

# **City of Berea**

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*Audit Report Letters*

*December 31, 2006*





Mary Taylor, CPA  
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, 2006 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

September 19, 2007

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**CITY OF BEREA**  
**AUDIT REPORT LETTERS**  
**DECEMBER 31, 2006**

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# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 28, 2007

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 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 as of and for the year ended December 31, 2006, and have issued our report thereon dated June 28, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the City of Berea in a separate letter dated June 28, 2007.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Berea's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, which is disclosed in the accompanying schedule of findings as item 2006-001. We also noted certain immaterial instances that we have reported to management of the City of Berea in a separate letter dated June 28, 2007.

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

*Kea & Associates, Inc.*

**City of Berea  
Cuyahoga County  
Schedule of Findings  
December 31, 2006**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2006-001**

**Noncompliance Citations**

**Ohio Rev. Code Section 5705.39** states that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there from, as certified by the budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official certificate or amended official certificate. When the appropriation does not exceed such official certificate, the county auditor shall give such certificate forthwith upon receiving from the appropriating authority a certified copy of the appropriation measure. Appropriations shall be made from each fund only for the purposes for which such fund is established.

For the audit period, the City had appropriations (\$9,682,676) exceeding the certified estimated revenues (\$5,468,458) for the General Bond Retirement fund. The City should certify all estimated revenues to be received by the City so that appropriated amounts are not in excess of the Official Certificate of Estimated Resources, as certified by the budget commission.

Management concurs and will implement procedures to ensure that estimated revenues, certified by the County budget commission, are sufficient to prevent future citations.

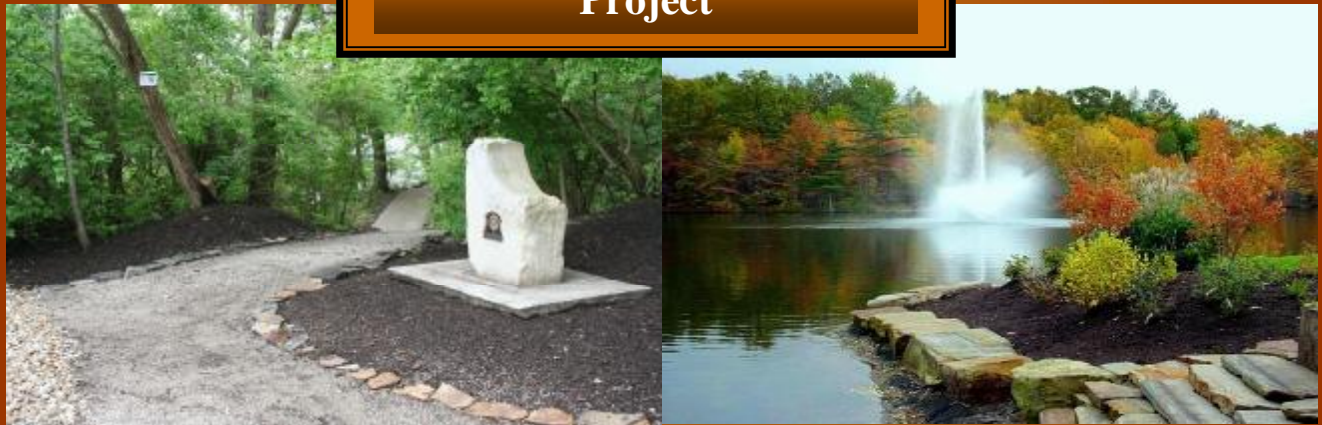


# City of Berea, Ohio

**Mayor Joseph W. Biddlecombe**



**Coe Lake Nature Trail and  
Riparian Restoration  
Project**



## Comprehensive Annual Financial Report

**For the Year Ended December 31, 2006**



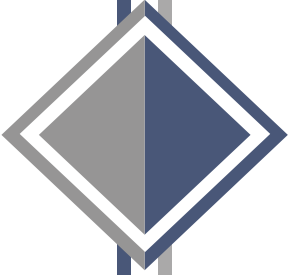
**CITY OF BEREA, OHIO**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT FOR  
THE YEAR ENDED  
DECEMBER 31, 2006**

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

Cover Credits: In 2006, the Coe Lake Nature Trail and Riparian Restoration Project was completed. This land lab is the result of a collaborative effort between the Berea City School District, the City of Berea and the Berea Community Development Corporation. It is intended for use by students of the Berea City School District and the citizens of Berea in order to foster an appreciation for the natural environment and the history of Berea through science education.





# INTRODUCTORY SECTION



CITY OF BEREA, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2006

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# CITY OF BEREA

*"The Grindstone City"*

**Joseph W. Biddlecombe**

*Mayor*

June 28, 2007

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

11 Berea Commons

Berea, Ohio 44017

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We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Berea, Ohio (the "City") for the year ended December 31, 2006. We believe this report, prepared by the Department of Finance, presents comprehensive financial and operating information about the City's activities during 2006 that is useful to the citizens and taxpayers. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and the results of operations of the City; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

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

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

## **History of Berea**

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

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

The City is served by diversified transportation facilities. There is immediate access to three State and U.S. highways and Interstate highways: I-71, I-80, and I-480. The City is served by Norfolk-Southern and CSX railroads and is adjacent to areas served by Amtrak railroad.



The City is also served by the Cleveland Hopkins International Airport, located within three miles of the City, and by Burke Lakefront Airport, located within 15 miles of the City. The proximity makes Berea a desirable location for residents and commercial enterprises.

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

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

## **Form of Government**

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

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

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

Established by charter, the municipal government consists of six departments. The Mayor has appointed three directors, a police chief, fire chief and an office manager who oversee these departments. All directors work closely with the Mayor in providing the citizens of Berea with the highest quality of services while maintaining efficiency and cost effectiveness.

The Police Department enforces local, state, and federal laws in addition to protecting citizens and their property. Most recently, the department has taken a more community oriented policing approach, which has been met with great success. Numerous programs are offered to citizens and

students. The department, which is headed by the Chief of Police, consists of three bureaus: the Patrol Division, the Services Operational Division, and the Detective Bureau. The Patrol Division oversees the staff of patrol officers. The Services Operational Division oversees the dispatch, Drug Abuse Resistance Education, Animal Control, Parking Control, Auxiliary, School Guards, Jail operations, and firearms training. The Detective Bureau oversees the City's investigative services, the Youth Diversion program, and the County's diversion program's satellite office at City hall.

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

The Service Department is comprised of several divisions administered by a director. This department is responsible for the maintenance of all City vehicles, buildings, traffic lights and signs, public grounds, tree trimming, snow and leaf removal. The Storm Sewers and Drains Division maintain proper drainage control. The Street Paving and Repair Division handles the non-contractual maintenance of City streets. The Street Striping and Markings Division is responsible for the painting of street lines and markings. The City has its own water plant, which is also handled by the Service Department. The water plant has a supply division and a distribution division, which insures the water supply is safe and the water lines are properly maintained. The Sewer department oversees the collection of sewage and the maintenance of the City's sewer lines. The Building Department is responsible for interpreting and enforcing all building codes in the City. The department also issues permits and citations, conducts site inspections, and licenses all contractors. This department is responsible for the implementation of plans and programs that promote the comprehensive and orderly development of the City. The Engineering Department must insure that all contractors working in Berea meet the general engineering requirements of the City. This department controls the review and implementation of plans and programs relating to the City's infrastructure. The Service Department also handles the rental of the City's outdoor gazebo and pavilion area as well as assistance to qualifying seniors, handicapped and disabled residents with free snow removal.

The Recreation Department provides numerous recreational activities and programs throughout the year. The City has a recreation center, which includes an indoor pool, sauna, steam room, racquetball courts, weight room, basketball courts, and various multi-purpose rooms. The recreation center offers many classes and programs to residents and non-residents. The department also oversees the outdoor pool and free canoe rentals at the City's Coe Lake. The Recreation Department also supervises several baseball/softball fields and maintains several playgrounds throughout the City.

The Finance Department is responsible for the accurate recording of all receipts and disbursement. The department issues bi-weekly payroll and maintains the capital asset system. The department compiles the annual budget, the tax budget, the annual financial report, and assists the Mayor in all financial decisions. The department also handles the billing and collection for the City's water department and the Northeast Ohio Regional Sewer District. The City's computer operations are

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

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

## **Reporting Entity**

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

The primary government of the City includes all City departments, boards, and commissions whose activities are directly controlled by the City Council through the budgetary process. The City has oversight responsibility for the Berea Municipal Court by appropriating and financing its operations through the General Fund.

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

## **Economic Condition and Outlook**

### **Summary of Local Economy**

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

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

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

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

The City of Berea annexed 123 acres of land in 2002 for a new housing development. This development is anticipated to add more than 600 homes to Berea. Construction began in 2004 and 252 homes have been built through 2006. The homes range from \$200,000 up to \$400,000. Approximately 75 homes will be built in 2007 and the entire project will not be complete until 2010.

Another housing development, Trailhead Village, is planned in the Nobottom Road/Barrett Road area. This development has sold 13 homes through 2006. It is expected to sell an additional 5 in 2007. There are plans for approximately 47 homes ranging in price from \$300,000 and up.

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

### **Future Economic Outlook**

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

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

Moody's stated:

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

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

## **Major Initiatives**

### **Current Year Projects**

The largest projects in the history of the City of Berea are the two railroad overpass and underpass projects on the two main roads in the City. During 1998, CSX Corporation (CSX) and Norfolk Southern Corporation (NS) entered into an operations plan for the purchase of the Conrail Corporation operations. Part of the plan involved routing and re-routing train traffic in the Cleveland area. Berea is the crossing point of both major railroad lines, thus causing a significant increase in train traffic through two of Berea's main thoroughfares. As a result, the City of Berea, CSX Corporation and NS Corporation entered into an agreement in June 1998.

The agreement secured \$47.25 million in federal, state and railroad funds to construct an underpass on West Bagley Road and an underpass on Front Street in Berea. In 2001, the initial design phase was completed and plan implementation began. This phase saw the beginning of land acquisition surrounding the West Bagley Road area. Actual construction began in late summer 2002 for the West Bagley Road underpass and the Front Street railroad project began site development in 2003.

The West Bagley Road Underpass Project was completed in 2005. The Front Street Project has been reconsidered and due to rising costs and improved bridge alternatives, it has been determined that the City will construct an overpass rather than an underpass at this location. During 2006, the City continued the land acquisition in the Front Street area with construction planned to begin in late 2007.

In 2006, the City completed the construction of two major water line projects, Whitehall and Daisy Avenue/Adelbert Street. Both of these projects were funded through OWDA Loans in the amount of \$900,000. These projects brought new water lines, catch basins, manholes, and storm sewers along with new sidewalks, curbs and roadways to each area.

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

The City completed road improvements on the following roads in 2006: Savage, White, Robin, Janice, Larchwood, Wyleswood, Tamarack, Morse, Fourth and Pecan. These improvements included replacement of curbs, sidewalks, aprons catch basins, manholes, roadways, trees and landscaping.

### **Future Projects**

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

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

A Urban Renewal Downtown CDBG Project will include repaving roads, streetscape, street lighting, sidewalk improvements, and parking lots in the City's downtown area. This will be a joint project with CDBG, area businesses and the City to improve this area and Baldwin Wallace College.

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



The City is continuing its effort to improve the roads throughout the City. The City is planning on the following road improvements in 2007: Buckeye, Edgewood, Greenfield Court, Laurel, Shakespeare, Sunset and Wyleswood.

A Coe Lake Nature Trail and Pedestrian Bridge CDBG project is scheduled in 2007. The project will include installation of a nature trail and a friendly pedestrian bridge which is ADA accessible.

The City is planning on four water line extension projects in 2007 as follows: Maplelawn and Milton Phase I, Barrett Road Phase II (engineering only), Barberry and Eastland (Issue II project), Lindberg, Westlawn (Issue II project). These projects will involve new water lines with some roadway and sewer improvements.

## **Risk Management**

The City is self-insured for its property and liability insurance. The Property/Liability Insurance Internal Service Fund accounts for the operation of the City's property and liability self-insurance program. The City contracts with St. Paul Insurance Company to provide self-insured administration and claims handling for the City. Revenues of the fund consist of payments from other City funds

based on estimates of the amounts needed to pay the claims. Property valuations are revised annually to provide insurance companies and the City with an accurate inventory of insurable property and replacement cost values.

The City also has a self-insurance program for employee health care. The Medical Benefits Internal Service Fund accounts for the City's health insurance plans which include medical, surgical, prescription drug, and dental and vision benefits. The traditional plan with a Preferred Provider Organization (PPO) is self-funded and administered by a third party administrator. For the traditional plan, the preferred provider prices all claims which are then submitted to the third party administrator. The third party administrator reviews and processes the claims, which the City then pays. Control of the plan rests with the City. The plan provides coverage with certain deductibles, co-pays, and maximum benefits. The City has excess insurance coverage for claims over a specified amount. The premium is determined using historical cost data provided by the insurance carriers and is charged to the fund that records the salary expenditure of the covered employee using the pre-determined rate for family or single coverage. The City expects to assume no additional risks in the near future.

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

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

## Other Information

### Independent Audit

In accordance with Ohio law, annual independent audits are required to be performed on all financial operations of the City. Either the Auditor of the State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. Included in this report is an unqualified audit opinion regarding the City's financial statements for the year ended December 31, 2006. Rea & Associates, Inc. conducted this year's audit. Their report is presented in the financial section.

### GFOA Certificate of Achievement Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Berea, Ohio for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2005. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### Acknowledgments

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

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

Respectfully submitted,



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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Berea  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2005

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

**CITY OF BEREA, OHIO  
PRINCIPAL OFFICIALS  
DECEMBER 31, 2006**

**ELECTED OFFICIALS**

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

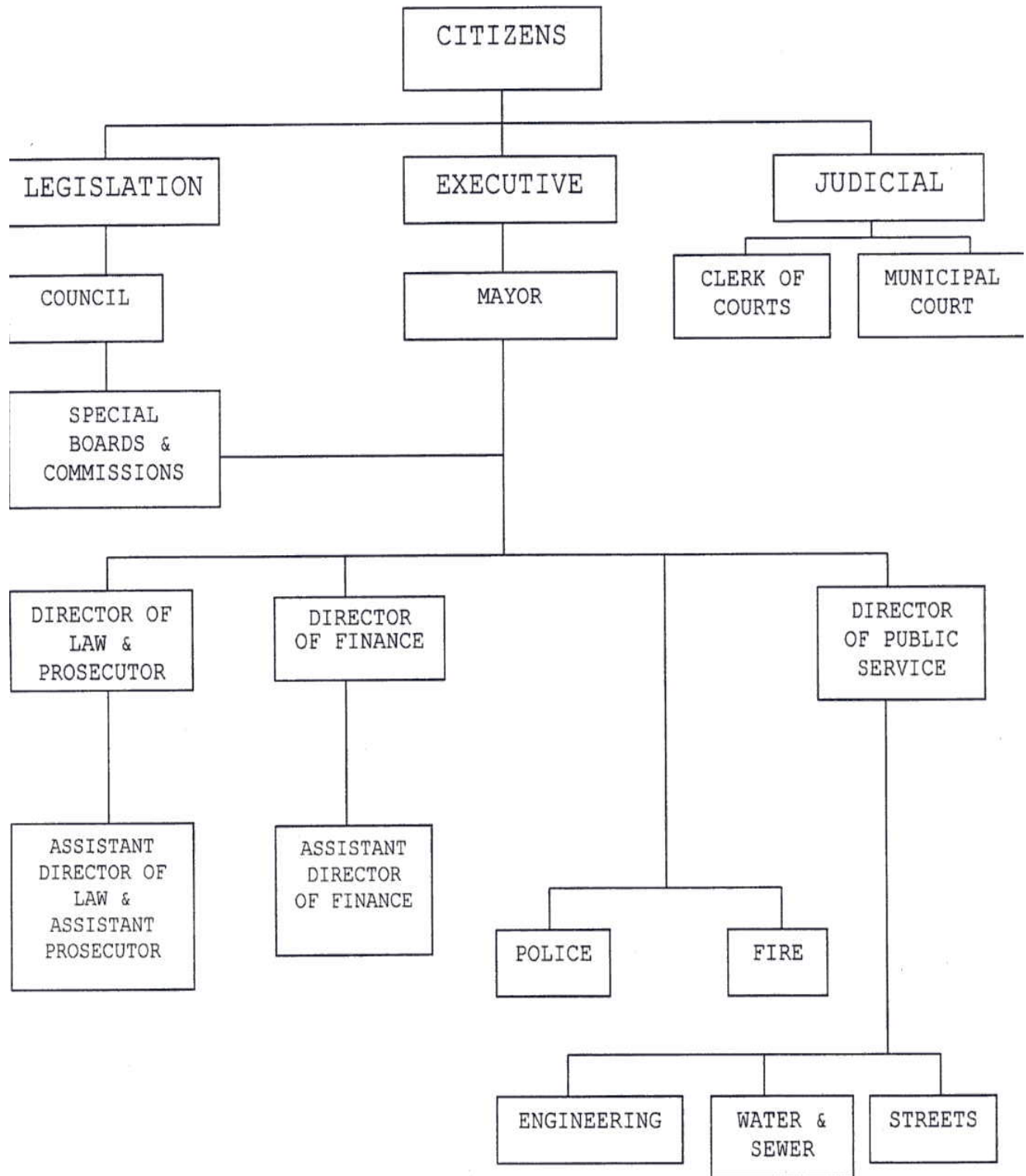
Joseph W. Biddlecombe  
Richard T. Malott  
Dale A. Lange  
James Walters  
Adrian Maldonado  
Kathey S. Brown  
Jim Maxwell  
George Capellas  
James M. Baker

**APPOINTED OFFICIALS**

Director of Finance  
Director of Law  
Director of Public Service

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

CITY OF BEREA, OHIO  
ORGANIZATIONAL CHART







## FINANCIAL SECTION





# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 28, 2007

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, 2006, 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, 2006 and the respective changes in financial position and the cash flows where applicable, thereof, and the respective budgetary comparisons for the general fund and municipal income tax 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 28, 2007 on our consideration of the City of Berea's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

*Hea & Associates, Inc.*

**CITY OF BEREA, OHIO**  
**Management's Discussion and Analysis**  
**for the Year Ended December 31, 2006**  
**Unaudited**

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The discussion and analysis of the City of Berea's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2006. 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 2006 are as follows:

- Total assets of the City exceeded its liabilities at the close of the most recent year by \$72,808,801 (net assets).
- Total assets increased by \$2,961,519 or 3.0 percent from 2005.
- Total liabilities decreased by \$2,214,176 or 7.3 percent from 2005.
- Total net assets increased by \$5,175,695 or 7.7 percent from 2005.
- Total capital assets increased by \$4,790,003 or 5.9 percent over 2005.
- Total outstanding long-term liabilities at 2006 were \$2,898,901 less than year 2005 or 12.3 percent decrease.

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

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

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

**CITY OF BEREA, OHIO**  
**Management's Discussion and Analysis**  
**for the Year Ended December 31, 2006**  
**Unaudited**

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***Reporting the City as a Whole***

*Statement of Net Assets and Statement of Activities*

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and asks the question, "How did we do financially during 2006?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

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

*Fund Financial Statements*

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

**CITY OF BEREA, OHIO**  
**Management's Discussion and Analysis**  
**for the Year Ended December 31, 2006**  
**Unaudited**

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

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

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

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

Table 1 provides a summary of the City's net assets for 2006 compared to 2005:

**CITY OF BEREA, OHIO**  
**Management's Discussion and Analysis**  
**for the Year Ended December 31, 2006**  
**Unaudited**

**Table 1 - Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
<b>Assets</b>						
Current and Other Assets	\$ 13,001,319	\$ 14,796,796	\$ 1,980,008	\$ 2,013,015	\$ 14,981,327	\$ 16,809,811
Capital Assets	<u>61,568,404</u>	<u>59,275,607</u>	<u>24,419,958</u>	<u>21,922,752</u>	<u>85,988,362</u>	<u>81,198,359</u>
<b>Total Assets</b>	<u>74,569,723</u>	<u>74,072,403</u>	<u>26,399,966</u>	<u>23,935,767</u>	<u>100,969,689</u>	<u>98,008,170</u>
<b>Liabilities</b>						
Current and Other Liabilities	6,739,827	6,313,599	795,379	536,882	7,535,206	6,850,481
Long-Term Liabilities:						
Due Within One Year	1,319,240	6,997,575	337,345	298,317	1,656,585	7,295,892
Due in More than One Year	<u>13,435,804</u>	<u>11,260,583</u>	<u>5,533,293</u>	<u>4,968,108</u>	<u>18,969,097</u>	<u>16,228,691</u>
<b>Total Liabilities</b>	<u>21,494,871</u>	<u>24,571,757</u>	<u>6,666,017</u>	<u>5,803,307</u>	<u>28,160,888</u>	<u>30,375,064</u>
<b>Net Assets</b>						
Invested in Capital Assets						
Net of Debt	48,121,514	42,381,980	18,647,776	16,754,484	66,769,290	59,136,464
Restricted for :						
Capital Projects	232,205	3,264,410	0	0	232,205	3,264,410
Debt Service	670,019	643,931	0	0	670,019	643,931
Other Purposes	2,053,168	2,460,328	0	0	2,053,168	2,460,328
Unrestricted (Deficit)	<u>1,997,946</u>	<u>749,997</u>	<u>1,086,173</u>	<u>1,377,976</u>	<u>3,084,119</u>	<u>2,127,973</u>
<b>Total Net Assets</b>	<u>\$53,074,852</u>	<u>\$49,500,646</u>	<u>\$19,733,949</u>	<u>\$18,132,460</u>	<u>\$72,808,801</u>	<u>\$67,633,106</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 \$72,808,801 at year end 2006. By far the largest portion of the City's net assets (approximately 92 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 \$2,961,519 from 2005 to 2006. The increase was due mainly to the City reporting construction in progress for the railroad projects and water plant improvements, which are contracted at approximately \$1.2 million.

In addition, total liabilities decreased by \$2,214,176, also in relation to the railroad projects, and the City's net assets increased by \$5,175,695.

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 2006 compared to 2005.

**CITY OF BEREA, OHIO**  
**Management's Discussion and Analysis**  
**for the Year Ended December 31, 2006**  
**Unaudited**

**Table 2 - Change in Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 4,537,414	\$ 3,996,240	\$ 3,509,853	\$ 3,319,108	\$ 8,047,267	\$ 7,315,348
Operating Grants and Contributions	758,735	986,712	0	0	758,735	986,712
Capital Grants and Contributions	3,226,734	5,325,266	2,259,330	2,989,672	5,486,064	8,314,938
<b>Total Program Revenues</b>	<b>8,522,883</b>	<b>10,308,218</b>	<b>5,769,183</b>	<b>6,308,780</b>	<b>14,292,066</b>	<b>16,616,998</b>
<b>General Revenues:</b>						
Property and Other Local Taxes	4,671,052	4,451,970	0	0	4,671,052	4,451,970
Income Tax	10,314,141	9,488,012	0	0	10,314,141	9,488,012
Grants and Entitlements	1,960,590	1,180,922	0	0	1,960,590	1,180,922
Investment Earnings	344,936	195,954	0	0	344,936	195,954
Miscellaneous	87,296	78,228	0	0	87,296	78,228
<b>Total General Revenues</b>	<b>17,378,015</b>	<b>15,395,086</b>	<b>0</b>	<b>0</b>	<b>17,378,015</b>	<b>15,395,086</b>
<b>Total Revenues</b>	<b>25,900,898</b>	<b>25,703,304</b>	<b>5,769,183</b>	<b>6,308,780</b>	<b>31,670,081</b>	<b>32,012,084</b>
<b>Program Expenses</b>						
Security of Persons and Property	6,639,568	5,845,715	0	0	6,639,568	5,845,715
Public Health	144,833	130,574	0	0	144,833	130,574
Leisure Time Activities	2,029,456	3,869,281	0	0	2,029,456	3,869,281
Community Development	638,547	501,952	0	0	638,547	501,952
Public Works	1,122,270	889,213	0	0	1,122,270	889,213
Transportation	2,535,627	2,160,819	0	0	2,535,627	2,160,819
General Government	7,798,798	8,413,294	0	0	7,798,798	8,413,294
Interest and Fiscal Charges	1,292,593	1,085,275	0	0	1,292,593	1,085,275
Water	0	0	3,292,666	2,603,840	3,292,666	2,603,840
Sewer	0	0	1,000,028	1,486,172	1,000,028	1,486,172
<b>Total Program Expenses</b>	<b>22,201,692</b>	<b>22,896,123</b>	<b>4,292,694</b>	<b>4,090,012</b>	<b>26,494,386</b>	<b>26,986,135</b>
<b>Increase in Net Assets</b>						
Before Transfers	3,699,206	2,807,181	1,476,489	2,218,768	5,175,695	5,025,949
Transfers	(125,000)	(305,000)	125,000	305,000	0	0
<b>Increase in Net Assets</b>	<b>3,574,206</b>	<b>2,502,181</b>	<b>1,601,489</b>	<b>2,523,768</b>	<b>5,175,695</b>	<b>5,025,949</b>
Net Assets Beginning of Year	49,500,646	46,998,465	18,132,460	15,608,692	67,633,106	62,607,157
<b>Net Assets End of Year</b>	<b>\$53,074,852</b>	<b>\$49,500,646</b>	<b>\$19,733,949</b>	<b>\$18,132,460</b>	<b>\$72,808,801</b>	<b>\$67,633,106</b>

**Governmental Activities**

Governmental activities increased the City's net assets by \$3,574,206, thereby accounting for 7.2 percent growth in total net assets. The primary reason for the increase in net assets relates to an increase in governmental revenues and expenses decreased from the prior year.

