

City of Berea
Cuyahoga County, Ohio

Report Letter
December 31, 2009



Mary Taylor, CPA
Auditor of State

Members of 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, 2009 through December 31, 2009. 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

July 26, 2010

This Page is Intentionally Left Blank.

CITY OF BERA

TABLE OF CONTENTS

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



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

June 6, 2010

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

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Berea as of and for the year ended December 31, 2009, which collectively comprise the City of Berea's basic financial statements and have issued our report thereon dated June 6, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses. However, we did note certain matters that we reported to the City's management in a separate letter dated June 6, 2010.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

Hea & Associates, Inc.

City of Berea, Ohio

Mayor Cyril M. Kleem



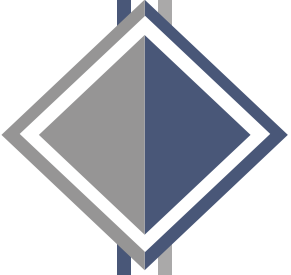
**Comprehensive Annual Financial Report
for the Year Ended December 31, 2009**

CITY OF BEREA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2009**

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

This year's cover represents the Active Senior Network programs offered by the City including luncheons, bus trips, walking groups, fitness programs, volunteer services and the new Active Senior Network room at the Recreation Center.



INTRODUCTORY SECTION

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2009

Table of Contents

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

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2009

Table of Contents (continued)

Statement of Fiduciary Assets and Liabilities – Agency Funds	26
Notes to the Basic Financial Statements	27
Combining Statements and Individual Fund Schedules:	
Combining Statements - Nonmajor Funds:	
Description of Funds	66
Combining Balance Sheet – Nonmajor Governmental Funds	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	70
Combining Balance Sheet – Nonmajor Special Revenue Funds	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	76
Combining Balance Sheet – Nonmajor Capital Projects Funds	81
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	82
Governmental Funds Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
General Fund	84
General Bond Retirement Fund	88
Railroad Capital Improvement Fund	89
Court Capital Improvement Fund	90
Recreation Fund	91
State Highway Fund	92
Street Maintenance Fund	93
Fire Pension Fund	94
Police Pension Fund	95
Dare Grant Fund	96
Animal Control Fund	97
Street Lighting Fund	98
Berea Welfare Fund	99
Special Events Fund	100
Community Hospital Fund	101
Community Development Block Grant Fund	102
Municipal Vehicle Tax Levy Fund	103
Law Enforcement Fund	104

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2009

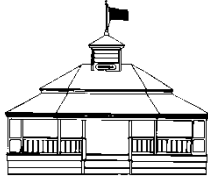
Table of Contents (continued)

Probation Fund	105
Indigent Drivers Alcohol Treatment Fund	106
DUI Education Fund	107
Indigent Driving School Fund	108
DUS Diversion Fund	109
Court Computer Fund	110
Court Computer Research Fund	111
Court Special Projects Fund	112
Court Special Projects II Fund	113
State Highway Patrol Fund	114
General Capital Improvement Fund	115
Safety Capital Improvement Fund	116
Recreation Capital Improvement Fund	117
Neighborhood Improvement Fund	118
Combining Statements – Internal Service Funds:	
Description of Funds	119
Combining Statement of Fund Net Assets –Internal Service Funds	120
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets –Internal Service Funds	121
Combining Statement of Cash Flows –Internal Service Funds	122
Combining Statements - Agency Funds:	
Description of Funds	123
Combining Statement of Assets and Liabilities - Agency Funds	124
Combining Statement of Changes in Assets and Liabilities – Agency Funds	126
Statistical Section	
Net Assets by Component - Last Seven Fiscal Years (Accrual Basis of Accounting)	S-2
Change in Net Assets - Last Seven Fiscal Years (Accrual Basis of Accounting)	S-4
Fund Balances of Governmental Funds Last Ten Fiscal Years (Modified Accrual Basis of Accounting)	S-8

City of Berea
Cuyahoga County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2009

Table of Contents (continued)

