ 0
Property Taxes	1,594,966	1,594,966	0
Other Local Taxes	282,140	282,140	0
Special Assessments	12,244	12,244	0
Intergovernmental	1,266,987	1,266,987	0
Charges for Services	402,578	402,578	0
Fees, Licenses and Permits	367,536	367,536	0
Fines and Forfeitures	1,508,846	1,508,846	0
Investment Income	96,590	96,590	0
Refunds and Reimbursements	13,600	13,600	0
Other	27,023	27,023	0
<i>Total Revenues</i>	<u>16,414,785</u>	<u>16,414,785</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police Department:			
Personal Services	2,827,632	2,778,036	49,596
Other	253,900	243,837	10,063
Total Police Department	<u>3,081,532</u>	<u>3,021,873</u>	<u>59,659</u>
Fire:			
Personal Services	1,806,838	1,794,287	12,551
Other	91,030	74,777	16,253
Total Fire Department	<u>1,897,868</u>	<u>1,869,064</u>	<u>28,804</u>
Total Security of Persons and Property	<u>4,979,400</u>	<u>4,890,937</u>	<u>88,463</u>
Leisure Time Activities:			
Municipal Signage:			
Personal Services	106,500	106,312	188
Other	16,700	16,479	221
Total Municipal Signage	<u>123,200</u>	<u>122,791</u>	<u>409</u>
Public Grounds:			
Personal Services	280,300	277,129	3,171
Other	74,100	68,069	6,031
Total Public Grounds	<u>354,400</u>	<u>345,198</u>	<u>9,202</u>
Total Leisure Time Activities	<u>477,600</u>	<u>467,989</u>	<u>9,611</u>
Community Development:			
Building Department:			
Personal Services	308,931	298,077	10,854
Other	31,455	29,277	2,178
Total Building Department	<u>340,386</u>	<u>327,354</u>	<u>13,032</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Engineering Department:			
Personal Services	117,025	116,360	665
Other	18,840	18,114	726
Total Engineering Department	135,865	134,474	1,391
Total Community Development	476,251	461,828	14,423
Public Works:			
Storm Sewers and Drains:			
Personal Services	67,500	53,385	14,115
Other	11,800	9,852	1,948
Total Storm Sewers and Drains	79,300	63,237	16,063
Refuse Collection and Disposal:			
Other	985,000	969,323	15,677
Total Refuse Collections and Disposal	985,000	969,323	15,677
Leaf Collection:			
Personal Services	35,300	33,412	1,888
Other	12,250	8,273	3,977
Total Leaf Collection	47,550	41,685	5,865
Snow Removal:			
Personal Services	55,000	27,914	27,086
Other	91,000	75,908	15,092
Total Snow Removal	146,000	103,822	42,178
Total Public Works	1,257,850	1,178,067	79,783
General Government:			
Council:			
Personal Services	145,186	145,114	72
Other	5,500	5,298	202
Total Council	150,686	150,412	274
Mayor:			
Personal Services	126,431	123,346	3,085
Other	5,950	4,622	1,328
Total Mayor	132,381	127,968	4,413
Finance			
Personal Services	293,603	293,198	405
Other	10,350	10,189	161
Total Finance	303,953	303,387	566

(continued)

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Law:			
Personal Services	118,872	118,834	38
Other	14,925	7,476	7,449
Total Law	<u>133,797</u>	<u>126,310</u>	<u>7,487</u>
Civil Service Commission:			
Other	10,400	9,353	1,047
Total Civil Service Commission	<u>10,400</u>	<u>9,353</u>	<u>1,047</u>
Public Safety:			
Personal Services	45,421	43,472	1,949
Other	11,650	10,656	994
Total Public Safety	<u>57,071</u>	<u>54,128</u>	<u>2,943</u>
Municipal Court:			
Personal Services	858,835	849,233	9,602
Other	560,795	553,645	7,150
Total Municipal Court	<u>1,419,630</u>	<u>1,402,878</u>	<u>16,752</u>
Municipal Fleet and Equipment:			
Personal Services	164,400	164,246	154
Other	237,500	225,237	12,263
Total Municipal Fleet and Equipment	<u>401,900</u>	<u>389,483</u>	<u>12,417</u>
Municipal Building:			
Personal Services	20,000	20,000	0
Other	428,000	419,941	8,059
Total Municipal Building	<u>448,000</u>	<u>439,941</u>	<u>8,059</u>
Service Administration:			
Personal Services	82,157	82,157	0
Other	15,850	11,178	4,672
Total Service Administration	<u>98,007</u>	<u>93,335</u>	<u>4,672</u>
Planning and Development:			
Other	14,050	11,322	2,728
Total Planning and Development	<u>14,050</u>	<u>11,322</u>	<u>2,728</u>
Administration:			
Personal Services	55,911	50,568	5,343
Other	2,969,071	2,922,489	46,582
Total Administration	<u>3,024,982</u>	<u>2,973,057</u>	<u>51,925</u>
Total General Government	<u>6,194,857</u>	<u>6,081,574</u>	<u>113,283</u>
Total Expenditures	<u>13,385,958</u>	<u>13,080,395</u>	<u>305,563</u>
Excess of Revenues Over (Under) Expenditures	<u>3,028,827</u>	<u>3,334,390</u>	<u>305,563</u> <i>(continued)</i>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Other Financing Sources (Uses)			
Transfers Out	(2,933,570)	(2,933,570)	0
<i>Total Other Financing Sources (Uses)</i>	(2,933,570)	(2,933,570)	0
<i>Net Change in Fund Balance</i>	95,257	400,820	305,563
<i>Fund Balance (Deficit) Beginning of Year</i>	2,127,108	2,127,108	0
Prior Year Encumbrances Appropriated	8,031	8,031	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 2,230,396</u>	<u>\$ 2,535,959</u>	<u>\$ 305,563</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Bond Retirement Bond
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 1,580,389	\$ 1,580,389	\$ 0
Intergovernmental	268,457	268,457	0
Investment Income	0	25,000	25,000
Special Assessments	12,886	12,886	0
<i>Total Revenues</i>	<u>1,861,732</u>	<u>1,886,732</u>	<u>25,000</u>
Expenditures			
Current:			
General Government			
Other	50,000	48,553	1,447
Debt Service			
Principal Retirement	6,245,000	6,245,000	0
Interest and Fiscal Charges	435,000	433,350	1,650
Total Debt Service	<u>6,680,000</u>	<u>6,678,350</u>	<u>1,650</u>
<i>Total Expenditures</i>	<u>6,730,000</u>	<u>6,726,903</u>	<u>3,097</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(4,868,268)</u>	<u>(4,840,171)</u>	<u>28,097</u>
Other Financing Sources (Uses)			
Proceeds of Notes	4,850,000	4,850,000	0
Premium on Debt Issued	45,518	45,518	0
Transfers In	550,653	275,653	(275,000)
Transfers Out	(1,000,000)	0	1,000,000
<i>Total Other Financing Sources (Uses)</i>	<u>4,446,171</u>	<u>5,171,171</u>	<u>725,000</u>
<i>Net Change in Fund Balance</i>	(422,097)	331,000	753,097
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>2,107,573</u>	<u>2,107,573</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 1,685,476</u>	<u>\$ 2,438,573</u>	<u>\$ 753,097</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$ 519,098	\$ 519,098	\$ 0
Other	1,143	1,143	0
<i>Total Revenues</i>	<u>520,241</u>	<u>520,241</u>	<u>0</u>
Expenditures			
Current:			
Leisure Time Activities:			
Personal Services	637,349	637,084	265
Other	678,104	677,195	909
<i>Total Expenditures</i>	<u>1,315,453</u>	<u>1,314,279</u>	<u>1,174</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(795,212)</u>	<u>(794,038)</u>	<u>1,174</u>
Other Financing Sources (Uses)			
Transfers In	894,000	894,000	0
<i>Net Change in Fund Balance</i>	98,788	99,962	1,174
<i>Fund Balance (Deficit) Beginning of Year</i>	15,622	15,622	0
Prior Year Encumbrances Appropriated	8,051	8,051	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 122,461</u>	<u>\$ 123,635</u>	<u>\$ 1,174</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 51,104	\$ 51,104	\$ 0
Investment Income	4,195	4,195	0
<i>Total Revenues</i>	<u>55,299</u>	<u>55,299</u>	<u>0</u>
Expenditures			
Current:			
Transportation			
Other	59,000	59,000	0
<i>Total Expenditures</i>	<u>59,000</u>	<u>59,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(3,701)	(3,701)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>14,041</u>	<u>14,041</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 10,340</u>	<u>\$ 10,340</u>	<u>\$ 0</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 630,282	\$ 630,282	\$ 0
Investment Income	779	779	0
Other	286	286	0
<i>Total Revenues</i>	<u>631,347</u>	<u>631,347</u>	<u>0</u>
Expenditures			
Current:			
Transportation			
Personal Services	447,319	429,831	17,488
Other	317,871	288,577	29,294
<i>Total Expenditures</i>	<u>765,190</u>	<u>718,408</u>	<u>46,782</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(133,843)</u>	<u>(87,061)</u>	<u>46,782</u>
Other Financing Sources (Uses)			
Transfers In	120,000	120,000	0
<i>Net Change in Fund Balance</i>	(13,843)	32,939	46,782
<i>Fund Balance (Deficit) Beginning of Year</i>	32,437	32,437	0
Prior Year Encumbrances Appropriated	858	858	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 19,452</u>	<u>\$ 66,234</u>	<u>\$ 46,782</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 325,853	\$ 325,853	\$ 0
Intergovernmental	55,352	55,352	0
<i>Total Revenues</i>	<u>381,205</u>	<u>381,205</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Personal Services	443,775	441,488	2,287
<i>Total Expenditures</i>	<u>443,775</u>	<u>441,488</u>	<u>2,287</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(62,570)</u>	<u>(60,283)</u>	<u>2,287</u>
Other Financing Sources (Uses)			
Transfers In	60,000	60,000	0
<i>Net Change in Fund Balance</i>	(2,570)	(283)	2,287
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>12,199</u>	<u>12,199</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 9,629</u>	<u>\$ 11,916</u>	<u>\$ 2,287</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 325,853	\$ 325,853	\$ 0
Intergovernmental	55,352	55,352	0
<i>Total Revenues</i>	<u>381,205</u>	<u>381,205</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Personal Services	473,529	466,757	6,772
<i>Total Expenditures</i>	<u>473,529</u>	<u>466,757</u>	<u>6,772</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(92,324)</u>	<u>(85,552)</u>	<u>6,772</u>
Other Financing Sources (Uses)			
Transfers In	95,000	95,000	0
<i>Net Change in Fund Balance</i>	2,676	9,448	6,772
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>9,295</u>	<u>9,295</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 11,971</u>	<u>\$ 18,743</u>	<u>\$ 6,772</u>

