

City of Berea, Ohio

*Comprehensive Annual Financial Report
For the year ended December 31, 2011*



Downtown Berea Triangle



*Celebrating 175 years - 1836-2011
Mayor Cyril M. 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, 2011 through December 31, 2011. 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

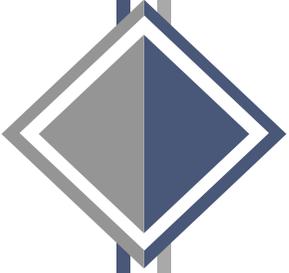
August 7, 2012

This page intentionally left blank.

CITY OF BEREA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2011**

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, 2011

Table of Contents

Introductory Section	Page
Table of Contents	i
Letter of Transmittal	v
List of Principal Officials.....	xiii
Organizational Chart.....	xiv
Certificate of Achievement for Excellence in Financial Reporting	xv
Financial Section	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund	22
Statement of Fund Net Assets – Proprietary Funds	23
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	24
Statement of Cash Flows – Proprietary Funds	25

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2011

Table of Contents (continued)

Statement of Fiduciary Assets and Liabilities – Agency Funds	26
Notes to the Basic Financial Statements	27
Combining Statements and Individual Fund Schedules:	
Combining Statements - Nonmajor Funds:	
Description of Funds	68
Combining Balance Sheet – Nonmajor Governmental Funds	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	73
Combining Balance Sheet – Nonmajor Special Revenue Funds	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	79
Combining Balance Sheet – Nonmajor Capital Projects Funds	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	86
Governmental Funds Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
General Fund	89
General Bond Retirement Fund	93
Recreation Fund	94
State Highway Fund	95
Street Maintenance Fund	96
Fire Pension Fund	97
Police Pension Fund	98
Dare Grant Fund	99
Animal Control Fund	100
Street Lighting Fund	101
Berea Welfare Fund	102
Special Events Fund	103
Senior Services Fund	104
Community Hospital Fund	105
Community Development Block Grant Fund	106
Municipal Vehicle Tax Levy Fund	107
Law Enforcement Fund	108
Probation Fund	109

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2011

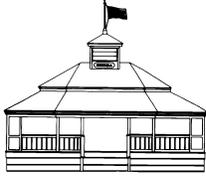
Table of Contents (continued)

Indigent Drivers Alcohol Treatment Fund	110
DUI Education Fund	111
Indigent Driving School Fund	112
DUS Diversion Fund	113
Court Computer Fund	114
Court Computer Research Fund	115
Court Special Projects Fund	116
Court Special Projects II Fund	117
State Highway Patrol Fund	118
General Capital Improvement Fund	119
Safety Capital Improvement Fund	120
Recreation Capital Improvement Fund	121
Neighborhood Improvement Fund	122
Railroad Capital Improvement Fund	123
Court Capital Improvement Fund	124
 Combining Statements – Internal Service Funds:	
Description of Funds	125
Combining Statement of Fund Net Assets –Internal Service Funds	126
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets –Internal Service Funds	127
Combining Statement of Cash Flows –Internal Service Funds	128
 Combining Statements - Agency Funds:	
Description of Funds	129
Combining Statement of Assets and Liabilities - Agency Funds	130
Combining Statement of Changes in Assets and Liabilities – Agency Funds	132
 Statistical Section	
Net Assets by Component - Last Nine Years (Accrual Basis of Accounting)	S-2
Change in Net Assets - Last Nine Fiscal Years (Accrual Basis of Accounting)	S-4

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2011

Table of Contents (continued)

Fund Balances of Governmental Funds	
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)	S-8
Changes in Fund Balances of Governmental Funds	
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)	S-10
Berea City School District – Property Tax Rates – Direct and Overlapping Governments (per \$1,000 of Assessed Valuation) – Last Ten Years.....	S-12
Olmsted Falls City School District – Property Tax Rates – Direct and Overlapping Governments (per \$1,000 of Assessed Valuation) – Last Ten Years.....	S-13
Assessed Value and Estimated Actual Values of Taxable Property - Last Ten Years	S-14
Property Tax Levies and Collections - Last Ten Years	S-16
Principal Taxpayers - Real Estate Tax – 2011 and 2002	S-17
Principal Taxpayers - Municipal Tax – 2011 and 2007.....	S-18
Principal Employers – 2011 and 2007	S-19
Income Tax Revenue Base and Collections – Last Ten Years	S-20
Ratios of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Nine Years	S-22
Ratios of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita – Last Ten Years	S-24
Computation of Direct and Overlapping Governmental Activities Debt.....	S-25
Legal Debt Margin – Last Ten Years.....	S-26
Demographic and Economic Statistics – Last Ten Years	S-28
Full-Time Equivalent City Government Employees by Function/ Program – Last Nine Years	S-30
Operating Indicators by Function/Program – Last Nine Years.....	S-32
Capital Assets Statistics by Function/Program – Last Nine Years	S-36



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 9, 2012

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, 2011.

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, 2011. The independent auditors' 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 Metro parks System. The Metro parks’ 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 Metro parks.

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, weight room, basketball courts, and various multi-purpose rooms. The recreation center offers many classes and programs to residents and non-residents. The department also oversees the outdoor pool and free canoe rentals at the City's Coe Lake. The Recreation Department also supervises several baseball/softball fields and maintains several playgrounds throughout the City.

The **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 City's web page and the maintenance of all City computer and electronic equipment. This department also handles all purchasing needed to maintain operations for all departments. In addition to overseeing these duties, the Director of Finance is also the City's Tax Administrator and utilizes the Regional Income Tax Agency to oversee the collection and distribution of the City's income tax.

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's Master Plan was approved in 2010. The Master Plan was originally developed in the 1960's to formulate a guide plan to govern future development. The plan is updated periodically however the City did a major update in 2010. The City's Zoning Code is currently under a major update and most of 2011 involved community involvement and review of the changes to the code. It is planned to be adopted in early 2012.

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 2011. The homes range from \$200,000 up to \$400,000. Approximately 50 homes will be built in 2012.

Current Year Projects: In 2011, the City's road program totaled \$1,236,809 and included 23 roads. The biggest road project was in the Beech Street area and entailed a complete reconstruction and was over one-third of the total spent in 2011. The water lines, sanitary and storm sewers were also replaced. In addition to the roads, total sidewalk and apron replacements were conducted on High and Pulaski Streets.

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 2011, the second of four bridges began its replacement. The waterline replacement began and the roadway bridge is currently under construction. The total replacement is in excess of \$1 million dollars. The remaining two bridges are being considered in the near future.

The Front Street overpass project was completed in 2010. The \$25 million overpass project has not only eased traffic congestion due to two major rail systems, CSX and Norfolk Southern Railroad, but also presents the opportunity for economic development that will help revitalize this section of the City and bring in additional tax revenues. The City is currently developing a North End Revitalization Plan to assist in the planning for the anticipated growth in this area.

The City undertook a \$6.5 million improvement to the City's water system and to the Dimiter Ramandanoff Water Treatment Plant. The system entailed a new filtration processing step to the water treatment processing that has resulted in improvements in odor and taste. In addition, The

City installed a new 800,000 gallon above-ground storage tank. The water plan has also added ultraviolet light to the disinfection process.

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:

A joint Issue II project began for the road replacement of Eastland Road between the cities of Berea, Brook Park and Middleburg Heights. The total cost for the road reconstruction project for the three cities is approximately \$2 million and will involve improving the roadway for safer travel through this three-way intersection. The City of Berea is also replacing the water lines under its portion of Eastland Road. The project is expected to be completed in early 2012.

The City is planning a major water, storm sewer, sanitary sewer and road repairs to the Westbridge, Elmwood, Oakdale and Parkway area. This project is anticipated to cost in excess of \$2.5 million dollars.

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 Berea Municipal Court hopes to construct a new municipal court in the near future. The project is currently in the planning stage.

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.

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, 2010. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

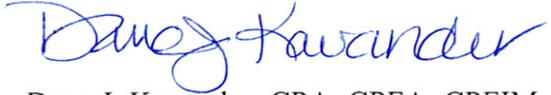
In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose content conforms to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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 nine years ago. The City has received the Certificate of Achievement for the last nine 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,



Dana J. Kavander, CPA, CPFA, CPFIM
Director of Finance

**CITY OF BEREA, OHIO
PRINCIPAL OFFICIALS
DECEMBER 31, 2011**

ELECTED OFFICIALS

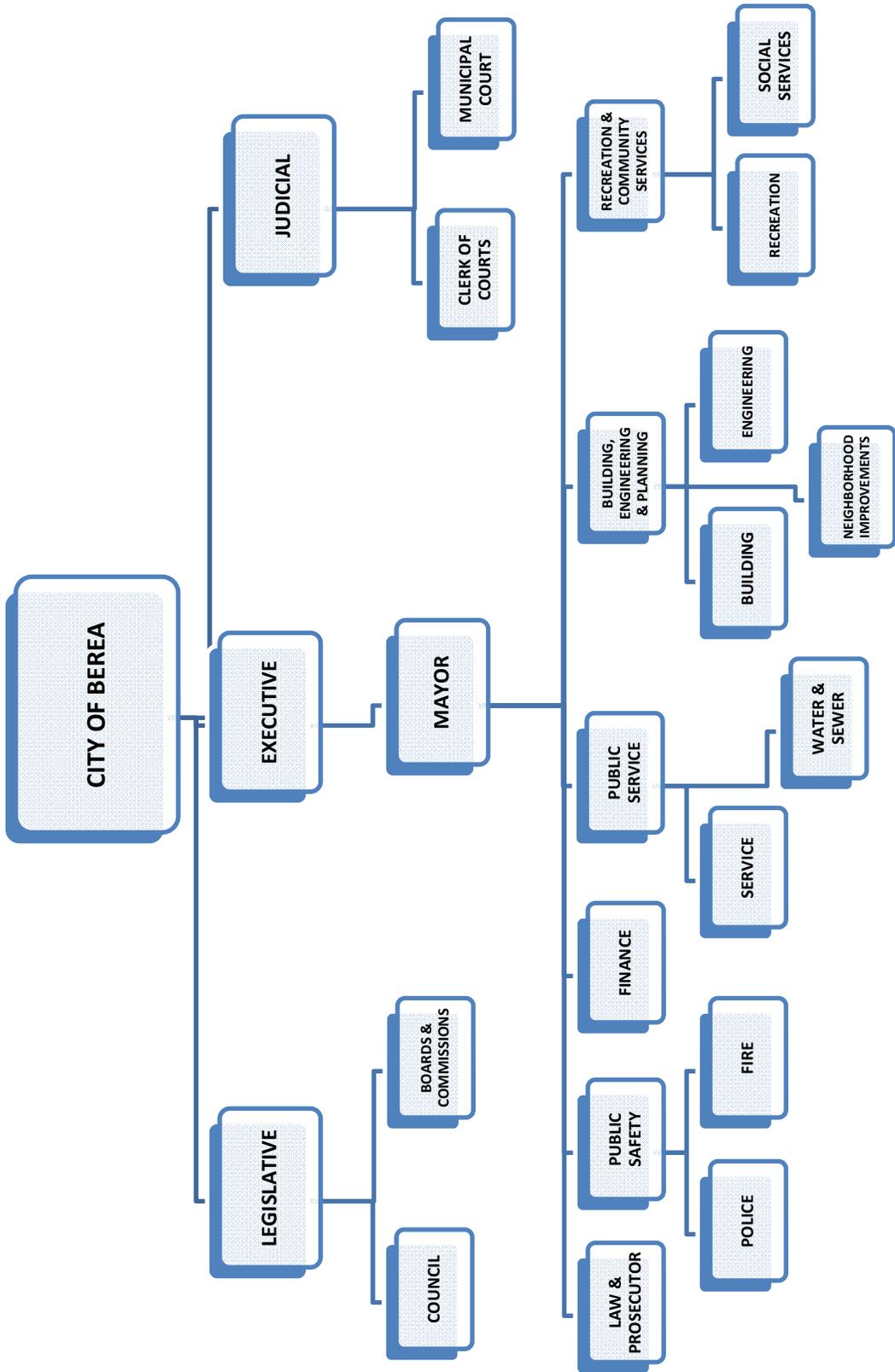
Mayor
President of Council
Council Member-at-Large
Council Member-at-Large
Council Member - Ward 1
Council Member - Ward 2
Council Member - Ward 3
Council Member - Ward 4
Council Member - Ward 5

Cyril M. Kleem
Mary K. Brown
Dale Lange
Dean W. Van Dress
Margarette S. Key
Nick Haschka
Jim Maxwell
Cheryl A. Banaszak
Richard T. Malott

APPOINTED OFFICIALS

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

Dana J. Kavander
James N. Walters, III
Kenneth Adams
R. James Brown
Barbara Jones
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, 2010

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.



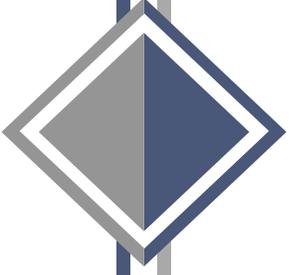
Linda C. Davison

President

Jeffrey R. Emer

Executive Director

This Page Intentionally Left Blank



FINANCIAL SECTION

June 9, 2012

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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Berea, Ohio, as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Berea's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Berea, Ohio, as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2012, on our consideration of the City of Berea's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of the 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 limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Berea's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Berea's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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.

Hea & Associates, Inc.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011

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, 2011. 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 2011 are as follows:

- Total assets of the City exceeded its liabilities at the close of 2011 by \$94.5 million (net assets). The net assets of the governmental activities are \$68.5 million and the business-type activities are \$26.0 million. Total net assets increased by \$2.8 million or 3 percent over 2010.
- Total assets increased by \$2.2 million or 2 percent from 2010 made up mostly from the increase in capital assets. Total liabilities of the City decreased \$.7 million mainly through payments on debt obligations.
- Total capital assets increased from \$109.3 million in 2010 to \$111.6 million in 2011, or \$2.3 million. The City purchased vehicles and equipment, completed the railroad underpass and continued with the Eastland Road and Bridge Streets projects in the governmental activities. The purchase of a truck and equipment along with the completion of the Beech Street project and railroad underpass increased capital assets in the business-type activities.
- The City's governmental activities issued \$4.8 million in various purpose improvement notes and increased the OPWC loan by \$.5 million in 2011. The business-type activities increased the OPWC debt by \$.5 million. Principal payments on long term debt obligations for 2011 amounted to \$5.2 million in the governmental activities and \$.8 million in the business-type activities.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011

Reporting the City as a Whole

Statement of Net Assets and Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The presentation of the City's major funds begins on page 18. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds, which account for the multitude of services, facilities, and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City, our major funds are the general fund, general bond retirement fund, water revenue fund, and sewer revenue fund.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011

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

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

This space intentionally left blank

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011

The City as a Whole

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

Table 1 provides a summary of the City's net assets for 2011 compared to 2010:

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	Restated 2010	2011	2010	2011	Restated 2010
<i>Assets</i>						
Current and Other Assets	\$ 17,678,748	\$ 17,533,665	\$ 2,957,305	\$ 3,257,508	\$ 20,636,053	\$ 20,791,173
Capital Assets	73,986,530	75,352,841	37,596,955	33,938,393	111,583,485	109,291,234
<i>Total Assets</i>	<u>91,665,278</u>	<u>92,886,506</u>	<u>40,554,260</u>	<u>37,195,901</u>	<u>132,219,538</u>	<u>130,082,407</u>
<i>Liabilities</i>						
Current and Other Liabilities	5,030,739	5,228,173	850,918	842,841	5,881,657	6,071,014
Long-Term Liabilities:						
Due Within One Year	6,444,824	5,412,473	873,760	815,079	7,318,584	6,227,552
Due in More than One Year	11,717,960	13,076,872	12,764,382	12,968,284	24,482,342	26,045,156
<i>Total Liabilities</i>	<u>23,193,523</u>	<u>23,717,518</u>	<u>14,489,060</u>	<u>14,626,204</u>	<u>37,682,583</u>	<u>38,343,722</u>
<i>Net Assets</i>						
Invested in Capital Assets						
Net of Related Debt	58,906,009	61,091,099	24,047,158	20,243,615	82,953,167	81,334,714
Restricted for:						
Capital Outlay	673,065	915,815	0	0	673,065	915,815
Debt Service	2,347,649	1,292,551	0	0	2,347,649	1,292,551
Street Lighting	1,067,706	1,055,354	0	0	1,067,706	1,055,354
Street Maintenance and Repair	446,422	376,397	0	0	446,422	376,397
Other Purposes	554,206	701,198	0	0	554,206	701,198
Unrestricted	4,476,698	3,736,574	2,018,042	2,326,082	6,494,740	6,062,656
<i>Total Net Assets</i>	<u>\$ 68,471,755</u>	<u>\$ 69,168,988</u>	<u>\$ 26,065,200</u>	<u>\$ 22,569,697</u>	<u>\$ 94,536,955</u>	<u>\$ 91,738,685</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$94.5 million at year end 2011. By far the largest portion of the City's net assets (approximately 87 percent) reflects its investment in capital assets including land and land improvements, construction in progress, buildings and building improvements, equipment and machinery, furniture and fixtures, and infrastructure. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011

Total assets in the governmental activities decreased by \$1.2 million. There were no significant changes in current assets however, the governmental activities contributed capital assets to the business-type activities in the amount of \$4.1 million in 2011. Principal payments on long term obligations account for the majority of the \$.5 million decrease in liabilities. Net assets in the governmental activities decreased \$.7 million from 2010.

Net assets in the business-type activities increased \$3.5 million over 2010. Although cash decreased \$.4 million, capital assets increased \$3.7 million over 2010. The contribution of assets for the railroad/bridge project from the governmental activities accounts for the increase capital assets and the decrease in cash is the timing of receipts to cover expenses. There were no individually significant changes in liabilities which showed a decrease of \$.1 million from 2010.

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

Table 2 shows the changes in net assets for fiscal year 2011 compared to 2010.

This space intentionally left blank

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011

Table 2
Change in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$ 4,265,634	\$ 4,529,589	\$ 3,392,702	\$ 3,235,721	\$ 7,658,336	\$ 7,765,310
Operating Grants and Contributions	898,340	1,095,390	0	0	898,340	1,095,390
Capital Grants and Contributions	725,879	3,418,094	0	1,073,567	725,879	4,491,661
<i>General Revenues:</i>						
Property and Other Local Taxes	4,324,511	4,165,438	458,166	453,075	4,782,677	4,618,513
Income Tax	10,601,210	10,479,704	0	0	10,601,210	10,479,704
Grants and Entitlements	1,675,190	2,307,793	81,972	0	1,757,162	2,307,793
Investment Earnings	137,585	136,442	0	0	137,585	136,442
Miscellaneous	94,120	201,081	2,646	5,677	96,766	206,758
Total Revenues	22,722,469	26,333,531	3,935,486	4,768,040	26,657,955	31,101,571
Program Expenses						
Security of Persons and Property	6,441,638	6,974,204	0	0	6,441,638	6,974,204
Public Health	187,320	211,300	0	0	187,320	211,300
Leisure Time Activities	2,714,029	3,559,520	0	0	2,714,029	3,559,520
Community Development	455,883	543,755	0	0	455,883	543,755
Public Works	1,370,499	1,337,335	0	0	1,370,499	1,337,335
Transportation	1,422,584	2,965,627	0	0	1,422,584	2,965,627
General Government	6,201,327	7,766,608	0	0	6,201,327	7,766,608
Interest and Fiscal Charges	450,989	613,938	0	0	450,989	613,938
Water	0	0	3,863,036	3,658,374	3,863,036	3,658,374
Sewer	0	0	752,380	700,903	752,380	700,903
Total Program Expenses	19,244,269	23,972,287	4,615,416	4,359,277	23,859,685	28,331,564
Change in Net Assets						
<i>Before Transfers</i>	3,478,200	2,361,244	(679,930)	408,763	2,798,270	2,770,007
Transfers	(4,175,433)	32,922	4,175,433	(32,922)	0	0
Total Change in Net Assets	\$ (697,233)	\$ 2,394,166	\$ 3,495,503	\$ 375,841	\$ 2,798,270	\$ 2,770,007

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011

Governmental Activities

Governmental activities decreased the City's net assets by \$.7 million, or 1 percent. Revenues decreased \$3.6 million or 14 percent from 2010. There was \$2.7 million less in capital contributions than in 2010 and with the completion of the railroad project, there were no additional grants in 2011.

Several revenue sources fund our governmental activities with the City income tax being the largest contributor. The income tax rate of 2 percent was created by City Charter and became effective January 1992. This tax created by a Charter amendment will remain until such time as the City's electorate changes the rate, which is not anticipated. The income tax revenue amount for 2011 was \$10.6 million. General revenues from grants and entitlements, such as local government funds, are also sources of revenue.

Of the \$22.7 million in total governmental revenue, income tax accounts for 47 percent of that total. Property taxes of \$4.1 million accounts for 18 percent, with program revenues accounting for 26 percent of governmental activities. Grants and entitlements, investment earnings and miscellaneous income account for the remaining 9 percent.

Expenses decreased from 2010 by nearly 20 percent. While the City continues to expend significant money towards its improvements to its infrastructure, it fluctuates annually. The City continued the Eastland Road project as well as purchased land, equipment and vehicles. The City continues to aggressively work on improving the City's infrastructure. The largest program function of the City in 2011 relates to security of persons and property, which includes the police and fire departments and represents approximately 33 percent of program expenses. The next largest program function was for general government, which represents approximately 32 percent of program expenses in 2011. General government and transportation expenses decreased \$1.6 million and \$1.5 million, respectively from 2010. Costs for road projects and equipment purchases capitalized in 2011 contributed to the decreases in expenses.

Business-Type Activities

The business type activities of the City, which include the City's water and sewer operations, increased the City's net assets by \$3.5 million. The water revenue fund net assets increased \$2.8 million over 2010. The water revenue fund received capital contributions from governmental activities of \$3.3 million. The sewer revenue fund had an increase in net assets of \$.7 million for 2011. The sewer revenue fund also received capital contributions from governmental activities of \$1 million and transferred capital assets to governmental activities of \$.4 million.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011

The City's Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Information about the City's governmental funds begins on page 18. These funds are accounted for using the modified accrual basis of accounting.

As of December 31, 2011, the City's governmental funds reported combined ending fund balances of \$10.4 million. Of that amount, \$3.1 million constitutes unassigned fund balances, which is available for spending at the government's discretion. Availability of the remaining \$7.3 million fund balance is determined by the constraints placed on it.

All governmental funds had total revenue of \$22.2 million and expenditures of \$26.6 leaving a deficit of \$4.4 million. Other financing sources and uses of note and loan proceeds and transfers in and out provided an additional \$4.9 million net increase. The total increase in fund balances for 2011 was \$.5 million.