Several revenue sources fund our governmental activities with the City income tax being the largest contributor. The income tax rate of 2 percent was created by City Charter and became effective January 1992. This tax created by a Charter amendment will remain until such time as the City's electorate changes the rate, which is not anticipated. The income tax revenue amount for 2006 was \$10,314,141. General revenues from grants and entitlements, such as local government funds, are also sources of revenue.

**CITY OF BEREA, OHIO**  
**Management's Discussion and Analysis**  
**for the Year Ended December 31, 2006**  
**Unaudited**

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Income tax collections in 2006 were 8.71 percent higher than in 2005, due to the increase in homes within the City as a result of new development. Of the \$25,900,898 in total governmental revenue, income tax accounts for 40 percent of that total. Property taxes of \$4,671,052 accounts for 18 percent, with program revenues accounting for 33 percent of governmental activities. Grants and entitlements, investment earnings and miscellaneous income account for the remaining 9 percent.

For the most part, decreases in expenses relate to the reduction in capital expenditures. While the City continues to expend significant money towards its improvements to its infrastructure, it fluctuates annually. The railroad underpass project's funding varies annually, and the Bagley Road Underpass project was completed in 2005. The Front Street Overpass project has been in the engineering and design, and acquisition phase. In addition, the City has been aggressively working on improving the City's infrastructure by installing new water, sewer and storm lines as well as road improvements. The largest program function of the City was for general government, which represents approximately 35 percent of program expenses in 2006. The next largest program function relates to security of persons and property, which includes the police and fire departments and represents approximately 29 percent of program expenses in 2006.

***Business-Type Activities***

The business type activities of the City, which include the City's water and sewer operations, increased the City's net assets by \$1,601,489. Net program revenues exceeded program expenses in the amount of \$1,095,249 for the water operations for 2006. This was the result from the City receiving capital contributions of \$2,188,339 from contractors of the Sandstone Ridge Housing Development. Revenues exceeded expenses in the sewer revenue activity in the amount of \$381,240 for 2006.

**The City's Funds**

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

As of December 31, 2006, the City's governmental funds reported combined ending fund balances of \$3,474,724. Of that amount, \$3,333,137 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 \$141,587.

All governmental funds had total revenue of \$24,211,894 and expenditures of \$29,547,129 leaving a deficit of \$5,335,235. While the City did achieve some revenue growth in 2006, expenses out paced revenue due to capital outlay, debt payment and increases in salaries and benefits.



**CITY OF BEREA, OHIO**  
**Management's Discussion and Analysis**  
**for the Year Ended December 31, 2006**  
**Unaudited**

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The general fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance for the general fund was \$2,027,109, of which \$2,005,337 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 14.3 percent of total general fund expenditures and other financing uses, while total fund balance represents 14.4 percent of that same amount. These numbers are a representation of the City's financial performance and condition.

The City's general bond retirement fund experienced a decrease in fund balance of \$139,462 due to bond issuance cost incurred from refunding bonds issued.

The balance in the railroad capital improvement fund decreased slightly due to contributions made by CSX Corporation and Norfolk Southern Corporation towards the railroad projects.

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

***General Fund Budgeting Highlights***

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. During the course of fiscal year 2006, 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 \$13,979,224. The final budgeted amount was \$14,317,243. The City's ending unencumbered cash balance in the general fund was \$262,514 above the final budgeted amount.

The differences between the general fund's original budget and the final amended budget were minor, amounting to less than 3 percent. The actual expenditures were 1.9 percent less than the budgeted amount mostly due to decreases in capital expenditures.

**CITY OF BEREA, OHIO**  
**Management's Discussion and Analysis**  
**for the Year Ended December 31, 2006**  
**Unaudited**

**Capital Assets and Debt Administration**

*Capital Assets*

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

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 4,869,798	\$ 4,949,799	\$ 93,181	\$ 93,181	\$ 4,962,979	\$ 5,042,980
Construction in Progress	6,059,879	4,915,943	333,194	0	6,393,073	4,915,943
Buildings	8,230,288	8,564,991	1,302,665	1,369,488	9,532,953	9,934,479
Land Improvements	3,196,629	3,452,568	505,873	566,825	3,702,502	4,019,393
Building Improvements	8,440,935	8,579,913	0	0	8,440,935	8,579,913
Machinery and Equipment	1,405,765	1,326,791	788,855	754,371	2,194,619	2,081,162
Furniture and Fixtures	160,646	151,676	0	0	160,646	151,676
Vehicles	610,669	433,308	35,127	7,044	645,798	440,352
Infrastructure:						
Bridges	7,582,697	7,843,235	0	0	7,582,697	7,843,235
Roads	19,081,322	17,385,030	0	0	19,081,324	17,385,030
Sidewalks	451,491	157,986	0	0	451,489	157,986
Traffic Signals	1,478,285	1,514,367	0	0	1,478,285	1,514,367
Water Lines	0	0	3,804,104	2,866,119	3,804,104	2,866,119
Storm Sewers	0	0	10,466,077	9,538,594	10,466,076	9,538,594
Sanitary Sewers	0	0	7,090,882	6,727,130	7,090,882	6,727,130
<b>Totals</b>	<u>\$ 61,568,404</u>	<u>\$ 59,275,607</u>	<u>\$ 24,419,958</u>	<u>\$ 21,922,752</u>	<u>\$ 85,988,362</u>	<u>\$ 81,198,359</u>

Total capital assets for the City as of December 31, 2006 were \$85,988,362, a \$4,790,003 increase over 2005. The most significant increases in capital assets are a result of various capital projects such as various road improvements including Daisy, Adalbert and Whitehall area waterline projects and right of way acquisition as part of the Front Street Railroad project. The City has received approximately \$5 million from federal and state funds to pay for the right of way acquisition and engineering of the Front Street Railroad Project. Construction is scheduled to begin in late or early 2008. The City is committed to a long-term goal of rebuilding its infrastructure and facilities. A capital plan is in place providing for rebuilding major residential streets, water, sewer and storm sewer lines, and adding additional facilities to complement our current structures. See Note 9 for additional information on capital assets.

*Debt*

On December 31, 2006, the City had \$20,625,682 in bonds, loans, compensated absences, and police and fire liability outstanding.

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

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
General Obligation Bonds	\$ 11,785,756	\$ 9,528,023	\$ 0	\$ 0	\$ 11,785,756	\$ 9,528,023
Urban Renewal Bonds	1,225,000	1,395,000	0	0	1,225,000	1,395,000
Capital Leases	276,127	170,604	211,911	256,731	488,038	427,335
Notes	0	5,800,000	0	0	0	5,800,000
OWDA Loans	0	0	5,199,454	4,541,468	5,199,454	4,541,468
OPWC Loan	0	0	360,817	370,069	360,817	370,069
<b>Total</b>	<u>\$ 13,286,883</u>	<u>\$ 16,893,627</u>	<u>\$ 5,772,182</u>	<u>\$ 5,168,268</u>	<u>\$ 19,059,065</u>	<u>\$ 22,061,895</u>

**CITY OF BEREA, OHIO**  
**Management's Discussion and Analysis**  
**for the Year Ended December 31, 2006**  
**Unaudited**

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

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

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

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

**Current Financial Related Activities**

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

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

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

**CITY OF BEREA, OHIO**  
**Management's Discussion and Analysis**  
**for the Year Ended December 31, 2006**  
**Unaudited**

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**Contacting the City's Financial Management**

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

**CITY OF BEREA, OHIO**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2006**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash, Cash Equivalents and Investments	\$ 2,628,469	\$ 329,467	\$ 2,957,936
Materials and Supplies Inventory	125,737	22,326	148,063
Accrued Interest Receivable	16,768	0	16,768
Accounts Receivable	204,167	1,249,306	1,453,473
Intergovernmental Receivable	1,457,356	43,392	1,500,748
Prepays Items	15,106	10,248	25,354
Taxes Receivable	7,787,218	0	7,787,218
Special Assessments Receivable	608,969	325,269	934,238
Unamortized Bond Issuance Costs	157,529	0	157,529
Nondrepreciable Capital Assets	10,929,677	426,375	11,356,052
Depreciable Capital Assets, Net	<u>50,638,727</u>	<u>23,993,583</u>	<u>74,632,310</u>
<b>Total Assets</b>	<u>74,569,723</u>	<u>26,399,966</u>	<u>100,969,689</u>
<b>Liabilities</b>			
Accounts Payable	496,544	132,735	629,279
Contracts Payable	109,188	431,701	540,889
Accrued Wages and Benefits Payable	323,716	53,834	377,550
Intergovernmental Payable	638,919	78,227	717,146
Claims Payable	186,028	0	186,028
Accrued Interest Payable	15,838	98,882	114,720
Unearned Revenue	4,769,594	0	4,769,594
Notes Payable	200,000	0	200,000
Long-Term Liabilities:			
Due Within One Year	1,319,240	337,345	1,656,585
Due In More than One Year	<u>13,435,804</u>	<u>5,533,293</u>	<u>18,969,097</u>
<b>Total Liabilities</b>	<u>21,494,871</u>	<u>6,666,017</u>	<u>28,160,888</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	48,121,514	18,647,776	66,769,290
Restricted for:			
Capital Projects	232,205	0	232,205
Debt Service	670,019	0	670,019
Special Revenue	2,053,168	0	2,053,168
Unrestricted (Deficit)	<u>1,997,946</u>	<u>1,086,173</u>	<u>3,084,119</u>
<b>Total Net Assets</b>	<u>\$ 53,074,852</u>	<u>\$ 19,733,949</u>	<u>\$ 72,808,801</u>

See accompanying notes to the basic financial statements.

**CITY OF BERA, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services and Sales	Operating Grants, Interest, & Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<i>Primary Government</i>							
<b><u>Governmental Activities</u></b>							
Security of Persons and Property	\$ 6,639,568	\$ 428,927	\$ 20,239	\$ 220,893	\$ (5,969,509)	\$ 0	\$ (5,969,509)
Public Health	144,833	0	0	0	(144,833)	0	(144,833)
Leisure Time Activities	2,029,456	381,189	1,250	473,648	(1,173,369)	0	(1,173,369)
Community Development	638,547	967,225	0	150,000	478,678	0	478,678
Public Works	1,122,270	2,696	0	0	(1,119,574)	0	(1,119,574)
Transportation	2,535,627	0	736,799	2,382,193	583,365	0	583,365
General Government	7,798,798	2,757,377	447	0	(5,040,974)	0	(5,040,974)
Interest and Fiscal Charges	1,292,593	0	0	0	(1,292,593)	0	(1,292,593)
<b>Total Governmental Activities</b>	<u>22,201,692</u>	<u>4,537,414</u>	<u>758,735</u>	<u>3,226,734</u>	<u>(13,678,809)</u>	<u>0</u>	<u>(13,678,809)</u>
<b><u>Business-Type Activities</u></b>							
Water	3,292,666	2,716,951	0	1,670,964	0	1,095,249	1,095,249
Sewer	1,000,028	792,902	0	588,366	0	381,240	381,240
<b>Total Business-Type Activities</b>	<u>4,292,694</u>	<u>3,509,853</u>	<u>0</u>	<u>2,259,330</u>	<u>0</u>	<u>1,476,489</u>	<u>1,476,489</u>
<b>Total Primary Government</b>	<u>\$ 26,494,386</u>	<u>\$ 8,047,267</u>	<u>\$ 758,735</u>	<u>\$ 5,486,064</u>	<u>(13,678,809)</u>	<u>1,476,489</u>	<u>(12,202,320)</u>
<b><u>General Revenues</u></b>							
Property Taxes Levied for:							
General Purposes					2,088,896	0	2,088,896
Special Revenue					931,020	0	931,020
Debt Service					1,637,660	0	1,637,660
Income Tax Levied for:							
General Purposes					7,735,605	0	7,735,605
Special Revenue					2,578,536	0	2,578,536
Other Taxes					13,476	0	13,476
Grants and Entitlements not Restricted to Specific Programs					1,960,590	0	1,960,590
Investment Earnings					344,936	0	344,936
Miscellaneous					87,296	0	87,296
<b>Total General Revenues</b>					<u>17,378,015</u>	<u>0</u>	<u>17,378,015</u>
Transfers					(125,000)	125,000	0
<b>Total General Revenues and Transfers</b>					<u>17,253,015</u>	<u>125,000</u>	<u>17,378,015</u>
Change in Net Assets					3,574,206	1,601,489	5,175,695
Net Assets Beginning of Year					49,500,646	18,132,460	67,633,106
<b>Net Assets End of Year</b>					<u>\$ 53,074,852</u>	<u>\$19,733,949</u>	<u>\$ 72,808,801</u>

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2006**

	General Fund	Municipal Income Tax Fund	General Bond Retirement Fund	Railroad Capital Improvement Fund	Court Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash, Cash Equivalents and Investments	\$ 995,956	\$ 54,606	\$ 420,077	\$ 134,735	\$ 2,256	\$ 977,193	\$ 2,584,823
Receivables:							
Taxes	4,288,643	663,418	1,962,112	0	0	873,045	7,787,218
Accounts	128,947	0	0	0	28,440	46,780	204,167
Accrued Interest	16,768	0	0	0	0	0	16,768
Special Assessments	0	0	24,923	0	0	584,046	608,969
Intergovernmental Receivable	866,771	0	85,910	126,482	0	378,193	1,457,356
Material and Supplies Inventory	11,034	0	0	0	0	114,703	125,737
Prepaid Items	10,738	0	0	0	0	2,111	12,849
Advances to Other Funds	0	100,000	15,000	0	0	0	115,000
<b>Total Assets</b>	<u>\$ 6,318,857</u>	<u>\$ 818,024</u>	<u>\$ 2,508,022</u>	<u>\$ 261,217</u>	<u>\$ 30,696</u>	<u>\$ 2,976,071</u>	<u>\$ 12,912,887</u>
<b>Liabilities</b>							
Accounts Payable	\$ 204,554	\$ 0	\$ 0	\$ 0	\$ 0	\$ 290,553	\$ 495,107
Contracts Payable	0	0	0	109,188	0	0	109,188
Accrued Wages and Benefits	297,112	0	0	0	0	26,604	323,716
Intergovernmental Payable	314,585	0	0	0	0	324,334	638,919
Deferred Revenue	3,475,497	258,602	2,072,945	0	0	1,749,189	7,556,233
Notes Payable	0	0	200,000	0	0	0	200,000
Advances from Other Funds	0	0	0	100,000	15,000	0	115,000
<b>Total Liabilities</b>	<u>4,291,748</u>	<u>258,602</u>	<u>2,272,945</u>	<u>209,188</u>	<u>15,000</u>	<u>2,390,680</u>	<u>9,438,163</u>
<b>Fund Balances</b>							
Reserved for Inventory	11,034	0	0	0	0	114,703	125,737
Reserved for Prepaid Items	10,738	0	0	0	0	2,111	12,849
Reserved for Encumbrances	0	0	0	0	0	3,001	3,001
Reserved for Loans	0	100,000	0	0	0	0	100,000
Unreserved, Undesignated, Reported in:							
General Fund	2,005,337	0	0	0	0	0	2,005,337
Special Revenue Funds	0	459,422	0	0	0	400,258	859,680
Debt Service Funds	0	0	235,077	0	0	0	235,077
Capital Project Funds	0	0	0	52,029	15,696	65,318	133,043
<b>Total Fund Balances</b>	<u>2,027,109</u>	<u>559,422</u>	<u>235,077</u>	<u>52,029</u>	<u>15,696</u>	<u>585,391</u>	<u>3,474,724</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 6,318,857</u>	<u>\$ 818,024</u>	<u>\$ 2,508,022</u>	<u>\$ 261,217</u>	<u>\$ 30,696</u>	<u>\$ 2,976,071</u>	<u>\$ 12,912,887</u>

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**  
**DECEMBER 31, 2006**

Total Governmental Fund Balances	\$ 3,474,724
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*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.	61,568,404
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	\$ 363,955	
Income Tax	1,034,408	
Intergovernmental	779,307	
Special Assessments	<u>608,969</u>	
Total		2,786,639

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.	(141,562)
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In the statement of activities, interest is accrued on outstanding bond, whereas in governmental funds, an interest expenditure is reported when due.	(15,838)
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Unamortized various purpose improvement and refunding bond issuance cost	157,529
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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	(11,785,756)	
Urban Renewal Bonds	(1,225,000)	
Capital Lease	(276,127)	
Unamortized Bond Premium	(117,536)	
Compensated Absences	(1,107,772)	
Police and Fire Pension Liability	<u>(242,853)</u>	
Total		<u>(14,755,044)</u>

<b>Net Assets of Governmental Activities</b>	<b><u>\$53,074,852</u></b>
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See accompanying notes to the basic financial statements.



**CITY OF BEREA, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	General Fund	Municipal Income Tax Fund	General Bond Retirement Fund	Railroad Capital Improvement Fund	Court Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Property Taxes	\$ 2,116,406	\$ 0	\$ 1,801,282	\$ 0	\$ 0	\$ 802,201	\$ 4,719,889
Income Taxes	7,922,515	2,640,839	0	0	0	0	10,563,354
Other Local Taxes	13,476	0	0	0	0	0	13,476
Intergovernmental Revenue	1,489,205	0	193,540	879,940	0	1,055,333	3,618,018
Special Assessments	0	0	0	0	0	495,358	495,358
Charges for Services	586,916	0	0	0	0	416,185	1,003,101
Fees, Licenses and Permits	984,978	0	0	0	0	13,975	998,953
Fines and Forfeitures	1,420,561	0	0	0	299,301	535,263	2,255,125
Interest Income	279,613	0	0	14,983	50,288	52	344,936
Other	93,916	0	55,000	0	0	50,768	199,684
<b>Total Revenues</b>	<u>14,907,586</u>	<u>2,640,839</u>	<u>2,049,822</u>	<u>894,923</u>	<u>349,589</u>	<u>3,369,135</u>	<u>24,211,894</u>
<b>Expenditures</b>							
Current:							
Security of Persons and Property	4,911,588	0	0	0	0	1,702,240	6,613,828
Public Health	0	0	0	0	0	144,833	144,833
Leisure Time Activities	697,841	0	0	0	0	996,027	1,693,868
Community Development	535,008	0	0	0	0	0	535,008
Public Works	1,019,438	0	0	0	0	0	1,019,438
Transportation	0	0	0	0	0	876,475	876,475
General Government	6,442,440	61,187	10,674	0	0	529,658	7,043,959
Capital Outlay	0	0	0	903,817	179,501	2,569,809	3,653,127
Debt Service:							
Principal Retirement	0	0	4,022,267	0	2,800,000	31,092	6,853,359
Interest and Fiscal Charges	0	0	1,004,492	0	100,809	7,933	1,113,234
<b>Total Expenditures</b>	<u>13,606,315</u>	<u>61,187</u>	<u>5,037,433</u>	<u>903,817</u>	<u>3,080,310</u>	<u>6,858,067</u>	<u>29,547,129</u>
Excess of Revenues Over (Under) Expenditures	<u>1,301,271</u>	<u>2,579,652</u>	<u>(2,987,611)</u>	<u>(8,894)</u>	<u>(2,730,721)</u>	<u>(3,488,932)</u>	<u>(5,335,235)</u>
<b>Other Financing Sources (Uses)</b>							
Sale of Capital Assets	3,318	0	0	5,000	0	0	8,318
Refunding of Bonds Issued	0	0	7,365,000	0	0	0	7,365,000
Refunding Bond Issuance Cost	0	0	(210,039)	0	0	0	(210,039)
Payment to Refunding Bond							
Escrow Agent	0	0	(4,430,878)	0	0	0	(4,430,878)
Premium on Refunding Bond	0	0	124,066	0	0	0	124,066
Capital Leases	0	0	0	0	0	136,615	136,615
Transfers In	0	0	0	0	0	2,981,550	2,981,550
Transfers Out	(461,050)	(2,645,500)	0	0	0	0	(3,106,550)
<b>Total Other Financing Sources (Uses)</b>	<u>(457,732)</u>	<u>(2,645,500)</u>	<u>2,848,149</u>	<u>5,000</u>	<u>0</u>	<u>3,118,165</u>	<u>2,868,082</u>
Net Change in Fund Balances	843,539	(65,848)	(139,462)	(3,894)	(2,730,721)	(370,767)	(2,467,153)
Fund Balances (Deficits) Beginning of Year, Restated	<u>1,183,570</u>	<u>625,270</u>	<u>374,539</u>	<u>55,923</u>	<u>2,746,417</u>	<u>956,158</u>	<u>5,941,877</u>
<b>Fund Balances (Deficits) End of Year</b>	<u>\$ 2,027,109</u>	<u>\$ 559,422</u>	<u>\$ 235,077</u>	<u>\$ 52,029</u>	<u>\$ 15,696</u>	<u>\$ 585,391</u>	<u>\$ 3,474,724</u>

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

Net Change in Fund Balances - Total Governmental Funds \$ (2,467,153)

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

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

Capital Additions	\$ 4,293,064	
Current Year Depreciation	<u>(3,737,771)</u>	
Total		555,293

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (16,198)

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 1,753,702

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

Delinquent Property Taxes	(62,312)	
Municipal Income Taxes	(249,214)	
Special Assessments	101,795	
Intergovernmental	<u>149,082</u>	
Total		(60,649)

The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. The notes transactions did not have any effect on net assets. Repayment of bond principal reduces long-term liabilities in the statement of net assets. 6,853,359

Principal payment to refunding bond escrow agent. 4,255,000

Note premium will be amortized over the life of the note on the statement of net assets. (117,536)

Bond issuance costs are recognized as expenditures in the governmental funds; however, they are amortized over the life or issuance in the statement of activities. 157,529

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds an interest expenditure is reported when due. 42,499

Other financing sources in the governmental funds that increase long-term liabilities in the statement of net assets are not reported as revenues in the statement of activities. (7,365,000)

Issuance of capital leases in the governmental funds increased long-term liabilities in the statement of net assets. (136,615)

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

Compensated Absences	9,551	
Police and Fire Pension Liability	<u>4,355</u>	
Total		13,906

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

**Change in Net Assets of Governmental Activities.** 106,069  
\$ 3,574,206

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
<b><u>Revenues</u></b>				
Property Taxes	\$ 1,990,000	\$ 2,116,406	\$ 2,116,406	\$ 0
Income Taxes	7,141,914	7,657,080	7,657,080	0
Other Local Taxes	226,500	13,476	13,476	0
Intergovernmental	1,334,400	1,223,422	1,223,422	0
Charges for Services	483,700	557,178	557,178	0
Fees, Licenses, and Permits	1,060,000	1,027,474	1,027,474	0
Fines and Forfeitures	1,365,910	1,392,750	1,392,750	0
Investment Income	160,000	235,541	236,248	707
Refunds and Reimbursements	1,000	17,397	17,397	0
Other	<u>215,800</u>	<u>76,519</u>	<u>76,519</u>	<u>0</u>
<b>Total Revenues</b>	<u>13,979,224</u>	<u>14,317,243</u>	<u>14,317,950</u>	<u>707</u>
<b><u>Expenditures</u></b>				
Current Operations and Maintenance:				
Security of Persons and Property	4,777,311	4,795,600	4,770,001	25,599
Leisure Time Activities	669,700	734,300	726,165	8,135
Community Development	505,179	547,379	527,931	19,448
Public Works	1,220,000	1,072,537	1,010,413	62,124
General Government	<u>6,772,207</u>	<u>6,659,064</u>	<u>6,512,563</u>	<u>146,501</u>
<b>Total Expenditures</b>	<u>13,944,397</u>	<u>13,808,880</u>	<u>13,547,073</u>	<u>261,807</u>
Excess of Revenues Over (Under)				
Expenditures	<u>34,827</u>	<u>508,363</u>	<u>770,877</u>	<u>262,514</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers Out	(571,050)	(461,050)	(461,050)	0
Sale of Capital Assets	<u>3,000</u>	<u>3,318</u>	<u>3,318</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(568,050)</u>	<u>(457,732)</u>	<u>(457,732)</u>	<u>0</u>
Net Change in Fund Balance	(533,223)	50,631	313,145	262,514
Fund Balance Beginning of Year	633,051	633,051	633,051	0
Prior Year Encumbrances Appropriated	<u>9,315</u>	<u>9,315</u>	<u>9,315</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 109,143</u>	<u>\$ 692,997</u>	<u>\$ 955,511</u>	<u>\$ 262,514</u>

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**MUNICIPAL INCOME TAX FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>				
Municipal Income Tax	\$ 2,380,638	\$ 2,552,360	\$ 2,552,360	\$ 0
<b>Total Revenues</b>	<u>2,380,638</u>	<u>2,552,360</u>	<u>2,552,360</u>	<u>0</u>
<b><u>Expenditures</u></b>				
Current:				
General Government	<u>75,000</u>	<u>75,000</u>	<u>61,187</u>	<u>13,813</u>
<b>Total Expenditures</b>	<u>75,000</u>	<u>75,000</u>	<u>61,187</u>	<u>13,813</u>
Excess of Revenues Over (Under) Expenditures	<u>2,305,638</u>	<u>2,477,360</u>	<u>2,491,173</u>	<u>13,813</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers Out	<u>(2,487,500)</u>	<u>(2,645,500)</u>	<u>(2,645,500)</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(2,487,500)</u>	<u>(2,645,500)</u>	<u>(2,645,500)</u>	<u>0</u>
Net Change in Fund Balance	(181,862)	(168,140)	(154,327)	13,813
Fund Balance Beginning of Year	<u>208,860</u>	<u>208,860</u>	<u>208,860</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 26,998</u>	<u>\$ 40,720</u>	<u>\$ 54,533</u>	<u>\$ 13,813</u>