City of Berea
Cuyahoga County, 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, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 4,290	\$ 4,290	\$ 0
<i>Total Revenues</i>	<u>4,290</u>	<u>4,290</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	4,290	4,290	0
<i>Total Expenditures</i>	<u>4,290</u>	<u>4,290</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Animal Control Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 785	\$ 785	\$ 0
<i>Total Revenues</i>	<u>785</u>	<u>785</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	<u>775</u>	<u>775</u>	<u>0</u>
<i>Total Expenditures</i>	<u>775</u>	<u>775</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	10	10	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>10</u>	<u>10</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 20</u></u>	<u><u>\$ 20</u></u>	<u><u>\$ 0</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Special Assessments	\$ 663,840	\$ 663,840	\$ 0
<i>Total Revenues</i>	<u>663,840</u>	<u>663,840</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	<u>720,050</u>	<u>683,485</u>	<u>36,565</u>
<i>Total Expenditures</i>	<u>720,050</u>	<u>683,485</u>	<u>36,565</u>
<i>Net Change in Fund Balance</i>	(56,210)	(19,645)	36,565
<i>Fund Balance (Deficit) Beginning of Year (Restated)</i>	<u>448,657</u>	<u>448,657</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 392,447</u>	<u>\$ 429,012</u>	<u>\$ 36,565</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Berea Welfare Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Contributions and Donations	\$ 33,160	\$ 33,160	\$ 0
<i>Total Revenues</i>	<u>33,160</u>	<u>33,160</u>	<u>0</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	24,000	22,569	1,431
<i>Total Expenditures</i>	<u>24,000</u>	<u>22,569</u>	<u>1,431</u>
<i>Net Change in Fund Balance</i>	9,160	10,591	1,431
<i>Fund Balance (Deficit) Beginning of Year</i>	50,509	50,509	0
Prior Year Encumbrances Appropriated	<u>3,365</u>	<u>3,365</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 63,034</u>	<u>\$ 64,465</u>	<u>\$ 1,431</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Events Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$ 23,944	\$ 23,944	\$ 0
Contributions and Donations	1,857	1,857	0
<i>Total Revenues</i>	<u>25,801</u>	<u>25,801</u>	<u>0</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	25,700	24,567	1,133
<i>Total Expenditures</i>	<u>25,700</u>	<u>24,567</u>	<u>1,133</u>
<i>Net Change in Fund Balance</i>	101	1,234	1,133
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>474</u>	<u>474</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 575</u>	<u>\$ 1,708</u>	<u>\$ 1,133</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Senior Services Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Charges for Services	\$ 13,915	\$ 13,915	\$ 0
Contributions and Donations	6,985	6,985	0
<i>Total Revenues</i>	<u>20,900</u>	<u>20,900</u>	<u>0</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	23,000	19,113	3,887
<i>Total Expenditures</i>	<u>23,000</u>	<u>19,113</u>	<u>3,887</u>
<i>Net Change in Fund Balance</i>	(2,100)	1,787	3,887
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>4,469</u>	<u>4,469</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 2,369</u>	<u>\$ 6,256</u>	<u>\$ 3,887</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Hospital Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Property Taxes	\$ 79,800	\$ 79,800	\$ 0
Intergovernmental	18,084	18,084	0
<i>Total Revenues</i>	<u>97,884</u>	<u>97,884</u>	<u>0</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	90,995	90,995	0
<i>Total Expenditures</i>	<u>90,995</u>	<u>90,995</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	6,889	6,889	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 6,889</u></u>	<u><u>\$ 6,889</u></u>	<u><u>\$ 0</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 76,138	\$ 76,138	\$ 0
<i>Total Revenues</i>	<u>76,138</u>	<u>76,138</u>	<u>0</u>
Expenditures			
Capital Outlay	76,138	76,138	0
<i>Total Expenditures</i>	<u>76,138</u>	<u>76,138</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Vehicle Tax Levy Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 37,500	\$ 37,500	\$ 0
<i>Total Revenues</i>	<u>37,500</u>	<u>37,500</u>	<u>0</u>
Expenditures			
Current:			
Transportation:			
Other	35,000	35,000	0
<i>Total Expenditures</i>	<u>35,000</u>	<u>35,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	2,500	2,500	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>16,995</u>	<u>16,995</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 19,495</u></u>	<u><u>\$ 19,495</u></u>	<u><u>\$ 0</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 160	\$ 160	\$ 0
<i>Total Revenues</i>	<u>160</u>	<u>160</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	<u>18,522</u>	<u>0</u>	<u>18,522</u>
<i>Total Expenditures</i>	<u>18,522</u>	<u>0</u>	<u>18,522</u>
<i>Net Change in Fund Balance</i>	(18,362)	160	18,522
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>18,523</u>	<u>18,523</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 161</u></u>	<u><u>\$ 18,683</u></u>	<u><u>\$ 18,522</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Probation Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 302,971	\$ 302,971	\$ 0
<i>Total Revenues</i>	<u>302,971</u>	<u>302,971</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	170,000	161,726	8,274
Other	92,000	86,669	5,331
<i>Total Expenditures</i>	<u>262,000</u>	<u>248,395</u>	<u>13,605</u>
<i>Net Change in Fund Balance</i>	40,971	54,576	13,605
<i>Fund Balance (Deficit) Beginning of Year</i>	11,213	11,213	0
Prior Year Encumbrances Appropriated	<u>100</u>	<u>100</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 52,284</u></u>	<u><u>\$ 65,889</u></u>	<u><u>\$ 13,605</u></u>

City of Berea
Cuyahoga County, 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, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 99,522	\$ 99,522	\$ 0
<i>Total Revenues</i>	<u>99,522</u>	<u>99,522</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	190,000	27,974	162,026
<i>Total Expenditures</i>	<u>190,000</u>	<u>27,974</u>	<u>162,026</u>
<i>Net Change in Fund Balance</i>	(90,478)	71,548	162,026
<i>Fund Balance (Deficit) Beginning of Year</i>	187,909	187,909	0
Prior Year Encumbrances Appropriated	<u>5,700</u>	<u>5,700</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 103,131</u>	<u>\$ 265,157</u>	<u>\$ 162,026</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DUI Education Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 1,350	\$ 1,350	\$ 0
<i>Total Revenues</i>	<u>1,350</u>	<u>1,350</u>	<u>0</u>
Expenditures	0	0	0
Current:			
Security of Persons and Property:			
Other	<u>10,000</u>	<u>0</u>	<u>10,000</u>
<i>Total Expenditures</i>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
<i>Net Change in Fund Balance</i>	(8,650)	1,350	10,000
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>11,161</u>	<u>11,161</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 2,511</u></u>	<u><u>\$ 12,511</u></u>	<u><u>\$ 10,000</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Driving School Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 0	\$ 0	\$ 0
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	1,000	0	1,000
<i>Total Expenditures</i>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
<i>Net Change in Fund Balance</i>	(1,000)	0	1,000
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>1,028</u>	<u>1,028</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 28</u>	<u>\$ 1,028</u>	<u>\$ 1,000</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DUS Diversion Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 28,824	\$ 28,824	\$ 0
<i>Total Revenues</i>	<u>28,824</u>	<u>28,824</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Council:			
Personal Services	35,000	29,340	5,660
Other	25,000	6,510	18,490
<i>Total Expenditures</i>	<u>60,000</u>	<u>35,850</u>	<u>24,150</u>
<i>Net Change in Fund Balance</i>	(31,176)	(7,026)	24,150
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>52,905</u>	<u>52,905</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 21,729</u></u>	<u><u>\$ 45,879</u></u>	<u><u>\$ 24,150</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Computer Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 126,730	\$ 126,730	\$ 0
<i>Total Revenues</i>	<u>126,730</u>	<u>126,730</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	31,000	30,300	700
Other	148,818	123,616	25,202
<i>Total Expenditures</i>	<u>179,818</u>	<u>153,916</u>	<u>25,902</u>
<i>Net Change in Fund Balance</i>	(53,088)	(27,186)	25,902
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>60,509</u>	<u>60,509</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 7,421</u>	<u>\$ 33,323</u>	<u>\$ 25,902</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Computer Research Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 38,402	\$ 38,402	\$ 0
<i>Total Revenues</i>	<u>38,402</u>	<u>38,402</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	19,500	11,281	8,219
Other	117,100	24,411	92,689
<i>Total Expenditures</i>	<u>136,600</u>	<u>35,692</u>	<u>100,908</u>
<i>Net Change in Fund Balance</i>	(98,198)	2,710	100,908
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>108,756</u>	<u>108,756</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 10,558</u>	<u>\$ 111,466</u>	<u>\$ 100,908</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Special Projects Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 77,068	\$ 77,068	\$ 0
<i>Total Revenues</i>	<u>77,068</u>	<u>77,068</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	170,000	153,858	16,142
<i>Total Expenditures</i>	<u>170,000</u>	<u>153,858</u>	<u>16,142</u>
<i>Net Change in Fund Balance</i>	(92,932)	(76,790)	16,142
<i>Fund Balance (Deficit) Beginning of Year</i>	138,326	138,326	0
Prior Year Encumbrances Appropriated	<u>4,698</u>	<u>4,698</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 50,092</u>	<u>\$ 66,234</u>	<u>\$ 16,142</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Special Projects II Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 20,449	\$ 20,449	\$ 0
<i>Total Revenues</i>	<u>20,449</u>	<u>20,449</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	73,138	11,444	61,694
<i>Total Expenditures</i>	<u>73,138</u>	<u>11,444</u>	<u>61,694</u>
<i>Net Change in Fund Balance</i>	(52,689)	9,005	61,694
<i>Fund Balance (Deficit) Beginning of Year</i>	56,033	56,033	0
Prior Year Encumbrances Appropriated	<u>740</u>	<u>740</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 4,084</u>	<u>\$ 65,778</u>	<u>\$ 61,694</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Patrol Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	\$ 5,344	\$ 5,344	\$ 0
<i>Total Revenues</i>	<u>5,344</u>	<u>5,344</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	6,482	6,482	0
<i>Total Expenditures</i>	<u>6,482</u>	<u>6,482</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,138)	(1,138)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>1,138</u>	<u>1,138</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Capital Improvement Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 456,171	\$ 456,171	\$ 0
<i>Total Revenues</i>	<u>456,171</u>	<u>456,171</u>	<u>0</u>
Expenditures			
Capital Outlay	2,381,536	2,196,485	185,051
Debt Service:			
Principal Retirement	99,089	349,089	(250,000)
Interest and Fiscal Charges	13,191	38,191	(25,000)
Total Debt Service	<u>112,280</u>	<u>387,280</u>	<u>(275,000)</u>
<i>Total Expenditures</i>	<u>2,493,816</u>	<u>2,583,765</u>	<u>(89,949)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,037,645)</u>	<u>(2,127,594)</u>	<u>(89,949)</u>
Other Financing Sources (Uses)			
Issuance of Loans	202,650	202,650	0
Proceeds of Notes	1,849,250	1,849,250	0
Proceeds from Sale of Assets	3,025	3,025	0
Transfers In	<u>355,000</u>	<u>630,000</u>	<u>275,000</u>
<i>Total Other Financing Sources (Uses)</i>	<u>2,409,925</u>	<u>2,684,925</u>	<u>275,000</u>
<i>Net Change in Fund Balance</i>	372,280	557,331	185,051
<i>Fund Balance (Deficit) Beginning of Year (Restated)</i>	333,778	333,778	0
Prior Year Encumbrances Appropriated	<u>82,300</u>	<u>82,300</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 788,358</u>	<u>\$ 973,409</u>	<u>\$ 185,051</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Safety Capital Improvement Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 18,470	\$ 18,470	\$ 0
Charges for Services	200,000	200,000	0
Contributions and Donations	3,228	3,228	0
Other	3,122	3,122	0
<i>Total Revenues</i>	<u>224,820</u>	<u>224,820</u>	<u>0</u>
Expenditures			
Capital Outlay	354,000	351,131	2,869
<i>Total Expenditures</i>	<u>354,000</u>	<u>351,131</u>	<u>2,869</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(129,180)</u>	<u>(126,311)</u>	<u>2,869</u>
Other Financing Sources (Uses)			
Proceeds of Notes	251,800	251,800	0
Transfers In	53,570	53,570	0
<i>Total Other Financing Sources (Uses)</i>	<u>305,370</u>	<u>305,370</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	176,190	179,059	2,869
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>4,251</u>	<u>4,251</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 180,441</u>	<u>\$ 183,310</u>	<u>\$ 2,869</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Capital Improvement Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 40,346	\$ 40,346	\$ 0
Rent	22,279	22,279	0
<i>Total Revenues</i>	<u>62,625</u>	<u>62,625</u>	<u>0</u>
Expenditures			
Capital Outlay	329,806	316,085	13,721
<i>Total Expenditures</i>	<u>329,806</u>	<u>316,085</u>	<u>13,721</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(267,181)</u>	<u>(253,460)</u>	<u>13,721</u>
Other Financing Sources (Uses)			
Proceeds of Notes	161,500	161,500	0
Transfers In	150,000	150,000	0
<i>Net Change in Fund Balance</i>	44,319	58,040	13,721
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>46,925</u>	<u>46,925</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 91,244</u>	<u>\$ 104,965</u>	<u>\$ 13,721</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Neighborhood Improvement Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fees, Licenses and Permits	\$ 30,025	\$ 30,025	\$ 0
Other	174	174	0
<i>Total Revenues</i>	<u>30,199</u>	<u>30,199</u>	<u>0</u>
Expenditures			
Capital Outlay:			
Personal Services	241,535	237,714	3,821
Other	407,313	403,771	3,542
<i>Total Expenditures</i>	<u>648,848</u>	<u>641,485</u>	<u>7,363</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(618,649)</u>	<u>(611,286)</u>	<u>7,363</u>
Other Financing Sources (Uses)			
Transfers In	710,000	710,000	0
<i>Net Change in Fund Balance</i>	91,351	98,714	7,363
<i>Fund Balance (Deficit) Beginning of Year</i>	17,498	17,498	0
Prior Year Encumbrances Appropriated	25	25	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 108,874</u>	<u>\$ 116,237</u>	<u>\$ 7,363</u>

City of Berea
Cuyahoga County, 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, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues	\$ 0	\$ 0	\$ 0
Expenditures	0	0	0
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	0
Other Financing Sources (Uses)			
Transfers Out	(275,653)	(275,653)	0
<i>Net Change in Fund Balance</i>	(275,653)	(275,653)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	275,653	275,653	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Capital Improvement Fund
For the Year Ended December 31, 2012

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fees, Licenses and Permits	\$ 257,072	\$ 257,072	\$ 0
<i>Total Revenues</i>	<u>257,072</u>	<u>257,072</u>	<u>0</u>
Expenditures			
Capital Outlay	70,000	52,339	17,661
<i>Total Expenditures</i>	<u>70,000</u>	<u>52,339</u>	<u>17,661</u>
<i>Net Change in Fund Balance</i>	187,072	204,733	(17,661)
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>729,772</u>	<u>729,772</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 916,844</u>	<u>\$ 934,505</u>	<u>\$ (17,661)</u>

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

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

Medical Benefits Fund

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

Property/Liability Insurance Fund

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

Workers Compensation Fund

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

Cuyahoga County, Ohio
Combining Statement of Fund Net Position
Internal Service Funds
December 31, 2012