The general fund, which includes the municipal income tax fund, had a \$2.9 million excess of revenues over expenditures. Other financing sources and uses mainly made up of transfers to other funds amounted to \$2.9 million which reduced the increase in fund balance to just under \$25,000. Revenues decreased approximately 4 percent mostly through a \$.5 million decrease in income taxes. Expenditures decreased \$.2 million or, 1 percent from 2010, with no individually significant line item accounting for the change. Transfers out increased approximately \$84,000. At the end of the current fiscal year, total fund balance for the general fund was \$4.3 million, of which \$3.3 million was unassigned. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balances and total fund balance to the sum of total fund expenditures and other financing uses. Unassigned fund balance represents 20 percent of total general fund expenditures and other financing uses, while total fund balance represents 26 percent of that same amount. These numbers are a representation of the City's financial performance and condition.

The City's general bond retirement fund had an increase in fund balance of \$1.1 million over 2010. Revenues decreased less than \$61,000 from 2010 and expenditures decreased \$2.0 million through a decrease in principal retirements.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. During the course of fiscal year 2011, the City amended its general fund budget, but not significantly. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for Ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund, and within major category, the key categories being "Personal Services" and "Other". The general fund supports many of our major activities including the police department, the fire department, the municipal court, and most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the general fund, original budgeted revenues were \$16.0 million, \$.2 million under the final budgeted and actual amount of \$16.2 million. There is no individually significant item accounting for the difference. Original budgeted expenditures were less than \$16,000 under final budgeted expenditures.

The actual expenditures were \$.2 million, or 1.7 percent, less than final budget expenditures. General government expenditures were \$.2 million less than budgeted. The City's ending unencumbered cash balance in the general fund was \$.2 million above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of 2011, the City had \$111.6 million (net of accumulated depreciation) invested in land, intangibles, construction in progress, land improvements, buildings and improvements, machinery and equipment, furniture and fixtures, vehicles and infrastructure. Of this total, \$74.0 million was reported in governmental activities and \$37.6 million was reported in business-type activities. Table 3 shows 2011 balances compared to 2010:

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011

Table 3
Capital Assets at December 31

	Governmental Activities		Business-Type Activities Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 8,535,201	\$ 5,408,665	\$ 93,181	\$ 93,181	\$ 8,628,382	\$ 5,501,846
Intangibles	2,183,636	0	1,154,237	0	3,337,873	0
Construction in Progress	7,560,470	18,143,762	130,378	0	7,690,848	18,143,762
Land Improvements	2,575,297	2,837,111	240,318	296,824	2,815,615	3,133,935
Buildings	7,211,770	7,349,498	3,015,711	3,100,151	10,227,481	10,449,649
Building Improvements	9,612,857	10,067,712	1,956,796	2,046,787	11,569,653	12,114,499
Machinery and Equipment	1,587,562	1,668,570	3,151,066	3,194,064	4,738,628	4,862,634
Furniture and Fixtures	96,796	109,403	14,742	20,064	111,538	129,467
Vehicles	730,342	739,721	26,992	40,306	757,334	780,027
Infrastructure:						
Bridges	6,419,583	6,686,032	0	0	6,419,583	6,686,032
Roads	22,546,413	19,941,192	0	0	22,546,413	19,941,192
Sidewalks	1,224,060	1,146,924	0	0	1,224,060	1,146,924
Traffic Signals	3,702,543	1,254,251	0	0	3,702,543	1,254,251
Water Lines	0	0	7,875,769	5,503,784	7,875,769	5,503,784
Storm Sewers	0	0	11,421,919	11,704,350	11,421,919	11,704,350
Santiary Sewers	0	0	8,515,846	7,938,882	8,515,846	7,938,882
Totals	<u>\$ 73,986,530</u>	<u>\$ 75,352,841</u>	<u>\$ 37,596,955</u>	<u>\$ 33,938,393</u>	<u>\$ 111,583,485</u>	<u>\$ 109,291,234</u>

Total capital assets for the City as of December 31, 2011 were \$111.6 million, a \$2.3 million increase over 2010. The most significant increases in capital assets in 2011 were the completion of the railroad underpass and continued progress on the Eastland Road project.

The City is committed to a long-term goal of rebuilding its infrastructure and facilities. A capital plan is in place providing for rebuilding major residential streets, water, sewer and storm sewer lines, and adding additional facilities to complement our current structures. See Note 9 for additional information on capital assets.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011

Debt

At December 31, 2011, the City had \$9.4 million in general obligation bonds, \$.3 million in urban renewal bonds, \$11.6 million in OWDA loans, \$3.3 million in OPWC loans, \$.4 million in loans payable, \$4.9 million in bond anticipation notes and \$.4 million in capital leases. Of this total \$7.0 million is due within one year and \$23.3 million is due in more than one year. Table 4 summarized the bonds and loans outstanding at December 31:

Table 4
Outstanding Debt at December 31

	Governmental Activities		Business-Type Activities Activities		Total	
	2011	2010	2011	2010	2011	2010
<i>General Obligation Bonds:</i>						
1993 Various Purpose Bonds	\$ 265,000	\$ 390,000	\$ 0	\$ 0	\$ 265,000	\$ 390,000
2004 Library Refunding Bonds	105,000	205,000	0	0	105,000	205,000
2004 Various Purpose Refunding Bonds	250,000	485,000	0	0	250,000	485,000
2006 Various Purpose Bonds	6,130,000	6,740,000	0	0	6,130,000	6,740,000
2010 Various Purpose Bonds	2,660,000	2,725,000	0	0	2,660,000	2,725,000
<i>Other Obligations:</i>						
Urban Renewal Bonds	270,000	480,000	0	0	270,000	480,000
OWDA Loans	0	0	11,599,072	12,336,631	11,599,072	12,336,631
OPWC Loans	1,943,695	1,484,204	1,374,487	943,551	3,318,182	2,427,755
Loan Payable	0	0	388,070	388,070	388,070	388,070
Bond Anticipation Notes	4,810,000	3,850,000	40,000	0	4,850,000	3,850,000
Capital Leases	263,112	387,241	148,169	26,526	411,281	413,767
Totals	\$ 16,696,807	\$ 16,746,445	\$ 13,549,798	\$ 13,694,778	\$ 30,246,605	\$ 30,441,223

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

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

The OWDA and OPWC loans are paid semi-annually from the water revenue fund and the sewer revenue Fund.

The bond anticipation notes were refinanced in March, 2012 and will be paid by from the general capital improvement fund and water revenue fund.

The loan payable will be paid from the sewer revenue fund.

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

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011

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 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 reduction in wages due to pending retirements with limited replacements and a reduction in expenditures for departmental budgets. The City is still experiencing growth in its community as seen by its steady building permits and licenses. This is a testament to the resurgence of the economy through development and infrastructure improvements as well as demonstrating the interest in our community.

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 is 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 a million dollar Beech Street improvement project near Baldwin Wallace College, a \$250,000 road and sidewalk project in the Polish Village area, the replacement of two of the four bridges in downtown Berea, the completion of a \$6.5 million dollars project to the City's water treatment plant, waterline improvements to the City's Longbrooke area and Westbridge 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.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and demonstrate the City's accountability for all money it receives, spends, and invests. Please direct any questions about this report or financial information inquiries to the Director of Finance, Dana J. Kavander, CPA, CPFA, CFE, CIA, City of Berea, 11 Berea Commons, Berea, Ohio 44017, e-mail dana@bereaohio.com or telephone 440-826-5889. We also offer information regarding our City on our web site, www.bereaohio.com.

City of Berea
Cuyahoga County, Ohio
Statement of Net Assets
December 31, 2011

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 7,060,264	\$ 938,155	\$ 7,998,419
Receivables:			
Taxes	6,803,168	481,510	7,284,678
Accounts	374,946	1,433,126	1,808,072
Intergovernmental	1,239,657	31,609	1,271,266
Special Assessments	680,196	0	680,196
Materials and Supplies Inventory	164,667	63,076	227,743
Prepaid Items	4,678	9,829	14,507
Loans Receivable	1,351,172	0	1,351,172
Nondepreciable Capital Assets	18,279,307	1,377,796	19,657,103
Depreciable Capital Assets, Net	55,707,223	36,219,159	91,926,382
<i>Total Assets</i>	<u>91,665,278</u>	<u>40,554,260</u>	<u>132,219,538</u>
Liabilities			
Accounts Payable	239,803	89,123	328,926
Accrued Wages and Benefits	258,392	27,719	286,111
Intergovernmental Payable	489,048	42,310	531,358
Claims Payable	111,411	0	111,411
Accrued Interest Payable	64,284	243,785	308,069
Matured Compensated Absences	18,581	0	18,581
Unearned Revenue	3,849,220	447,981	4,297,201
Long Term Liabilities:			
Due Within One Year	6,444,824	873,760	7,318,584
Due In More Than One Year	11,717,960	12,764,382	24,482,342
<i>Total Liabilities</i>	<u>23,193,523</u>	<u>14,489,060</u>	<u>37,682,583</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	58,906,009	24,047,158	82,953,167
Restricted for:			
Capital Outlay	673,065	0	673,065
Debt Service	2,347,649	0	2,347,649
Street Lighting	1,067,706	0	1,067,706
Street Maintenance and Repair	446,422	0	446,422
Other Purposes	554,206	0	554,206
Unrestricted	4,476,698	2,018,042	6,494,740
<i>Total Net Assets</i>	<u>\$ 68,471,755</u>	<u>\$ 26,065,200</u>	<u>\$ 94,536,955</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Activities
For the Year Ended December 31, 2011

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Security of Persons and Property	\$ 6,441,638	\$ 994,746	\$ 5,428	\$ 0
Public Health and Welfare	187,320	22,574	59,250	0
Lesiure Time Activities	2,714,029	529,841	8,035	0
Community Development	455,883	62,478	0	0
Public Works	1,370,499	0	0	0
Transportation	1,422,584	228,046	718,812	725,879
General Government	6,201,327	2,427,949	106,815	0
Interest and Fiscal Charges	450,989	0	0	0
<i>Total Governmental Activities</i>	<u>19,244,269</u>	<u>4,265,634</u>	<u>898,340</u>	<u>725,879</u>
Business-Type Activities				
Water	3,863,036	2,698,896	0	0
Sewer	752,380	693,806	0	0
<i>Total Business-Type Activities</i>	<u>4,615,416</u>	<u>3,392,702</u>	<u>0</u>	<u>0</u>
<i>Totals</i>	<u>\$ 23,859,685</u>	<u>\$ 7,658,336</u>	<u>\$ 898,340</u>	<u>\$ 725,879</u>

General Revenues:

Property Taxes Levied for:

General Purposes

Police and Fire Pension

Debt Service

Water Improvements

Municipal Income Taxes Levied for:

General Purposes

Other Taxes

Grants and Entitlements not Restricted to
Specific Programs

Interest and Investment Earnings

Other

Total General Revenues

Net Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year (Restated, See Note 2U)

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (5,441,464)	\$ 0	\$ (5,441,464)
(105,496)	0	(105,496)
(2,176,153)	0	(2,176,153)
(393,405)	0	(393,405)
(1,370,499)	0	(1,370,499)
250,153	0	250,153
(3,666,563)	0	(3,666,563)
(450,989)	0	(450,989)
<u>(13,354,416)</u>	<u>0</u>	<u>(13,354,416)</u>
0	(1,164,140)	(1,164,140)
<u>0</u>	<u>(58,574)</u>	<u>(58,574)</u>
0	(1,222,714)	(1,222,714)
<u>(13,354,416)</u>	<u>(1,222,714)</u>	<u>(14,577,130)</u>
1,669,355	0	1,669,355
763,850	0	763,850
1,630,487	0	1,630,487
0	458,166	458,166
10,601,210	0	10,601,210
260,819	0	260,819
1,675,190	81,972	1,757,162
137,585	0	137,585
94,120	2,646	96,766
<u>16,832,616</u>	<u>542,784</u>	<u>17,375,400</u>
<u>(4,175,433)</u>	<u>4,175,433</u>	<u>0</u>
<u>12,657,183</u>	<u>4,718,217</u>	<u>17,375,400</u>
(697,233)	3,495,503	2,798,270
<u>69,168,988</u>	<u>22,569,697</u>	<u>91,738,685</u>
<u>\$ 68,471,755</u>	<u>\$ 26,065,200</u>	<u>\$ 94,536,955</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Balance Sheet
Governmental Funds
December 31, 2011

	General Fund	General Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 2,198,731	\$ 2,107,573	\$ 2,571,781	\$ 6,878,085
Receivables:				
Taxes	4,343,889	1,681,507	777,772	6,803,168
Accounts	310,144	0	64,802	374,946
Special Assessments	47,102	13,594	619,500	680,196
Intergovernmental	620,622	109,501	509,534	1,239,657
Materials and Supplies Inventory	19,269	0	145,398	164,667
Prepaid Items	4,278	0	400	4,678
Loans Receivable	0	0	1,351,172	1,351,172
<i>Total Assets</i>	<u>\$ 7,544,035</u>	<u>\$ 3,912,175</u>	<u>\$ 6,040,359</u>	<u>\$ 17,496,569</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 149,649	\$ 0	\$ 80,742	\$ 230,391
Accrued Wages and Benefits	229,682	0	28,710	258,392
Intergovernmental Payable	212,117	0	276,931	489,048
Deferred Revenue	2,652,021	1,804,602	1,675,641	6,132,264
Matured Compensated Absences	18,581	0	0	18,581
<i>Total Liabilities</i>	<u>3,262,050</u>	<u>1,804,602</u>	<u>2,062,024</u>	<u>7,128,676</u>
Fund Balances				
Nonspendable	47,891	0	145,798	193,689
Restricted	0	2,107,573	2,403,725	4,511,298
Committed	927,075	0	1,663,444	2,590,519
Assigned	6,106	0	0	6,106
Unassigned	3,300,913	0	(234,632)	3,066,281
<i>Total Fund Balances</i>	<u>4,281,985</u>	<u>2,107,573</u>	<u>3,978,335</u>	<u>10,367,893</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 7,544,035</u>	<u>\$ 3,912,175</u>	<u>\$ 6,040,359</u>	<u>\$ 17,496,569</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Assets Governmental Activities
December 31, 2011

Total Governmental Fund Balances	\$	10,367,893
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		73,986,530
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	\$	287,439
Tax Loss Reimbursement		53,812
Municipal Income Tax		371,215
Intergovernmental		820,527
Special Assessments		680,196
Other		69,855
		2,283,044
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		61,356
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(64,284)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds		(9,410,000)
Urban Renewal Bonds		(270,000)
Bond Anticipation Notes		(4,810,000)
OPWC Loan		(1,943,695)
Unamortized Bond Premium		(84,886)
Capital Leases		(263,112)
Compensated Absences		(1,162,852)
Police and Fire Pension Liability		(218,239)
		(18,162,784)
 <i>Net Assets of Governmental Activities</i>	 \$	 <u><u>68,471,755</u></u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	General Fund	General Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Income Taxes	\$ 10,454,513	\$ 0	\$ 0	\$ 10,454,513
Property Taxes	1,596,129	1,592,728	737,733	3,926,590
Other Local Taxes	260,819	0	0	260,819
Intergovernmental Revenue	1,511,889	297,768	1,087,937	2,897,594
Special Assessments	1,267	10,543	670,976	682,786
Charges for Services	544,031	0	512,859	1,056,890
Fees, Licenses and Permits	328,847	0	34,525	363,372
Fines and Forfeitures	1,383,788	0	805,794	2,189,582
Interest Income	135,600	0	1,985	137,585
Rent	0	0	43,909	43,909
Contributions and Donations	0	0	62,932	62,932
Reimbursements	13,496	0	3,450	16,946
Other	46,141	81	9,824	56,046
<i>Total Revenues</i>	<u>16,276,520</u>	<u>1,901,120</u>	<u>3,971,924</u>	<u>22,149,564</u>
Expenditures				
Current:				
Security of Persons and Property	5,037,583	0	1,420,555	6,458,138
Public Health and Welfare	0	0	187,320	187,320
Lesiure Time Activities	443,665	0	1,171,092	1,614,757
Community Development	471,003	0	0	471,003
Public Works	1,350,451	0	0	1,350,451
Transportation	0	0	851,322	851,322
General Government	6,074,080	15,623	625,132	6,714,835
Capital Outlay	0	0	3,113,744	3,113,744
Debt Service:				
Principal Retirement	0	5,195,000	129,475	5,324,475
Interest and Fiscal Charges	0	474,763	28,743	503,506
<i>Total Expenditures</i>	<u>13,376,782</u>	<u>5,685,386</u>	<u>7,527,383</u>	<u>26,589,551</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,899,738	(3,784,266)	(3,555,459)	(4,439,987)
Other Financing Sources (Uses)				
Issuance of Notes	0	3,850,000	960,000	4,810,000
Premium on Debt Issued	0	5,703	0	5,703
Issuance of Loans	0	0	459,491	459,491
Transfers In	0	1,000,000	2,495,100	3,495,100
Transfers Out	(2,875,100)	0	(1,000,000)	(3,875,100)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,875,100)</u>	<u>4,855,703</u>	<u>2,914,591</u>	<u>4,895,194</u>
<i>Net Change in Fund Balance</i>	24,638	1,071,437	(640,868)	455,207
<i>Fund Balance Beginning of Year</i> <i>(Restated, See Note 2U)</i>	<u>4,257,347</u>	<u>1,036,136</u>	<u>4,619,203</u>	<u>9,912,686</u>
<i>Fund Balance End of Year</i>	<u>\$ 4,281,985</u>	<u>\$ 2,107,573</u>	<u>\$ 3,978,335</u>	<u>\$ 10,367,893</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Reconciliation of the Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2011

Net Change in Fund Balances - Total Governmental Funds	\$	455,207
 <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 capital asset additions the current period.		
Capital Asset Additions	\$ 2,556,325	
Current Year Depreciation	<u>(3,918,936)</u>	(1,362,611)
 Net effect of transactions involving the disposal of capital assets are not reflected in the funds.		
		(3,700)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	(42,298)	
Tax Loss Reimbursement	(5,922)	
Municipal Income Taxes	126,923	
Intergovernmental	(194,678)	
Special Assessments	(52,776)	
Miscellaneous	<u>19,774</u>	(148,977)
 The issuance of long term debt provides current financial resources to the governmental funds while the repayment of principal of long term debt consumes the current financial resources, and reduces long term liabilities in the statement of net assets.		
Proceeds from Notes	(4,810,000)	
Proceeds from OPWC Loan	(459,491)	
General Obligation Bond Principal	1,135,000	
Urban Renewal Bond Principal	210,000	
Bond Anticipation Note Principal	3,850,000	
Police and Fire Pension Liability Principal	5,346	
Capital Leases Principal	<u>124,129</u>	54,984
 In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.		
		40,284
 Some expenses reported in the statement of activities do not use the current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	265,047	
Amortization of Bond Premiums	<u>6,530</u>	271,577
 The internal service fund used by management to charge the costs of insurance to individual funds is not reported on the entity-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		<u>(3,997)</u>
Change in Net Assets of Governmental Activities		<u>\$ (697,233)</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Income Taxes	\$ 10,159,469	\$ 10,392,188	\$ 10,392,188	\$ 0
Property Taxes	1,590,025	1,596,129	1,596,129	0
Other Local Taxes	238,878	250,181	250,181	0
Intergovernmental Revenue	1,369,477	1,479,468	1,479,468	0
Special Assessments	3,000	1,267	1,267	0
Charges for Services	547,000	568,057	568,057	0
Fees, Licenses and Permits	405,000	328,847	328,847	0
Fines and Forfeitures	1,489,100	1,367,287	1,367,287	0
Investment Income	148,186	116,563	116,563	0
Refunds and Reimbursements	17,863	13,496	13,496	0
Other	48,258	48,410	48,410	0
<i>Total Revenues</i>	<u>16,016,256</u>	<u>16,161,893</u>	<u>16,161,893</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	5,077,998	5,108,865	5,076,989	31,876
Leisure Time Activities	465,850	441,950	441,458	492
Community Development	481,387	481,929	471,413	10,516
Public Works	1,310,685	1,372,185	1,351,351	20,834
General Government	6,427,431	6,374,022	6,211,071	162,951
<i>Total Expenditures</i>	<u>13,763,351</u>	<u>13,778,951</u>	<u>13,552,282</u>	<u>226,669</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,252,905	2,382,942	2,609,611	226,669
Other Financing Sources (Uses)				
Proceeds on Sale of Capital Assets	5,000	0	0	0
Advances In	150,000	150,000	150,000	0
Transfers Out	(2,868,200)	(2,875,100)	(2,875,100)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,713,200)</u>	<u>(2,725,100)</u>	<u>(2,725,100)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(460,295)	(342,158)	(115,489)	226,669
<i>Fund Balance Beginning of Year</i>	2,237,249	2,237,249	2,237,249	0
Prior Year Encumbrances Appropriated	5,348	5,348	5,348	0
<i>Fund Balance End of Year</i>	<u>\$ 1,782,302</u>	<u>\$ 1,900,439</u>	<u>\$ 2,127,108</u>	<u>\$ 226,669</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2011

	Enterprise Funds			Governmental
	Water Revenue	Sewer Revenue	Total	Internal Service Funds
Assets				
Current Assets				
Equity in Pooled Cash and Investments	\$ 685,789	\$ 252,366	\$ 938,155	\$ 182,179
Receivables				
Taxes	481,510	0	481,510	0
Accounts	1,127,056	306,070	1,433,126	0
Intergovernmental	31,609	0	31,609	0
Materials and Supplies Inventory	63,076	0	63,076	0
Prepaid Items	9,829	0	9,829	0
<i>Total Current Assets</i>	2,398,869	558,436	2,957,305	182,179
Non-Current Assets				
Capital Assets				
Nondepreciable Capital Assets	1,072,572	305,224	1,377,796	0
Depreciable Capital Assets, Net	24,526,269	11,692,890	36,219,159	0
<i>Total Non-Current Assets</i>	25,598,841	11,998,114	37,596,955	0
<i>Total Assets</i>	27,997,710	12,556,550	40,554,260	182,179
Liabilities				
Current Liabilities				
Accounts Payable	84,023	5,100	89,123	9,412
Accrued Wages and Benefits	24,526	3,193	27,719	0
Intergovernmental Payable	36,570	5,740	42,310	0
Claims Payable	0	0	0	111,411
Unearned Revenue	447,981	0	447,981	0
Accrued Interest Payable	174,682	69,103	243,785	0
Note Payable	40,000	0	40,000	0
Compensated Absences - Current	4,105	0	4,105	0
OWDA Loans Payable - Current	588,754	159,753	748,507	0
OPWC Loans Payable - Current	0	54,004	54,004	0
Capital Lease Payable - Current	27,144	0	27,144	0
<i>Total Current Liabilities</i>	1,427,785	296,893	1,724,678	120,823
Non-Current Liabilities				
Compensated Absences	80,373	3,866	84,239	0
OWDA Loans Payable	8,176,359	2,674,206	10,850,565	0
OPWC Loans Payable	193,976	1,126,507	1,320,483	0
Loan Payable	0	388,070	388,070	0
Capital Lease Payable	121,025	0	121,025	0
<i>Total Non-Current Liabilities</i>	8,571,733	4,192,649	12,764,382	0
<i>Total Liabilities</i>	9,999,518	4,489,542	14,489,060	120,823
Net Assets				
Invested in Capital Assets, Net of Related Debt	16,451,584	7,595,574	24,047,158	0
Unrestricted	1,546,608	471,434	2,018,042	61,356
<i>Total Net Assets</i>	\$ 17,998,192	\$ 8,067,008	\$ 26,065,200	\$ 61,356