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2006**

	Enterprise Funds			Governmental
	Water Revenue	Sewer Revenue	Total	Activities Internal Service Funds
<b>Assets</b>				
<b>Current Assets</b>				
Cash, Cash Equivalents and Investments	\$ 173,692	\$ 155,775	\$ 329,467	\$ 43,646
Material and Supplies Inventory	22,326	0	22,326	0
Receivables:				
Accounts	973,294	276,012	1,249,306	0
Intergovernmental Receivable	0	43,392	43,392	0
Special Assessments Receivable	251,513	73,756	325,269	0
Prepaid Items	10,047	201	10,248	2,257
<b>Total Current Assets</b>	<u>1,430,872</u>	<u>549,136</u>	<u>1,980,008</u>	<u>45,903</u>
<b>Noncurrent Assets</b>				
<b>Capital Assets:</b>				
Nondepreciable Capital Assets	289,802	136,573	426,375	0
Depreciable Capital Assets, Net	<u>14,259,040</u>	<u>9,734,543</u>	<u>23,993,583</u>	<u>0</u>
<b>Total Noncurrent Assets</b>	<u>14,548,842</u>	<u>9,871,116</u>	<u>24,419,958</u>	<u>0</u>
<b>Total Assets</b>	<u>\$15,979,714</u>	<u>\$10,420,252</u>	<u>\$26,399,966</u>	<u>\$ 45,903</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 87,991	\$ 44,744	\$ 132,735	\$ 1,437
Contracts Payable	431,701	0	431,701	0
Accrued Wages and Benefits Payable	37,471	16,363	53,834	0
Intergovernmental Payable	62,953	15,274	78,227	0
Claims Payable	0	0	0	186,028
Compensated Absences	2,913	0	2,913	0
Accrued Interest Payable	60,446	38,436	98,882	0
OWDA Loans Payable	129,755	137,449	267,204	0
OPWC Loans Payable	0	18,504	18,504	0
Capital Lease	0	48,724	48,724	0
<b>Total Current Liabilities</b>	<u>813,230</u>	<u>319,494</u>	<u>1,132,724</u>	<u>187,465</u>
<b>Non-Current Liabilities</b>				
Compensated Absences Payable	95,543	0	95,543	0
OWDA Loans Payable	1,837,271	3,094,979	4,932,250	0
OPWC Loans Payable	0	342,313	342,313	0
Capital Leases	0	163,187	163,187	0
<b>Total Non-Current Liabilities</b>	<u>1,932,814</u>	<u>3,600,479</u>	<u>5,533,293</u>	<u>0</u>
<b>Total Liabilities</b>	<u>2,746,044</u>	<u>3,919,973</u>	<u>6,666,017</u>	<u>187,465</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	12,581,817	6,065,959	18,647,776	0
Unrestricted (Deficit)	<u>651,853</u>	<u>434,320</u>	<u>1,086,173</u>	<u>(141,562)</u>
<b>Total Net Assets</b>	<u>\$13,233,670</u>	<u>\$ 6,500,279</u>	<u>\$19,733,949</u>	<u>\$ (141,562)</u>

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**FUND NET ASSETS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	Enterprise Funds			Governmental
	Water Revenue	Sewer Revenue	Total	Activities Internal Service Funds
<b><u>Operating Revenues</u></b>				
Charges for Services	\$ 2,577,270	\$ 782,601	\$ 3,359,871	\$ 2,067,616
Other	<u>79,098</u>	<u>0</u>	<u>79,098</u>	<u>0</u>
<b>Total Operating Revenues</b>	<u>2,656,368</u>	<u>782,601</u>	<u>3,438,969</u>	<u>2,067,616</u>
<b><u>Operating Expenses</u></b>				
Personal Services	1,053,923	237,527	1,291,450	0
Materials and Supplies Inventory	1,174,073	0	1,174,073	0
Contractual Services	416,285	519,608	935,893	226,731
Claims	0	0	0	1,736,612
Depreciation	<u>579,047</u>	<u>153,623</u>	<u>732,670</u>	<u>0</u>
<b>Total Operating Expenses</b>	<u>3,223,328</u>	<u>910,758</u>	<u>4,134,086</u>	<u>1,963,343</u>
Net Income (Loss) from Operations	<u>(566,960)</u>	<u>(128,157)</u>	<u>(695,117)</u>	<u>104,273</u>
<b><u>Non-Operating Revenues (Expenses)</u></b>				
Intergovernmental	0	70,991	70,991	0
Special Assessments	60,583	10,301	70,884	0
Interest	0	0	0	1,796
Interest and Fiscal Charges	<u>(69,338)</u>	<u>(89,270)</u>	<u>(158,608)</u>	<u>0</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(8,755)</u>	<u>(7,978)</u>	<u>(16,733)</u>	<u>1,796</u>
Income (Loss) before Contributions and Transfers	<u>(575,715)</u>	<u>(136,135)</u>	<u>(711,850)</u>	<u>106,069</u>
Transfers In	105,000	20,000	125,000	0
Capital Contributions	<u>1,670,964</u>	<u>517,375</u>	<u>2,188,339</u>	<u>0</u>
Change in Net Assets	1,200,249	401,240	1,601,489	106,069
Net Assets Beginning of Year	<u>12,033,421</u>	<u>6,099,039</u>	<u>18,132,460</u>	<u>(247,631)</u>
<b>Net Assets End of Year</b>	<u>\$13,233,670</u>	<u>\$ 6,500,279</u>	<u>\$19,733,949</u>	<u>\$ (141,562)</u>

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	Enterprise Funds			Internal Service Funds
	Water	Sewer	Total	
<b><u>Cash Flows from Operating Activities</u></b>				
Cash Received from Customers	\$ 2,335,006	\$ 745,764	\$ 3,080,770	\$ 2,055,938
Cash Received from Refunds and Reimbursement	4,629	0	4,629	11,678
Cash Payments to Employees for Services and Benefits	(1,050,527)	(225,952)	(1,276,479)	0
Cash Payments for Contractual and Other Services	69,816	(685,531)	(615,715)	(225,294)
Cash Payments for Materials and Supplies	(1,040,573)	0	(1,040,573)	0
Cash Payments for Claims	0	0	0	(1,824,898)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b><u>318,351</u></b>	<b><u>(165,719)</u></b>	<b><u>152,632</u></b>	<b><u>17,424</u></b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>				
Transfers In	105,000	20,000	125,000	0
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b><u>105,000</u></b>	<b><u>20,000</u></b>	<b><u>125,000</u></b>	<b><u>0</u></b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>				
Acquisition and Construction of Assets	(1,061,382)	(43,392)	(1,104,773)	0
Contributions from Grants	0	180,643	180,643	0
Principal Payments	(122,229)	(172,278)	(294,507)	0
Proceeds from Long-Term Debt	898,421	0	898,421	0
Interest and Fiscal Charges	(73,541)	(91,949)	(165,492)	0
<b>Net Cash Provided by (Used In) Capital and Related Financing Activities</b>	<b><u>(358,731)</u></b>	<b><u>(126,976)</u></b>	<b><u>(485,708)</u></b>	<b><u>0</u></b>
<b><u>Cash Flows from Investing Activities</u></b>				
Interest on Investments	0	0	0	1,796
<b>Net Cash Provided by Investing Activities</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>1,796</u></b>
Net Increase (Decrease) in Cash and Cash Equivalents	64,620	(272,695)	(208,076)	19,220
Cash and Cash Equivalents Beginning of Year	109,072	428,470	537,542	24,426
<b>Cash and Cash Equivalents End of Year</b>	<b><u>\$ 173,692</u></b>	<b><u>\$ 155,775</u></b>	<b><u>\$ 329,466</u></b>	<b><u>\$ 43,646</u></b>
<b><u>Reconciliation of Operating Gain (Loss) to Net Cash Provided by (Used In) Operating Activities</u></b>				
Operating Gain (Loss)	\$ (566,960)	\$ (128,157)	\$ (695,117)	\$ 104,273
Adjustment:				
Depreciation	579,047	153,623	732,670	0
Loss on Disposal of Capital Assets	63,237	0	63,237	0
(Increase) Decrease in Assets:				
Accounts Receivable	(180,555)	(36,837)	(217,392)	0
Prepaid Items	(10,047)	(201)	(10,248)	(60)
Materials and Supplies Inventory	13,804	0	13,804	0
Increase (Decrease) in Liabilities:				
Accounts Payable	(15,272)	(165,722)	(180,994)	(3,543)
Accrued Wages and Benefits	2,065	7,309	9,374	0
Compensated Absences	299	0	299	0
Contracts Payable	431,701	0	431,701	(83,246)
Intergovernmental Payable	1,032	4,266	5,298	0
<b>Net Cash Provided by (Used In) Operating Activities</b>	<b><u>\$ 318,351</u></b>	<b><u>\$ (165,719)</u></b>	<b><u>\$ 152,632</u></b>	<b><u>\$ 17,424</u></b>

**Schedule of Noncash Capital Financing Activities**

As of December 31, 2006, the Water and Sewer Revenue Funds received capital assets from various sources in the amount of \$2,188,339.

See accompanying notes to the basic financial statements.

**CITY OF BEREA, OHIO**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2006**

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	<u>Agency Funds</u>
<b><u>Assets</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$ 809,117
Equity in Pooled Cash Segregated	371,408
Accounts Receivable	945,528
Special Assessment Receivable	<u>248,394</u>
<b>Total Assets</b>	<b><u>\$ 2,374,447</u></b>
 <b><u>Liabilities</u></b>	
Accounts Payable	\$ 458,660
Due to Other Governments	1,515,503
Deposits Held and Due to Others	<u>400,284</u>
<b>Total Liabilities</b>	<b><u>\$ 2,374,447</u></b>

See accompanying notes to the basic financial statements.



**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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

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

**The Reporting Entity**

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

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

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

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

**A. Basis of Presentation**

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

**Government-wide Financial Statements**

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

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

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

**Fund Financial Statements**

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

B. **Fund Accounting**

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

**Governmental Funds**

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

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

**Municipal Income Tax** - The municipal income tax fund accounts for the accumulation of income tax levied.

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

B. **Fund Accounting** (Continued)

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

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

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

**Proprietary Funds**

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

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

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

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

**Internal Service Funds**

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

**B. Fund Accounting** (Continued)

***Fiduciary Funds***

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

**C. Measurement Focus**

***Government-wide Financial Statements***

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

***Fund Financial Statements***

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

C. **Measurement Focus** (Continued)

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

D. **Basis of Accounting**

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

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

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

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2006, but which were levied to finance year 2007 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

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

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

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

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

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

During 2006, investments were limited to Federal Home Loans, mortgage bank notes and State Treasury Asset Reserve of Ohio (STAROhio).

STAROhio is an investment pool managed by the State Treasury's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2006.

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 2006 amounted to \$279,613, which includes \$163,471 assigned from other City funds. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 6, "Cash , Cash Equivalents and Investments."

**F. Materials and Supplies Inventory**

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



**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2006, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**H. Capital Assets**

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

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

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

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

**I. Interfund Balances**

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

**J. Compensated Absences**

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

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

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

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are 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, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

**L. Fund Balance Reserves**

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

**M. Net Assets**

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

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

**N. Operating Revenues and Expenses**

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

**O. Contributions of Capital**

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

**P. Interfund Activity**

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

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

**Q. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type occurred in 2006.

**R. Estimates**

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

**S. Budgetary Data**

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

S. **Budgetary Data** (Continued)

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director of Finance. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2006.

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

NOTE 3: **CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR'S NET ASSETS AND FUND BALANCES**

A. **Changes in Accounting Principles**

For fiscal year 2006, the City implemented GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*, GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, and GASB Statement No. 47, *Accounting for Termination Benefits*.

The purpose of GASB Statement No. 44 is to improve the understandability and usefulness of the information that State and local governments present as supplementary information in the statistical section.

GASB Statement No. 45 provides guidance on all aspects of Other Postemployment Benefits (OPEB) reporting by employers. Statement No.45 will not be effective for the City until 2008 and, therefore, the City has not determined the impact, if any that this statement will have on its financial statements.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 3: CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR'S NET ASSETS AND FUND BALANCES** (Continued)

**A. Changes in Accounting Principles** (Continued)

GASB Statement No. 46 defines enabling legislation and specifies how net assets should be reported in the financial statements when there are changes in such legislation. The Statement also requires governments to disclose in the notes to the financial statements the amount of net assets restricted by enabling legislation. The implementation of GASB Statement of No. 46 did not have an effect on the financial statements of the City.

GASB Statement No. 47 provides guidance on how employers should account for benefits associated with either voluntary or involuntary terminations. The implementation of GASB Statement No. 47 did not have an effect on the financial statements of the City.

**B. Restatement of Fund Balance**

The accrued pension liability of \$228,727 was classified in the General Fund. However this liability should have been recorded in the police and fire pension fund in the amounts of \$113,658 and \$115,069, respectively, which are reported as Other Governmental Funds in the financial statements. The reclass of pension liability has the following effect on fund balances:

	<u>General Fund</u>	<u>Other Governmental Funds</u>
Fund Balance December 31, 2005	\$ 954,843	\$ 1,184,885
Accrued Pension Liability	228,727	(228,727)
Total Adjustment of Fund Balance, December 31, 2005, as Restated	\$ 1,183,570	\$ 956,158

In 2005, monies were advanced from the income tax fund to the railroad capital improvement fund, which was recorded as a transfer in error.

	<u>Municipal Tax Fund</u>	<u>Railroad Capital Improvement Fund</u>
Fund Balance December 31, 2005	\$ 525,270	\$ 155,923
Advanced from Other Funds	100,000	0
Advanced to Other Funds	0	(100,000)
Total Adjustment of Fund Balance, December 31, 2005, as Restated	\$ 625,270	\$ 55,923

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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NOTE 4: **COMPLIANCE AND ACCOUNTABILITY**

A. **Fund Deficits**

**Special Revenue Funds**

The recreation fund has a deficit of \$34,780, caused by the application of generally accepted accounting principles. The general fund or the municipal income tax fund is liable for any deficit in the recreation fund and provides transfers when cash is needed, not when accruals occur.

The fire pension fund has a deficit of \$113,361 and the police pension fund has a deficit of \$120,043, which resulted from accrued liabilities. The general fund is liable for the deficits in these funds and will provide transfers when cash is required, not when accruals occur.

**General Improvement Funds**

The general capital improvement fund has a deficit of \$40,381, as a result of acquisition of major repair of infrastructure or capital assets and the application of generally accepted accounting principles. Funds are provided when cash is needed, not when accruals occur.

**Internal Service Funds**

The medical benefits fund had a deficit of \$142,814, as a result of accumulated operating losses and the application of generally accepted accounting principles. Funds are provided when cash is needed, not when accruals occur.

B. **Legal Compliance**

Ohio Revised Code 5705.39 prohibits appropriations from each fund exceeding the total estimated resources. The following fund had appropriations exceeding original estimated resources.

<u>Debt Service Fund</u>	<u>Estimated</u> <u>Resources</u>	<u>Appropriations</u>	<u>Variance</u>
General Bond Retirement Fund	\$ 5,468,458	\$ 9,692,676	\$ 4,224,218

Management has implemented procedures to better monitor budgets to prevent future compliance exceptions.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 5: BUDGETARY BASIS OF ACCOUNTING**

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

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

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

<u>Net Change in Fund Balances</u>	<u>General</u>	<u>Municipal Income Tax</u>
GAAP Basis	\$ 843,539	\$ (65,848)
Net Adjustment for Revenue Accruals	(589,636)	(88,479)
Net Adjustment for Expenditure Accruals	73,091	0
Encumbrances	<u>(13,849)</u>	<u>0</u>
Budget Basis	<u>\$ 313,145</u>	<u>\$ (154,327)</u>



**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

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

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

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

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

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

- United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasurer's investment pool (STAROhio).

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

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

***Cash on Hand*** - At December 31, 2006 the City had \$6,675 in undeposited cash on hand, which is included in the balance sheet of the City as part of "Equity in Pooled Cash and Cash Equivalents".

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

**Deposits** - At year-end, the carrying amount of the City's deposits was \$1,335,969 and the bank balance was \$1,534,574. Of the bank balance:

1. \$542,343 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. \$992,231 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.
3. The carrying amount of the Municipal Court Bond fund was \$371,408 and the bank balance was \$392,455. This fund is maintained separately and is fully insured.

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

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

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>	<u>Credit Rating (*)</u>	<u>Fair Value</u>
STAROhio	<1	AAAm	\$ 384,728
U S Bank - Federal Home Loans	<1	AAAm	599,781
U S Bank - Federal Home Loans	>1	AAAm	<u>1,439,900</u>
<b>Total Portfolio</b>			<b><u>\$ 2,424,409</u></b>

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

**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.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

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

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

**Concentration of Credit Risk** - The City places no limit on the amount it may invest in any one issuer. The City's investment in STAROhio represents 16 percent of the City's total investments and 84 percent in U.S. Bank.

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

	<u>Cash &amp; Cash</u>	<u>Investments</u>
	<u>Equivalents*</u>	
Per Fund Financial Statements	\$ 4,116,175	\$ 22,286
Certificates of Deposit (with maturities of more than 3 months)	22,286	(22,286)
Investments:		
STAROhio	(384,728)	384,728
US Bank - Federal Home Loans	<u>(2,039,681)</u>	<u>2,039,681</u>
Per GASB Statement No. 3	<u>\$ 1,714,052</u>	<u>\$ 2,424,409</u>

\* Includes Petty Cash and Cash in segregated accounts.

NOTE 7: **RECEIVABLES**

Receivables at December 31, 2006 consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for utility service). No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in more than one year amount to \$24,923 in the general bond retirement fund and \$584,046 in other governmental funds. At December 31, 2006 the amount of delinquent special assessments was \$127,751.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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NOTE 7: **RECEIVABLES** (Continued)

**A. Income Taxes**

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

The City, by ordinance, allocates income tax revenues and expenditures for collecting, administering, and enforcing the tax to the general fund and the municipal income tax fund. The general fund receives three-fourths and the municipal income tax fund receives one-fourth of the total income tax revenue.

**B. Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2006. Real property taxes are payable annually or semi-annually. The first payment is due December 31, with the remainder payable by June 20.

Taxes collected on tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value for capital assets and 23 percent of true value for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

NOTE 7: **RECEIVABLES** (Continued)

**B. Property Taxes** (Continued)

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

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

The full tax rate applied to real property for the year ended December 31, 2006 was \$17.20 per \$1,000 of assessed valuation. The assessed values of real and tangible personal property, upon which 2006 property tax receipts were based, are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$ 292,092,770
Public Utility Tangible Personal Property	9,363,610
Other Real Property	81,827,550
Tangible Personal	<u>21,763,047</u>
Total	<u>\$ 405,046,977</u>

**C. Intergovernmental Receivable**

A summary of the intergovernmental receivable follows:

<u>Governmental Activities</u>	<u>Amount</u>
Local Government	\$ 435,256
Estate Tax	329,169
Homestead and Rollback	224,769
Gasoline Tax	277,020
Auto Registration	56,975
Permissive Tax	5,973
Cigarette & Liquor Tax	1,712
Grants	<u>126,482</u>
Total	<u>\$ 1,457,356</u>
 <u>Business-Type Activities</u>	
Sewer Fund:	
OPWC Grant	<u>\$ 43,392</u>

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

<u>Transfers Out</u>	Transfers In			<u>Total</u>
	<u>Nonmajor Governmental</u>	<u>Water Revenue Enterprise</u>	<u>Sewer Revenue Enterprise</u>	
General Fund	\$ 461,050	\$ 0	\$ 0	\$ 461,050
Municipal Income Tax	<u>2,520,500</u>	<u>105,000</u>	<u>20,000</u>	<u>2,645,500</u>
<b>Total</b>	<b><u>\$ 2,981,550</u></b>	<b><u>\$ 105,000</u></b>	<b><u>\$ 20,000</u></b>	<b><u>\$ 3,106,550</u></b>

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

Recreation Fund	\$ 615,000
Recreation Capital Improvement Fund	67,500
General Improvement Fund	1,665,000
Safety Capital Improvement Fund	173,000
Sewer Revenue Fund	20,000
Water Revenue Fund	<u>105,000</u>
<b>Total</b>	<b><u>\$ 2,645,500</u></b>

<u>Advances from/to Other Funds</u>	<u>Receivables</u>	<u>Payables</u>
<i>Special Revenue Fund</i>		
Municipal Income Tax	\$ 100,000	\$ 0
General Bond	15,000	0
 <i>Capital Projects Fund</i>		
Railroad Capital Improvement	0	100,000
Court Capital Improvement	<u>0</u>	<u>15,000</u>
<b>Total All Funds</b>	<b><u>\$ 115,000</u></b>	<b><u>\$ 115,000</u></b>

As of December 31, 2006, interfund balance is attributable mainly from a working capital loan made to the Railroad Capital Improvement Fund that the Municipal Income Tax Fund does not expect to collect in the subsequent year. General Bond Retirement fund paid in part for the Court Capital Improvement Debt that will be repaid in the subsequent year.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 9: CAPITAL ASSETS**

A summary of changes in capital assets during 2006 follows:

	<u>Balance</u> <u>12/31/2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2006</u>
<b><u>Government Activities</u></b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 4,949,799	\$ 0	\$ (80,001)	\$ 4,869,798
Construction in Progress	<u>4,915,943</u>	<u>1,214,167</u>	<u>(70,231)</u>	<u>6,059,879</u>
<i>Total Capital Not Being Depreciated</i>	<u>9,865,742</u>	<u>1,214,167</u>	<u>(150,232)</u>	<u>10,929,677</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	7,366,759	136,691	0	7,503,450
Buildings	14,236,858	80,000	(80,000)	14,236,858
Building Improvements	18,198,156	672,938	0	18,871,094
Machinery and Equipment	4,054,695	323,410	(25,000)	4,353,105
Furniture and Fixtures	791,721	55,442	0	847,163
Vehicles	1,185,131	366,828	(62,263)	1,489,696
Infrastructure:				
Bridges	8,255,846	0	0	8,255,846
Roads	27,772,787	3,017,349	(76,710)	30,713,426
Sidewalks	224,874	312,562	0	537,436
Traffic Signals	<u>1,646,089</u>	<u>17,611</u>	<u>0</u>	<u>1,663,700</u>
<i>Total Capital Assets Being Depreciated</i>	<u>83,732,916</u>	<u>4,982,831</u>	<u>(243,973)</u>	<u>88,471,774</u>
<i>Less Accumulated Depreciation</i>				
Land Improvements	(3,914,191)	(392,631)	1	(4,306,821)
Buildings	(5,671,867)	(390,703)	56,000	(6,006,570)
Building Improvements	(9,618,243)	(811,916)	0	(10,430,159)
Machinery and Equipment	(2,727,904)	(244,436)	25,000	(2,947,340)
Furniture and Fixtures	(640,045)	(46,472)	0	(686,517)
Vehicles	(751,823)	(189,467)	62,263	(879,027)
Infrastructure:				
Bridges	(412,611)	(260,538)	0	(673,149)
Roads	(10,387,757)	(1,328,858)	84,511	(11,632,104)
Sidewalks	(66,888)	(19,057)	0	(85,945)
Traffic Signals	<u>(131,722)</u>	<u>(53,693)</u>	<u>0</u>	<u>(185,415)</u>
<i>Total Accumulated Depreciation</i>	<u>(34,323,051)</u>	<u>(3,737,771)</u>	<u>227,775</u>	<u>(37,833,047)</u>
<i>Total Capital Assets Being Depreciated,</i> <i>Net</i>	<u>49,409,865</u>	<u>1,245,060</u>	<u>(16,198)</u>	<u>50,638,727</u>
<b>Governmental Activities Capital</b> <b>Assets, Net</b>	<u>\$ 59,275,607</u>	<u>\$ 2,459,227</u>	<u>\$ (166,430)</u>	<u>\$ 61,568,404</u>



**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

	<u>Balance</u> <u>12/31/2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2006</u>
<b><u>Business-Type Activities</u></b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 93,181	\$ 0	\$ 0	\$ 93,181
Construction in Progress	<u>0</u>	<u>333,194</u>	<u>0</u>	<u>333,194</u>
<i>Total Capital Not Being Depreciated</i>	<u>93,181</u>	<u>333,194</u>	<u>0</u>	<u>426,375</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	892,394	0	0	892,394
Buildings	2,997,906	0	0	2,997,906
Building Improvements	36,180	0	0	36,180
Machinery and Equipment	2,019,083	106,885	(16,999)	2,108,969
Vehicles	23,559	34,500	(1)	58,058
Infrastructure:				
Water Lines	4,000,171	1,075,792	(52,367)	5,023,596
Storm Sewers	10,307,460	1,225,367	(16,501)	11,516,326
Sanitary Sewers	<u>7,808,681</u>	<u>517,375</u>	<u>0</u>	<u>8,326,056</u>
<i>Total Capital Assets Being Depreciated</i>	<u>28,085,434</u>	<u>2,959,919</u>	<u>(85,868)</u>	<u>30,959,485</u>
<i>Less Accumulated Depreciation</i>				
Land Improvements	(325,569)	(60,952)	0	(386,521)
Buildings	(1,628,418)	(66,824)	1	(1,695,241)
Building Improvements	(36,180)	0	0	(36,180)
Machinery and Equipment	(1,264,712)	(72,401)	16,999	(1,320,114)
Vehicles	(16,515)	(6,416)	0	(22,931)
Infrastructure:				
Water Lines	(1,134,052)	(90,081)	4,641	(1,219,492)
Storm Sewers	(768,866)	(282,373)	990	(1,050,249)
Sanitary Sewers	<u>(1,081,551)</u>	<u>(153,623)</u>	<u>0</u>	<u>(1,235,174)</u>
<i>Total Accumulated Depreciation</i>	<u>(6,255,863)</u>	<u>(732,670)</u>	<u>22,631</u>	<u>(6,965,902)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>21,829,571</u>	<u>2,227,249</u>	<u>(63,237)</u>	<u>23,993,583</u>
<b><u>Business-Type Activities Capital Assets, Net</u></b>	<u>\$ 21,922,752</u>	<u>\$ 2,560,443</u>	<u>\$ (63,237)</u>	<u>\$24,419,958</u>

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

Security of Persons and Property	\$ 130,552
Leisure Time Activities	336,735
Public Works	119,552
Transportation	1,640,623
General Government	<u>1,510,309</u>
 Total Depreciation Expense	 <u>\$ 3,737,771</u>

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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NOTE 10: **DEFINED BENEFIT PENSION PLANS**

A. **Ohio Public Employees Retirement System**

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 contribution (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulated 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.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of both 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 E. Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-PERS (7377).

