

City of Berea
Cuyahoga County, Ohio

Report Package
December 31, 2010



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, 2010 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

July 22, 2011

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CITY OF BEREA

TABLE OF CONTENTS

	PAGE
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	1

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Rea & Associates, Inc.
ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

June 12, 2011

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, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 12, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City'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.

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 12, 2011.

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

Hea & Associates, Inc.

City of Berea, Ohio

Comprehensive Annual Financial Report For the Year Ended December 31, 2010



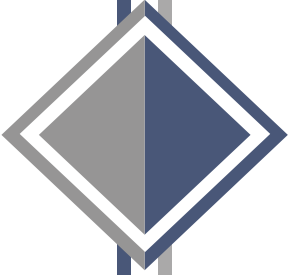
Front Street Overpass, North-end of Berea

Mayor Cyril M. Kleem

CITY OF BEREA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2010**

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, 2010

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, 2010

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	64
Combining Balance Sheet – Nonmajor Governmental Funds	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	69
Combining Balance Sheet – Nonmajor Special Revenue Funds	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	75
Combining Balance Sheet – Nonmajor Capital Projects Funds	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	81
Governmental Funds Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
General Fund	84
General Bond Retirement Fund	88
Railroad Capital Improvement Fund	89
Court Capital Improvement Fund	90
Recreation Fund	91
State Highway Fund	92
Street Maintenance Fund	93
Fire Pension Fund	94
Police Pension Fund	95
Dare Grant Fund	96
Animal Control Fund	97
Street Lighting Fund	98
Berea Welfare Fund	99
Special Events Fund	100
Senior Services Fund	101
Community Hospital Fund	102
Community Development Block Grant Fund	103
Municipal Vehicle Tax Levy Fund	104

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010

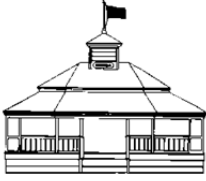
Table of Contents (continued)

Law Enforcement Fund	105
Probation Fund	106
Indigent Drivers Alcohol Treatment Fund	107
DUI Education Fund	108
Indigent Driving School Fund	109
DUS Diversion Fund	110
Court Computer Fund	111
Court Computer Research Fund	112
Court Special Projects Fund	113
Court Special Projects II Fund	114
State Highway Patrol Fund	115
General Capital Improvement Fund	116
Safety Capital Improvement Fund	117
Recreation Capital Improvement Fund	118
Neighborhood Improvement Fund	119
 Combining Statements – Internal Service Funds:	
Description of Funds	120
Combining Statement of Fund Net Assets –Internal Service Funds	121
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets –Internal Service Funds	122
Combining Statement of Cash Flows –Internal Service Funds	123
 Combining Statements - Agency Funds:	
Description of Funds	124
Combining Statement of Assets and Liabilities - Agency Funds	125
Combining Statement of Changes in Assets and Liabilities – Agency Funds	127
 Statistical Section	
Net Assets by Component - Last Eight Years (Accrual Basis of Accounting)	S-2
Change in Net Assets - Last Eight Fiscal Years (Accrual Basis of Accounting).....	S-4
Fund Balances of Governmental Funds Last Ten Fiscal Years (Modified Accrual Basis of Accounting)	S-8

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010

Table of Contents (continued)

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 – 2010 and 2001	S-17
Principal Taxpayers - Municipal Tax – 2010 and 2006.....	S-18
Principal Employers – 2010 and 2006.....	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 Eight 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 Eight Years	S-30
Operating Indicators by Function/Program – Last Eight Years.....	S-32
Capital Assets Statistics by Function/Program – Last Eight Years	S-36



CITY OF BERE A

“The Grindstone City”

Cyril M. Kleem
Mayor

Dana J. Kavander, CPA, CPFA
Director of Finance

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Berea, Ohio 44017

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Website www.cityofberea.org
Email dkavander@cityofberea.org

June 12, 2011

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, 2010.

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, 2010. 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 auditors’ 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 operates under and is governed by the laws of the State of Ohio and its own Charter which was first adopted by the electorate in 1960. The charter provides for a mayor-council form of government. Legislative authority is vested in a seven-member council. The Council is composed of two members elected at-large and five members who are elected by wards, for two-

year terms. The presiding officer is the President of Council, who is elected at-large by the electors for a two-year term. All members of Council serve in a part-time capacity.

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

Judicial services for the City of Berea are provided by the Berea Municipal Court. The jurisdiction of the Court, as established by the Ohio Revised Code, encompasses the 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. Most recently, the department has taken a more community oriented policing approach, which has been met with great success. Numerous programs are offered to citizens and students. The department 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, the Youth Diversion program, and the County's diversion program's satellite office at City hall.

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

The **Service Department** is comprised of several divisions administered by a director. This department is responsible for the maintenance of all City vehicles, buildings, traffic lights and signs, public grounds, tree trimming, snow and leaf removal. The Storm Sewers and Drains Division maintain proper drainage control. The Street Paving and Repair Division 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 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 Engineering Division must insure that all contractors working in Berea meet the general engineering requirements of the City. This department controls the review and implementation of plans and programs relating to the City's infrastructure. The Housing and Social Services 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 disbursement. 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 currently undergoing a major transformation and revitalization. The City is committed to working with the Cleveland Browns to insure 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 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 475 homes have been built through 2010. The homes range from \$200,000 up to \$400,000. Approximately 50 homes will be built in 2011.

Current Year Projects: In 2010, the City's road program totaled \$740,000 and included 38 roads. Karl Drive on the City's west side near the Bagley Road underpass was relocated and signalization was added to access Karl Drive as well as Helwig Whistle Stop.

The final phase of the Dorland, Milton, and Edwards' waterline project was completed with total road reconstruction. In downtown Berea a County bridge was replaced and the City replaced the waterline that ran under the bridge.

The Front Street overpass project was completed in 2010. The \$25 million overpass project will not only ease traffic congestion due to two major rail systems, CSX and Norfolk Southern Railroad, but also present 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 Front Street project located at the City's north end is budgeted at approximately \$25 million.

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 completed in 2010 includes increased land development opportunities. This area is minutes to the Cleveland Hopkins' International Airport as well as easy access to several interstates. 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 also invested over \$6.5 million in the City's water plant. These improvements included a new water treatment process to improve the quality of the City's water, a new water storage tank, and new building improvements to the plant.

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 to make the necessary improvements to their homes.

Future Projects

The City's two railroad projects continue to be the largest undertaking in the City's history and the impact will be felt for several years as new development is considered and new businesses move to the area. The City has developed a North End Revitalization Plan to analyze developmental options upon the completion of the Front Street Railroad Project. The north end is the north gateway to the City and its options are endless. The City is looking at future development opportunities that may include a hotel, residential and retail businesses as well as other ventures. In addition to the railroad projects, the City is active in several other 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 2011.

Berea's downtown area includes four bridges; two over the river and two over the Metro parks. The bridges are deteriorating and one bridge was replaced last year. This bridge is owned by Cuyahoga County. The City replaced the water lines that run under the bridge. The second of the four bridges will be replaced in 2011-2012. This will complete the two southern bridges. At that time, the two northern bridges will be reviewed for replacement, major renovations, or possibly converted into pedestrian bridges.

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 insure 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, 2009. 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 has received the Certificate of Achievement for the last eight consecutive years. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments: The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Department of

Finance. I would like to express my appreciation to all staff members who have contributed or assisted in its preparation. Appreciation is also expressed to all City departments for their cooperation and assistance. I would also like to acknowledge the cooperation of the team from Rea and Associates, Inc., who conducted a thorough audit of our finances.

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

Respectfully submitted,

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

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

**CITY OF BEREA, OHIO
PRINCIPAL OFFICIALS
DECEMBER 31, 2010**

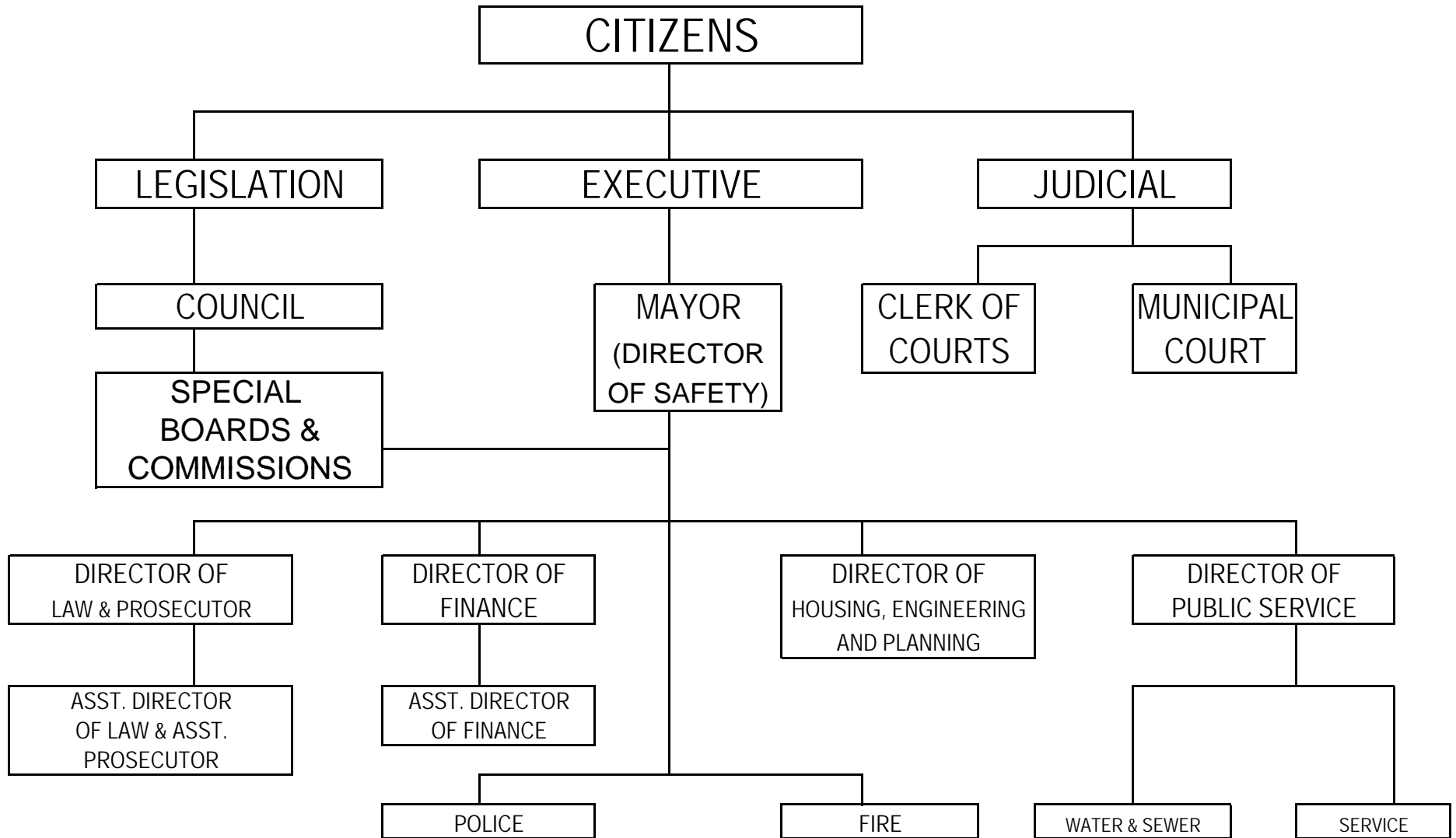
ELECTED OFFICIALS

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

APPOINTED OFFICIALS

Director of Finance	Dana J. Kavander
Director of Law	Gregory M. Sponseller
Director of Public Service	R. James Brown
Director of Housing, Engineering, and Planning	Matthew J. Madzy
Director of Public Safety	Kenneth Adams

CITY OF BEREA, OHIO
ORGANIZATIONAL CHART



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, 2009

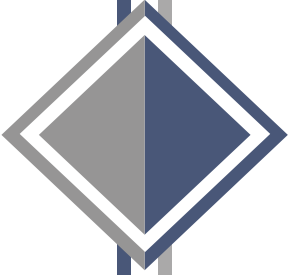
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

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FINANCIAL SECTION



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

June 12, 2011

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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Berea, Cuyahoga County, Ohio, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Berea's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Berea, Cuyahoga County, Ohio, as of December 31, 2010 and the respective changes in financial position and the cash flows where applicable, thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2011 on our consideration of the City of Berea's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 13 is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Hea & Associates, Inc.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010

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, 2010. 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 2010 are as follows:

- Total assets of the City exceeded its liabilities at the close of 2010 by \$91.7 million (net assets). The net assets of the governmental activities are \$69.1 million and the business-type activities are \$22.6 million. Total net assets increased by \$2.8 million or 3.11 percent over 2009.
- Total assets increased by \$6.5 million or 5.2 percent from 2009 made up mostly from the increase in capital assets. Total liabilities of the City increased \$3.7 million mainly from new debt issued.
- Total capital assets increased from \$104.8 million in 2009 to \$109.3 million in 2010, or \$4.4 million. The City purchased police cruisers and equipment, completed recreation improvements, improvements for the Cleveland Browns facility and continued with the Eastland road project in the governmental activities. The water plant, pump station and waterline projects were all completed in the business-type activities.
- The City's governmental activities issued \$2.7 million in various purpose bonds and \$3.9 million in various purpose improvement notes in 2010. The business-type activities increased the OWDA debt by \$3.0 million. Principal payments on long term debt obligations for 2010 amounted to \$7.2 million in the governmental activities and \$.7 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, 2010

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 2010?" 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, railroad capital improvement fund, court capital improvement 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, 2010

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.

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City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010

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 2010 compared to 2009:

Table 1 - Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<i>Assets</i>						
Current and Other Assets	\$ 17,509,321	\$ 15,596,121	\$ 3,257,508	\$ 3,148,132	\$ 20,766,829	\$ 18,744,253
Capital Assets	75,352,841	74,183,199	33,938,393	30,659,735	109,291,234	104,842,934
<i>Total Assets</i>	<u>92,862,162</u>	<u>89,779,320</u>	<u>37,195,901</u>	<u>33,807,867</u>	<u>130,058,063</u>	<u>123,587,187</u>
<i>Liabilities</i>						
Current and Other Liabilities	5,228,173	5,025,564	842,841	773,417	6,071,014	5,798,981
Long-Term Liabilities:						
Due Within One Year	5,412,473	7,332,416	815,079	697,373	6,227,552	8,029,789
Due in More than One Year	13,076,872	10,670,862	12,968,284	10,143,221	26,045,156	20,814,083
<i>Total Liabilities</i>	<u>23,717,518</u>	<u>23,028,842</u>	<u>14,626,204</u>	<u>11,614,011</u>	<u>38,343,722</u>	<u>34,642,853</u>
<i>Net Assets</i>						
Invested in Capital Assets						
Net of Related Debt	61,091,099	59,019,083	20,243,615	19,919,357	81,334,714	78,938,440
Restricted for:						
Capital Outlay	915,815	2,486,092	0	0	915,815	2,486,092
Debt Service	1,292,551	1,104,494	0	0	1,292,551	1,104,494
Street Lighting	1,055,354	1,093,595	0	0	1,055,354	1,093,595
Street Maintenance and Repair	376,397	395,710	0	0	376,397	395,710
Other Purposes	701,198	628,634	0	0	701,198	628,634
Unrestricted	<u>3,712,230</u>	<u>2,022,870</u>	<u>2,326,082</u>	<u>2,274,499</u>	<u>6,038,312</u>	<u>4,297,369</u>
<i>Total Net Assets</i>	<u>\$ 69,144,644</u>	<u>\$ 66,750,478</u>	<u>\$ 22,569,697</u>	<u>\$ 22,193,856</u>	<u>\$ 91,714,341</u>	<u>\$ 88,944,334</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 91.7 million at year end 2010. By far the largest portion of the City's net assets (approximately 88.7 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.

Total assets increased by \$6.5 million from 2009 to 2010. Capital assets increased \$4.4 million due to the completion of the water plant, pump station and parking project, building and road improvements, and

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010

construction in progress for road projects which account for part of this increase. The loan receivable for the Eastland Road construction project increased by \$.5 million in 2010 and there was an increase in cash of \$1.1 million as a result of timing of receipts to cover expenses. Total liabilities increased \$3.7 million in 2010 mainly from an increase OWDA loans for the water plant and sewer improvement projects in the business-type activities. The City's net assets increased by \$2.8 million in 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 2010 compared to 2009.

Table 2 - Change in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$4,529,589	\$ 4,858,276	\$3,235,721	\$3,489,959	\$7,765,310	\$ 8,348,235
Operating Grants and Contributions	1,095,390	892,737	0	0	1,095,390	892,737
Capital Grants and Contributions	3,418,094	4,776,424	1,073,567	108,086	4,491,661	4,884,510
<i>General Revenues:</i>						
Property and Other Local Taxes	4,165,438	4,677,257	453,075	480,309	4,618,513	5,157,566
Income Tax	10,479,704	9,993,755	0	0	10,479,704	9,993,755
Grants and Entitlements	2,307,793	1,777,548	0	0	2,307,793	1,777,548
Investment Earnings	136,442	124,123	0	0	136,442	124,123
Miscellaneous	201,081	128,338	5,677	63,571	206,758	191,909
Total Revenues	26,333,531	27,228,458	4,768,040	4,141,925	31,101,571	31,370,383
Program Expenses						
Security of Persons and Property	6,974,204	6,883,839	0	0	6,974,204	6,883,839
Public Health	211,300	119,132	0	0	211,300	119,132
Leisure Time Activities	3,559,520	3,005,421	0	0	3,559,520	3,005,421
Community Development	543,755	496,548	0	0	543,755	496,548
Public Works	1,337,335	1,121,553	0	0	1,337,335	1,121,553
Transportation	2,965,627	2,936,864	0	0	2,965,627	2,936,864
General Government	7,766,608	6,543,797	0	0	7,766,608	6,543,797
Interest and Fiscal Charges	613,938	668,099	0	0	613,938	668,099
Water	0	0	3,658,374	3,639,102	3,658,374	3,639,102
Sewer	0	0	700,903	873,591	700,903	873,591
Total Program Expenses	23,972,287	21,775,253	4,359,277	4,512,693	28,331,564	26,287,946
Change in Net Assets Before Transfers	2,361,244	5,453,205	408,763	(370,768)	2,770,007	5,082,437
Transfers	32,922	(730,094)	(32,922)	730,094	0	0
Total Change in Net Assets	\$2,394,166	\$4,723,111	\$ 375,841	\$ 359,326	\$2,770,007	\$ 5,082,437

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010

Governmental Activities

Governmental activities increased the City's net assets by \$2.4 million, thereby accounting for 2.7 percent growth in total net assets. Revenues decreased 3.3 percent from 2009. There was less in capital contributions received in 2010 but no other individually significant line item contributed to the \$.9 million decrease in revenue.

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 2010 was \$10.5 million. General revenues from grants and entitlements, such as local government funds, are also sources of revenue.

Of the \$26.3 million in total governmental revenue, income tax accounts for 39.8 percent of that total. Property taxes of \$3.9 million accounts for 14.7 percent, with program revenues accounting for 34.3 percent of governmental activities. Grants and entitlements, investment earnings and miscellaneous income account for the remaining 11.2 percent.

Expenses increased over 2009 by 10.1 percent. While the City continues to expend significant money towards its improvements to its infrastructure, it fluctuates annually. The Front Street Overpass improvement and the Seminary parking projects were completed while the Eastland Road project is still in process. The City continues to aggressively work on improving the City's infrastructure. The largest program function of the City relates to general government, which represents approximately 32.4 percent of program expenses in 2010. The next largest program function was for security of persons and property, which includes the police and fire departments and represents approximately 29.1 percent of program expenses in 2010. General government expenses increased \$1.2 million over 2009. Operating costs increased, primarily in the General Fund, by 8 percent over the prior year. This was mainly due to an increase in staffing and a 1 percent increase in union salaries which contributed to an estimated \$.4 million of the increase. Also contributing to the increase in general government expenses was the reported loss on the sale of capital assets of \$.3 million.

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 \$.4 million. The water revenue fund had a decrease in net assets of \$74,358. The water revenue fund received capital contributions from outside sources of \$.2 million and a \$.1 million transfer from general fund which was not enough to cover the deficit from operations. The sewer revenue fund had an increase in net assets of \$.5 million for 2010. The sewer revenue fund also received capital contributions from outside sources of \$.4 million and a \$73,000 transfer from general fund. The water revenue and sewer revenue funds transferred capital assets to governmental activities of \$159,582 and \$46,340, respectively.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010

The City's Funds

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

As of December 31, 2010, the City's governmental funds reported combined ending fund balances of \$9.9 million. Of that amount, \$8.6 million constitutes unreserved fund balances, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchases of the prior period of \$1.3 million.

All governmental funds had total revenue of \$23.6 million and expenditures of \$29.0 leaving a deficit of \$5.4 million. Other financing sources and uses of note and loan proceeds and transfers in and out provided an additional \$7.3 million net increase. The total increase in fund balances for 2010 was \$1.9 million.

The general fund, which includes the municipal income tax fund, remained fairly consistent to 2009 with a \$3.4 million excess of revenues over expenditures. Other financing sources and uses mainly made up of transfers to other funds amounted to \$2.8 million which reduced the increase in fund balance to \$.6 million. Revenues and expenditures both increased approximately 5.0 percent over 2009. Transfers out decreased \$.4 million from 2009. At the end of the current fiscal year, total fund balance for the general fund was \$4.2 million, of which \$4.1 million was unreserved. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balances and total fund balance to the sum of total fund expenditures and other financing uses. Unreserved fund balance represents 25.0 percent of total general fund expenditures and other financing uses, while total fund balance represents 25.9 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 \$.2 million which is consistent with 2009.

The balance in the railroad capital improvement fund increased less than \$42,000. Revenues received offset the expenditures.

The balance in the court capital improvement fund increased \$.3 million through revenues received. There were no expenditures in 2010 as the project is currently in the planning phase.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010

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 2010, 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 \$15.9 million, \$.5 million under the final budgeted and actual amount of \$16.4 million. Property taxes and fees, licenses and permits were originally estimated slightly lower. Original and final budgeted expenditures only slightly changed with final budgeted expenditures being higher by less than \$82,000.

The actual expenditures were 1.7 percent less than the budgeted. The City's ending unencumbered cash balance in the general fund was \$.2 million above the final budgeted amount. No individually significant line items accounted for this change.