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2011

	Enterprise Funds			Governmental Activities
	Water Revenue	Sewer Revenue	Total	Internal Service Funds
Operating Revenues				
Charges for Services	\$ 2,698,896	\$ 693,806	\$ 3,392,702	\$ 2,510,804
Miscellaneous	2,360	286	2,646	27,011
<i>Total Operating Revenues</i>	<u>2,701,256</u>	<u>694,092</u>	<u>3,395,348</u>	<u>2,537,815</u>
Operating Expenses				
Personal Services	1,549,013	244,783	1,793,796	0
Contractual Service	712,997	39,189	752,186	907,918
Claims	0	0	0	1,633,176
Materials and Supplies	329,336	38,137	367,473	0
Depreciation	903,180	286,407	1,189,587	0
Other	12,071	3,471	15,542	718
<i>Total Operating Expenses</i>	<u>3,506,597</u>	<u>611,987</u>	<u>4,118,584</u>	<u>2,541,812</u>
<i>Operating Income (Loss)</i>	(805,341)	82,105	(723,236)	(3,997)
Non-Operating Revenues (Expenses)				
Property Taxes	458,166	0	458,166	0
Intergovernmental Revenue	81,972	0	81,972	0
Interest and Fiscal Charges	(356,439)	(140,393)	(496,832)	0
Transfers Out	0	(438,448)	(438,448)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>183,699</u>	<u>(578,841)</u>	<u>(395,142)</u>	<u>0</u>
<i>Income (Loss) Before Contributions and Transfers</i>	<u>(621,642)</u>	<u>(496,736)</u>	<u>(1,118,378)</u>	<u>(3,997)</u>
Capital Contributions	3,265,409	968,472	4,233,881	0
Transfers In	150,000	230,000	380,000	0
<i>Change in Net Assets</i>	2,793,767	701,736	3,495,503	(3,997)
<i>Net Assets Beginning of Year</i>	<u>15,204,425</u>	<u>7,365,272</u>	<u>22,569,697</u>	<u>65,353</u>
<i>Net Assets End of the Year</i>	<u>\$ 17,998,192</u>	<u>\$ 8,067,008</u>	<u>\$ 26,065,200</u>	<u>\$ 61,356</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, 2011

	Enterprise Funds			Governmental Activities
	Water Revenue	Sewer Revenue	Total	Internal Service Funds
Cash Flows From Operating Activities				
Cash Received from Customers	\$ 2,656,742	\$ 678,122	\$ 3,334,864	\$ 2,510,804
Cash Received from Refunds and Reimbursements	0	0	0	27,011
Cash Payments to Employees for Services and Benefits	(1,563,391)	(251,224)	(1,814,615)	0
Cash Payments for Contractual and Other Services	(538,635)	(43,360)	(581,995)	(900,669)
Cash Payments for Materials and Supplies	(333,414)	(36,987)	(370,401)	0
Cash Payments for Claims	0	0	0	(1,636,899)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>221,302</u>	<u>346,551</u>	<u>567,853</u>	<u>247</u>
Cash Flows From Non-Capital Financing Activities				
Property Tax	463,149	0	463,149	0
Transfers In	150,000	230,000	380,000	0
<i>Net Cash Provided By (Used For) Non-Capital Activities</i>	<u>613,149</u>	<u>230,000</u>	<u>843,149</u>	<u>0</u>
Cash Flows From Capital and Related Activities				
Proceeds from OPWC Loans	193,976	290,964	484,940	0
Proceeds from Notes	40,000	0	40,000	0
Grants	81,954	0	81,954	0
Acquisition and Construction of Assets	(565,506)	(487,210)	(1,052,716)	0
Principal Payments on Capital Leases	(26,526)	0	(26,526)	0
Principal Payments on Debt	(583,247)	(206,320)	(789,567)	0
Interest and Fiscal Charges	(371,543)	(143,972)	(515,515)	0
<i>Net Cash Provided By (Used For) Capital and Related Financing Activities</i>	<u>(1,230,892)</u>	<u>(546,538)</u>	<u>(1,777,430)</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	(396,441)	30,013	(366,428)	247
<i>Cash and Investments Beginning of Year</i>	<u>1,082,230</u>	<u>222,353</u>	<u>1,304,583</u>	<u>181,932</u>
<i>Cash and Investments End of Year</i>	<u>\$ 685,789</u>	<u>\$ 252,366</u>	<u>\$ 938,155</u>	<u>\$ 182,179</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities				
Operating Income (Loss)	\$ (805,341)	\$ 82,105	\$ (723,236)	\$ (3,997)
Adjustments:				
Depreciation Expense	903,180	286,407	1,189,587	0
Inception of Capital Lease	148,169	0	148,169	0
(Increase) Decrease in Assets:				
Accounts Receivable	(44,514)	(15,970)	(60,484)	0
Materials and Supplies Inventory	(6,027)	1,150	(4,877)	0
Prepays	1,949	0	1,949	0
Increase (Decrease) in Liabilities:				
Accounts Payable	38,264	(700)	37,564	7,967
Accrued Salaries, Wages and Benefits	2,048	(1,882)	166	0
Compensated Absences	5	(246)	(241)	0
Intergovernmental Payable	(16,431)	(4,313)	(20,744)	0
Claims Payable	0	0	0	(3,723)
<i>Total Adjustments</i>	<u>1,026,643</u>	<u>264,446</u>	<u>1,291,089</u>	<u>4,244</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ 221,302</u>	<u>\$ 346,551</u>	<u>\$ 567,853</u>	<u>\$ 247</u>

Schedule of Noncash Capital Financing Activities

As of December 31, 2011, the Water and Sewer Revenue Funds received capital assets from governmental activities of \$3,265,409 and \$968,472, respectively. The Sewer Revenue Fund transferred capital assets to the governmental activities in the amount of \$438,448. In addition, the Water Revenue Fund recorded capitalized interest as an addition to OWDA loans in the amount of \$3,203 and an OWDA principal adjustment to the loan of \$5,633 as a decrease in loan balance. The Sewer Revenue Fund recorded capitalized interest in the amount of \$434 as an addition to the OWDA loans.

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2011

	Agency Funds
Assets	
Equity in Pooled Cash and Investments	\$ 1,079,860
Equity in Pooled Cash Segregated	285,604
Receivables:	
Accounts	1,366,485
<i>Total Assets</i>	\$ 2,731,949
 Liabilities	
Accounts Payable	\$ 767,808
Due to Other Governments	1,739,652
Deposits Held and Due to Others	224,489
<i>Total Liabilities</i>	\$ 2,731,949

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, 2011

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 18 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 City also applies generally accepted accounting principles that were issued prior to November 30, 1989 by the Financial Accounting Standards Board (“FASB”) to its governmental and business-type activities and proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to follow FASB guidance for business-type activities and enterprise funds issued after November 30, 1989. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification. The more 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, 2011

A. Basis of Presentation

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

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

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

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, 2011

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 assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

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

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

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

Internal Service Funds - The internal service funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The City's 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 assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's 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, 2011

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

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

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2011 but which were levied to finance year 2012 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 2011, investments were limited to money market funds, negotiable certificates of deposit 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, 2011

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, 2011.

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 2011 amounted to \$135,600, which includes \$103,711 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, 2011, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Capital Assets

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

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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:

	Years
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, 2011

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 (ordinance or 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 (ordinance or 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.

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, 2011

M. Net Assets

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

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

N. Operating Revenues and Expenses

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

O. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. In the government-wide financial statements, capital contributions are recorded as capital grants and contributions. In 2011, the governmental activities received capital contributions from the business-type activities in the amount of \$438,448. The business-type activities received \$4,233,881 in capital contributions from the governmental activities.

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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 2011.

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 2011.

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 June 30, 2011, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and GASB Statement No. 59, "Financial Instruments Omnibus."

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

use of the resources reported in governmental funds. The requirements of this statement classify fund balance as nonspendable, restricted, committed, assigned and/or unassigned.

GASB Statement No. 59 updated and improved existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. Implementation of this GASB statement did not affect the presentation of the financial statements of the City.

U. Restatement of Fund Balances/Net Assets

On January 1, 2011, the City implemented Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". As a result, the animal control fund, previously reported as a special revenue fund and the unclaimed monies fund, previously recorded as an agency fund were reclassified to the general fund for GAAP reporting purposes.

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

	General Fund	General Bond Retirement Fund	Other Governmental Funds	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balance, December 31, 2010	\$ 4,232,898	\$ 1,036,136	\$ 4,619,308	\$ 9,888,342
Fund Reclassification	<u>24,449</u>	<u>0</u>	<u>(105)</u>	<u>24,344</u>
Restated Fund Balance, January 1, 2011	<u>\$ 4,257,347</u>	<u>\$ 1,036,136</u>	<u>\$ 4,619,203</u>	<u>\$ 9,912,686</u>

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

	Governmental Activities
	<u> </u>
Net Assets December 31, 2010	\$ 69,144,644
Fund Reclassification	<u>24,344</u>
Restated Net Assets January 1, 2011	<u>\$ 69,168,988</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The following is the effect of those changes in agency fund assets and liabilities:

	Regional Sewer Fund	Unclaimed Monies Fund	Contract Retainer Fund	Guarantee Deposits Fund	Ohio Board of Building Standards Fund	Municipal Courts Fund	Total
Assets and Liabilities							
December 31, 2010	\$ 1,934,490	\$ 24,344	\$ 9,866	\$ 169,305	\$ 2,931	\$ 300,978	\$ 2,441,914
Fund Reclassification	0	(24,344)	0	0	0	0	(24,344)
Restated Assets and Liabilities January 1, 2011	<u>\$ 1,934,490</u>	<u>\$ 0</u>	<u>\$ 9,866</u>	<u>\$ 169,305</u>	<u>\$ 2,931</u>	<u>\$ 300,978</u>	<u>\$ 2,417,570</u>

NOTE 3 – ACCOUNTABILITY

Fund balances at December 31, 2011 included the following individual fund deficits:

	Deficit Fund Balance
<i>Other Governmental Funds:</i>	
Recreation Fund	\$ 20,796
Fire Pension Fund	103,591
Police Pension fund	108,613
<i>Internal Service Funds:</i>	
Medical Benefits Fund	59,048
Property/Liability Insurance Fund	3,608
	<u>\$ 295,656</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.

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Fund Balance	General Fund	General Bond Retirement Fund	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Unclaimed Monies	\$ 24,344	\$ 0	\$ 0	\$ 24,344
Inventory	19,269	0	145,398	164,667
Prepays	4,278	0	400	4,678
Total Nonspendable	<u>47,891</u>	<u>0</u>	<u>145,798</u>	<u>193,689</u>
<u>Restricted for:</u>				
Bond Retirement	0	2,107,573	0	2,107,573
Community Improvement	0	0	76,138	76,138
Court Operations and Capital Outlay	0	0	1,133,612	1,133,612
Drug and Alcohol Programs	0	0	207,110	207,110
Railroad Capital Improvements	0	0	275,654	275,654
Security Operations and Programs	0	0	92,261	92,261
Street Improvement and Repair	0	0	145,553	145,553
Street Lighting	0	0	473,397	473,397
Total Restricted	<u>0</u>	<u>2,107,573</u>	<u>2,403,725</u>	<u>4,511,298</u>
<u>Committed to:</u>				
Income Tax (See Note 7.A.)	920,407	0	0	920,407
Retirements	6,668	0	0	6,668
General Capital Outlay	0	0	174,532	174,532
Neighborhood Capital Improvement	0	0	5,893	5,893
Community Programs	0	0	54,423	54,423
Recreation Capital Outlay	0	0	70,049	70,049
Safety Equipment Capital Outlay	0	0	7,375	7,375
Loans Receivable	0	0	1,351,172	1,351,172
Total Committed	<u>927,075</u>	<u>0</u>	<u>1,663,444</u>	<u>2,590,519</u>
<u>Assigned for:</u>				
Encumbrances	<u>6,106</u>	<u>0</u>	<u>0</u>	<u>6,106</u>
Unassigned (Deficit)	<u>3,300,913</u>	<u>0</u>	<u>(234,632)</u>	<u>3,066,281</u>
Total Fund Balance (Deficit)	<u>\$ 4,281,985</u>	<u>\$ 2,107,573</u>	<u>\$ 3,978,335</u>	<u>\$ 10,367,893</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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	\$ 24,638
Net Adjustment for Revenue Accruals	(114,157)
Advance In	150,000
Net Adjustment for Expenditure Accruals	(168,034)
Funds Budgeted Elsewhere	95
Encumbrances	(8,031)
Budget Basis	\$ (115,489)

** 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 and unclaimed monies funds.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

6. The State Treasurer's investment pool (STAROhio).
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, 2011 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 \$3,856,813 and the bank balance was \$4,020,392. Of the bank balance:

1. \$1,775,006 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. \$2,245,386 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 \$285,604 ("Equity in Pooled Cash Segregated") and the bank balance was \$296,219. This fund is maintained separately and is fully insured.

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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	
AAAm	STAROhio	\$ 66,176	\$ 66,176	\$ 0	1.3%
***	Negotiable Certificates of Deposit	5,144,790	1,582,774	3,562,016	98.7%
		<u>\$ 5,210,966</u>	<u>\$ 1,648,950</u>	<u>\$ 3,562,016</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.

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

Custodial Credit Risk - For an investment, custodial risk is that risk that, in the event of the failure of the counterparty, the City will no longer be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City'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, 2011 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 \$47,102 in the general fund, \$13,594 in the general bond retirement fund and \$619,500 in other governmental funds.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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. There is currently \$920,407 in unencumbered funds within the general fund, 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 2011 for real and public utility property taxes represents collections of the 2010 taxes.

2011 real property taxes were levied after October 1, 2011 on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012.

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. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 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, 2011, was \$17.20 per \$1,000 of assessed valuation. The assessed values of real property upon which 2011 property tax receipts were based are as follows:

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Category	Assessed Value
Real Property	\$ 369,719,210
Public Utilities - Real	67,070
Public Utilities - Personal	6,522,740
 Total	 \$ 376,309,020

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, 2011, 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 2011 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, 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	\$ 266,591
Tax Loss Reimbursement	53,812
Estate Tax	69,942
Auto Registration	54,179
Gasoline Tax	277,586
Permissive Tax	5,463
Local Government	386,378
Grants	119,451
Other	6,255
 Total	 \$ 1,239,657

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

	Amount
<i>Business-Type Activities</i>	
Water Fund:	
Homestead/Rollback	\$ 31,609

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 \$1,900,900 to help fund some of the construction costs. Although the City of Berea is obligated for the entire loan amount upon its full “draw down”, 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, 2011, construction “draw down” expenditures from OPWC has amounted to \$1,754,769, thus creating a long-term OWPC loans payable by the City (See Note 14). 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.

NOTE 8 - INTERFUND TRANSFERS

Transfers Out	Transfers In				Total
	General Bond Retirement	Nonmajor Governmental	Water Revenue	Sewer Revenue	
General Fund	\$ 0	\$2,495,100	\$ 150,000	\$ 230,000	\$2,875,100
Nonmajor Governmental	1,000,000	0	0	0	1,000,000
Total	\$ 1,000,000	\$2,495,100	\$ 150,000	\$ 230,000	\$3,875,100

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:

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Fund	Amount
Recreation Fund	\$ 679,000
Recreation Capital Improvement Fund	25,000
General Capital Improvement Fund	843,600
Safety Capital Improvement Fund	62,500
Neighborhood Capital Improvement Fund	502,000
Sewer Revenue Fund	150,000
Water Revenue Fund	230,000
 Total	 \$ 2,492,100

In addition, the general fund transferred \$158,000 to the street maintenance and repair fund, \$66,500 to the fire pension fund, \$65,500 to the police pension fund and \$93,000 to the neighborhood capital improvement fund for expenditures.

The railroad capital improvement fund transferred \$1,000,000 to the general bond retirement fund to pay for debt issues relating to the railroad improvements.

In 2011, the internal transfers between entity-wide activities are as follows:

	Transfers	
	Governmental Activities	Business-Type Activities
Cash Transfers	\$ (380,000)	\$ 380,000
Sewer Fund Transfers to Governmental Activities	438,448	(438,448)
Governmental Activities Transfers to Sewer Fund	(968,472)	968,472
Governmental Activities Transfers to Water Fund	(3,265,409)	3,265,409
	\$ (4,175,433)	\$ 4,175,433

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 9 - CAPITAL ASSETS

A summary of changes in capital assets during 2011 follows:

	Balance 12/31/10	Additions	Reductions	Balance 12/31/11
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 5,408,665	\$ 3,126,536	\$ 0	\$ 8,535,201
Intangible	0	2,183,636	0	2,183,636
Construction in Progress	18,143,762	4,227,820	(14,811,112)	7,560,470
<i>Total Capital Assets Not Being Depreciated</i>	<u>23,552,427</u>	<u>9,537,992</u>	<u>(14,811,112)</u>	<u>18,279,307</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	8,544,279	90,490	0	8,634,769
Buildings	14,577,092	202,461	0	14,779,553
Building Improvements	23,757,218	457,147	(183,950)	24,030,415
Machinery and Equipment	5,297,186	153,862	(242,814)	5,208,234
Furniture and Fixtures	966,684	23,233	0	989,917
Vehicles	1,702,548	138,348	0	1,840,896
Infrastructure:				
Bridges	8,418,322	0	0	8,418,322
Roads	36,826,336	4,104,341	(21,094)	40,909,583
Sidewalks	1,516,600	155,815	0	1,672,415
Traffic Signals	1,663,700	2,503,748	0	4,167,448
<i>Total Capital Assets Being Depreciated</i>	<u>103,269,965</u>	<u>7,829,445</u>	<u>(447,858)</u>	<u>110,651,552</u>
<i>Accumulated Depreciation</i>				
Land Improvements	(5,707,168)	(352,304)	0	(6,059,472)
Buildings	(7,227,594)	(340,189)	0	(7,567,783)
Building Improvements	(13,689,506)	(912,002)	183,950	(14,417,558)
Machinery and Equipment	(3,628,616)	(231,170)	239,114	(3,620,672)
Furniture and Fixtures	(857,281)	(35,840)	0	(893,121)
Vehicles	(962,827)	(147,727)	0	(1,110,554)
Infrastructure:				
Bridges	(1,732,290)	(266,449)	0	(1,998,739)
Roads	(16,885,144)	(1,499,120)	21,094	(18,363,170)
Sidewalks	(369,676)	(78,679)	0	(448,355)
Traffic Signals	(409,449)	(55,456)	0	(464,905)
<i>Total Accumulated Depreciation</i>	<u>(51,469,551)</u>	<u>(3,918,936)</u>	<u>444,158</u>	<u>(54,944,329)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>51,800,414</u>	<u>3,910,509</u>	<u>(3,700)</u>	<u>55,707,223</u>
Governmental Activities Capital Assets, Net	<u>\$75,352,841</u>	<u>\$13,448,501</u>	<u>\$ (14,814,812)</u>	<u>\$73,986,530</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

	Balance 12/31/10	Additions	Reductions	Balance 12/31/11
Business-Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 93,181	\$ 0	\$ 0	\$ 93,181
Intangible	0	1,154,237	0	1,154,237
Construction in Progress	0	130,378	0	130,378
<i>Total Capital Assets Not Being Depreciated</i>	<u>93,181</u>	<u>1,284,615</u>	<u>0</u>	<u>1,377,796</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	924,694	0	0	924,694
Buildings	4,903,866	37,512	0	4,941,378
Building Improvements	2,147,132	0	0	2,147,132
Machinery and Equipment	4,938,527	168,241	0	5,106,768
Furniture and Fixtures	37,252	0	0	37,252
Vehicles	110,409	0	0	110,409
Infrastructure:				
Water Lines	7,234,664	2,955,834	(438,448)	9,752,050
Storm Sewers	14,059,225	54,475	0	14,113,700
Sanitary Sewers	9,912,639	785,920	0	10,698,559
<i>Total Capital Assets Being Depreciated</i>	<u>44,268,408</u>	<u>4,001,982</u>	<u>(438,448)</u>	<u>47,831,942</u>
<i>Accumulated Depreciation</i>				
Land Improvements	(627,870)	(56,506)	0	(684,376)
Buildings	(1,803,715)	(121,952)	0	(1,925,667)
Building Improvements	(100,345)	(89,991)	0	(190,336)
Machinery and Equipment	(1,744,463)	(211,239)	0	(1,955,702)
Furniture and Fixtures	(17,188)	(5,322)	0	(22,510)
Vehicles	(70,103)	(13,314)	0	(83,417)
Infrastructure:				
Water Lines	(1,730,880)	(145,401)	0	(1,876,281)
Storm Sewers	(2,354,875)	(336,906)	0	(2,691,781)
Sanitary Sewers	(1,973,757)	(208,956)	0	(2,182,713)
<i>Total Accumulated Depreciation</i>	<u>(10,423,196)</u>	<u>(1,189,587)</u>	<u>0</u>	<u>(11,612,783)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>33,845,212</u>	<u>2,812,395</u>	<u>(438,448)</u>	<u>36,219,159</u>
Business-Type Activities Capital Assets, Net	<u>\$33,938,393</u>	<u>\$ 4,097,010</u>	<u>\$ (438,448)</u>	<u>\$37,596,955</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Depreciation expense was charged to governmental activities as follows:

	Depreciation
Security of Persons and Property	\$ 268,044
Leisure Time Activities	1,440,458
Public Works	20,115
Transportation	1,881,471
General Government	308,848
Total Depreciation Expense	\$ 3,918,936

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 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>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or calling 614-222-5601 or 1-800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, 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, 2011, members in state and local classifications contributed 10.0 percent of covered payroll while public safety and law enforcement members contributed 11.0 percent and 11.6 percent, respectively.

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

The City's 2011 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 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent during calendar year 2011.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009, were \$621,568, \$559,323 and \$512,225, respectively. For 2011, 92.3 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009. There were no contributions made to the Member-Directed Plan for 2011.

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 \$303,368 and \$333,372 for the year ended December 31, 2011, \$302,715 and \$325,962 for the year ended December 31, 2010, and \$305,247 and \$317,452 for the year ended December 31, 2009, respectively. 71.5 percent for police and 72.8 percent for firefighters has been contributed for 2011 with the remainder being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

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, 2011, the unfunded liability of the City was \$218,239, 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, 2011, 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,

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or 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 benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, 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 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent during calendar year 2011.

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, 2011, 2010 and 2009 were \$248,610, \$318,387 and \$367,881 respectively. For 2011, 92.3 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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

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 survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other 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.

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, 2011, 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).

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 officers and firefighters were \$160,607 and \$130,450 for the year ended December 31, 2011, \$160,261 and \$127,550 for the year ended December 31, 2010 and \$161,602 and \$124,221 for the year ended December 31, 2009. 71.5 percent has been contributed for police and 72.8 percent has been contributed for firefighters for 2011. The full amount has been contributed for 2010 and 2009.

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. 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.