For the year ended December 31, 2006, the members of all three plans were required to contribute 8.5 percent, of their annual covered salaries. The City's contribution rate for 2005 was 13.55 percent of covered payroll, 9.55 percent to fund the pension and 4.0 percent to fund health care. The contribution rates are determined actuarially. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions to OPERS for the years ended December 31, 2006, 2005 and 2004 were \$855,700, \$832,561, and \$780,607 respectively, which were equal to the required contributions for each year.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

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

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

Plan members are required to contribute 10.0 percent of their annual covered salary to fund pension obligations while the City is required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the fund for police and firefighters were \$429,912 and \$432,833 for the year ended December 31, 2006, \$394,388 and \$408,234 for the year ended December 31, 2005 and \$280,246 and \$274,619 for the year ended December 31, 2004, equal to the required contributions for each year. The full amount has been contributed for 2004. 75.3 percent and 79 percent has been contributed for 2006 and 2005 respectively with the remainder being reported as a liability.

NOTE 11: **POSTEMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Plan (TP) - a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) - a defined contribution plan; and the Combined Plan (CO) - a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability, survivor and post-retirement health care benefits to qualifying members of both the Traditional and the Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

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

In order to qualify for post-retirement health care coverage, age and service retirees must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the Retirement System is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care through their contributions to OPERS. The 2006 employer contribution rate was 13.7 percent of covered payroll; 4.5 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investment of 6.50 percent. An annual increase of 4.0 percent, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0 percent base increase, were assumed to range from 0.50 percent to 6.3 percent. Health care costs were assumed to increase between .50 and 6.0 percent annually for the next nine years and 4.0 percent annually after nine years. All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

At December 31, 2006, the number of active contributing participants in the Traditional and Combined Plans totaled 369,214. The City's actual contributions for 2005, which were used to fund postemployment benefits, were \$276,415. The actual contribution and the actuarially required contribution amounts are the same. OPERS' net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability fund and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

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 cost. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

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

The Ohio Police and Fire Pension Fund (OP&F) provides access to postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a two-thirds basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the OP&F's Board of Trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the post employment health care program during 2005. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2006 that were used to fund postemployment benefits were \$170,862 for police and \$139,769 for fire. The OP&F's total health care expenses for the year ended December 31, 2005, (the latest actuarial information available) was \$108,039,449, which was net of member contributions of \$55,271,881. The number of participants eligible to receive health care benefits as of December 31, 2005, (the latest actuarial information available) was 13,922 for police and 10,537 for firefighters.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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**NOTE 12: COMPENSATED ABSENCES**

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

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

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

**NOTE 13: NOTES PAYABLE**

A summary of the note transactions for the year ended December 31, 2006 follows:

	<u>Outstanding</u> <u>12/31/2005</u>	<u>Increase</u>	<u>Decrease</u>	<u>Outstanding</u> <u>12/31/006</u>
3.95% Municipal Court Improvement Notes	<u>\$ 0</u>	<u>\$ 200,000</u>	<u>\$ 0</u>	<u>\$ 200,000</u>

In 2006, the City issued \$200,000 in Municipal Court Improvement Notes to finance contractual obligations of the new municipal court of the City.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 14: LONG-TERM OBLIGATIONS**

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

	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
<b>General Obligation Bonds</b>				
Waterworks Bonds	1993	2007	4.68%	\$ 3,098,475
1993 Various Purpose Bonds	1993	2013	4.68%	2,878,603
1999 Various Purpose Bonds	1999	2018	5.35%	7,785,000
2004 Various Purpose Refunding Bonds	2004	2012	2.00%	3,025,000
2006 Various Purpose Refunding Bonds	2006	2026	3.75%	7,365,000
<b>Urban Renewal Bonds</b>				
First Avenue Community Bonds	2004	2012	2.00%	1,205,000
First Avenue Community Bonds	1992	2013	4.68%	650,000
<b>OPWC Loans</b>				
Sewer	2005	2025	0%	370,069
<b>OWDA Loans</b>				
Sewer	1994	2014	4.56%	465,000
Water	1994	2014	6.72%	1,135,000
Sewer	1997	2022	6.11%	700,000
Sewer	1998	2008	5.78%	225,000
Water	1998	2008	5.76%	100,000
Sewer	1999	2019	5.58%	725,000
Water	2000	2014	5.50%	550,000
Water	2000	2009	5.50%	175,000
Sewer	2004	2034	4.66%	1,200,000
Sewer	2005	2036	3.75%	700,000
Water	2006	2027	4.42%	667,819
Water	2006	2012	3.20%	230,602

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

A schedule of changes in long-term obligations of the City during 2006 follows:

	Balance at 12/31/05	Increase	Decrease	Balance at 12/31/06	Amounts Due in One Year
<b>Governmental Activities</b>					
<i>General Obligation Bonds</i>					
1999 Waterworks Bonds	\$ 183,023	\$ 0	\$ (97,267)	\$ 85,756	\$ 85,756
1993 Various Purpose Bonds	1,080,000	0	(145,000)	935,000	150,000
1999 Various Purpose Bonds	5,805,000	0	(4,465,000)	1,340,000	215,000
2004 Library Bonds Refunded	645,000	0	(80,000)	565,000	80,000
2004 Various Purpose	1,815,000	0	(320,000)	1,495,000	335,000
2006 Various Purpose Bonds	0	7,365,000	0	7,365,000	150,000
<i>Total General Obligation Bonds</i>	<u>9,528,023</u>	<u>7,365,000</u>	<u>(5,107,267)</u>	<u>11,785,756</u>	<u>1,015,756</u>
<i>Urban Renewal Bonds</i>					
2004 First Avenue Community Bonds	1,055,000	0	(135,000)	920,000	140,000
1993 First Avenue Community Bonds	340,000	0	(35,000)	305,000	35,000
<i>Total Urban Renewal Bonds</i>	<u>1,395,000</u>	<u>0</u>	<u>(170,000)</u>	<u>1,225,000</u>	<u>175,000</u>
<i>Other Long-Term Liabilities</i>					
Notes Payable	5,800,000	0	(5,800,000)	0	0
Capital Lease Obligations:					
Street Sweeper	170,604	0	(31,092)	139,512	32,537
Aerial Truck	0	136,615	0	136,615	24,957
Unamortized Bond Premium	0	124,066	(6,530)	117,536	0
Compensated Absences	1,117,323	130,933	(140,484)	1,107,772	66,472
Police and Fire Pension Liability	247,208	0	(4,355)	242,853	4,518
<i>Total Long-Term Liabilities</i>	<u>7,335,135</u>	<u>391,614</u>	<u>(5,982,461)</u>	<u>1,744,288</u>	<u>128,484</u>
<b>Total Governmental Activities</b>	<u>18,258,158</u>	<u>7,756,614</u>	<u>(11,259,728)</u>	<u>14,755,044</u>	<u>1,319,240</u>
<b>Business-Type Activities</b>					
<i>OWDA Loans:</i>					
Sewer	261,055	0	(24,055)	237,000	25,164
Water	691,101	0	(58,374)	632,727	62,297
Sewer	575,175	0	(20,189)	554,986	21,423
Water	35,961	0	(11,333)	24,628	11,975
Sewer	80,912	0	(25,500)	55,412	26,943
Water	382,113	0	(33,755)	348,358	35,658
Water	81,658	0	(18,767)	62,891	19,825
Sewer	552,412	0	(28,601)	523,811	30,185
Sewer	1,181,081	0	(19,861)	1,161,220	20,798
Sewer	700,000	0	0	700,000	12,936
Water	0	667,819	0	667,819	0
Water	0	230,602	0	230,602	0
<i>Total OWDA Loans</i>	<u>4,541,468</u>	<u>898,421</u>	<u>(240,435)</u>	<u>5,199,454</u>	<u>267,204</u>
Capital Lease Obligation:					
Sewer Cleaner	205,797	0	(36,727)	169,070	38,820
Bobcat	50,934	0	(8,093)	42,841	9,904
OPWC:					
Sewer	370,069	0	(9,252)	360,817	18,504
Compensated Absences	98,157	4,109	(3,810)	98,456	2,913
<b>Total Business-Type Activities</b>	<u>5,266,425</u>	<u>902,530</u>	<u>(298,317)</u>	<u>5,870,638</u>	<u>337,345</u>
<b>Total Long-Term Liabilities</b>	<u>\$ 23,524,583</u>	<u>\$ 8,659,144</u>	<u>\$(11,558,045)</u>	<u>\$ 20,625,682</u>	<u>\$ 1,656,585</u>



**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

***General Obligation Bonds*** - General obligations bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. The general obligation bonds will be retired from the general obligation debt service fund. The general obligation bonds outstanding as of December 31, 2006 are to be repaid from both voted and unvoted property taxes levied on all taxable property located within the City, municipal income taxes, and transfers from the water revenue fund for exempt properties. Exempt properties include organizations exempt from taxation, such as colleges and churches, as well as property outside the City's jurisdiction who are provided water services from the City. The City assesses these exempt properties through a surcharge on their water bills to pay for the debt.

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

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

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

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

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

**Current Year Defeased Debt**

On December 19, 2006, the City issued general obligation bonds of \$7,365,000 with an interest rate of 5.350 percent to advance refund the portion of the various purpose bonds, series 1999, stated to mature on December 1, 2018, in the aggregate principal amount of \$4,255,000 with an interest rate of 5.350 percent. Refunding bonds were issued at a premium of \$124,066 with issuance costs of \$210,039, the net proceeds were \$7,489,066. The net proceeds of \$4,428,947 from the issuance of the general obligation bonds were used to purchase U.S. Government securities and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments until refunding

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**  
**(CONTINUED)**

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

**Current Year Defeased Debt** (Continued)

bonds are called on December 1, 2006. The advance refunding met the requirements of an in-substance debt defeasance and the various 1999 series bonds were removed from the City's government-wide financial statements.

As a result of the advance refunding, the City reduced its total debt service requirements by \$265,490, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$233,082.

**Governmental Activities**

The City's overall legal debt margin unused was \$4,302,451 at December 31, 2006. Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2006 are as follows:

Year	General Obligation Bonds		Urban Renewal Bonds		Total Principal	Total Interest
	Principal	Interest	Principal	Interest		
2007	\$ 1,015,756	\$ 878,962	\$ 175,000	\$ 47,031	\$ 1,190,756	\$ 925,993
2008	895,000	435,566	180,000	42,088	1,075,000	477,654
2009	1,000,000	399,170	190,000	35,838	1,190,000	435,008
2010	1,055,000	357,488	200,000	28,538	1,255,000	386,026
2011	1,070,000	312,762	210,000	20,419	1,280,000	333,181
2012-2016	3,975,000	1,003,519	270,000	14,488	4,245,000	1,018,007
2017-2021	2,020,000	329,687	0	0	2,020,000	329,687
2022-2026	755,000	93,000	0	0	755,000	93,000
Total	<u>\$ 11,785,756</u>	<u>\$ 3,810,154</u>	<u>\$ 1,225,000</u>	<u>\$ 188,402</u>	<u>\$ 13,010,756</u>	<u>\$ 3,998,556</u>

**Business-Type Activities**

Year	OWDA		OPWC Principal	Total Principal	Total Interest
	Principal	Interest			
2007	\$ 267,204	\$ 247,056	\$ 18,504	\$ 285,708	\$ 247,056
2008	380,104	254,132	18,503	398,607	254,132
2009	323,039	235,147	18,503	341,542	235,147
2010	316,618	217,905	18,503	335,121	217,905
2011	349,949	200,705	18,503	368,452	200,705
2012-2016	1,285,254	742,491	92,517	1,377,771	742,491
2017-2021	812,602	612,893	92,517	905,119	612,893
2022-2026	622,102	267,114	83,267	705,369	267,114
2027-2031	458,002	71,818	0	458,002	71,818
2032-2036	384,580	35,932	0	384,580	35,932
Total	<u>\$ 5,199,454</u>	<u>\$ 2,885,193</u>	<u>\$ 360,817</u>	<u>\$ 5,560,271</u>	<u>\$ 2,885,193</u>

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

**NOTE 15: CAPITAL LEASES**

In 2005, the City entered into a Capital Lease Agreement for a 2005 street sweeper, 2005 Sewer Jet and a 2005 Bobcat which requires monthly installments of principal and interest of \$39,025, \$48,457 and \$11,843 respectively through December 2010. In 2006, the City entered into a capital lease agreement for a 2006 Aerial Truck, which requires monthly installments of principal and interest of \$31,146. All items are long-term agreement leases, which meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, *Accounting for Leases*.

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	Street	Aerial	Sewer Jet	Bobcat
	Sweeper	Truck		
Machinery and Equipment	\$ 156,100	\$ 155,730	\$ 193,828	\$ 47,372
Accumulated Depreciation	<u>(14,634)</u>	<u>(3,893)</u>	<u>(24,228)</u>	<u>(4,441)</u>
Total	<u>\$ 141,466</u>	<u>\$ 151,837</u>	<u>\$ 169,600</u>	<u>\$ 42,931</u>

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	Street	Aerial	Sewer Jet	Bobcat
	Sweeper	Truck		
Year Ending December 31:				
2007	\$ 39,025	\$ 31,146	\$ 48,457	\$ 11,843
2008	39,025	31,146	48,457	11,843
2009	39,025	31,146	48,457	11,843
2010	39,025	31,146	48,457	11,843
2011	<u>0</u>	<u>31,146</u>	<u>0</u>	<u>0</u>
Minimum Lease Payments	156,100	155,730	193,828	47,372
Less: Amount Representing Interest	<u>(16,588)</u>	<u>(19,115)</u>	<u>(24,758)</u>	<u>(4,531)</u>
Present Value of Net Lease Payments	<u>\$ 139,512</u>	<u>\$ 136,615</u>	<u>\$ 169,070</u>	<u>\$ 42,841</u>

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

The City leases space on its water tower for cellular antennae. The lease revenue due in 2006 amounted to \$139,621.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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**NOTE 17: RISK MANAGEMENT**

**A. Property and Liability Insurance**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1993, the City established a property and liability insurance internal service fund to account for and finance its uninsured and insured risk of loss. Under this program, the property and liability insurance fund provides coverage up to a maximum of \$25,000 for each general liability claim, with stop loss of \$250,000. The City purchases commercial insurance for claims in excess of coverage provided by the fund for all risk of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The general fund, recreation and street maintenance special revenue funds and the water revenue and sewer revenue enterprise funds participate in the program and make payments to the property and liability insurance internal service fund based on estimates of the amounts needed to pay prior year and current year claims.

The City has no claims liability at December 31, 2006.

Changes in the property and liability insurance internal service fund claims liability balance for the years ended 2004, 2005, and 2006 are as follows:

	<u>Balance</u> <u>January 1</u>	<u>Current</u> <u>Years Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance</u> <u>December 31</u>
2004	\$ 36,500	\$ 16,638	\$ 32,638	\$ 20,500
2005	\$ 20,500	\$ 15,772	\$ 21,272	\$ 15,000
2006	\$ 15,000	\$ 6,657	\$ 21,657	\$ 0

**B. Medical Benefits**

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

**B. Medical Benefits**

The City pays into the self-insurance internal service fund \$1,131 for family coverage and \$507 for single coverage per month. The premium is charged to the fund that records the salary expenditure of the covered employee. The premium is based upon historical cost data provided by the insurance carriers. The claims liability of \$186,028 reported in the medical benefits internal service fund at December 31, 2006 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 2004, 2005, and 2006 were as follows:

	<u>Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2004	\$ 147,529	\$ 1,498,892	\$ 1,499,027	\$ 147,394
2005	\$ 147,394	\$ 1,816,900	\$ 1,710,020	\$ 254,274
2006	\$ 254,274	\$ 1,729,955	\$ 1,798,201	\$ 186,028

**C. Workers' Compensation**

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

NOTE 18: **JOINTLY GOVERNED ORGANIZATIONS**

**A. Southwest Council of Governments**

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

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

The Council has established two subsidiary organizations, the Hazardous Material Response Team (HAZMAT), which provides hazardous material protection and assistance, and the Southwest Enforcement Bureau, which provides extra assistance to cities in the form of a SWAT team. In 2006, the City of Berea contributed \$7,500 to the Council. The Council's financial statements may be obtained by contacting Southwest Council of Governments, Parma Heights, Ohio 44130.

B. **Southwest General Health Center**

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

The Health Center is governed by a Board of Trustees consisting of the following: one member of the legislative body from each of the political subdivisions, one resident from each of the political subdivisions who is not a member of the legislative body, three persons who are residents of any of the participating political subdivisions, the president and the executive vice president of the corporations, and the president and the vice president of the medical staff. The legislative body of each political subdivision elect their own member to serve on the Board of Trustees of the Health Center. The Board exercises total control over the operation of the Health Center including budgeting, appropriating, contracting and designating management. Each City's control is limited to its representation on the Board. In 2006, the City of Berea contributed \$125,886 and \$122,255 of property tax levies to the Health Center and the Tri-City Center respectively.

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

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

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

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

The Council's Board is comprised of one member from each of the participating communities. The Board oversees and manages the operation of the Council. The degree of control exercised by each City is limited to its representation on the Board. The City contributed \$23,941 in 2006 to the Southwest Suburban Airport Council of Government. Financial information can be obtained by contacting Timothy Pope, Treasurer, 15700 Bagley Road, Middleburg Heights, Ohio 44130.

D. **Woodvale Union Cemetery**

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

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

The joint council exercises control over the operation of the Cemetery through budgeting, appropriating, and contracting. The Board of Trustees control daily operations of the Cemetery. Each City's control is limited to its representation on the Joint Council. In 2006 the City of Berea contributed \$10,000 to the Cemetery for operations. Woodvale Union Cemetery reimbursed the City \$25,000 toward the City's costs of renovating and constructing the addition to the cemetery administration building.

**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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

E. **Northeast Ohio Public Energy Council**

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Berea did not contribute to NOPEC during 2006. Financial information can be obtained by contacting Joseph Migliorini, the Board Chairman, at 175 South Main Street, Akron, Ohio 44308 or at the website [www.nopecinfo.org](http://www.nopecinfo.org).

NOTE 19: **CONTINGENCIES**

A. **Litigation**

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

B. **Grants**

The disbursement of funds received under federal and state grants generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any potential disallowed claims resulting from such an audit could become a liability of the City. However, City management believes any such disallowed claims would be immaterial on the overall financial position of the City at December 31, 2006.



**CITY OF BEREA, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**(CONTINUED)**

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NOTE 20: **SUBSEQUENT EVENT**

The City entered into a loan agreement with the Ohio EPA and Ohio Water Development Authority for \$1,955,467 for the purpose of implementing capital improvements to the City's Water Plant on May 21, 2007.

**CITY OF BEREA, OHIO**

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

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

CITY OF BEREA, OHIO

COMBINING STATEMENTS - NONMAJOR FUNDS

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*Nonmajor Special Revenue Funds*

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

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

**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.

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

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

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

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

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

(Continued)

CITY OF BEREA, OHIO

COMBINING STATEMENTS - NONMAJOR FUNDS

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*Nonmajor Special Revenue Funds*

(Continued)

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

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

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

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

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

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

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

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

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

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

(Continued)

**CITY OF BEREA, OHIO**

**COMBINING STATEMENTS - NONMAJOR FUNDS**

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***Nonmajor Capital Projects Funds***

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

**General 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 BEREHA, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2006**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b><u>Assets</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$ 724,589	\$ 252,604	\$ 977,193
Receivables:			
Taxes	873,045	0	873,045
Accounts	32,797	13,983	46,780
Intergovernmental	378,193	0	378,193
Special Assessments	584,046	0	584,046
Prepaid Items	2,111	0	2,111
Materials and Supplies Inventory	114,703	0	114,703
<b>Total Assets</b>	<b><u>\$2,709,484</u></b>	<b><u>\$ 266,587</u></b>	<b><u>\$2,976,071</u></b>
<b><u>Liabilities</u></b>			
Accounts Payable	\$ 89,284	\$ 201,269	\$ 290,553
Accrued Wages and Benefits Payable	26,604	0	26,604
Intergovernmental Payable	324,334	0	324,334
Deferred Revenue	1,749,189	0	1,749,189
<b>Total Liabilities</b>	<b><u>2,189,411</u></b>	<b><u>201,269</u></b>	<b><u>2,390,680</u></b>
<b><u>Fund Balances</u></b>			
Reserved for Encumbrances	3,001	0	3,001
Reserved for Inventory	114,703	0	114,703
Reserved for Prepays	2,111	0	2,111
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	400,258	0	400,258
Capital Projects Funds	0	65,318	65,318
<b>Total Fund Balances</b>	<b><u>520,073</u></b>	<b><u>65,318</u></b>	<b><u>585,391</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$2,709,484</u></b>	<b><u>\$ 266,587</u></b>	<b><u>\$ 2,976,071</u></b>

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b><u>Revenues</u></b>			
Property Taxes	\$ 802,201	\$ 0	\$ 802,201
Intergovernmental	1,036,151	19,182	1,055,333
Special Assessments	495,358	0	495,358
Charges for Services	350,347	65,838	416,185
Fees, Licenses, and Permits	0	13,975	13,975
Fines and Forfeitures	535,263	0	535,263
Interest	52	0	52
Miscellaneous	30,409	20,359	50,768
<b>Total Revenues</b>	<b><u>3,249,781</u></b>	<b><u>119,354</u></b>	<b><u>3,369,135</u></b>
<b><u>Expenditures</u></b>			
Current:			
Security of Persons and Property	1,702,240	0	1,702,240
Public Health and Welfare	144,833	0	144,833
Leisure Time Activities	996,027	0	996,027
Transportation	876,475	0	876,475
General Government	529,658	0	529,658
Capital Outlay	150,000	2,419,809	2,569,809
Debt Service:			
Principal Retirement	0	31,092	31,092
Interest and Fiscal Charges	0	7,933	7,933
<b>Total Expenditures</b>	<b><u>4,399,233</u></b>	<b><u>2,458,834</u></b>	<b><u>6,858,067</u></b>
Excess of Revenues Over (Under) Expenditures	<b><u>(1,149,452)</u></b>	<b><u>(2,339,480)</u></b>	<b><u>(3,488,932)</u></b>
<b><u>Other Financing Sources (Uses)</u></b>			
Capital Leases	136,615	0	136,615
Transfers In	961,050	2,020,500	2,981,550
<b>Total Other Financing Sources (Uses)</b>	<b><u>1,097,665</u></b>	<b><u>2,020,500</u></b>	<b><u>3,118,165</u></b>
Net Change in Fund Balances	(51,787)	(318,980)	(370,767)
Fund Balances Beginning of Year, as Restated	<u>571,860</u>	<u>384,298</u>	<u>956,158</u>
<b>Fund Balances End of Year</b>	<b><u>\$ 520,073</u></b>	<b><u>\$ 65,318</u></b>	<b><u>\$ 585,391</u></b>

**CITY OF BEREA, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2006**

	<u>Recreation</u>	<u>State Highway</u>	<u>Street Maintenance</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>D.A.R.E. Grant</u>
<b><u>Assets</u></b>						
Equity in Pooled Cash and Cash Equivalents	\$ 18,814	\$ 10,319	\$ 43,322	\$ 17,166	\$ 16,833	\$ 20,239
Receivables:						
Taxes	0	0	0	367,281	367,281	0
Accounts	1,396	0	0	0	0	0
Intergovernmental	0	25,050	308,945	16,081	16,081	0
Special Assessments	0	0	0	0	0	0
Prepaid Items	1,078	0	261	0	0	0
Materials and Supplies Inventory	0	0	114,703	0	0	0
<b>Total Assets</b>	<u>\$ 21,288</u>	<u>\$ 35,369</u>	<u>\$ 467,231</u>	<u>\$ 400,528</u>	<u>\$ 400,195</u>	<u>\$ 20,239</u>
<b><u>Liabilities</u></b>						
Accounts Payable	\$ 18,343	\$ 0	\$ 8,607	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	13,545	0	4,363	0	0	0
Intergovernmental Payable	24,180	0	22,628	130,527	136,876	0
Deferred Revenue	0	19,713	234,160	383,362	383,362	0
<b>Total Liabilities</b>	<u>56,068</u>	<u>19,713</u>	<u>269,758</u>	<u>513,889</u>	<u>520,238</u>	<u>0</u>
<b><u>Fund Balances</u></b>						
Reserved for Encumbrances	632	0	89	0	0	0
Reserved for Inventory	0	0	114,703	0	0	0
Reserved for Prepays	1,078	0	261	0	0	0
Unreserved, Undesignated (Deficit):						
Special Revenue	(36,490)	15,656	82,420	(113,361)	(120,043)	20,239
<b>Total Fund Balances (Deficit)</b>	<u>(34,780)</u>	<u>15,656</u>	<u>197,473</u>	<u>(113,361)</u>	<u>(120,043)</u>	<u>20,239</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 21,288</u>	<u>\$ 35,369</u>	<u>\$ 467,231</u>	<u>\$ 400,528</u>	<u>\$ 400,195</u>	<u>\$ 20,239</u>