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (Modified Accrual Basis of Accounting)	S-10
Berea City School District – Property Tax Rates – Direct and Overlapping Governments (per \$1,000 of Assessed Valuation) – Last Ten Years	S-12
Olmsted Falls City School District – Property Tax Rates – Direct and Overlapping Governments (per \$1,000 of Assessed Valuation) – Last Ten Years	S-13
Assessed Value and Estimated Actual Values of Taxable Property - Last Ten Years	S-14
Property Tax Levies and Collections - Last Ten Years	S-16
Principal Taxpayers - Real Estate Tax – 2009 and 2000	S-17
Principal Taxpayers - Municipal Tax – 2009 and 2000	S-18
Principal Employers – 2009 and 2006	S-19
Income Tax Revenue Base and Collections – Last Ten Years	S-20
Ratios of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Seven Years	S-22
Ratios of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita – Last Ten Years	S-24
Computation of Direct and Overlapping Governmental Activities Debt.....	S-25
Legal Debt Margin – Last Ten Years.....	S-26
Demographic and Economic Statistics – Last Ten Years	S-28
Full-Time Equivalent City Government Employees by Function/ Program – Last Seven Years	S-30
Operating Indicators by Function/Program – Last Seven Years.....	S-32
Capital Assets Statistics by Function/Program – Last Seven Years	S-36



CITY OF BERE A

“The Grindstone City”

Cyril M. Kleem
Mayor

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

11 Berea Commons
Berea, Ohio 44017

Phone: 440-826-5889
Fax: 440-826.4598
Website www.bereaohio.com
Email dana@bereaohio.com

June 6, 2010

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Berea, Ohio (the “City”) for the year ended December 31, 2009.

We believe this report, prepared by the Department of Finance, complies with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a Generally Accepted Accounting Principles (GAAP) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within six months of the close of each fiscal year.

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

Rea & Associates, Inc. has issued an unqualified or “clean” opinion on the City of Berea’s financial statements for the year ended December 31, 2009. The independent audit report is located at the front of the financial section of this report.

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

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

Profile of the City of Berea

Basic Information: 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, and softball and football fields. In addition, approximately 370 acres of the Cleveland Metro parks System are located in the City. The Metro parks’ Rocky River Reservation contains the Wallace and Baldwin Lakes for swimming, boating, and ice skating, and fishing along with all-purpose trails for biking, jogging, hiking and physical fitness facilities. Other features of the Reservation include the Berea Falls Scenic Overlook, Music Mound, hiking trails, horseback riding trails, and the Wallace Lake, Baldwin Lake, and South Baldwin picnic areas.

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

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

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

Established by charter, the municipal government consists of six departments (Police, Fire, Service, Recreation, Law and Finance). The Mayor has appointed five directors, a police chief, and a fire chief 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 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 handle the non-contractual maintenance of City streets. The Street Striping and Marking Division is responsible for the painting of street lines and markings. The City has its own water plant, which is also handled by the Service Department. The water plant has a supply division and a distribution division, which insures the water supply's safe and the water lines are properly maintained. The department also handles the billing and collection for the City's water department and the Northeast Ohio Regional Sewer District. The Sewer department oversees the collection of sewage and the maintenance of the City's sewer lines.

The Building, Engineering, Housing and Social Services Director oversees the building division, the engineering division and the housing and social services divisions. The Building Department is responsible for interpreting and enforcing all building codes in the City. The department also issues permits and citations, conducts site inspections, and licenses all contractors. This department is responsible for the implementation of plans and programs that promote the comprehensive and orderly development of the City. The Engineering 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 Housing and Social Services Division handles the various senior programs, special events throughout the year, Berea

Welfare Assistance Program, and various housing programs. The Housing and Social Services Division also handles the rental of the City's outdoor gazebo and pavilion area as well as assistance to qualifying seniors, handicapped and disabled residents with free snow removal.

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

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

The Finance Department is responsible for the accurate recording of all receipts and disbursements. The department issues bi-weekly payroll and maintains the capital asset system.

The department compiles the annual budget, the tax budget, the Comprehensive Annual Financial Report, and assists the Mayor in all financial decisions. The City's computer operations are also managed through the Finance Department. This includes the City's web page and the maintenance of all City computer and electronic equipment. This department also handles all purchasing needed to maintain operations for all departments. In addition to overseeing these duties, the Director of Finance is also the City's Tax Administrator and utilizes the Regional Income Tax Agency to oversee the collection and distribution of the City's income tax.