NOTE 13 – CONTRACTUAL COMMITMENT

The City had the following contractual commitment outstanding at December 31, 2011:

	<u>Contractual Commitment</u>	<u>Expended</u>	<u>Balance Remaining</u>
Eastland Road OPWC Project **	<u>\$ 1,900,900</u>	<u>\$ 1,754,769</u>	<u>\$ 146,131</u>

** Eastland Road OPWC Project will be offset by payments received from the Cities of Brook Park and Middleburg Heights (See Note 7D). This will amount to 77% of the commitment amount.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 14 - LONG-TERM OBLIGATIONS

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

	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
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%	290,964 *
Water	2011	2031	0.00%	193,976 *
Governmental Activities	2009	2029	0.00%	1,754,769 *
Governmental Activities	2010	2030	0.00%	188,926 *
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 *

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

	<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.

This space intentionally left blank

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

A schedule of changes in long-term obligations of the City during 2011 follows:

	Balance 12/31/10	Additions	Reductions	Balance 12/31/11	Due Within One Year
Governmental Activities					
<i>General Obligation Bonds</i>					
1993 Various Purpose Bonds	\$ 390,000	\$ 0	\$ (125,000)	\$ 265,000	\$ 125,000
2004 Library Bonds Refunded	205,000	0	(100,000)	105,000	105,000
2004 Various Purpose Bonds	485,000	0	(235,000)	250,000	250,000
2006 Various Purpose Bonds	6,740,000	0	(610,000)	6,130,000	630,000
2010 Various Purpose Bonds	2,725,000	0	(65,000)	2,660,000	65,000
<i>Total General Obligation Bonds</i>	<u>10,545,000</u>	<u>0</u>	<u>(1,135,000)</u>	<u>9,410,000</u>	<u>1,175,000</u>
<i>Urban Renewal Bonds</i>					
2004 First Avenue Community Bonds	335,000	0	(165,000)	170,000	170,000
1993 First Avenue Community Bonds	145,000	0	(45,000)	100,000	50,000
<i>Total Urban Renewal Bonds</i>	<u>480,000</u>	<u>0</u>	<u>(210,000)</u>	<u>270,000</u>	<u>220,000</u>
<i>Bond Anticipation Notes</i>					
1.05% Various Improvement Notes	0	3,850,000	0	3,850,000	3,850,000
1.05% Various Improvement Notes	0	801,000	0	801,000	801,000
1.05% Various Improvement Notes	0	83,000	0	83,000	83,000
1.05% Various Improvement Notes	0	76,000	0	76,000	76,000
1.00% Various Improvement Notes	3,250,000	0	(3,250,000)	0	0
1.50% Various Improvement Notes	600,000	0	(600,000)	0	0
<i>Total Bond Anticipation Notes</i>	<u>3,850,000</u>	<u>4,810,000</u>	<u>(3,850,000)</u>	<u>4,810,000</u>	<u>4,810,000</u>
OPWC Loans Payable	1,484,204	459,491	0	1,943,695	0
<i>Other Long Term Obligations</i>					
<i>Capital Lease Obligations:</i>					
Dump Truck	46,699	0	(22,764)	23,935	23,935
Roller	17,344	0	(5,486)	11,858	5,776
Aerial Truck	29,796	0	(29,796)	0	0
Plow Tractor	97,939	0	(22,588)	75,351	23,808
International Truck	58,510	0	(18,606)	39,904	19,489
Asphalt Truck	136,953	0	(24,889)	112,064	26,081
<i>Total Capital Lease Obligations</i>	<u>387,241</u>	<u>0</u>	<u>(124,129)</u>	<u>263,112</u>	<u>99,089</u>
Unamortized Bond Premium	91,416	0	(6,530)	84,886	6,530
Compensated Absences	1,427,899	51,268	(316,315)	1,162,852	128,797
Police and Fire Pension Liability	223,585	0	(5,346)	218,239	5,408
<i>Total Other Long Term Obligations</i>	<u>2,130,141</u>	<u>51,268</u>	<u>(452,320)</u>	<u>1,729,089</u>	<u>239,824</u>
Total Governmental Activities	<u>\$ 18,489,345</u>	<u>\$ 5,320,759</u>	<u>\$ (5,647,320)</u>	<u>\$ 18,162,784</u>	<u>\$ 6,444,824</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

	Balance 12/31/10	Additions	Reductions	Balance 12/31/11	Due Within One Year
Business-Type Activities					
<i>OWDA Loans</i>					
Sewer	\$ 129,163	\$ 0	\$ (30,139)	\$ 99,024	\$ 31,528
Sewer	461,117	0	(27,158)	433,959	28,817
Sewer	392,660	0	(37,451)	355,209	39,526
Sewer	1,071,959	0	(25,006)	1,046,953	26,185
Sewer	658,094	0	(15,307)	642,787	15,887
Sewer	272,848	0	(17,255)	255,593	17,810
Sewer	0	434	0	434	0
Water	193,208	0	(44,404)	148,804	46,907
Water	357,277	0	(80,807)	276,470	86,237
Water	359,258	0	(177,195)	182,063	182,063
Water	802,090	0	(33,904)	768,186	35,419
Water	1,060,201	0	(21,161)	1,039,040	22,052
Water	1,746,087	0	(75,714)	1,670,373	77,564
Water	1,029,913	0	(24,430)	1,005,483	3,596
Water	3,802,756	0	(131,265)	3,671,491	134,916
Water	0	3,203	0	3,203	0
<i>Total OWDA Loans</i>	<u>12,336,631</u>	<u>3,637</u>	<u>(741,196)</u>	<u>11,599,072</u>	<u>748,507</u>
<i>OPWC Loans</i>					
Sewer	286,801	0	(18,504)	268,297	18,504
Sewer	656,750	0	(35,500)	621,250	35,500
Sewer	0	290,964	0	290,964	0
Water	0	193,976	0	193,976	0
<i>Total OPWC Loans</i>	<u>943,551</u>	<u>484,940</u>	<u>(54,004)</u>	<u>1,374,487</u>	<u>54,004</u>
Loan Payable	388,070	0	0	388,070	0
<i>Bond Anticipation Note</i>					
1.05% Various Improvement Note	0	40,000	0	40,000	40,000
<i>Other Long Term Obligations</i>					
<i>Capital Lease Obligations:</i>					
Backhoe	26,526	0	(26,526)	0	0
International	0	148,169	0	148,169	27,144
<i>Total Capital Lease Obligations</i>	<u>26,526</u>	<u>148,169</u>	<u>(26,526)</u>	<u>148,169</u>	<u>27,144</u>
Compensated Absences	88,585	1,244	(1,485)	88,344	4,105
<i>Total Other Long Term Obligations</i>	<u>115,111</u>	<u>149,413</u>	<u>(28,011)</u>	<u>236,513</u>	<u>31,249</u>
Total Business-Type Activities	<u>\$ 13,783,363</u>	<u>\$ 677,990</u>	<u>\$ (823,211)</u>	<u>\$ 13,638,142</u>	<u>\$ 873,760</u>

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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, 2011 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 \$2.7 million for permanent improvements. The bonds maturing on or after December 1, 2020 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 \$4,810,432 and \$889,547 in OWDA and OPWC loans, respectively. Current year principal and interest payments, as a percentage of net customer

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

revenues, on all OWDA and OPWC loans were 45.4 percent. The percentage is expected to decrease in the future as expansion projects begin operations in years to come. The total principal and interest remaining to be paid on all OWDA and OPWC loans is \$7,144,163 and \$889,547, 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 \$612,234 and \$1,386,489, 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. As of December 31, 2011, the City has not been provided a debt service amortization schedule from the City of Olmsted Falls, Ohio, and this loan has been excluded from the following amortization schedule.

Notes Payable - In 2011, the City issued \$4,850,000 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 and the water 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 \$8,544,569 of additional debt without obtaining voter approval. Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2011 are as follows:

Governmental Activities

Year	General Obligation Bonds		Urban Renewal Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 1,175,000	\$ 371,451	\$ 220,000	\$ 11,925	\$ 1,395,000	\$ 383,376
2013	855,000	325,918	50,000	2,562	905,000	328,480
2014	750,000	293,068	0	0	750,000	293,068
2015	795,000	266,432	0	0	795,000	266,432
2016	785,000	238,064	0	0	785,000	238,064
2017 - 2021	2,705,000	755,174	0	0	2,705,000	755,174
2022 - 2026	1,750,000	340,686	0	0	1,750,000	340,686
2027 - 2030	595,000	66,500	0	0	595,000	66,500
Total	<u>\$ 9,410,000</u>	<u>\$ 2,657,293</u>	<u>\$ 270,000</u>	<u>\$ 14,487</u>	<u>\$ 9,680,000</u>	<u>\$ 2,671,780</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

On March 29, 2012, payment is due in full on the bond anticipation notes in the amounts of \$4,810,000 plus interest at 1.05 percent.

Business-Type Activities

Year	OWDA (1)		OPWC (2)	Totals	
	Principal	Interest	Principal	Principal	Interest
2012	\$ 748,507	\$ 484,003	\$ 54,004	\$ 802,511	\$ 484,003
2013	350,751	207,482	54,004	404,755	207,482
2014	369,960	188,269	54,004	423,964	188,269
2015	194,062	169,129	54,004	248,066	169,129
2016	203,685	159,507	54,004	257,689	159,507
2017 - 2021	1,026,133	638,800	270,020	1,296,153	638,800
2022 - 2026	885,495	413,105	260,757	1,146,252	413,105
2027 - 2031	693,215	239,615	88,750	781,965	239,615
2032 - 2036	660,780	88,213	0	660,780	88,213
2037 - 2038	93,793	3,938	0	93,793	3,938
Total	\$5,226,381	\$2,592,061	\$ 889,547	\$6,115,928	\$2,592,061

(1) OWDA loans issued in 2008, 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 2012 totaling \$415,949, and are reported as long term obligations due within one year. The balance of the loans drawn totaling \$6,372,691 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 \$484,940 are reported as long term obligations due in more than one year.

NOTE 15 - 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, 2011

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

Governmental Activities						
Year Ending December 31,	Dump Truck	Roller	Plow Tractor	International Truck	Asphalt Truck	Total
2012	\$ 25,165	\$ 6,404	\$ 27,877	\$ 21,385	\$ 31,449	\$ 112,280
2013	0	6,404	27,877	21,385	31,449	87,115
2014	0	0	27,877	0	31,449	59,326
2015	0	0	0	0	31,449	31,449
Minimum Lease Payments	25,165	12,808	83,631	42,770	125,796	290,170
Less Amount Representing Interest	<u>(1,230)</u>	<u>(950)</u>	<u>(8,280)</u>	<u>(2,866)</u>	<u>(13,732)</u>	<u>(27,058)</u>
Present Value of Net Lease Payments	<u>\$ 23,935</u>	<u>\$ 11,858</u>	<u>\$ 75,351</u>	<u>\$ 39,904</u>	<u>\$ 112,064</u>	<u>\$ 263,112</u>

Business-Type Activities	
Year Ending December 31,	International
2012	\$ 33,648
2013	33,648
2014	33,648
2015	33,648
2016	33,648
Minimum Lease Payments	\$ 168,240
Less Amount Representing Interest	<u>(20,071)</u>
Present Value of Net Lease Payments	<u>\$ 148,169</u>

NOTE 16 - OPERATING LEASES - LESSOR DISCLOSURE

The City leases space on its water tower for cellular antennae. The lease revenue due in 2011 amounted to \$46,498.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

NOTE 17 - RISK MANAGEMENT

A. Property and Liability Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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, 2011 or 2010.

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 Mutual Health Services and overseen by The Fedeli Group. All claims are reviewed by Mutual Health Services 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 \$1,131 for family coverage and \$507 for single coverage per month. The premium is charged to the fund that records the salary expenditure of the covered employee. The premium is based upon historical cost data provided by the insurance carriers. Non-union employees contribute 15 percent of the prior year's actual costs for health insurance through a payroll deduction. In 2010, the unions agreed to a 5 percent contribution for 2010, 10 percent contribution for 2011 and a 15 percent contribution for 2012. In 2011, the non-union employees contributed \$79.00 a month for single coverage or \$193.54 for family coverage. Union employees contributed \$52.66 for single coverage or \$129.04 for family coverage.

The claims liability of \$111,411 reported in the medical benefits internal service fund at December 31, 2011 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 2010 and 2011 were as follows and typically are retired within three months of year end:

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

	<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>
2010	\$ 87,781	\$ 1,645,488	\$ 1,618,135	\$ 115,134
2011	\$ 115,134	\$ 1,633,176	\$ 1,636,899	\$ 111,411

C. Workers' Compensation

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

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS

A. Southwest Council of Governments

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

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 2011, 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 2011, the City of Berea contributed \$102,504.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 consists of the following: one elected member of the legislative body from each of the political subdivisions, and one appointed resident from either of the political subdivisions who is not a member of the legislative body.

The joint council exercises control over the operation of the Cemetery through budgeting, appropriating, and contracting. The Board of Trustees control daily operations of the Cemetery. Each City's control is limited to its representation on the Joint Council. In 2011 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 2011. 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 19 – CONTINGENCIES

A. Litigation

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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, 2011.

NOTE 20 – SUBSEQUENT EVENT

On March 29, 2012, the City issued \$7,650,000 in Bond Anticipation Notes (BANs) at an interest rate of 1.0 percent. These BANs will be used to retire BANs outstanding at December 31, 2011 and finance various capital improvements and will mature on March 28, 2013.

**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, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash, Cash Equivalents and Investments	\$ 1,340,660	\$ 1,231,121	\$ 2,571,781
Taxes	777,772	0	777,772
Accounts	42,506	22,296	64,802
Special Assessments	594,309	25,191	619,500
Intergovernmental	459,624	49,910	509,534
Materials and Supplies Inventory	145,281	117	145,398
Prepaid Items	400	0	400
Loans Receivable	0	1,351,172	1,351,172
<i>Total Assets</i>	<u>\$ 3,360,552</u>	<u>\$ 2,679,807</u>	<u>\$ 6,040,359</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 69,900	\$ 10,842	\$ 80,742
Accrued Wages and Benefits	24,491	4,219	28,710
Intergovernmental Payable	269,579	7,352	276,931
Deferred Revenue	1,650,450	25,191	1,675,641
<i>Total Liabilities</i>	<u>2,014,420</u>	<u>47,604</u>	<u>2,062,024</u>
Fund Balances			
Nonspendable	145,681	117	145,798
Restricted	1,380,660	1,023,065	2,403,725
Committed	54,423	1,609,021	1,663,444
Unassigned	(234,632)	0	(234,632)
<i>Total Fund Balances</i>	<u>1,346,132</u>	<u>2,632,203</u>	<u>3,978,335</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 3,360,552</u>	<u>\$ 2,679,807</u>	<u>\$ 6,040,359</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, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Property Tax	\$ 737,733	\$ 0	\$ 737,733
Intergovernmental Revenue	951,402	136,535	1,087,937
Special Assessments	670,976	0	670,976
Charges for Services	512,859	0	512,859
Fees, Licenses and Permits	0	34,525	34,525
Fines and Forfeitures	577,748	228,046	805,794
Interest Income	1,985	0	1,985
Rent	0	43,909	43,909
Contributions and Donations	54,897	8,035	62,932
Reimbursements	0	3,450	3,450
Other	4,128	5,696	9,824
	<u>3,511,728</u>	<u>460,196</u>	<u>3,971,924</u>
<i>Total Revenues</i>			
Expenditures			
Current:			
Security of Persons and Property	1,420,555	0	1,420,555
Public Health and Welfare	187,320	0	187,320
Leisure Time Activities	1,171,092	0	1,171,092
Transportation	851,322	0	851,322
General Government	625,132	0	625,132
Capital Outlay	28,571	3,085,173	3,113,744
Debt Service:			
Principal Retirement	35,142	94,333	129,475
Interest and Fiscal Charges	10,796	17,947	28,743
	<u>4,329,930</u>	<u>3,197,453</u>	<u>7,527,383</u>
<i>Total Expenditures</i>			
<i>Excess of Revenues Over (Under) Expenditures</i>	(818,202)	(2,737,257)	(3,555,459)
Other Financing Sources (Uses)			
Issuance of Notes	0	960,000	960,000
Issuance of Loans	0	459,491	459,491
Transfers In	969,000	1,526,100	2,495,100
Transfers Out	0	(1,000,000)	(1,000,000)
	<u>969,000</u>	<u>1,945,591</u>	<u>2,914,591</u>
<i>Total Other Financing Sources (Uses)</i>			
<i>Net Change in Fund Balances</i>	150,798	(791,666)	(640,868)
<i>Fund Balances Beginning of Year</i> <i>(Restated, See Note 2U)</i>	<u>1,195,334</u>	<u>3,423,869</u>	<u>4,619,203</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,346,132</u>	<u>\$ 2,632,203</u>	<u>\$ 3,978,335</u>

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Recreation Fund	State Highway Fund	Street Maintenance Fund	Fire Pension Fund	Police Pension Fund
Assets					
Equity in Pooled Cash and Investments	\$ 23,673	\$ 14,042	\$ 33,295	\$ 12,200	\$ 9,295
Receivables:					
Taxes	0	0	0	346,703	346,703
Accounts	0	0	0	0	0
Special Assessments	0	0	0	0	0
Intergovernmental	0	24,878	306,887	22,577	22,577
Materials and Supplies Inventory	1,632	0	143,649	0	0
Prepaid Items	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 25,305</u>	<u>\$ 38,920</u>	<u>\$ 483,831</u>	<u>\$ 381,480</u>	<u>\$ 378,575</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 16,248	\$ 0	\$ 3,460	\$ 0	\$ 0
Accrued Wages and Benefits	12,497	0	7,598	0	0
Intergovernmental Payable	17,356	0	12,836	115,791	117,908
Deferred Revenue	0	17,144	211,493	369,280	369,280
<i>Total Liabilities</i>	<u>46,101</u>	<u>17,144</u>	<u>235,387</u>	<u>485,071</u>	<u>487,188</u>
Fund Balances					
Nonspendable	1,632	0	143,649	0	0
Restricted	0	21,776	104,795	0	0
Committed	0	0	0	0	0
Unassigned	(22,428)	0	0	(103,591)	(108,613)
<i>Total Fund Balances (Deficit)</i>	<u>(20,796)</u>	<u>21,776</u>	<u>248,444</u>	<u>(103,591)</u>	<u>(108,613)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 25,305</u>	<u>\$ 38,920</u>	<u>\$ 483,831</u>	<u>\$ 381,480</u>	<u>\$ 378,575</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	D.A.R.E. Grant Fund	Street Lighting Fund	Berea Welfare Fund	Special Events Fund	Senior Services Fund
Assets					
Equity in Pooled Cash and Investments	\$ 0	\$ 513,607	\$ 53,874	\$ 474	\$ 4,469
Receivables:					
Taxes	0	0	0	0	0
Accounts	0	0	0	0	0
Special Assessments	0	594,309	0	0	0
Intergovernmental	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Items	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 0</u>	<u>\$ 1,107,916</u>	<u>\$ 53,874</u>	<u>\$ 474</u>	<u>\$ 4,469</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 0	\$ 40,210	\$ 4,394	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Deferred Revenue	0	594,309	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>634,519</u>	<u>4,394</u>	<u>0</u>	<u>0</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	0	473,397	0	0	0
Committed	0	0	49,480	474	4,469
Unassigned	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>473,397</u>	<u>49,480</u>	<u>474</u>	<u>4,469</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 0</u>	<u>\$ 1,107,916</u>	<u>\$ 53,874</u>	<u>\$ 474</u>	<u>\$ 4,469</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	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	\$ 0	\$ 0	\$ 16,993	\$ 18,523	\$ 11,313
Receivables:					
Taxes	84,366	0	0	0	0
Accounts	0	0	0	0	16,273
Special Assessments	0	0	0	0	0
Intergovernmental	4,578	76,138	1,989	0	0
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Items	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 88,944</u>	<u>\$ 76,138</u>	<u>\$ 18,982</u>	<u>\$ 18,523</u>	<u>\$ 27,586</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	0	0	3,588
Intergovernmental Payable	0	0	0	0	5,653
Deferred Revenue	88,944	0	0	0	0
<i>Total Liabilities</i>	<u>88,944</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,241</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	0	76,138	18,982	18,523	18,345
Committed	0	0	0	0	0
Unassigned	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>76,138</u>	<u>18,982</u>	<u>18,523</u>	<u>18,345</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 88,944</u>	<u>\$ 76,138</u>	<u>\$ 18,982</u>	<u>\$ 18,523</u>	<u>\$ 27,586</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	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	\$ 193,608	\$ 11,162	\$ 1,028	\$ 52,905	\$ 60,509
Receivables:					
Taxes	0	0	0	0	0
Accounts	3,232	0	0	1,350	8,758
Special Assessments	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Items	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 196,840</u>	<u>\$ 11,162</u>	<u>\$ 1,028</u>	<u>\$ 54,255</u>	<u>\$ 69,267</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 1,920	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	0	0	583
Intergovernmental Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
<i>Total Liabilities</i>	<u>1,920</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>583</u>
Fund Balances					
Nonspendable	0	0	0	0	0
Restricted	194,920	11,162	1,028	54,255	68,684
Committed	0	0	0	0	0
Unassigned	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>194,920</u>	<u>11,162</u>	<u>1,028</u>	<u>54,255</u>	<u>68,684</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 196,840</u>	<u>\$ 11,162</u>	<u>\$ 1,028</u>	<u>\$ 54,255</u>	<u>\$ 69,267</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	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	\$ 108,756	\$ 143,023	\$ 56,773	\$ 1,138	\$ 1,340,660
Receivables:					
Taxes	0	0	0	0	777,772
Accounts	2,622	8,718	1,553	0	42,506
Special Assessments	0	0	0	0	594,309
Intergovernmental	0	0	0	0	459,624
Materials and Supplies Inventory	0	0	0	0	145,281
Prepaid Items	400	0	0	0	400
<i>Total Assets</i>	<u>\$ 111,778</u>	<u>\$ 151,741</u>	<u>\$ 58,326</u>	<u>\$ 1,138</u>	<u>\$ 3,360,552</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 0	\$ 3,668	\$ 0	\$ 0	\$ 69,900
Accrued Wages and Benefits	225	0	0	0	24,491
Intergovernmental Payable	35	0	0	0	269,579
Deferred Revenue	0	0	0	0	1,650,450
<i>Total Liabilities</i>	<u>260</u>	<u>3,668</u>	<u>0</u>	<u>0</u>	<u>2,014,420</u>
Fund Balances					
Nonspendable	400	0	0	0	145,681
Restricted	111,118	148,073	58,326	1,138	1,380,660
Committed	0	0	0	0	54,423
Unassigned	0	0	0	0	(234,632)
<i>Total Fund Balances (Deficit)</i>	<u>111,518</u>	<u>148,073</u>	<u>58,326</u>	<u>1,138</u>	<u>1,346,132</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 111,778</u>	<u>\$ 151,741</u>	<u>\$ 58,326</u>	<u>\$ 1,138</u>	<u>\$ 3,360,552</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, 2011