	Medical Benefits Fund	Property/ Liability Insurance Fund	Workers Compensation Fund	Totals
Assets				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 207,668	\$ 1,873	\$ 191,871	\$ 401,412
<i>Total Assets</i>	<u>\$ 207,668</u>	<u>\$ 1,873</u>	<u>\$ 191,871</u>	<u>\$ 401,412</u>
 Liabilities				
Current Liabilities:				
Claims Payable	\$ 148,344	\$ 0	\$ 0	\$ 148,344
<i>Total Current Liabilities</i>	148,344	0	0	148,344
 Net Position				
Unrestricted (Deficit)	<u>\$ 59,324</u>	<u>\$ 1,873</u>	<u>\$ 191,871</u>	<u>\$ 253,068</u>

City of Berea
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2012

	Medical Benefits Fund	Proprietary/ Liability Insurance Fund	Workers Compensation Fund	Totals
Operating Revenues				
Charges for Services	\$ 2,061,030	\$ 312,400	\$ 287,627	\$ 2,661,057
Other	703	0	0	703
<i>Total Operating Revenues</i>	<u>2,061,733</u>	<u>312,400</u>	<u>287,627</u>	<u>2,661,760</u>
Operating Expenses				
Contractual Services	263,981	271,438	218,819	754,238
Claims	1,679,133	35,481	949	1,715,563
Other	247	0	0	247
<i>Total Operating Expenses</i>	<u>1,943,361</u>	<u>306,919</u>	<u>219,768</u>	<u>2,470,048</u>
<i>Change in Net Position</i>	118,372	5,481	67,859	191,712
<i>Net Position Beginning of Year</i>	<u>(59,048)</u>	<u>(3,608)</u>	<u>124,012</u>	<u>61,356</u>
<i>Net Position End of Year</i>	<u>\$ 59,324</u>	<u>\$ 1,873</u>	<u>\$ 191,871</u>	<u>\$ 253,068</u>

City of Berea
Cuyahoga County, Ohio
Statement of Cash Flows-
Internal Service Funds
December 31, 2012

	Medical Benefits Fund	Property/ Liability Insurance Fund	Workers Compensation Fund	Total Internal Service Funds
Cash Flows From Operating Activities				
Cash Received from Customers	\$ 2,061,733	\$ 312,400	\$ 287,627	\$ 2,661,760
Cash Payments for Contractual and Other Services	(264,228)	(280,850)	(218,819)	(763,897)
Cash Payments for Claims	(1,642,200)	(35,481)	(949)	(1,678,630)
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	155,305	(3,931)	67,859	219,233
<i>Cash and Investments Beginning of Year</i>	52,363	5,804	124,012	182,179
<i>Cash and Investments End of Year</i>	\$ 207,668	\$ 1,873	\$ 191,871	\$ 401,412
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities				
Operating Income (Loss)	\$ 118,372	\$ 5,481	\$ 67,859	\$ 191,712
Adjustments:				
Increase (Decrease) in Liabilities:				
Accounts Payable	0	(9,412)	0	(9,412)
Claims Payable	36,933	0	0	36,933
<i>Total Adjustments</i>	36,933	(9,412)	0	27,521
<i>Net Cash Provided By (Used For) Operating Activities</i>	\$ 155,305	\$ (3,931)	\$ 67,859	\$ 219,233

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

Fiduciary Funds

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

Agency Funds

Regional Sewer Agency Fund

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

Contract Retainer Fund

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

Guarantee Deposits Fund

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

Ohio Board of Building Standards Fund

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

Metroparks

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

Municipal Court Fund

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

City of Berea
Cuyahoga County, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2012

	<u>Regional Sewer</u>	<u>Contract Retainer</u>	<u>Guarantee Deposits</u>	<u>Ohio Board of Building Standards</u>
Assets				
Equity in Pooled Cash and Investments	\$ 744,644	\$ 29,099	\$ 167,478	\$ 2,975
Equity in Pooled Cash Segregated	0	0	0	0
Accounts Receivable	<u>1,319,851</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$ 2,064,495</u></u>	<u><u>\$ 29,099</u></u>	<u><u>\$ 167,478</u></u>	<u><u>\$ 2,975</u></u>
Liabilities				
Accounts Payable	\$ 622,823	\$ 0	\$ 0	\$ 0
Due to Other Governments	1,441,672	0	0	2,975
Deposits Held and Due to Others	<u>0</u>	<u>29,099</u>	<u>167,478</u>	<u>0</u>
<i>Total Liabilities</i>	<u><u>\$ 2,064,495</u></u>	<u><u>\$ 29,099</u></u>	<u><u>\$ 167,478</u></u>	<u><u>\$ 2,975</u></u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2012

	Metroparks	Municipal Court	Totals
Assets			
Equity in Pooled Cash and Investments	\$ 8,597	\$ 0	\$ 952,793
Equity in Pooled Cash Segregated	0	178,744	178,744
Accounts Receivable	0	0	1,319,851
<i>Total Assets</i>	<i>\$ 8,597</i>	<i>\$ 178,744</i>	<i>\$ 2,451,388</i>
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 622,823
Due to Other Governments	8,597	178,744	1,631,988
Deposits Held and Due to Others	0	0	196,577
<i>Total Liabilities</i>	<i>\$ 8,597</i>	<i>\$ 178,744</i>	<i>\$ 2,451,388</i>

City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2012

	Beginning Balance 12/31/2011	Additions	Reductions	Ending Balance 12/31/2012
Regional Sewer				
Assets				
Equity in Pooled Cash and Investments	\$ 842,064	\$ 3,154,034	\$ 3,251,454	\$ 744,644
Accounts Receivable	1,366,485	1,319,851	1,366,485	1,319,851
<i>Total Assets</i>	<u>\$ 2,208,549</u>	<u>\$ 4,473,885</u>	<u>\$ 4,617,939</u>	<u>\$ 2,064,495</u>
Liabilities				
Accounts Payable	\$ 767,808	\$ 622,823	\$ 767,808	\$ 622,823
Due to Other Governments	1,440,741	767,808	766,877	1,441,672
<i>Total Liabilities</i>	<u>\$ 2,208,549</u>	<u>\$ 1,390,631</u>	<u>\$ 1,534,685</u>	<u>\$ 2,064,495</u>
Contract Retainer				
Assets				
Equity in Pooled Cash and Investments	\$ 62,022	\$ 90,911	\$ 123,834	\$ 29,099
<i>Total Assets</i>	<u>\$ 62,022</u>	<u>\$ 90,911</u>	<u>\$ 123,834</u>	<u>\$ 29,099</u>
Liabilities				
Deposits Held and Due to Others	\$ 62,022	\$ 90,911	\$ 123,834	\$ 29,099
<i>Total Liabilities</i>	<u>\$ 62,022</u>	<u>\$ 90,911</u>	<u>\$ 123,834</u>	<u>\$ 29,099</u>
Guarantee Deposits				
Assets				
Equity in Pooled Cash and Investments	\$ 162,467	\$ 27,900	\$ 22,889	\$ 167,478
<i>Total Assets</i>	<u>\$ 162,467</u>	<u>\$ 27,900</u>	<u>\$ 22,889</u>	<u>\$ 167,478</u>
Liabilities				
Deposits Held and Due to Others	\$ 162,467	\$ 27,900	\$ 22,889	\$ 167,478
<i>Total Liabilities</i>	<u>\$ 162,467</u>	<u>\$ 27,900</u>	<u>\$ 22,889</u>	<u>\$ 167,478</u>

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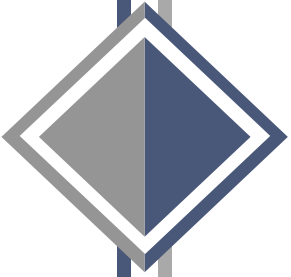
City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2012

	Beginning Balance 12/31/2011	Additions	Reductions	Ending Balance 12/31/2012
Ohio Board of Building Standards				
Assets				
Equity in Pooled Cash and Investments	\$ 2,750	\$ 4,859	\$ 4,634	\$ 2,975
<i>Total Assets</i>	<u>\$ 2,750</u>	<u>\$ 4,859</u>	<u>\$ 4,634</u>	<u>\$ 2,975</u>
Liabilities				
Due to Other Governments	\$ 2,750	\$ 4,859	\$ 4,634	\$ 2,975
<i>Total Liabilities</i>	<u>\$ 2,750</u>	<u>\$ 4,859</u>	<u>\$ 4,634</u>	<u>\$ 2,975</u>
Metroparks				
Assets				
Equity in Pooled Cash and Investments	\$ 10,557	\$ 8,597	\$ 10,557	\$ 8,597
<i>Total Assets</i>	<u>\$ 10,557</u>	<u>\$ 8,597</u>	<u>\$ 10,557</u>	<u>\$ 8,597</u>
Liabilities				
Due to Other Governments	\$ 10,557	\$ 8,597	\$ 10,557	\$ 8,597
<i>Total Liabilities</i>	<u>\$ 10,557</u>	<u>\$ 8,597</u>	<u>\$ 10,557</u>	<u>\$ 8,597</u>
Municipal Court				
Assets				
Equity in Pooled Cash Segregated	\$ 285,604	\$ 178,744	\$ 285,604	\$ 178,744
<i>Total Assets</i>	<u>\$ 285,604</u>	<u>\$ 178,744</u>	<u>\$ 285,604</u>	<u>\$ 178,744</u>
Liabilities				
Due to Other Governments	\$ 285,604	\$ 178,744	\$ 285,604	\$ 178,744
<i>Total Liabilities</i>	<u>\$ 285,604</u>	<u>\$ 178,744</u>	<u>\$ 285,604</u>	<u>\$ 178,744</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2012

	Beginning Balance 12/31/2011	Additions	Reductions	Ending Balance 12/31/2012
Total Agency Funds				
Assets				
Equity in Pooled Cash and Investments	\$ 1,079,860	\$ 3,286,301	\$ 3,413,368	\$ 952,793
Equity in Pooled Cash Segregated	285,604	178,744	285,604	178,744
Accounts Receivable	1,366,485	1,319,851	1,366,485	1,319,851
	<u>1,366,485</u>	<u>1,319,851</u>	<u>1,366,485</u>	<u>1,319,851</u>
<i>Total Assets</i>	<u>\$ 2,731,949</u>	<u>\$ 4,784,896</u>	<u>\$ 5,065,457</u>	<u>\$ 2,451,388</u>
Liabilities				
Accounts Payable	\$ 767,808	\$ 622,823	\$ 767,808	\$ 622,823
Due to Other Governments	1,739,652	960,008	1,067,672	1,631,988
Deposits Held and Due to Others	224,489	118,811	146,723	196,577
	<u>224,489</u>	<u>118,811</u>	<u>146,723</u>	<u>196,577</u>
<i>Total Liabilities</i>	<u>\$ 2,731,949</u>	<u>\$ 1,701,642</u>	<u>\$ 1,982,203</u>	<u>\$ 2,451,388</u>



STATISTICAL SECTION

Statistical Section

This part of the City of Berea, Ohio's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S-2 - S-11
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax, and the municipal income tax.	S-12 - S-21
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S-22 - S-27
Economic and Demographic Information	
These schedules offer economic and demographic indicators to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S-28 - S-29
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the service the City provides and the activities it performs.	S-30 - S-37

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 include information beginning in that year.

NOTE:

With the implementation of GASB no. 54 for 2011, there have been minor reclassifications of funds (example special revenue funds consolidated with the general fund for GAAP purposes). Prior year amounts have not been adjusted to reflect this change.

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

	2012	Restated 2011	Restated 2010	2009
Governmental Activities				
Net Investment in Capital Assets	\$ 57,295,806	\$ 58,992,954	\$ 61,091,099	\$ 59,019,083
Restricted:				
Capital Projects	0	673,065	915,815	2,486,092
Debt Service	2,642,411	2,347,649	1,292,551	1,104,494
Street Lighting	1,042,402	1,067,706	1,055,354	1,093,595
Street Maintenance and Repair	478,130	446,422	376,397	395,710
Court Operations and Capital Outlay	306,864	386,601	0	0
Other Purposes *	449,324	167,605	701,198	628,634
Unrestricted	5,917,006	4,476,698	3,736,574	2,022,870
<i>Total Governmental Activities Net Position</i>	<u>\$ 68,131,943</u>	<u>\$ 68,558,700</u>	<u>\$ 69,168,988</u>	<u>\$ 66,750,478</u>
Business Type - Activities				
Net Investment in Capital Assets	\$ 23,368,937	\$ 24,600,139	\$ 20,243,615	\$ 19,919,357
Unrestricted	3,040,813	2,018,042	2,326,082	2,274,499
<i>Total Business-Type Activities Net Position</i>	<u>\$ 26,409,750</u>	<u>\$ 26,618,181</u>	<u>\$ 22,569,697</u>	<u>\$ 22,193,856</u>
Primary Government				
Net Investment in Capital Assets	\$ 80,664,743	\$ 83,593,093	\$ 81,334,714	\$ 78,938,440
Restricted	4,919,131	5,089,048	4,341,315	5,708,525
Unrestricted	8,957,819	6,494,740	6,062,656	4,297,369
<i>Total Primary Government Net Position</i>	<u>\$ 94,541,693</u>	<u>\$ 95,176,881</u>	<u>\$ 91,738,685</u>	<u>\$ 88,944,334</u>

* Note: Restricted for street lighting and restricted for street maintenance and repair have been separately displayed starting in 2008 and court operations was separated in 2011. These were previously included in restricted for other purposes.