Capital Assets and Debt Administration

Capital Assets

At the end of 2010, the City had \$109.3 million (net of accumulated depreciation) invested in land, construction in progress, land improvements, buildings and improvements, machinery and equipment, furniture and fixtures, vehicles and infrastructure. Of this total, \$75.4 million was reported in governmental activities and \$33.9 million was reported in business-type activities. Table 3 shows 2010 balances compared to 2009:

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010

Table 3 - Capital Assets at December 31

	Governmental Activities		Business-Type Activities Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 5,408,665	\$ 5,249,724	\$ 93,181	\$ 93,181	\$ 5,501,846	\$ 5,342,905
Construction in Progress	18,143,762	17,282,582	0	1,604,796	18,143,762	18,887,378
Buildings	7,349,498	7,988,593	3,100,151	1,140,372	10,449,649	9,128,965
Land Improvements	2,837,111	2,924,054	296,824	345,455	3,133,935	3,269,509
Building Improvements	10,067,712	8,705,687	2,046,787	530,417	12,114,499	9,236,104
Machinery and Equipment	1,668,570	1,681,853	3,194,064	2,199,428	4,862,634	3,881,281
Furniture and Fixtures	109,403	108,555	20,064	25,386	129,467	133,941
Vehicles	739,721	723,087	40,306	36,197	780,027	759,284
Infrastructure:						
Bridges	6,686,032	6,952,480	0	0	6,686,032	6,952,480
Roads	19,941,192	20,044,394	0	0	19,941,192	20,044,394
Sidewalks	1,146,924	1,212,482	0	0	1,146,924	1,212,482
Traffic Signals	1,254,251	1,309,708	0	0	1,254,251	1,309,708
Water Lines	0	0	5,503,784	5,250,974	5,503,784	5,250,974
Storm Sewers	0	0	11,704,350	11,565,740	11,704,350	11,565,740
Santiary Sewers	0	0	7,938,882	7,867,789	7,938,882	7,867,789
Totals	\$ 75,352,841	\$ 74,183,199	\$ 33,938,393	\$ 30,659,735	\$ 109,291,234	\$ 104,842,934

Total capital assets for the City as of December 31, 2010 were \$109.3 million, a \$4.4 million increase over 2009. The most significant increases in capital assets in 2010 were the renovations to the Cleveland Browns facility, the completion of phase II of the water plant improvement project, the pump station and the Seminary parking 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, 2010

Debt

At December 31, 2010, the City had \$10.5 million in general obligation bonds, \$.5 million in urban renewal bonds, \$.4 million in capital leases, \$12.3 million in OWDA loans, \$2.4 million in OPWC loans, \$.4 million in loans payable and \$3.9 million in bond anticipation notes. Of this total \$6.0 million is due within one year and \$24.4 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	
	2010	2009	2010	2009	2010	2009
<i>General Obligation Bonds:</i>						
1993 Various Purpose Bonds	\$ 390,000	\$ 510,000	\$ 0	\$ 0	\$ 390,000	\$ 510,000
1999 Various Purpose Bonds	0	425,000	0	0	0	425,000
2004 Library Refunding Bonds	205,000	305,000	0	0	205,000	305,000
2004 Various Purpose Refunding Bonds	485,000	720,000	0	0	485,000	720,000
2006 Various Purpose Bonds	6,740,000	6,915,000	0	0	6,740,000	6,915,000
2010 Various Purpose Bonds	2,725,000	0	0	0	2,725,000	0
<i>Other Obligations:</i>						
Urban Renewal Bonds	480,000	680,000	0	0	480,000	680,000
OWDA Loans	0	0	12,336,631	9,245,705	12,336,631	9,245,705
OPWC Loans	1,484,204	666,243	943,551	997,555	2,427,755	1,663,798
Loan Payable	0	0	388,070	388,070	388,070	388,070
Bond Anticipation Notes	3,850,000	5,850,000	0	0	3,850,000	5,850,000
Capital Leases	387,241	382,140	26,526	109,048	413,767	491,188
Totals	\$ 16,746,445	\$ 16,453,383	\$ 13,694,778	\$ 10,740,378	\$ 30,441,223	\$ 27,193,761

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, 2011 and will be paid from the general capital improvement 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, 2010

Current Financial Related Activities

The City is financially stable despite the national economic situation. Over the past fifteen years we have enjoyed steady growth in revenues and at the same time adopted a strong, fiscally responsible financial plan to live within our means. In 1992, we increased our income tax from 1.5 percent to 2 percent promising our constituents that the City would improve its facilities and infrastructure, and increase services to the residents. Since that time, the City built a Recreation Center, acquired 162 acres of annexed property, expanded our recreational playing fields, completing the final stage on improvements to the Water Plant processing system, facility and storage tanks, as well as several major water and sewer line replacements throughout the City.

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.

The Director of Finance, Mayor and City Council work extremely hard at keeping debt low. The City secured \$48 million in federal, state and railroad funds to construct an overpass and underpass at the two railroad crossings within the City. The Bagley Road underpass was completed and has spurred economic development opportunities in the surrounding area. The Front Street overpass was completed in 2010. The City is developing a North End Revitalization Plan to assist in the overall plan for economic development at the City's north end gateway.

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.

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City of Berea
Cuyahoga County, Ohio
Statement of Net Assets
December 31, 2010

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 7,217,639	\$ 1,304,583	\$ 8,522,222
Receivables:			
Taxes	6,573,060	478,716	7,051,776
Accounts	368,696	1,372,642	1,741,338
Intergovernmental	1,388,249	31,590	1,419,839
Special Assessments	732,972	0	732,972
Materials and Supplies Inventory	132,787	58,199	190,986
Prepaid Items	7,743	11,778	19,521
Loans Receivable	1,088,175	0	1,088,175
Land and Construction in Progress	23,552,427	93,181	23,645,608
Depreciable Capital Assets, Net	51,800,414	33,845,212	85,645,626
<i>Total Assets</i>	<u>92,862,162</u>	<u>37,195,901</u>	<u>130,058,063</u>
Liabilities			
Accounts Payable	284,645	51,559	336,204
Accrued Wages and Benefits	280,913	27,553	308,466
Intergovernmental Payable	666,488	63,054	729,542
Claims Payable	115,134	0	115,134
Accrued Interest Payable	104,568	260,471	365,039
Matured Compensated Absences	62	0	62
Unearned Revenue	3,776,363	440,204	4,216,567
Long Term Liabilities:			
Due Within One Year	5,412,473	815,079	6,227,552
Due In More Than One Year	13,076,872	12,968,284	26,045,156
<i>Total Liabilities</i>	<u>23,717,518</u>	<u>14,626,204</u>	<u>38,343,722</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	61,091,099	20,243,615	81,334,714
Restricted for:			
Capital Outlay	915,815	0	915,815
Debt Service	1,292,551	0	1,292,551
Street Lighting	1,055,354	0	1,055,354
Street Maintenance and Repair	376,397	0	376,397
Other Purposes	701,198	0	701,198
Unrestricted	3,712,230	2,326,082	6,038,312
<i>Total Net Assets</i>	<u>\$ 69,144,644</u>	<u>\$ 22,569,697</u>	<u>\$ 91,714,341</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Activities
For the Year Ended December 31, 2010

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Security of Persons and Property	\$ 6,974,204	\$ 1,047,395	\$ 39,925	\$ 0
Public Health and Welfare	211,300	39,309	75,831	0
Lesiure Time Activities	3,559,520	477,076	58,733	0
Community Development	543,755	33,774	0	0
Public Works	1,337,335	0	0	0
Transportation	2,965,627	296,627	856,311	3,418,094
General Government	7,766,608	2,635,408	64,590	0
Interest and Fiscal Charges	613,938	0	0	0
<i>Total Governmental Activities</i>	<u>23,972,287</u>	<u>4,529,589</u>	<u>1,095,390</u>	<u>3,418,094</u>
Business-Type Activities				
Water	3,658,374	2,578,894	0	606,839
Sewer	700,903	656,827	0	466,728
<i>Total Business-Type Activities</i>	<u>4,359,277</u>	<u>3,235,721</u>	<u>0</u>	<u>1,073,567</u>
<i>Totals</i>	<u>\$ 28,331,564</u>	<u>\$ 7,765,310</u>	<u>\$ 1,095,390</u>	<u>\$ 4,491,661</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

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
\$ (5,886,884)	\$ 0	\$ (5,886,884)
(96,160)	0	(96,160)
(3,023,711)	0	(3,023,711)
(509,981)	0	(509,981)
(1,337,335)	0	(1,337,335)
1,605,405	0	1,605,405
(5,066,610)	0	(5,066,610)
(613,938)	0	(613,938)
<u>(14,929,214)</u>	<u>0</u>	<u>(14,929,214)</u>
0	(472,641)	(472,641)
<u>0</u>	<u>422,652</u>	<u>422,652</u>
0	(49,989)	(49,989)
<u>(14,929,214)</u>	<u>(49,989)</u>	<u>(14,979,203)</u>
1,572,247	0	1,572,247
730,106	0	730,106
1,580,038	0	1,580,038
0	453,075	453,075
10,479,704	0	10,479,704
283,047	0	283,047
2,307,793	0	2,307,793
136,442	0	136,442
201,081	5,677	206,758
17,290,458	458,752	17,749,210
<u>32,922</u>	<u>(32,922)</u>	<u>0</u>
<u>17,323,380</u>	<u>425,830</u>	<u>17,749,210</u>
2,394,166	375,841	2,770,007
<u>66,750,478</u>	<u>22,193,856</u>	<u>88,944,334</u>
<u>\$ 69,144,644</u>	<u>\$ 22,569,697</u>	<u>\$ 91,714,341</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Balance Sheet
Governmental Funds
December 31, 2010

	General Fund	General Bond Retirement Fund	Railroad Capital Improvement Fund	Court Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Investments	\$ 2,267,584	\$ 1,036,136	\$ 1,470,613	\$ 505,202	\$ 1,756,172	\$ 7,035,707
Receivables:						
Taxes	4,130,204	1,670,717	0	0	772,139	6,573,060
Accounts	295,561	0	0	14,163	58,972	368,696
Special Assessments	3,425	12,690	0	0	716,857	732,972
Intergovernmental	780,592	109,433	69,514	0	428,710	1,388,249
Materials and Supplies Inventory	16,391	0	0	0	116,396	132,787
Prepaid Items	6,812	0	0	0	931	7,743
Advances To Other Funds	150,000	0	0	0	0	150,000
Loans Receivable	0	0	0	0	1,088,175	1,088,175
<i>Total Assets</i>	<u>\$ 7,650,569</u>	<u>\$ 2,828,976</u>	<u>\$ 1,540,127</u>	<u>\$ 519,365</u>	<u>\$ 4,938,352</u>	<u>\$ 17,477,389</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$ 191,416	\$ 0	\$ 0	\$ 0	\$ 91,784	\$ 283,200
Accrued Wages and Benefits	251,200	0	0	0	29,713	280,913
Intergovernmental Payable	340,377	0	0	0	326,111	666,488
Advances From Other Funds	0	0	150,000	0	0	150,000
Deferred Revenue	2,634,616	1,792,840	0	0	1,780,928	6,208,384
Matured Compensated Absences	62	0	0	0	0	62
<i>Total Liabilities</i>	<u>3,417,671</u>	<u>1,792,840</u>	<u>150,000</u>	<u>0</u>	<u>2,228,536</u>	<u>7,589,047</u>
Fund Balances						
Reserved for Encumbrances	1,951	0	0	0	54,548	56,499
Reserved for Loans Receivable	0	0	0	0	1,088,175	1,088,175
Reserved for Advances	150,000	0	0	0	0	150,000
Unreserved, Undesignated, Reported In:						
General Fund	4,080,947	0	0	0	0	4,080,947
Special Revenue Funds	0	0	0	0	1,172,590	1,172,590
Debt Service Fund	0	1,036,136	0	0	0	1,036,136
Capital Projects Funds	0	0	1,390,127	519,365	394,503	2,303,995
<i>Total Fund Balances</i>	<u>4,232,898</u>	<u>1,036,136</u>	<u>1,390,127</u>	<u>519,365</u>	<u>2,709,816</u>	<u>9,888,342</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 7,650,569</u>	<u>\$ 2,828,976</u>	<u>\$ 1,540,127</u>	<u>\$ 519,365</u>	<u>\$ 4,938,352</u>	<u>\$ 17,477,389</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, 2010

Total Governmental Fund Balances \$ 9,888,342

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds 75,352,841

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

Delinquent Property Taxes	\$	329,737	
Tax Loss Reimbursement		59,734	
Municipal Income Tax		244,292	
Intergovernmental		1,015,205	
Special Assessments		732,972	
Other		50,081	
		50,081	2,432,021

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. 65,353

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (104,568)

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

General Obligation Bonds		(10,545,000)	
Urban Renewal Bonds		(480,000)	
Bond Anticipation Notes		(3,850,000)	
OPWC Loan		(1,484,204)	
Unamortized Bond Premium		(91,416)	
Capital Leases		(387,241)	
Compensated Absences		(1,427,899)	
Police and Fire Pension Liability		(223,585)	
		(223,585)	(18,489,345)

Net Assets of Governmental Activities \$ 69,144,644

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, 2010

	General Fund	General Bond Retirement Fund	Railroad Capital Improvement Fund	Court Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Income Taxes	\$ 10,922,715	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,922,715
Property Taxes	1,573,174	1,581,027	0	0	730,548	3,884,749
Other Local Taxes	283,047	0	0	0	0	283,047
Intergovernmental Revenue	1,464,417	371,540	426,381	0	1,012,208	3,274,546
Special Assessments	2,683	9,157	0	0	688,327	700,167
Charges for Services	573,563	0	0	0	539,534	1,113,097
Fees, Licenses and Permits	456,359	0	0	0	24,620	480,979
Fines and Forfeitures	1,414,350	0	0	257,969	692,332	2,364,651
Interest Income	136,442	0	0	0	0	136,442
Rent	0	0	0	0	21,000	21,000
Contributions and Donations	0	0	0	0	258,686	258,686
Reimbursements	41,585	0	0	0	0	41,585
Other	88,484	0	0	0	14,300	102,784
<i>Total Revenues</i>	<u>16,956,819</u>	<u>1,961,724</u>	<u>426,381</u>	<u>257,969</u>	<u>3,981,555</u>	<u>23,584,448</u>
Expenditures						
Current:						
Security of Persons and Property	5,120,258	0	0	0	1,543,631	6,663,889
Public Health and Welfare	0	0	0	0	211,300	211,300
Lesiure Time Activities	419,157	0	0	0	1,125,143	1,544,300
Community Development	503,772	0	0	0	0	503,772
Public Works	1,327,127	0	0	0	0	1,327,127
Transportation	0	0	0	0	890,006	890,006
General Government	6,190,301	28,137	0	0	572,893	6,791,331
Capital Outlay	0	0	385,108	0	2,810,679	3,195,787
Debt Service:						
Principal Retirement	0	7,105,000	0	0	136,978	7,241,978
Interest and Fiscal Charges	0	511,436	0	0	28,818	540,254
Bond Issuance Costs	0	83,663	0	0	0	83,663
<i>Total Expenditures</i>	<u>13,560,615</u>	<u>7,728,236</u>	<u>385,108</u>	<u>0</u>	<u>7,319,448</u>	<u>28,993,407</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	3,396,204	(5,766,512)	41,273	257,969	(3,337,893)	(5,408,959)
Other Financing Sources (Uses)						
Issuance of Bonds	0	2,725,000	0	0	0	2,725,000
Inception of Capital Lease	0	0	0	0	136,953	136,953
Issuance of Notes	0	3,250,000	0	0	600,000	3,850,000
Premium on Debt Issued	0	14,728	0	0	0	14,728
Proceeds on Sale of Capital Assets	1,817	0	0	0	0	1,817
Issuance of Loans	0	0	0	0	817,961	817,961
Discount on Debt Issued	0	(34,143)	0	0	0	(34,143)
Transfers In	0	0	0	0	2,615,670	2,615,670
Transfers Out	(2,788,670)	0	0	0	0	(2,788,670)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,786,853)</u>	<u>5,955,585</u>	<u>0</u>	<u>0</u>	<u>4,170,584</u>	<u>7,339,316</u>
<i>Net Change in Fund Balance</i>	609,351	189,073	41,273	257,969	832,691	1,930,357
<i>Fund Balance Beginning of Year</i>	<u>3,623,547</u>	<u>847,063</u>	<u>1,348,854</u>	<u>261,396</u>	<u>1,877,125</u>	<u>7,957,985</u>
<i>Fund Balance End of Year</i>	<u>\$ 4,232,898</u>	<u>\$ 1,036,136</u>	<u>\$ 1,390,127</u>	<u>\$ 519,365</u>	<u>\$ 2,709,816</u>	<u>\$ 9,888,342</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, 2010

Net Change in Fund Balances - Total Governmental Funds	\$	1,930,357
 <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 capital additions exceeded depreciation in the current period.		
Capital Asset Additions	\$ 5,242,273	
Current Year Depreciation	<u>(3,781,585)</u>	1,460,688
 Net effect of transactions involving the disposal of capital assets are not reflected in the funds.		
		(291,046)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	(2,358)	
Tax Loss Reimbursement	59,734	
Municipal Income Taxes	(443,486)	
Intergovernmental	198,170	
Special Assessments	(134,403)	
Miscellaneous	<u>475</u>	(321,868)
 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, but reduces long term liabilities in the statement of net assets.		
Proceeds from Bonds and Notes	(6,575,000)	
Proceeds from OPWC Loan	(817,961)	
Inception of Capital Lease	(136,953)	
General Obligation Bond Principal	1,055,000	
Urban Renewal Bond Principal	200,000	
Bond Anticipation Note Principal	5,850,000	
Police and Fire Pension Liability Principal	5,126	
Capital Leases Principal	<u>131,852</u>	(287,936)
 In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.		
		22,864
 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	(204,661)	
Amortization of Bond Premiums	<u>6,530</u>	(198,131)
 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>79,238</u>
 Change in Net Assets of Governmental Activities	 \$	 <u><u>2,394,166</u></u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Income Taxes	\$ 10,074,913	\$ 10,366,805	\$ 10,366,805	\$ 0
Property Taxes	1,548,540	1,573,174	1,573,174	0
Other Local Taxes	212,500	255,152	255,152	0
Intergovernmental Revenue	1,461,471	1,515,888	1,515,888	0
Special Assessments	2,683	2,683	2,683	0
Charges for Services	443,000	537,516	537,516	0
Fees, Licenses and Permits	355,000	456,359	456,359	0
Fines and Forfeitures	1,503,000	1,428,245	1,428,245	0
Investment Income	160,000	148,185	148,185	0
Refunds and Reimbursements	0	41,585	41,585	0
Other	111,817	80,019	80,019	0
<i>Total Revenues</i>	<u>15,872,924</u>	<u>16,405,611</u>	<u>16,405,611</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	5,140,888	5,142,888	5,050,357	92,531
Leisure Time Activities	426,255	427,255	418,849	8,406
Community Development	464,581	508,886	501,617	7,269
Public Works	1,280,374	1,289,374	1,249,197	40,177
General Government	6,203,389	6,296,661	6,214,044	82,617
<i>Total Expenditures</i>	<u>13,515,487</u>	<u>13,665,064</u>	<u>13,434,064</u>	<u>231,000</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,357,437</u>	<u>2,740,547</u>	<u>2,971,547</u>	<u>231,000</u>
Other Financing Sources (Uses)				
Proceeds on Sale of Capital Assets	0	9,417	9,417	0
Transfers Out	(3,052,170)	(2,788,670)	(2,788,670)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(3,052,170)</u>	<u>(2,779,253)</u>	<u>(2,779,253)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(694,733)</u>	<u>(38,706)</u>	<u>192,294</u>	<u>231,000</u>
<i>Fund Balance Beginning of Year</i>	<u>2,027,806</u>	<u>2,027,806</u>	<u>2,027,806</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>17,149</u>	<u>17,149</u>	<u>17,149</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,350,222</u>	<u>\$ 2,006,249</u>	<u>\$ 2,237,249</u>	<u>\$ 231,000</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2010

	Enterprise Funds			Governmental Activities
	Water Revenue	Sewer Revenue	Total	Internal Service Funds
Assets				
Current Assets				
Equity in Pooled Cash and Investments	\$ 1,082,230	\$ 222,353	\$ 1,304,583	\$ 181,932
Receivables				
Taxes	478,716	0	478,716	0
Accounts	1,082,542	290,100	1,372,642	0
Intergovernmental Receivable	31,590	0	31,590	0
Materials and Supplies Inventory	57,049	1,150	58,199	0
Prepaid Items	11,778	0	11,778	0
<i>Total Current Assets</i>	2,743,905	513,603	3,257,508	181,932
Non-Current Assets				
Capital Assets				
Nondepreciable Capital Assets	19,272	73,909	93,181	0
Depreciable Capital Assets, Net	22,651,835	11,193,377	33,845,212	0
<i>Total Non-Current Assets</i>	22,671,107	11,267,286	33,938,393	0
<i>Total Assets</i>	25,415,012	11,780,889	37,195,901	181,932
Liabilities				
Current Liabilities				
Accounts Payable	45,759	5,800	51,559	1,445
Accrued Wages and Benefits	22,478	5,075	27,553	0
Intergovernmental Payable	53,001	10,053	63,054	0
Claims Payable	0	0	0	115,134
Unearned Revenue	440,204	0	440,204	0
Accrued Interest Payable	187,356	73,115	260,471	0
Compensated Absences - Current	2,548	64	2,612	0
OWDA Loans Payable - Current	579,805	152,132	731,937	0
OPWC Loans Payable - Current	0	54,004	54,004	0
Capital Lease Payable - Current	26,526	0	26,526	0
<i>Total Current Liabilities</i>	1,357,677	300,243	1,657,920	116,579
Non-Current Liabilities				
Compensated Absences	81,925	4,048	85,973	0
OWDA Loans Payable	8,770,985	2,833,709	11,604,694	0
OPWC Loans Payable	0	889,547	889,547	0
Loan Payable	0	388,070	388,070	0
<i>Total Non-Current Liabilities</i>	8,852,910	4,115,374	12,968,284	0
<i>Total Liabilities</i>	10,210,587	4,415,617	14,626,204	116,579
Net Assets				
Invested in Capital Assets, Net of Related Debt	13,293,791	6,949,824	20,243,615	0
Unrestricted	1,910,634	415,448	2,326,082	65,353
<i>Total Net Assets</i>	\$ 15,204,425	\$ 7,365,272	\$ 22,569,697	\$ 65,353

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, 2010

	Enterprise Funds			Governmental
	Water Revenue	Sewer Revenue	Total	Internal Service Funds
Operating Revenues				
Charges for Services	\$ 2,843,480	\$ 728,913	\$ 3,572,393	\$ 2,509,950
Miscellaneous	4,790	887	5,677	9,693
<i>Total Operating Revenues</i>	<u>2,848,270</u>	<u>729,800</u>	<u>3,578,070</u>	<u>2,519,643</u>
Operating Expenses				
Personal Services	1,585,144	272,082	1,857,226	0
Contractual Service	566,960	1,614	568,574	794,709
Claims	0	0	0	1,645,488
Materials and Supplies	379,761	0	379,761	0
Depreciation	780,707	280,511	1,061,218	0
Other	18,362	5,838	24,200	224
<i>Total Operating Expenses</i>	<u>3,330,934</u>	<u>560,045</u>	<u>3,890,979</u>	<u>2,440,421</u>
<i>Operating Income (Loss)</i>	(482,664)	169,755	(312,909)	79,222
Non-Operating Revenues (Expenses)				
Property Taxes	453,075	0	453,075	0
Intergovernmental Revenue	107,451	0	107,451	0
Interest Income	0	0	0	16
Interest and Fiscal Charges	(327,440)	(140,858)	(468,298)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>233,086</u>	<u>(140,858)</u>	<u>92,228</u>	<u>16</u>
<i>Income (Loss) Before Contributions and Transfers</i>	<u>(249,578)</u>	<u>28,897</u>	<u>(220,681)</u>	<u>79,238</u>
Capital Contributions	234,802	394,642	629,444	0
Transfers In	100,000	73,000	173,000	0
Transfers Out	(159,582)	(46,340)	(205,922)	0
<i>Change in Net Assets</i>	(74,358)	450,199	375,841	79,238
<i>Net Assets Beginning of Year</i>	<u>15,278,783</u>	<u>6,915,073</u>	<u>22,193,856</u>	<u>(13,885)</u>
<i>Net Assets End of the Year</i>	<u>\$ 15,204,425</u>	<u>\$ 7,365,272</u>	<u>\$ 22,569,697</u>	<u>\$ 65,353</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, 2010