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. This definition of the reporting entity is found in GASB Statement No. 14, "The Financial Reporting Entity".

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.

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 the 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 for which the City approves the budget, the issuance of debt or the levying of taxes. The reporting entity of the City does not include any component units.

As discussed in the notes to the financial statements, the City participates in several jointly governed organizations, including the Southwest General Health Center, Woodvale Union Cemetery, the

Southwest Council of Governments, and the Northeast Ohio Public Energy Council. Note 18 to the basic financial statements describe the City's relationship to these entities.

Budget Process: City Council is required to adopt a temporary budget by no later than the close of the fiscal year and an annual (final) budget within 90 days of the subsequent year. This annual budget serves as the foundation for the City of Berea's financial planning and control. The budget is prepared by fund, departments, and major category. The major categories are "Personal Services" and "Other". Department heads may transfer resources within a major category as needed and approved by the Director of Finance. Transfers between funds, however, need re-appropriation from City Council.

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.

Major Industries Affecting the City Economy: 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 have also contributed to the City's economic growth and provides much needed housing for the City.

The City owns a \$22 million training facility and administrative offices which is the headquarters for the Cleveland Browns. The Cleveland Browns continue to play a vital role in Berea's community.

Major Achievements: Several businesses in the Rocco J. Colonna Industrial Park are currently expanding their buildings. Low interest rates have made it possible for area businesses to consider expansion opportunities. The City of Berea continues to be in high demand for businesses looking for new locations to open a new business or to relocate their current business.

The City 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 475 homes have been built through 2009. The homes range from \$200,000 up to \$400,000. Approximately 50 homes will be built in 2010 and the entire project will not be completed until 2011.

Despite the recession, the City of Berea was a leader in new home construction in Cuyahoga County for 2009.

Current Year Projects: In 2009, the City's road program totaled \$860,000 and included the following roads: Dorland, Edwards, Lombardy, Longfellow, Wallace, and Wyleswood. Sidewalk improvements were also made as needed.

The City entered into a joint project with the City of Olmsted Falls for improvements to water lines in the Lindberg/Westlawn area. This project will create a water line loop for residents in this area. This project was completed in 2009.

The City and County were in a joint project which replaced roadway on Prospect Street from Bagley Road (also called Mulberry and Henry Streets) through the south end of the City. This project was completed in 2009.

Several other projects began in 2009 and are expected to be completed in 2010.

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

One of two major railroad underpass/overpass projects has been completed. The Bagley Road underpass area has seen significant economic growth with the improvement and expansion of existing businesses as well as the development of new business opportunities. The second project has begun construction on the City's north end. This approximately \$25 million project will not only ease traffic congestion due to two major rail systems, but also present the opportunity for economic development that will help revitalize this section of the City and bring in additional tax revenues. The City is currently developing a North End Revitalization Plan to assist in the planning for the anticipated growth in this area.

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

Future Projects: The 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 that secured \$47.25 million in federal, state and railroad funds in June 1998 to construct underpasses on two main thoroughfares in the City.

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. Construction of the Front Street overpass began in 2009 and is expected to be completed in 2010.

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 began for the road replacement of Eastland Road between the cities of Berea, Brook Park and Middleburg Heights. The total cost for the road reconstruction project for the three cities is approximately \$2 million and will involve improving the roadway for safer travel through this three-way intersection. The City of Berea is also replacing the water lines under its portion of Eastland Road. The project is expected to be completed in 2010.

In 2009, the Seminary Street Urban Renewal Downtown CDBG Project was started. This included repaving Seminary Street, streetscape, street lighting, sidewalk improvements, and parking lots in the City's downtown area. This is a joint project with CDBG, area businesses (including Baldwin Wallace College) and the City to improve this area. This project will be completed in 2010.

In 2009, the Pineview Waterline Project was started which included water line replacement and the resurfacing of Pineview Circle and Caxton Circle. The project will be completed in 2010.

The City is currently undertaking a \$6.5 million water plant improvement. This project includes improvements to the Water Plant building, the water treatment processing and the replacement of the City's water storage tank. Phase 1 was completed in 2009 and the total project is expected to be completed in 2010.