Restated 2008	2007	2006	2005	2004	2003
\$ 54,735,567	\$ 53,184,519	\$ 48,121,514	\$ 42,381,980	\$ 45,448,288	\$ 32,753,184
301,374	0	232,205	3,264,410	4,515,207	5,088,512
905,303	680,940	670,019	643,931	657,684	306,605
755,289	0	0	0	0	0
304,989	0	0	0	0	0
0	0	0	0	0	0
703,967	2,096,437	2,053,168	2,460,328	2,031,958	1,675,371
4,320,878	1,338,161	1,997,946	749,997	1,203,314	440,214
<u>\$ 62,027,367</u>	<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>
\$ 20,018,990	\$ 19,953,368	\$ 18,647,776	\$ 16,754,484	\$ 8,818,160	\$ 8,272,544
1,815,540	1,612,870	1,086,173	1,377,976	839,608	463,839
<u>\$ 21,834,530</u>	<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>
\$ 74,754,557	\$ 73,137,887	\$ 66,769,290	\$ 59,136,464	\$ 54,266,448	\$ 41,025,728
2,970,922	2,777,377	2,955,392	6,368,669	7,204,849	7,070,488
6,136,418	2,951,031	3,084,119	2,127,973	2,042,922	904,053
<u>\$ 83,861,897</u>	<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 Position
Last Ten Years
(Accrual Basis of Accounting)

	2012	Restated 2011	2010	2009
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 2,707,588	\$ 2,427,949	\$ 2,635,408	\$ 2,544,724
Security of Persons and Property	1,182,585	994,746	1,047,395	1,383,581
Public Health and Welfare	33,801	22,574	39,309	0
Leisure Time Activities	541,377	529,841	477,076	409,457
Community Development	26,005	62,478	33,774	33,534
Public Works	0	0	0	0
Basic Utility	0	0	0	0
Transportation	257,220	228,046	296,627	486,980
Subtotal - Charges for Services	<u>4,748,576</u>	<u>4,265,634</u>	<u>4,529,589</u>	<u>4,858,276</u>
Operating Grants and Contributions:				
General Government	25,000	106,815	64,590	0
Security of Persons and Property:	79,039	5,428	39,925	24,364
Public Health and Welfare	46,060	59,250	75,831	80,728
Leisure Time Activities	17,223	8,035	58,733	19,375
Community Development	0	0	0	65,293
Public Works	0	0	0	0
Transportation	808,899	718,812	856,311	702,977
Subtotal - Operating Grants and Contributions	<u>976,221</u>	<u>898,340</u>	<u>1,095,390</u>	<u>892,737</u>
Capital Grants and Contributions:				
Security of Persons and Property:	0	0	0	2,487,993
Leisure Time Activities	0	0	0	0
Community Development	0	0	0	10,670
Basic Utility	0	0	0	0
Transportation	761,383	725,879	3,418,094	2,277,761
General Government	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>761,383</u>	<u>725,879</u>	<u>3,418,094</u>	<u>4,776,424</u>
<i>Total Governmental Activities Program Revenues</i>	<u>6,486,180</u>	<u>5,889,853</u>	<u>9,043,073</u>	<u>10,527,437</u>
Business-Type Activities:				
Charges for Services:				
Water	2,663,002	2,698,896	2,578,894	2,768,562
Sewer	757,684	693,806	656,827	721,397
Capital Grants and Contributions				
Water	154,957	0	606,839	8,600
Sewer	75,000	0	466,728	99,486
<i>Total Business-Type Activities Program Revenues</i>	<u>3,650,643</u>	<u>3,392,702</u>	<u>4,309,288</u>	<u>3,598,045</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 10,136,823</u>	<u>\$ 9,282,555</u>	<u>\$ 13,352,361</u>	<u>\$ 14,125,482</u>
Expenses				
Governmental Activities:				
General Government	\$ 6,992,774	\$ 6,201,327	\$ 7,766,608	\$ 6,543,797
Security of Persons and Property	6,755,965	6,441,638	6,974,204	6,883,839
Public Health and Welfare	155,326	187,320	211,300	119,132
Leisure Time Activities	3,262,399	2,714,029	3,559,520	3,005,421
Community Development	465,302	455,883	543,755	496,548
Public Works	1,167,636	1,370,499	1,337,335	1,121,553
Transportation	4,557,209	1,335,639	2,965,627	2,936,864
Interest and Fiscal Charges	435,179	450,989	613,938	668,099
<i>Total Governmental Activities Expenses</i>	<u>23,791,790</u>	<u>19,157,324</u>	<u>23,972,287</u>	<u>21,775,253</u>

Restated 2008	2007	2006	2005	2004	2003
\$ 2,391,999	\$ 2,743,431	\$ 2,757,377	\$ 2,498,563	\$ 2,149,876	\$ 2,520,426
1,091,201	510,215	428,927	391,611	477,761	540,091
0	0	0	0	0	0
424,726	413,284	381,189	317,031	280,562	450,076
27,237	461,435	967,225	660,539	449,421	180,031
0	6,715	2,696	128,455	295,098	90,015
0	43	0	0	0	0
679,167	0	0	41	3,617,529	5,220,882
<u>4,614,330</u>	<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>
4,000	0	447	950	0	0
21,521	120,903	20,239	24,068	17,756	17,278
0	0	0	0	0	0
0	500	1,250	0	0	0
0	0	0	0	0	0
225,000	0	0	0	0	0
1,029,496	728,512	736,799	961,694	655,972	539,059
<u>1,280,017</u>	<u>849,915</u>	<u>758,735</u>	<u>986,712</u>	<u>673,728</u>	<u>556,337</u>
0	0	220,893	0	0	0
0	0	473,648	0	0	258,160
0	0	150,000	0	0	175,804
0	0	0	0	613,294	0
237,222	4,860,546	2,382,193	4,064,393	9,018,803	3,748,743
0	0	0	1,260,873	0	0
<u>237,222</u>	<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>
<u>6,131,569</u>	<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>
2,581,125	3,039,350	2,716,951	2,552,951	1,941,215	1,180,637
762,686	838,176	792,902	766,157	559,478	491,000
906,530	1,459,661	1,670,964	2,121,365	0	0
204,882	306,210	588,366	868,307	0	0
<u>4,455,223</u>	<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>
<u>\$ 10,586,792</u>	<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>
\$ 6,075,079	\$ 7,354,994	\$ 7,798,798	\$ 8,413,294	\$ 6,007,892	\$ 6,002,685
6,756,475	6,438,828	6,639,568	5,845,715	5,512,773	4,478,817
122,080	120,472	144,833	130,574	120,860	119,042
3,207,018	3,373,362	2,029,456	3,869,281	1,144,893	1,750,225
502,423	542,237	638,547	501,952	374,633	254,795
1,265,014	1,262,949	1,122,270	889,213	1,446,006	1,539,776
2,631,003	2,548,409	2,535,627	2,160,819	2,670,581	899,290
563,320	1,070,332	1,292,593	1,085,275	1,561,094	1,389,907
<u>21,122,412</u>	<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>
					<i>(continued)</i>

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

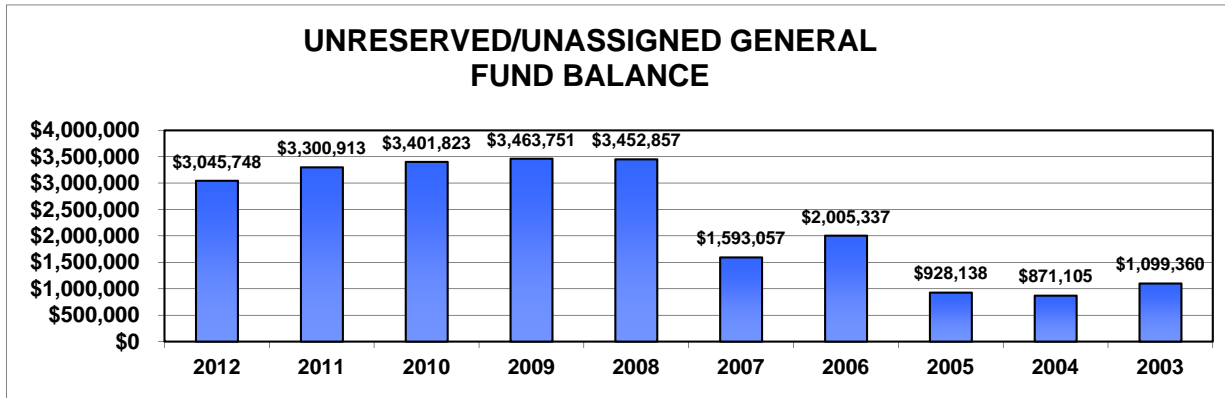
	2012	2011	2010	2009
Business-Type Activities				
Water	3,655,963	3,580,655	3,658,374	3,639,102
Sewer	922,985	481,780	700,903	873,591
<i>Total Business-Type Activities Expenses</i>	<u>4,578,948</u>	<u>4,062,435</u>	<u>4,359,277</u>	<u>4,512,693</u>
<i>Total Primary Government Program Expenses</i>	<u>28,370,738</u>	<u>23,219,759</u>	<u>28,331,564</u>	<u>26,287,946</u>
Net (Expense)/Revenue				
Governmental Activities	(17,305,610)	(13,267,471)	(14,929,214)	(11,247,816)
Business-Type Activities	(928,305)	(669,733)	(49,989)	(914,648)
<i>Total Primary Government Net Expense</i>	<u>(18,233,915)</u>	<u>(13,937,204)</u>	<u>(14,979,203)</u>	<u>(12,162,464)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	\$ 1,643,154	\$ 1,669,355	\$ 1,572,247	\$ 1,915,871
Other Purposes *	2,341,007	2,394,337	2,310,144	2,562,258
Municipal Income Taxes levied for:				
General Purposes	11,446,700	10,601,210	10,479,704	9,993,755
Special Revenue	0	0	0	0
Grants and Entitlements not Restricted to				
Specific Programs	1,244,125	1,675,190	2,307,793	1,777,548
Investment Income	128,363	137,585	136,442	124,123
Other Taxes	278,888	260,819	283,047	199,128
Miscellaneous	57,616	94,120	201,081	128,338
Transfers	(261,000)	(4,175,433)	32,922	(730,094)
<i>Total Governmental Activities</i>	<u>16,878,853</u>	<u>12,657,183</u>	<u>17,323,380</u>	<u>15,970,927</u>
Business-Type Activities				
Municipal Income Taxes levied for:				
Other Purpose - Debt Service	0	0	0	0
Property Taxes levied for:				
Water Improvements	448,972	458,166	453,075	480,309
Grants and Entitlements not Restricted to				
Specific Programs	0	81,972	0	0
Investment Income	0	0	0	0
Transfers	261,000	4,175,433	(32,922)	730,094
Miscellaneous	9,902	2,646	5,677	63,571
<i>Total Business-Type Activities</i>	<u>719,874</u>	<u>4,718,217</u>	<u>425,830</u>	<u>1,273,974</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>17,598,727</u>	<u>17,375,400</u>	<u>17,749,210</u>	<u>17,244,901</u>
Change in Net Position				
Governmental Activities	(426,757)	(610,288)	2,394,166	4,723,111
Business-Type Activities	(208,431)	4,048,484	375,841	359,326
<i>Total Primary Government Change in Net Position</i>	<u>\$ (635,188)</u>	<u>\$ 3,438,196</u>	<u>\$ 2,770,007</u>	<u>\$ 5,082,437</u>

* Includes Police and Fire Pension and Debt Service

Restated 2008	2007	2006	2005	2004	2003
3,650,419	3,048,752	3,292,666	2,603,840	2,005,238	1,970,077
1,005,252	914,222	1,000,028	1,486,172	575,435	526,892
4,655,671	3,962,974	4,292,694	4,090,012	2,580,673	2,496,969
25,778,083	26,674,557	26,494,386	26,986,135	21,419,405	18,931,506
(14,990,843)	(12,865,999)	(13,678,809)	(12,587,905)	(1,262,660)	(2,693,972)
(200,448)	1,680,423	1,476,489	2,218,768	(79,980)	(825,332)
(15,191,291)	(11,185,576)	(12,202,320)	(10,369,137)	(1,342,640)	(3,519,304)
\$ 1,948,775	\$ 2,161,447	\$ 2,088,896	\$ 1,976,838	\$ 3,634,820	\$ 2,052,840
2,290,617	2,766,840	2,568,680	2,456,646	2,301,511	1,745,486
11,126,645	7,292,340	7,735,605	7,116,009	8,902,933	8,694,407
0	2,430,779	2,578,536	2,372,003	0	0
2,224,225	2,072,711	1,960,590	1,180,922	1,878,981	1,381,784
199,120	252,034	344,936	195,954	57,230	33,133
267,231	5,903	13,476	18,486	0	0
104,854	184,150	87,296	78,228	1,182	1,148
(132,000)	(75,000)	(125,000)	(305,000)	(1,054,943)	(819,500)
18,029,467	17,091,204	17,253,015	15,090,086	15,721,714	13,089,298
0	51,425	0	0	0	34,079
486,477	0	0	0	0	0
0	0	0	0	0	0
0	25,441	0	0	0	0
132,000	75,000	125,000	305,000	1,054,943	879,756
63,936	0	0	0	0	0
682,413	151,866	125,000	305,000	1,054,943	1,171,183
18,711,880	17,243,070	17,378,015	15,395,086	16,776,657	14,260,481
3,038,624	4,225,205	3,574,206	2,502,181	14,459,054	10,395,326
481,965	1,832,289	1,601,489	2,523,768	974,963	345,851
\$ 3,520,589	\$ 6,057,494	\$ 5,175,695	\$ 5,025,949	\$ 15,434,017	\$ 10,741,177