(Continued)



**CITY OF BEREA, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**DECEMBER 31, 2006**

	<u>Street Lighting</u>	<u>Tri-City Senior Center</u>	<u>Community Hospital</u>	<u>Community Development Block Grant</u>	<u>Municipal Vehicle Tax Levy</u>	<u>Law Enforcement</u>
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 219,554	\$ 691	\$ 3,525	\$ 3,671	\$ 2,977	\$ 1,054
Receivables:						
Taxes	0	18,233	120,250	0	0	0
Accounts	0	0	0	0	0	0
Intergovernmental	0	798	5,265	0	5,973	0
Special Assessments	584,046	0	0	0	0	0
Prepaid Items	0	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0	0
<b>Total Assets</b>	<u>\$ 803,600</u>	<u>\$ 19,722</u>	<u>\$ 129,040</u>	<u>\$ 3,671</u>	<u>\$ 8,950</u>	<u>\$ 1,054</u>
<b>Liabilities</b>						
Accounts Payable	\$ 56,204	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0	0
Deferred Revenue	584,046	19,031	125,515	0	0	0
<b>Total Liabilities</b>	<u>640,250</u>	<u>19,031</u>	<u>125,515</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>						
Reserved for Encumbrances	0	0	0	0	0	0
Reserved for Inventory	0	0	0	0	0	0
Reserved for Prepays	0	0	0	0	0	0
Unreserved, Undesignated (Deficit):						
Special Revenue	163,350	691	3,525	3,671	8,950	1,054
<b>Total Fund Balances (Deficit)</b>	<u>163,350</u>	<u>691</u>	<u>3,525</u>	<u>3,671</u>	<u>8,950</u>	<u>1,054</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 803,600</u>	<u>\$ 19,722</u>	<u>\$ 129,040</u>	<u>\$ 3,671</u>	<u>\$ 8,950</u>	<u>\$ 1,054</u>

(Continued)

**CITY OF BEREA, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**DECEMBER 31, 2006**

	First Offenders Diversion	Probation	Indigent Drivers Alcohol Treatment	DUI Education	Indigent Driving School	DUS Diversion
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 10,710	\$ 3,537	\$ 54,671	\$ 4,020	\$ 553	\$ 35,683
Receivables:						
Taxes	0	0	0	0	0	0
Accounts	900	18,862	950	0	0	1,195
Intergovernmental	0	0	0	0	0	0
Special Assessments	0	0	0	0	0	0
Prepaid Items	0	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0	0
<b>Total Assets</b>	<u>\$ 11,610</u>	<u>\$ 22,399</u>	<u>\$ 55,621</u>	<u>\$ 4,020</u>	<u>\$ 553</u>	<u>\$ 36,878</u>
<b>Liabilities</b>						
Accounts Payable	\$ 0	\$ 0	\$ 1,950	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	8,696	0	0	0	0
Intergovernmental Payable	0	10,123	0	0	0	0
Deferred Revenue	0	0	0	0	0	0
<b>Total Liabilities</b>	<u>0</u>	<u>18,819</u>	<u>1,950</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>						
Reserved for Encumbrances	0	0	2,280	0	0	0
Reserved for Inventory	0	0	0	0	0	0
Reserved for Prepays	0	0	0	0	0	0
Unreserved, Undesignated (Deficit):						
Special Revenue	11,610	3,580	51,391	4,020	553	36,878
<b>Total Fund Balances (Deficit)</b>	<u>11,610</u>	<u>3,580</u>	<u>53,671</u>	<u>4,020</u>	<u>553</u>	<u>36,878</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 11,610</u>	<u>\$ 22,399</u>	<u>\$ 55,621</u>	<u>\$ 4,020</u>	<u>\$ 553</u>	<u>\$ 36,878</u>

(Continued)

**CITY OF BEREA, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**  
**DECEMBER 31, 2006**

	<u>Court Computer</u>	<u>Court Computer Research</u>	<u>State Highway Patrol</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b><u>Assets</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$ 106,648	\$ 150,602	\$ 0	\$ 724,589
Receivables:				
Taxes	0	0	0	873,045
Accounts	6,629	2,865	0	32,797
Intergovernmental	0	0	0	378,193
Special Assessments	0	0	0	584,046
Prepaid Items	772	0	0	2,111
Materials and Supplies Inventory	0	0	0	114,703
<b>Total Assets</b>	<u>\$ 114,049</u>	<u>\$ 153,467</u>	<u>\$ 0</u>	<u>\$ 2,709,484</u>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 0	\$ 4,180	\$ 0	\$ 89,284
Accrued Wages and Benefits Payable	0	0	0	26,604
Intergovernmental Payable	0	0	0	324,334
Deferred Revenue	0	0	0	1,749,189
<b>Total Liabilities</b>	<u>0</u>	<u>4,180</u>	<u>0</u>	<u>2,189,411</u>
<b><u>Fund Balances</u></b>				
Reserved for Encumbrances	0	0	0	3,001
Reserved for Inventory	0	0	0	114,703
Reserved for Prepays	772	0	0	2,111
Unreserved, Undesignated (Deficit):				
Special Revenue	113,277	149,287	0	400,258
<b>Total Fund Balances (Deficit)</b>	<u>114,049</u>	<u>149,287</u>	<u>0</u>	<u>520,073</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 114,049</u>	<u>\$ 153,467</u>	<u>\$ 0</u>	<u>\$ 2,709,484</u>

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Recreation</u>	<u>State Highway</u>	<u>Street Maintenance</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>D.A.R.E. Grant</u>
<b>Revenues</b>						
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 336,689	\$ 336,689	\$ 0
Intergovernmental	0	55,436	684,706	36,715	36,715	20,239
Charges for Services	350,347	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0	0
Special Assessments	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Other	30,409	0	0	0	0	0
<b>Total Revenues</b>	<u>380,756</u>	<u>55,436</u>	<u>684,706</u>	<u>373,404</u>	<u>373,404</u>	<u>20,239</u>
<b>Expenditures</b>						
Current:						
Security of Persons and Property	474	0	0	437,982	444,983	19,368
Public Health and Welfare	0	0	0	0	0	0
Leisure Time Activities	996,027	0	0	0	0	0
Transportation	0	45,000	794,475	0	0	0
General Government	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0
<b>Total Expenditures</b>	<u>996,501</u>	<u>45,000</u>	<u>794,475</u>	<u>437,982</u>	<u>444,983</u>	<u>19,368</u>
Excess of Revenues Over (Under) Expenditures	<u>(615,745)</u>	<u>10,436</u>	<u>(109,769)</u>	<u>(64,578)</u>	<u>(71,579)</u>	<u>871</u>
<b>Other Financing Sources (Uses)</b>						
Capital Leases	0	0	0	0	0	0
Transfers In	615,000	0	236,000	54,000	56,050	0
<b>Total Other Financing Sources (Uses)</b>	<u>615,000</u>	<u>0</u>	<u>236,000</u>	<u>54,000</u>	<u>56,050</u>	<u>0</u>
Net Change in Fund Balances	(745)	10,436	126,231	(10,578)	(15,529)	871
Fund Balances (Deficit) Beginning of Year, as Restated	<u>(34,035)</u>	<u>5,220</u>	<u>71,242</u>	<u>(102,783)</u>	<u>(104,514)</u>	<u>19,368</u>
<b>Fund Balances (Deficit) End of Year</b>	<u>\$ (34,780)</u>	<u>\$ 15,656</u>	<u>\$ 197,473</u>	<u>\$ (113,361)</u>	<u>\$ (120,043)</u>	<u>\$ 20,239</u>

(Continued)

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Street Lighting</u>	<u>Tri-City Senior Center</u>	<u>Community Hospital</u>	<u>Community Development Block Grant</u>	<u>Municipal Vehicle Tax Levy</u>	<u>Law Enforcement</u>
<b>Revenues</b>						
Property Taxes	\$ 0	\$ 16,834	\$ 111,989	\$ 0	\$ 0	\$ 0
Intergovernmental	0	1,704	10,267	150,000	40,369	0
Charges for Services	0	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0	1,555
Special Assessments	495,358	0	0	0	0	0
Interest	0	0	0	0	52	0
Other	0	0	0	0	0	0
<b>Total Revenues</b>	<u>495,358</u>	<u>18,538</u>	<u>122,256</u>	<u>150,000</u>	<u>40,421</u>	<u>1,555</u>
<b>Expenditures</b>						
Current:						
Security of Persons and Property	797,496	0	0	0	0	1,437
Public Health and Welfare	0	18,947	125,886	0	0	0
Leisure Time Activities	0	0	0	0	0	0
Transportation	0	0	0	0	37,000	0
General Government	0	0	0	0	0	0
Capital Outlay	0	0	0	150,000	0	0
<b>Total Expenditures</b>	<u>797,496</u>	<u>18,947</u>	<u>125,886</u>	<u>150,000</u>	<u>37,000</u>	<u>1,437</u>
Excess of Revenues Over (Under) Expenditures	<u>(302,138)</u>	<u>(409)</u>	<u>(3,630)</u>	<u>0</u>	<u>3,421</u>	<u>118</u>
<b>Other Financing Sources (Uses)</b>						
Capital Leases	136,615	0	0	0	0	0
Transfers In	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>136,615</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(165,523)	(409)	(3,630)	0	3,421	118
Fund Balances (Deficit) Beginning of Year, as Restated	<u>328,873</u>	<u>1,100</u>	<u>7,155</u>	<u>3,671</u>	<u>5,529</u>	<u>936</u>
<b>Fund Balances (Deficit) End of Year</b>	<u>\$ 163,350</u>	<u>\$ 691</u>	<u>\$ 3,525</u>	<u>\$ 3,671</u>	<u>\$ 8,950</u>	<u>\$ 1,054</u>

(Continued)

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006**

	First Offenders Diversion	Probation	Indigent Drivers Alcohol Treatment	DUI Education	Indigent Driving School	DUS Diversion
<b>Revenues</b>						
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	0
Fines and Forfeitures	8,700	298,084	45,095	1,718	375	31,243
Special Assessments	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total Revenues</b>	<u>8,700</u>	<u>298,084</u>	<u>45,095</u>	<u>1,718</u>	<u>375</u>	<u>31,243</u>
<b>Expenditures</b>						
Current:						
Security of Persons and Property	0	0	0	500	0	0
Public Health and Welfare	0	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
General Government	0	319,083	38,476	0	0	0
Capital Outlay	0	0	0	0	0	0
<b>Total Expenditures</b>	<u>0</u>	<u>319,083</u>	<u>38,476</u>	<u>500</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>8,700</u>	<u>(20,999)</u>	<u>6,619</u>	<u>1,218</u>	<u>375</u>	<u>31,243</u>
<b>Other Financing Sources (Uses)</b>						
Capital Leases	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	8,700	(20,999)	6,619	1,218	375	31,243
Fund Balances (Deficit) Beginning of Year, as Restated	<u>2,910</u>	<u>24,579</u>	<u>47,052</u>	<u>2,802</u>	<u>178</u>	<u>5,635</u>
<b>Fund Balances (Deficit) End of Year</b>	<u>\$ 11,610</u>	<u>\$ 3,580</u>	<u>\$ 53,671</u>	<u>\$ 4,020</u>	<u>\$ 553</u>	<u>\$ 36,878</u>

(Continued)

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006**

	<u>Court Computer</u>	<u>Court Computer Research</u>	<u>State Highway Patrol</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Revenues</b>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 802,201
Intergovernmental	0	0	0	1,036,151
Charges for Services	0	0	0	350,347
Fines and Forfeitures	91,759	49,979	6,755	535,263
Special Assessments	0	0	0	495,358
Interest	0	0	0	52
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,409</u>
<b>Total Revenues</b>	<u>91,759</u>	<u>49,979</u>	<u>6,755</u>	<u>3,249,781</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	0	0	0	1,702,240
Public Health and Welfare	0	0	0	144,833
Leisure Time Activities	0	0	0	996,027
Transportation	0	0	0	876,475
General Government	95,106	69,663	7,330	529,658
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>150,000</u>
<b>Total Expenditures</b>	<u>95,106</u>	<u>69,663</u>	<u>7,330</u>	<u>4,399,233</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,347)</u>	<u>(19,684)</u>	<u>(575)</u>	<u>(1,149,452)</u>
<b>Other Financing Sources (Uses)</b>				
Capital Leases	0	0	0	136,615
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>961,050</u>
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,097,665</u>
Net Change in Fund Balances	(3,347)	(19,684)	(575)	(51,787)
Fund Balances (Deficit) Beginning of Year, as Restated	<u>117,396</u>	<u>168,971</u>	<u>575</u>	<u>571,860</u>
<b>Fund Balances (Deficit) End of Year</b>	<u>\$ 114,049</u>	<u>\$ 149,287</u>	<u>\$ 0</u>	<u>\$ 520,073</u>

**CITY OF BEREA, OHIO  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 DECEMBER 31, 2006**

	<u>General Capital Improvement</u>	<u>Safety Capital Improvement</u>	<u>Recreation Capital Improvement</u>	<u>Neighborhood Improvement</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b><u>Assets</u></b>					
Equity in Pooled Cash and Cash Equivalents	\$ 158,042	\$ 77,944	\$ 16,218	\$ 400	\$ 252,604
Receivables:					
Accounts	<u>0</u>	<u>0</u>	<u>13,983</u>	<u>0</u>	<u>13,983</u>
<b>Total Assets</b>	<u>\$ 158,042</u>	<u>\$ 77,944</u>	<u>\$ 30,201</u>	<u>\$ 400</u>	<u>\$ 266,587</u>
<b><u>Liabilities</u></b>					
Accounts Payable	<u>\$ 198,423</u>	<u>\$ 2,846</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 201,269</u>
<b>Total Liabilities</b>	<u>198,423</u>	<u>2,846</u>	<u>0</u>	<u>0</u>	<u>201,269</u>
<b><u>Fund Balances</u></b>					
Unreserved, Undesignated:					
Capital Projects	<u>(40,381)</u>	<u>75,098</u>	<u>30,201</u>	<u>400</u>	<u>65,318</u>
<b>Total Fund Balances (Deficit)</b>	<u>(40,381)</u>	<u>75,098</u>	<u>30,201</u>	<u>400</u>	<u>65,318</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 158,042</u>	<u>\$ 77,944</u>	<u>\$ 30,201</u>	<u>\$ 400</u>	<u>\$ 266,587</u>



**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	General Capital Improvement	Safety Capital Improvement	Recreation Capital Improvement	Neighborhood Improvement	Total Nonmajor Capital Projects Funds
<b>Revenues</b>					
Intergovernmental	\$ 19,182	\$ 0	\$ 0	\$ 0	\$ 19,182
Charges for Services	0	65,838	0	0	65,838
Fees, Licenses and Permits	0	0	0	13,975	13,975
Other	4,779	453	15,127	0	20,359
<b>Total Revenues</b>	<u>23,961</u>	<u>66,291</u>	<u>15,127</u>	<u>13,975</u>	<u>119,354</u>
<b>Expenditures</b>					
Capital Outlay	2,186,533	165,864	53,837	13,575	2,419,809
Debt Service:					
Principal Retirement	31,092	0	0	0	31,092
Interest and Fiscal Charges	7,933	0	0	0	7,933
<b>Total Expenditures</b>	<u>2,225,558</u>	<u>165,864</u>	<u>53,837</u>	<u>13,575</u>	<u>2,458,834</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,201,597)</u>	<u>(99,573)</u>	<u>(38,710)</u>	<u>400</u>	<u>(2,339,480)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	1,780,000	173,000	67,500	0	2,020,500
<b>Total Other Financing Sources (Uses)</b>	<u>1,780,000</u>	<u>173,000</u>	<u>67,500</u>	<u>0</u>	<u>2,020,500</u>
Net Change in Fund Balances	(421,597)	73,427	28,790	400	(318,980)
Fund Balances, Beginning of Year, as Restated	<u>381,216</u>	<u>1,671</u>	<u>1,411</u>	<u>0</u>	<u>384,298</u>
<b>Fund Balances (Deficit) End of Year</b>	<u>\$ (40,381)</u>	<u>\$ 75,098</u>	<u>\$ 30,201</u>	<u>\$ 400</u>	<u>\$ 65,318</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b><u>Revenues</u></b>				
Property Taxes	\$ 1,990,000	\$ 2,116,406	\$ 2,116,406	\$ 0
Municipal Income Taxes	7,141,914	7,657,080	7,657,080	0
Other Local Taxes	226,500	13,476	13,476	0
Intergovernmental	1,334,400	1,223,422	1,223,422	0
Charges for Services	483,700	557,178	557,178	0
Fees, Licenses and Permits	1,060,000	1,027,474	1,027,474	0
Fines and Forfeitures	1,365,910	1,392,750	1,392,750	0
Investment Income	160,000	235,541	236,248	707
Refunds and Reimbursements	1,000	17,397	17,397	0
Other	<u>215,800</u>	<u>76,519</u>	<u>76,519</u>	<u>0</u>
<b>Total Revenues</b>	<u>13,979,224</u>	<u>14,317,243</u>	<u>14,317,950</u>	<u>707</u>
<b><u>Expenditures</u></b>				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Service	2,659,962	2,693,000	2,683,920	9,080
Other	<u>292,300</u>	<u>265,000</u>	<u>262,441</u>	<u>2,559</u>
Total Police Department	<u>2,952,262</u>	<u>2,958,000</u>	<u>2,946,361</u>	<u>11,639</u>
Fire Department:				
Personal Service	1,777,699	1,786,250	1,774,460	11,790
Other	<u>47,350</u>	<u>51,350</u>	<u>49,180</u>	<u>2,170</u>
Total Fire Department	<u>1,825,049</u>	<u>1,837,600</u>	<u>1,823,640</u>	<u>13,960</u>
Total Security of Persons and Property	<u>4,777,311</u>	<u>4,795,600</u>	<u>4,770,001</u>	<u>25,599</u>
Leisure Time Activities:				
Public Grounds:				
Personal Service	522,000	642,500	640,261	2,239
Other	<u>147,700</u>	<u>91,800</u>	<u>85,904</u>	<u>5,896</u>
Total Public Grounds	<u>669,700</u>	<u>734,300</u>	<u>726,165</u>	<u>8,135</u>
Total Leisure Time Activities	<u>669,700</u>	<u>734,300</u>	<u>726,165</u>	<u>8,135</u>
Community Development:				
Building Department:				
Personal Service	269,204	289,704	275,052	14,652
Other	<u>18,300</u>	<u>29,400</u>	<u>26,129</u>	<u>3,271</u>
Total Building Department	<u>287,504</u>	<u>319,104</u>	<u>301,181</u>	<u>17,923</u>

(Continued)

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Engineering Department:				
Personal Service	179,825	179,825	179,428	397
Other	<u>37,850</u>	<u>48,450</u>	<u>47,322</u>	<u>1,128</u>
Total Engineering Department	<u>217,675</u>	<u>228,275</u>	<u>226,750</u>	<u>1,525</u>
Total Community Development	<u>505,179</u>	<u>547,379</u>	<u>527,931</u>	<u>19,448</u>
Public Works:				
Storm Sewers and Drains:				
Personal Service	103,000	75,000	74,626	374
Other	<u>60,000</u>	<u>61,000</u>	<u>59,631</u>	<u>1,369</u>
Total Storm Sewers and Drains	<u>163,000</u>	<u>136,000</u>	<u>134,257</u>	<u>1,743</u>
Refuse Collection and Disposal:				
Personal Service	4,000	1,000	361	639
Other	<u>660,000</u>	<u>688,000</u>	<u>686,525</u>	<u>1,475</u>
Total Refuse Collection and Disposal	<u>664,000</u>	<u>689,000</u>	<u>686,886</u>	<u>2,114</u>
Recycling Collection:				
Personal Service	4,000	2,000	1,607	393
Other	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Recycling Collection	<u>5,000</u>	<u>3,000</u>	<u>1,607</u>	<u>1,393</u>
Leaf Collection:				
Personal Service	60,000	34,000	32,559	1,441
Other	<u>5,500</u>	<u>7,500</u>	<u>5,498</u>	<u>2,002</u>
Total Leaf Collection	<u>65,500</u>	<u>41,500</u>	<u>38,057</u>	<u>3,443</u>
Snow Removal:				
Personal Service	160,000	83,037	43,927	39,110
Other	<u>162,500</u>	<u>120,000</u>	<u>105,679</u>	<u>14,321</u>
Total Snow Removal	<u>322,500</u>	<u>203,037</u>	<u>149,606</u>	<u>53,431</u>
Total Public Works	<u>1,220,000</u>	<u>1,072,537</u>	<u>1,010,413</u>	<u>62,124</u>
General Government:				
Council:				
Personal Service	136,761	136,761	136,666	95
Other	<u>5,950</u>	<u>5,950</u>	<u>4,278</u>	<u>1,672</u>
Total Council	<u>142,711</u>	<u>142,711</u>	<u>140,944</u>	<u>1,767</u>
Mayor:				
Personal Service	173,568	178,568	177,914	654
Other	<u>2,850</u>	<u>2,850</u>	<u>2,360</u>	<u>490</u>
Total Mayor	<u>176,418</u>	<u>181,418</u>	<u>180,274</u>	<u>1,144</u>

(Continued)

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Finance:				
Personal Service	278,712	278,712	274,832	3,880
Other	<u>10,400</u>	<u>12,400</u>	<u>10,858</u>	<u>1,542</u>
Total Finance	<u>289,112</u>	<u>291,112</u>	<u>285,690</u>	<u>5,422</u>
Law:				
Personal Service	238,412	238,412	231,110	7,302
Other	<u>12,750</u>	<u>12,750</u>	<u>10,728</u>	<u>2,022</u>
Total Law	<u>251,162</u>	<u>251,162</u>	<u>241,838</u>	<u>9,324</u>
Civil Service Commission:				
Personal Service	6	6	5	1
Other	<u>7,600</u>	<u>7,600</u>	<u>5,176</u>	<u>2,424</u>
Total Civil Service Commission	<u>7,606</u>	<u>7,606</u>	<u>5,181</u>	<u>2,425</u>
Municipal Court:				
Personal Service	855,467	855,467	831,398	24,069
Other	<u>557,943</u>	<u>572,943</u>	<u>566,337</u>	<u>6,606</u>
Total Municipal Court	<u>1,413,410</u>	<u>1,428,410</u>	<u>1,397,735</u>	<u>30,675</u>
Planning and Development:				
Personal Service	165,000	208,000	206,879	1,121
Other	<u>250,000</u>	<u>241,200</u>	<u>239,763</u>	<u>1,437</u>
Total Planning and Development	<u>415,000</u>	<u>449,200</u>	<u>446,642</u>	<u>2,558</u>
Service Administration:				
Personal Service	40,000	0	0	0
Other	<u>349,000</u>	<u>431,700</u>	<u>429,976</u>	<u>1,724</u>
Total Service Administration	<u>389,000</u>	<u>431,700</u>	<u>429,976</u>	<u>1,724</u>
Contingencies:				
Personal Service	326,862	338,862	337,555	1,307
Other	<u>9,150</u>	<u>15,950</u>	<u>14,083</u>	<u>1,867</u>
Total Contingencies	<u>336,012</u>	<u>354,812</u>	<u>351,638</u>	<u>3,174</u>
Administration:				
Personal Service	20,783	20,783	11,231	9,552
Other	<u>3,286,493</u>	<u>3,055,650</u>	<u>2,986,498</u>	<u>69,152</u>
Total Administration	<u>3,307,276</u>	<u>3,076,433</u>	<u>2,997,729</u>	<u>78,704</u>

(Continued)