	<u>Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Water Revenue</u>	<u>Sewer Revenue</u>	<u>Total</u>	<u>Internal Service Funds</u>
Cash Flows From Operating Activities				
Cash Received from Customers	\$ 2,863,029	\$ 732,266	\$ 3,595,295	\$ 2,509,950
Cash Received from Refunds and Reimbursements	0	0	0	9,693
Cash Payments to Employees for Services and Benefits	(1,590,257)	(264,012)	(1,854,269)	0
Cash Payments for Contractual and Other Services	(588,487)	(4,535)	(593,022)	(793,488)
Cash Payments for Materials and Supplies	(375,324)	(217)	(375,541)	0
Cash Payments for Claims	0	0	0	(1,618,135)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>308,961</u>	<u>463,502</u>	<u>772,463</u>	<u>108,020</u>
Cash Flows From Non-Capital Financing Activities				
Property Tax	453,375	0	453,375	0
Transfers In	100,000	73,000	173,000	0
<i>Net Cash Provided By (Used For) Non-Capital Activities</i>	<u>553,375</u>	<u>73,000</u>	<u>626,375</u>	<u>0</u>
Cash Flows From Capital and Related Activities				
Proceeds from OWDA Loans	3,483,298	152,110	3,635,408	0
Grants	108,653	0	108,653	0
Acquisition and Construction of Assets	(3,660,819)	(255,535)	(3,916,354)	0
Principal Payments on Capital Leases	(25,134)	(57,388)	(82,522)	0
Principal Payments on Debt	(433,411)	(190,878)	(624,289)	0
Interest and Fiscal Charges	(246,430)	(145,867)	(392,297)	0
<i>Net Cash Provided By (Used For) Capital and Related Financing Activities</i>	<u>(773,843)</u>	<u>(497,558)</u>	<u>(1,271,401)</u>	<u>0</u>
Cash Flows From Investing Activities				
Interest on Investments	0	0	0	16
<i>Net Cash Provided By (Used For) Investing Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	88,493	38,944	127,437	108,036
<i>Cash and Investments Beginning of Year</i>	<u>993,737</u>	<u>183,409</u>	<u>1,177,146</u>	<u>73,896</u>
<i>Cash and Investments End of Year</i>	<u>\$ 1,082,230</u>	<u>\$ 222,353</u>	<u>\$ 1,304,583</u>	<u>\$ 181,932</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities				
Operating Income (Loss)	\$ (482,664)	\$ 169,755	\$ (312,909)	\$ 79,222
Adjustments:				
Depreciation Expense	780,707	280,511	1,061,218	0
(Increase) Decrease in Assets:				
Accounts Receivable	14,759	2,466	17,225	0
Materials and Supplies Inventory	4,791	(217)	4,574	0
Prepays	(354)	0	(354)	0
Increase (Decrease) in Liabilities:				
Accounts Payable	(3,165)	2,917	(248)	1,445
Compensated Absences	(15,743)	4,112	(11,631)	0
Accrued Salaries, Wages and Benefits	3,500	1,747	5,247	0
Claims Payable	0	0	0	27,353
Intergovernmental Payable	7,130	2,211	9,341	0
<i>Total Adjustments</i>	<u>791,625</u>	<u>293,747</u>	<u>1,085,372</u>	<u>28,798</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ 308,961</u>	<u>\$ 463,502</u>	<u>\$ 772,463</u>	<u>\$ 108,020</u>

Schedule of Noncash Capital Financing Activities

As of December 31, 2010, the Water and Sewer Revenue Funds received capital assets from outside sources of \$234,802 and \$394,642, respectively. The Water Revenue and Sewer Revenue Funds transferred capital assets to the governmental activities in the amount of \$159,582 and \$46,340, respectively. In addition, the Water Revenue Fund recorded capitalized interest as an addition to OWDA loans in the amount of \$25,803.

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2010

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Investments	\$ 898,297
Equity in Pooled Cash Segregated	300,978
Receivables:	
Accounts	902,584
Special Assessments	<u>340,055</u>
<i>Total Assets</i>	<u><u>\$ 2,441,914</u></u>
 Liabilities	
Accounts Payable	\$ 616,983
Due to Other Governments	1,621,416
Deposits Held and Due to Others	<u>203,515</u>
<i>Total Liabilities</i>	<u><u>\$ 2,441,914</u></u>

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, 2010

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 nor 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, 2010

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:

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

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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.

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

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

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose. The court capital improvement fund does not meet the criteria to be a major fund, however, the City exercises its right to treat it as one.

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

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

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

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

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

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, unclaimed monies, Ohio Board of Building Standards fees, dog license fees, and municipal court collections.

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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, 2010

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, 2010 but which were levied to finance year 2011 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 2010, investments were limited to Federal Home Loan Mortgage and Federal National Mortgage bank notes, negotiable certificates of deposit and State Treasury Asset Reserve of Ohio (STAROhio).

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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, 2010.

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 2010 amounted to \$136,442, which includes \$104,302 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, 2010, 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.

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

	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”.

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

J. Compensated Absences

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

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

K. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments 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, 2010

L. Fund Balance Reserves

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

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 2010, the governmental activities received capital contributions in the amount of \$2,991,713 from outside sources. The business-type activities received \$629,444 in capital contributions from outside sources.

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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type occurred in 2010.

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 2010.

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

T. Changes in Accounting Principles

For the year ended December 31, 2010, the City has implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets," GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments," and GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies."

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

GASB Statement No. 51 establishes standards of accounting and financial reporting for intangible assets for all state and local governments. Inconsistencies in the accounting and financial reporting for intangible assets, particularly in the areas of recognition, initial measurement, and amortization, have occurred in practice due to the absence of sufficiently specific authoritative guidance that addresses these questions. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code.

Implementation of these GASB Statements did not affect the presentation of the financial statements of the City.

NOTE 3 – ACCOUNTABILITY

Fund balances at December 31, 2010 included the following individual fund deficits:

	Deficit Fund Balance
<i>Special Revenue Funds</i>	
Recreation Fund	\$ 18,111
Police Pension Fund	103,147
Fire Pension Fund	102,633
 <i>Capital Projects Funds</i>	
Neighborhood Capital Improvement	7,052
 <i>Internal Service Funds</i>	
Medical Benefits	66,476

The deficits in these nonmajor governmental 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 - 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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

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	\$ 609,351
Net Adjustment for Revenue Accruals	(543,608)
Net Adjustment for Expenditure Accruals	131,899
Encumbrances	(5,348)
Budget Basis	\$ 192,294

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.

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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

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

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

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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, 2010 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 \$2,935,390 and the bank balance was \$3,149,649. Of the bank balance:

1. \$2,098,418 was covered by Federal depository insurance, by collateral held by the City, or by collateral held by the City's agent in the name of the City; and
2. \$1,051,231 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 \$300,978 ("Equity in Pooled Cash Segregated") and the bank balance was \$321,010. 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, 2010

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

Standard & Poor's	Investment	Fair Value	Investment Maturities (in years)			% Total
			Less than 1	1 - 4	4 - 5	
AAA	STAROhio	\$ 66,139	\$ 66,139	\$ 0	\$ 0	1.0%
***	Negotiable Certificates of Deposit	4,221,767	4,221,767	0	0	65.2%
	U.S. Agency Notes					
AAA	Federal Home Loan Bank	1,755,523	0	0	1,755,523	27.1%
AAA	Federal National Mortgage Assn.	431,200	0	431,200	0	6.7%
		<u>\$ 6,474,629</u>	<u>\$ 4,287,906</u>	<u>\$ 431,200</u>	<u>\$ 1,755,523</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, 2010 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 expected to be collected in more than one year amount to \$3,425 in the general fund, \$12,690 in the general bond retirement fund and \$716,857 in other governmental funds. At December 31, 2010 the amount of delinquent special assessments was \$270,284.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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 \$724,511 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, public utility, and tangible personal property located in the City. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2009. Real property taxes are payable annually or semi-annually. The first payment is due December 31, with the remainder payable by June 20.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 35 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases 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 will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

due to the phasing out of the tax. In 2007-2010, the City was fully reimbursed for the lost revenue. In 2011-2017, the reimbursements will be phased out.

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

The full tax rate applied to real property for the year ended December 31, 2009 was \$17.20 per \$1,000 of assessed valuation. The assessed values of real and tangible personal property, upon which 2010 property tax receipts were based, are as follows:

	Assessed Values
<i>Real Property</i>	
Residential/Agricultural	\$ 286,279,450
Commercial/Industrial/Mineral	82,193,780
Public Utility	6,323,310
	\$ 374,796,540

C. Intergovernmental Receivable

A summary of the intergovernmental receivable follows:

	Amount
<i>Governmental Activities:</i>	
Homestead/Rollback	\$ 264,750
Tax Loss Reimbursement	59,734
Estate Tax	138,844
Auto Registration	63,983
Gasoline Tax	284,204
Permissive Tax	3,057
Local Government	463,938
Grants	27,765
Court Fees	10,060
Real Estate Tax Refund Due	71,914
Total	\$ 1,388,249
<i>Business-Type Activities</i>	
Water Fund:	
Homestead/Rollback	\$ 31,590

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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%) and the City of Brook Park (34%) 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, 2010, construction “draw down” expenditures from OPWC has amounted to \$1,413,214, 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 \$1,088,175, which represents the combined amount owed (77%) 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 RECEIVABLES, PAYABLES, AND TRANSFERS

A. Interfund Transfers

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>Nonmajor Governmental</u>	<u>Water Revenue</u>	<u>Sewer Revenue</u>	
General Fund	<u>\$ 2,615,670</u>	<u>\$ 100,000</u>	<u>\$ 73,000</u>	<u>\$ 2,788,670</u>
Total	<u><u>\$ 2,615,670</u></u>	<u><u>\$ 100,000</u></u>	<u><u>\$ 73,000</u></u>	<u><u>\$ 2,788,670</u></u>

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, 2010

Fund	Amount
Recreation Fund	\$ 647,000
Recreation Capital Improvement Fund	106,000
General Capital Improvement Fund	1,033,500
Neighborhood Capital Improvement Fund	476,000
Sewer Revenue Fund	73,000
Water Revenue Fund	100,000
 Total	 \$ 2,435,500

In addition, the general fund transferred \$148,000 to the street maintenance and repair fund, \$40,000 to the fire pension fund, \$53,170 to the police pension fund and \$112,000 to the neighborhood capital improvement fund for expenditures.

In 2010, the business-type activities transferred capital assets to the governmental activities. The transfers are as follows:

Transfers Out	Transfers In Governmental Activities
Water Revenue	\$ 159,582
Sewer Revenue	46,340
 Total	 \$ 205,922

B. Advances from/to Other Funds

Advances to/from Other Funds	Receivables	Payables
<i>General Fund</i>	\$ 150,000	\$ 0
 <i>Capital Projects Fund</i>		
Railroad Capital Improvement	0	150,000
 Total	 \$ 150,000	 \$ 150,000

As of December 31, 2010, the advances to and from other funds balance is made up of a working capital loan made to the Railroad Capital Improvement Fund for \$150,000 that the general fund does not expect to collect until sometime in the future.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 9 - CAPITAL ASSETS

A summary of changes in capital assets during 2010 follows:

	Balance 12/31/09	Additions	Reductions	Transfer	Balance 12/31/10
Governmental Activities					
<i>Capital Assets Not Being Depreciated</i>					
Land	\$ 5,249,724	\$ 158,941	\$ 0	\$ 0	\$ 5,408,665
Construction in Progress	17,282,582	1,547,907	(686,727)	0	18,143,762
<i>Total Capital Assets Not Being Depreciated</i>	<u>22,532,306</u>	<u>1,706,848</u>	<u>(686,727)</u>	<u>0</u>	<u>23,552,427</u>
<i>Capital Assets Being Depreciated</i>					
Land Improvements	8,284,552	259,727	0	0	8,544,279
Buildings	15,033,392	0	(456,300)	0	14,577,092
Building Improvements	21,590,809	2,166,409	0	0	23,757,218
Machinery and Equipment	5,090,327	206,859	0	0	5,297,186
Furniture and Fixtures	925,270	41,414	0	0	966,684
Vehicles	1,621,116	144,895	(63,463)	0	1,702,548
Infrastructure:					
Bridges	8,418,322	0	0	0	8,418,322
Roads	35,432,488	1,187,926	0	205,922	36,826,336
Sidewalks	1,507,600	9,000	0	0	1,516,600
Traffic Signals	1,663,700	0	0	0	1,663,700
<i>Total Capital Assets Being Depreciated</i>	<u>99,567,576</u>	<u>4,016,230</u>	<u>(519,763)</u>	<u>205,922</u>	<u>103,269,965</u>
<i>Accumulated Depreciation</i>					
Land Improvements	(5,360,498)	(346,670)	0	0	(5,707,168)
Buildings	(7,044,799)	(348,049)	165,254	0	(7,227,594)
Building Improvements	(12,885,122)	(804,384)	0	0	(13,689,506)
Machinery and Equipment	(3,408,474)	(220,142)	0	0	(3,628,616)
Furniture and Fixtures	(816,715)	(40,566)	0	0	(857,281)
Vehicles	(898,029)	(128,261)	63,463	0	(962,827)
Infrastructure:					
Bridges	(1,465,842)	(266,448)	0	0	(1,732,290)
Roads	(15,388,094)	(1,497,050)	0	0	(16,885,144)
Sidewalks	(295,118)	(74,558)	0	0	(369,676)
Traffic Signals	(353,992)	(55,457)	0	0	(409,449)
<i>Total Accumulated Depreciation</i>	<u>(47,916,683)</u>	<u>(3,781,585)</u>	<u>228,717</u>	<u>0</u>	<u>(51,469,551)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>51,650,893</u>	<u>234,645</u>	<u>(291,046)</u>	<u>205,922</u>	<u>51,800,414</u>
Governmental Activities Capital Assets, Net	<u>\$ 74,183,199</u>	<u>\$ 1,941,493</u>	<u>\$ (977,773)</u>	<u>\$ 205,922</u>	<u>\$ 75,352,841</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

	Balance 12/31/09	Additions	Reductions	Transfers	Balance 12/31/10
Business-Type Activities					
<i>Capital Assets Not Being Depreciated</i>					
Land	\$ 93,181	\$ 0	\$ 0	\$ 0	\$ 93,181
Construction in Progress	1,604,796	3,882,027	(5,280,901)	(205,922)	0
<i>Total Capital Assets Not Being Depreciated</i>	<u>1,697,977</u>	<u>3,882,027</u>	<u>(5,280,901)</u>	<u>(205,922)</u>	<u>93,181</u>
<i>Capital Assets Being Depreciated</i>					
Land Improvements	917,194	7,500	0	0	924,694
Buildings	2,850,579	2,053,287	0	0	4,903,866
Building Improvements	576,182	1,570,950	0	0	2,147,132
Machinery and Equipment	3,784,682	1,153,845	0	0	4,938,527
Furniture and Fixtures	37,252	0	0	0	37,252
Vehicles	92,707	17,702	0	0	110,409
Infrastructure:					
Water Lines	6,841,912	392,752	0	0	7,234,664
Storm Sewers	13,585,116	474,109	0	0	14,059,225
Sanitary Sewers	9,638,112	274,527	0	0	9,912,639
<i>Total Capital Assets Being Depreciated</i>	<u>38,323,736</u>	<u>5,944,672</u>	<u>0</u>	<u>0</u>	<u>44,268,408</u>
<i>Accumulated Depreciation</i>					
Land Improvements	(571,739)	(56,131)	0	0	(627,870)
Buildings	(1,710,207)	(93,508)	0	0	(1,803,715)
Building Improvements	(45,765)	(54,580)	0	0	(100,345)
Machinery and Equipment	(1,585,254)	(159,209)	0	0	(1,744,463)
Furniture and Fixtures	(11,866)	(5,322)	0	0	(17,188)
Vehicles	(56,510)	(13,593)	0	0	(70,103)
Infrastructure:					
Water Lines	(1,590,938)	(139,942)	0	0	(1,730,880)
Storm Sewers	(2,019,376)	(335,499)	0	0	(2,354,875)
Sanitary Sewers	(1,770,323)	(203,434)	0	0	(1,973,757)
<i>Total Accumulated Depreciation</i>	<u>(9,361,978)</u>	<u>(1,061,218)</u>	<u>0</u>	<u>0</u>	<u>(10,423,196)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>28,961,758</u>	<u>4,883,454</u>	<u>0</u>	<u>0</u>	<u>33,845,212</u>
Business-Type Activities Capital Assets, Net	<u>\$ 30,659,735</u>	<u>\$ 8,765,481</u>	<u>\$ (5,280,901)</u>	<u>\$ (205,922)</u>	<u>\$ 33,938,393</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Depreciation expense was charged to governmental activities as follows:

	<u>Depreciation</u>
Security of Persons and Property	\$ 259,246
Leisure Time Activities	1,362,741
Public Works	21,590
Transportation	1,843,408
General Government	<u>294,600</u>
 Total Depreciation Expense	 <u>\$ 3,781,585</u>

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 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 that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional 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 that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2010, members in State and local classifications contributed 10.0 percent of covered payroll and public safety and law enforcement members contributed 10.5 percent and 11.1 percent, respectively.

The City’s contribution rate for 2010 was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City’s contribution was 17.87 percent of covered payroll. For 2010, a portion of the City’s contribution was allocated to fund the post-employment health care plan. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010.

Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14.0 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The City's required contributions for pension obligations to OPERS for the years ended December 31, 2010, 2009 and 2008 were \$559,323, \$512,225 and \$443,863, respectively. 92.4 percent has been contributed for 2010 and 100 percent has been contributed for 2009 and 2008.

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

Funding Policy - Plan members are required to contribute 10.0 percent of their annual covered salary to fund pension obligations while the City is required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. Contributions are authorized by State statute. For 2010, a portion of the City's contribution equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. For 2009, this allocation was also 6.75 percent. The City's contributions to OP&F for police officers and firefighters were \$302,715 and \$325,962 for the year ended December 31, 2010, \$305,247 and \$317,452 for the year ended December 31, 2009 and \$294,985 and \$302,965 for the year ended December 31, 2008, equal to the required contributions for each year. The full amount has been contributed for 2009 and 2008. 72.0 percent has been contributed for 2010, with the remainder being reported as a liability.

NOTE 11 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, 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.

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund postemployment health care through contributions to OPERS. A portion of each employer’s contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010, local government employers contributed 14.0 percent of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010.

The retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree’s surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected. Active members do not make contributions to the post-employment health care plans.

The City’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009 and 2008 were \$318,387, \$367,881 and \$443,863 respectively; 92.4 percent has been contributed for 2010 and 100 percent for 2009 and 2008.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS’ health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates for state and local employers increased as of January 1, 2006, January 1, 2007, and January 1, 2008. Rates for law and public safety employers increased over a six-year period beginning January 1, 2006, with a final rate increase 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 healthcare program, a cost-sharing multiple-employer defined post-employment healthcare plan administered by the OP&F. OP&F provides health care benefits, including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients, and their eligible dependents.

OP&F provides access to post-retirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check, or is a spouse or eligible dependent child of such person.

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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

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 - OP&F's post-employment health care plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the 401(h) account as the employer contribution for retiree health care benefits. For the years ended December 31, 2010 and 2009, 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 adequate funded and also is limited by the provisions of Section 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare 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. Active members do not make contributions to the OPEB Plan.

The number of participants eligible to receive health care benefits as of December 31, 2009 (the latest information available), are 14,797 for Police and 10,915 for Firefighters. The total health care expense for the year ending December 31, 2009 was \$168,744,032, which was net of member contributions of \$59,148,831.

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police officers and firefighters were \$160,261 and \$127,550 for the year ended December 31, 2010, \$161,602 and \$124,221 for the year ended December 31, 2009 and \$156,168 and \$118,552 for the year ended December 31, 2008. The full amount has been contribution for 2009 and 2008. 72.0 percent percent has been contributed for 2010.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 12 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave components are derived from negotiated agreements, City ordinances and State laws. Vacation leave is earned at rates vary depending upon length of service and standard work week. Vacation leave is vested in the employee on January 1 of each year. Vacation time not taken by the end of the calendar year will be paid to the employee in the preceding January at the prior year's rate.