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

	2012	Restated 2011	Restated 2010	2009
General Fund				
Reserved	\$ 0	\$ 0	\$ 0	\$ 159,796
Unreserved	0	0	0	3,463,751
Nonspendable	43,383	47,891	24,344	0
Committed	1,274,241	927,075	831,180	0
Assigned	174,933	6,106	0	0
Unassigned	3,045,748	3,300,913	3,401,823	0
Total General Fund	4,538,305	4,281,985	4,257,347	3,623,547
All Other Governmental Funds				
Reserved	0	0	0	639,238
Unreserved, Undesignated, Reported in:				
Special Revenue funds	0	0	0	954,698
Debt Service funds	0	0	0	847,063
Capital Projects funds	0	0	0	1,893,439
Nonspendable	165,852	145,798	1,088,175	0
Restricted	4,736,896	4,511,298	4,307,437	0
Committed	2,369,907	1,663,444	490,670	0
Unassigned	(180,214)	(234,632)	(230,943)	0
Total All Other Governmental Funds	7,092,441	6,085,908	5,655,339	4,334,438
Total Governmental Funds	\$ 11,630,746	\$ 10,367,893	\$ 9,912,686	\$ 7,957,985



2008	2007	2006	2005	2004	2003
\$ 160,007	\$ 43,543	\$ 21,772	\$ 26,705	\$ 26,433	\$ 32,492
3,452,857	1,593,057	2,005,337	928,138	871,105	1,099,360
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>3,612,864</u>	<u>1,636,600</u>	<u>2,027,109</u>	<u>954,843</u>	<u>897,538</u>	<u>1,131,852</u>
124,821	275,090	219,815	120,073	200,289	154,362
703,632	855,636	859,680	1,219,959	1,253,437	1,116,034
679,284	468,848	235,077	374,539	346,796	348,485
(2,447,748)	(324,100)	133,043	3,272,463	3,993,634	4,804,724
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>(940,011)</u>	<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>\$ 2,672,853</u>	<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>

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

	2012	2011	2010	2009	2008
Revenues					
Property and Other Taxes	\$ 4,185,749	\$ 4,187,409	\$ 4,167,796	\$ 4,270,718	\$ 4,647,207
Municipal Income Taxes	10,758,113	10,454,513	10,922,715	10,181,318	10,928,016
Special Assessments	688,970	682,786	700,167	517,918	844,993
Charges for Services	1,151,937	1,056,890	1,113,097	993,872	1,066,019
Fees, Licenses and Permits	397,561	363,372	480,979	408,421	274,645
Fines and Forfeitures	2,481,137	2,189,582	2,364,651	2,443,123	2,385,269
Intergovernmental	2,842,680	2,897,594	3,274,546	3,402,160	2,979,611
Interest	158,337	137,585	136,442	124,123	199,120
Contributions and Donations	45,230	62,932	258,686	94,495	200,000
Other	68,545	116,901	165,369	175,973	272,233
<i>Total Revenues</i>	<u>22,778,259</u>	<u>22,149,564</u>	<u>23,584,448</u>	<u>22,612,121</u>	<u>23,797,113</u>
Expenditures					
Current:					
General Government	6,767,192	6,714,835	6,791,331	6,329,229	6,588,316
Security of Persons and Property:	6,431,807	6,458,138	6,663,889	6,474,662	6,419,429
Public Health and Welfare	155,326	187,320	211,300	119,132	122,080
Leisure Time Activities	1,781,720	1,614,757	1,544,300	1,610,617	1,625,000
Community Development	462,267	471,003	503,772	505,093	534,163
Public Works	1,144,731	1,350,451	1,327,127	1,089,789	1,236,211
Transportation	799,062	851,322	890,006	884,337	833,147
Capital Outlay	3,479,757	3,113,744	3,195,787	3,430,872	5,804,880
Debt Service:					
Principal Retirement	6,309,664	5,324,475	7,241,978	2,275,311	1,172,101
Interest and Fiscal Charges	480,758	503,506	623,917	545,979	548,167
<i>Total Expenditures</i>	<u>27,812,284</u>	<u>26,589,551</u>	<u>28,993,407</u>	<u>23,265,021</u>	<u>24,883,494</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,034,025)</u>	<u>(4,439,987)</u>	<u>(5,408,959)</u>	<u>(652,900)</u>	<u>(1,086,381)</u>
Other Financing Sources (Uses)					
Proceeds from Capital Assets	3,025	0	1,817	10,578	4,160
Special Assessment Bonds Issued	0	0	0	0	0
General Obligation Bonds Issued	0	0	2,725,000	0	0
General Obligation Bonds Refunded	0	0	0	0	0
Premium on Refunding Bonds	0	0	0	0	0
Premium on Debt Issued	45,518	5,703	14,728	0	0
Payment to Refunding Bond Escrow Agent	0	0	0	0	0
Notes Issued	6,112,550	4,810,000	3,850,000	5,850,000	975,000
Inception of Capital Lease	0	0	136,953	212,598	0
Issuance of Loans	202,650	459,491	817,961	362,056	0
Other	0	0	0	0	0
Discount on Debt Issued	0	0	(34,143)	0	0
Transfers In	2,988,224	3,495,100	2,615,670	7,637,068	2,104,000
Transfers Out	(3,249,224)	(3,875,100)	(2,788,670)	(8,134,268)	(2,236,000)
<i>Total Other Financing Sources (Uses)</i>	<u>6,102,743</u>	<u>4,895,194</u>	<u>7,339,316</u>	<u>5,938,032</u>	<u>847,160</u>
<i>Net Change in Fund Balances</i>	<u>\$ 1,068,718</u>	<u>\$ 455,207</u>	<u>\$ 1,930,357</u>	<u>\$ 5,285,132</u>	<u>\$ (239,221)</u>
Debt Service as a Percentage of Noncapital Expenditures	26%	24%	33%	18%	10%

	2007	2006	2005	2004	2003
\$	6,062,620	\$ 4,733,365	\$ 4,592,855	\$ 4,740,860	\$ 4,501,531
	8,828,219	10,563,354	9,291,061	8,891,029	8,180,722
	607,345	495,358	575,716	548,532	600,987
	1,140,431	1,003,101	749,245	4,607,832	5,823,306
	599,923	998,953	882,642	600,031	214,274
	2,242,271	2,255,125	2,017,012	1,917,864	1,975,713
	5,788,912	3,618,018	4,491,032	11,961,187	6,825,904
	252,079	344,936	195,980	57,230	33,133
	0	0	0	0	0
	139,107	199,684	663,941	113,319	129,433
	<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>
	7,344,938	7,043,959	6,616,462	6,165,039	5,897,318
	6,199,605	6,613,828	6,305,057	5,645,043	5,583,442
	120,472	144,833	130,574	120,860	119,042
	1,772,479	1,693,868	1,951,111	1,787,729	1,817,903
	547,564	535,008	421,281	367,363	365,892
	1,241,619	1,019,438	826,085	753,301	826,385
	966,443	876,475	787,638	686,509	641,113
	5,895,586	3,653,127	4,663,870	12,190,032	11,114,811
	1,260,146	6,853,359	8,892,656	9,862,504	2,950,624
	958,072	1,113,234	1,100,417	1,804,223	1,136,832
	<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>(646,017)</u>	<u>(5,335,235)</u>	<u>(8,235,667)</u>	<u>(5,944,719)</u>	<u>(2,168,359)</u>
	2,292	8,318	0	1,182	1,148
	0	(210,039)	0	0	0
	0	0	0	4,173,956	4,454,742
	0	7,365,000	0	(4,125,000)	0
	0	124,066	0	0	0
	0	(4,430,878)	0	0	0
	0	0	7,600,000	6,452,665	1,300,000
	156,075	136,615	170,604	0	0
	0	0	0	0	0
	0	0	2,043,000	0	0
	0	0	0	0	0
	2,982,479	2,981,550		2,018,850	2,044,539
	<u>(3,057,479)</u>	<u>(3,106,550)</u>	<u>(2,348,000)</u>	<u>(2,591,450)</u>	<u>(3,085,439)</u>
	<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>(562,650)</u>	<u>(2,467,153)</u>	<u>(770,063)</u>	<u>(14,516)</u>	<u>2,546,631</u>
	12%	32%	39%	43%	75%

City of Berea, Ohio
Berea 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>Berea School District</u>	<u>Polaris JVSD</u>	<u>Cuyahoga Co & Special Taxing Districts (1)</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Water Revenue (2)</u>	<u>Debt Service</u>	<u>Total</u>				
2012	7.95	3.00	1.40	4.45	16.80	78.90	2.40	20.80	118.90
2011	7.95	3.00	1.40	4.85	17.20	75.00	2.40	20.80	115.40
2010	7.95	3.00	1.40	4.85	17.20	75.00	2.40	20.60	115.20
2009	8.15	3.00	1.40	4.65	17.20	74.90	2.40	20.60	115.10
2008	8.55	3.00	1.40	5.65	18.60	74.90	2.40	20.20	116.10
2007	8.55	3.00	1.40	5.65	18.60	74.90	2.40	20.20	116.10
2006	8.95	3.10	N/A	5.35	17.40	69.70	2.40	20.30	109.80
2005	9.05	3.10	N/A	5.45	17.60	69.80	2.40	20.30	110.10
2004	7.95	3.10	N/A	6.45	17.50	69.80	2.40	19.40	109.10
2003	7.95	3.10	N/A	6.55	17.60	69.80	2.40	17.60	107.40

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.
- (2) Levy passed in 2007 for water plant capital improvements

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

Year	City of Berea					Olmsted Falls School District	Polaris JVSD	Cuyahoga Co & Special Taxing Districts (1)	Total
	General	Special Revenue	Water Revenue (2)	Debt Service	Total				
2012	7.95	3.00	1.40	4.45	16.80	102.20	2.40	20.80	142.20
2011	7.95	3.00	1.40	4.85	17.20	93.00	2.40	20.80	133.40
2010	7.95	3.00	1.40	4.85	17.20	93.00	2.40	20.60	133.20
2009	8.15	3.00	1.40	4.65	17.20	91.90	2.40	20.60	132.10
2008	8.55	3.00	1.40	5.65	18.60	91.80	2.40	20.20	133.00
2007	8.55	3.00	1.40	5.65	18.60	89.80	2.40	20.20	131.00
2006	8.95	3.10	N/A	5.35	17.40	89.70	2.40	20.30	129.80
2005	9.05	3.10	N/A	5.45	17.60	89.80	2.40	20.30	130.10
2004	7.95	3.10	N/A	6.45	17.50	90.00	2.40	19.40	129.30
2003	7.95	3.10	N/A	6.55	17.60	90.00	2.40	17.60	127.60

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.

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

(2) Levy passed in 2007 for water plant capital improvements

City of Berea, Ohio
Assessed Valuation and Estimated Actual Values of Taxable Property
Last Ten Years

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Public Utility	
			Assessed Value	Estimated Actual Value
2012	\$ 375,142,810	\$ 1,071,836,600	\$ 6,823,640	\$ 7,754,136
2011	369,786,280	1,056,532,229	6,522,740	7,412,205
2010	368,473,230	1,052,780,657	6,323,310	7,185,580
2009	382,502,610	1,092,864,600	6,122,200	6,957,045
2008	383,481,630	1,095,661,800	5,884,150	6,686,534
2007	373,920,320	1,068,343,771	9,363,610	10,640,466
2006	332,121,860	948,919,600	10,067,780	11,440,659
2005	319,853,310	913,866,600	11,175,430	12,699,352
2004	318,662,520	910,464,343	11,176,770	12,700,875
2003	297,914,120	851,183,200	10,255,400	11,653,864

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

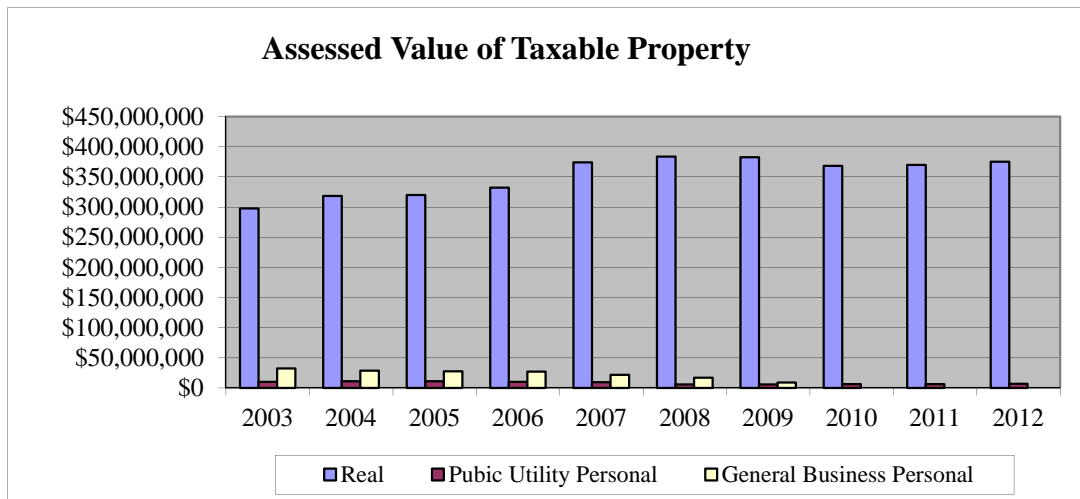
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General 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%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Ohio Department of Taxation
 (1) Cuyahoga County Auditor