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Planning and Development:				
Other	44,500	44,500	34,916	9,584
Total Planning and Development	44,500	44,500	34,916	9,584
Total General Government	6,772,207	6,659,064	6,512,563	146,501
<b>Total Expenditures</b>	<u>13,944,397</u>	<u>13,808,880</u>	<u>13,547,073</u>	<u>261,807</u>
Excess of Revenue Over (Under) Expenditures	<u>34,827</u>	<u>508,363</u>	<u>770,877</u>	<u>262,514</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers Out	(571,050)	(461,050)	(461,050)	0
Sale of Capital Assets	3,000	3,318	3,318	0
<b>Total Other Financing Sources (Uses)</b>	<u>(568,050)</u>	<u>(457,732)</u>	<u>(457,732)</u>	<u>0</u>
Net Change in Fund Balance	(533,223)	50,631	313,145	262,514
Fund Balance Beginning of Year	633,051	633,051	633,051	0
Prior Year Encumbrances Appropriated	<u>9,315</u>	<u>9,315</u>	<u>9,315</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 109,143</u>	<u>\$ 692,997</u>	<u>\$ 955,511</u>	<u>\$ 262,514</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**MUNICIPAL INCOME TAX FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Municipal Income Tax	\$ 2,552,360	\$ 2,552,360	\$ 0
<b>Total Revenues</b>	<u>2,552,360</u>	<u>2,552,360</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
General Government	<u>75,000</u>	<u>61,187</u>	<u>13,813</u>
<b>Total Expenditures</b>	<u>75,000</u>	<u>61,187</u>	<u>13,813</u>
Excess of Revenues Over (Under)Expenditures	<u>2,477,360</u>	<u>2,491,173</u>	<u>13,813</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers Out	<u>(2,645,500)</u>	<u>(2,645,500)</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(2,645,500)</u>	<u>(2,645,500)</u>	<u>0</u>
Net Change in Fund Balance	(168,140)	(154,327)	13,813
Fund Balance Beginning of Year	<u>208,860</u>	<u>208,860</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 40,720</u>	<u>\$ 54,533</u>	<u>\$ 13,813</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**GENERAL BOND RETIREMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$ 1,801,282	\$ 1,801,282	\$ 0
Intergovernmental	248,540	193,540	(55,000)
Special Assessments	12,532	12,532	0
Other	0	55,000	55,000
<b>Total Revenues</b>	<u>2,062,354</u>	<u>2,062,354</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government	10,000	6,621	3,379
Debt Service:			
Note Principal Retirement	4,022,267	4,022,267	0
Interest and Fiscal Charges	1,004,492	1,004,492	0
<b>Total Expenditures</b>	<u>5,036,759</u>	<u>5,033,380</u>	<u>3,379</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,974,405)</u>	<u>(2,971,026)</u>	<u>3,379</u>
<b>Other Financing Sources (Uses)</b>			
General Obligation Bonds Issued	0	7,365,000	7,365,000
Refunding Bond Issuance Cost	(210,039)	(210,039)	0
Payment to Refunding Bond Escrow Agent	(4,430,878)	(4,430,878)	0
Premium on Refunding Bond	0	124,066	124,066
Advances Out	(15,000)	(15,000)	0
Proceeds from Sale of Notes	3,048,149	200,000	(2,848,149)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,607,768)</u>	<u>3,033,149</u>	<u>4,640,917</u>
Net Change in Fund Balance	(4,582,173)	62,123	4,644,296
Fund Balance Beginning of Year	<u>357,955</u>	<u>357,955</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ (4,224,218)</u>	<u>\$ 420,078</u>	<u>\$ 4,644,296</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**RAILROAD CAPITAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Intergovernmental	\$23,975,000	\$ 841,773	\$(23,133,227)
Investment Income	<u>20,000</u>	<u>14,983</u>	<u>(5,017)</u>
<b>Total Revenues</b>	<u>23,995,000</u>	<u>856,756</u>	<u>(23,138,244)</u>
<b><u>Expenditures</u></b>			
Current:			
Capital Outlay	<u>24,000,000</u>	<u>850,561</u>	<u>23,149,439</u>
<b>Total Expenditures</b>	<u>24,000,000</u>	<u>850,561</u>	<u>23,149,439</u>
Excess of Revenues Over (Under)Expenditures	<u>(5,000)</u>	<u>6,195</u>	<u>11,195</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Sale of Capital Assets	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Net Change in Fund Balance	0	11,195	11,195
Fund Balance Beginning of Year	118,043	118,043	0
Prior Year Encumbrances Appropriated	<u>5,497</u>	<u>5,497</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 123,540</u>	<u>\$ 134,735</u>	<u>\$ 11,195</u>



**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**COURT CAPITAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31,2006**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 279,992	\$ 279,992	\$ 0
Investment Income	<u>50,288</u>	<u>50,288</u>	<u>0</u>
<b>Total Revenues</b>	<u>330,280</u>	<u>330,280</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Capital Outlay	179,501	179,501	0
Principal Retirement	2,800,000	2,800,000	0
Interest and Fiscal Charges	<u>100,809</u>	<u>100,809</u>	<u>0</u>
<b>Total Expenditures</b>	<u>3,080,310</u>	<u>3,080,310</u>	<u>0</u>
Excess of Revenue Over (Under) Expenditures	<u>(2,750,030)</u>	<u>(2,750,030)</u>	<u>0</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Advances In	<u>15,000</u>	<u>15,000</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Net Change in Fund Balance	(2,735,030)	(2,735,030)	
Fund Balance Beginning of Year	<u>2,737,288</u>	<u>2,737,288</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 2,258</u>	<u>\$ 2,258</u>	<u>\$ 0</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**RECREATION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Charges for Services	\$ 348,951	\$ 348,951	\$ 0
Refund and Reimbursements	26,914	26,914	0
Other	<u>3,495</u>	<u>3,495</u>	<u>0</u>
<b>Total Revenues</b>	<u>379,360</u>	<u>379,360</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Leisure Time Activities	<u>1,002,971</u>	<u>995,957</u>	<u>7,014</u>
<b>Total Expenditures</b>	<u>1,002,971</u>	<u>995,957</u>	<u>7,014</u>
Excess of Revenues Over (Under)Expenditures	<u>(623,611)</u>	<u>(616,597)</u>	<u>7,014</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In	<u>615,000</u>	<u>615,000</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>615,000</u>	<u>615,000</u>	<u>0</u>
Net Change in Fund Balance	(8,611)	(1,597)	7,014
Fund Balance Beginning of Year	18,030	18,030	0
Prior Year Encumbrances Appropriated	<u>1,748</u>	<u>1,748</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 11,167</u>	<u>\$ 18,181</u>	<u>\$ 7,014</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**STATE HIGHWAY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Intergovernmental	\$ 47,843	\$ 50,099	\$ 2,256
<b>Total Revenues</b>	<u>47,843</u>	<u>50,099</u>	<u>2,256</u>
<b><u>Expenditures</u></b>			
Current:			
Transportation	<u>45,000</u>	<u>45,000</u>	<u>0</u>
<b>Total Expenditures</b>	<u>45,000</u>	<u>45,000</u>	<u>0</u>
Net Change in Fund Balance	2,843	5,099	2,256
Fund Balance Beginning of Year	<u>5,219</u>	<u>5,219</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 8,062</u></u>	<u><u>\$ 10,318</u></u>	<u><u>\$ 2,256</u></u>

**CITY OF BEREА, 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, 2006**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Intergovernmental	\$ 590,071	\$ 617,889	\$ 27,818
<b>Total Revenues</b>	<u>590,071</u>	<u>617,889</u>	<u>27,818</u>
<b><u>Expenditures</u></b>			
Current:			
Transportation	<u>849,918</u>	<u>835,835</u>	<u>14,083</u>
<b>Total Expenditures</b>	<u>849,918</u>	<u>835,835</u>	<u>14,083</u>
Excess of Revenues Over (Under)Expenditures	<u>(259,847)</u>	<u>(217,946)</u>	<u>41,901</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In	<u>236,000</u>	<u>236,000</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>236,000</u>	<u>236,000</u>	<u>0</u>
Net Change in Fund Balance	(23,847)	18,054	41,901
Fund Balance Beginning of Year	25,179	25,179	0
Prior Year Encumbrances Appropriated	<u>2,587</u>	<u>2,587</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 3,919</u>	<u>\$ 45,820</u>	<u>\$ 41,901</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**FIRE PENSION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Property Taxes	\$ 336,689	\$ 336,689	\$ 0
Intergovernmental	<u>36,715</u>	<u>36,715</u>	<u>0</u>
<b>Total Revenues</b>	<u>373,404</u>	<u>373,404</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Security of Persons and Property	<u>424,000</u>	<u>422,524</u>	<u>1,476</u>
<b>Total Expenditures</b>	<u>424,000</u>	<u>422,524</u>	<u>1,476</u>
Excess of Revenues Over (Under)Expenditures	<u>(50,596)</u>	<u>(49,120)</u>	<u>1,476</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In	<u>54,000</u>	<u>54,000</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>54,000</u>	<u>54,000</u>	<u>0</u>
Net Change in Fund Balance	3,404	4,880	1,476
<b>Fund Balance Beginning of Year</b>	<u>12,285</u>	<u>12,285</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 15,689</u>	<u>\$ 17,165</u>	<u>\$ 1,476</u>

**CITY OF BEREА, 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, 2006**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Property Taxes	\$ 336,689	\$ 336,689	\$ 0
Intergovernmental	<u>36,715</u>	<u>36,715</u>	<u>0</u>
<b>Total Revenues</b>	<u>373,404</u>	<u>373,404</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Security of Persons and Property	<u>425,000</u>	<u>421,765</u>	<u>3,235</u>
<b>Total Expenditures</b>	<u>425,000</u>	<u>421,765</u>	<u>3,235</u>
Excess of Revenues Over (Under)Expenditures	<u>(51,596)</u>	<u>(48,361)</u>	<u>3,235</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In	<u>56,050</u>	<u>56,050</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>56,050</u>	<u>56,050</u>	<u>0</u>
Net Change in Fund Balance	4,454	7,689	3,235
Fund Balance at Beginning of Year	<u>9,143</u>	<u>9,143</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 13,597</u>	<u>\$ 16,832</u>	<u>\$ 3,235</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**DARE GRANT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Intergovernmental	\$ 20,239	\$ 20,239	\$ 0
<b>Total Revenues</b>	<u>20,239</u>	<u>20,239</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Security of Persons and Property	<u>19,368</u>	<u>19,368</u>	<u>0</u>
<b>Total Expenditures</b>	<u>19,368</u>	<u>19,368</u>	<u>0</u>
Net Change in Fund Balance	871	871	0
Fund Balance Beginning of Year	<u>19,368</u>	<u>19,368</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 20,239</u></u>	<u><u>\$ 20,239</u></u>	<u><u>\$ 0</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**STREET LIGHTING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
<b><u>Revenues</u></b>			
Special Assessments	\$ 574,085	\$ 574,085	\$ 0
<b>Total Revenues</b>	<u>574,085</u>	<u>574,085</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Security of Persons and Property	<u>726,000</u>	<u>638,913</u>	<u>87,087</u>
<b>Total Expenditures</b>	<u>726,000</u>	<u>638,913</u>	<u>87,087</u>
Net Change in Fund Balance	(151,915)	(64,828)	87,087
Fund Balance Beginning of Year	283,798	283,798	0
Prior Year Encumbrances Appropriated	<u>23,788</u>	<u>23,788</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 155,671</u></u>	<u><u>\$ 242,758</u></u>	<u><u>\$ 87,087</u></u>



**CITY OF BEREA, OHIO**  
**SCHEDULE REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**TRI-CITY SENIOR CENTER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Property Taxes	\$ 16,834	\$ 16,834	\$ 0
Intergovernmental	<u>1,704</u>	<u>1,704</u>	<u>0</u>
<b>Total Revenues</b>	<u>18,538</u>	<u>18,538</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Public Health and Welfare	<u>18,947</u>	<u>18,947</u>	<u>0</u>
<b>Total Expenditures</b>	<u>18,947</u>	<u>18,947</u>	<u>0</u>
Net Change in Fund Balance	(409)	(409)	0
Fund Balance Beginning of Year	<u>1,100</u>	<u>1,100</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 691</u></u>	<u><u>\$ 691</u></u>	<u><u>\$ 0</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**COMMUNITY HOSPITAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Property Taxes	\$ 111,989	\$ 111,989	\$ 0
Intergovernmental	<u>10,267</u>	<u>10,267</u>	<u>0</u>
<b>Total Revenues</b>	<u>122,256</u>	<u>122,256</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Public Health and Welfare	<u>125,886</u>	<u>125,886</u>	<u>0</u>
<b>Total Expenditures</b>	<u>125,886</u>	<u>125,886</u>	<u>0</u>
Net Change in Fund Balance	(3,630)	(3,630)	0
Fund Balance at Beginning of Year	<u>7,155</u>	<u>7,155</u>	<u>0</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 3,525</u></u>	<u><u>\$ 3,525</u></u>	<u><u>\$ 0</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Intergovernmental	\$ 150,000	\$ 150,000	\$ 0
<b>Total Revenues</b>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Capital Outlay	<u>150,000</u>	<u>150,000</u>	<u>0</u>
<b>Total Expenditures</b>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>3,671</u>	<u>3,671</u>	<u>0</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 3,671</u></u>	<u><u>\$ 3,671</u></u>	<u><u>\$ 0</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**MUNICIPAL VEHICLE TAX LEVY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Intergovernmental	\$ 37,357	\$ 37,357	\$ 0
Investment Income	<u>52</u>	<u>52</u>	<u>0</u>
<b>Total Revenues</b>	<u>37,409</u>	<u>37,409</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Transportation	<u>39,000</u>	<u>37,000</u>	<u>2,000</u>
<b>Total Expenditures</b>	<u>39,000</u>	<u>37,000</u>	<u>2,000</u>
Net Change in Fund Balance	(1,591)	409	2,000
Fund Balance Beginning of Year	<u>2,569</u>	<u>2,569</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 978</u></u>	<u><u>\$ 2,978</u></u>	<u><u>\$ 2,000</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**LAW ENFORCEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 1,555	\$ 1,555	\$ 0
<b>Total Revenues</b>	<u>1,555</u>	<u>1,555</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Security of Persons and Property	<u>1,500</u>	<u>1,437</u>	<u>63</u>
<b>Total Expenditures</b>	<u>1,500</u>	<u>1,437</u>	<u>63</u>
Net Change in Fund Balance	55	118	63
Fund Balance Beginning of Year	<u>936</u>	<u>936</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 991</u></u>	<u><u>\$ 1,054</u></u>	<u><u>\$ 63</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**FIRST OFFENDERS DIVERSION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 7,800	\$ 7,800	\$ 0
<b>Total Revenues</b>	<u>7,800</u>	<u>7,800</u>	<u>0</u>
<b><u>Expenditures</u></b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	7,800	7,800	0
Fund Balance Beginning of Year	<u>2,910</u>	<u>2,910</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 10,710</u></u>	<u><u>\$ 10,710</u></u>	<u><u>\$ 0</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**PROBATION FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 299,961	\$ 299,960	\$ (1)
<b>Total Revenues</b>	<u>299,961</u>	<u>299,960</u>	<u>(1)</u>
<b><u>Expenditures</u></b>			
Current:			
General Government	<u>321,700</u>	<u>319,282</u>	<u>2,418</u>
<b>Total Expenditures</b>	<u>321,700</u>	<u>319,282</u>	<u>2,418</u>
Net Change in Fund Balance	(21,739)	(19,322)	2,417
Fund Balance Beginning of Year	21,124	21,124	0
Prior Year Encumbrances Appropriated	<u>1,736</u>	<u>1,736</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 1,121</u></u>	<u><u>\$ 3,538</u></u>	<u><u>\$ 2,417</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**INDIGENT DRIVERS ALCOHOL TREATMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 44,145	\$ 44,145	\$ 0
<b>Total Revenues</b>	<u>44,145</u>	<u>44,145</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
General Government	<u>42,000</u>	<u>41,587</u>	<u>413</u>
<b>Total Expenditures</b>	<u>42,000</u>	<u>41,587</u>	<u>413</u>
Net Change in Fund Balance	2,145	2,558	413
Fund Balance Beginning of Year	44,313	44,313	0
Prior Year Encumbrances Appropriated	<u>5,520</u>	<u>5,520</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 51,978</u></u>	<u><u>\$ 52,391</u></u>	<u><u>\$ 413</u></u>



**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**DUI EDUCATION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 1,718	\$ 1,718	\$ 0
<b>Total Revenues</b>	<u>1,718</u>	<u>1,718</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Security of Persons and Property	<u>500</u>	<u>500</u>	<u>0</u>
<b>Total Expenditures</b>	<u>500</u>	<u>500</u>	<u>0</u>
Net Change in Fund Balance	1,218	1,218	0
Fund Balance Beginning of Year	<u>2,802</u>	<u>2,802</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 4,020</u></u>	<u><u>\$ 4,020</u></u>	<u><u>\$ 0</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**INDIGENT DRIVING SCHOOL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 375	\$ 375	\$ 0
<b>Total Revenues</b>	<u>375</u>	<u>375</u>	<u>0</u>
<b><u>Expenditures</u></b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	375	375	0
Fund Balance Beginning of Year	178	178	0
Prior Year Encumbrances Appropriated	<u>1,455</u>	<u>1,455</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 2,008</u>	<u>\$ 2,008</u>	<u>\$ 0</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**DUS DIVERSION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 30,048	\$ 30,048	\$ 0
<b>Total Revenues</b>	<u>30,048</u>	<u>30,048</u>	<u>0</u>
<b><u>Expenditures</u></b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	30,048	30,048	0
Fund Balance Beginning of Year	<u>5,365</u>	<u>5,365</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 35,413</u></u>	<u><u>\$ 35,413</u></u>	<u><u>\$ 0</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**COURT COMPUTER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 89,459	\$ 89,459	0
<b>Total Revenues</b>	<u>89,459</u>	<u>89,459</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
General Government	<u>98,000</u>	<u>95,878</u>	<u>2,122</u>
<b>Total Expenditures</b>	<u>98,000</u>	<u>95,878</u>	<u>2,122</u>
Net Change in Fund Balance	(8,541)	(6,419)	2,122
Fund Balance Beginning of Year	108,753	108,753	0
Prior Year Encumbrances Appropriated	<u>4,314</u>	<u>4,314</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 104,526</u></u>	<u><u>\$ 106,648</u></u>	<u><u>\$ 2,122</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**COURT COMPUTER RESEARCH FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 47,114	\$ 47,114	\$ 0
<b>Total Revenues</b>	<u>47,114</u>	<u>47,114</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
General Government	<u>88,000</u>	<u>87,350</u>	<u>650</u>
<b>Total Expenditures</b>	<u>88,000</u>	<u>87,350</u>	<u>650</u>
Net Change in Fund Balance	(40,886)	(40,236)	650
Fund Balance Beginning of Year	147,510	147,510	0
Prior Year Encumbrances Appropriated	<u>43,329</u>	<u>43,329</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 149,953</u></u>	<u><u>\$ 150,603</u></u>	<u><u>\$ 650</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE-BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**STATE HIGHWAY PATROL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fines and Forfeitures	\$ 6,755	\$ 6,755	\$ 0
<b>Total Revenues</b>	<u>6,755</u>	<u>6,755</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
General Government	<u>7,330</u>	<u>7,330</u>	<u>0</u>
<b>Total Expenditures</b>	<u>7,330</u>	<u>7,330</u>	<u>0</u>
Net Change in Fund Balance	(575)	(575)	0
Fund Balance Beginning of Year	<u>575</u>	<u>575</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**GENERAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Intergovernmental	\$ 220,893	\$ 390,084	\$ 169,191
Charges for Services	144,191	0	(144,191)
Refunds and Reimbursements	161,178	0	(161,178)
Other	<u>4,779</u>	<u>4,779</u>	<u>0</u>
<b>Total Revenues</b>	<u>531,041</u>	<u>394,863</u>	<u>(136,178)</u>
<b><u>Expenditures</u></b>			
Current:			
Capital Outlay	2,308,507	2,306,526	1,981
Debt Service:			
Bond Principal Retirement	31,092	31,092	0
Interest	<u>7,933</u>	<u>7,933</u>	<u>0</u>
<b>Total Expenditures</b>	<u>2,347,532</u>	<u>2,345,551</u>	<u>1,981</u>
Excess of Revenues Over (Under)Expenditures	<u>(1,816,491)</u>	<u>(1,950,688)</u>	<u>(134,197)</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In	1,780,000	1,780,000	0
Proceeds from Sale of Notes	<u>0</u>	<u>136,178</u>	<u>136,178</u>
<b>Total Other Financing Sources (Uses)</b>	<u>1,780,000</u>	<u>1,916,178</u>	<u>136,178</u>
Net Change in Fund Balance	(36,491)	(34,510)	1,981
Fund Balance - Beginning of Year	176,633	176,633	0
Prior Year Encumbrances Appropriated	<u>15,918</u>	<u>15,918</u>	<u>0</u>
<b>Fund Balance - End of Year</b>	<u>\$ 156,060</u>	<u>\$ 158,041</u>	<u>\$ 1,981</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**SAFETY CAPITAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Charges for Services	\$ 65,838	\$ 65,838	\$ 0
Other	453	453	0
<b>Total Revenues</b>	<u>66,291</u>	<u>66,291</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Capital Outlay	163,611	163,018	593
<b>Total Expenditures</b>	<u>163,611</u>	<u>163,018</u>	<u>593</u>
Excess of Revenues Over (Under)Expenditures	<u>(97,320)</u>	<u>(96,727)</u>	<u>593</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In	173,000	173,000	0
<b>Total Other Financing Sources (Uses)</b>	<u>173,000</u>	<u>173,000</u>	<u>0</u>
Net Change in Fund Balance	75,680	76,273	593
Fund Balance - Beginning of Year	1,670	1,670	0
Prior Year Encumbrances Appropriated	<u>3,155</u>	<u>3,155</u>	<u>0</u>
<b>Fund Balance - End of Year</b>	<u>\$ 80,505</u>	<u>\$ 81,098</u>	<u>\$ 593</u>



**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**RECREATION CAPITAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Other	\$ 1,144	\$ 1,144	\$ 0
<b>Total Revenues</b>	<u>1,144</u>	<u>1,144</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Capital Outlay	<u>54,500</u>	<u>53,837</u>	<u>663</u>
<b>Total Expenses</b>	<u>54,500</u>	<u>53,837</u>	<u>663</u>
Excess of Revenues Over (Under) Expenditures	<u>(53,356)</u>	<u>(52,693)</u>	<u>663</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In	<u>67,500</u>	<u>67,500</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>67,500</u>	<u>67,500</u>	<u>0</u>
Net Change in Fund Balance	14,144	14,807	663
Fund Balance Beginning of Year	1,261	1,261	0
Prior Year Encumbrances Appropriated	<u>149</u>	<u>149</u>	<u>0</u>
<b>Fund Balance- End of Year</b>	<u>\$ 15,554</u>	<u>\$ 16,217</u>	<u>\$ 663</u>

**CITY OF BEREA, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**NEIGHBORHOOD IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>			
Fees, Licenses, and Permits	\$ 13,975	\$ 13,975	\$ 0
<b>Total Revenues</b>	<u>13,975</u>	<u>13,975</u>	<u>0</u>
<b><u>Expenditures</u></b>			
Current:			
Contractual Services	<u>13,575</u>	<u>13,575</u>	<u>0</u>
<b>Total Expenditures</b>	<u>13,575</u>	<u>13,575</u>	<u>0</u>
Net Change in Fund Balance	13,575	13,575	0
Fund Balance - Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance - End of Year</b>	<u><u>\$ 400</u></u>	<u><u>\$ 400</u></u>	<u><u>\$ 0</u></u>

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

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

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

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

**CITY OF BEREA, OHIO  
COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2006**

	<u>Medical Benefits</u>	<u>Property/ Liability Insurance</u>	<u>Total Internal Service</u>
<b><u>Assets</u></b>			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 43,214	\$ 432	\$ 43,646
Prepaid Items	<u>0</u>	<u>2,257</u>	<u>2,257</u>
<b>Total Assets</b>	<b><u>\$ 43,214</u></b>	<b><u>\$ 2,689</u></b>	<b><u>\$ 45,903</u></b>
<b><u>Liabilities</u></b>			
Current Liabilities:			
Accounts Payable	\$ 0	\$ 1,437	\$ 1,437
Claims Payable	<u>186,028</u>	<u>0</u>	<u>186,028</u>
Total Current Liabilities	<u>186,028</u>	<u>1,437</u>	<u>187,465</u>
<b><u>Net Assets</u></b>			
Unrestricted (Deficit)	<u>(142,814)</u>	<u>1,252</u>	<u>(141,562)</u>
<b>Total Net Assets (Deficit)</b>	<b><u>(142,814)</u></b>	<b><u>1,252</u></b>	<b><u>(141,562)</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 43,214</u></b>	<b><u>\$ 2,689</u></b>	<b><u>\$ 45,903</u></b>

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Medical Benefits</u>	<u>Property/ Liability Insurance</u>	<u>Total Internal Service</u>
<b><u>Operating Revenues</u></b>			
Charges for Services	\$ 1,830,444	\$ 237,172	\$ 2,067,616
<b>Total Operating Revenues</b>	<u>1,830,444</u>	<u>237,172</u>	<u>2,067,616</u>
<b><u>Operating Expenses</u></b>			
Contractual Services	254	226,477	226,731
Claims	<u>1,729,955</u>	<u>6,657</u>	<u>1,736,612</u>
<b>Total Operating Expenses</b>	<u>1,730,209</u>	<u>233,134</u>	<u>1,963,343</u>
Operating Income (Loss)	<u>100,235</u>	<u>4,038</u>	<u>104,273</u>
<b><u>Non-Operating Revenues (Expenses)</u></b>			
Interest	<u>1,796</u>	<u>0</u>	<u>1,796</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u>1,796</u>	<u>0</u>	<u>1,796</u>
Net Income (Loss)	102,031	4,038	106,069
Net Assets (Deficit), Beginning of Year	<u>(244,845)</u>	<u>(2,786)</u>	<u>(247,631)</u>
<b>Total Net Assets (Deficit), End of Year</b>	<u>\$ (142,814)</u>	<u>\$ 1,252</u>	<u>\$ (141,562)</u>

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS -**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Medical Benefits</u>	<u>Property/ Liability Insurance</u>	<u>Total Internal Service Funds</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
<b><u>Cash Flows from Operating Activities</u></b>			
Cash Received from Customers	\$ 1,826,938	\$ 229,000	\$ 2,055,938
Cash Refunds and Reimbursements	3,506	8,172	11,678
Cash Payments for Contractual and Other Services	(254)	(225,040)	(225,294)
Cash Payments for Claims	<u>(1,798,201)</u>	<u>(26,697)</u>	<u>(1,824,898)</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>31,989</u>	<u>(14,565)</u>	<u>17,424</u>
<b><u>Cash Flows from Investing Activities</u></b>			
Interest on Investments	<u>1,796</u>	<u>0</u>	<u>1,796</u>
<b>Net Cash Provided by Investing Activities</b>	<u>1,796</u>	<u>0</u>	<u>1,796</u>
Net Increase (Decrease) in Cash and Cash Equivalents	33,785	(14,565)	19,220
Cash and Cash Equivalents Beginning of Year	<u>9,429</u>	<u>14,997</u>	<u>24,426</u>
<b>Cash and Cash Equivalents End of Year</b>	<u>\$ 43,214</u>	<u>\$ 432</u>	<u>\$ 43,646</u>
<b><u>Reconciliation of Operating Income (Loss)</u></b>			
<b><u>to Net Cash Provided by (Used for) Operating Activities</u></b>			
Operating Income (Loss)	\$ 100,235	\$ 4,038	\$ 104,273
(Increases) Decrease in Assets:			
Prepaid Items	0	(60)	(60)
Increase (Decrease in Liabilities:			
Accounts Payable	0	(3,543)	(3,543)
Claims Payable	<u>(68,246)</u>	<u>(15,000)</u>	<u>(83,246)</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ 31,989</u>	<u>\$ (14,565)</u>	<u>\$ 17,424</u>