For all employees, except for firefighters, sick leave is earned at the rate of four and sixteenths hours per bi-weekly pay period. Firefighters earn sick leave at the rate of 24 hours, which equals one tour of duty, per month. Each employee with 10 - 20 years of service with the City is paid for one-third of the employee's earned unused sick leave, not to exceed 360 hours, or 17 tours of duty for firefighters, upon separation from the City. Each employee with 20 or more years of service with the City is paid for one-third of the employee's earned unused sick leave, limited to 63 tours for firefighters, upon separation from the City. In 2010, 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 commitments outstanding at December 31, 2010:

	Contractual Commitment	Expended	Balance Remaining
Eastland Road OPWC Project**	<u>\$ 1,900,900</u>	<u>\$ 1,413,214</u>	<u>\$ 487,686</u>

**Eastland Road OPWC Project will be offset by payments received from the Cities of Brook Park and Middleburgh Heights (See Note 7.D.). 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, 2010

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
1999 Various Purpose Bonds	1999	2018	5.35%	7,785,000
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
Governmental Activities	2009	2029	0.00%	1,413,214 *
Governmental Activities	2010	2030	0.00%	70,990 *
	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
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 *
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 *

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

A schedule of changes in long-term obligations of the City during 2010 follows:

	Balance 12/31/09	Additions	Reductions	Balance 12/31/10	Due Within One Year
Governmental Activities					
<i>General Obligation Bonds</i>					
1993 Various Purpose Bonds	\$ 510,000	\$ 0	\$ (120,000)	\$ 390,000	\$ 125,000
1999 Various Purpose Bonds	425,000	0	(425,000)	0	0
2004 Library Bonds Refunded	305,000	0	(100,000)	205,000	100,000
2004 Various Purpose Bonds	720,000	0	(235,000)	485,000	235,000
2006 Various Purpose Bonds	6,915,000	0	(175,000)	6,740,000	610,000
2010 Various Purpose Bonds	0	2,725,000	0	2,725,000	65,000
<i>Total General Obligation Bonds</i>	<u>8,875,000</u>	<u>2,725,000</u>	<u>(1,055,000)</u>	<u>10,545,000</u>	<u>1,135,000</u>
<i>Urban Renewal Bonds</i>					
2004 First Avenue Community Bonds	490,000	0	(155,000)	335,000	165,000
1993 First Avenue Community Bonds	190,000	0	(45,000)	145,000	45,000
<i>Total Urban Renewal Bonds</i>	<u>680,000</u>	<u>0</u>	<u>(200,000)</u>	<u>480,000</u>	<u>210,000</u>
<i>Bond Anticipation Notes</i>					
2.45% Various Improvement Notes	1,000,000	0	(1,000,000)	0	0
2.45% Various Improvement Notes	4,850,000	0	(4,850,000)	0	0
1.00% Various Improvement Notes	0	3,250,000	0	3,250,000	3,250,000
1.50% Various Improvement Notes	0	600,000	0	600,000	600,000
<i>Total Bond Anticipation Notes</i>	<u>5,850,000</u>	<u>3,850,000</u>	<u>(5,850,000)</u>	<u>3,850,000</u>	<u>3,850,000</u>
OPWC Loan Payable	666,243	817,961	0	1,484,204	0
<i>Other Long Term Obligations</i>					
<i>Capital Lease Obligations:</i>					
Street Sweeper	37,292	0	(37,292)	0	0
Dump Truck	68,351	0	(21,652)	46,699	22,764
Roller	22,554	0	(5,210)	17,344	5,486
Aerial Truck	58,301	0	(28,505)	29,796	29,796
Plow Tractor	119,370	0	(21,431)	97,939	22,588
International Truck	76,272	0	(17,762)	58,510	18,606
Asphalt Truck	0	136,953	0	136,953	24,889
<i>Total Capital Lease Obligations</i>	<u>382,140</u>	<u>136,953</u>	<u>(131,852)</u>	<u>387,241</u>	<u>124,129</u>
Unamortized Bond Premium	97,946	0	(6,530)	91,416	6,530
Compensated Absences	1,223,238	279,913	(75,252)	1,427,899	81,636
Police and Fire Pension Liability	228,711	0	(5,126)	223,585	5,178
<i>Total Other Long Term Obligations</i>	<u>1,932,035</u>	<u>416,866</u>	<u>(218,760)</u>	<u>2,130,141</u>	<u>217,473</u>
Total Governmental Activities	<u>\$ 18,003,278</u>	<u>\$ 7,809,827</u>	<u>\$ (7,323,760)</u>	<u>\$ 18,489,345</u>	<u>\$ 5,412,473</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

	Balance 12/31/09	Additions	Reductions	Balance 12/31/10	Due Within One Year
Business-Type Activities					
<i>OWDA Loans</i>					
Sewer	\$ 157,972	\$ 0	\$ (28,809)	\$ 129,163	\$ 30,138
Sewer	486,711	0	(25,594)	461,117	27,158
Sewer	428,145	0	(35,485)	392,660	37,451
Sewer	1,095,839	0	(23,880)	1,071,959	25,006
Sewer	672,843	0	(14,749)	658,094	15,307
Sewer	129,095	152,110	(8,357)	272,848	17,072
Water	235,242	0	(42,034)	193,208	44,404
Water	432,996	0	(75,719)	357,277	80,807
Water	530,915	0	(171,657)	359,258	175,788
Water	834,544	0	(32,454)	802,090	33,903
Water	1,080,506	0	(20,305)	1,060,201	21,161
Water	1,819,399	0	(73,312)	1,746,087	75,104
Water	1,047,843	0	(17,930)	1,029,913	18,576
Water	293,655	3,509,101	0	3,802,756	130,062
<i>Total OWDA Loans</i>	<u>9,245,705</u>	<u>3,661,211</u>	<u>(570,285)</u>	<u>12,336,631</u>	<u>731,937</u>
<i>OPWC Loans</i>					
Sewer	305,305	0	(18,504)	286,801	18,504
Sewer	692,250	0	(35,500)	656,750	35,500
<i>Total OPWC Loans</i>	<u>997,555</u>	<u>0</u>	<u>(54,004)</u>	<u>943,551</u>	<u>54,004</u>
Loan Payable	388,070	0	0	388,070	0
<i>Other Long Term Obligations</i>					
<i>Capital Lease Obligations:</i>					
Sewer Cleaner	45,844	0	(45,844)	0	0
Bobcat	11,544	0	(11,544)	0	0
Backhoe	51,660	0	(25,134)	26,526	26,526
<i>Total Capital Lease Obligations</i>	<u>109,048</u>	<u>0</u>	<u>(82,522)</u>	<u>26,526</u>	<u>26,526</u>
Compensated Absences	100,216	20,945	(32,576)	88,585	2,612
<i>Total Other Long Term Obligations</i>	<u>209,264</u>	<u>20,945</u>	<u>(115,098)</u>	<u>115,111</u>	<u>29,138</u>
Total Business-Type Activities	<u>\$ 10,840,594</u>	<u>\$ 3,682,156</u>	<u>\$ (739,387)</u>	<u>\$ 13,783,363</u>	<u>\$ 815,079</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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, 2010 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>
2011	\$ 65,000	2014	85,000
2012	65,000	2015	105,000
2013	65,000		

<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.

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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, 2010, 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 2010, the City issued \$600,000 in Recreation Center Improvement Notes to finance the recreation center project. The City also issued \$3,250,000 in Various Purpose Notes to refund the Municipal Court Improvement Notes and to finance the service department and other improvement projects. The Recreation Center Improvement Note will be paid from the recreation capital improvement fund and the Various Improvement Notes will be paid from the general capital improvement 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 \$7,254,946 of additional debt without obtaining voter approval. Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2010 are as follows:

Governmental Activities

Year	General Obligation Bonds		Urban Renewal Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 1,135,000	\$ 415,342	\$ 210,000	\$ 20,419	\$ 1,345,000	\$ 435,761
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 - 2020	3,120,000	881,902	0	0	3,120,000	881,902
2021 - 2025	1,820,000	413,486	0	0	1,820,000	413,486
2026 - 2030	895,000	105,036	0	0	895,000	105,036
Total	<u>\$ 10,545,000</u>	<u>\$ 3,072,635</u>	<u>\$ 480,000</u>	<u>\$ 34,906</u>	<u>\$ 11,025,000</u>	<u>\$ 3,107,541</u>

On March 30, 2011, payment is due in full on the bond anticipation notes in the amounts of \$3,250,000 plus interest at 1.0 percent and \$600,000 plus interest at 1.5 percent.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Business-Type Activities

Year	OWDA (1)		OPWC	Totals	
	Principal	Interest	Principal	Principal	Interest
2011	\$ 731,937	\$ 517,671	\$ 54,004	\$ 785,941	\$ 517,671
2012	332,558	225,673	54,004	386,562	225,673
2013	350,751	207,482	54,004	404,755	207,482
2014	369,961	188,269	54,004	423,965	188,269
2015	194,062	169,129	54,004	248,066	169,129
2016 - 2020	1,034,376	689,766	270,020	1,304,396	689,766
2021 - 2025	899,688	454,243	270,020	1,169,708	454,243
2026 - 2030	731,149	270,667	133,491	864,640	270,667
2031 - 2035	705,971	117,698	0	705,971	117,698
2036 - 2038	191,919	10,804	0	191,919	10,804
Total	\$ 5,542,372	\$ 2,851,402	\$ 943,551	\$ 6,485,923	\$ 2,851,402

(1) OWDA loans issued in 2008 and 2009 have not been fully drawn down, thus there are no amortization schedules available. Some of these loans will have retirement payments in 2011 totaling \$416,602, and are reported as long term obligations due within one year. The balance of the loans drawn totaling \$6,794,259 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. The assets acquired through capital leases are as follows:

Asset	Governmental Activities							Total
	Street Sweeper	Dump Truck	Roller	Aerial Truck	Plow Tractor	International Truck	Asphalt Truck	
Machinery & Equipment	\$195,124	\$108,530	\$32,199	\$ 155,730	\$ 119,370	\$93,228	\$ 136,953	\$841,134
Accumulated Depreciation	(53,659)	(18,993)	(5,635)	(140,156)	(8,953)	(6,992)	(9,782)	(244,170)
Total	\$141,465	\$ 89,537	\$26,564	\$ 15,574	\$ 110,417	\$86,236	\$ 127,171	\$596,964

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

Asset	Business-Type Activities			
	Sewer Cleaner	Bobcat	Backhoe	Total
Machinery & Equipment	\$ 242,287	\$ 59,216	\$ 98,038	\$ 399,541
Less Accumulated Depreciation	(66,629)	(16,284)	(34,313)	(117,226)
Total	\$ 175,658	\$ 42,932	\$ 63,725	\$ 282,315

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

Year Ending December 31,	Governmental Activities						Total
	Dump Truck	Roller	Aerial Truck	Plow Tractor	International Truck	Asphalt Truck	
2011	\$ 25,164	\$ 6,405	\$ 31,146	\$ 27,877	\$ 21,385	\$ 31,449	\$ 143,426
2012	25,165	6,404	0	27,877	21,385	31,449	112,280
2013	0	6,404	0	27,877	21,385	31,450	87,116
2014	0	0	0	27,877	0	31,449	59,326
2015	0	0	0	0	0	31,450	31,450
Minimum Lease Payments	50,329	19,213	31,146	111,508	64,155	157,247	433,598
Less Amount Representing Interest	(3,630)	(1,869)	(1,350)	(13,569)	(5,645)	(20,294)	(46,357)
Present Value of Net Lease Payments	\$ 46,699	\$ 17,344	\$ 29,796	\$ 97,939	\$ 58,510	\$ 136,953	\$ 387,241

Business-Type Activities

Year Ending December 31,	Backhoe
2011	\$ 27,996
Less Amount Representing Interest	(1,470)
Present Value of Net Lease Payments	\$ 26,526

NOTE 16 - OPERATING LEASES - LESSOR DISCLOSURE

The City leases space on its water tower for cellular antennae. The lease revenue due in 2010 amounted to \$156,080.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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, 2010 or 2009.

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 2010, the non-union employees contributed \$65.06 a month for single coverage or \$159.40 for family coverage. Union employees contributed \$21.70 for single coverage or \$53.14 for family coverage.

The claims liability of \$115,134 reported in the medical benefits internal service fund at December 31, 2010 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 2008, 2009, and 2010 were as follows:

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

		Balance January 1	Current Year Claims	Claim Payments	Balance December 31
2008	\$	118,915	\$ 1,494,733	\$ 1,456,303	\$ 157,345
2009	\$	157,345	\$ 1,306,841	\$ 1,376,405	\$ 87,781
2010	\$	87,781	\$ 1,645,488	\$ 1,618,135	\$ 115,134

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 2010, the City of Berea contributed \$13,000 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 elect their own member to serve on the Board of Trustees of the Health Center. The Board exercises total control over the operation of the Health Center including budgeting, appropriating, contracting and designating management. Each City's control is limited to its representation on the Board. In 2010, the City of Berea contributed \$114,265 to the Health Center.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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 2010 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 2010. 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, 2010

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, 2010.

NOTE 20 - SUBSEQUENT EVENTS

On March 29, 2011, the City issued \$4,850,000 in Bond Anticipation Notes (BANs) at an interest rate of 1.05 percent. These BANs will be used to retire BANs outstanding at December 31, 2010 and finance various capital improvements and will mature on March 29, 2012.

**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 revenue sources that are legally restricted to expenditures for specific purposes. Following is a description of the City's nonmajor special revenue funds.

Recreation Fund

To account for 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.

Senior Services Fund

To account for revenues and expenditures for senior programs.

(Continued)

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

Nonmajor Special Revenue Funds

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.

(Continued)

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.

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash, Cash Equivalents and Investments	\$ 1,310,039	\$ 446,133	\$ 1,756,172
Receivables:			
Taxes	772,139	0	772,139
Accounts	49,091	9,881	58,972
Special Assessments	716,857	0	716,857
Intergovernmental	425,845	2,865	428,710
Materials and Supplies Inventory	116,396	0	116,396
Prepaid Items	931	0	931
Loans Receivable	0	1,088,175	1,088,175
	<u> </u>	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>\$ 3,391,298</u>	<u>\$ 1,547,054</u>	<u>\$ 4,938,352</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 76,156	\$ 15,628	\$ 91,784
Accrued Wages and Benefits	24,509	5,204	29,713
Intergovernmental Payable	314,266	11,845	326,111
Deferred Revenue	1,780,928	0	1,780,928
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u>2,195,859</u>	<u>32,677</u>	<u>2,228,536</u>
Fund Balances			
Reserved for Encumbrances	22,849	31,699	54,548
Reserved for Loans Receivable	0	1,088,175	1,088,175
Unreserved, Undesignated Reported In:			
General Fund			
Special Revenue Funds	1,172,590	0	1,172,590
Capital Projects Funds	0	394,503	394,503
	<u> </u>	<u> </u>	<u> </u>
<i>Total Fund Balances</i>	<u>1,195,439</u>	<u>1,514,377</u>	<u>2,709,816</u>
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 3,391,298</u>	<u>\$ 1,547,054</u>	<u>\$ 4,938,352</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, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Property Tax	\$ 730,548	\$ 0	\$ 730,548
Intergovernmental Revenue	961,431	50,777	1,012,208
Special Assessments	688,327	0	688,327
Charges for Services	504,024	35,510	539,534
Fees, Licenses and Permits	0	24,620	24,620
Fines and Forfeitures	692,332	0	692,332
Rent	0	21,000	21,000
Contributions and Donations	70,831	187,855	258,686
Other	5,939	8,361	14,300
	<u>3,653,432</u>	<u>328,123</u>	<u>3,981,555</u>
<i>Total Revenues</i>			
Expenditures			
Current:			
Security of Persons and Property	1,543,631	0	1,543,631
Public Health and Welfare	211,300	0	211,300
Leisure Time Activities	1,125,143	0	1,125,143
Transportation	890,006	0	890,006
General Government	572,893	0	572,893
Capital Outlay	0	2,810,679	2,810,679
Debt Service:			
Principal Retirement	5,126	131,852	136,978
Interest and Fiscal Charges	9,666	19,152	28,818
	<u>4,357,765</u>	<u>2,961,683</u>	<u>7,319,448</u>
<i>Total Expenditures</i>			
<i>Excess of Revenues Over (Under) Expenditures</i>	(704,333)	(2,633,560)	(3,337,893)
Other Financing Sources (Uses)			
Issuance of Notes	0	600,000	600,000
Inception of Capital Lease	0	136,953	136,953
Issuance of Loans	0	817,961	817,961
Transfers In	888,170	1,727,500	2,615,670
	<u>888,170</u>	<u>3,282,414</u>	<u>4,170,584</u>
<i>Total Other Financing Sources (Uses)</i>			
<i>Net Change in Fund Balances</i>	183,837	648,854	832,691
<i>Fund Balances Beginning of Year</i>	<u>1,011,602</u>	<u>865,523</u>	<u>1,877,125</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,195,439</u>	<u>\$ 1,514,377</u>	<u>\$ 2,709,816</u>

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	Recreation Fund	State Highway Fund	Street Maintenance Fund	Fire Pension Fund	Police Pension Fund
Assets					
Equity in Pooled Cash and Investments	\$ 34,553	\$ 11,129	\$ 35,291	\$ 23,528	\$ 28,971
Receivables:					
Taxes	0	0	0	344,478	344,478
Accounts	0	0	0	0	0
Special Assessments	0	0	0	0	0
Intergovernmental	0	26,114	322,073	22,564	22,564
Materials and Supplies Inventory	1,150	0	115,246	0	0
Prepaid Items	931	0	0	0	0
<i>Total Assets</i>	<u>\$ 36,634</u>	<u>\$ 37,243</u>	<u>\$ 472,610</u>	<u>\$ 390,570</u>	<u>\$ 396,013</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 16,433	\$ 0	\$ 2,357	\$ 0	\$ 0
Accrued Wages and Benefits	12,073	0	8,024	0	0
Intergovernmental Payable	26,239	0	21,289	126,161	132,118
Deferred Revenue	0	18,167	224,064	367,042	367,042
<i>Total Liabilities</i>	<u>54,745</u>	<u>18,167</u>	<u>255,734</u>	<u>493,203</u>	<u>499,160</u>
Fund Balances					
Reserved for Encumbrances	206	0	0	0	0
Unreserved, Undesignated Reported In:					
Special Revenue Funds	<u>(18,317)</u>	<u>19,076</u>	<u>216,876</u>	<u>(102,633)</u>	<u>(103,147)</u>
<i>Total Fund Balances (Deficit)</i>	<u>(18,111)</u>	<u>19,076</u>	<u>216,876</u>	<u>(102,633)</u>	<u>(103,147)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 36,634</u>	<u>\$ 37,243</u>	<u>\$ 472,610</u>	<u>\$ 390,570</u>	<u>\$ 396,013</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	D.A.R.E. Grant Fund	Animal Control Fund	Street Lighting Fund	Berea Welfare Fund	Special Events Fund
Assets					
Equity in Pooled Cash and Investments	\$ 10,431	\$ 105	\$ 387,162	\$ 49,977	\$ 8,053
Receivables:					
Taxes	0	0	0	0	0
Accounts	0	0	0	0	0
Special Assessments	0	0	716,857	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>\$ 10,431</u>	<u>\$ 105</u>	<u>\$ 1,104,019</u>	<u>\$ 49,977</u>	<u>\$ 8,053</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 48,665	\$ 6,214	\$ 812
Accrued Wages and Benefits	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Deferred Revenue	0	0	716,857	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>765,522</u>	<u>6,214</u>	<u>812</u>
Fund Balances					
Reserved for Encumbrances	0	0	0	112	0
Unreserved, Undesignated Reported In:					
Special Revenue Funds	10,431	105	338,497	43,651	7,241
<i>Total Fund Balances (Deficit)</i>	<u>10,431</u>	<u>105</u>	<u>338,497</u>	<u>43,763</u>	<u>7,241</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 10,431</u>	<u>\$ 105</u>	<u>\$ 1,104,019</u>	<u>\$ 49,977</u>	<u>\$ 8,053</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	Senior Services Fund	Community Hospital Fund	Community Development Block Grant Fund	Municipal Vehicle Tax Levy Fund	Law Enforcement Fund
Assets					
Equity in Pooled Cash and Investments	\$ 8,087	\$ 0	\$ 3,671	11,945	\$ 18,523
Receivables:					
Taxes	0	83,183	0	0	0
Accounts	0	0	0	0	0
Special Assessments	0	0	0	0	0
Intergovernmental	0	4,573	24,900	3,057	0
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Items	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 8,087</u>	<u>\$ 87,756</u>	<u>\$ 28,571</u>	<u>\$ 15,002</u>	<u>\$ 18,523</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 1,675	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Deferred Revenue	0	87,756	0	0	0
<i>Total Liabilities</i>	<u>1,675</u>	<u>87,756</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Reserved for Encumbrances	1,093	0	0	0	0
Unreserved, Undesignated Reported In: Special Revenue Funds	<u>5,319</u>	<u>0</u>	<u>28,571</u>	<u>15,002</u>	<u>18,523</u>
<i>Total Fund Balances (Deficit)</i>	<u>6,412</u>	<u>0</u>	<u>28,571</u>	<u>15,002</u>	<u>18,523</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 8,087</u>	<u>\$ 87,756</u>	<u>\$ 28,571</u>	<u>\$ 15,002</u>	<u>\$ 18,523</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	Probation Fund	Indigent Drivers Alcohol Treatment Fund	DUI Education Fund	Indigent Driving School Fund	DUS Diversion Fund
Assets					
Equity in Pooled Cash and Investments	\$ 32,533	\$ 139,545	\$ 10,222	\$ 1,028	\$ 32,710
Receivables:					
Taxes	0	0	0	0	0
Accounts	13,962	16,947	0	0	620
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>	\$ 46,495	\$ 156,492	\$ 10,222	\$ 1,028	\$ 33,330
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	3,605	0	0	0	0
Intergovernmental Payable	8,334	0	0	0	0
Deferred Revenue	0	0	0	0	0
<i>Total Liabilities</i>	11,939	0	0	0	0
Fund Balances					
Reserved for Encumbrances	0	10,842	0	0	0
Unreserved, Undesignated Reported In:					
Special Revenue Funds	34,556	145,650	10,222	1,028	33,330
<i>Total Fund Balances (Deficit)</i>	34,556	156,492	10,222	1,028	33,330
<i>Total Liabilities and Fund Balances</i>	\$ 46,495	\$ 156,492	\$ 10,222	\$ 1,028	\$ 33,330

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	Court Computer Fund	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	\$ 99,503	\$ 117,370	\$ 204,475	\$ 41,227	\$ 0	\$ 1,310,039
Receivables:						
Taxes	0	0	0	0	0	772,139
Accounts	6,964	2,122	7,036	1,440	0	49,091
Special Assessments	0	0	0	0	0	716,857
Intergovernmental	0	0	0	0	0	425,845
Materials and Supplies Inventory	0	0	0	0	0	116,396
Prepaid Items	0	0	0	0	0	931
<i>Total Assets</i>	<u>\$ 106,467</u>	<u>\$ 119,492</u>	<u>\$ 211,511</u>	<u>\$ 42,667</u>	<u>\$ 0</u>	<u>\$ 3,391,298</u>
Liabilities and Fund Balance						
Liabilities						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 76,156
Accrued Wages and Benefits	551	256	0	0	0	24,509
Intergovernmental Payable	85	40	0	0	0	314,266
Deferred Revenue	0	0	0	0	0	1,780,928
<i>Total Liabilities</i>	<u>636</u>	<u>296</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,195,859</u>
Fund Balances						
Reserved for Encumbrances	1,795	4,507	4,294	0	0	22,849
Unreserved, Undesignated Reported In:						
Special Revenue Funds	<u>104,036</u>	<u>114,689</u>	<u>207,217</u>	<u>42,667</u>	<u>0</u>	<u>1,172,590</u>
<i>Total Fund Balances (Deficit)</i>	<u>105,831</u>	<u>119,196</u>	<u>211,511</u>	<u>42,667</u>	<u>0</u>	<u>1,195,439</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 106,467</u>	<u>\$ 119,492</u>	<u>\$ 211,511</u>	<u>\$ 42,667</u>	<u>\$ 0</u>	<u>\$ 3,391,298</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, 2010

	Recreation Fund	State Highway Fund	Street Maintenance Fund	Fire Pension Fund	Police Pension Fund
Revenues					
Property Tax	\$ 0	\$ 0	\$ 0	\$ 325,985	\$ 325,985
Intergovernmental Revenue	0	52,241	644,302	77,608	77,608
Special Assessments	0	0	0	0	0
Charges for Services	451,243	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Other	4,163	0	1,776	0	0
<i>Total Revenues</i>	<u>455,406</u>	<u>52,241</u>	<u>646,078</u>	<u>403,593</u>	<u>403,593</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	0	453,511	462,976
Public Health and Welfare	0	0	0	0	0
Leisure Time Activities	1,125,143	0	0	0	0
Transportation	0	50,000	805,006	0	0
General Government	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	1,316	3,810
Interest and Fiscal Charges	0	0	0	2,482	7,184
<i>Total Expenditures</i>	<u>1,125,143</u>	<u>50,000</u>	<u>805,006</u>	<u>457,309</u>	<u>473,970</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(669,737)	2,241	(158,928)	(53,716)	(70,377)
Other Financing Sources (Uses)					
Transfers In	647,000	0	148,000	40,000	53,170
<i>Total Other Financing Sources (Uses)</i>	<u>647,000</u>	<u>0</u>	<u>148,000</u>	<u>40,000</u>	<u>53,170</u>
<i>Net Change in Fund Balances</i>	(22,737)	2,241	(10,928)	(13,716)	(17,207)
<i>Fund Balances (Deficit) Beginning of Year</i>	4,626	16,835	227,804	(88,917)	(85,940)
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ (18,111)</u>	<u>\$ 19,076</u>	<u>\$ 216,876</u>	<u>\$ (102,633)</u>	<u>\$ (103,147)</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, 2010