Tangible Personal Property

General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Total Direct Tax Rate (1)
\$ 0	\$ 0	\$ 381,966,450	\$ 1,079,590,736	35.38	142.20
0	0	376,309,020	1,063,944,433	35.37	133.40
0	0	374,796,540	1,059,966,237	35.36	133.20
9,177,032	146,832,512	397,801,842	1,246,654,157	31.91	132.10
16,798,744	89,593,301	406,164,524	1,191,941,635	34.08	133.00
21,763,047	116,069,584	405,046,977	1,195,053,821	33.89	131.00
27,069,592	144,371,157	369,259,232	1,104,731,416	33.43	129.80
27,861,498	111,445,992	358,890,238	1,038,011,944	34.57	130.10
28,773,884	115,095,536	358,613,174	1,038,260,754	34.54	129.30
32,207,409	128,829,636	340,376,929	991,666,700	34.32	127.60



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

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections to Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy (2)	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2012	\$ 5,120,268	\$ 4,808,337	93.91%	\$ 176,746	\$ 4,985,083	97.36%	\$ 245,275	4.79%
2011	5,352,662	4,800,181	0.90	188,563	4,988,744	0.93	320,968	0.06
2010	5,288,742	4,739,815	89.62	176,105	4,915,920	92.95	368,250	6.96
2009	5,139,255	4,938,884	96.10	137,428	5,076,312	98.78	335,461	6.53
2008	5,225,363	4,997,094	95.63	205,661	5,202,755	108.85	334,638	6.40
2007	5,317,600	4,990,340	93.85	146,396	5,136,736	106.95	491,651	9.25
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	4,745,050	96.24	409,880	8.31

Source: Cuyahoga County Auditor

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

(2) The County information does not provide the applicable year when a delinquency is collected. Thus the "total collections" represent the total collections for the year instead of total collections of a particular tax year. As a result "total collection as a percent of a total levy" can exceed 100% in any particular year.

City of Berea, Ohio
Principal Taxpayers - Real Estate Tax
 2012 and 2003

Taxpayer	2012	
	Real Property Assessed Valuation (1)	Percentage Of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 5,152,860	1.37%
A&F Machine Products Co.	3,896,070	1.04%
Tower in the Park LTD	3,710,010	0.99%
Echo Berea Associates, LLC	2,914,530	0.78%
West Valley Plaza	2,726,580	0.73%
Berea Properties Company	2,694,910	0.72%
OHI Asset II LLC	2,482,880	0.66%
Western Reserve Revitalization	2,372,380	0.63%
Berea Square Co., LLC	1,873,380	0.50%
680 North LLC	1,662,500	0.44%
Total	\$ 29,486,100	7.86%
Total Assessed Valuation	\$ 375,142,810	
Taxpayer	2003	
	Real Property Assessed Valuation (1)	Percentage Of Real Assessed Valuation
Tower in the Park LTD	\$ 4,149,850	1.39%
Cleveland Electric Illuminating Co.	3,946,360	1.32%
Ohio Bell Telephone Co.	3,039,720	1.02%
Berea Properties Co.	2,635,200	0.88%
Cleveland Senior Care Corp.	2,068,050	0.69%
West Valley Plaza	1,966,530	0.66%
A&F Machine Products Co.	1,960,530	0.66%
Berea Square Co., LLC	1,522,610	0.51%
Berea Lake Towers	1,476,380	0.50%
THI of Ohio	1,385,930	0.47%
Total	\$ 24,151,160	8.10%
Total Assessed Valuation	\$ 297,914,120	

Source: County Auditor

(1) The amounts presented represent the assessed values upon which 2012 and 2003 collections were based.

City of Berea, Ohio
Principal Taxpayers - Municipal Tax
 2012 and 2008

<u>2012</u>		
<u>Taxpayer</u>	<u>Tax</u>	<u>Percentage of Tax Collected</u>
Cleveland Browns Football	\$ 2,385,603	22.00%
Baldwin Wallace College	783,982	7.23%
Berea City School District	533,209	4.92%
Guidestone	217,825	2.01%
OHNH EMP LLC	202,821	1.87%
City of Berea	191,239	1.76%
ColorMatrix Corp.	173,949	1.60%
Ohio Turnpike Commission	167,697	1.55%
Equity Admin Services	118,950	1.10%
Standby Screw Machine Products	109,301	1.01%
Total	\$ 4,884,576	45.05%
Total Tax Collected	\$ 10,842,275	

<u>2008 (1)</u>		
<u>Taxpayer</u>	<u>Tax</u>	<u>Percentage of Tax Collected</u>
Cleveland Browns Football	\$ 2,346,238	21.67%
Baldwin Wallace College	765,761	7.07%
Berea City School District	548,784	5.07%
City of Berea	219,393	2.03%
Berea Childrens Home	196,053	1.81%
ABNF LLC	174,966	1.62%
Ohio Turnpike Commission	154,882	1.43%
ColorMatrix Corp.	149,918	1.38%
Standby Screw Machine Products	127,601	1.18%
Tuthill Corporation	108,798	1.00%
Total	\$ 4,792,394	44.26%
Total Tax Collected	\$ 10,826,647	

(1) 2003 Principal Taxpayers not available

Source: Regional Income Tax Agency

City of Berea, Ohio

Principal Employers

2012 and 2008

Employer	2012	
	Number of Employees	Percentage of Total City Employment
Baldwin Wallace College	3,068	28.15%
Berea City School District	851	7.81%
OHNH EMP LLC	610	5.60%
Guidestone	523	4.80%
Cleveland Browns Football	370	3.39%
City of Berea	310	2.84%
Amerimark Direct LLC	276	2.53%
Equity Admin Services	161	1.48%
Standby Screw Machine Products	141	1.29%
Eaton Aeroquip LLC	120	1.10%
Total	6,430	58.99%
Total Employment within the City	10,899	

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

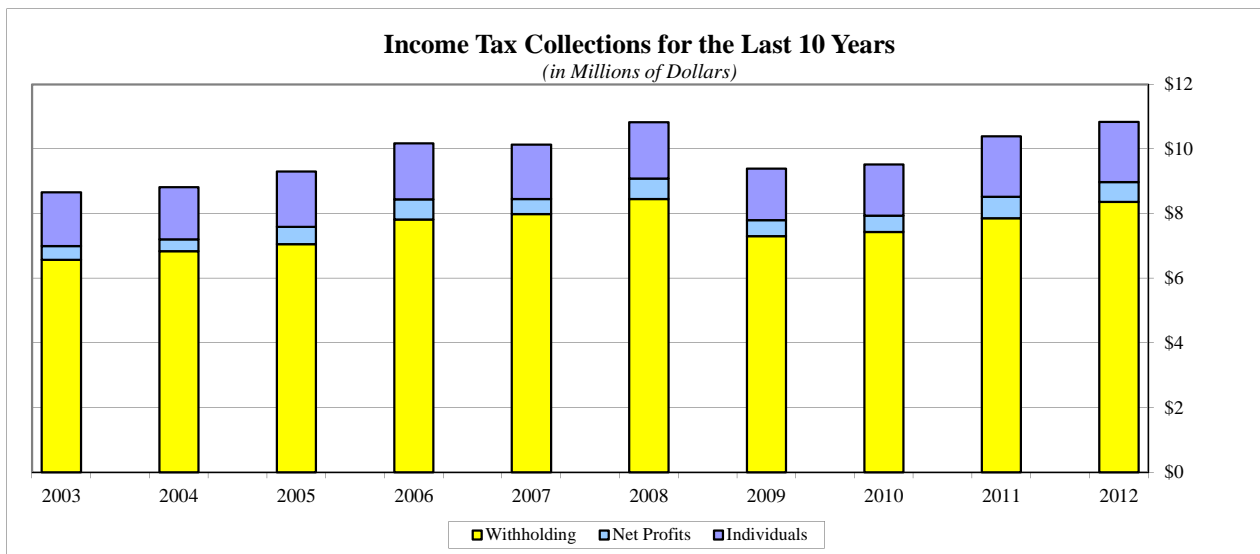
(1) Information for 2003 is not available.

Source: Regional Income Tax Agency

City of Berea, Ohio
Income Tax Revenue Base and Collections
Last Ten Years

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits
2012	2.00%	\$ 10,842,275	\$ 8,361,782	77.12%	\$ 616,294	5.68%
2011	2.00%	10,392,189	7,855,099	75.59%	670,592	6.45%
2010	2.00%	9,521,371	7,434,689	78.08%	502,912	5.28%
2009	2.00%	9,393,556	7,307,157	77.79%	497,722	5.30%
2008	2.00%	10,826,647	8,454,463	78.09%	633,225	5.85%
2007	2.00%	10,132,495	7,987,336	78.83%	466,872	4.61%
2006	2.00%	10,178,273	7,821,123	76.84%	626,093	6.15%
2005	2.00%	9,304,978	7,054,038	75.81%	535,723	5.76%
2004	2.00%	8,821,879	6,844,373	77.58%	364,126	4.13%
2003	2.00%	8,664,989	6,568,754	75.81%	434,830	5.02%

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



	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
\$	1,864,200	17.19%
	1,866,498	17.96%
	1,583,770	16.63%
	1,588,677	16.91%
	1,738,959	16.06%
	1,678,287	16.56%
	1,731,057	17.01%
	1,715,217	18.43%
	1,613,380	18.29%
	1,661,405	19.17%

City of Berea, Ohio
*Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years*

Year	Governmental Activities						
	General Obligation Debt	Urban Renewal Bond	Capital Lease	Notes Payable	OPWC	Taxable Bond City Portion	SIB Loan
2012	\$ 8,235,000	\$ 50,000	\$ 164,023	\$ 6,112,550	\$ 1,957,419	\$ 0	\$ 0
2011	9,410,000	270,000	263,112	4,810,000	1,943,695	0	0
2010	10,545,000	480,000	387,241	3,850,000	1,484,204	0	0
2009	8,875,000	680,000	382,140	5,850,000	666,243	0	0
2008	9,875,000	870,000	274,940	5,825,000	0	0	0
2007	10,770,000	1,050,000	367,330	1,750,000	0	0	0
2006	11,785,756	1,225,000	276,127	200,000	0	0	0
2005	9,528,023	1,395,000	170,604	5,800,000	0	0	0
2004	10,373,346	1,520,000	0	5,800,000	0	322,333	0
2003	11,038,430	1,570,000	0	1,300,000	0	611,033	7,369,300

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

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

Business-Type Activities

Capital Lease	Loan Payable	Note Payable	OWDA and OPWC	Taxable Bond Browns Portion	Total Primary Government	Total Personal Income	Percentage of Personal Income(1)	Per Capital(1)
\$ 121,025	\$349,263	\$ 1,537,450	\$ 12,086,163	\$ 0	\$ 30,612,893	\$ 462,718,855	6.62%	\$ 1,603
148,169	388,070	40,000	12,973,559	0	30,246,605	462,718,855	6.54%	1,584
26,526	388,070	0	13,280,182	0	30,441,223	443,702,227	6.86%	1,594
109,048	388,070	0	10,243,260	0	27,193,761	406,709,550	6.69%	1,447
187,205	0	25,000	10,161,094	0	27,218,239	406,709,550	6.69%	1,449
261,225	0	0	7,428,347	0	21,626,902	406,709,550	5.32%	999
211,911	0	0	5,560,271	0	19,259,065	406,709,550	4.74%	1,015
256,731	0	0	4,911,537	0	22,061,895	406,709,550	5.42%	1,163
0	0	0	3,479,864	1,673,666	23,169,209	406,709,550	5.70%	1,221
0	0	0	3,065,686	2,626,996	27,581,445	406,709,550	6.78%	1,454

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

Year	(1) Population	Assessed Valuation(2)	Gross Bonded Debt(3)	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
2012	19,093	\$381,966,450	\$15,935,000	\$1,688,574	\$14,246,426	3.73%	\$746.16
2011	19,093	376,309,020	14,530,000	2,107,573	12,422,427	3.30%	650.63
2010	19,093	374,796,540	14,875,000	1,036,136	13,838,864	3.69%	724.81
2009	18,970	397,801,842	15,405,000	847,063	14,557,937	3.66%	767.42
2008	18,970	406,164,524	11,720,000	679,284	11,040,716	2.72%	582.01
2007	18,970	405,046,977	13,570,000	468,848	13,101,152	3.23%	697.24
2006	18,970	369,259,232	13,010,756	235,077	12,775,679	3.46%	673.47
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

- (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
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2012