The City is developing a North End Revitalization Plan to analyze developmental options upon the completion of the Front Street Railroad Project. The north end is the north gateway to the City and its options are endless. The City is looking at future development opportunities that may include a hotel, residential and retail businesses as well as other ventures.

The City is planning a \$700,000 remodeling of its Recreation Center. This includes the addition of a Senior Activity Center, renovations to the women's and men's locker rooms, showers, and restrooms, painting and resurfacing the indoor pool, repairs to the flooring throughout the center and main entrance, roof repairs and mechanical system upgrades. The front portion of the building is the old bowling alley that will be demolished in 2010. The exterior of the Recreation Center will also be improved with new parking, landscaping and signage. The project is expected to be completed in 2010 with a projected cost of approximately \$700,000.

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

Long-Term Financial Planning

During 2009, The City of Berea established a Fund Balance Policy. The purpose of the Fund Balance Policy is to establish a fund balance/retained earnings policy that is tailored to the needs of the City and to insure against unanticipated events that would adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. This policy was created to establish long-term goals for building and reserving the City's General Fund Balance, to reserve funds for anticipated retirement payouts, and to establish a General Fund Rainy Day Fund for additional long-term stability. The City's primary goal was to begin reserving funds for the retirement payouts. It was expected that the City would achieve its goal of establishing the necessary reserve by the end of 2010; however, the City was able to fund this reserve in 2009 due to unanticipated inheritance tax revenue. The City will continue to maintain the funds needed to meet anticipated retirement payouts while also working towards meeting its goal of a General Fund undesignated balance that exceeds 15% of annual operating expenditures and other financing uses (transfers). The third reserve was designed to reserve at least one month of annual operating expenditures and other financing uses (transfers) for a Rainy Day Designated Fund Balance.

The City has committed to maintaining a positive General Fund balance and the establishment of the reserves. The Finance Department reviews all monetary transactions on a on-going basis and works

diligently to monitor revenues and reprioritize expenditures so that all fund balances, especially the General Fund, maintain optimal balances.

Cash Management: City cash is pooled for investment purposes in order to generate the highest possible yield. A majority of the deposits of the City are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least one hundred five percent of the public funds on deposit. Trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions, hold the collateral.

Debt Management: Moody's Investors Service confirmed this assessment of the City. In 2009, the City of Berea has its bond rating reviewed. Moody's reaffirmed the City of Berea's Aa3 bond rating. In early 2010, as part of Moody's recalibration program, the City's bond rating was recalibrated to an Aa2.

Moody's stated:

- That this rating is based on the City's moderately-sized tax base with available land for development, satisfactory financial operations expected to continue, and manageable debt profile.
- That Moody's expects the City's financial operations to remain satisfactory given a history of positive budget variances and prudent management.
- The City's debt profile is expected to remain manageable given limited direct borrowing needs, quick amortization and substantial income tax support for outstanding obligations.

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.

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

The City 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, 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.

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. These audits are conducted by either the Auditor of the State of Ohio or, if the Auditor permits, an independent public accounting firm. The City of Berea has contracted with the accounting firm of Rea & Associates, Inc. to perform these services for 2009. Included in this report is an unqualified audit opinion regarding the City's financial statements for the year ended December 31, 2009. Their report is presented in the financial section of this report.

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, 2008. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

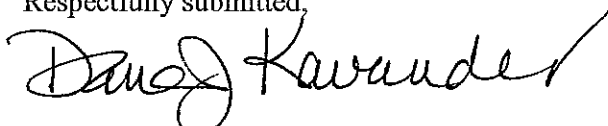
In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose content conforms to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,