**CITY OF BEREA, OHIO**

**COMBINING STATEMENTS - AGENCY FUNDS**

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***Fiduciary Funds***

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

***Agency Funds***

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

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

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

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

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

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

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**DECEMBER 31, 2006**

	<u>Regional Sewer</u>	<u>Unclaimed Monies</u>	<u>Contract Retainer</u>	<u>Guarantee Deposits</u>
<b><u>Assets</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$ 481,230	\$ 18,043	\$ 131,372	\$ 175,893
Equity In Pooled Cash Segregated	0	0	0	0
Receivables:				
Accounts	945,528	0	0	0
Special Assessment	<u>248,394</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Assets</b>	<b><u>\$ 1,675,152</u></b>	<b><u>\$ 18,043</u></b>	<b><u>\$ 131,372</u></b>	<b><u>\$ 175,893</u></b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 458,660	\$ 0	\$ 0	\$ 0
Due to Other Governments	1,216,492	0	0	0
Deposits Held and Due to Others	<u>0</u>	<u>18,043</u>	<u>131,372</u>	<u>175,893</u>
<b>Total Liabilities</b>	<b><u>\$ 1,675,152</u></b>	<b><u>\$ 18,043</u></b>	<b><u>\$ 131,372</u></b>	<b><u>\$ 175,893</u></b>



**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**DECEMBER 31, 2006**  
**(CONTINUED)**

	<u>Ohio Board of Building Standards</u>	<u>Municipal Court</u>	<u>Total All Agency Funds</u>
<b><u>Assets</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$ 2,579	\$ 0	\$ 809,117
Equity in Pooled Cash Segregated	0	371,408	371,408
Receivables:			
Accounts Receivable	0	0	945,528
Special Assessment Receivable	<u>0</u>	<u>0</u>	<u>248,394</u>
<b>Total Assets</b>	<b><u>\$ 2,579</u></b>	<b><u>\$ 371,408</u></b>	<b><u>\$ 2,374,447</u></b>
<b><u>Liabilities</u></b>			
Accounts Payable	\$ 0	\$ 0	\$ 458,660
Due to Other Governments	2,579	296,432	1,515,503
Deposits Held and Due to Others	<u>0</u>	<u>74,976</u>	<u>400,284</u>
<b>Total Liabilities</b>	<b><u>\$ 2,579</u></b>	<b><u>\$ 371,408</u></b>	<b><u>\$ 2,374,447</u></b>

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

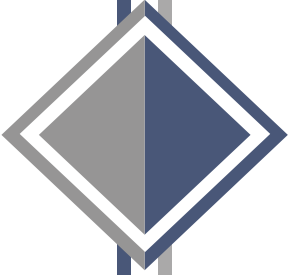
	<u>Balance</u> <u>12/31/2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2006</u>
<b><u>Regional Sewer</u></b>				
<b><u>Assets</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$ 514,867	\$ 0	\$ 33,637	\$ 481,230
Receivables:				
Accounts	875,801	69,727	0	945,528
Special Assessment	236,912	11,482	0	248,394
<b>Total Assets</b>	<b><u>\$ 1,627,580</u></b>	<b><u>\$ 81,209</u></b>	<b><u>\$ 33,637</u></b>	<b><u>\$ 1,675,152</u></b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 487,603	\$ 0	\$ 28,943	\$ 458,660
Due to Other Governments	1,139,977	76,515	0	1,216,492
<b>Total Liabilities</b>	<b><u>\$ 1,627,580</u></b>	<b><u>\$ 76,515</u></b>	<b><u>\$ 28,943</u></b>	<b><u>\$ 1,675,152</u></b>
<b><u>Unclaimed Monies</u></b>				
<b><u>Assets</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$ 16,680	\$ 1,363	\$ 0	\$ 18,043
<b>Total Assets</b>	<b><u>\$ 16,680</u></b>	<b><u>\$ 1,363</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 18,043</u></b>
<b><u>Liabilities</u></b>				
Deposits Held and Due to Others	\$ 16,680	\$ 1,363	\$ 0	\$ 18,043
<b>Total Liabilities</b>	<b><u>\$ 16,680</u></b>	<b><u>\$ 1,363</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 18,043</u></b>
<b><u>Contract Retainer</u></b>				
<b><u>Assets</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$ 206,589	\$ 0	\$ 75,217	\$ 131,372
<b>Total Assets</b>	<b><u>\$ 206,589</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 75,217</u></b>	<b><u>\$ 131,372</u></b>
<b><u>Liabilities</u></b>				
Deposits Held and Due to Others	\$ 206,589	\$ 0	\$ 75,217	\$ 131,372
<b>Total Liabilities</b>	<b><u>\$ 206,589</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 75,217</u></b>	<b><u>\$ 131,372</u></b>
<b><u>Guarantee Deposits</u></b>				
<b><u>Assets</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$ 161,967	\$ 13,926	\$ 0	\$ 175,893
<b>Total Assets</b>	<b><u>\$ 161,967</u></b>	<b><u>\$ 13,926</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 175,893</u></b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 6,500	\$ 0	\$ 6,500	\$ 0
Deposits Held and Due to Others	155,467	20,426	0	175,893
<b>Total Liabilities</b>	<b><u>\$ 161,967</u></b>	<b><u>\$ 20,426</u></b>	<b><u>\$ 6,500</u></b>	<b><u>\$ 175,893</u></b>

(Continued)

**CITY OF BEREA, OHIO**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS - (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Balance</u> <u>12/31/2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2006</u>
<b><u>Ohio Board of Building Standards</u></b>				
<b><u>Assets</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$ 2,510	\$ 69	\$ 0	\$ 2,579
<b>Total Assets</b>	<b><u>\$ 2,510</u></b>	<b><u>\$ 69</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 2,579</u></b>
<b><u>Liabilities</u></b>				
Due to Other Governments	\$ 2,510	\$ 69	\$ 0	\$ 2,579
<b>Total Liabilities</b>	<b><u>\$ 2,510</u></b>	<b><u>\$ 69</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 2,579</u></b>
<b><u>Municipal Court</u></b>				
<b><u>Assets</u></b>				
Equity in Pooled Cash Segregated	\$ 382,958	\$ 0	\$ 11,550	\$ 371,408
<b>Total Assets</b>	<b><u>\$ 382,958</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 11,550</u></b>	<b><u>\$ 371,408</u></b>
<b><u>Liabilities</u></b>				
Due to Other Governments	\$ 279,925	\$ 16,507	\$ 0	\$ 296,432
Deposits Held and Due to Others	103,033	0	28,057	74,976
<b>Total Liabilities</b>	<b><u>\$ 382,958</u></b>	<b><u>\$ 16,507</u></b>	<b><u>\$ 28,057</u></b>	<b><u>\$ 371,408</u></b>
<b><u>Total All Agency Funds</u></b>				
<b><u>Assets</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$ 902,613	\$ 0	\$ 93,496	\$ 809,117
Equity in Pooled Cash Segregated	382,958	0	11,550	371,408
Receivables:				
Accounts	875,801	69,727	0	945,528
Special Assessment	236,912	11,482	0	248,394
<b>Total Assets</b>	<b><u>\$ 2,398,284</u></b>	<b><u>\$ 81,209</u></b>	<b><u>\$ 105,046</u></b>	<b><u>\$ 2,374,447</u></b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 494,103	\$ 0	\$ 35,443	\$ 458,660
Due to Other Governments	1,422,412	93,091	0	1,515,503
Deposits Held and Due to Others	481,769	0	81,485	400,284
<b>Total Liabilities</b>	<b><u>\$ 2,398,284</u></b>	<b><u>\$ 93,091</u></b>	<b><u>\$ 116,928</u></b>	<b><u>\$ 2,374,447</u></b>





# STATISTICAL SECTION



# STATISTICAL SECTION

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

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

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

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

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

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

(Continued)

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

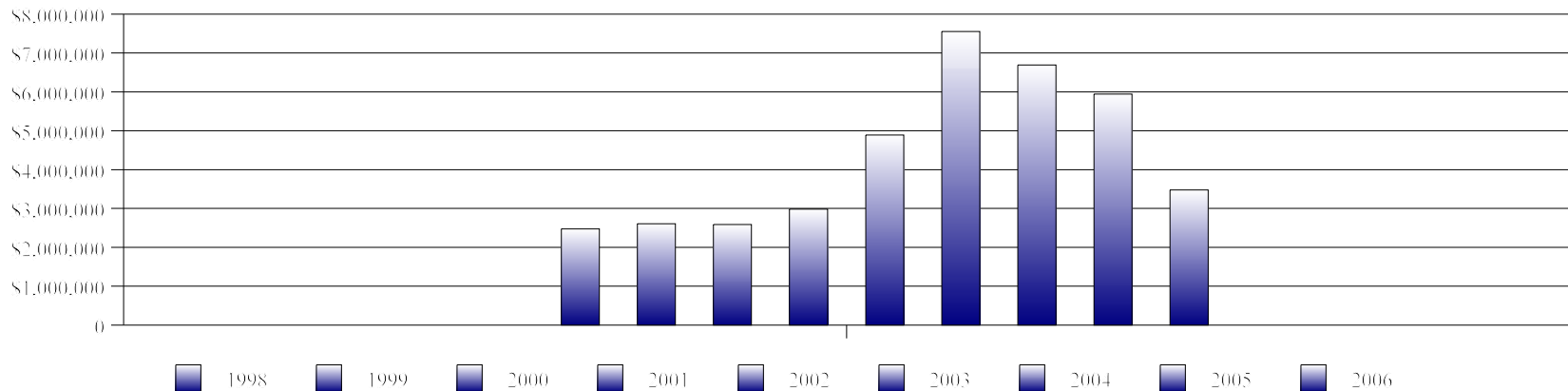
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b><u>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</u></b>				
<b>Governmental Activities:</b>				
Property Taxes Levied for:				
General Purposes	\$ 2,088,896	\$ 1,976,838	\$ 3,634,820	\$ 2,052,840
Other Purposes	2,568,680	2,456,646	2,301,511	1,745,486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

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

	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>GENERAL FUND</b>									
Reserved	\$ 21,772	\$ 26,705	\$ 26,433	\$ 32,492	\$ 33,691	\$ 6,760	\$ 6,913	\$ 40,537	\$ 14,884
Unreserved, Undesignated, Reported in:									
Special Revenue Funds	<u>2,005,337</u>	<u>928,138</u>	<u>871,105</u>	<u>1,099,360</u>	<u>2,265,686</u>	<u>1,155,007</u>	<u>1,404,573</u>	<u>1,213,139</u>	<u>939,500</u>
<b>Total General Fund</b>	<u>2,027,109</u>	<u>954,843</u>	<u>897,538</u>	<u>1,131,852</u>	<u>2,299,377</u>	<u>1,161,767</u>	<u>1,411,486</u>	<u>1,253,676</u>	<u>954,384</u>
<b>ALL OTHER-GOVERNMENTAL FUNDS</b>									
Reserved	219,815	120,073	200,289	154,362	562,559	549,394	56,880	56,806	47,154
Unreserved, Undesignated, Reported in:									
Special Revenue Funds	859,680	1,219,959	1,253,437	1,116,034	1,062,659	340,639	630,908	678,858	657,512
Debt Service Funds	235,077	374,539	346,796	348,485	0	129,492	219,133	216,705	280,160
Capital Projects Funds	133,043	3,272,463	3,993,634	4,804,724	968,239	795,068	267,238	400,807	533,863
Permanent Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,605</u>	<u>4,320</u>	<u>0</u>	<u>0</u>
<b>Total All Other-Governmental Funds</b>	<u>1,447,615</u>	<u>4,987,034</u>	<u>5,794,156</u>	<u>6,423,605</u>	<u>2,593,457</u>	<u>1,819,198</u>	<u>1,178,479</u>	<u>1,353,176</u>	<u>1,518,689</u>
<b>TOTAL GOVERNMENTAL FUNDS</b>	<u>\$ 3,474,724</u>	<u>\$ 5,941,877</u>	<u>\$ 6,691,694</u>	<u>\$ 7,555,457</u>	<u>\$ 4,892,834</u>	<u>\$ 2,980,965</u>	<u>\$ 2,589,965</u>	<u>\$ 2,606,852</u>	<u>\$ 2,473,073</u>

Information prior to 1998 is not available.

**Unreserved General Fund Balance**



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

	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>REVENUES</b>									
Municipal Income Taxes	\$ 10,563,354	\$ 9,291,061	\$ 8,891,029	\$ 8,180,722	\$ 9,080,486	\$ 8,539,789	\$ 3,606,641	\$ 3,602,643	\$ 3,560,863
Property and Other Local Taxes	4,733,365	4,592,855	4,740,860	4,501,531	3,723,187	3,926,380	8,703,484	7,778,138	6,808,840
Charges for Services	1,003,101	749,245	4,607,832	5,823,306	563,878	765,401	617,349	479,029	509,552
Fees, Licences and Permits	998,953	882,642	600,031	214,274	153,214	156,720	185,528	228,029	240,197
Fines and Forfeitures	2,255,125	2,017,012	1,917,864	1,975,713	1,928,362	1,303,073	996,218	845,397	909,462
Intergovernmental	3,618,018	4,491,032	11,961,187	6,825,904	6,443,731	4,128,910	2,851,281	3,674,028	2,577,095
Special Assessments	495,358	575,716	548,532	600,987	542,375	499,868	487,866	472,079	432,952
Interest Income	344,936	195,980	57,230	33,133	79,783	218,782	274,318	227,170	228,455
Other	199,684	663,941	113,319	129,433	309,649	1,872,049	184,999	469,538	2,667,079
<b>Total Revenues</b>	<u>24,211,894</u>	<u>23,459,484</u>	<u>33,437,884</u>	<u>28,285,003</u>	<u>22,824,665</u>	<u>21,410,972</u>	<u>17,907,684</u>	<u>17,776,051</u>	<u>17,934,495</u>
<b>EXPENDITURES</b>									
Current:									
General Government	7,043,959	6,616,462	6,165,039	5,897,318	4,913,272	4,475,039	4,056,290	3,762,988	3,277,988
Security of Persons and Property	6,613,828	6,305,057	5,645,043	5,583,442	5,522,321	5,585,523	4,906,022	4,948,047	4,684,243
Public Health and Welfare	144,833	130,574	120,860	119,042	117,680	121,902	116,878	115,000	111,229
Leisure Time Activities	1,693,868	1,951,111	1,787,729	1,817,903	1,321,802	1,305,615	1,266,473	1,206,623	979,910
Community Development	535,008	421,281	367,363	365,892	371,253	333,151	333,344	286,344	235,773
Basic Utility Services	1,019,438	826,085	753,301	826,385	889,504	1,022,764	967,290	997,618	893,091
Transportation	876,475	787,638	686,509	641,113	1,281,752	1,220,266	1,077,396	944,649	908,834
Capital Outlay	3,653,127	4,663,870	12,190,032	11,114,811	8,204,525	5,002,077	2,085,193	3,672,364	3,728,996
Debt Service:									
Principal Retirement	6,853,359	8,892,656	9,862,504	2,950,624	2,206,525	1,384,937	1,510,000	8,630,000	9,705,000
Interest and Fiscal Charges	1,113,234	1,100,417	1,804,223	1,136,832	1,075,925	1,074,103	854,457	949,971	963,730
<b>Total Expenditures</b>	<u>29,547,129</u>	<u>31,695,151</u>	<u>39,382,603</u>	<u>30,453,362</u>	<u>25,904,559</u>	<u>21,525,377</u>	<u>17,173,343</u>	<u>25,513,604</u>	<u>25,488,794</u>
Excess of Revenues Over (Under)									
Expenditures	<u>(5,335,235)</u>	<u>(8,235,667)</u>	<u>(5,944,719)</u>	<u>(2,168,359)</u>	<u>(3,079,894)</u>	<u>(114,405)</u>	<u>734,341</u>	<u>(7,737,553)</u>	<u>(7,554,299)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Sale of Capital Assets	8,318	0	1,182	1,148	3,832	9,736	899	283,305	4,415
Refunding Bond Issuance Cost	(210,039)	0	0	0	0	0	0	0	0
General Obligation Bonds Issued	0	0	4,173,956	4,454,742	0	0	0	7,185,000	0
General Obligation Bonds Refunded	7,365,000	0	(4,125,000)	0	0	0	0	0	0
Premium on Refunding Bond	124,066	0	0	0	0	0	0	0	0
Payment to Refunding Bond Escrow									
Agent	(4,430,878)	0	0	0	0	0	0	0	0
Notes Issued	0	7,600,000	6,452,665	1,300,000	1,300,000	800,000	0	0	0
Capital Leases	136,615	170,604	0	0	0	0	0	0	0
Other	0	2,043,000	0	0	4,804,886	0	363,468	1,000,684	8,410,000
Transfers In	2,981,550	0	2,018,850	2,044,539	2,528,693	3,278,169	2,882,644	2,418,580	2,649,826
Transfers Out	(3,106,550)	(2,348,000)	(2,591,450)	(3,085,439)	(3,675,893)	(4,244,269)	(4,065,144)	(3,113,580)	(3,174,826)
<b>Total Other Financing Sources (Uses)</b>	<u>2,868,082</u>	<u>7,465,604</u>	<u>5,930,203</u>	<u>4,714,990</u>	<u>4,961,518</u>	<u>(156,364)</u>	<u>(818,133)</u>	<u>7,773,989</u>	<u>7,889,415</u>
<b>Net Change in Fund Balances</b>	<u>\$(2,467,153)</u>	<u>\$( 770,063)</u>	<u>\$(14,516)</u>	<u>\$ 2,546,631</u>	<u>\$ 1,881,624</u>	<u>\$( 270,769)</u>	<u>\$( 83,792)</u>	<u>\$ 36,436</u>	<u>\$ 335,116</u>
Debt Service as a Percentage of Noncapital Expenditures	31%	37%	43%	21%	19%	15%	16%	44%	49%

Information prior to 1998 is not available.

**CITY OF BEREА, 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 Bereа</u>			<u>Total</u>	<u>Berea School District</u>	<u>Polaris JVSD</u>	<u>Cuyahoga Co. &amp; Special Taxing Districts (1)</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>					
2006	8.95	3.10	5.35	17.40	69.70	2.40	20.30	109.80
2005	9.05	3.10	5.45	17.60	69.80	2.40	20.30	110.10
2004	7.95	3.10	6.45	17.50	69.80	2.40	19.40	109.10
2003	7.95	3.10	6.55	17.60	69.80	2.40	17.60	107.40
2002	7.95	3.10	6.45	17.50	63.80	2.40	17.60	101.30
2001	7.95	3.10	6.55	17.60	63.80	2.40	17.60	101.40
2000	7.95	3.10	6.65	17.70	63.90	2.40	16.70	100.70
1999	8.40	3.10	6.20	17.70	58.00	2.40	16.70	94.80
1998	8.55	3.10	6.15	17.80	57.90	2.40	18.00	96.10
1997	8.67	3.10	6.03	17.80	57.90	2.40	18.00	96.10

Source: Cuyahoga County Auditor

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

Charter millage is consistently applied to all types of property.

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

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

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

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

<u>Year</u>	<u>City of Berea</u>			<u>Total</u>	<u>Olmsted Falls School District</u>	<u>Polaris JVSD</u>	<u>Cuyahoga Co. &amp; Special Taxing Districts (1)</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>					
2006	9.05	3.10	4.35	16.50	89.70	2.40	20.30	128.90
2005	9.05	3.10	4.45	16.60	89.80	2.40	20.30	129.10
2004	7.95	3.10	5.45	16.50	90.00	2.40	19.40	128.30
2003	7.95	3.10	5.55	16.60	90.00	2.40	17.60	126.60
2002	7.95	3.10	5.45	16.50	90.00	2.40	17.60	126.50
2001	7.95	3.10	5.55	16.60	90.30	2.40	17.60	126.90
2000	7.95	3.10	5.65	16.70	91.70	2.40	16.70	127.50
1999	8.40	3.10	5.20	16.70	79.90	2.40	16.70	115.70
1998	8.55	3.10	5.15	16.80	79.90	2.40	18.00	117.10
1997	8.67	3.10	5.03	16.80	80.10	2.40	18.00	117.30

Source: Cuyahoga County Auditor

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

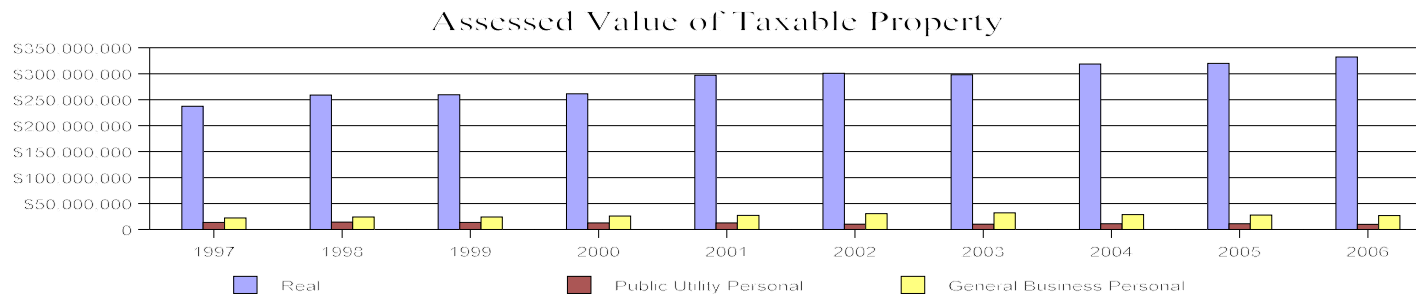
Collection Year	Real Property		Tangible Personal Property				Total		Ratio	Tax Rate (Per \$1,000 of Assessed Value)
	Assessed Value	Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value		
			Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
2006	\$ 332,121,860	\$ 948,919,600	\$ 10,067,780	\$ 11,440,659	\$ 27,069,592	\$ 144,371,157	\$ 369,259,232	\$1,104,731,416	33.43	109.90
2005	319,853,310	913,866,600	11,175,430	12,699,352	27,861,498	111,445,992	358,890,238	1,038,011,944	34.57	110.10
2004	318,662,520	910,464,343	11,176,770	12,700,875	28,773,884	115,095,536	358,613,174	1,038,260,754	34.54	109.10
2003	297,914,120	851,183,200	10,255,400	11,653,864	32,207,409	128,829,636	340,376,929	991,666,700	34.32	107.40
2002	300,807,200	859,449,143	10,323,810	11,731,602	30,531,818	122,127,272	341,662,828	993,308,017	34.40	101.30
2001	297,018,160	848,623,314	12,663,290	14,390,102	27,221,866	108,887,464	336,903,316	971,900,881	34.66	101.40
2000	261,116,900	746,048,286	12,577,200	14,292,273	26,081,201	104,324,804	299,775,301	864,665,362	34.67	100.70
1999	259,376,610	741,076,029	13,773,550	15,651,761	24,088,592	96,354,368	297,238,752	853,082,158	34.84	94.80
1998	258,944,960	739,842,743	14,148,170	16,077,466	24,163,501	96,654,004	297,256,631	852,574,213	34.87	96.10
1997	237,398,710	678,282,029	13,703,410	15,572,057	22,177,711	88,710,844	273,279,831	782,564,929	34.92	N/A

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

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

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

Source: Ohio Department of Taxation



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

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
2006	\$ 6,498,219	\$ 5,700,609	87.73	\$ 316,167	\$ 6,016,776	92.59	\$ 491,707	7.57
2005	6,397,752	5,519,694	86.28	275,937	5,795,631	90.59	573,888	8.97
2004	5,402,046	4,835,331	89.51	210,845	5,046,176	93.41	402,346	7.45
2003	4,930,458	4,589,470	93.08	155,580	4,715,050	96.24	409,880	8.31
2002	5,113,482	4,584,946	89.66	182,474	4,767,420	93.23	318,128	6.22
2001	5,141,000	4,621,579	89.90	169,010	4,790,589	93.18	331,816	6.45
2000	4,592,422	4,230,158	92.11	129,836	4,359,994	94.94	112,887	2.46
1999	4,553,640	4,216,328	92.59	133,673	4,350,001	95.53	104,185	2.29
1998	4,493,534	4,194,818	93.35	87,437	4,282,255	95.30	92,151	2.05
1997	4,227,073	3,936,751	93.13	75,138	4,007,806	94.91	112,699	2.67

Source: Cuyahoga County Auditor

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

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



**CITY OF BEREA, OHIO  
PRINCIPAL TAXPAYERS - REAL ESTATE TAX  
2006 AND 1997**

<u>Taxpayer</u>	2006	
	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage of Real Assessed Valuation</u>
Cleveland Electric Illuminating Co.	\$ 4,043,540	1.2174869%
Tower in the Park LTD.	4,027,980	1.2128018%
OHI Asset II LLC	2,795,210	0.8416218%
Berea Properties Company	2,763,990	0.8322216%
West Valley Plaza	2,726,580	0.8209577%
Ohio Bell Telephone Co.	1,874,360	0.5643591%
Berea Square Co. LLC	1,873,380	0.5640640%
A & F Machine Products Co.	1,769,260	0.5327141%
Cleveland St. Adelbert	1,740,450	0.5240396%
Tuthill Corporation	<u>1,713,600</u>	<u>0.5159552%</u>
Total	<u>\$ 25,328,350</u>	<u>7.63%</u>
Total Assessed Valuation	<u>\$ 332,121,860</u>	

<u>Taxpayer</u>	1997	
	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage of Real Assessed Valuation</u>
Cleveland Electric Illuminating Co.	\$ 5,843,620	2.46%
Ohio Bell Telephone Co.	4,213,580	1.77%
Tower in the Park LTD	3,606,330	1.52%
Columbia Gas of Ohio Inc.	3,451,010	1.45%
Berea Board of Education	2,711,280	1.14%
Berea Properties Company	2,146,310	0.90%
Cleveland Senior Care Corporation	1,820,000	0.77%
RR Donnelley Ohio LLC	1,589,000	0.66%
West Valley Plaza	1,305,150	0.55%
A & F Machine Products Co.	<u>1,200,340</u>	<u>0.51%</u>
Total	<u>\$ 27,886,620</u>	<u>11.73%</u>
Total Assessed Valuation	<u>\$ 237,398,710</u>	

Source: County Auditor

(1) The amounts presented represent the assessed values upon which 2006 and 1997 collection were based.