	D.A.R.E. Grant Fund	Animal Control Fund	Street Lighting Fund	Berea Welfare Fund	Special Events Fund
Revenues					
Property Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenue	10,427	0	0	0	0
Special Assessments	0	0	688,327	0	0
Charges for Services	0	435	0	0	17,265
Fines and Forfeitures	0	0	0	0	0
Contributions and Donations	0	0	0	38,934	21,850
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>10,427</u>	<u>435</u>	<u>688,327</u>	<u>38,934</u>	<u>39,115</u>
Expenditures					
Current:					
Security of Persons and Property	20,860	425	603,255	0	0
Public Health and Welfare	0	0	0	23,591	34,728
Leisure Time Activities	0	0	0	0	0
Transportation	0	0	0	0	0
General Government	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>20,860</u>	<u>425</u>	<u>603,255</u>	<u>23,591</u>	<u>34,728</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(10,433)	10	85,072	15,343	4,387
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>	(10,433)	10	85,072	15,343	4,387
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>20,864</u>	<u>95</u>	<u>253,425</u>	<u>28,420</u>	<u>2,854</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 10,431</u>	<u>\$ 105</u>	<u>\$ 338,497</u>	<u>\$ 43,763</u>	<u>\$ 7,241</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, 2010

	Senior Services Fund	Community Hospital Fund	Community Development Block Grant Fund	Municipal Vehicle Tax Levy Fund	Law Enforcement Fund
Revenues					
Property Tax	\$ 0	\$ 78,578	\$ 0	\$ 0	\$ 0
Intergovernmental Revenue	0	35,687	24,900	38,658	0
Special Assessments	0	0	0	0	0
Charges for Services	35,081	0	0	0	0
Fines and Forfeitures	0	0	0	0	9,115
Contributions and Donations	10,047	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>45,128</u>	<u>114,265</u>	<u>24,900</u>	<u>38,658</u>	<u>9,115</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	0	0	2,604
Public Health and Welfare	38,716	114,265	0	0	0
Leisure Time Activities	0	0	0	0	0
Transportation	0	0	0	35,000	0
General Government	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>38,716</u>	<u>114,265</u>	<u>0</u>	<u>35,000</u>	<u>2,604</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	6,412	0	24,900	3,658	6,511
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>	6,412	0	24,900	3,658	6,511
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>3,671</u>	<u>11,344</u>	<u>12,012</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 6,412</u>	<u>\$ 0</u>	<u>\$ 28,571</u>	<u>\$ 15,002</u>	<u>\$ 18,523</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, 2010

	Probation Fund	Indigent Drivers Alcohol Treatment Fund	DUI Education Fund	Indigent Driving School Fund	DUS Diversion 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	270,014	81,719	1,325	275	18,885
Contributions and Donations	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>270,014</u>	<u>81,719</u>	<u>1,325</u>	<u>275</u>	<u>18,885</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	278,216	22,693	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>278,216</u>	<u>22,693</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(8,202)	59,026	1,325	275	18,885
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>	(8,202)	59,026	1,325	275	18,885
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>42,758</u>	<u>97,466</u>	<u>8,897</u>	<u>753</u>	<u>14,445</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 34,556</u>	<u>\$ 156,492</u>	<u>\$ 10,222</u>	<u>\$ 1,028</u>	<u>\$ 33,330</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, 2010

	Court Computer Fund	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	\$ 0	\$ 730,548
Intergovernmental Revenue	0	0	0	0	0	961,431
Special Assessments	0	0	0	0	0	688,327
Charges for Services	0	0	0	0	0	504,024
Fines and Forfeitures	116,124	38,570	126,924	23,976	5,405	692,332
Contributions and Donations	0	0	0	0	0	70,831
Other	0	0	0	0	0	5,939
<i>Total Revenues</i>	<u>116,124</u>	<u>38,570</u>	<u>126,924</u>	<u>23,976</u>	<u>5,405</u>	<u>3,653,432</u>
Expenditures						
Current:						
Security of Persons and Property	0	0	0	0	0	1,543,631
Public Health and Welfare	0	0	0	0	0	211,300
Leisure Time Activities	0	0	0	0	0	1,125,143
Transportation	0	0	0	0	0	890,006
General Government	131,468	47,749	86,219	0	6,548	572,893
Debt Service:						
Principal Retirement	0	0	0	0	0	5,126
Interest and Fiscal Charges	0	0	0	0	0	9,666
<i>Total Expenditures</i>	<u>131,468</u>	<u>47,749</u>	<u>86,219</u>	<u>0</u>	<u>6,548</u>	<u>4,357,765</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(15,344)	(9,179)	40,705	23,976	(1,143)	(704,333)
Other Financing Sources (Uses)						
Transfers In	0	0	0	0	0	888,170
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>888,170</u>
<i>Net Change in Fund Balances</i>	(15,344)	(9,179)	40,705	23,976	(1,143)	183,837
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>121,175</u>	<u>128,375</u>	<u>170,806</u>	<u>18,691</u>	<u>1,143</u>	<u>1,011,602</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 105,831</u>	<u>\$ 119,196</u>	<u>\$ 211,511</u>	<u>\$ 42,667</u>	<u>\$ 0</u>	<u>\$ 1,195,439</u>

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2010

	General Capital Improvement Fund	Safety Capital Improvement Fund	Recreation Capital Improvement Fund	Neighborhood Improvement Fund	Totals
Assets					
Equity in Pooled Cash and Investments	\$ 253,426	\$ 29,502	\$ 142,647	\$ 20,558	\$ 446,133
Receivables:					
Accounts	9,881	0	0	0	9,881
Intergovernmental	0	0	2,865	0	2,865
Loans Receivable	1,088,175	0	0	0	1,088,175
<i>Total Assets</i>	<u>\$ 1,351,482</u>	<u>\$ 29,502</u>	<u>\$ 145,512</u>	<u>\$ 20,558</u>	<u>\$ 1,547,054</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 1,850	\$ 1,792	\$ 1,425	\$ 10,561	\$ 15,628
Accrued Wages and Benefits	0	0	0	5,204	5,204
Intergovernmental Payable	0	0	0	11,845	11,845
<i>Total Liabilities</i>	<u>1,850</u>	<u>1,792</u>	<u>1,425</u>	<u>27,610</u>	<u>32,677</u>
Fund Balances					
Reserved for Encumbrances	28,874	0	2,785	40	31,699
Reserved for Loans Receivable	1,088,175	0	0	0	1,088,175
Unreserved, Undesignated (Deficit) Reported In:					
Capital Projects Funds	232,583	27,710	141,302	(7,092)	394,503
<i>Total Fund Balances</i>	<u>1,349,632</u>	<u>27,710</u>	<u>144,087</u>	<u>(7,052)</u>	<u>1,514,377</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 1,351,482</u>	<u>\$ 29,502</u>	<u>\$ 145,512</u>	<u>\$ 20,558</u>	<u>\$ 1,547,054</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, 2010

	General Capital Improvement Fund	Safety Capital Improvement Fund	Recreation Capital Improvement Fund	Neighborhood Improvement Fund	Totals
Revenues					
Intergovernmental	\$ 0	\$ 0	\$ 46,178	\$ 4,599	\$ 50,777
Charges for Services	0	35,510	0	0	35,510
Fees, Licenses and Permits	0	0	0	24,620	24,620
Rent	0	0	21,000	0	21,000
Contributions and Donations	150,000	25,300	12,555	0	187,855
Other	0	4,198	0	4,163	8,361
<i>Total Revenues</i>	<u>150,000</u>	<u>65,008</u>	<u>79,733</u>	<u>33,382</u>	<u>328,123</u>
Expenditures					
Capital Outlay	1,283,796	234,376	642,347	650,160	2,810,679
Debt Service:					
Principal Retirement	131,852	0	0	0	131,852
Interest and Fiscal Charges	19,152	0	0	0	19,152
<i>Total Expenditures</i>	<u>1,434,800</u>	<u>234,376</u>	<u>642,347</u>	<u>650,160</u>	<u>2,961,683</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,284,800)</u>	<u>(169,368)</u>	<u>(562,614)</u>	<u>(616,778)</u>	<u>(2,633,560)</u>
Other Financing Sources (Uses)					
Issuance of Notes	0	0	600,000	0	600,000
Inception of Capital Lease	136,953	0	0	0	136,953
Issuance of Loans	817,961	0	0	0	817,961
Transfers In	1,033,500	0	106,000	588,000	1,727,500
<i>Total Other Financing Sources</i>	<u>1,988,414</u>	<u>0</u>	<u>706,000</u>	<u>588,000</u>	<u>3,282,414</u>
<i>Net Change in Fund Balances</i>	703,614	(169,368)	143,386	(28,778)	648,854
<i>Fund Balances Beginning of Year</i>	<u>646,018</u>	<u>197,078</u>	<u>701</u>	<u>21,726</u>	<u>865,523</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,349,632</u>	<u>\$ 27,710</u>	<u>\$ 144,087</u>	<u>\$ (7,052)</u>	<u>\$ 1,514,377</u>

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**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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Municipal Income Taxes	\$ 10,366,805	\$ 10,366,805	\$ 0
Property Taxes	1,573,174	1,573,174	0
Other Local Taxes	255,152	255,152	0
Special Assessments	2,683	2,683	0
Intergovernmental	1,515,888	1,515,888	0
Charges for Services	537,516	537,516	0
Fees, Licenses and Permits	456,359	456,359	0
Fines and Forfeitures	1,428,245	1,428,245	0
Investment Income	148,185	148,185	0
Refunds and Reimbursements	41,585	41,585	0
Other	80,019	80,019	0
<i>Total Revenues</i>	<u>16,405,611</u>	<u>16,405,611</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police Department:			
Personal Services	2,893,150	2,824,340	68,810
Other	245,000	233,094	11,906
Total Police Department	<u>3,138,150</u>	<u>3,057,434</u>	<u>80,716</u>
Fire:			
Personal Services	1,945,957	1,940,027	5,930
Other	58,781	52,896	5,885
Total Fire Department	<u>2,004,738</u>	<u>1,992,923</u>	<u>11,815</u>
Total Security of Persons and Property	<u>5,142,888</u>	<u>5,050,357</u>	<u>92,531</u>
Leisure Time Activities:			
Municipal Signage:			
Personal Services	98,748	96,127	2,621
Other	16,250	15,755	495
Total Municipal Signage	<u>114,998</u>	<u>111,882</u>	<u>3,116</u>
Public Grounds:			
Personal Services	266,557	263,408	3,149
Other	45,700	43,559	2,141
Total Public Grounds	<u>312,257</u>	<u>306,967</u>	<u>5,290</u>
Total Leisure Time Activities	<u>427,255</u>	<u>418,849</u>	<u>8,406</u>
Community Development:			
Building Department:			
Personal Services	333,328	331,392	1,936
Other	19,250	16,488	2,762
Total Building Department	<u>352,578</u>	<u>347,880</u>	<u>4,698</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Engineering Department:			
Personal Services	137,408	136,129	1,279
Other	18,900	17,608	1,292
Total Engineering Department	<u>156,308</u>	<u>153,737</u>	<u>2,571</u>
Total Community Development	<u>508,886</u>	<u>501,617</u>	<u>7,269</u>
Public Works:			
Storm Sewers and Drains:			
Personal Services	74,124	72,122	2,002
Other	15,500	9,518	5,982
Total Storm Sewers and Drains	<u>89,624</u>	<u>81,640</u>	<u>7,984</u>
Refuse Collection and Disposal:			
Other	880,000	877,815	2,185
Total Refuse Collections and Disposal	<u>880,000</u>	<u>877,815</u>	<u>2,185</u>
Leaf Collection:			
Personal Services	62,000	50,011	11,989
Other	6,250	4,887	1,363
Total Leaf Collection	<u>68,250</u>	<u>54,898</u>	<u>13,352</u>
Snow Removal:			
Personal Services	90,000	77,010	12,990
Other	161,500	157,834	3,666
Total Snow Removal	<u>251,500</u>	<u>234,844</u>	<u>16,656</u>
Total Public Works	<u>1,289,374</u>	<u>1,249,197</u>	<u>40,177</u>
General Government:			
Council:			
Personal Services	142,608	142,257	351
Other	6,479	6,256	223
Total Council	<u>149,087</u>	<u>148,513</u>	<u>574</u>
Mayor:			
Personal Services	183,571	181,928	1,643
Other	7,750	3,853	3,897
Total Mayor	<u>191,321</u>	<u>185,781</u>	<u>5,540</u>
Finance			
Personal Services	280,494	276,641	3,853
Other	13,700	12,644	1,056
Total Finance	<u>294,194</u>	<u>289,285</u>	<u>4,909</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Law:			
Personal Services	196,125	189,971	6,154
Other	14,575	14,186	389
Total Law	<u>210,700</u>	<u>204,157</u>	<u>6,543</u>
Civil Service Commission:			
Other	10,100	5,681	4,419
Total Civil Service Commission	<u>10,100</u>	<u>5,681</u>	<u>4,419</u>
Municipal Court:			
Personal Services	830,699	826,445	4,254
Other	532,780	521,615	11,165
Total Municipal Court	<u>1,363,479</u>	<u>1,348,060</u>	<u>15,419</u>
Administration:			
Personal Services	61,565	57,376	4,189
Other	2,836,406	2,820,902	15,504
Total Administration	<u>2,897,971</u>	<u>2,878,278</u>	<u>19,693</u>
Municipal Fleet and Equipment:			
Personal Services	190,000	187,286	2,714
Other	261,750	260,905	845
Total Municipal Fleet and Equipment	<u>451,750</u>	<u>448,191</u>	<u>3,559</u>
Municipal Building:			
Personal Services	20,000	17,930	2,070
Other	465,250	459,780	5,470
Total Municipal Building	<u>485,250</u>	<u>477,710</u>	<u>7,540</u>
Service Administration:			
Personal Services	142,909	138,715	4,194
Other	18,850	17,844	1,006
Total Service Administration	<u>161,759</u>	<u>156,559</u>	<u>5,200</u>
Planning and Development:			
Other	16,050	11,405	4,645
Total Planning and Development	<u>16,050</u>	<u>11,405</u>	<u>4,645</u>
Other:			
Other	65,000	60,424	4,576
Total Other	<u>65,000</u>	<u>60,424</u>	<u>4,576</u>
Total General Government	<u>6,296,661</u>	<u>6,214,044</u>	<u>82,617</u>
<i>Total Expenditures</i>	<u>13,665,064</u>	<u>13,434,064</u>	<u>231,000</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,740,547</u>	<u>2,971,547</u>	<u>231,000</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	9,417	9,417	0
Transfers Out	<u>(2,788,670)</u>	<u>(2,788,670)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(2,779,253)</u>	<u>(2,779,253)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(38,706)	192,294	231,000
<i>Fund Balance (Deficit) Beginning of Year</i>	2,027,806	2,027,806	0
Prior Year Encumbrances Appropriated	<u>17,149</u>	<u>17,149</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 2,006,249</u>	<u>\$ 2,237,249</u>	<u>\$ 231,000</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 1,581,027	\$ 1,581,027	\$ 0
Intergovernmental	371,540	371,540	0
Special Assessments	9,157	9,157	0
<i>Total Revenues</i>	<u>1,961,724</u>	<u>1,961,724</u>	<u>0</u>
Expenditures			
Current:			
General Government			
Other	50,000	28,137	21,863
Total General Government	<u>50,000</u>	<u>28,137</u>	<u>21,863</u>
Debt Service			
Principal Retirement	7,105,000	7,105,000	0
Interest and Fiscal Charges	577,258	511,436	65,822
Bond Issuance Costs	83,663	83,663	0
Total Debt Service	<u>7,765,921</u>	<u>7,700,099</u>	<u>65,822</u>
<i>Total Expenditures</i>	<u>7,815,921</u>	<u>7,728,236</u>	<u>87,685</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,854,197)</u>	<u>(5,766,512)</u>	<u>87,685</u>
Other Financing Sources (Uses)			
Proceeds of Bonds	2,725,000	2,725,000	0
Proceeds of Notes	3,250,000	3,250,000	0
Premium on Debt Issued	14,728	14,728	0
Other Financing Uses	<u>(34,143)</u>	<u>(34,143)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	101,388	189,073	87,685
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>847,063</u>	<u>847,063</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 948,451</u>	<u>\$ 1,036,136</u>	<u>\$ 87,685</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 460,000	\$ 426,381	\$ (33,619)
<i>Total Revenues</i>	<u>460,000</u>	<u>426,381</u>	<u>(33,619)</u>
Expenditures			
Capital Outlay	460,000	459,352	648
<i>Total Expenditures</i>	<u>460,000</u>	<u>459,352</u>	<u>648</u>
<i>Net Change in Fund Balance</i>	0	(32,971)	(32,971)
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>1,503,583</u>	<u>1,503,583</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 1,503,583</u>	<u>\$ 1,470,612</u>	<u>\$ (32,971)</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fees, Licenses and Permits	\$ 262,348	\$ 262,348	\$ 0
<i>Total Revenues</i>	<u>262,348</u>	<u>262,348</u>	<u>0</u>
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	262,348	262,348	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>242,854</u>	<u>242,854</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 505,202</u></u>	<u><u>\$ 505,202</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
Recreation Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$ 451,243	\$ 451,243	\$ 0
Other	4,163	4,163	0
<i>Total Revenues</i>	<u>455,406</u>	<u>455,406</u>	<u>0</u>
Expenditures			
Current:			
Leisure Time Activities:			
Personal Services	585,952	577,480	8,472
Other	557,382	535,070	22,312
<i>Total Expenditures</i>	<u>1,143,334</u>	<u>1,112,550</u>	<u>30,784</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(687,928)</u>	<u>(657,144)</u>	<u>30,784</u>
Other Financing Sources (Uses)			
Transfers In	647,000	647,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>647,000</u>	<u>647,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(40,928)	(10,144)	30,784
<i>Fund Balance (Deficit) Beginning of Year</i>	43,701	43,701	0
Prior Year Encumbrances Appropriated	528	528	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 3,301</u>	<u>\$ 34,085</u>	<u>\$ 30,784</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 52,091	\$ 52,091	\$ 0
<i>Total Revenues</i>	<u>52,091</u>	<u>52,091</u>	<u>0</u>
Expenditures			
Current:			
Transportation			
Other	56,500	50,000	6,500
<i>Total Expenditures</i>	<u>56,500</u>	<u>50,000</u>	<u>6,500</u>
<i>Net Change in Fund Balance</i>	(4,409)	2,091	6,500
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>9,037</u>	<u>9,037</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 4,628</u>	<u>\$ 11,128</u>	<u>\$ 6,500</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 642,459	\$ 642,459	\$ 0
Other	1,776	1,776	0
<i>Total Revenues</i>	<u>644,235</u>	<u>644,235</u>	<u>0</u>
Expenditures			
Current:			
Transportation			
Personal Services	488,586	482,920	5,666
Other	333,178	312,779	20,399
<i>Total Expenditures</i>	<u>821,764</u>	<u>795,699</u>	<u>26,065</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(177,529)</u>	<u>(151,464)</u>	<u>26,065</u>
Other Financing Sources (Uses)			
Transfers In	148,000	148,000	0
<i>Net Change in Fund Balance</i>	(29,529)	(3,464)	26,065
<i>Fund Balance (Deficit) Beginning of Year</i>	38,337	38,337	0
Prior Year Encumbrances Appropriated	418	418	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 9,226</u>	<u>\$ 35,291</u>	<u>\$ 26,065</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 325,985	\$ 325,985	\$ 0
Intergovernmental	77,608	77,608	0
<i>Total Revenues</i>	<u>403,593</u>	<u>403,593</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Personal Services	461,487	459,696	1,791
<i>Total Expenditures</i>	<u>461,487</u>	<u>459,696</u>	<u>1,791</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(57,894)</u>	<u>(56,103)</u>	<u>1,791</u>
Other Financing Sources (Uses)			
Transfers In	40,000	40,000	0
<i>Net Change in Fund Balance</i>	(17,894)	(16,103)	1,791
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>39,630</u>	<u>39,630</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 21,736</u>	<u>\$ 23,527</u>	<u>\$ 1,791</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 325,985	\$ 325,985	\$ 0
Intergovernmental	77,608	77,608	0
<i>Total Revenues</i>	<u>403,593</u>	<u>403,593</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Personal Services	473,863	472,388	1,475
<i>Total Expenditures</i>	<u>473,863</u>	<u>472,388</u>	<u>1,475</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(70,270)</u>	<u>(68,795)</u>	<u>1,475</u>
Other Financing Sources (Uses)			
Transfers In	53,170	53,170	0
<i>Net Change in Fund Balance</i>	(17,100)	(15,625)	1,475
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>44,596</u>	<u>44,596</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 27,496</u>	<u>\$ 28,971</u>	<u>\$ 1,475</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 31,291	\$ 31,291	\$ 0
<i>Total Revenues</i>	<u>31,291</u>	<u>31,291</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	20,860	20,860	0
<i>Total Expenditures</i>	<u>20,860</u>	<u>20,860</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>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 10,431</u>	<u>\$ 10,431</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
Animal Control Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 435	\$ 435	\$ 0
<i>Total Revenues</i>	<u>435</u>	<u>435</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	<u>425</u>	<u>425</u>	<u>0</u>
<i>Total Expenditures</i>	<u>425</u>	<u>425</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	10	10	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>95</u>	<u>95</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 105</u></u>	<u><u>\$ 105</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Special Assessments	\$ 688,327	\$ 688,327	\$ 0
<i>Total Revenues</i>	<u>688,327</u>	<u>688,327</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	635,000	604,425	30,575
<i>Total Expenditures</i>	<u>635,000</u>	<u>604,425</u>	<u>30,575</u>
<i>Net Change in Fund Balance</i>	53,327	83,902	30,575
<i>Fund Balance (Deficit) Beginning of Year</i>	240,950	240,950	0
Prior Year Encumbrances Appropriated	<u>51,150</u>	<u>51,150</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 345,427</u>	<u>\$ 376,002</u>	<u>\$ 30,575</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$ 38,934	\$ 38,934	\$ 0
<i>Total Revenues</i>	<u>38,934</u>	<u>38,934</u>	<u>0</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	50,000	29,034	20,966
<i>Total Expenditures</i>	<u>50,000</u>	<u>29,034</u>	<u>20,966</u>
<i>Net Change in Fund Balance</i>	(11,066)	9,900	20,966
<i>Fund Balance (Deficit) Beginning of Year</i>	28,126	28,126	0
Prior Year Encumbrances Appropriated	5,625	5,625	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 22,685</u>	<u>\$ 43,651</u>	<u>\$ 20,966</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$ 17,265	\$ 17,265	\$ 0
Contributions and Donations	21,850	21,850	0
<i>Total Revenues</i>	<u>39,115</u>	<u>39,115</u>	<u>0</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	39,500	36,564	2,936
<i>Total Expenditures</i>	<u>39,500</u>	<u>36,564</u>	<u>2,936</u>
<i>Net Change in Fund Balance</i>	(385)	2,551	2,936
<i>Fund Balance (Deficit) Beginning of Year</i>	3,533	3,533	0
Prior Year Encumbrances Appropriated	1,448	1,448	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 4,596</u>	<u>\$ 7,532</u>	<u>\$ 2,936</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$ 35,081	\$ 35,081	\$ 0
Contributions and Donations	10,047	10,047	0
<i>Total Revenues</i>	<u>45,128</u>	<u>45,128</u>	<u>0</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	43,000	39,313	3,687
<i>Total Expenditures</i>	<u>43,000</u>	<u>39,313</u>	<u>3,687</u>
<i>Net Change in Fund Balance</i>	2,128	5,815	3,687
<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>\$ 2,128</u>	<u>\$ 5,815</u>	<u>\$ 3,687</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 78,578	\$ 78,578	\$ 0
Intergovernmental	35,687	35,687	0
<i>Total Revenues</i>	<u>114,265</u>	<u>114,265</u>	<u>0</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	114,265	114,265	0
<i>Total Expenditures</i>	<u>114,265</u>	<u>114,265</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 0	\$ 0	\$ 0
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures			
Capital Outlay	0	0	0
<i>Total Expenditures</i>	<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>3,671</u>	<u>3,671</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 3,671</u>	<u>\$ 3,671</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 38,599	\$ 38,599	\$ 0
<i>Total Revenues</i>	<u>38,599</u>	<u>38,599</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>	(1,401)	3,599	5,000
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>8,348</u>	<u>8,348</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 6,947</u>	<u>\$ 11,947</u>	<u>\$ 5,000</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 9,115	\$ 9,115	\$ 0
<i>Total Revenues</i>	<u>9,115</u>	<u>9,115</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	12,000	2,604	9,396
<i>Total Expenditures</i>	<u>12,000</u>	<u>2,604</u>	<u>9,396</u>
<i>Net Change in Fund Balance</i>	(2,885)	6,511	9,396
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>12,012</u>	<u>12,012</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 9,127</u>	<u>\$ 18,523</u>	<u>\$ 9,396</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 269,904	\$ 269,904	\$ 0
<i>Total Revenues</i>	<u>269,904</u>	<u>269,904</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	173,898	173,003	895
Other	<u>112,195</u>	<u>104,893</u>	<u>7,302</u>
<i>Total Expenditures</i>	<u>286,093</u>	<u>277,896</u>	<u>8,197</u>
<i>Net Change in Fund Balance</i>	(16,189)	(7,992)	8,197
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>40,525</u>	<u>40,525</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 24,336</u></u>	<u><u>\$ 32,533</u></u>	<u><u>\$ 8,197</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Alcohol Treatment Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 65,672	\$ 65,672	\$ 0
<i>Total Revenues</i>	<u>65,672</u>	<u>65,672</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	47,000	33,535	13,465
<i>Total Expenditures</i>	<u>47,000</u>	<u>33,535</u>	<u>13,465</u>
<i>Net Change in Fund Balance</i>	18,672	32,137	13,465
<i>Fund Balance (Deficit) Beginning of Year</i>	91,357	91,357	0
Prior Year Encumbrances Appropriated	5,210	5,210	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 115,239</u>	<u>\$ 128,704</u>	<u>\$ 13,465</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 1,325	\$ 1,325	\$ 0
<i>Total Revenues</i>	1,325	1,325	0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	1,325	1,325	0
<i>Fund Balance (Deficit) Beginning of Year</i>	8,896	8,896	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 10,221</u>	<u>\$ 10,221</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
Indigent Driving School Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 275	\$ 275	\$ 0
<i>Total Revenues</i>	<u>275</u>	<u>275</u>	<u>0</u>
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	275	275	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>753</u>	<u>753</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 18,265	\$ 18,265	\$ 0
<i>Total Revenues</i>	<u>18,265</u>	<u>18,265</u>	<u>0</u>
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	18,265	18,265	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>14,445</u>	<u>14,445</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 32,710</u></u>	<u><u>\$ 32,710</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 115,664	\$ 115,664	\$ 0
<i>Total Revenues</i>	<u>115,664</u>	<u>115,664</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	18,000	15,432	2,568
Other	<u>132,000</u>	<u>117,195</u>	<u>14,805</u>
<i>Total Expenditures</i>	<u>150,000</u>	<u>132,627</u>	<u>17,373</u>
<i>Net Change in Fund Balance</i>	(34,336)	(16,963)	17,373
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>114,671</u>	<u>114,671</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 80,335</u></u>	<u><u>\$ 97,708</u></u>	<u><u>\$ 17,373</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 Research Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 39,222	\$ 39,222	\$ 0
<i>Total Revenues</i>	<u>39,222</u>	<u>39,222</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	19,500	9,456	10,044
Other	80,500	42,740	37,760
<i>Total Expenditures</i>	<u>100,000</u>	<u>52,196</u>	<u>47,804</u>
<i>Net Change in Fund Balance</i>	(60,778)	(12,974)	47,804
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>125,837</u>	<u>125,837</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 65,059</u>	<u>\$ 112,863</u>	<u>\$ 47,804</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 129,037	\$ 129,037	\$ 0
<i>Total Revenues</i>	<u>129,037</u>	<u>129,037</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	100,000	93,719	6,281
<i>Total Expenditures</i>	<u>100,000</u>	<u>93,719</u>	<u>6,281</u>
<i>Net Change in Fund Balance</i>	29,037	35,318	6,281
<i>Fund Balance (Deficit) Beginning of Year</i>	160,329	160,329	0
Prior Year Encumbrances Appropriated	4,534	4,534	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 193,900</u>	<u>\$ 200,181</u>	<u>\$ 6,281</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 23,983	\$ 23,983	\$ 0
<i>Total Revenues</i>	<u>23,983</u>	<u>23,983</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	5,000	0	5,000
<i>Total Expenditures</i>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
<i>Net Change in Fund Balance</i>	18,983	23,983	5,000
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>17,244</u>	<u>17,244</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 36,227</u></u>	<u><u>\$ 41,227</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
State Highway Patrol Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 6,006	\$ 6,006	\$ 0
<i>Total Revenues</i>	<u>6,006</u>	<u>6,006</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	6,548	6,548	0
<i>Total Expenditures</i>	<u>6,548</u>	<u>6,548</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(542)	(542)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>542</u>	<u>542</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Capital Improvement Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$ 150,000	\$ 150,000	\$ 0
<i>Total Revenues</i>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Expenditures			
Capital Outlay	1,996,973	1,936,971	60,002
<i>Total Expenditures</i>	<u>1,996,973</u>	<u>1,936,971</u>	<u>60,002</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,846,973)</u>	<u>(1,786,971)</u>	<u>60,002</u>
Other Financing Sources (Uses)			
Issuance of Loans	817,961	817,961	0
Transfers In	1,033,500	1,033,500	0
<i>Net Change in Fund Balance</i>	4,488	64,490	60,002
<i>Fund Balance (Deficit) Beginning of Year</i>	84,958	84,958	0
<i>Prior Year Encumbrances Appropriated</i>	<u>73,253</u>	<u>73,253</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 162,699</u>	<u>\$ 222,701</u>	<u>\$ 60,002</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$ 35,510	\$ 35,510	\$ 0
Contributions and Donations	25,300	25,300	0
Other	4,198	4,198	0
<i>Total Revenues</i>	<u>65,008</u>	<u>65,008</u>	<u>0</u>
Expenditures			
Capital Outlay	260,225	236,291	23,934
<i>Total Expenditures</i>	<u>260,225</u>	<u>236,291</u>	<u>23,934</u>
<i>Net Change in Fund Balance</i>	(195,217)	(171,283)	23,934
<i>Fund Balance (Deficit) Beginning of Year</i>	199,484	199,484	0
<i>Prior Year Encumbrances Appropriated</i>	1,300	1,300	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 5,567</u>	<u>\$ 29,501</u>	<u>\$ 23,934</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 43,313	\$ 43,313	\$ 0
Rent	21,000	21,000	0
Contributions and Donations	12,555	12,555	0
<i>Total Revenues</i>	<u>76,868</u>	<u>76,868</u>	<u>0</u>
Expenditures			
Capital Outlay	710,700	645,132	65,568
<i>Total Expenditures</i>	<u>710,700</u>	<u>645,132</u>	<u>65,568</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(633,832)</u>	<u>(568,264)</u>	<u>65,568</u>
Other Financing Sources (Uses)			
Proceeds of Notes	600,000	600,000	0
Transfers In	106,000	106,000	0
<i>Net Change in Fund Balance</i>	72,168	137,736	65,568
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>700</u>	<u>700</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 72,868</u>	<u>\$ 138,436</u>	<u>\$ 65,568</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 4,599	\$ 4,599	\$ 0
Fees, Licenses and Permits	24,620	24,620	0
Other	4,163	4,163	0
<i>Total Revenues</i>	<u>33,382</u>	<u>33,382</u>	<u>0</u>
Expenditures			
Capital Outlay:			
Personal Services	266,892	260,535	6,357
Other	394,492	380,734	13,758
<i>Total Expenditures</i>	<u>661,384</u>	<u>641,269</u>	<u>20,115</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(628,002)</u>	<u>(607,887)</u>	<u>20,115</u>
Other Financing Sources (Uses)			
Transfers In	588,000	588,000	0
<i>Net Change in Fund Balance</i>	(40,002)	(19,887)	20,115
<i>Fund Balance (Deficit) Beginning of Year</i>	39,730	39,730	0
Prior Year Encumbrances Appropriated	675	675	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 403</u>	<u>\$ 20,518</u>	<u>\$ 20,115</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.