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

**CITY OF BEREА, OHIO
PRINCIPAL OFFICIALS
DECEMBER 31, 2009**

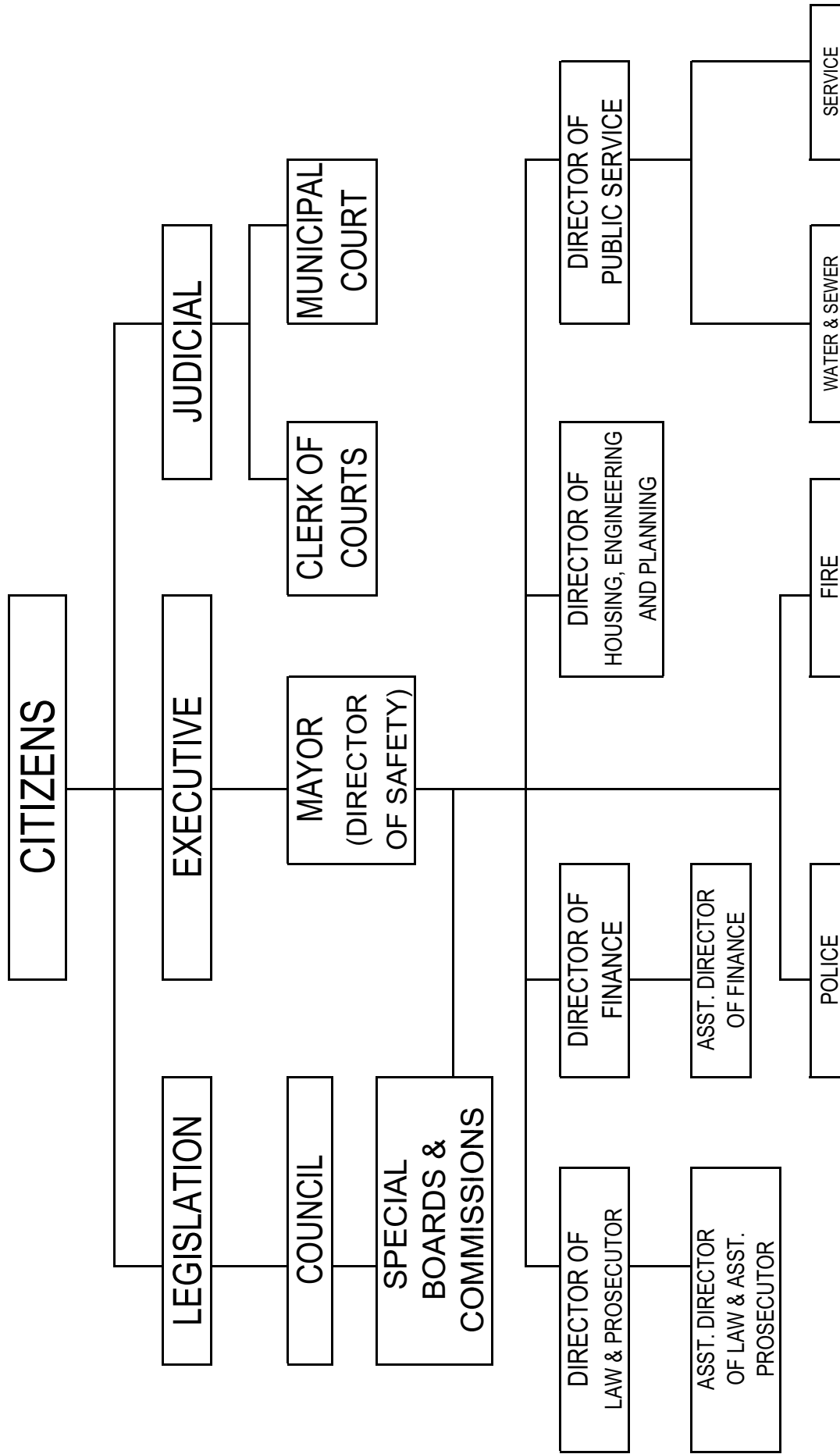
ELECTED OFFICIALS

Mayor	Cyril M. Kleem
President of Council	James J. Brown
Council Member-at-Large	Dale Lange
Council Member-at-Large	Dean W. Van Dress
Council Member - Ward 1	Margarette S. Key
Council Member - Ward 2	Nick Haschka
Council Member - Ward 3	Jim Maxwell
Council Member - Ward 4	George Capellas
Council Member - Ward 5	Mary K. Brown

APPOINTED OFFICIALS

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

CITY OF BEREA, OHIO
ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Berea
Ohio

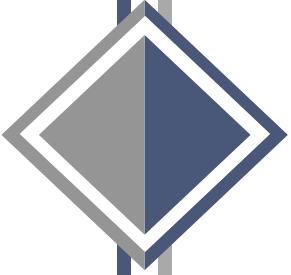
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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