	Recreation Fund	State Highway Fund	Street Maintenance Fund	Fire Pension Fund	Police Pension Fund
Revenues					
Property Tax	\$ 0	\$ 0	\$ 0	\$ 328,398	\$ 328,398
Intergovernmental Revenue	0	51,744	638,208	61,394	61,394
Special Assessments	0	0	0	0	0
Charges for Services	485,932	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Interest Income	0	956	1,029	0	0
Contributions and Donations	0	0	0	0	0
Other	3,475	0	653	0	0
<i>Total Revenues</i>	<u>489,407</u>	<u>52,700</u>	<u>639,890</u>	<u>389,792</u>	<u>389,792</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	0	453,452	449,764
Public Health and Welfare	0	0	0	0	0
Leisure Time Activities	1,171,092	0	0	0	0
Transportation	0	50,000	766,322	0	0
General Government	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	1,373	3,973
Interest and Fiscal Charges	0	0	0	2,425	7,021
<i>Total Expenditures</i>	<u>1,171,092</u>	<u>50,000</u>	<u>766,322</u>	<u>457,250</u>	<u>460,758</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(681,685)	2,700	(126,432)	(67,458)	(70,966)
Other Financing Sources (Uses)					
Transfers In	679,000	0	158,000	66,500	65,500
<i>Total Other Financing Sources (Uses)</i>	<u>679,000</u>	<u>0</u>	<u>158,000</u>	<u>66,500</u>	<u>65,500</u>
<i>Net Change in Fund Balances</i>	(2,685)	2,700	31,568	(958)	(5,466)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(18,111)</u>	<u>19,076</u>	<u>216,876</u>	<u>(102,633)</u>	<u>(103,147)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ (20,796)</u>	<u>\$ 21,776</u>	<u>\$ 248,444</u>	<u>\$ (103,591)</u>	<u>\$ (108,613)</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, 2011

	D.A.R.E. Grant Fund	Street Lighting Fund	Berea Welfare Fund	Special Events Fund	Senior Services Fund
Revenues					
Property Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenue	1,978	0	0	0	0
Special Assessments	0	670,976	0	0	0
Charges for Services	0	0	0	7,820	19,107
Fines and Forfeitures	0	0	0	0	0
Interest Income	0	0	0	0	0
Contributions and Donations	0	0	25,811	21,371	7,715
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>1,978</u>	<u>670,976</u>	<u>25,811</u>	<u>29,191</u>	<u>26,822</u>
Expenditures					
Current:					
Security of Persons and Property	12,409	504,930	0	0	0
Public Health and Welfare	0	0	20,094	35,958	28,765
Leisure Time Activities	0	0	0	0	0
Transportation	0	0	0	0	0
General Government	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	29,796	0	0	0
Interest and Fiscal Charges	0	1,350	0	0	0
<i>Total Expenditures</i>	<u>12,409</u>	<u>536,076</u>	<u>20,094</u>	<u>35,958</u>	<u>28,765</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(10,431)	134,900	5,717	(6,767)	(1,943)
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>	(10,431)	134,900	5,717	(6,767)	(1,943)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>10,431</u>	<u>338,497</u>	<u>43,763</u>	<u>7,241</u>	<u>6,412</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 473,397</u>	<u>\$ 49,480</u>	<u>\$ 474</u>	<u>\$ 4,469</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, 2011

	Community Hospital Fund	Community Development Block Grant Fund	Municipal Vehicle Tax Levy Fund	Law Enforcement Fund	Probation Fund
Revenues					
Property Tax	\$ 80,937	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenue	21,566	76,138	38,980	0	0
Special Assessments	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	252,583
Interest Income	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>102,503</u>	<u>76,138</u>	<u>38,980</u>	<u>0</u>	<u>252,583</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	0	0	0
Public Health and Welfare	102,503	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Transportation	0	0	35,000	0	0
General Government	0	0	0	0	268,794
Capital Outlay	0	28,571	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>102,503</u>	<u>28,571</u>	<u>35,000</u>	<u>0</u>	<u>268,794</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	47,567	3,980	0	(16,211)
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	47,567	3,980	0	(16,211)
<i>Fund Balances (Deficit) Beginning of Year</i>	0	28,571	15,002	18,523	34,556
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 76,138</u>	<u>\$ 18,982</u>	<u>\$ 18,523</u>	<u>\$ 18,345</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, 2011

	Indigent Drivers Alcohol Treatment Fund	DUI Education Fund	Indigent Driving School Fund	DUS Diversion Fund	Court Computer Fund
Revenues					
Property Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenue	0	0	0	0	0
Special Assessments	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	51,426	940	0	20,925	110,070
Interest Income	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>51,426</u>	<u>940</u>	<u>0</u>	<u>20,925</u>	<u>110,070</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Transportation	0	0	0	0	0
General Government	12,998	0	0	0	147,217
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>12,998</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>147,217</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	38,428	940	0	20,925	(37,147)
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>	38,428	940	0	20,925	(37,147)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>156,492</u>	<u>10,222</u>	<u>1,028</u>	<u>33,330</u>	<u>105,831</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 194,920</u>	<u>\$ 11,162</u>	<u>\$ 1,028</u>	<u>\$ 54,255</u>	<u>\$ 68,684</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, 2011

	Court Computer Research Fund	Court Special Projects Fund	Court Special Projects II Fund	State Highway Patrol Fund	Total Nonmajor Special Revenue Funds
Revenues					
Property Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 737,733
Intergovernmental Revenue	0	0	0	0	951,402
Special Assessments	0	0	0	0	670,976
Charges for Services	0	0	0	0	512,859
Fines and Forfeitures	36,100	80,793	19,196	5,715	577,748
Interest Income	0	0	0	0	1,985
Contributions and Donations	0	0	0	0	54,897
Other	0	0	0	0	4,128
<i>Total Revenues</i>	<u>36,100</u>	<u>80,793</u>	<u>19,196</u>	<u>5,715</u>	<u>3,511,728</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	0	0	1,420,555
Public Health and Welfare	0	0	0	0	187,320
Leisure Time Activities	0	0	0	0	1,171,092
Transportation	0	0	0	0	851,322
General Government	43,778	144,231	3,537	4,577	625,132
Capital Outlay	0	0	0	0	28,571
Debt Service:					
Principal Retirement	0	0	0	0	35,142
Interest and Fiscal Charges	0	0	0	0	10,796
<i>Total Expenditures</i>	<u>43,778</u>	<u>144,231</u>	<u>3,537</u>	<u>4,577</u>	<u>4,329,930</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(7,678)	(63,438)	15,659	1,138	(818,202)
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	969,000
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>969,000</u>
<i>Net Change in Fund Balances</i>	(7,678)	(63,438)	15,659	1,138	150,798
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>119,196</u>	<u>211,511</u>	<u>42,667</u>	<u>0</u>	<u>1,195,334</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 111,518</u>	<u>\$ 148,073</u>	<u>\$ 58,326</u>	<u>\$ 1,138</u>	<u>\$ 1,346,132</u>

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2011

	General Capital Improvement Fund	Safety Capital Improvement Fund	Recreation Capital Improvement Fund	Neighborhood Improvement Fund
Assets				
Equity in Pooled Cash and Investments	\$ 156,994	\$ 4,252	\$ 46,926	\$ 17,523
Receivables:				
Taxes				
Accounts	4,657	0	0	0
Special Assessments	0	0	0	25,191
Intergovernmental	23,664	3,123	23,123	0
Loans Receivable	1,351,172	0	0	0
Materials and Supplies Inventory	0	0	0	117
	<u>0</u>	<u>0</u>	<u>0</u>	<u>117</u>
<i>Total Assets</i>	<u>\$ 1,536,487</u>	<u>\$ 7,375</u>	<u>\$ 70,049</u>	<u>\$ 42,831</u>
Liabilities and Fund Balance				
Liabilities				
Accounts Payable	\$ 10,783	\$ 0	\$ 0	\$ 59
Accrued Wages and Benefits	0	0	0	4,219
Intergovernmental Payable	0	0	0	7,352
Deferred Revenue	0	0	0	25,191
	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,191</u>
<i>Total Liabilities</i>	<u>10,783</u>	<u>0</u>	<u>0</u>	<u>36,821</u>
Fund Balances				
Nonspendable	0	0	0	117
Restricted	0	0	0	0
Committed	1,525,704	7,375	70,049	5,893
	<u>1,525,704</u>	<u>7,375</u>	<u>70,049</u>	<u>6,010</u>
<i>Total Fund Balances</i>	<u>1,525,704</u>	<u>7,375</u>	<u>70,049</u>	<u>6,010</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 1,536,487</u>	<u>\$ 7,375</u>	<u>\$ 70,049</u>	<u>\$ 42,831</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2011

	Railroad Capital Improvement Fund	Court Capital Improvement Fund	Totals
	<u> </u>	<u> </u>	<u> </u>
Assets			
Equity in Pooled Cash and Investments	\$ 275,654	\$ 729,772	\$ 1,231,121
Receivables:		0	
Taxes			
Accounts	0	17,639	22,296
Special Assessments	0	0	25,191
Intergovernmental	0	0	49,910
Loans Receivable	0	0	1,351,172
Materials and Supplies Inventory	0	0	117
	<u> </u>	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>\$ 275,654</u>	<u>\$ 747,411</u>	<u>\$ 2,679,807</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 10,842
Accrued Wages and Benefits	0	0	4,219
Intergovernmental Payable	0	0	7,352
Deferred Revenue	0	0	25,191
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>47,604</u>
Fund Balances			
Nonspendable	0	0	117
Restricted	275,654	747,411	1,023,065
Committed	0	0	1,609,021
	<u> </u>	<u> </u>	<u> </u>
<i>Total Fund Balances</i>	<u>275,654</u>	<u>747,411</u>	<u>2,632,203</u>
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 275,654</u>	<u>\$ 747,411</u>	<u>\$ 2,679,807</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, 2011

	General Capital Improvement Fund	Safety Capital Improvement Fund	Recreation Capital Improvement Fund	Neighborhood Improvement Fund
Revenues				
Intergovernmental	\$ 110,289	\$ 3,123	\$ 23,123	\$ 0
Fees, Licenses and Permits	0	0	0	34,525
Fines and Forfeitures	0	0	0	0
Rent	0	0	43,909	0
Contributions and Donations	0	0	8,035	0
Reimbursements	0	3,450	0	0
Other	0	5,323	0	373
<i>Total Revenues</i>	<u>110,289</u>	<u>11,896</u>	<u>75,067</u>	<u>34,898</u>
Expenditures				
Capital Outlay	1,926,028	177,731	250,105	616,836
Debt Service:				
Principal Retirement	94,333	0	0	0
Interest and Fiscal Charges	17,947	0	0	0
<i>Total Expenditures</i>	<u>2,038,308</u>	<u>177,731</u>	<u>250,105</u>	<u>616,836</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,928,019)</u>	<u>(165,835)</u>	<u>(175,038)</u>	<u>(581,938)</u>
Other Financing Sources (Uses)				
Issuance of Notes	801,000	83,000	76,000	0
Issuance of Loans	459,491	0	0	0
Transfers In	843,600	62,500	25,000	595,000
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>2,104,091</u>	<u>145,500</u>	<u>101,000</u>	<u>595,000</u>
<i>Net Change in Fund Balances</i>	176,072	(20,335)	(74,038)	13,062
<i>Fund Balances Beginning of Year</i>	<u>1,349,632</u>	<u>27,710</u>	<u>144,087</u>	<u>(7,052)</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,525,704</u>	<u>\$ 7,375</u>	<u>\$ 70,049</u>	<u>\$ 6,010</u>

(continued)