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct			
City of Berea	\$ 16,518,992	100.00%	\$ 16,518,992
<i>Total Direct Debt</i>	<u>16,518,992</u>		<u>16,518,992</u>
Overlapping			
Berea City School District	4,235,000	26.75%	1,132,863
Olmsted Falls School District	17,300,695	4.33%	749,120
Polaris Career Center	3,245,000	8.09%	262,521
Cuyahoga County	<u>233,861,646</u>	1.33%	<u>3,108,518</u>
<i>Total Overlapping Debt</i>	<u>258,642,341</u>		<u>5,253,022</u>
Grand Total	<u>\$ 275,161,333</u>		<u>\$ 21,772,014</u>

Source: Ohio Municipal Advisory Council
City Financial Records

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

City of Berea, Ohio

Legal Debt Margin

Last Ten Years

	2012	2011	2010	2009
Total Assessed Property Value	\$ 381,966,450	\$ 376,309,020	\$ 374,796,540	\$ 397,801,842
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	40,106,477	39,512,447	39,353,637	41,769,193
Debt Outstanding:				
General Obligation Bonds and Notes	14,397,550	14,530,000	14,875,000	15,405,000
Total Gross Indebtedness	14,397,550	14,530,000	14,875,000	15,405,000
Less:				
General Obligation Bonds and Notes	(50,000)	(270,000)	(480,000)	(680,000)
OPWC Loans	0	0	0	0
Amount Available in Debt Service Fund	(2,433,220)	(2,107,573)	(1,036,136)	(847,063)
Total Net Debt Applicable to Debt Limit	11,914,330	12,152,427	13,358,864	13,877,937
Legal Debt Margin Within 10 ½ % Limitations	\$28,192,147	\$27,360,020	\$25,994,773	\$27,891,256
Legal Debt Margin as a Percentage of the Debt Limit	70.29%	69.24%	66.05%	66.77%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	21,008,155	20,696,996	20,613,810	21,879,101
Total Gross Indebtedness	14,397,550	14,530,000	14,875,000	15,405,000
Less:				
General Obligation Bonds and Notes	(50,000)	(270,000)	(480,000)	(680,000)
OPWC Loans	0	0	0	0
Amount Available in Debt Service Fund	(2,433,220)	(2,107,573)	(1,036,136)	(847,063)
Net Debt Within 5 ½ % Limitations	11,914,330	12,152,427	13,358,864	13,877,937
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$ 9,093,825	\$ 8,544,569	\$ 7,254,946	\$ 8,001,164
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	43.29%	41.28%	35.19%	36.57%

Source: City Financial Records

2008	2007	2006	2005	2004	2003
<u>\$ 406,164,524</u>	<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>42,647,275</u>	<u>42,529,933</u>	<u>38,772,219</u>	<u>37,683,475</u>	<u>37,654,383</u>	<u>35,739,473</u>
<u>11,720,000</u>	<u>13,570,000</u>	<u>13,010,756</u>	<u>16,723,023</u>	<u>17,693,346</u>	<u>13,908,430</u>
11,720,000	13,570,000	13,010,756	16,723,023	17,693,346	13,908,430
(870,000)	(1,050,000)	(1,225,000)	(1,395,000)	(322,333)	(611,033)
0	0	0	0	(1,520,000)	(1,570,000)
<u>(679,284)</u>	<u>(468,848)</u>	<u>(235,077)</u>	<u>(374,539)</u>	<u>(346,796)</u>	<u>(348,485)</u>
<u>10,170,716</u>	<u>12,051,152</u>	<u>11,550,679</u>	<u>14,953,484</u>	<u>15,504,217</u>	<u>11,378,912</u>
<u>\$32,476,559</u>	<u>\$30,478,781</u>	<u>\$27,221,540</u>	<u>\$22,729,991</u>	<u>\$22,150,166</u>	<u>\$24,360,561</u>
76.15%	71.66%	70.21%	60.32%	58.82%	68.16%
<u>22,339,049</u>	<u>22,277,584</u>	<u>20,309,258</u>	<u>19,738,963</u>	<u>19,723,725</u>	<u>18,720,676</u>
11,720,000	13,570,000	13,010,756	16,723,023	17,693,346	13,908,430
(870,000)	(1,050,000)	(1,225,000)	(1,395,000)	(322,333)	(611,033)
0	0	0	0	(1,520,000)	(1,570,000)
<u>(679,284)</u>	<u>(468,848)</u>	<u>(235,077)</u>	<u>(374,539)</u>	<u>(346,796)</u>	<u>(348,485)</u>
<u>10,170,716</u>	<u>12,051,152</u>	<u>11,785,756</u>	<u>15,328,023</u>	<u>15,851,013</u>	<u>11,727,397</u>
<u>\$ 12,168,333</u>	<u>\$ 10,226,432</u>	<u>\$ 8,523,502</u>	<u>\$ 4,410,940</u>	<u>\$ 3,872,712</u>	<u>\$ 6,993,279</u>
54.47%	45.90%	41.97%	22.35%	19.63%	37.36%

City of Berea, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2012	19,093	\$ 462,718,855	\$ 24,235	\$ 50,278	37.1
2011	19,093	462,718,855	24,235	50,278	37.1
2010	19,093	443,702,227	23,239	46,522	35.9
2009	18,790	406,709,550	21,645	45,615	36.1
2008	18,790	406,709,550	21,645	45,615	36.1
2007	18,790	406,709,550	21,645	45,615	36.1
2006	18,790	406,709,550	21,645	45,615	36.1
2005	18,790	406,709,550	21,645	45,615	36.1
2004	18,790	406,709,550	21,645	45,615	36.1
2003	18,790	406,709,550	21,645	45,615	36.1

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

(1) Source: U. S. Census

(a) 2000 Federal Census

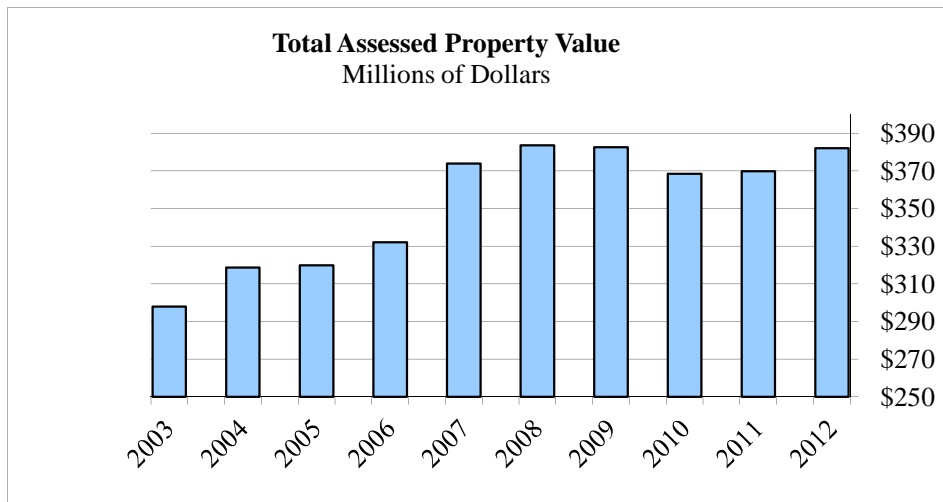
(b) 2010 Federal Census

(2) Source: Ohio Department of Education

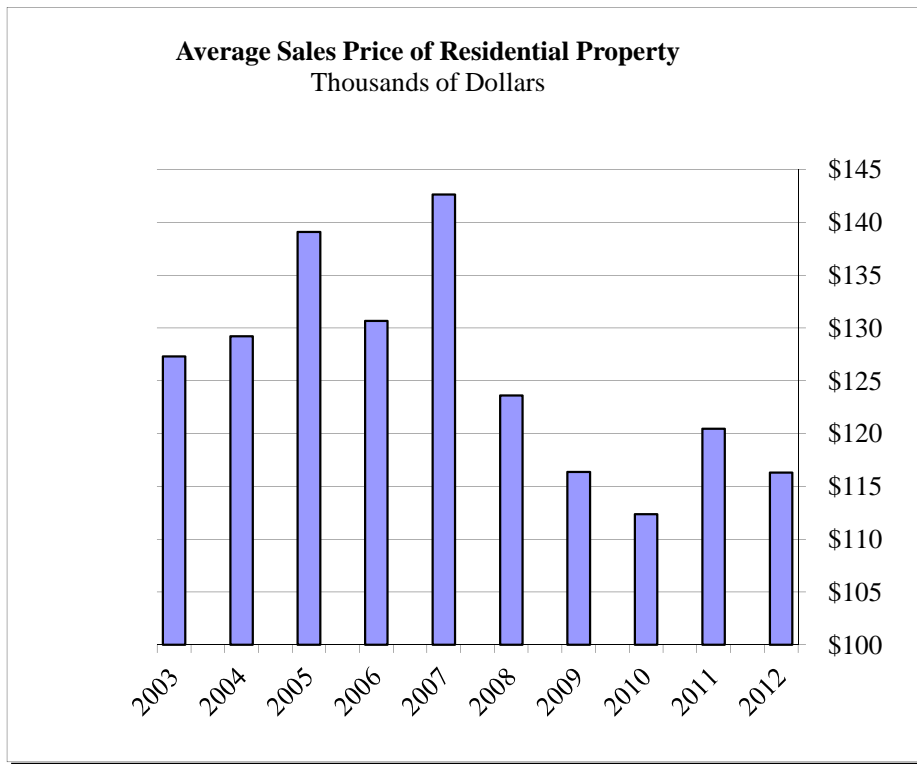
(3) Source: Bureau of Labor Statistics

(4) Source: Cuyahoga County Auditor

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Real Property Value (4)
3,350	7,121	8.6%	\$ 116,313	\$ 381,966,450
3,350	7,000	8.0%	120,453	369,786,280
3,450	7,099	8.6%	112,380	368,473,230
3,365	7,181	10.2%	116,352	382,502,610
3,365	7,500	7.1%	123,603	383,481,630
3,365	7,713	6.2%	142,614	373,920,320
3,365	7,418	5.4%	130,645	332,121,860
3,365	7,535	5.6%	139,071	319,853,310
3,365	7,801	5.9%	129,206	318,662,520
3,365	7,561	6.0%	127,289	297,914,120



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

Function/Program	2012	2011	2010	2009	2008
General Government					
Council	5.0	5.0	6.0	5.0	7.0
Finance	4.5	4.5	4.5	4.5	5.0
Law	1.0	2.0	2.0	2.0	2.0
Administration	6.0	5.5	8.0	6.0	4.5
Engineer	2.0	2.0	2.0	2.0	2.0
Civil Service	0.0	0.0	0.0	0.0	0.0
Court	29.5	30.0	30.5	28.5	29.5
Public Building	6.5	8.5	7.0	9.0	15.5
Security of Persons and Property					
Police	30.5	30.5	32.0	32.0	33.0
Police - Auxiliary	4.0	4.0	4.0	4.0	4.0
Police - Dispatchers/Office	7.5	7.5	7.5	7.5	8.5
Police - Animal Wardens	0.5	0.5	1.0	1.0	1.0
Police - School guards/Parking Control	1.5	1.5	2.0	2.5	3.0
Fire	21.0	22.0	23.0	23.0	24.0
Fire - Secretary - Other	0.0	0.0	0.0	0.0	0.0
Leisure Time Activities					
Recreation - Admin	19.0	16.0	21.0	14.0	16.5
Recreation - Programs	15.0	15.0	11.0	9.0	14.0
Recreation - Pools	18.0	23.0	22.5	16.5	21.0
Jitney	3.5	3.5	3.5	2.5	2.0
Transportation					
Service	30.0	32.0	34.0	36.0	35.5
Basic Utility Services					
Water	15.0	14.0	21.0	20.5	21.0
Totals:	<u>220.0</u>	<u>227.0</u>	<u>242.5</u>	<u>225.5</u>	<u>249.0</u>

Source: City Payroll Department W2 Audit Listing

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

2007	2006	2005	2004	2003
5.0	5.0	5.0	5.0	5.0
7.0	5.5	5.0	5.0	5.5
4.0	4.0	4.0	4.0	5.0
5.0	4.0	5.5	6.5	6.0
3.0	3.0	3.0	2.0	2.0
0.0	2.5	2.5	3.0	3.0
27.0	29.0	30.5	31.0	26.5
5.5	5.0	3.0	2.5	3.5
32.0	31.0	31.0	31.0	32.0
4.5	4.5	4.5	5.5	3.0
9.0	8.5	8.5	8.0	8.5
1.0	1.0	1.0	1.0	1.0
3.5	3.5	4.0	4.0	3.5
22.0	22.0	23.0	21.0	23.0
0.0	0.0	1.0	0.5	0.5
15.0	14.0	5.0	6.0	8.0
14.0	7.0	13.0	11.0	13.5
23.0	15.0	17.0	14.5	11.5
2.0	2.0	1.0	1.0	1.0
41.0	34.0	35.0	36.0	33.0
17.5	19.0	18.0	18.5	17.0
241.0	219.5	220.5	217.0	212.0