City of Berea
Cuyahoga County, Ohio
Combining Statement of Fund Net Assets
Internal Service Funds
December 31, 2010

	Medical Benefits Fund	Proprietary/ Liability Insurance Fund	Workers Compensation Fund	Totals
Assets				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 48,658	\$ 8,887	\$ 124,387	\$ 181,932
<i>Total Assets</i>	<u>\$ 48,658</u>	<u>\$ 8,887</u>	<u>\$ 124,387</u>	<u>\$ 181,932</u>
Liabilities				
Current Liabilities:				
Accounts Payable	0	1,445	0	1,445
Claims Payable	115,134	0	0	115,134
<i>Total Current Liabilities</i>	<u>115,134</u>	<u>1,445</u>	<u>0</u>	<u>116,579</u>
Net Assets				
Unrestricted (Deficit)	<u>\$ (66,476)</u>	<u>\$ 7,442</u>	<u>\$ 124,387</u>	<u>\$ 65,353</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, 2010

	Medical Benefits Fund	Proprietary/ Liability Insurance Fund	Workers Compensation Fund	Totals
Operating Revenues				
Charges for Services	\$ 1,912,750	\$ 240,200	\$ 357,000	\$ 2,509,950
Miscellaneous	0	0	9,693	9,693
<i>Total Operating Revenues</i>	<u>1,912,750</u>	<u>240,200</u>	<u>366,693</u>	<u>2,519,643</u>
Operating Expenses				
Contractual Services	323,217	229,186	242,306	794,709
Claims	1,641,816	3,672	0	1,645,488
Other	224	0	0	224
<i>Total Operating Expenses</i>	<u>1,965,257</u>	<u>232,858</u>	<u>242,306</u>	<u>2,440,421</u>
Operating Income	(52,507)	7,342	124,387	79,222
Non-Operating Revenues (Expenses)				
Interest	16	0	0	16
<i>Change in Net Assets</i>	(52,491)	7,342	124,387	79,238
<i>Net Assets Beginning of Year</i>	<u>(13,985)</u>	<u>100</u>	<u>0</u>	<u>(13,885)</u>
<i>Net Assets End of Year</i>	<u>\$ (66,476)</u>	<u>\$ 7,442</u>	<u>\$ 124,387</u>	<u>\$ 65,353</u>

City of Berea
Cuyahoga County, Ohio
Statement of Cash Flows-
Internal Service Funds
December 31, 2010

	Medical Benefits Fund	Property/ Liability Insurance Fund	Workers Compensation Fund	Total Internal Service Funds
Cash Flows From Operating Activities				
Cash Received from Customers	\$ 1,912,750	\$ 240,200	\$ 357,000	\$ 2,509,950
Cash Received from Refunds and Reimbursement	0	0	9,693	9,693
Cash Payments for Contractual and Other Services	(323,441)	(227,741)	(242,306)	(793,488)
Cash Payments for Claims	(1,614,463)	(3,672)	0	(1,618,135)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>(25,154)</u>	<u>8,787</u>	<u>124,387</u>	<u>108,020</u>
Cash Flows From Investing Activities				
Interest on Investments	16	0	0	16
<i>Net Cash Provided By (Used For) Investing Activities</i>	<u>16</u>	<u>0</u>	<u>0</u>	<u>16</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(25,138)	8,787	124,387	108,036
<i>Cash and Cash Equivalents Beginning of Year</i>	73,796	100	0	73,896
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 48,658</u>	<u>\$ 8,887</u>	<u>\$ 124,387</u>	<u>\$ 181,932</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities				
Operating Income (Loss)	\$ (52,507)	\$ 7,342	\$ 124,387	\$ 79,222
Adjustments:				
Increase (Decrease) in Liabilities:				
Accounts Payable	0	1,445	0	1,445
Claims Payable	27,353	0	0	27,353
<i>Total Adjustments</i>	<u>27,353</u>	<u>1,445</u>	<u>0</u>	<u>28,798</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ (25,154)</u>	<u>\$ 8,787</u>	<u>\$ 124,387</u>	<u>\$ 108,020</u>

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.

Unclaimed Monies Fund

To account for monies which have been unclaimed.

Contract Retainer Fund

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

Guarantee Deposits Fund

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

Ohio Board of Building Standards Fund

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

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, 2010

	<u>Regional Sewer</u>	<u>Unclaimed Monies</u>	<u>Contract Retainer</u>	<u>Guarantee Deposits</u>
Assets				
Equity in Pooled Cash and Investments	\$ 691,851	\$ 24,344	\$ 9,866	\$ 169,305
Equity in Pooled Cash Segregated	0	0	0	0
Receivables:				
Accounts	902,584	0	0	0
Special Assessments	<u>340,055</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$ 1,934,490</u></u>	<u><u>\$ 24,344</u></u>	<u><u>\$ 9,866</u></u>	<u><u>\$ 169,305</u></u>
Liabilities				
Accounts Payable	\$ 616,983	\$ 0	\$ 0	\$ 0
Due to Other Governments	1,317,507	0	0	0
Deposits Held and Due to Others	<u>0</u>	<u>24,344</u>	<u>9,866</u>	<u>169,305</u>
<i>Total Liabilities</i>	<u><u>\$ 1,934,490</u></u>	<u><u>\$ 24,344</u></u>	<u><u>\$ 9,866</u></u>	<u><u>\$ 169,305</u></u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2010

	Ohio Board of Building Standards	Metroparks	Municipal Court	Totals
Assets				
Equity in Pooled Cash and Investments	\$ 2,931	\$ 0	\$ 0	\$ 898,297
Equity in Pooled Cash Segregated	0	0	300,978	300,978
Receivables:				
Accounts	0	0	0	902,584
Special Assessments	0	0	0	340,055
<i>Total Assets</i>	<u>\$ 2,931</u>	<u>\$ 0</u>	<u>\$ 300,978</u>	<u>\$ 2,441,914</u>
Liabilities				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 616,983
Due to Other Governments	2,931	0	300,978	1,621,416
Deposits Held and Due to Others	0	0	0	203,515
<i>Total Liabilities</i>	<u>\$ 2,931</u>	<u>\$ 0</u>	<u>\$ 300,978</u>	<u>\$ 2,441,914</u>

City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2010

	<u>Beginning Balance 12/31/2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 12/31/2010</u>
Regional Sewer				
Assets				
Equity in Pooled Cash and Investments	\$ 597,898	\$ 2,821,395	\$ 2,727,442	\$ 691,851
Receivables:				
Accounts	830,887	902,584	830,887	902,584
Special Assessments	358,322	340,055	358,322	340,055
<i>Total Assets</i>	<u>\$ 1,787,107</u>	<u>\$ 4,064,034</u>	<u>\$ 3,916,651</u>	<u>\$ 1,934,490</u>
Liabilities				
Accounts Payable	\$ 537,568	\$ 616,983	\$ 537,568	\$ 616,983
Due to Other Governments	1,249,539	684,951	616,983	1,317,507
<i>Total Liabilities</i>	<u>\$ 1,787,107</u>	<u>\$ 1,301,934</u>	<u>\$ 1,154,551</u>	<u>\$ 1,934,490</u>
Unclaimed Monies				
Assets				
Equity in Pooled Cash and Investments	\$ 24,344	\$ 0	\$ 0	\$ 24,344
<i>Total Assets</i>	<u>\$ 24,344</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 24,344</u>
Liabilities				
Deposits Held and Due to Others	\$ 24,344	\$ 0	\$ 0	\$ 24,344
<i>Total Liabilities</i>	<u>\$ 24,344</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 24,344</u>
Contract Retainer				
Assets				
Equity in Pooled Cash and Investments	\$ 102,784	\$ 13,396	\$ 106,314	\$ 9,866
<i>Total Assets</i>	<u>\$ 102,784</u>	<u>\$ 13,396</u>	<u>\$ 106,314</u>	<u>\$ 9,866</u>
Liabilities				
Deposits Held and Due to Others	\$ 102,784	\$ 13,396	\$ 106,314	\$ 9,866
<i>Total Liabilities</i>	<u>\$ 102,784</u>	<u>\$ 13,396</u>	<u>\$ 106,314</u>	<u>\$ 9,866</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2010

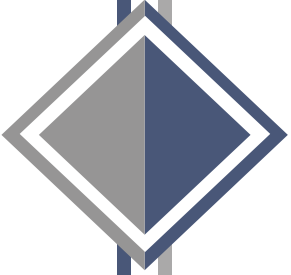
	Beginning Balance 12/31/2009	Additions	Reductions	Ending Balance 12/31/2010
Guarantee Deposits				
Assets				
Equity in Pooled Cash and Investments	\$ 235,008	\$ 53,258	\$ 118,961	\$ 169,305
<i>Total Assets</i>	<u>\$ 235,008</u>	<u>\$ 53,258</u>	<u>\$ 118,961</u>	<u>\$ 169,305</u>
Liabilities				
Deposits Held and Due to Others	\$ 235,008	\$ 53,258	\$ 118,961	\$ 169,305
<i>Total Liabilities</i>	<u>\$ 235,008</u>	<u>\$ 53,258</u>	<u>\$ 118,961</u>	<u>\$ 169,305</u>
Ohio Board of Building Standards				
Assets				
Equity in Pooled Cash and Investments	\$ 2,761	\$ 7,305	\$ 7,135	\$ 2,931
<i>Total Assets</i>	<u>\$ 2,761</u>	<u>\$ 7,305</u>	<u>\$ 7,135</u>	<u>\$ 2,931</u>
Liabilities				
Due to Other Governments	\$ 2,761	\$ 7,305	\$ 7,135	\$ 2,931
<i>Total Liabilities</i>	<u>\$ 2,761</u>	<u>\$ 7,305</u>	<u>\$ 7,135</u>	<u>\$ 2,931</u>
Metroparks				
Assets				
Equity in Pooled Cash and Investments	\$ 6,878	\$ 8,277	\$ 15,155	\$ 0
Accounts Receivable	511	0	511	0
<i>Total Assets</i>	<u>\$ 7,389</u>	<u>\$ 8,277</u>	<u>\$ 15,666</u>	<u>\$ 0</u>
Liabilities				
Due to Other Governments	\$ 7,389	\$ 8,277	\$ 15,666	\$ 0
<i>Total Liabilities</i>	<u>\$ 7,389</u>	<u>\$ 8,277</u>	<u>\$ 15,666</u>	<u>\$ 0</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2010

	<u>Beginning Balance 12/31/2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 12/31/2010</u>
Municipal Court				
Assets				
Equity in Pooled Cash Segregated	\$ 407,997	\$ 300,978	\$ 407,997	\$ 300,978
<i>Total Assets</i>	<u>\$ 407,997</u>	<u>\$ 300,978</u>	<u>\$ 407,997</u>	<u>\$ 300,978</u>
Liabilities				
Due to Other Governments	\$ 407,997	\$ 300,978	\$ 407,997	\$ 300,978
<i>Total Liabilities</i>	<u>\$ 407,997</u>	<u>\$ 300,978</u>	<u>\$ 407,997</u>	<u>\$ 300,978</u>
Total Agency Funds				
Assets				
Equity in Pooled Cash and Investments	\$ 969,673	\$ 2,903,631	\$ 2,975,007	\$ 898,297
Equity in Pooled Cash Segregated	407,997	300,978	407,997	300,978
Receivables:				
Accounts	831,398	902,584	831,398	902,584
Special Assessments	358,322	340,055	358,322	340,055
<i>Total Assets</i>	<u>\$ 2,567,390</u>	<u>\$ 4,447,248</u>	<u>\$ 4,572,724</u>	<u>\$ 2,441,914</u>
Liabilities				
Accounts Payable	\$ 537,568	\$ 616,983	\$ 537,568	\$ 616,983
Due to Other Governments	1,667,686	1,001,511	1,047,781	1,621,416
Deposits Held and Due to Others	362,136	66,654	225,275	203,515
<i>Total Liabilities</i>	<u>\$ 2,567,390</u>	<u>\$ 1,685,148</u>	<u>\$ 1,810,624</u>	<u>\$ 2,441,914</u>

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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.

City of Berea, Ohio
Net Assets By Component
Last Eight Years
(Accrual Basis of Accounting)

	2010	2009	Restated 2008	2007
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 58,591,099	\$ 59,019,083	\$ 54,735,567	\$ 53,184,519
Restricted:				
Capital Projects	3,415,815	2,486,092	301,374	0
Debt Service	1,292,551	1,104,494	905,303	680,940
Street Lighting	1,055,354	1,093,595	755,289	0
Street Maintenance and Repair	376,397	395,710	304,989	0
Other Purposes *	701,198	628,634	703,967	2,096,437
Unrestricted	3,712,230	2,022,870	4,320,878	1,338,161
<i>Total Governmental Activities Net Assets</i>	<u>\$ 69,144,644</u>	<u>\$ 66,750,478</u>	<u>\$ 62,027,367</u>	<u>\$ 57,300,057</u>
Business Type - Activities				
Invested in Capital Assets, Net of Related Debt	\$ 20,243,615	\$ 19,919,357	\$ 20,018,990	\$ 19,953,368
Unrestricted	2,326,082	2,274,499	1,815,540	1,612,870
<i>Total Business-Type Activities Net Assets</i>	<u>\$ 22,569,697</u>	<u>\$ 22,193,856</u>	<u>\$ 21,834,530</u>	<u>\$ 21,566,238</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	\$ 78,834,714	\$ 78,938,440	\$ 74,754,557	\$ 73,137,887
Restricted	6,841,315	5,708,525	2,970,922	2,777,377
Unrestricted	6,038,312	4,297,369	6,136,418	2,951,031
<i>Total Primary Government Net Assets</i>	<u>\$ 91,714,341</u>	<u>\$ 88,944,334</u>	<u>\$ 83,861,897</u>	<u>\$ 78,866,295</u>

* Note: Restricted for street lighting and restricted for street maintenance and repair have been separately displayed starting in 2009. These were previously included in restricted for other purposes.