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, 2011

	Railroad Capital Improvement Fund	Court Capital Improvement Fund	Totals
Revenues			
Intergovernmental	\$ 0	\$ 0	\$ 136,535
Fees, Licenses and Permits	0	0	34,525
Fines and Forfeitures	0	228,046	228,046
Rent	0	0	43,909
Contributions and Donations	0	0	8,035
Reimbursements	0	0	3,450
Other	0	0	5,696
<i>Total Revenues</i>	<u>0</u>	<u>228,046</u>	<u>460,196</u>
Expenditures			
Capital Outlay	114,473	0	3,085,173
Debt Service:			
Principal Retirement	0	0	94,333
Interest and Fiscal Charges	0	0	17,947
<i>Total Expenditures</i>	<u>114,473</u>	<u>0</u>	<u>3,197,453</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(114,473)</u>	<u>228,046</u>	<u>(2,737,257)</u>
Other Financing Sources (Uses)			
Issuance of Notes	0	0	960,000
Issuance of Loans	0	0	459,491
Transfers In	0	0	1,526,100
Transfers Out	(1,000,000)	0	(1,000,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,000,000)</u>	<u>0</u>	<u>1,945,591</u>
<i>Net Change in Fund Balances</i>	(1,114,473)	228,046	(791,666)
<i>Fund Balances Beginning of Year</i>	<u>1,390,127</u>	<u>519,365</u>	<u>3,423,869</u>
<i>Fund Balances End of Year</i>	<u>\$ 275,654</u>	<u>\$ 747,411</u>	<u>\$ 2,632,203</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Municipal Income Taxes	\$ 1,596,129	\$ 1,596,129	\$ 0
Property Taxes	10,392,188	10,392,188	0
Other Local Taxes	250,181	250,181	0
Special Assessments	1,267	1,267	0
Intergovernmental	1,479,468	1,479,468	0
Charges for Services	568,057	568,057	0
Fees, Licenses and Permits	328,847	328,847	0
Fines and Forfeitures	1,367,287	1,367,287	0
Investment Income	116,563	116,563	0
Refunds and Reimbursements	13,496	13,496	0
Other	48,410	48,410	0
<i>Total Revenues</i>	<u>16,161,893</u>	<u>16,161,893</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police Department:			
Personal Services	2,827,900	2,805,558	22,342
Other	263,000	259,879	3,121
Total Police Department	<u>3,090,900</u>	<u>3,065,437</u>	<u>25,463</u>
Fire:			
Personal Services	1,918,317	1,915,162	3,155
Other	99,648	96,390	3,258
Total Fire Department	<u>2,017,965</u>	<u>2,011,552</u>	<u>6,413</u>
Total Security of Persons and Property	<u>5,108,865</u>	<u>5,076,989</u>	<u>31,876</u>
Leisure Time Activities:			
Municipal Signage:			
Personal Services	99,800	99,687	113
Other	16,000	15,951	49
Total Municipal Signage	<u>115,800</u>	<u>115,638</u>	<u>162</u>
Public Grounds:			
Personal Services	277,600	277,481	119
Other	48,550	48,339	211
Total Public Grounds	<u>326,150</u>	<u>325,820</u>	<u>330</u>
Total Leisure Time Activities	<u>441,950</u>	<u>441,458</u>	<u>492</u>
Community Development:			
Building Department:			
Personal Services	302,881	296,420	6,461
Other	21,617	21,281	336
Total Building Department	<u>324,498</u>	<u>317,701</u>	<u>6,797</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Engineering Department:			
Personal Services	138,516	136,065	2,451
Other	18,915	17,647	1,268
Total Engineering Department	<u>157,431</u>	<u>153,712</u>	<u>3,719</u>
Total Community Development	<u>481,929</u>	<u>471,413</u>	<u>10,516</u>
Public Works:			
Storm Sewers and Drains:			
Personal Services	82,850	82,796	54
Other	13,300	12,546	754
Total Storm Sewers and Drains	<u>96,150</u>	<u>95,342</u>	<u>808</u>
Refuse Collection and Disposal:			
Other	983,000	982,638	362
Total Refuse Collections and Disposal	<u>983,000</u>	<u>982,638</u>	<u>362</u>
Leaf Collection:			
Personal Services	51,500	40,693	10,807
Other	5,075	4,992	83
Total Leaf Collection	<u>56,575</u>	<u>45,685</u>	<u>10,890</u>
Snow Removal:			
Personal Services	77,485	68,783	8,702
Other	158,975	158,903	72
Total Snow Removal	<u>236,460</u>	<u>227,686</u>	<u>8,774</u>
Total Public Works	<u>1,372,185</u>	<u>1,351,351</u>	<u>20,834</u>
General Government:			
Council:			
Personal Services	143,416	143,396	20
Other	6,479	4,958	1,521
Total Council	<u>149,895</u>	<u>148,354</u>	<u>1,541</u>
Mayor:			
Personal Services	155,210	151,506	3,704
Other	7,750	5,603	2,147
Total Mayor	<u>162,960</u>	<u>157,109</u>	<u>5,851</u>
Finance			
Personal Services	283,940	280,560	3,380
Other	13,200	12,825	375
Total Finance	<u>297,140</u>	<u>293,385</u>	<u>3,755</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Law:			
Personal Services	205,233	188,933	16,300
Other	16,025	13,762	2,263
Total Law	<u>221,258</u>	<u>202,695</u>	<u>18,563</u>
Public Safety:			
Personal Services	45,786	45,003	783
Other	10,600	7,312	3,288
Total Public Safety	<u>56,386</u>	<u>52,315</u>	<u>4,071</u>
Municipal Court:			
Personal Services	861,935	820,257	41,678
Other	571,066	566,475	4,591
Total Municipal Court	<u>1,433,001</u>	<u>1,386,732</u>	<u>46,269</u>
Municipal Fleet and Equipment:			
Personal Services	180,000	173,817	6,183
Other	260,858	256,803	4,055
Total Municipal Fleet and Equipment	<u>440,858</u>	<u>430,620</u>	<u>10,238</u>
Municipal Building:			
Personal Services	22,000	21,817	183
Other	432,500	431,098	1,402
Total Municipal Building	<u>454,500</u>	<u>452,915</u>	<u>1,585</u>
Service Administration:			
Personal Services	88,609	82,350	6,259
Other	14,725	14,224	501
Total Service Administration	<u>103,334</u>	<u>96,574</u>	<u>6,760</u>
Planning and Development:			
Other	14,050	10,405	3,645
Total Planning and Development	<u>14,050</u>	<u>10,405</u>	<u>3,645</u>
Administration:			
Personal Services	382,746	380,641	2,105
Other	2,657,894	2,599,326	58,568
Total Administration	<u>3,040,640</u>	<u>2,979,967</u>	<u>60,673</u>
Total General Government	<u>6,374,022</u>	<u>6,211,071</u>	<u>162,951</u>
Total Expenditures	<u>13,778,951</u>	<u>13,552,282</u>	<u>226,669</u>
Excess of Revenues Over (Under) Expenditures	<u>2,382,942</u>	<u>2,609,611</u>	<u>226,669</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)			
Advances In	150,000	150,000	0
Transfers Out	(2,875,100)	(2,875,100)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,725,100)</u>	<u>(2,725,100)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(342,158)	(115,489)	226,669
<i>Fund Balance (Deficit) Beginning of Year</i>	2,237,249	2,237,249	0
Prior Year Encumbrances Appropriated	5,348	5,348	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 1,900,439</u>	<u>\$ 2,127,108</u>	<u>\$ 226,669</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 1,592,728	\$ 1,592,728	\$ 0
Intergovernmental	297,768	297,768	0
Special Assessments	10,543	10,543	0
Other	81	81	0
<i>Total Revenues</i>	<u>1,901,120</u>	<u>1,901,120</u>	<u>0</u>
Expenditures			
Current:			
General Government			
Other	50,000	15,623	34,377
Total General Government	<u>50,000</u>	<u>15,623</u>	<u>34,377</u>
Debt Service			
Principal Retirement	5,195,000	5,195,000	0
Interest and Fiscal Charges	474,763	474,763	0
Total Debt Service	<u>5,669,763</u>	<u>5,669,763</u>	<u>0</u>
<i>Total Expenditures</i>	<u>5,719,763</u>	<u>5,685,386</u>	<u>34,377</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,818,643)</u>	<u>(3,784,266)</u>	<u>34,377</u>
Other Financing Sources (Uses)			
Proceeds of Notes	3,850,000	3,850,000	0
Premium on Debt Issued	5,703	5,703	0
Transfers In	1,000,000	1,000,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>4,855,703</u>	<u>4,855,703</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,037,060	1,071,437	34,377
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>1,036,136</u>	<u>1,036,136</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 2,073,196</u>	<u>\$ 2,107,573</u>	<u>\$ 34,377</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$ 485,932	\$ 485,932	\$ 0
Other	3,475	3,475	0
<i>Total Revenues</i>	<u>489,407</u>	<u>489,407</u>	<u>0</u>
Expenditures			
Current:			
Leisure Time Activities:			
Personal Services	600,164	591,013	9,151
Other	600,600	596,325	4,275
<i>Total Expenditures</i>	<u>1,200,764</u>	<u>1,187,338</u>	<u>13,426</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(711,357)</u>	<u>(697,931)</u>	<u>13,426</u>
Other Financing Sources (Uses)			
Transfers In	679,000	679,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>679,000</u>	<u>679,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(32,357)	(18,931)	13,426
<i>Fund Balance (Deficit) Beginning of Year</i>	34,085	34,085	0
Prior Year Encumbrances Appropriated	468	468	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 2,196</u>	<u>\$ 15,622</u>	<u>\$ 13,426</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 51,957	\$ 51,957	\$ 0
Investment Income	956	956	0
<i>Total Revenues</i>	<u>52,913</u>	<u>52,913</u>	<u>0</u>
Expenditures			
Current:			
Transportation			
Other	59,000	50,000	9,000
<i>Total Expenditures</i>	<u>59,000</u>	<u>50,000</u>	<u>9,000</u>
<i>Net Change in Fund Balance</i>	(6,087)	2,913	9,000
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>11,128</u>	<u>11,128</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 5,041</u>	<u>\$ 14,041</u>	<u>\$ 9,000</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 640,823	\$ 640,823	\$ 0
Investment Income	1,029	1,029	0
Other	653	653	0
<i>Total Revenues</i>	<u>642,505</u>	<u>642,505</u>	<u>0</u>
Expenditures			
Current:			
Transportation			
Personal Services	479,500	468,285	11,215
Other	344,000	335,074	8,926
<i>Total Expenditures</i>	<u>823,500</u>	<u>803,359</u>	<u>20,141</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(180,995)</u>	<u>(160,854)</u>	<u>20,141</u>
Other Financing Sources (Uses)			
Transfers In	158,000	158,000	0
<i>Net Change in Fund Balance</i>	(22,995)	(2,854)	20,141
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>35,291</u>	<u>35,291</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 12,296</u>	<u>\$ 32,437</u>	<u>\$ 20,141</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 328,398	\$ 328,398	\$ 0
Intergovernmental	61,394	61,394	0
<i>Total Revenues</i>	<u>389,792</u>	<u>389,792</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Personal Services	468,194	467,620	574
<i>Total Expenditures</i>	<u>468,194</u>	<u>467,620</u>	<u>574</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(78,402)</u>	<u>(77,828)</u>	<u>574</u>
Other Financing Sources (Uses)			
Transfers In	66,500	66,500	0
<i>Net Change in Fund Balance</i>	(11,902)	(11,328)	574
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>23,527</u>	<u>23,527</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 11,625</u>	<u>\$ 12,199</u>	<u>\$ 574</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 328,398	\$ 328,398	\$ 0
Intergovernmental	61,394	61,394	0
<i>Total Revenues</i>	<u>389,792</u>	<u>389,792</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Personal Services	475,620	474,968	652
<i>Total Expenditures</i>	<u>475,620</u>	<u>474,968</u>	<u>652</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(85,828)</u>	<u>(85,176)</u>	<u>652</u>
Other Financing Sources (Uses)			
Transfers In	65,500	65,500	0
<i>Net Change in Fund Balance</i>	(20,328)	(19,676)	652
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>28,971</u>	<u>28,971</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 8,643</u>	<u>\$ 9,295</u>	<u>\$ 652</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 1,978	\$ 1,978	\$ 0
<i>Total Revenues</i>	<u>1,978</u>	<u>1,978</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	12,409	12,409	0
<i>Total Expenditures</i>	<u>12,409</u>	<u>12,409</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(10,431)	(10,431)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>10,431</u>	<u>10,431</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 470	\$ 470	\$ 0
<i>Total Revenues</i>	<u>470</u>	<u>470</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	565	565	0
<i>Total Expenditures</i>	<u>565</u>	<u>565</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(95)	(95)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>105</u>	<u>105</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 10</u></u>	<u><u>\$ 10</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, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Special Assessments	\$ 670,976	\$ 670,976	\$ 0
<i>Total Revenues</i>	<u>670,976</u>	<u>670,976</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	<u>568,854</u>	<u>502,225</u>	<u>66,629</u>
Debt Service			
Principal Retirement	29,796	29,796	0
Interest and Fiscal Charges	<u>1,350</u>	<u>1,350</u>	<u>0</u>
Total Debt Service	<u>31,146</u>	<u>31,146</u>	<u>0</u>
<i>Total Expenditures</i>	<u>600,000</u>	<u>533,371</u>	<u>66,629</u>
<i>Net Change in Fund Balance</i>	70,976	137,605	66,629
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>376,002</u>	<u>376,002</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 446,978</u>	<u>\$ 513,607</u>	<u>\$ 66,629</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$ 25,811	\$ 25,811	\$ 0
<i>Total Revenues</i>	<u>25,811</u>	<u>25,811</u>	<u>0</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	50,000	25,279	24,721
<i>Total Expenditures</i>	<u>50,000</u>	<u>25,279</u>	<u>24,721</u>
<i>Net Change in Fund Balance</i>	(24,189)	532	24,721
<i>Fund Balance (Deficit) Beginning of Year</i>	43,651	43,651	0
Prior Year Encumbrances Appropriated	<u>6,326</u>	<u>6,326</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 25,788</u>	<u>\$ 50,509</u>	<u>\$ 24,721</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$ 7,820	\$ 7,820	\$ 0
Contributions and Donations	21,371	21,371	0
<i>Total Revenues</i>	<u>29,191</u>	<u>29,191</u>	<u>0</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	37,000	36,770	230
<i>Total Expenditures</i>	<u>37,000</u>	<u>36,770</u>	<u>230</u>
<i>Net Change in Fund Balance</i>	(7,809)	(7,579)	230
<i>Fund Balance (Deficit) Beginning of Year</i>	7,532	7,532	0
Prior Year Encumbrances Appropriated	521	521	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 244</u>	<u>\$ 474</u>	<u>\$ 230</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$ 19,107	\$ 19,107	\$ 0
Contributions and Donations	7,715	7,715	0
<i>Total Revenues</i>	<u>26,822</u>	<u>26,822</u>	<u>0</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	33,000	30,440	2,560
<i>Total Expenditures</i>	<u>33,000</u>	<u>30,440</u>	<u>2,560</u>
<i>Net Change in Fund Balance</i>	(6,178)	(3,618)	2,560
<i>Fund Balance (Deficit) Beginning of Year</i>	5,815	5,815	0
Prior Year Encumbrances Appropriated	2,272	2,272	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 1,909</u>	<u>\$ 4,469</u>	<u>\$ 2,560</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 80,937	\$ 80,937	\$ 0
Intergovernmental	21,566	21,566	0
<i>Total Revenues</i>	<u>102,503</u>	<u>102,503</u>	<u>0</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	102,503	102,503	0
<i>Total Expenditures</i>	<u>102,503</u>	<u>102,503</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 24,900	\$ 24,900	\$ 0
<i>Total Revenues</i>	<u>24,900</u>	<u>24,900</u>	<u>0</u>
Expenditures			
Capital Outlay	28,571	28,571	0
<i>Total Expenditures</i>	<u>28,571</u>	<u>28,571</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(3,671)	(3,671)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>3,671</u>	<u>3,671</u>	<u>0</u>
<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
Municipal Vehicle Tax Levy Fund
For the Year Ended December 31, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 40,048	\$ 40,048	\$ 0
<i>Total Revenues</i>	<u>40,048</u>	<u>40,048</u>	<u>0</u>
Expenditures			
Current:			
Transportation:			
Other	40,000	35,000	5,000
<i>Total Expenditures</i>	<u>40,000</u>	<u>35,000</u>	<u>5,000</u>
<i>Net Change in Fund Balance</i>	48	5,048	5,000
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>11,947</u>	<u>11,947</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 11,995</u></u>	<u><u>\$ 16,995</u></u>	<u><u>\$ 5,000</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 18,000	\$ 0	\$ (18,000)
<i>Total Revenues</i>	<u>18,000</u>	<u>0</u>	<u>(18,000)</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	18,000	0	18,000
<i>Total Expenditures</i>	<u>18,000</u>	<u>0</u>	<u>18,000</u>
<i>Net Change in Fund Balance</i>	0	0	0
<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>\$ 18,523</u></u>	<u><u>\$ 18,523</u></u>	<u><u>\$ 0</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Probation Fund
For the Year Ended December 31, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 250,272	\$ 250,272	\$ 0
<i>Total Revenues</i>	<u>250,272</u>	<u>250,272</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	182,878	180,812	2,066
Other	93,000	90,780	2,220
<i>Total Expenditures</i>	<u>275,878</u>	<u>271,592</u>	<u>4,286</u>
<i>Net Change in Fund Balance</i>	(25,606)	(21,320)	4,286
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>32,533</u>	<u>32,533</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 6,927</u>	<u>\$ 11,213</u>	<u>\$ 4,286</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 65,141	\$ 65,141	\$ 0
<i>Total Revenues</i>	<u>65,141</u>	<u>65,141</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	47,000	16,778	30,222
<i>Total Expenditures</i>	<u>47,000</u>	<u>16,778</u>	<u>30,222</u>
<i>Net Change in Fund Balance</i>	18,141	48,363	30,222
<i>Fund Balance (Deficit) Beginning of Year</i>	128,704	128,704	0
Prior Year Encumbrances Appropriated	<u>10,842</u>	<u>10,842</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 157,687</u>	<u>\$ 187,909</u>	<u>\$ 30,222</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 940	\$ 940	\$ 0
<i>Total Revenues</i>	<u>940</u>	<u>940</u>	<u>0</u>
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	940	940	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>10,221</u>	<u>10,221</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 11,161</u></u>	<u><u>\$ 11,161</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
Indigent Driving School Fund
For the Year Ended December 31, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 0	\$ 0	\$ 0
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<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><u>\$ 1,028</u></u>	<u><u>\$ 1,028</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
DUS Diversion Fund
For the Year Ended December 31, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 20,195	\$ 20,195	\$ 0
<i>Total Revenues</i>	<u>20,195</u>	<u>20,195</u>	<u>0</u>
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	20,195	20,195	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>32,710</u>	<u>32,710</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 52,905</u></u>	<u><u>\$ 52,905</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
Court Computer Fund
For the Year Ended December 31, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 108,276	\$ 108,276	\$ 0
<i>Total Revenues</i>	<u>108,276</u>	<u>108,276</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	41,000	24,410	16,590
Other	125,000	122,860	2,140
<i>Total Expenditures</i>	<u>166,000</u>	<u>147,270</u>	<u>18,730</u>
<i>Net Change in Fund Balance</i>	(57,724)	(38,994)	18,730
<i>Fund Balance (Deficit) Beginning of Year</i>	97,708	97,708	0
Prior Year Encumbrances Appropriated	<u>1,795</u>	<u>1,795</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 41,779</u>	<u>\$ 60,509</u>	<u>\$ 18,730</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 35,600	\$ 35,600	\$ 0
<i>Total Revenues</i>	<u>35,600</u>	<u>35,600</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	19,500	17,345	2,155
Other	80,500	26,869	53,631
<i>Total Expenditures</i>	<u>100,000</u>	<u>44,214</u>	<u>55,786</u>
<i>Net Change in Fund Balance</i>	(64,400)	(8,614)	55,786
<i>Fund Balance (Deficit) Beginning of Year</i>	112,863	112,863	0
Prior Year Encumbrances Appropriated	4,507	4,507	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 52,970</u>	<u>\$ 108,756</u>	<u>\$ 55,786</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 79,111	\$ 79,111	\$ 0
<i>Total Revenues</i>	<u>79,111</u>	<u>79,111</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	164,072	145,261	18,811
<i>Total Expenditures</i>	<u>164,072</u>	<u>145,261</u>	<u>18,811</u>
<i>Net Change in Fund Balance</i>	(84,961)	(66,150)	18,811
<i>Fund Balance (Deficit) Beginning of Year</i>	200,181	200,181	0
Prior Year Encumbrances Appropriated	4,295	4,295	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 119,515</u>	<u>\$ 138,326</u>	<u>\$ 18,811</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 19,083	\$ 19,083	\$ 0
<i>Total Revenues</i>	<u>19,083</u>	<u>19,083</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	5,000	4,277	723
<i>Total Expenditures</i>	<u>5,000</u>	<u>4,277</u>	<u>723</u>
<i>Net Change in Fund Balance</i>	14,083	14,806	723
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>41,227</u>	<u>41,227</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 55,310</u></u>	<u><u>\$ 56,033</u></u>	<u><u>\$ 723</u></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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 5,715	\$ 5,715	\$ 0
<i>Total Revenues</i>	<u>5,715</u>	<u>5,715</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	5,493	4,577	916
<i>Total Expenditures</i>	<u>5,493</u>	<u>4,577</u>	<u>916</u>
<i>Net Change in Fund Balance</i>	222	1,138	916
<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>\$ 222</u>	<u>\$ 1,138</u>	<u>\$ 916</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$ 86,625	\$ 86,625	\$ 0
<i>Total Revenues</i>	<u>86,625</u>	<u>86,625</u>	<u>0</u>
Expenditures			
Capital Outlay	2,281,882	2,257,168	24,714
Debt Service			
Principal Retirement	94,333	94,333	0
Interest and Fiscal Charges	17,947	17,947	0
Total Debt Service	<u>112,280</u>	<u>112,280</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,394,162</u>	<u>2,369,448</u>	<u>24,714</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,307,537)</u>	<u>(2,282,823)</u>	<u>24,714</u>
Other Financing Sources (Uses)			
Issuance of Loans	459,491	459,491	0
Proceeds of Notes	801,000	801,000	0
Transfers In	<u>843,600</u>	<u>843,600</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(203,446)	(178,732)	24,714
<i>Fund Balance (Deficit) Beginning of Year</i>	222,701	222,701	0
<i>Prior Year Encumbrances Appropriated</i>	<u>30,724</u>	<u>30,724</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 49,979</u>	<u>\$ 74,693</u>	<u>\$ 24,714</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Other	\$ 8,773	\$ 8,773	\$ 0
<i>Total Revenues</i>	<u>8,773</u>	<u>8,773</u>	<u>0</u>
Expenditures			
Capital Outlay	183,480	179,523	3,957
<i>Total Expenditures</i>	<u>183,480</u>	<u>179,523</u>	<u>3,957</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(174,707)</u>	<u>(170,750)</u>	<u>3,957</u>
Other Financing Sources (Uses)			
Proceeds of Notes	83,000	83,000	0
Transfers In	62,500	62,500	0
<i>Total Other Financing Sources (Uses)</i>	<u>145,500</u>	<u>145,500</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(29,207)	(25,250)	3,957
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>29,501</u>	<u>29,501</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 294</u>	<u>\$ 4,251</u>	<u>\$ 3,957</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 2,865	\$ 2,865	\$ 0
Rent	43,909	43,909	0
Contributions and Donations	8,035	8,035	0
<i>Total Revenues</i>	<u>54,809</u>	<u>54,809</u>	<u>0</u>
Expenditures			
Capital Outlay	269,600	251,530	18,070
<i>Total Expenditures</i>	<u>269,600</u>	<u>251,530</u>	<u>18,070</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(214,791)</u>	<u>(196,721)</u>	<u>18,070</u>
Other Financing Sources (Uses)			
Proceeds of Notes	76,000	76,000	0
Transfers In	25,000	25,000	0
<i>Net Change in Fund Balance</i>	(113,791)	(95,721)	18,070
<i>Fund Balance (Deficit) Beginning of Year</i>	138,436	138,436	0
Prior Year Encumbrances Appropriated	4,210	4,210	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 28,855</u>	<u>\$ 46,925</u>	<u>\$ 18,070</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fees, Licenses and Permits	\$ 34,525	\$ 34,525	\$ 0
Other	373	373	0
<i>Total Revenues</i>	<u>34,898</u>	<u>34,898</u>	<u>0</u>
Expenditures			
Capital Outlay:			
Personal Services	262,000	257,764	4,236
Other	377,690	375,194	2,496
<i>Total Expenditures</i>	<u>639,690</u>	<u>632,958</u>	<u>6,732</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(604,792)</u>	<u>(598,060)</u>	<u>6,732</u>
Other Financing Sources (Uses)			
Transfers In	595,000	595,000	0
<i>Net Change in Fund Balance</i>	(9,792)	(3,060)	6,732
<i>Fund Balance (Deficit) Beginning of Year</i>	20,518	20,518	0
Prior Year Encumbrances Appropriated	40	40	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 10,766</u>	<u>\$ 17,498</u>	<u>\$ 6,732</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$ 0	\$ 0	\$ 0
Expenditures			
Capital Outlay	80,486	44,959	35,527
<i>Total Expenditures</i>	80,486	44,959	35,527
<i>Excess of Revenues Over (Under) Expenditures</i>	(80,486)	(44,959)	(35,527)
Other Financing Sources (Uses)			
Advances Out	(150,000)	(150,000)	0
Transfers Out	(1,000,000)	(1,000,000)	0
<i>Total Other Financing Sources (Uses)</i>	(1,150,000)	(1,150,000)	0
<i>Net Change in Fund Balance</i>	(1,230,486)	(1,194,959)	35,527
<i>Fund Balance (Deficit) Beginning of Year</i>	1,470,612	1,470,612	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 240,126</u>	<u>\$ 275,653</u>	<u>\$ 35,527</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, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fees, Licenses and Permits	\$ 224,570	\$ 224,570	\$ 0
<i>Total Revenues</i>	<u>224,570</u>	<u>224,570</u>	<u>0</u>
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	224,570	224,570	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>505,202</u>	<u>505,202</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 729,772</u></u>	<u><u>\$ 729,772</u></u>	<u><u>\$ 0</u></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 Assets
Internal Service Funds
December 31, 2011

	Medical Benefits Fund	Property/ Liability Insurance Fund	Workers Compensation Fund	Totals
Assets				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 52,363	\$ 5,804	\$ 124,012	\$ 182,179
<i>Total Assets</i>	<u>\$ 52,363</u>	<u>\$ 5,804</u>	<u>\$ 124,012</u>	<u>\$ 182,179</u>
 Liabilities				
Current Liabilities:				
Accounts Payable	\$ 0	\$ 9,412	\$ 0	\$ 9,412
Claims Payable	111,411	0	0	111,411
<i>Total Current Liabilities</i>	<u>111,411</u>	<u>9,412</u>	<u>0</u>	<u>120,823</u>
 Net Assets				
Unrestricted (Deficit)	<u>\$ (59,048)</u>	<u>\$ (3,608)</u>	<u>\$ 124,012</u>	<u>\$ 61,356</u>

City of Berea
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2011

	Medical Benefits Fund	Proprietary/ Liability Insurance Fund	Workers Compensation Fund	Totals
Operating Revenues				
Charges for Services	\$ 1,896,020	\$ 271,000	\$ 343,784	\$ 2,510,804
Miscellaneous	17,719	9,292	0	27,011
<i>Total Operating Revenues</i>	<u>1,913,739</u>	<u>280,292</u>	<u>343,784</u>	<u>2,537,815</u>
Operating Expenses				
Contractual Services	307,050	256,709	344,159	907,918
Claims	1,598,543	34,633	0	1,633,176
Other	718	0	0	718
<i>Total Operating Expenses</i>	<u>1,906,311</u>	<u>291,342</u>	<u>344,159</u>	<u>2,541,812</u>
<i>Change in Net Assets</i>	7,428	(11,050)	(375)	(3,997)
<i>Net Assets Beginning of Year</i>	<u>(66,476)</u>	<u>7,442</u>	<u>124,387</u>	<u>65,353</u>
<i>Net Assets End of Year</i>	<u>\$ (59,048)</u>	<u>\$ (3,608)</u>	<u>\$ 124,012</u>	<u>\$ 61,356</u>

City of Berea
Cuyahoga County, Ohio
Statement of Cash Flows-
Internal Service Funds
December 31, 2011

	Medical Benefits Fund	Property/ Liability Insurance Fund	Workers Compensation Fund	Total Internal Service Funds
Cash Flows From Operating Activities				
Cash Received from Customers	\$ 1,896,020	\$ 271,000	\$ 343,784	\$ 2,510,804
Cash Received from Refunds and Reimbursement	17,719	9,292	0	27,011
Cash Payments for Contractual and Other Services	(307,768)	(248,742)	(344,159)	(900,669)
Cash Payments for Claims	(1,602,266)	(34,633)	0	(1,636,899)
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	3,705	(3,083)	(375)	247
<i>Cash and Investments Beginning of Year</i>	48,658	8,887	124,387	181,932
<i>Cash and Investments End of Year</i>	\$ 52,363	\$ 5,804	\$ 124,012	\$ 182,179
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities				
Operating Income (Loss)	\$ 7,428	\$ (11,050)	\$ (375)	\$ (3,997)
Adjustments:				
Increase (Decrease) in Liabilities:				
Accounts Payable	0	7,967	0	7,967
Claims Payable	(3,723)	0	0	(3,723)
<i>Total Adjustments</i>	(3,723)	7,967	0	4,244
<i>Net Cash Provided By (Used For) Operating Activities</i>	\$ 3,705	\$ (3,083)	\$ (375)	\$ 247

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, 2011

	Regional Sewer	Contract Retainer	Guarantee Deposits	Ohio Board of Building Standards
Assets				
Equity in Pooled Cash and Investments	\$ 842,064	\$ 62,022	\$ 162,467	\$ 2,750
Equity in Pooled Cash Segregated	0	0	0	0
Accounts Receivable	1,366,485	0	0	0
<i>Total Assets</i>	<u>\$ 2,208,549</u>	<u>\$ 62,022</u>	<u>\$ 162,467</u>	<u>\$ 2,750</u>
Liabilities				
Accounts Payable	\$ 767,808	\$ 0	\$ 0	\$ 0
Due to Other Governments	1,440,741	0	0	2,750
Deposits Held and Due to Others	0	62,022	162,467	0
<i>Total Liabilities</i>	<u>\$ 2,208,549</u>	<u>\$ 62,022</u>	<u>\$ 162,467</u>	<u>\$ 2,750</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2011

	<u>Metroparks</u>	<u>Municipal Court</u>	<u>Totals</u>
Assets			
Equity in Pooled Cash and Investments	\$ 10,557	\$ 0	\$ 1,079,860
Equity in Pooled Cash Segregated	0	285,604	285,604
Accounts Receivable	<u>0</u>	<u>0</u>	<u>1,366,485</u>
<i>Total Assets</i>	<u><u>\$ 10,557</u></u>	<u><u>\$ 285,604</u></u>	<u><u>\$ 2,731,949</u></u>
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 767,808
Due to Other Governments	10,557	285,604	1,739,652
Deposits Held and Due to Others	<u>0</u>	<u>0</u>	<u>224,489</u>
<i>Total Liabilities</i>	<u><u>\$ 10,557</u></u>	<u><u>\$ 285,604</u></u>	<u><u>\$ 2,731,949</u></u>

City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2011

	Restated Beginning Balance 12/31/2010	Additions	Reductions	Ending Balance 12/31/2011
Regional Sewer				
Assets				
Equity in Pooled Cash and Investments	\$ 691,851	\$ 2,922,933	\$ 2,772,720	\$ 842,064
Accounts Receivable	1,242,639	1,366,485	1,242,639	1,366,485
<i>Total Assets</i>	<u>\$ 1,934,490</u>	<u>\$ 4,289,418</u>	<u>\$ 4,015,359</u>	<u>\$ 2,208,549</u>
Liabilities				
Accounts Payable	\$ 616,983	\$ 767,808	\$ 616,983	\$ 767,808
Due to Other Governments	1,317,507	1,440,741	1,317,507	1,440,741
<i>Total Liabilities</i>	<u>\$ 1,934,490</u>	<u>\$ 2,208,549</u>	<u>\$ 1,934,490</u>	<u>\$ 2,208,549</u>
Contract Retainer				
Assets				
Equity in Pooled Cash and Investments	\$ 9,866	\$ 74,889	\$ 22,733	\$ 62,022
<i>Total Assets</i>	<u>\$ 9,866</u>	<u>\$ 74,889</u>	<u>\$ 22,733</u>	<u>\$ 62,022</u>
Liabilities				
Deposits Held and Due to Others	\$ 9,866	\$ 74,889	\$ 22,733	\$ 62,022
<i>Total Liabilities</i>	<u>\$ 9,866</u>	<u>\$ 74,889</u>	<u>\$ 22,733</u>	<u>\$ 62,022</u>
Guarantee Deposits				
Assets				
Equity in Pooled Cash and Investments	\$ 169,305	\$ 33,950	\$ 40,788	\$ 162,467
<i>Total Assets</i>	<u>\$ 169,305</u>	<u>\$ 33,950</u>	<u>\$ 40,788</u>	<u>\$ 162,467</u>
Liabilities				
Deposits Held and Due to Others	\$ 169,305	\$ 33,950	\$ 40,788	\$ 162,467
<i>Total Liabilities</i>	<u>\$ 169,305</u>	<u>\$ 33,950</u>	<u>\$ 40,788</u>	<u>\$ 162,467</u>

(continued)

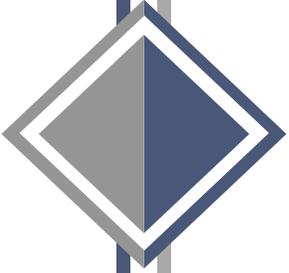
City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2011