**CITY OF BEREA, OHIO  
PRINCIPAL TAXPAYERS - MUNICIPAL TAX  
2006 AND 1997**

<u>Taxpayer</u>	2006	
	<u>Tax</u>	<u>Percentage of Tax Collected</u>
Cleveland Browns Football	\$ 2,237,440	21.98%
Baldwin Wallace College	712,605	7.00%
Berea City School District	486,262	4.78%
Color Matrix Corporation	242,147	2.38%
Ohio Turnpike Commission	236,825	2.33%
City of Berea	228,314	2.24%
Berea Children's Home	168,398	1.65%
Standby Screw Machine	166,411	1.63%
Abne LLC	143,554	1.41%
Tuthill Corporation	109,980	1.08%
<b>Total</b>	<b>\$ 4,731,936</b>	<b>46.48%</b>
<b>Total Tax Collected</b>	<b>\$ 10,178,273</b>	

<u>Taxpayer</u>	1997	
	<u>Tax</u>	<u>Percentage of Tax Collected</u>
Baldwin Wallace College	\$ 551,560	8.63%
Berea City School District	437,547	6.85%
Penton Media Inc.	235,415	3.68%
Tuthill Corporation	180,127	2.82%
Aristocrat Berea	171,978	2.69%
Standby Screw Machine	153,999	2.41%
Jaco Manufacturing Co.	139,491	2.18%
City of Berea	136,835	2.13%
Berea Childrens Home	101,733	1.59%
Weekleys Mailing Service	84,663	1.32%
<b>Total</b>	<b>\$ 2,193,348</b>	<b>34.30%</b>
<b>Total Tax Collected</b>	<b>\$ 6,391,939</b>	

Source: Regional Income Tax Agency

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

<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Baldwin Wallace College	1,260	9.24%
Berea City School District	595	4.36%
Berea Childrens Home	510	3.74%
Cleveland Browns Football	367	2.69%
City of Berea	248	1.82%
Riser Foods Company	209	1.53%
Standby Screw Machine Products	205	1.50%
Color Matrix Corporation	133	0.98%
Jaco Manufacturing Co.	132	0.97%
Ohio Turnpike Commission	<u>116</u>	<u>0.85%</u>
 Total	 <u><u>3,775</u></u>	 <u><u>27.68%</u></u>
 Total Employment within the City	 <u><u>13,637</u></u>	

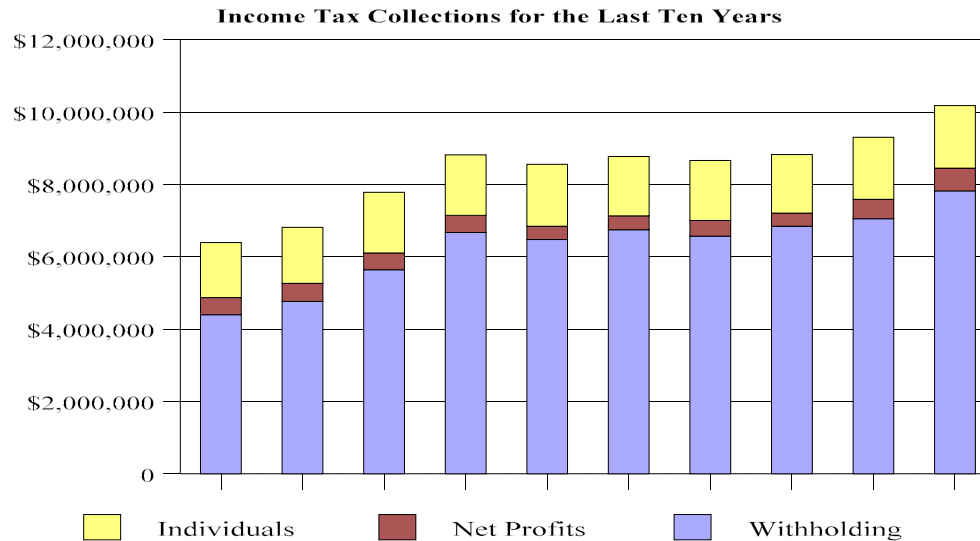
Source: Regional Income Tax Agency

Note: 1997 information not available

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

<u>Tax Year (1)</u>	<u>Tax Rate (2)</u>	<u>Total Tax Collected</u>	<u>Percentage Taxes from Withholding</u>	<u>of Taxes from Withholding</u>	<u>Taxes from Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes from Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2006	2.00%	\$ 10,314,141	\$ 7,925,524	76.84%	\$ 634,449	6.15%	\$ 1,754,168	17.01%
2005	2.00%	9,304,978	7,054,038	75.81%	535,723	5.76%	1,715,217	18.43%
2004	2.00%	8,821,879	6,844,373	77.58%	364,126	4.13%	1,613,380	18.29%
2003	2.00%	8,664,989	6,568,754	75.81%	434,830	5.02%	1,661,405	19.17%
2002	2.00%	8,775,247	6,746,299	76.88%	385,470	4.39%	1,643,478	18.73%
2001	2.00%	8,551,169	6,475,930	75.73%	366,038	4.28%	1,709,201	19.99%
2000	2.00%	8,816,777	6,675,153	75.71%	467,274	5.30%	1,674,350	18.99%
1999	2.00%	7,783,943	5,642,319	72.49%	467,274	6.00%	1,674,350	21.51%
1998	2.00%	6,812,549	4,765,176	69.95%	501,620	7.36%	1,545,753	22.69%
1997	2.00%	6,391,939	4,397,768	68.80%	476,699	7.46%	1,517,472	23.74%

(1) 2002 through 2006 are on an Accrual Basis and 1997 through 2001 are on a Modified Accrual Basis.  
Note: The City is prohibited by statute from presenting information regarding individual taxpayers.



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

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

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

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

Information prior to 2003 is not available.

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

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Valuation (2)</u>	<u>Governmental Gross Bonded Debt (3)</u>	<u>Debt Service Monies Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt per Capita</u>
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
2000	18,970	299,775,301	16,692,024	219,132	16,472,892	5.50%	868.37
1999	19,051	297,238,752	18,152,024	216,705	17,935,319	6.03%	941.44
1998	19,051	297,256,631	19,547,024	280,160	19,266,864	6.48%	1,011.33
1997	19,051	273,279,831	20,892,024	36,353	20,855,671	7.63%	1,094.73

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

(2) Source: Cuyahoga County Auditor

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

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Total Assessed Property Value	<u>\$369,259,232</u>	<u>\$358,890,238</u>	<u>\$358,613,174</u>	<u>\$340,375,929</u>	<u>\$341,662,828</u>	<u>\$336,903,848</u>	<u>\$299,775,301</u>	<u>\$297,238,752</u>	<u>\$297,256,631</u>	<u>\$273,279,831</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>42,529,933</u>	<u>37,683,475</u>	<u>37,654,383</u>	<u>37,654,383</u>	<u>35,874,597</u>	<u>35,374,904</u>	<u>31,476,407</u>	<u>31,210,069</u>	<u>31,211,946</u>	<u>28,694,382</u>
Debt Outstanding:										
General Obligation Bonds	<u>13,010,756</u>	<u>16,723,023</u>	<u>18,015,679</u>	<u>14,519,463</u>	<u>16,170,087</u>	<u>17,258,137</u>	<u>18,000,418</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Gross Indebtedness	<u>13,010,756</u>	<u>16,723,023</u>	<u>18,015,679</u>	<u>14,519,463</u>	<u>16,170,087</u>	<u>17,258,137</u>	<u>18,000,418</u>	<u>0</u>	<u>0</u>	<u>0</u>
Less:										
General Obligation Bonds	<u>(1,225,000)</u>	<u>(1,395,000)</u>	<u>(322,333)</u>	<u>(611,033)</u>	<u>(869,526)</u>	<u>(1,101,050)</u>	<u>(1,308,394)</u>	<u>0</u>	<u>0</u>	<u>0</u>
OPWC Loans	<u>0</u>	<u>0</u>	<u>(1,520,000)</u>	<u>(1,570,000)</u>	<u>(1,695,000)</u>	<u>(1,815,000)</u>	<u>(1,925,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Debt Applicable to Debt Limit	<u>11,785,756</u>	<u>15,328,023</u>	<u>16,173,346</u>	<u>12,338,430</u>	<u>13,605,561</u>	<u>14,342,087</u>	<u>14,767,024</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin Within 10 ½% Limitations	<u>\$30,744,177</u>	<u>\$22,355,452</u>	<u>\$21,481,037</u>	<u>\$25,315,953</u>	<u>\$22,269,036</u>	<u>\$ 21,032,817</u>	<u>\$ 16,709,383</u>	<u>\$ 31,210,069</u>	<u>\$ 31,211,946</u>	<u>\$ 28,694,382</u>
Legal Debt Margin as a Percentage of the Debt Limit	72.29%	59.32%	57.05%	67.23%	62.0%	59.46%	53.09%	100.00%	100.00%	100.00%
Unvoted Debt Limitation (5 ½% of Assessed Valuation)	<u>\$22,277,584</u>	<u>\$19,738,963</u>	<u>\$19,723,725</u>	<u>\$19,723,725</u>	<u>\$18,791,456</u>	<u>\$18,529,712</u>	<u>\$ 16,487,642</u>	<u>\$16,348,131</u>	<u>\$ 16,349,115</u>	<u>\$ 15,030,391</u>
Total Gross Indebtnesses	13,010,756	16,723,023	18,015,679	14,519,463	16,171,087	17,258,137	18,000,418	0	0	0
Less:										
General Obligation Bonds	<u>(1,225,000)</u>	<u>(1,395,000)</u>	<u>(322,333)</u>	<u>(611,033)</u>	<u>(869,526)</u>	<u>(1,101,050)</u>	<u>(1,308,394)</u>	<u>0</u>	<u>0</u>	<u>0</u>
OPWC Loans	<u>0</u>	<u>0</u>	<u>(1,520,000)</u>	<u>(1,570,000)</u>	<u>(1,695,000)</u>	<u>(1,815,000)</u>	<u>(1,925,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Debt Within 51/2% Limitations	<u>11,785,756</u>	<u>15,328,023</u>	<u>16,173,346</u>	<u>12,338,430</u>	<u>13,605,561</u>	<u>14,342,087</u>	<u>14,767,024</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin Within 5 ½% Limitations	<u>\$10,491,828</u>	<u>\$ 4,410,940</u>	<u>\$ 3,550,379</u>	<u>\$ 7,385,295</u>	<u>\$ 5,185,895</u>	<u>\$ 4,187,625</u>	<u>\$ 1,720,618</u>	<u>\$16,348,131</u>	<u>\$16,349,115</u>	<u>\$ 15,030,391</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitations	47.10%	22.35%	18.00%	37.44%	27.60%	22.60%	10.44%	100.00%	100.00%	100.00%

Source: City Financial Records

**CITY OF BEREHA, OHIO  
COMPUTATION OF DIRECT AND OVERLAPPING  
GOVERNMENTAL ACTIVITIES DEBT  
DECEMBER 31, 2006**

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City</u>
<b>Direct</b>			
City of Bereha	<u>\$13,010,756</u>	100%	<u>\$13,010,756</u>
<b>Total Direct Debt</b>	<u>13,010,756</u>		<u>13,010,756</u>
<b>Overlapping</b>			
Bereha City School District	10,425,000	23.54%	2,454,056
Olmsted Falls School District	7,940,710	1.71%	135,886
Cuyahoga County	214,338,691	0.89%	1,902,804
Greater Cleveland Regional Transit Authority	<u>156,500,000</u>	0.89%	<u>1,389,338</u>
<b>Total Overlapping Debt</b>	<u>389,204,401</u>		<u>5,882,084</u>
<b>GRAND TOTAL</b>	<u><u>\$402,415,158</u></u>		<u><u>\$19,092,841</u></u>

Source: Cuyahoga County Auditor

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

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



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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>Educational Attainment: Bachelor's Degree of Higher (1)</u>	<u>School Enrollment (2)</u>	<u>Cuyahoga County Unemployment Rate (3)</u>	<u>Average Sales Price of Residential Property (4)</u>	<u>Total Assessed Property Value (4)</u>
2006	18,790	\$ 406,709,550	\$ 21,645	\$ 45,615	36.1	3,365	7,418	5.4%	\$ 130,645	\$ 332,121,860
2005	18,790	406,709,550	21,645	45,615	36.1	3,365	7,535	5.6%	139,071	319,853,310
2004	18,790	406,709,550	21,645	45,615	36.1	3,365	7,801	5.9%	129,206	318,662,520
2003	18,790	406,709,550	21,645	45,615	36.1	3,365	7,561	6.0%	127,289	297,914,120
2002	18,790	406,709,550	21,645	45,615	36.1	3,365	7,737	5.4%	124,053	300,807,200
2001	18,790	406,709,550	21,645	45,615	36.1	3,365	7,809	4.4%	120,519	297,018,160
2000	18,790	406,709,550	21,645	45,615	36.1	3,365	7,814	3.9%	116,500	261,116,900
1999	19,051	N/A	N/A	N/A	N/A	N/A	7,941	4.2%	111,800	259,376,610
1998	19,051	N/A	N/A	N/A	N/A	N/A	7,946	4.1%	110,600	258,944,960
1997	19,051	N/A	N/A	N/A	N/A	N/A	7,958	4.6%	109,300	237,398,710

(1) Source: U.S. Census

(a) Years 2000 through 2006 - 2000 Federal Census

(b) Years 1997 through 1999 - 1990 Federal Census

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

(3) Source: County Planning Commission

(4) Source: County Auditor

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

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

<b><u>FUNCTION/PROGRAM</u></b>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b><u>Governmental</u></b>					
General Government:					
Council	5.0	5.0	5.0	5.0	5.0
Finance	5.5	5.0	5.0	5.5	5.5
Law	4.0	4.0	4.0	5.0	5.0
Administration	4.0	5.5	6.5	6.0	7.5
Engineer	3.0	3.0	2.0	2.0	2.0
Civil Service	2.5	2.5	3.0	3.0	3.0
Court	29.0	30.5	31.0	26.5	25.0
Public Building	5.0	3.0	2.5	3.5	3.5
Security of Persons and Property:					
Police	31.0	31.0	31.0	32.0	32.0
Police - Auxiliary	4.5	4.5	5.5	3.0	4.0
Police - Dispatchers/Office	8.5	8.5	8.0	8.5	8.5
Police - Animal Wardens	1.0	1.0	1.0	1.0	0.5
Police - School Guards/ Parking Control	3.5	4.0	4.0	3.5	3.5
Fire	22.0	23.0	21.0	23.0	23.0
Fire - Secretary - Other	0.0	1.0	0.5	0.5	0.5
Leisure Time Activities:					
Recreation - Administrative	14.0	5.0	6.0	8.0	9.0
Recreation - Programs	7.0	13.0	11.0	13.5	19.0
Recreation - Pools	15.0	17.0	14.5	11.5	16.5
Jitney	2.0	1.0	1.0	1.0	0.5
Transportation					
Service	34.0	35.0	36.0	33.0	35.0
Basic Utility Services:					
Water	<u>19.0</u>	<u>18.0</u>	<u>18.5</u>	<u>17.0</u>	<u>17.5</u>
<b>Totals</b>	<b><u>219.5</u></b>	<b><u>220.5</u></b>	<b><u>217.0</u></b>	<b><u>212.0</u></b>	<b><u>226.0</u></b>

Source: City Payroll Department W-2 Audit Listing

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

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

**FUNCTION/PROGRAM**

<b>General Government</b>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b><i>Council and Clerk (2)</i></b>					
Number of Ordinances Passed	59	62	71	47	53
Number of Resolutions Passed	25	22	25	12	11
<b><i>Finance Department (3)</i></b>					
Number of Checks/Vouchers Issued	3,398	3,246	2,969	3,128	3,538
Amount of Checks written (Accounts Payable - in thousands)	\$ 15,455	\$ 16,519	N/A	N/A	N/A
General Fund Interest Earnings (Cash Basis)	\$ 236,248	\$ 130,350	\$ 38,953	\$ 30,791	\$ 71,100
Number of Journal Entries Issued	207	200	198	193	212
Number of Budget Adjustments Issued	4	5	5	4	3
Agency Ratings - Moody's Financial Services	AA3	AA3	AA3	AA3	AA3
General Fund Receipts (Cash Basis in Thousands)	\$ 14,321	\$ 13,417	\$ 12,426	\$ 11,581	\$ 11,519
General Fund Expenditures (Cash Basis in Thousands)	\$ 13,994	\$ 13,356	\$ 12,171	\$ 12,082	\$ 11,854
General Fund Cash Balances (in Thousands)	969	642	581	327	827
<b><i>Municipal Court (4)</i></b>					
Total Civil/Small claims cases filed	3,288	3,012	3,220	N/A	N/A
Number of Berea Civil/Small Claims Cases	779	741	818	N/A	N/A
Total Criminal Cases Files	2,303	2,837	2,074	N/A	N/A
Number of Berea Felony Cases	52	48	39	N/A	N/A
Number of Berea Misdemeanor Cases	616	656	626	N/A	N/A
<b><i>Civil Service (5)</i></b>					
Number of Police Entry Tests Administered	120	0	162	0	158
Number of Fire Entry Test Administered	139	0	166	0	133
Number of Police Promotional Tests Administered	0	12	0	0	0
Number of Fire Promotional Tests Administered	0	0	0	0	0
Number of Hires of Police Officers From Certified Lists	1	2	0	0	0
Number of Hires of Fire/Medics From Certified Lists	0	2	0	0	0
Number of Promotions from Police Certified Lists	2	1	0	0	0
Number of Promotions from Fire Certified List	0	0	0	0	0
<b><i>Security of Persons and Property</i></b>					
<b>Police: (6)</b>					
Total Calls for Services	33,430	30,329	35,470	36,688	3,505
Number of Traffic Citations Issued	2,632	1,589	2,304	2,728	2,700
Number of Parking Citations Issued	2,371	1,707	2,380	2,199	1,848
Number of Criminal Arrests	1,847	1,371	1,705	1,746	1,755
Number of Offense Reports Completed	1,999	1,839	3,909	3,980	3,242
Animal Warden Service Calls Responded to Per Annual Report	380	N/A	N/A	N/A	N/A
Police Department Auxiliary Hours Worked	3,412	N/A	N/A	N/A	N/A
DUI Arrests	209	162	208	188	178
Motor Vehicle Accidents	306	348	385	401	422
Property Damage Accidents/Self Reported Traffic Accidents	100	133	134	154	166

(Continued)

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

**FUNCTION/PROGRAM**

<b><u>General Government</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
<b><i>Fire (7)</i></b>					
EMS Calls	1,594	1,514	1,412	1,330	1,319
Ambulance Billing Collections (net)	\$ 230,416	\$ 276,472	\$ 280,390	\$ 251,067	\$ 193,040
Fire Calls	226	242	209	198	235
Fires With Loss	15	19	19	28	20
Fires with Losses exceeding \$10K	7	6	7	5	4
Fire Losses in Dollars	\$ 193,598	\$ 692,734	\$ 623,582	\$ 785,145	\$ 166,870
Fire Safety Inspections	758	762	753	735	742
<b><i>Leisure Time Activities (3)</i></b>					
<b>Recreation:</b>					
Swimming Pool Receipts	\$ 65,482	\$ 67,002	\$ 56,600	\$ 48,231	\$ 42,685
Membership Receipts	157,280	104,487	102,184	85,220	77,727
Program Fees	45,933	26,294	33,105	34,102	33,416
<b><i>Building Department (9)</i></b>					
Construction Permits Issued	1,853	1,727	1,728	1,365	1,557
Estimated Value of Construction	\$ 23,586,423	\$ 21,510,741	\$ 29,758,263	\$ 9,269,370	\$ 7,431,002
Amount of Revenue Generated from Permits	\$ 1,185,594	\$ 741,419	\$ 707,419	\$ 122,329	\$ 104,634
Number of Contract Registration Issued	536	571	589	546	513
Amount of Revenue Generated from Contract Registrations	\$ 53,600	\$ 57,100	\$ 58,900	\$ 43,689	\$ 41,040
Number of Rental Inspections Performed	98	16	4	N/A	N/A
Number of Point of Sale Inspections	267	259	266	135	N/A
<b><i>Engineer Contracted Services (9)</i></b>					
Dollar Amount of Construction Overseen by Engineer	\$ 7,372,177	\$ 6,076,671	\$ 6,547,293	\$ 10,673,732	\$ 1,934,643
<b><i>Transportation (10,12)</i></b>					
Street Improvements - Asphalt Overlay (Linear Feet)	26,558	32,525	17,266	24,446	7,234
Street Repair (Curbs, Aprons, Berms, Asphalt) (Hours)	14,150	8,316	12,180	13,119	22,711
Municipal Signs (Hours)	2,491	1,538	1,541	1,235	N/A
Paint Striping (Hours)	1,302	1,581	987	975	2,145
Street Cleaning (Hours)	1,778	1,688	1,431	1,609	N/A
Snow & Ice Removal Regular Hours	1,207	5,654	4,148	3,971	N/A
Snow & Ice Removal Overtime Hours	660	2,842	1,635	2,898	N/A
Sewer Crew (Hours)	3,684	4,226	3,388	3,886	1,236
Leaf Collection (Hours)	1,443	1,785	2,917	2,590	3,297
Number of Trees Planted per Year	0	72	89	0	81
Tons of Snow Melting Salt Purchased (Nov-Mar)	2,812	4,120	4,352	6,395	6,160
Cost of Salt Purchased	\$ 118,454	\$ 166,526	\$ 164,040	\$ 232,003	\$ 196,375

(Continued)

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

**FUNCTION/PROGRAM**

<b><u>General Government</u></b>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<i>Water Department</i> (11)					
Water Rates per 1000 Gallons of Water Used	\$3.72	\$3.38	\$2.56	\$1.77	\$0.95
<i>Wastewater Department</i>					
Wastewater Rates per 1000 Gallons of Water Used	\$1.28	\$1.22	\$1.18	\$0.92	N/A
Average Daily Flow (Millions of Gallons Per Day)	2.00	2.15	2.02	1.83	2.03

(1) Information Prior to 2002 is not available.

(2) Source: City of Berea Council

(3) Source: City of Berea Finance Department

(4) Source: City of Berea Municipal Court

(5) Source: City of Berea Law Department

(6) Source: Berea Police Department

(7) Source: Berea Fire Department

(9) Source: City of Berea Building Department

(10) Source: City of Berea Service Department

(11) Source: City of Berea Water Department

(12) Source: City of Berea Payroll Department

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

**FUNCTION/PROGRAM**

	2006	2005	2004	2003	2002
<b><u>General Government</u></b>					
Number of Buildings	4	4	4	4	4
Square Footage of Buildings					
City Hall/Municipal Court	14,500	14,500	14,500	14,500	14,500
Water Plant	2,075	2,075	2,075	2,075	2,075
Service Garage	3,000	3,000	3,000	3,000	3,000
Recreation Center	30,000	30,000	30,000	30,000	30,000
Administrative Vehicles	3	N/A	N/A	N/A	N/A
Inspection Vehicles	6	N/A	N/A	N/A	N/A
Municipal Court Vehicles	1	N/A	N/A	N/A	N/A
<b><u>Police</u></b>					
Stations	1	1	1	1	1
Square Footage of Station	9,700	9,700	9,700	9,700	9,700
Vehicles	25	N/A	N/A	N/A	N/A
<b><u>Fire</u></b>					
Stations	1	1	1	1	1
Vehicles:					
Aerial Tower	1	1	1	1	1
Pumpers	2	2	2	2	2
Rescue Ambulances	2	2	2	2	2
Utility	1	1	1	1	1
Staff Vehicles	2	2	2	2	2
<b><u>Recreation</u></b>					
Number of Parks	5	5	4	4	4
Number of Pools	2	2	2	2	2
Number of Racquetball Courts	2	2	2	2	2
Number of Basketball Courts	2	2	2	2	2
Number of Baseball Diamonds	4	4	4	4	4
Number of Soccer Fields	2	2	2	2	2
Number of Playground Areas	4	4	3	3	3
Number of Vehicles	5	N/A	N/A	N/A	N/A
<b><u>Other Public Works</u></b>					
Streets (Miles)	60	60	60	60	60
Service Vehicles	25	N/A	N/A	N/A	N/A
<b><u>Wastewater</u></b>					
Sanitary Sewers (Miles)	60	60	60	60	60
Storm Sewers (Miles)	60	60	60	60	60
Vehicles	2	N/A	N/A	N/A	N/A
<b><u>Water Department</u></b>					
Water Lines (miles)	60	60	60	60	60
Vehicles	5	N/A	N/A	N/A	N/A



**Mary Taylor, CPA**  
Auditor of State

**CITY OF BEREA**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 2, 2007**