2006	2005	2004	2003
\$ 48,121,514	\$ 42,381,980	\$ 45,448,288	\$ 32,753,184
232,205	3,264,410	4,515,207	5,088,512
670,019	643,931	657,684	306,605
0	0	0	0
0	0	0	0
2,053,168	2,460,328	2,031,958	1,675,371
1,997,946	749,997	1,203,314	440,214
<u>\$ 53,074,852</u>	<u>\$ 49,500,646</u>	<u>\$ 53,856,451</u>	<u>\$ 40,263,886</u>
\$ 18,647,776	\$ 16,754,484	\$ 8,818,160	\$ 8,272,544
1,086,173	1,377,976	839,608	463,839
<u>\$ 19,733,949</u>	<u>\$ 18,132,460</u>	<u>\$ 9,657,768</u>	<u>\$ 8,736,383</u>
\$ 66,769,290	\$ 59,136,464	\$ 54,266,448	\$ 41,025,728
2,955,392	6,368,669	7,204,849	7,070,488
3,084,119	2,127,973	2,042,922	904,053
<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 Eight Years
(Accrual Basis of Accounting)

	2010	2009	Restated 2008	2007
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 2,635,408	\$ 2,544,724	\$ 2,391,999	\$ 2,743,431
Security of Persons and Property	1,047,395	1,383,581	1,091,201	510,215
Public Health and Welfare	39,309	0	0	0
Leisure Time Activities	477,076	409,457	424,726	413,284
Community Development	33,774	33,534	27,237	461,435
Public Works	0	0	0	6,715
Basic Utility	0	0	0	43
Transportation	296,627	486,980	679,167	0
Subtotal - Charges for Services	<u>4,529,589</u>	<u>4,858,276</u>	<u>4,614,330</u>	<u>4,135,123</u>
Operating Grants and Contributions:				
General Government	64,590	0	4,000	0
Security of Persons and Property:	39,925	24,364	21,521	120,903
Public Health and Welfare	75,831	80,728	0	0
Leisure Time Activities	58,733	19,375	0	500
Community Development	0	65,293	0	0
Public Works	0	0	225,000	0
Transportation	856,311	702,977	1,029,496	728,512
Subtotal - Operating Grants and Contributions	<u>1,095,390</u>	<u>892,737</u>	<u>1,280,017</u>	<u>849,915</u>
Capital Grants and Contributions:				
Security of Persons and Property:	0	2,487,993	0	0
Leisure Time Activities	0	0	0	0
Community Development	0	10,670	0	0
Basic Utility	0	0	0	0
Transportation	3,418,094	2,277,761	237,222	4,860,546
General Government	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>3,418,094</u>	<u>4,776,424</u>	<u>237,222</u>	<u>4,860,546</u>
<i>Total Governmental Activities Program Revenues</i>	<u>9,043,073</u>	<u>10,527,437</u>	<u>6,131,569</u>	<u>9,845,584</u>
Business-Type Activities:				
Charges for Services:				
Water	2,578,894	2,768,562	2,581,125	3,039,350
Sewer	656,827	721,397	762,686	838,176
Capital Grants and Contributions				
Water	606,839	8,600	906,530	1,459,661
Sewer	466,728	99,486	204,882	306,210
<i>Total Business-Type Activities Program Revenues</i>	<u>4,309,288</u>	<u>3,598,045</u>	<u>4,455,223</u>	<u>5,643,397</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 13,352,361</u>	<u>\$ 14,125,482</u>	<u>\$ 10,586,792</u>	<u>\$ 15,488,981</u>
Expenses				
Governmental Activities:				
General Government	\$ 7,766,608	\$ 6,543,797	\$ 6,075,079	\$ 7,354,994
Security of Persons and Property:	6,974,204	6,883,839	6,756,475	6,438,828
Public Health and Welfare	211,300	119,132	122,080	120,472
Leisure Time Activities	3,559,520	3,005,421	3,207,018	3,373,362
Community Development	543,755	496,548	502,423	542,237
Public Works	1,337,335	1,121,553	1,265,014	1,262,949
Transportation	2,965,627	2,936,864	2,631,003	2,548,409
Interest and Fiscal Charges	613,938	668,099	563,320	1,070,332
<i>Total Governmental Activities Expenses</i>	<u>23,972,287</u>	<u>21,775,253</u>	<u>21,122,412</u>	<u>22,711,583</u>

	2006	2005	2004	2003
\$	2,757,377	\$ 2,498,563	\$ 2,149,876	\$ 2,520,426
	428,927	391,611	477,761	540,091
	0	0	0	0
	381,189	317,031	280,562	450,076
	967,225	660,539	449,421	180,031
	2,696	128,455	295,098	90,015
	0	0	0	0
	0	41	3,617,529	5,220,882
	<u>4,537,414</u>	<u>3,996,240</u>	<u>7,270,247</u>	<u>9,001,521</u>
	447	950	0	0
	20,239	24,068	17,756	17,278
	0	0	0	0
	1,250	0	0	0
	0	0	0	0
	0	0	0	0
	736,799	961,694	655,972	539,059
	<u>758,735</u>	<u>986,712</u>	<u>673,728</u>	<u>556,337</u>
	220,893	0	0	0
	473,648	0	0	258,160
	150,000	0	0	175,804
	0	0	613,294	0
	2,382,193	4,064,393	9,018,803	3,748,743
	0	1,260,873	0	0
	<u>3,226,734</u>	<u>5,325,266</u>	<u>9,632,097</u>	<u>4,182,707</u>
	<u>8,522,883</u>	<u>10,308,218</u>	<u>17,576,072</u>	<u>13,740,565</u>
	2,716,951	2,552,951	1,941,215	1,180,637
	792,902	766,157	559,478	491,000
	1,670,964	2,121,365	0	0
	<u>588,366</u>	<u>868,307</u>	<u>0</u>	<u>0</u>
	<u>5,769,183</u>	<u>6,308,780</u>	<u>2,500,693</u>	<u>1,671,637</u>
\$	<u>14,292,066</u>	<u>\$ 16,616,998</u>	<u>\$ 20,076,765</u>	<u>\$ 15,412,202</u>
\$	7,798,798	\$ 8,413,294	\$ 6,007,892	\$ 6,002,685
	6,639,568	5,845,715	5,512,773	4,478,817
	144,833	130,574	120,860	119,042
	2,029,456	3,869,281	1,144,893	1,750,225
	638,547	501,952	374,633	254,795
	1,122,270	889,213	1,446,006	1,539,776
	2,535,627	2,160,819	2,670,581	899,290
	<u>1,292,593</u>	<u>1,085,275</u>	<u>1,561,094</u>	<u>1,389,907</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 Eight Years
(Accrual Basis of Accounting)

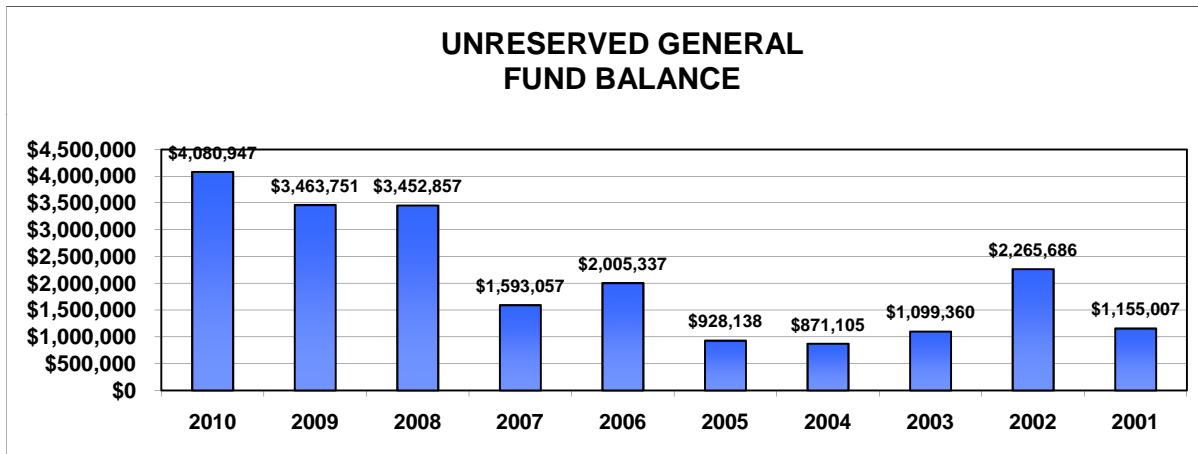
	2010	2009	Restated 2008	2007
Business-Type Activities				
Water	3,658,374	3,639,102	3,650,419	3,048,752
Sewer	700,903	873,591	1,005,252	914,222
<i>Total Business-Type Activities Expenses</i>	<u>4,359,277</u>	<u>4,512,693</u>	<u>4,655,671</u>	<u>3,962,974</u>
<i>Total Primary Government Program Expenses</i>	<u>28,331,564</u>	<u>26,287,946</u>	<u>25,778,083</u>	<u>26,674,557</u>
Net (Expense)/Revenue				
Governmental Activities	(14,929,214)	(11,247,816)	(14,990,843)	(12,865,999)
Business-Type Activities	(49,989)	(914,648)	(200,448)	1,680,423
<i>Total Primary Government Net Expense</i>	<u>(14,979,203)</u>	<u>(12,162,464)</u>	<u>(15,191,291)</u>	<u>(11,185,576)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	\$ 1,572,247	\$ 1,915,871	\$ 1,948,775	\$ 2,161,447
Other Purposes *	2,310,144	2,562,258	2,290,617	2,766,840
Municipal Income Taxes levied for:				
General Purposes	10,479,704	9,993,755	11,126,645	7,292,340
Special Revenue	0	0	0	2,430,779
Grants and Entitlements not Restricted to				
Specific Programs	2,307,793	1,777,548	2,224,225	2,072,711
Investment Income	136,442	124,123	199,120	252,034
Other Taxes	283,047	199,128	267,231	5,903
Miscellaneous	201,081	128,338	104,854	184,150
Transfers	32,922	(730,094)	(132,000)	(75,000)
<i>Total Governmental Activities</i>	<u>17,323,380</u>	<u>15,970,927</u>	<u>18,029,467</u>	<u>17,091,204</u>
Business-Type Activities				
Municipal Income Taxes levied for:				
Other Purpose - Debt Service	0	0	0	51,425
Property Taxes levied for:				
Water Improvements	453,075	480,309	486,477	0
Investment Income	0	0	0	25,441
Capital Contributions	0	0	0	0
Transfers	(32,922)	730,094	132,000	75,000
Miscellaneous	5,677	63,571	63,936	0
<i>Total Business-Type Activities</i>	<u>425,830</u>	<u>1,273,974</u>	<u>682,413</u>	<u>151,866</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>17,749,210</u>	<u>17,244,901</u>	<u>18,711,880</u>	<u>17,243,070</u>
Change in Net Assets				
Governmental Activities	2,394,166	4,723,111	3,038,624	4,225,205
Business-Type Activities	375,841	359,326	481,965	1,832,289
<i>Total Primary Government Change in Net Assets</i>	<u>\$ 2,770,007</u>	<u>\$ 5,082,437</u>	<u>\$ 3,520,589</u>	<u>\$ 6,057,494</u>

* Includes Police and Fire Pension and Debt Service

2006	2005	2004	2003
3,292,666	2,603,840	2,005,238	1,970,077
1,000,028	1,486,172	575,435	526,892
4,292,694	4,090,012	2,580,673	2,496,969
26,494,386	26,986,135	21,419,405	18,931,506
(13,678,809)	(12,587,905)	(1,262,660)	(2,693,972)
1,476,489	2,218,768	(79,980)	(825,332)
(12,202,320)	(10,369,137)	(1,342,640)	(3,519,304)
\$ 2,088,896	\$ 1,976,838	\$ 3,634,820	\$ 2,052,840
2,568,680	2,456,646	2,301,511	1,745,486
7,735,605	7,116,009	8,902,933	8,694,407
2,578,536	2,372,003		
1,960,590	1,180,922	1,878,981	1,381,784
344,936	195,954	57,230	33,133
13,476	18,486		
87,296	78,228	1,182	1,148
(125,000)	(305,000)	(1,054,943)	(819,500)
17,253,015	15,090,086	15,721,714	13,089,298
0	0	0	34,079
0	0	0	0
0	0	0	0
0	0	0	257,348
125,000	305,000	1,054,943	879,756
0	0	0	0
125,000	305,000	1,054,943	1,171,183
17,378,015	15,395,086	16,776,657	14,260,481
3,574,206	2,502,181	14,459,054	10,395,326
1,601,489	2,523,768	974,963	345,851
\$ 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)

	2010	2009	2008	2007	2006
General Fund					
Reserved	\$ 151,951	\$ 159,796	\$ 160,007	\$ 43,543	\$ 21,772
Unreserved	4,080,947	3,463,751	3,452,857	1,593,057	2,005,337
Total General Fund	<u>4,232,898</u>	<u>3,623,547</u>	<u>3,612,864</u>	<u>1,636,600</u>	<u>2,027,109</u>
All Other Governmental Funds					
Reserved	1,142,723	639,238	124,821	275,090	219,815
Unreserved, Undesignated, Reported in:					
Special Revenue funds	1,172,590	954,698	703,632	855,636	859,680
Debt Service funds	1,036,136	847,063	679,284	468,848	235,077
Capital Projects funds	2,303,995	1,893,439	(2,447,748)	(324,100)	133,043
Permanent funds	0	0	0	0	0
Total All Other Governmental Funds	<u>5,655,444</u>	<u>4,334,438</u>	<u>(940,011)</u>	<u>1,275,474</u>	<u>1,447,615</u>
Total Governmental Funds	<u>\$ 9,888,342</u>	<u>\$ 7,957,985</u>	<u>\$ 2,672,853</u>	<u>\$ 2,912,074</u>	<u>\$ 3,474,724</u>



2005	2004	2003	2002	2001
\$ 26,705	\$ 26,433	\$ 32,492	\$ 33,691	\$ 6,760
928,138	871,105	1,099,360	2,265,686	1,155,007
954,843	897,538	1,131,852	2,299,377	1,161,767
120,073	200,289	154,362	562,559	549,394
1,219,959	1,253,437	1,116,034	1,062,659	340,639
374,539	346,796	348,485	0	129,492
3,272,463	3,993,634	4,804,724	968,239	795,068
0	0	0	0	4,605
4,987,034	5,794,156	6,423,605	2,593,457	1,819,198
\$ 5,941,877	\$ 6,691,694	\$ 7,555,457	\$ 4,892,834	\$ 2,980,965

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

	2010	2009	2008	2007	2006
Revenues					
Property and Other Taxes	\$ 4,167,796	\$ 4,270,718	\$ 4,647,207	\$ 6,062,620	\$ 4,733,365
Municipal Income Taxes	10,922,715	10,181,318	10,928,016	8,828,219	10,563,354
Charges for Services	1,113,097	993,872	1,066,019	1,140,431	1,003,101
Fees, Licenses and Permits	480,979	408,421	274,645	599,923	998,953
Fines and Forfeitures	2,364,651	2,443,123	2,385,269	2,242,271	2,255,125
Intergovernmental	3,274,546	3,402,160	2,979,611	5,788,912	3,618,018
Special Assessments	700,167	517,918	844,993	607,345	495,358
Interest	136,442	124,123	199,120	252,079	344,936
Contributions and Donations	258,686	94,495	200,000	0	0
Other	165,369	175,973	272,233	139,107	199,684
<i>Total Revenues</i>	<u>23,584,448</u>	<u>22,612,121</u>	<u>23,797,113</u>	<u>25,660,907</u>	<u>24,211,894</u>
Expenditures					
Current:					
General Government	6,791,331	6,329,229	6,588,316	7,344,938	7,043,959
Security of Persons and Property:	6,663,889	6,474,662	6,419,429	6,199,605	6,613,828
Public Health and Welfare	211,300	119,132	122,080	120,472	144,833
Leisure Time Activities	1,544,300	1,610,617	1,625,000	1,772,479	1,693,868
Community Development	503,772	505,093	534,163	547,564	535,008
Public Works	1,327,127	1,089,789	1,236,211	1,241,619	1,019,438
Transportation	890,006	884,337	833,147	966,443	876,475
Capital Outlay	3,195,787	3,430,872	5,804,880	5,895,586	3,653,127
Debt Service:					
Principal Retirement	7,241,978	2,275,311	1,172,101	1,260,146	6,853,359
Interest and Fiscal Charges	623,917	545,979	548,167	958,072	1,113,234
<i>Total Expenditures</i>	<u>28,993,407</u>	<u>23,265,021</u>	<u>24,883,494</u>	<u>26,306,924</u>	<u>29,547,129</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,408,959)</u>	<u>(652,900)</u>	<u>(1,086,381)</u>	<u>(646,017)</u>	<u>(5,335,235)</u>
Other Financing Sources (Uses)					
Proceeds from Capital Assets	1,817	10,578	4,160	2,292	8,318
Special Assessment Bonds Issued	0	0	0	0	(210,039)
General Obligation Bonds Issued	2,725,000	0	0	0	0
General Obligation Bonds Refunded	0	0	0	0	7,365,000
Premium on Refunding Bonds	0	0	0	0	124,066
Premium on Debt Issued	14,728	0	0	0	0
Payment to Refunding Bond Escrow Agent	0	0	0	0	(4,430,878)
Notes Issued	3,850,000	5,850,000	975,000	0	0
Inception of Capital Lease	136,953	212,598	0	156,075	136,615
Issuance of Loans	817,961	362,056	0	0	0
Other	0	0	0	0	0
Discount on Debt Issued	(34,143)	0	0	0	0
Transfers In	2,615,670	7,637,068	2,104,000	2,982,479	2,981,550
Transfers Out	(2,788,670)	(8,134,268)	(2,236,000)	(3,057,479)	(3,106,550)
<i>Total Other Financing Sources (Uses)</i>	<u>7,339,316</u>	<u>5,938,032</u>	<u>847,160</u>	<u>83,367</u>	<u>2,868,082</u>
<i>Net Change in Fund Balances</i>	<u>\$ 1,930,357</u>	<u>\$ 5,285,132</u>	<u>\$ (239,221)</u>	<u>\$ (562,650)</u>	<u>\$ (2,467,153)</u>
Debt Service as a Percentage of Noncapital Expenditures	0.33	0.18	0.10	0.12	0.32

	2005	2004	2003	2002	2001
\$	4,592,855	\$ 4,740,860	\$ 4,501,531	\$ 3,723,187	\$ 3,926,380
	9,291,061	8,891,029	8,180,722	9,080,486	8,539,789
	749,245	4,607,832	5,823,306	563,878	765,401
	882,642	600,031	214,274	153,214	156,720
	2,017,012	1,917,864	1,975,713	1,928,362	1,303,073
	4,491,032	11,961,187	6,825,904	6,443,731	4,128,910
	575,716	548,532	600,987	542,375	499,868
	195,980	57,230	33,133	79,783	218,782
	0	0	0	0	0
	663,941	113,319	129,433	309,649	1,872,049
	<u>23,459,484</u>	<u>33,437,884</u>	<u>28,285,003</u>	<u>22,824,665</u>	<u>21,410,972</u>
	6,616,462	6,165,039	5,897,318	4,913,272	4,475,039
	6,305,057	5,645,043	5,583,442	5,522,321	5,585,523
	130,574	120,860	119,042	117,680	121,902
	1,951,111	1,787,729	1,817,903	1,321,802	1,305,615
	421,281	367,363	365,892	371,253	333,151
	826,085	753,301	826,385	889,504	1,022,764
	787,638	686,509	641,113	1,281,752	1,220,266
	4,663,870	12,190,032	11,114,811	8,204,525	5,002,077
	8,892,656	9,862,504	2,950,624	2,206,525	1,384,937
	1,100,417	1,804,223	1,136,832	1,075,925	1,074,103
	<u>31,695,151</u>	<u>39,382,603</u>	<u>30,453,362</u>	<u>25,904,559</u>	<u>21,525,377</u>
	<u>(8,235,667)</u>	<u>(5,944,719)</u>	<u>(2,168,359)</u>	<u>(3,079,894)</u>	<u>(114,405)</u>
	0	1,182	1,148	3,832	9,736
	0	0	0	0	0
	0	4,173,956	4,454,742	0	0
	0	(4,125,000)	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	7,600,000	6,452,665	1,300,000	1,300,000	800,000
	170,604	0	0	0	0
	0	0	0	0	0
	2,043,000	0	0	4,804,886	0
	0	0	0	0	0
		2,018,850	2,044,539	2,528,693	3,278,169
	<u>(2,348,000)</u>	<u>(2,591,450)</u>	<u>(3,085,439)</u>	<u>(3,675,893)</u>	<u>(4,244,269)</u>
	<u>7,465,604</u>	<u>5,930,203</u>	<u>4,714,990</u>	<u>4,961,518</u>	<u>(156,364)</u>
\$	<u>(770,063)</u>	<u>(14,516)</u>	<u>2,546,631</u>	<u>1,881,624</u>	<u>(270,769)</u>

0.39

0.43

0.75

0.19

0.15

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

<u>Year</u>	<u>City of Berea</u>					<u>Berea School District</u>	<u>Polaris JVSD</u>	<u>Cuyahoga Co & Special Taxing Districts (1)</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Water Revenue (2)</u>	<u>Debt Service</u>	<u>Total</u>				
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
2001	7.95	3.10	N/A	6.55	17.60	63.80	2.40	17.60	101.40

Source: Cuyahoga County Auditor

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

Charter millage is consistently applied to all types of property.