	Restated Beginning Balance 12/31/2010	Additions	Reductions	Ending Balance 12/31/2011
Ohio Board of Building Standards				
Assets				
Equity in Pooled Cash and Investments	\$ 2,931	\$ 3,026	\$ 3,207	\$ 2,750
<i>Total Assets</i>	<u>\$ 2,931</u>	<u>\$ 3,026</u>	<u>\$ 3,207</u>	<u>\$ 2,750</u>
Liabilities				
Due to Other Governments	\$ 2,931	\$ 3,026	\$ 3,207	\$ 2,750
<i>Total Liabilities</i>	<u>\$ 2,931</u>	<u>\$ 3,026</u>	<u>\$ 3,207</u>	<u>\$ 2,750</u>
Metroparks				
Assets				
Equity in Pooled Cash and Investments	\$ 0	\$ 10,557	\$ 0	\$ 10,557
<i>Total Assets</i>	<u>\$ 0</u>	<u>\$ 10,557</u>	<u>\$ 0</u>	<u>\$ 10,557</u>
Liabilities				
Due to Other Governments	\$ 0	\$ 10,557	\$ 0	\$ 10,557
<i>Total Liabilities</i>	<u>\$ 0</u>	<u>\$ 10,557</u>	<u>\$ 0</u>	<u>\$ 10,557</u>
Municipal Court				
Assets				
Equity in Pooled Cash Segregated	\$ 300,978	\$ 285,604	\$ 300,978	\$ 285,604
<i>Total Assets</i>	<u>\$ 300,978</u>	<u>\$ 285,604</u>	<u>\$ 300,978</u>	<u>\$ 285,604</u>
Liabilities				
Due to Other Governments	\$ 300,978	\$ 285,604	\$ 300,978	\$ 285,604
<i>Total Liabilities</i>	<u>\$ 300,978</u>	<u>\$ 285,604</u>	<u>\$ 300,978</u>	<u>\$ 285,604</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2011

	Restated Beginning Balance 12/31/2010	Additions	Reductions	Ending Balance 12/31/2011
Total Agency Funds				
Assets				
Equity in Pooled Cash and Investments	\$ 873,953	\$ 3,045,355	\$ 2,839,448	\$ 1,079,860
Equity in Pooled Cash Segregated	300,978	285,604	300,978	285,604
Accounts Receivable	1,242,639	1,366,485	1,242,639	1,366,485
	<u>1,242,639</u>	<u>1,366,485</u>	<u>1,242,639</u>	<u>1,366,485</u>
<i>Total Assets</i>	<u>\$ 2,417,570</u>	<u>\$ 4,697,444</u>	<u>\$ 4,383,065</u>	<u>\$ 2,731,949</u>
Liabilities				
Accounts Payable	\$ 616,983	\$ 767,808	\$ 616,983	\$ 767,808
Due to Other Governments	1,621,416	1,739,928	1,621,692	1,739,652
Deposits Held and Due to Others	179,171	108,839	63,521	224,489
	<u>179,171</u>	<u>108,839</u>	<u>63,521</u>	<u>224,489</u>
<i>Total Liabilities</i>	<u>\$ 2,417,570</u>	<u>\$ 2,616,575</u>	<u>\$ 2,302,196</u>	<u>\$ 2,731,949</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 Assets By Component
Last Nine Years
(Accrual Basis of Accounting)

	2011	Restated 2010	2009	Restated 2008
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 58,906,009	\$ 61,091,099	\$ 59,019,083	\$ 54,735,567
Restricted:				
Capital Projects	673,065	915,815	2,486,092	301,374
Debt Service	2,347,649	1,292,551	1,104,494	905,303
Street Lighting	1,067,706	1,055,354	1,093,595	755,289
Street Maintenance and Repair	446,422	376,397	395,710	304,989
Other Purposes *	554,206	701,198	628,634	703,967
Unrestricted	4,476,698	3,736,574	2,022,870	4,320,878
<i>Total Governmental Activities Net Assets</i>	<u>\$ 68,471,755</u>	<u>\$ 69,168,988</u>	<u>\$ 66,750,478</u>	<u>\$ 62,027,367</u>
Business Type - Activities				
Invested in Capital Assets, Net of Related Debt	\$ 24,047,158	\$ 20,243,615	\$ 19,919,357	\$ 20,018,990
Unrestricted	2,018,042	2,326,082	2,274,499	1,815,540
<i>Total Business-Type Activities Net Assets</i>	<u>\$ 26,065,200</u>	<u>\$ 22,569,697</u>	<u>\$ 22,193,856</u>	<u>\$ 21,834,530</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	\$ 82,953,167	\$ 81,334,714	\$ 78,938,440	\$ 74,754,557
Restricted	5,089,048	4,341,315	5,708,525	2,970,922
Unrestricted	6,494,740	6,062,656	4,297,369	6,136,418
<i>Total Primary Government Net Assets</i>	<u>\$ 94,536,955</u>	<u>\$ 91,738,685</u>	<u>\$ 88,944,334</u>	<u>\$ 83,861,897</u>

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

2007	2006	2005	2004	2003
\$ 53,184,519	\$ 48,121,514	\$ 42,381,980	\$ 45,448,288	\$ 32,753,184
0	232,205	3,264,410	4,515,207	5,088,512
680,940	670,019	643,931	657,684	306,605
0	0	0	0	0
0	0	0	0	0
2,096,437	2,053,168	2,460,328	2,031,958	1,675,371
1,338,161	1,997,946	749,997	1,203,314	440,214
<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>
\$ 19,953,368	\$ 18,647,776	\$ 16,754,484	\$ 8,818,160	\$ 8,272,544
1,612,870	1,086,173	1,377,976	839,608	463,839
<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>
\$ 73,137,887	\$ 66,769,290	\$ 59,136,464	\$ 54,266,448	\$ 41,025,728
2,777,377	2,955,392	6,368,669	7,204,849	7,070,488
2,951,031	3,084,119	2,127,973	2,042,922	904,053
<u>\$ 78,866,295</u>	<u>\$ 72,808,801</u>	<u>\$ 67,633,106</u>	<u>\$ 63,514,219</u>	<u>\$ 49,000,269</u>

City of Berea, Ohio
Changes in Net Assets
Last Nine Years
(Accrual Basis of Accounting)

	2011	2010	2009	Restated 2008
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 2,427,949	\$ 2,635,408	\$ 2,544,724	\$ 2,391,999
Security of Persons and Property	994,746	1,047,395	1,383,581	1,091,201
Public Health and Welfare	22,574	39,309	0	0
Leisure Time Activities	529,841	477,076	409,457	424,726
Community Development	62,478	33,774	33,534	27,237
Public Works	0	0	0	0
Basic Utility	0	0	0	0
Transportation	228,046	296,627	486,980	679,167
Subtotal - Charges for Services	<u>4,265,634</u>	<u>4,529,589</u>	<u>4,858,276</u>	<u>4,614,330</u>
Operating Grants and Contributions:				
General Government	106,815	64,590	0	4,000
Security of Persons and Property:	5,428	39,925	24,364	21,521
Public Health and Welfare	59,250	75,831	80,728	0
Leisure Time Activities	8,035	58,733	19,375	0
Community Development	0	0	65,293	0
Public Works	0	0	0	225,000
Transportation	718,812	856,311	702,977	1,029,496
Subtotal - Operating Grants and Contributions	<u>898,340</u>	<u>1,095,390</u>	<u>892,737</u>	<u>1,280,017</u>
Capital Grants and Contributions:				
Security of Persons and Property:	0	0	2,487,993	0
Leisure Time Activities	0	0	0	0
Community Development	0	0	10,670	0
Basic Utility	0	0	0	0
Transportation	725,879	3,418,094	2,277,761	237,222
General Government	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>725,879</u>	<u>3,418,094</u>	<u>4,776,424</u>	<u>237,222</u>
<i>Total Governmental Activities Program Revenues</i>	<u>5,889,853</u>	<u>9,043,073</u>	<u>10,527,437</u>	<u>6,131,569</u>
Business-Type Activities:				
Charges for Services:				
Water	2,698,896	2,578,894	2,768,562	2,581,125
Sewer	693,806	656,827	721,397	762,686
Capital Grants and Contributions				
Water	0	606,839	8,600	906,530
Sewer	0	466,728	99,486	204,882
<i>Total Business-Type Activities Program Revenues</i>	<u>3,392,702</u>	<u>4,309,288</u>	<u>3,598,045</u>	<u>4,455,223</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 9,282,555</u>	<u>\$ 13,352,361</u>	<u>\$ 14,125,482</u>	<u>\$ 10,586,792</u>
Expenses				
Governmental Activities:				
General Government	\$ 6,201,327	\$ 7,766,608	\$ 6,543,797	\$ 6,075,079
Security of Persons and Property:	6,441,638	6,974,204	6,883,839	6,756,475
Public Health and Welfare	187,320	211,300	119,132	122,080
Leisure Time Activities	2,714,029	3,559,520	3,005,421	3,207,018
Community Development	455,883	543,755	496,548	502,423
Public Works	1,370,499	1,337,335	1,121,553	1,265,014
Transportation	1,422,584	2,965,627	2,936,864	2,631,003
Interest and Fiscal Charges	450,989	613,938	668,099	563,320
<i>Total Governmental Activities Expenses</i>	<u>19,244,269</u>	<u>23,972,287</u>	<u>21,775,253</u>	<u>21,122,412</u>

2007	2006	2005	2004	2003
\$ 2,743,431	\$ 2,757,377	\$ 2,498,563	\$ 2,149,876	\$ 2,520,426
510,215	428,927	391,611	477,761	540,091
0	0	0	0	0
413,284	381,189	317,031	280,562	450,076
461,435	967,225	660,539	449,421	180,031
6,715	2,696	128,455	295,098	90,015
43	0	0	0	0
0	0	41	3,617,529	5,220,882
<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>
0	447	950	0	0
120,903	20,239	24,068	17,756	17,278
0	0	0	0	0
500	1,250	0	0	0
0	0	0	0	0
0	0	0	0	0
728,512	736,799	961,694	655,972	539,059
<u>849,915</u>	<u>758,735</u>	<u>986,712</u>	<u>673,728</u>	<u>556,337</u>
0	220,893	0	0	0
0	473,648	0	0	258,160
0	150,000	0	0	175,804
0	0	0	613,294	0
4,860,546	2,382,193	4,064,393	9,018,803	3,748,743
0	0	1,260,873	0	0
<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>9,845,584</u>	<u>8,522,883</u>	<u>10,308,218</u>	<u>17,576,072</u>	<u>13,740,565</u>
3,039,350	2,716,951	2,552,951	1,941,215	1,180,637
838,176	792,902	766,157	559,478	491,000
1,459,661	1,670,964	2,121,365	0	0
306,210	588,366	868,307	0	0
<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>\$ 15,488,981</u>	<u>\$ 14,292,066</u>	<u>\$ 16,616,998</u>	<u>\$ 20,076,765</u>	<u>\$ 15,412,202</u>
\$ 7,354,994	\$ 7,798,798	\$ 8,413,294	\$ 6,007,892	\$ 6,002,685
6,438,828	6,639,568	5,845,715	5,512,773	4,478,817
120,472	144,833	130,574	120,860	119,042
3,373,362	2,029,456	3,869,281	1,144,893	1,750,225
542,237	638,547	501,952	374,633	254,795
1,262,949	1,122,270	889,213	1,446,006	1,539,776
2,548,409	2,535,627	2,160,819	2,670,581	899,290
1,070,332	1,292,593	1,085,275	1,561,094	1,389,907
<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>

City of Berea, Ohio
Changes in Net Assets
Last Nine Years
(Accrual Basis of Accounting)

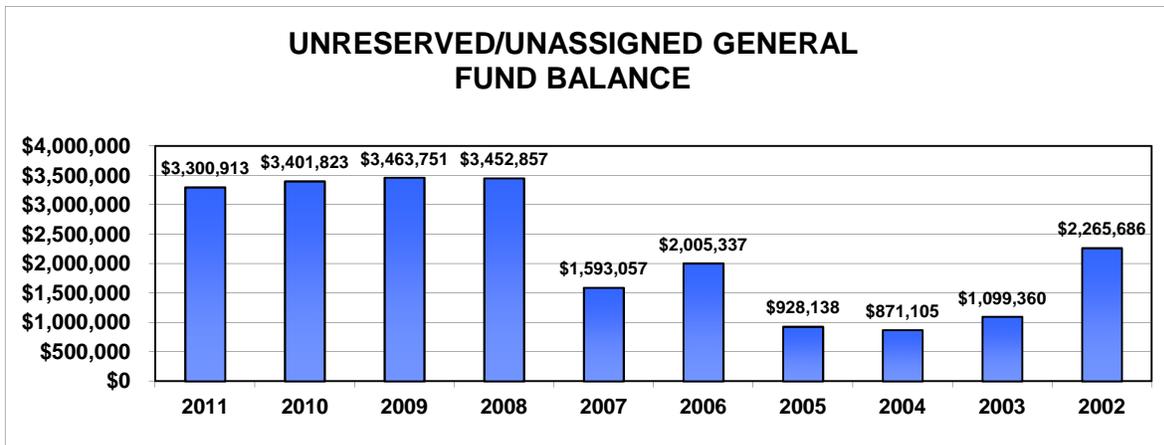
	2011	2010	2009	Restated 2008
Business-Type Activities				
Water	3,863,036	3,658,374	3,639,102	3,650,419
Sewer	752,380	700,903	873,591	1,005,252
<i>Total Business-Type Activities Expenses</i>	<u>4,615,416</u>	<u>4,359,277</u>	<u>4,512,693</u>	<u>4,655,671</u>
<i>Total Primary Government Program Expenses</i>	<u>23,859,685</u>	<u>28,331,564</u>	<u>26,287,946</u>	<u>25,778,083</u>
Net (Expense)/Revenue				
Governmental Activities	(13,354,416)	(14,929,214)	(11,247,816)	(14,990,843)
Business-Type Activities	<u>(1,222,714)</u>	<u>(49,989)</u>	<u>(914,648)</u>	<u>(200,448)</u>
<i>Total Primary Government Net Expense</i>	<u>(14,577,130)</u>	<u>(14,979,203)</u>	<u>(12,162,464)</u>	<u>(15,191,291)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	\$ 1,669,355	\$ 1,572,247	\$ 1,915,871	\$ 1,948,775
Other Purposes *	2,394,337	2,310,144	2,562,258	2,290,617
Municipal Income Taxes levied for:				
General Purposes	10,601,210	10,479,704	9,993,755	11,126,645
Special Revenue	0	0	0	0
Grants and Entitlements not Restricted to				
Specific Programs	1,675,190	2,307,793	1,777,548	2,224,225
Investment Income	137,585	136,442	124,123	199,120
Other Taxes	260,819	283,047	199,128	267,231
Miscellaneous	94,120	201,081	128,338	104,854
Transfers	<u>(4,175,433)</u>	<u>32,922</u>	<u>(730,094)</u>	<u>(132,000)</u>
<i>Total Governmental Activities</i>	<u>12,657,183</u>	<u>17,323,380</u>	<u>15,970,927</u>	<u>18,029,467</u>
Business-Type Activities				
Municipal Income Taxes levied for:				
Other Purpose - Debt Service	0	0	0	0
Property Taxes levied for:				
Water Improvements	458,166	453,075	480,309	486,477
Grants and Entitlements not Restricted to				
Specific Programs	81,972	0	0	0
Investment Income	0	0	0	0
Capital Contributions	0	0	0	0
Transfers	4,175,433	(32,922)	730,094	132,000
Miscellaneous	<u>2,646</u>	<u>5,677</u>	<u>63,571</u>	<u>63,936</u>
<i>Total Business-Type Activities</i>	<u>4,718,217</u>	<u>425,830</u>	<u>1,273,974</u>	<u>682,413</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>17,375,400</u>	<u>17,749,210</u>	<u>17,244,901</u>	<u>18,711,880</u>
Change in Net Assets				
Governmental Activities	(697,233)	2,394,166	4,723,111	3,038,624
Business-Type Activities	<u>3,495,503</u>	<u>375,841</u>	<u>359,326</u>	<u>481,965</u>
<i>Total Primary Government Change in Net Assets</i>	<u>\$ 2,798,270</u>	<u>\$ 2,770,007</u>	<u>\$ 5,082,437</u>	<u>\$ 3,520,589</u>

* Includes Police and Fire Pension and Debt Service

2007	2006	2005	2004	2003
3,048,752	3,292,666	2,603,840	2,005,238	1,970,077
914,222	1,000,028	1,486,172	575,435	526,892
3,962,974	4,292,694	4,090,012	2,580,673	2,496,969
26,674,557	26,494,386	26,986,135	21,419,405	18,931,506
(12,865,999)	(13,678,809)	(12,587,905)	(1,262,660)	(2,693,972)
1,680,423	1,476,489	2,218,768	(79,980)	(825,332)
(11,185,576)	(12,202,320)	(10,369,137)	(1,342,640)	(3,519,304)
\$ 2,161,447	\$ 2,088,896	\$ 1,976,838	\$ 3,634,820	\$ 2,052,840
2,766,840	2,568,680	2,456,646	2,301,511	1,745,486
7,292,340	7,735,605	7,116,009	8,902,933	8,694,407
2,430,779	2,578,536	2,372,003		
2,072,711	1,960,590	1,180,922	1,878,981	1,381,784
252,034	344,936	195,954	57,230	33,133
5,903	13,476	18,486		
184,150	87,296	78,228	1,182	1,148
(75,000)	(125,000)	(305,000)	(1,054,943)	(819,500)
17,091,204	17,253,015	15,090,086	15,721,714	13,089,298
51,425	0	0	0	34,079
0	0	0	0	0
0	0	0	0	0
25,441	0	0	0	0
0	0	0	0	257,348
75,000	125,000	305,000	1,054,943	879,756
0	0	0	0	0
151,866	125,000	305,000	1,054,943	1,171,183
17,243,070	17,378,015	15,395,086	16,776,657	14,260,481
4,225,205	3,574,206	2,502,181	14,459,054	10,395,326
1,832,289	1,601,489	2,523,768	974,963	345,851
\$ 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)

	2011	Restated 2010	2009	2008
General Fund				
Reserved	\$ 0	\$ 0	\$ 159,796	\$ 160,007
Unreserved	0	0	3,463,751	3,452,857
Nonspendable	47,891	24,344	0	0
Committed	927,075	831,180	0	0
Assigned	6,106	0	0	0
Unassigned	3,300,913	3,401,823	0	0
Total General Fund	4,281,985	4,257,347	3,623,547	3,612,864
All Other Governmental Funds				
Reserved	0	0	639,238	124,821
Unreserved, Undesignated, Reported in:				
Special Revenue funds	0	0	954,698	703,632
Debt Service funds	0	0	847,063	679,284
Capital Projects funds	0	0	1,893,439	(2,447,748)
Nonspendable	145,798	1,088,175	0	0
Restricted	4,511,298	4,307,437	0	0
Committed	1,663,444	490,670	0	0
Unassigned	(234,632)	(230,943)	0	0
Total All Other Governmental Funds	6,085,908	5,655,339	4,334,438	(940,011)
Total Governmental Funds	\$ 10,367,893	\$ 9,912,686	\$ 7,957,985	\$ 2,672,853



2007	2006	2005	2004	2003	2002
\$ 43,543	\$ 21,772	\$ 26,705	\$ 26,433	\$ 32,492	\$ 33,691
1,593,057	2,005,337	928,138	871,105	1,099,360	2,265,686
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,636,600	2,027,109	954,843	897,538	1,131,852	2,299,377
275,090	219,815	120,073	200,289	154,362	562,559
855,636	859,680	1,219,959	1,253,437	1,116,034	1,062,659
468,848	235,077	374,539	346,796	348,485	0
(324,100)	133,043	3,272,463	3,993,634	4,804,724	968,239
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,275,474	1,447,615	4,987,034	5,794,156	6,423,605	2,593,457
\$ 2,912,074	\$ 3,474,724	\$ 5,941,877	\$ 6,691,694	\$ 7,555,457	\$ 4,892,834

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

	2011	2010	2009	2008	2007
Revenues					
Property and Other Taxes	\$ 4,187,409	\$ 4,167,796	\$ 4,270,718	\$ 4,647,207	\$ 6,062,620
Municipal Income Taxes	10,454,513	10,922,715	10,181,318	10,928,016	8,828,219
Charges for Services	1,056,890	1,113,097	993,872	1,066,019	1,140,431
Fees, Licenses and Permits	363,372	480,979	408,421	274,645	599,923
Fines and Forfeitures	2,189,582	2,364,651	2,443,123	2,385,269	2,242,271
Intergovernmental	2,897,594	3,274,546	3,402,160	2,979,611	5,788,912
Special Assessments	682,786	700,167	517,918	844,993	607,345
Interest	137,585	136,442	124,123	199,120	252,079
Contributions and Donations	62,932	258,686	94,495	200,000	0
Other	116,901	165,369	175,973	272,233	139,107
<i>Total Revenues</i>	<u>22,149,564</u>	<u>23,584,448</u>	<u>22,612,121</u>	<u>23,797,113</u>	<u>25,660,907</u>
Expenditures					
Current:					
General Government	6,714,835	6,791,331	6,329,229	6,588,316	7,344,938
Security of Persons and Property:	6,458,138	6,663,889	6,474,662	6,419,429	6,199,605
Public Health and Welfare	187,320	211,300	119,132	122,080	120,472
Leisure Time Activities	1,614,757	1,544,300	1,610,617	1,625,000	1,772,479
Community Development	471,003	503,772	505,093	534,163	547,564
Public Works	1,350,451	1,327,127	1,089,789	1,236,211	1,241,619
Transportation	851,322	890,006	884,337	833,147	966,443
Capital Outlay	3,113,744	3,195,787	3,430,872	5,804,880	5,895,586
Debt Service:					
Principal Retirement	5,324,475	7,241,978	2,275,311	1,172,101	1,260,146
Interest and Fiscal Charges	503,506	623,917	545,979	548,167	958,072
<i>Total Expenditures</i>	<u>26,589,551</u>	<u>28,993,407</u>	<u>23,265,021</u>	<u>24,883,494</u>	<u>26,306,924</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(4,439,987)</u>	<u>(5,408,959)</u>	<u>(652,900)</u>	<u>(1,086,381)</u>	<u>(646,017)</u>
Other Financing Sources (Uses)					
Proceeds from Capital Assets	0	1,817	10,578	4,160	2,292
Special Assessment Bonds Issued	0	0	0	0	0
General Obligation Bonds Issued	0	2,725,000	0	0	0
General Obligation Bonds Refunded	0	0	0	0	0
Premium on Refunding Bonds	0	0	0	0	0
Premium on Debt Issued	5,703	14,728	0	0	0
Payment to Refunding Bond Escrow Agent	0	0	0	0	0
Notes Issued	4,810,000	3,850,000	5,850,000	975,000	0
Inception of Capital Lease	0	136,953	212,598	0	156,075
Issuance of Loans	459,491	817,961	362,056	0	0
Other	0	0	0	0	0
Discount on Debt Issued	0	(34,143)	0	0	0
Transfers In	3,495,100	2,615,670	7,637,068	2,104,000	2,982,479
Transfers Out	(3,875,100)	(2,788,670)	(8,134,268)	(2,236,000)	(3,057,479)
<i>Total Other Financing Sources (Uses)</i>	<u>4,895,194</u>	<u>7,339,316</u>	<u>5,938,032</u>	<u>847,160</u>	<u>83,367</u>
<i>Net Change in Fund Balances</i>	<u>\$ 455,207</u>	<u>\$ 1,930,357</u>	<u>\$ 5,285,132</u>	<u>\$ (239,221)</u>	<u>\$ (562,650)</u>
Debt Service as a Percentage of Noncapital Expenditures	0.20	0.33	0.18	0.10	0.12