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

Function/Program	2012	2011	2010	2009
General Government				
<i>Council and Clerk(1)</i>				
Number of Ordinances Passed	74	53	66	67
Number of Resolutions Passed	16	15	15	19
<i>Finance Department(2)</i>				
Number of checks/ vouchers issued	3,396	3,456	3,494	3,329
Amount of checks written (Accounts Payable - in thousands)	\$ 16,298	\$ 15,718	\$ 16,403	\$ 16,312
General Fund Interest earnings (cash basis)	\$ 96,590	\$ 116,562	\$ 148,186	\$ 131,865
Number of Journal Entries issued	278	266	280	288
Number of Budget Adjustments issued	6	5	4	6
Agency Ratings - Moody's Financial Services	AA2	AA2	AA2	AA3
General Fund Receipts (cash basis in thousands)	\$ 13,720	\$ 13,596	\$ 13,823	\$ 13,742
General Fund Expenditures (cash basis in thousands)	\$ 13,519	\$ 13,646	\$ 13,759	\$ 14,289
General Fund Cash Balances (in thousands)	1,331	1,130	1,180	1,116
<i>Municipal Court(3)</i>				
Total Civil/Small claims cases filed	2,529	3,183	3,462	3,598
Number of Berea civil/small claims cases	576	802	817	812
Total Criminal cases filed	1,900	1,641	1,539	1,773
Number of Berea felony cases	4	9	9	30
Number of Berea misdemeanor cases	445	390	400	436
<i>Civil Service(4)</i>				
Number of police entry tests administered	1	0	145	0
Number of fire entry tests administered	1	0	179	0
Number of police promotional tests administered	0	0	2	0
Number of fire promotional tests administered	2	0	1	0
Number of hires of Police Officers from certified lists	2	3	0	0
Number of hires of Fire/Medics from certified lists	2	6	0	0
Number of promotions from police certified lists	0	2	0	0
Number of promotions from fire certified lists	1	5	0	0
Security of Persons & Property				
<i>Police(5)</i>				
Total Calls for Services	8,094	28,192	24,723	28,663
Number of traffic citations issued	2,334	1,666	1,995	1,964
Number of parking citations issued	2,479	2,289	2,156	2,096
Number of criminal arrests	1,429	1,243	1,335	1,435
Animal Warden service calls responded to per annual report	1,720	1,163	1,209	1,360
Police Dept. Auxiliary hours worked	2,229	2,137	2,209	1,971
DUI Arrests	85	95	97	96
Motor Vehicle Accidents	292	274	305	330
Property damage accidents/Self reported traffic accidents	84	90	88	40
<i>Fire(6)</i>				
EMS Calls	1,689	1,715	1,622	1,555
Ambulance Billing Collections (net)	\$ 385,006	\$ 355,938	\$ 351,982	\$ 328,363
Fire Calls	441	254	227	227
Fires with Loss	19	6	5	12
Fires with Losses exceeding \$10K	3	4	2	5
Fire Losses \$	\$ 714,500	\$ 286,250	\$ 210,100	\$ 314,400
Fire Safety Inspections	230	836	876	738

	2008	2007	2006	2005	2004	2003
	61	62	59	62	71	47
	17	15	25	22	25	12
	4,951	3,404	3,398	3,246	2,969	3,128
\$	18,700	\$ 28,113	\$ 15,455	\$ 16,519	N/A	N/A
\$	188,798	\$ 178,482	\$ 236,248	\$ 130,350	\$ 38,953	\$ 30,791
	295	244	207	200	198	193
	6	5	4	5	5	4
	AA3	AA3	AA3	AA3	AA3	AA3
\$	13,986	\$ 40,747	\$ 14,321	\$ 13,417	\$ 12,426	\$ 11,581
\$	13,922	\$ 38,785	\$ 13,994	\$ 13,356	\$ 12,171	\$ 12,082
	1,084	5,702	969	642	581	327
	4,245	3,802	3,288	3,012	3,220	N/A
	882	871	779	741	818	N/A
	1,992	2,175	2,303	2,837	2,074	N/A
	61	57	52	48	39	N/A
	557	507	616	656	626	N/A
	104	0	120	0	162	0
	118	0	139	0	166	0
	0	0	0	12	0	0
	0	0	0	0	0	0
	1	1	1	2	0	0
	2	0	0	2	0	0
	0	0	2	1	0	0
	0	0	0	0	0	0
	31,970	31,904	33,430	30,329	35,470	36,688
	2,520	2,548	2,632	1,589	2,304	2,728
	2,343	2,515	2,371	1,707	2,380	2,199
	1,623	1,497	1,847	1,371	1,705	1,746
	702	341	380	N/A	N/A	N/A
	2,209	3,473	3,412	N/A	N/A	N/A
	113	113	209	162	208	188
	363	338	306	348	385	401
	110	175	100	133	134	154
	1,550	1,539	1,594	1,514	1,412	1,330
\$	292,052	\$ 318,208	\$ 230,416	\$ 276,472	\$ 280,390	\$ 251,067
	243	262	226	242	209	198
	8	10	15	19	19	28
	4	6	7	6	7	5
\$	193,500	\$ 390,095	\$ 193,598	\$ 692,734	\$ 623,582	\$ 785,145
	748	756	758	762	753	735

(continued)

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

Function/Program	2012	2011	2010	2009
Leisure Time Activities				
<i>Recreation(2)</i>				
Outdoor swimming pool receipts	\$ 94,715	\$ 87,184	\$ 78,107	\$ 80,418
Membership receipts	187,664	188,758	199,473	166,046
Program fees	149,361	119,983	82,992	66,515
(Includes indoor and outdoor rec programs)				
<i>Building Department(7)</i>				
Construction Permits Issued	1,365	1,481	1,551	1,673
Estimated Value of Construction	\$ 31,824,793	\$ 36,768,876	\$ 34,130,240	\$ 77,870,198
Amount of Revenue generated from permits	\$ 289,842	\$ 299,738	\$ 431,117	\$ 625,070
Number of contract registrations issued	560	570	523	548
Amount of Revenue generated from contract registrations	\$ 56,000	\$ 57,000	\$ 50,100	\$ 54,800
Number of rental inspections performed*	481	470	198	146
Number of point of sale inspections	190	169	183	200
<i>Engineer Contracted Services(8)</i>				
Dollar amount of Construction overseen by Engineer	\$ 1,779,077	\$ 1,625,020	\$ 5,707,254	\$ 2,813,504
Transportation(8,10)				
Street Improvements - asphalt overlay (linear feet)	4,752	13,186	10,757	21,200
Street Repair (Curbs, aprons, berms, asphalt) (hours)	12,675	15,609	16,455	17,611
Municipal Signs (hours)	4,169	4,023	3,972	3,599
Paint Striping (hours)	2,022	1,948	2,028	1,267
Street Cleaning (hours)	1,732	1,714	1,993	2,033
Snow & Ice Removal regular hours	89	1,717	1,381	2,016
Snow & Ice Removal overtime hours	600	689	1,158	977
Sewer Crew (hours)	2,973	4,403	5,164	5,589
Leaf collection (hours)	1,300	1,605	1,831	2,346
Number of Trees Planted per year	118	101	58	60
Tons of snow melting salt purchased (Nov-Mar)	1,866	3,081	3,979	3,439
Cost of salt purchased	\$ 85,076	\$ 142,537	\$ 180,833	\$ 198,600
Water Department(9)				
Average Water Rate per 1000 gallons of water used	\$ 4.71	\$ 4.71	\$ 4.09	\$ 4.09
Wastewater Department(9)				
Average Wastewater Rates per 1000 gallons of water used	\$ 7.01	\$ 6.40	\$ 6.33	\$ 6.33
Average daily flow (Millions of gallons per day)	1.96	2.04	2.00	2.07

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

	2008	2007	2006	2005	2004	2003
\$	84,039	\$ 76,324	\$ 65,482	\$ 67,002	\$ 56,600	\$ 48,231
	157,699	157,693	157,280	104,487	102,184	85,220
	62,162	44,416	45,933	26,294	33,105	34,102
	1,738	1,533	1,853	1,727	1,728	1,365
\$	25,573,472	\$ 9,901,081	\$ 23,586,423	\$ 21,510,741	\$ 29,758,263	\$ 9,269,370
\$	739,580	\$ 618,813	\$ 1,185,594	\$ 741,419	\$ 707,419	\$ 122,329
	534	543	536	571	589	546
\$	53,400	\$ 54,300	\$ 53,600	\$ 57,100	\$ 58,900	\$ 43,680
	674	245	98	16	4	N/A
	224	241	267	259	266	135
\$	5,149,826	\$ 6,427,990	\$ 7,372,177	\$ 6,076,671	\$ 6,547,293	\$ 10,673,732
	6,434	17,108	26,558	32,525	17,266	24,446
	16,122	20,005	14,150	8,316	12,180	13,119
	3,518	3,597	2,491	1,538	1,541	1,235
	977	1,580	1,302	1,581	987	975
	1,375	1,662	1,778	1,688	1,431	1,609
	4,722	3,324	1,207	5,654	4,148	3,971
	1,563	1,771	660	2,842	1,635	2,898
	7,642	6,990	3,684	4,226	3,388	3,886
	2,365	2,226	1,443	1,785	2,917	2,590
	37	173	0	72	89	0
	4,895	3,980	2,812	4,120	4,352	6,395
\$	193,940	\$ 164,208	\$ 118,454	\$ 166,526	\$ 164,040	\$ 232,003
\$	4.09	\$ 4.09	\$ 3.72	\$ 3.38	\$ 2.56	\$ 1.68
\$	5.06	\$ 4.35	\$ 4.35	\$ 4.13	\$ 3.93	\$ 0.92
	2.10	2.15	2.00	2.15	2.02	1.83

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

Function/Program	2012	2011	2010	2009
General Government				
Number of Buildings	4	4	4	4
Square footage of Buildings:				
City Hall/Municipal Court	17,000	17,000	17,000	17,000
Water Plant	19,100	19,100	19,100	19,100
Service Garage	25,400	25,400	25,400	25,400
Recreation Center	33,000	33,000	33,000	33,000
Administrative Vehicles	12	11	9	11
Inspection Vehicles	3	3	3	3
Municipal Court Vehicles	1	1	1	1
Police				
Stations	1	1	1	1
Square footage of station	9,700	9,700	9,700	9,700
Vehicles	26	22	23	22
Fire				
Stations	1	1	1	1
Square footage of station	7,900	7,900	7,900	7,900
Vehicles:				
Aerial Tower	1	1	1	1
Pumpers	3	2	2	2
Rescue Ambulances	3	3	3	2
Utility	1	1	1	1
Staff vehicles	2	2	2	2
Recreation				
Number of Parks	5	5	5	5
Number of Pools	2	2	2	2
Number of Raquetball Courts	1	1	2	2
Number of Basketball Courts	3	2	2	2
Number of Baseball Diamonds	4	4	4	4
Number of Soccer Fields	3	3	2	2
Number of Playground Areas	5	4	4	4
Number of Vehicles	4	3	2	3
Other Public Works				
Streets (miles)	90.3	90.3	89.9	89.8
Service Vehicles	42	43	39	34
Wastewater				
Sanitary Sewers (miles)	73.5	73.5	73.5	73.5
Storm Sewers (miles)	53.5	53.5	73.5	53.4
Vehicles	2	2	2	2
Water Department				
Water Lines (miles)	80.3	80.3	77.0	79.7
Vehicles	8	7	6	6

Source: City of Berea Service Department

2008	2007	2006	2005	2004	2003
4	4	4	4	4	4
14,500	14,500	14,500	14,500	14,500	14,500
2,075	2,075	2,075	2,075	2,075	2,075
3,000	3,000	3,000	3,000	3,000	3,000
30,000	30,000	30,000	30,000	30,000	30,000
6	3	3	N/A	N/A	N/A
3	6	6	N/A	N/A	N/A
1	1	1	N/A	N/A	N/A
1	1	1	1	1	1
9,700	9,700	9,700	9,700	9,700	9,700
24	N/A	N/A	N/A	N/A	N/A
1	1	1	1	1	1
5,000	5,000	5,000	5,000	5,000	5,000
1	1	1	1	1	1
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
2	2	2	2	2	2
5	5	5	5	4	4
2	2	2	2	2	2
2	2	2	2	2	2
2	2	2	2	2	2
4	4	4	4	4	4
2	2	2	2	2	2
4	4	4	4	3	3
6	5	5	N/A	N/A	N/A
89.8	86.0	82.5	82.5	82.5	82.5
38	25	25	N/A	N/A	N/A
73.5	73.5	73.5	73.5	73.5	73.5
73.5	73.5	73.5	73.5	73.5	73.5
2	2	2	N/A	N/A	N/A
77.0	77.0	77.0	77.0	77.0	77.0
5	5	5	N/A	N/A	N/A

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City of Berea
Cuyahoga County, Ohio

Report Letter

For the Fiscal Year Ended
December 31, 2012

CITY OF BEREA
CUYAHOGA COUNTY, OHIO
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June 14, 2013

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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Berea (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 14, 2013, wherein we noted the City restated their December 31, 2011 net position for their governmental activities and business-type activities, and enterprise funds, water and sewer, and governmental fund balance for the other fund.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free 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*.

Purpose of this Report

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

Rea & Associates, Inc.



Dave Yost • Auditor of State

CITY OF BEREA

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 18, 2013**