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

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

- (1) Cleveland Metropolitan Park District, Cuyahoga Community College District, Cleveland-Cuyahoga Port Authority, Cuyahoga County Library, and Cuyahoga County Services.
- (2) levy passed in 2007 for water plant capital improvements

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

Year	City of Berea					Total	Olmsted Falls School District	Polaris JVSD	Cuyahoga Co & Special Taxing Districts (1)	Total
	General	Special Revenue	Water Revenue (2)	Debt Service						
2010	7.95	3.00	1.40	3.85	16.20	93.00	2.40	20.60	132.20	
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	9.05	3.10	N/A	5.35	17.50	89.70	2.40	20.30	129.90	
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	
2001	7.95	3.10	N/A	6.55	17.60	90.30	2.40	17.60	127.90	

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
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
2001	297,018,160	848,623,314	12,663,290	14,390,102

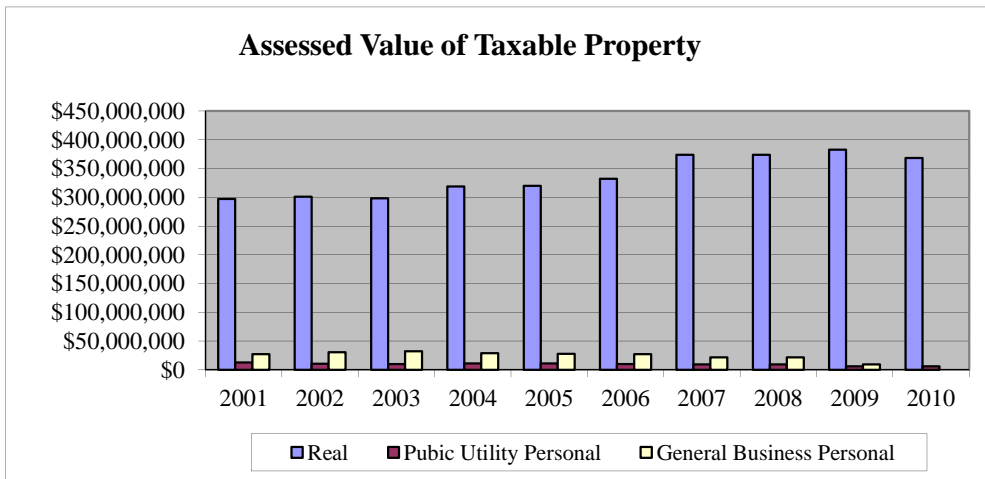
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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>					
General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Total Direct Tax Rate (1)
-	-	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
27,221,866	108,887,464	336,903,316	971,900,880	34.66	127.90



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>
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
2001	5,141,000	4,621,579	89.90	169,010	4,790,589	93.18	331,816	6.45

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
 2010 and 2001

Taxpayer	2010	
	Real Property Assessed Valuation (1)	Percentage Of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 4,957,220	1.32%
Tower in the Park LTD	3,710,010	0.99%
Echo Berea Associates, LLC	2,914,530	0.78%
West Valley Plaza	2,726,580	0.73%
Berea Properties Company	2,694,910	0.72%
A&F Machine Products Co.	2,494,220	0.67%
OHI Asset II LLC	2,482,880	0.66%
Western Reserve Revitalization	2,372,380	0.63%
Berea Square Co., LLC	1,873,380	0.50%
Tuthill Corp.	1,713,600	0.46%
Total	<u>\$ 27,939,710</u>	<u>7.45%</u>
Total Assessed Valuation	<u>\$ 374,796,540</u>	

Taxpayer	2001	
	Real Property Assessed Valuation (1)	Percentage Of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 4,385,600	1.30%
Tower in the Park LTD	4,014,430	1.19%
Ohio Bell Telephone Co.	3,096,830	0.92%
Berea Properties Company	2,435,480	0.72%
A&F Machine Products Co.	2,309,110	0.69%
West Valley Plaza	1,927,940	0.57%
Cleveland Senior Care Corp.	1,927,350	0.57%
Tuthill Corp.	1,721,830	0.51%
RR Donnelley Ohio LLC	1,575,000	0.47%
Berea Square Co., LLC	1,414,110	0.42%
Total	<u>\$ 24,807,680</u>	<u>7.36%</u>
Total Assessed Valuation	<u>\$ 336,903,316</u>	

Source: County Auditor

(1) The amounts presented represent the assessed values upon which 2010 and 2001 collections were based.

City of Berea, Ohio
Principal Taxpayers - Municipal Tax
 2010 and 2006

Taxpayer	2010	
	Tax	Percentage of Tax Collected
Cleveland Browns Football	\$ 2,490,086	26.15%
Baldwin Wallace College	783,840	8.23%
Berea City School District	582,307	6.12%
OHNH EMP LLC	216,132	2.27%
City of Berea	213,086	2.24%
Berea Children's Home	174,364	1.83%
Ohio Turnpike Commission	161,304	1.69%
ColorMatrix Corp.	117,647	1.24%
Amerimark Direct LLC	107,636	1.13%
Standby Screw Machine Products	95,063	1.00%
Total	\$ 4,941,465	51.90%
Total Tax Collected	\$ 9,521,371	

Taxpayer	2006 (1)	
	Tax	Percentage of Tax Collected
Cleveland Browns Football	\$ 2,237,440	21.98%
Baldwin Wallace College	712,605	7.00%
Berea City School District	486,262	4.78%
ColorMatrix Corp.	242,147	2.38%
Ohio Turnpike Commission	236,825	2.33%
City of Berea	228,314	2.24%
Berea Childrens Home	168,398	1.65%
Standby Screw Machine Products	166,411	1.63%
Abne LLC	143,554	1.41%
Tuthill Corporation	109,980	1.08%
Total	\$ 4,731,936	46.49%
Total Tax Collected	\$ 10,178,273	

(1) 2001 Principal Taxpayers not available

Source: Regional Income Tax Agency

City of Berea, Ohio

Principal Employers

2010 and 2006

Employer	<i>2010</i>	
	Number of Employees	Percentage of Total City Employment
Baldwin Wallace College	3,054	24.16%
Berea City School District	983	7.78%
OHNH EMP LLC	741	5.86%
Berea Childrens Home	514	4.07%
Cleveland Browns Football	422	3.34%
Amerimark Direct LLC	339	2.68%
City of Berea	301	2.38%
Ohio Turnpike Commission	123	0.97%
ColorMatrix Corp.	120	0.95%
Standby Screw Machine Products	116	0.92%
Total	6,713	53.10%
Total Employment within the City	<u>12,642</u>	

Employer	<i>2006 (1)</i>	
	Number of Employees	Percentage of Total City Employment
Baldwin Wallace College	1,260	9.97%
Berea City School District	595	4.71%
Berea Childrens Home	510	4.03%
Cleveland Browns Football	367	2.90%
City of Berea	248	1.96%
Riser Foods Company	209	1.65%
Standby Screw Machine Products	205	1.62%
ColorMatrix Corp.	133	1.05%
Jaco Manufacturing Co.	132	1.04%
Ohio Turnpike Commission	116	0.92%
Total	3,775	29.86%
Total Employment within the City	<u>13,637</u>	

Source: Regional Income Tax Agency

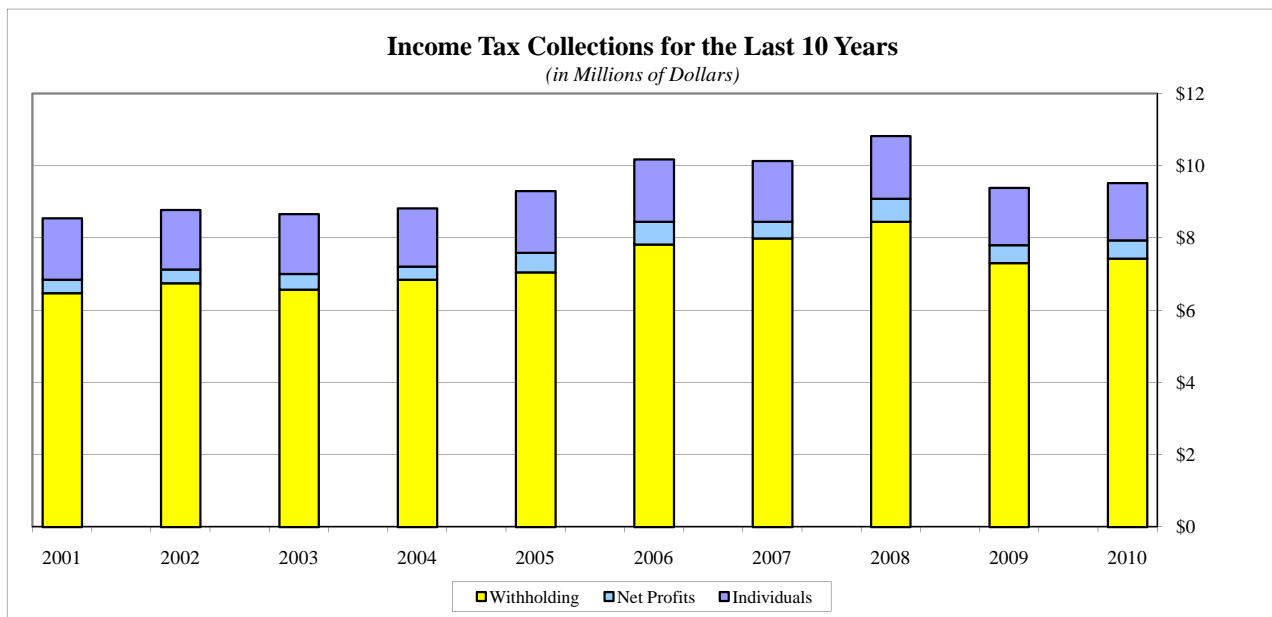
(1) Information for 2001 is not available.

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

Tax Year (1)	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits
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%
2001	2.00%	8,551,169	6,475,930	75.73%	366,038	4.28%

(1) 2002 through 2009 are on an Accrual Basis and 2001 is on a Modified Accrual Basis.

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>
\$	1,583,770	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%
	1,709,201	19.99%

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

Year	Governmental Activities						
	General Obligation Debt	Urban Renewal Bond	Capital Lease	Notes Payable	OPWC	Taxable Bond City Portion	SIB Loan
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)
\$ 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
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
2001	18,970	336,903,316	16,157,087	476,890	15,680,197	4.65%	826.58

(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, 2010

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct			
City of Berea	\$ 14,875,000	100.00%	\$ 14,875,000
<i>Total Direct Debt</i>	<u>14,875,000</u>		<u>14,875,000</u>
Overlapping			
Berea City School District	14,045,000	25.12%	3,527,800
Olmsted Falls School District	20,305,607	4.53%	920,636
Cuyahoga County	319,446,948	1.26%	4,030,356
Greater Cleveland Regional Transit Authority	152,760,000	1.26%	1,927,322
<i>Total Overlapping Debt</i>	<u>506,557,555</u>		<u>10,406,114</u>
Grand Total	<u>\$ 521,432,555</u>		<u>\$ 25,281,114</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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Assessed Property Value	<u>\$ 374,796,540</u>	<u>\$ 397,801,842</u>	<u>\$ 406,164,524</u>	<u>\$ 405,046,977</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>39,353,637</u>	<u>41,769,193</u>	<u>42,647,275</u>	<u>42,529,933</u>
Debt Outstanding:				
General Obligation Bonds	<u>14,875,000</u>	<u>15,405,000</u>	<u>11,720,000</u>	<u>13,570,000</u>
Total Gross Indebtedness	14,875,000	15,405,000	11,720,000	13,570,000
Less:				
General Obligation Bonds	(480,000)	(680,000)	(870,000)	(1,050,000)
OPWC Loans	0	0	0	0
Amount Available in Debt Service Fund	<u>(1,036,136)</u>	<u>(847,063)</u>	<u>(679,284)</u>	<u>(468,848)</u>
Total Net Debt Applicable to Debt Limit	<u>13,358,864</u>	<u>13,877,937</u>	<u>10,170,716</u>	<u>12,051,152</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$25,994,773</u>	<u>\$27,891,256</u>	<u>\$32,476,559</u>	<u>\$30,478,781</u>
Legal Debt Margin as a Percentage of the Debt Limit	66.05%	66.77%	76.15%	71.66%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>20,613,810</u>	<u>21,879,101</u>	<u>22,339,049</u>	<u>22,277,584</u>
Total Gross Indebtedness	14,875,000	15,405,000	11,720,000	13,570,000
Less:				
General Obligation Bonds	(480,000)	(680,000)	(870,000)	(1,050,000)
OPWC Loans	0	0	0	0
Amount Available in Debt Service Fund	<u>(1,036,136)</u>	<u>(847,063)</u>	<u>(679,284)</u>	<u>(468,848)</u>
Net Debt Within 5 ½ % Limitations	<u>13,358,864</u>	<u>13,877,937</u>	<u>10,170,716</u>	<u>12,051,152</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 7,254,946</u>	<u>\$ 8,001,164</u>	<u>\$ 12,168,333</u>	<u>\$ 10,226,432</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	35.19%	36.57%	54.47%	45.90%

Source: City Financial Records

2006	2005	2004	2003	2002	2001
<u>\$ 369,259,232</u>	<u>\$ 358,890,238</u>	<u>\$ 358,613,174</u>	<u>\$ 340,375,929</u>	<u>\$ 341,662,828</u>	<u>\$ 336,903,848</u>
38,772,219	37,683,475	37,654,383	35,739,473	35,874,597	35,374,904
13,010,756	16,723,023	17,693,346	13,908,430	15,300,561	16,157,087
13,010,756	16,723,023	17,693,346	13,908,430	15,300,561	16,157,087
(1,225,000)	(1,395,000)	(322,333)	(611,033)	(869,526)	(1,101,050)
0	0	(1,520,000)	(1,570,000)	(1,695,000)	(1,815,000)
<u>(235,077)</u>	<u>(374,539)</u>	<u>(346,796)</u>	<u>(348,485)</u>	<u>(324,530)</u>	<u>(476,890)</u>
11,550,679	14,953,484	15,504,217	11,378,912	12,411,505	12,764,147
<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>	<u>\$22,610,757</u>
70.21%	60.32%	58.82%	68.16%	65.40%	63.92%
20,309,258	19,738,963	19,723,725	18,720,676	18,791,456	18,529,712
13,010,756	16,723,023	17,693,346	13,908,430	15,300,561	16,157,087
(1,225,000)	(1,395,000)	(322,333)	(611,033)	(869,526)	(1,101,050)
0	0	(1,520,000)	(1,570,000)	(1,695,000)	(1,815,000)
<u>(235,077)</u>	<u>(374,539)</u>	<u>(346,796)</u>	<u>(348,485)</u>	<u>(324,530)</u>	<u>(476,890)</u>
11,785,756	15,328,023	15,851,013	11,727,397	12,736,035	13,241,037
<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>	<u>\$ 5,288,675</u>
41.97%	22.35%	19.63%	37.36%	32.22%	28.54%

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)
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
2001	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

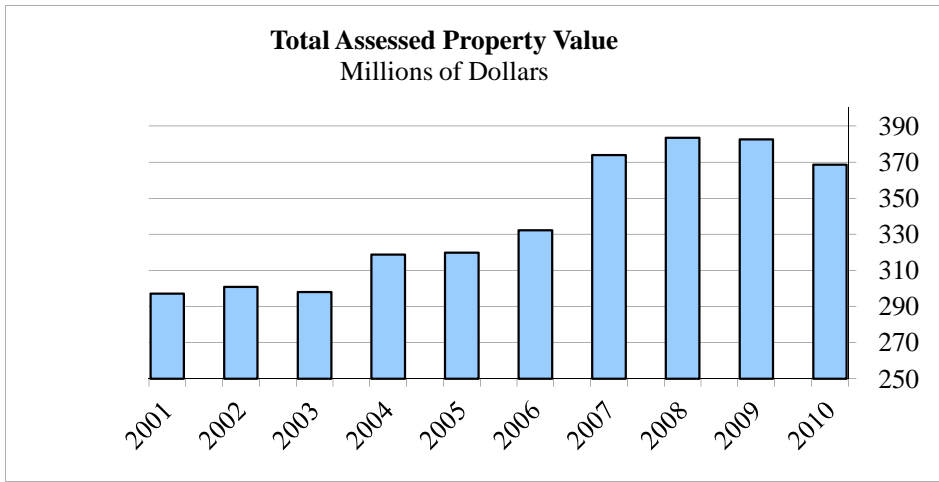
(b) 2010 Federal Census

(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)
3,450	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
3,365	7,809	4.4%	120,519	297,018,160



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

Function/Program	2010	2009	2008	2007
General Government				
Council	6.0	5.0	7.0	5.0
Finance	4.5	4.5	5.0	7.0
Law	2.0	2.0	2.0	4.0
Administration	8.0	6.0	4.5	5.0
Engineer	2.0	2.0	2.0	3.0
Civil Service	0.0	0.0	0.0	0.0
Court	30.5	28.5	29.5	27.0
Public Building	7.0	9.0	15.5	5.5
Security of Persons and Property				
Police	32.0	32.0	33.0	32.0
Police - Auxiliary	4.0	4.0	4.0	4.5
Police - Dispatchers/Office	7.5	7.5	8.5	9.0
Police - Animal Wardens	1.0	1.0	1.0	1.0
Police - School guards/Parking Control	2.0	2.5	3.0	3.5
Fire	23.0	23.0	24.0	22.0
Fire - Secretary - Other	0.0	0.0	0.0	0.0
Leisure Time Activities				
Recreation - Admin	21.0	14.0	16.5	15.0
Recreation - Programs	11.0	9.0	14.0	14.0
Recreation - Pools	22.5	16.5	21.0	23.0
Jitney	3.5	2.5	2.0	2.0
Transportation				
Service	34.0	36.0	35.5	41.0
Basic Utility Services				
Water	21.0	20.5	21.0	17.5
Totals:	<u>242.5</u>	<u>225.5</u>	<u>249.0</u>	<u>241.0</u>

Source: City Payroll Department W2 Audit Listing

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

Information prior to 2003 is not available.

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

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

Function/Program	2010	2009	2008
General Government			
<i>Council and Clerk(1)</i>			
Number of Ordinances Passed	66	67	61
Number of Resolutions Passed	15	19	17
<i>Finance Department(2)</i>			
Number of checks/ vouchers issued	3,494	3,329	4,951
Amount of checks written (Accounts Payable - in thousands)	\$ 16,403	\$ 16,312	\$ 18,700
General Fund Interest earnings (cash basis)	\$ 148,186	\$ 131,865	\$ 188,798
Number of Journal Entries issued	280	288	295
Number of Budget Adjustments issued	4	6	6
Agency Ratings - Moody's Financial Services	AA2	AA3	AA3
General Fund Receipts (cash basis in thousands)	\$ 13,823	\$ 13,742	\$ 13,986
General Fund Expenditures (cash basis in thousands)	\$ 13,759	\$ 14,289	\$ 13,922
General Fund Cash Balances (in thousands)	1,180	1,116	1,084
<i>Municipal Court(3)</i>			
Total Civil/Small claims cases filed	3,462	3,598	4,245
Number of Berea civil/small claims cases	817	812	882
Total Criminal cases filed	1,539	1,773	1,992
Number of Berea felony cases	9	30	61
Number of Berea misdemeanor cases	400	436	557
<i>Civil Service(4)</i>			
Number of police entry tests administered	145	0	104
Number of fire entry tests administered	179	0	118
Number of police promotional tests administered	2	0	0
Number of fire promotional tests administered	1	0	0
Number of hires of Police Officers from certified lists	0	0	1
Number of hires of Fire/Medics from certified lists	0	0	2
Number of promotions from police certified lists	0	0	0
Number of promotions from fire certified lists	0	0	0
Security of Persons & Property			
<i>Police(5)</i>			
Total Calls for Services	24,723	28,663	31,970
Number of traffic citations issued	1,995	1,964	2,520
Number of parking citations issued	2,156	2,096	2,343
Number of criminal arrests	1,335	1,435	1,623
Animal Warden service calls responded to per annual report	1,209	1,360	702
Police Dept. Auxiliary hours worked	2,209	1,971	2,209
DUI Arrests	97	96	113
Motor Vehicle Accidents	305	330	363
Property damage accidents/Self reported traffic accidents	88	40	110
<i>Fire(6)</i>			
EMS Calls	1,622	1,555	1,550
Ambulance Billing Collections (net)	\$ 351,982	\$ 328,363	\$ 292,052
Fire Calls	227	227	243
Fires with Loss	5	12	8
Fires with Losses exceeding \$10K	2	5	4
Fire Losses \$	\$ 210,100	\$ 314,400	\$ 193,500
Fire Safety Inspections	876	738	748

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

(continued)

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

Function/Program	2010	2009	2008
Leisure Time Activities			
<i>Recreation(2)</i>			
Outdoor swimming pool receipts	\$ 78,107	\$ 80,418	\$ 84,039
Membership receipts	199,473	166,046	157,699
Program fees	82,992	66,515	62,162
(Includes indoor and outdoor rec programs)			
<i>Building Department(7)</i>			
Construction Permits Issued	1,551	1,673	1,738
Estimated Value of Construction	\$ 34,130,240	\$ 77,870,198	\$ 25,573,472
Amount of Revenue generated from permits	\$ 431,117	\$ 625,070	\$ 739,580
Number of contract registrations issued	523	548	534
Amount of Revenue generated from contract registrations	\$ 50,100	\$ 54,800	\$ 53,400
Number of rental inspections performed*	198	146	674
Number of point of sale inspections	183	200	224
<i>Engineer Contracted Services(8)</i>			
Dollar amount of Construction overseen by Engineer	\$ 5,707,254	\$ 2,813,504	\$ 5,149,826
Transportation(8,10)			
Street Improvements - asphalt overlay (linear feet)	10,757	21,200	6,434
Street Repair (Curbs, aprons, berms, asphalt) (hours)	16,455	17,611	16,122
Municipal Signs (hours)	3,972	3,599	3,518
Paint Striping (hours)	2,028	1,267	977
Street Cleaning (hours)	1,993	2,033	1,375
Snow & Ice Removal regular hours	1,381	2,016	4,722
Snow & Ice Removal overtime hours	1,158	977	1,563
Sewer Crew (hours)	5,164	5,589	7,642
Leaf collection (hours)	1,831	2,346	2,365
Number of Trees Planted per year	58	60	37
Tons of snow melting salt purchased (Nov-Mar)	3,979	3,439	4,895
Cost of salt purchased	\$ 180,833	\$ 198,600	\$ 193,940
Water Department(9)			
Average Water Rate per 1000 gallons of water used	\$ 4.09	\$ 4.09	\$ 4.09
Wastewater Department(9)			
Average Wastewater Rates per 1000 gallons of water used	\$ 6.33	\$ 6.33	\$ 5.06
Average daily flow (Millions of gallons per day)	2.00	2.07	2.10

- 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.

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

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

Function/Program	2010	2009	2008	2007
General Government				
Number of Buildings	4	4	4	4
Square footage of Buildings:				
City Hall/Municipal Court	17,000	17,000	14,500	14,500
Water Plant	19,100	19,100	2,075	2,075
Service Garage	25,400	25,400	3,000	3,000
Recreation Center	33,000	33,000	30,000	30,000
Administrative Vehicles	9	11	6	3
Inspection Vehicles	3	3	3	6
Municipal Court Vehicles	1	1	1	1
Police				
Stations	1	1	1	1
Square footage of station	9700	9700	9700	9,700
Vehicles	23	22	24	N/A
Fire				
Stations	1	1	1	1
Square footage of station	7,900	7,900	5,000	5,000
Vehicles:				
Aerial Tower	1	1	1	1
Pumpers	2	2	2	2
Rescue Ambulances	3	2	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	2	2	2	2
Number of Basketball Courts	2	2	2	2
Number of Baseball Diamonds	4	4	4	4
Number of Soccer Fields	2	2	2	2
Number of Playground Areas	4	4	4	4
Number of Vehicles	2	3	6	5
Other Public Works				
Streets (miles)	89.9	89.8	89.8	86.00
Service Vehicles	39	34	38	25
Wastewater				
Sanitary Sewers (miles)	73.5	73.5	73.5	73.5
Storm Sewers (miles)	73.5	53.4	73.5	73.5
Vehicles	2	2	2	2
Water Department				
Water Lines (miles)	77	79.73	77	77
Vehicles	6	6	5	5

Source: City of Berea Service Departmen

Information prior to 2003 is not available.

2006	2005	2004	2003
4	4	4	4
14,500	14,500	14,500	14,500
2,075	2,075	2,075	2,075
3,000	3,000	3,000	3,000
30,000	30,000	30,000	30,000
3	N/A	N/A	N/A
6	N/A	N/A	N/A
1	N/A	N/A	N/A
1	1	1	1
9,700	9,700	9,700	9,700
N/A	N/A	N/A	N/A
1	1	1	1
5,000	5,000	5,000	5,000
1	1	1	1
2	2	2	2
2	2	2	2
1	1	1	1
2	2	2	2
5	5	4	4
2	2	2	2
2	2	2	2
2	2	2	2
4	4	4	4
2	2	2	2
4	4	3	3
5	N/A	N/A	N/A
82.50	82.50	82.50	82.50
25	N/A	N/A	N/A
73.5	73.5	73.5	73.5
73.5	73.5	73.5	73.5
2	N/A	N/A	N/A
77	77	77	77
5	N/A	N/A	N/A

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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 4, 2011