2006	2005	2004	2003	2002
\$ 4,733,365	\$ 4,592,855	\$ 4,740,860	\$ 4,501,531	\$ 3,723,187
10,563,354	9,291,061	8,891,029	8,180,722	9,080,486
1,003,101	749,245	4,607,832	5,823,306	563,878
998,953	882,642	600,031	214,274	153,214
2,255,125	2,017,012	1,917,864	1,975,713	1,928,362
3,618,018	4,491,032	11,961,187	6,825,904	6,443,731
495,358	575,716	548,532	600,987	542,375
344,936	195,980	57,230	33,133	79,783
0	0	0	0	0
199,684	663,941	113,319	129,433	309,649
<u>24,211,894</u>	<u>23,459,484</u>	<u>33,437,884</u>	<u>28,285,003</u>	<u>22,824,665</u>
7,043,959	6,616,462	6,165,039	5,897,318	4,913,272
6,613,828	6,305,057	5,645,043	5,583,442	5,522,321
144,833	130,574	120,860	119,042	117,680
1,693,868	1,951,111	1,787,729	1,817,903	1,321,802
535,008	421,281	367,363	365,892	371,253
1,019,438	826,085	753,301	826,385	889,504
876,475	787,638	686,509	641,113	1,281,752
3,653,127	4,663,870	12,190,032	11,114,811	8,204,525
6,853,359	8,892,656	9,862,504	2,950,624	2,206,525
1,113,234	1,100,417	1,804,223	1,136,832	1,075,925
<u>29,547,129</u>	<u>31,695,151</u>	<u>39,382,603</u>	<u>30,453,362</u>	<u>25,904,559</u>
<u>(5,335,235)</u>	<u>(8,235,667)</u>	<u>(5,944,719)</u>	<u>(2,168,359)</u>	<u>(3,079,894)</u>
8,318	0	1,182	1,148	3,832
(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	1,300,000
136,615	170,604	0	0	0
0	0	0	0	0
0	2,043,000	0	0	4,804,886
0	0	0	0	0
2,981,550		2,018,850	2,044,539	2,528,693
(3,106,550)	(2,348,000)	(2,591,450)	(3,085,439)	(3,675,893)
<u>2,868,082</u>	<u>7,465,604</u>	<u>5,930,203</u>	<u>4,714,990</u>	<u>4,961,518</u>
<u>\$ (2,467,153)</u>	<u>\$ (770,063)</u>	<u>\$ (14,516)</u>	<u>\$ 2,546,631</u>	<u>\$ 1,881,624</u>
0.32	0.39	0.43	0.75	0.19

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

Year	City of Berea					Berea School District	Polaris JVSD	Cuyahoga Co & Special Taxing Districts (1)	Total
	General	Special Revenue	Water Revenue (2)	Debt Service	Total				
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
2002	7.95	3.10	N/A	6.45	17.50	63.80	2.40	17.60	101.30

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				
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
2002	7.95	3.10	N/A	6.45	17.50	90.00	2.40	17.60	127.50

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
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
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
2002	300,807,200	859,449,143	10,323,810	11,731,602

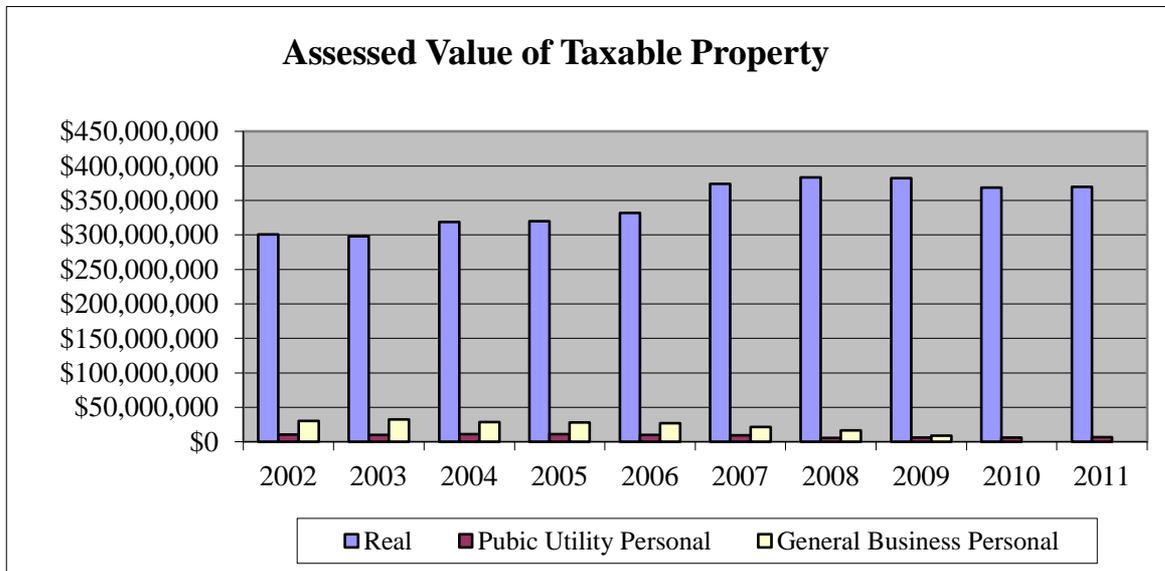
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

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

<u>Tangible Personal Property</u>					
<u>General Business</u>		<u>Total</u>			
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio</u>	<u>Total Direct Tax Rate (1)</u>
-	-	376,309,020	1,063,944,433	35.37	132.20
-	-	374,796,540	1,059,966,237	35.36	132.20
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	129.90
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
30,531,818	122,127,272	341,662,828	993,308,017	34.40	127.50



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

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy (2)</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
2011	\$ 5,352,662	\$ 4,800,181	89.68%	\$ 188,563	\$ 4,988,744	93.20%	\$ 320,968	6.00%
2010	5,288,742	4,739,815	89.62	176,105	4,915,920	92.95	368,250	6.96
2009	5,139,255	4,938,884	96.10	137,428	5,076,312	98.78	335,461	6.53
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
2002	5,113,482	4,584,946	89.66	182,474	4,767,420	93.23	318,128	6.22

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
 2011 and 2002

Taxpayer	2011	
	Real Property Assessed Valuation (1)	Percentage Of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 5,152,860	1.39%
A&F Machine Products Co.	3,896,070	1.05%
Tower in the Park LTD	3,710,010	1.00%
Echo Berea Associates, LLC	2,914,530	0.79%
West Valley Plaza	2,726,580	0.74%
Berea Properties Company	2,694,910	0.73%
OHI Asset II LLC	2,482,880	0.67%
Western Reserve Revitalization	2,372,380	0.64%
Berea Square Co., LLC	1,873,380	0.51%
680 North LLC	1,662,500	0.45%
Total	\$ 29,486,100	7.97%
Total Assessed Valuation	\$ 369,786,280	
Taxpayer	2002	
	Real Property Assessed Valuation (1)	Percentage Of Real Assessed Valuation
Tower in the Park LTD	\$ 4,014,430	1.33%
Cleveland Electric Illuminating Co.	3,794,490	1.26%
Ohio Bell Telephone Co.	3,154,830	1.05%
Berea Properties Company	2,435,480	0.81%
West Valley Plaza	1,927,940	0.64%
Cleveland Senior Care Corp.	1,927,350	0.64%
A&F Machine Products Co.	1,909,010	0.63%
Tuthill Corp.	1,721,830	0.57%
RR Donnelley Ohio LLC	1,575,000	0.52%
Berea Square Co., LLC	1,492,760	0.50%
Total	\$ 23,953,120	7.95%
Total Assessed Valuation	\$ 300,807,200	

Source: County Auditor

(1) The amounts presented represent the assessed values upon which 2011 and 2002 collections were based.

City of Berea, Ohio
Principal Taxpayers - Municipal Tax
 2011 and 2007

Taxpayer	2011	
	Tax	Percentage of Tax Collected
Cleveland Browns Football	\$ 2,049,320	19.72%
Baldwin Wallace College	765,760	7.37%
Berea City School District	579,021	5.57%
OHNH EMP LLC	223,370	2.15%
City of Berea	220,229	2.12%
Berea Children's Home	181,050	1.74%
Ohio Turnpike Commission	159,827	1.54%
Amerimark Direct LLC	134,907	1.30%
ColorMatrix Corp.	109,058	1.05%
Standby Screw Machine Products	108,951	1.05%
Total	\$ 4,531,493	43.61%
Total Tax Collected	\$ 10,392,189	

Taxpayer	2007 (1)	
	Tax	Percentage of Tax Collected
Cleveland Browns Football	\$ 2,182,952	21.54%
Baldwin Wallace College	746,312	7.37%
Berea City School District	513,870	5.07%
City of Berea	213,990	2.11%
Berea Childrens Home	184,764	1.82%
Ohio Turnpike Commission	150,395	1.48%
ABNF LLC	140,301	1.38%
ColorMatrix Corp.	138,118	1.36%
Ohio Turnpike Commission	134,215	1.32%
Tuthill Corporation	106,475	1.05%
Total	\$ 4,511,392	44.50%
Total Tax Collected	\$ 10,132,495	

(1) 2002 Principal Taxpayers not available

Source: Regional Income Tax Agency

City of Berea, Ohio

Principal Employers

2011 and 2007

Employer	<i>2011</i>	
	Number of Employees	Percentage of Total City Employment
Baldwin Wallace College	3,054	31.24%
Berea City School District	983	10.06%
OHNH EMP LLC	741	7.58%
Berea Children's Home	514	5.26%
Cleveland Browns Football	422	4.32%
Amerimark Direct LLC	339	3.47%
City of Berea	301	3.08%
Ohio Turnpike Commission	123	1.26%
ColorMatrix Corp.	120	1.23%
Standby Screw Machine Products	116	1.19%
Total	6,713	68.69%
Total Employment within the City	9,776	

Employer	<i>2007 (1)</i>	
	Number of Employees	Percentage of Total City Employment
Baldwin Wallace College	1,250	9.88%
Berea City School District	942	7.44%
Berea Childrens Home	515	4.07%
ABNF LLC	453	3.58%
Cleveland Browns Football	370	2.92%
City of Berea	341	2.69%
Standby Screw Machine Products	301	2.38%
Tuthill Corp.	139	1.10%
ColorMatrix Corp.	120	0.95%
Ohio Turnpike Commission	119	0.94%
Total	4,550	35.95%
Total Employment within the City	12,658	

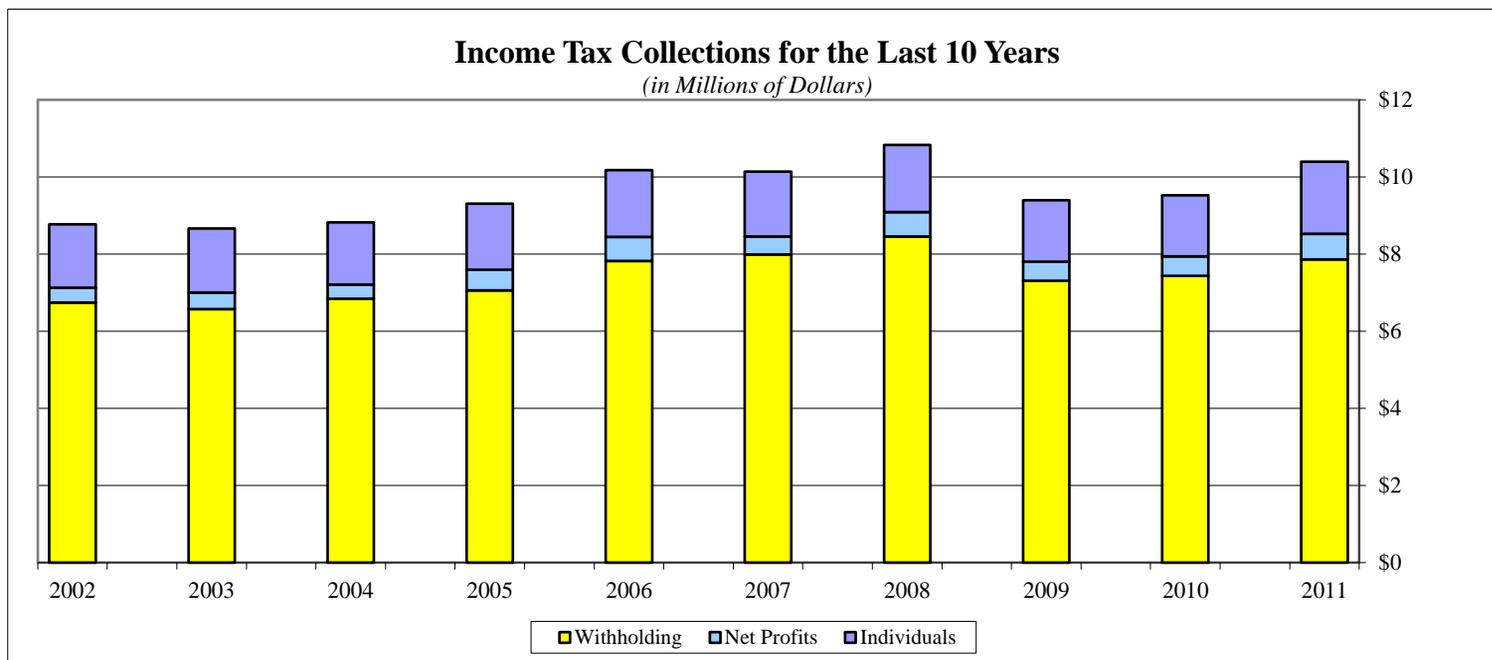
Source: Regional Income Tax Agency

(1) Information for 2002 is not available.

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
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%
2002	2.00%	8,775,247	6,746,299	76.88%	385,470	4.39%

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>
\$	1,866,498	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%
	1,643,478	18.73%

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

Year	Governmental Activities						
	General Obligation Debt	Urban Renewal Bond	Capital Lease	Notes Payable	OPWC	Taxable Bond City Portion	SIB Loan
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.

*Information prior to 2003 is not available.

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)
\$ 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
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, 2011

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct			
City of Berea	\$ 14,530,000	100.00%	\$ 14,530,000
<i>Total Direct Debt</i>	<u>14,530,000</u>		<u>14,530,000</u>
Overlapping			
Berea City School District	12,405,000	25.41%	3,152,111
Olmsted Falls School District	18,065,950	4.94%	892,458
Cuyahoga County	298,113,842	1.28%	3,815,857
Greater Cleveland Regional Transit Authority	142,080,000	1.28%	1,818,624
<i>Total Overlapping Debt</i>	<u>470,664,792</u>		<u>9,679,050</u>
Grand Total	<u>\$ 485,194,792</u>		<u>\$ 24,209,050</u>

Source: Cuyahoga County Auditor

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

City of Berea, Ohio

Legal Debt Margin

Last Ten Years

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Assessed Property Value	<u>\$ 376,309,020</u>	<u>\$ 374,796,540</u>	<u>\$ 397,801,842</u>	<u>\$ 406,164,524</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>39,512,447</u>	<u>39,353,637</u>	<u>41,769,193</u>	<u>42,647,275</u>
Debt Outstanding:				
General Obligation Bonds and Notes	<u>14,530,000</u>	<u>14,875,000</u>	<u>15,405,000</u>	<u>11,720,000</u>
Total Gross Indebtedness	14,530,000	14,875,000	15,405,000	11,720,000
Less:				
General Obligation Bonds and Notes	(270,000)	(480,000)	(680,000)	(870,000)
OPWC Loans	0	0	0	0
Amount Available in Debt Service Fund	<u>(2,107,573)</u>	<u>(1,036,136)</u>	<u>(847,063)</u>	<u>(679,284)</u>
Total Net Debt Applicable to Debt Limit	<u>12,152,427</u>	<u>13,358,864</u>	<u>13,877,937</u>	<u>10,170,716</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$27,360,020</u>	<u>\$25,994,773</u>	<u>\$27,891,256</u>	<u>\$32,476,559</u>
Legal Debt Margin as a Percentage of the Debt Limit	69.24%	66.05%	66.77%	76.15%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>20,696,996</u>	<u>20,613,810</u>	<u>21,879,101</u>	<u>22,339,049</u>
Total Gross Indebtedness	14,530,000	14,875,000	15,405,000	11,720,000
Less:				
General Obligation Bonds and Notes	(270,000)	(480,000)	(680,000)	(870,000)
OPWC Loans	0	0	0	0
Amount Available in Debt Service Fund	<u>(2,107,573)</u>	<u>(1,036,136)</u>	<u>(847,063)</u>	<u>(679,284)</u>
Net Debt Within 5 ½ % Limitations	<u>12,152,427</u>	<u>13,358,864</u>	<u>13,877,937</u>	<u>10,170,716</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 8,544,569</u>	<u>\$ 7,254,946</u>	<u>\$ 8,001,164</u>	<u>\$ 12,168,333</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	41.28%	35.19%	36.57%	54.47%

Source: City Financial Records

2007	2006	2005	2004	2003	2002
<u>\$ 405,046,977</u>	<u>\$ 369,259,232</u>	<u>\$ 358,890,238</u>	<u>\$ 358,613,174</u>	<u>\$ 340,375,929</u>	<u>\$ 341,662,828</u>
<u>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>35,874,597</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>	<u>15,300,561</u>
13,570,000	13,010,756	16,723,023	17,693,346	13,908,430	15,300,561
(1,050,000)	(1,225,000)	(1,395,000)	(322,333)	(611,033)	(869,526)
0	0	0	(1,520,000)	(1,570,000)	(1,695,000)
<u>(468,848)</u>	<u>(235,077)</u>	<u>(374,539)</u>	<u>(346,796)</u>	<u>(348,485)</u>	<u>(324,530)</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>12,411,505</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>	<u>\$23,463,092</u>
71.66%	70.21%	60.32%	58.82%	68.16%	65.40%
<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>	<u>18,791,456</u>
13,570,000	13,010,756	16,723,023	17,693,346	13,908,430	15,300,561
(1,050,000)	(1,225,000)	(1,395,000)	(322,333)	(611,033)	(869,526)
0	0	0	(1,520,000)	(1,570,000)	(1,695,000)
<u>(468,848)</u>	<u>(235,077)</u>	<u>(374,539)</u>	<u>(346,796)</u>	<u>(348,485)</u>	<u>(324,530)</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>12,736,035</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>	<u>\$ 6,055,421</u>
45.90%	41.97%	22.35%	19.63%	37.36%	32.22%

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)
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
2002	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

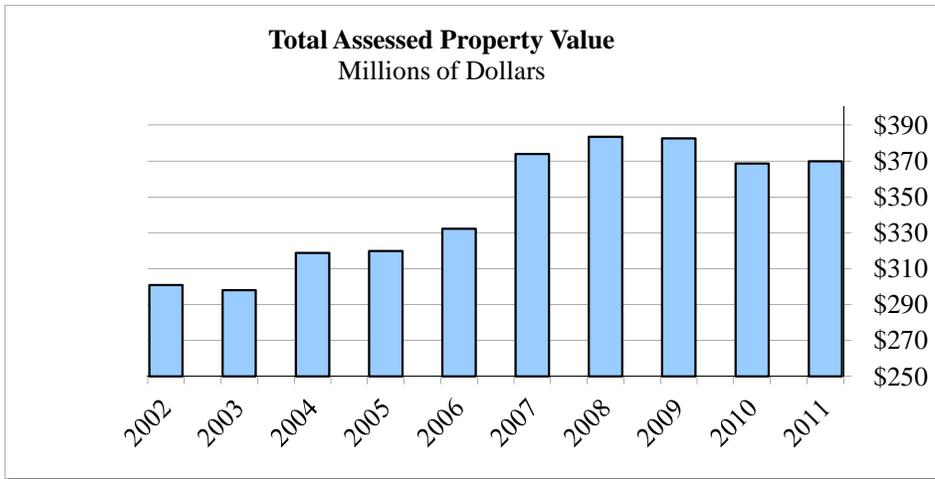
(b) 2010 Federal Census

(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	7,000	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
3,365	7,737	5.4%	124,053	300,807,200



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

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

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.

Information prior to 2003 is not available.

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 Nine Years

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

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

Information prior to 2003 is not available.

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 Nine Years

Function/Program	2011	2010	2009	2008
General Government				
Number of Buildings	4	4	4	4
Square footage of Buildings:				
City Hall/Municipal Court	17,000	17,000	17,000	14,500
Water Plant	19,100	19,100	19,100	2,075
Service Garage	25,400	25,400	25,400	3,000
Recreation Center	33,000	33,000	33,000	30,000
Administrative Vehicles	11	9	11	6
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	22	23	22	24
Fire				
Stations	1	1	1	1
Square footage of station	7,900	7,900	7,900	5,000
Vehicles:				
Aerial Tower	1	1	1	1
Pumpers	2	2	2	2
Rescue Ambulances	3	3	2	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	2	2	2
Number of Basketball Courts	2	2	2	2
Number of Baseball Diamonds	4	4	4	4
Number of Soccer Fields	3	2	2	2
Number of Playground Areas	4	4	4	4
Number of Vehicles	3	2	3	6
Other Public Works				
Streets (miles)	90.3	89.9	89.8	89.8
Service Vehicles	43	39	34	38
Wastewater				
Sanitary Sewers (miles)	73.5	73.5	73.5	73.5
Storm Sewers (miles)	53.5	73.5	53.4	73.5
Vehicles	2	2	2	2
Water Department				
Water Lines (miles)	80.3	77	79.73	77
Vehicles	7	6	6	5

Source: City of Berea Service Departmen

Information prior to 2003 is not available.

2007	2006	2005	2004	2003
4	4	4	4	4
14,500	14,500	14,500	14,500	14,500
2,075	2,075	2,075	2,075	2,075
3,000	3,000	3,000	3,000	3,000
30,000	30,000	30,000	30,000	30,000
3	3	N/A	N/A	N/A
6	6	N/A	N/A	N/A
1	1	N/A	N/A	N/A
1	1	1	1	1
9,700	9,700	9,700	9,700	9,700
N/A	N/A	N/A	N/A	N/A
1	1	1	1	1
5,000	5,000	5,000	5,000	5,000
1	1	1	1	1
2	2	2	2	2
2	2	2	2	2
1	1	1	1	1
2	2	2	2	2
5	5	5	4	4
2	2	2	2	2
2	2	2	2	2
2	2	2	2	2
4	4	4	4	4
2	2	2	2	2
4	4	4	3	3
5	5	N/A	N/A	N/A
86.00	82.50	82.50	82.50	82.50
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
2	2	N/A	N/A	N/A
77	77	77	77	77
5	5	N/A	N/A	N/A

This page intentionally left blank.

City of Berea

Cuyahoga County

* * * *

Report Letter

December 31, 2011

CITY OF BEREA
CUYAHOGA COUNTY, OHIO
TABLE OF CONTENTS

	PAGE
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....	1

June 9, 2012

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

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

We have audited the financial statements of the governmental activities, 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, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 9, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

City of Berea
Independent Auditors 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*
Page 2

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*.

We noted certain matters that we reported to management of the City of Berea in a separate letter dated June 9, 2012.

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

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
AUGUST 21, 2012