FINANCIAL SECTION



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

June 6, 2010

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, 2009, 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, 2009 and the respective changes in financial position and the cash flows where applicable, thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2010 on our consideration of the City of Berea's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Hea & Associates, Inc.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009

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, 2009. 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 2009 are as follows:

- Total assets of the City exceeded its liabilities at the close of 2009 by \$88.9 million (net assets). The net assets of the governmental activities are \$66.7 million and the business-type activities are \$22.2 million.
- Total assets increased by \$4.3 million or 3.6 percent from 2008 made up mostly from the increase in capital assets.
- Total net assets of the City increased by \$5.1 million or 6.1 percent from 2008.
- Total capital assets increased from \$100.7 million in 2008 to \$104.8 million in 2009 through purchases of equipment and road, water and sewer improvement projects.
- Additional bond anticipation notes contributed to the increase in total long-term obligations in the governmental activities of \$4.1 million in 2009. Long term obligations in the business-type activities also increased by \$.4 million due to additional OPWC and OWDA debt.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009

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 2009?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009

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.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009

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 2009 compared to 2008:

Table 1 - Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	Restated 2008	2009	Restated 2008	2009	Restated 2008
<i>Assets</i>						
Current and Other Assets	\$ 15,596,121	\$ 15,755,804	\$ 3,148,132	\$ 2,759,418	\$ 18,744,253	\$ 18,515,222
Capital Assets	74,183,199	70,336,661	30,659,735	30,392,289	104,842,934	100,728,950
<i>Total Assets</i>	<u>89,779,320</u>	<u>86,092,465</u>	<u>33,807,867</u>	<u>33,151,707</u>	<u>123,587,187</u>	<u>119,244,172</u>
<i>Liabilities</i>						
Current and Other Liabilities	5,025,564	10,206,743	773,417	826,798	5,798,981	11,033,541
Long-Term Liabilities:						
Due Within One Year	7,332,416	2,389,232	697,373	716,286	8,029,789	3,105,518
Due in More than One Year	10,670,862	11,469,123	10,143,221	9,774,093	20,814,083	21,243,216
<i>Total Liabilities</i>	<u>23,028,842</u>	<u>24,065,098</u>	<u>11,614,011</u>	<u>11,317,177</u>	<u>34,642,853</u>	<u>35,382,275</u>
<i>Net Assets</i>						
Invested in Capital Assets						
Net of Related Debt	59,019,083	54,735,567	19,919,357	20,018,990	78,938,440	74,754,557
Restricted for:						
Capital Outlay	2,486,092	301,374	0	0	2,486,092	301,374
Debt Service	1,104,494	905,303	0	0	1,104,494	905,303
Street Lighting	1,093,595	755,289	0	0	1,093,595	755,289
Street Maintenance and Repair	395,710	304,989	0	0	395,710	304,989
Other Purposes	628,634	703,967	0	0	628,634	703,967
Unrestricted	2,022,870	4,320,878	2,274,499	1,815,540	4,297,369	6,136,418
<i>Total Net Assets</i>	<u>\$ 66,750,478</u>	<u>\$ 62,027,367</u>	<u>\$ 22,193,856</u>	<u>\$ 21,834,530</u>	<u>\$ 88,944,334</u>	<u>\$ 83,861,897</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 88.9 million at year end 2009. By far the largest portion of the City's net assets (approximately 88.4 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 \$4.3 million from 2008 to 2009 with \$4.1 million of the increase in capital assets. This increase was mainly due to building and road improvements and construction in progress for road projects and water plant and sewer improvements.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009

In addition, total liabilities decreased by \$.7 million through principal payments on debt obligations. The City's net assets increased by \$5.1 million.

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 2009 compared to 2008.

Table 2 - Change in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	Restated 2008	2009	Restated 2008
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$ 4,858,276	\$ 4,614,330	\$ 3,489,959	\$ 3,343,811	\$ 8,348,235	\$ 7,958,141
Operating Grants and Contributions	892,737	1,280,017	0	0	892,737	1,280,017
Capital Grants and Contributions	4,776,424	237,222	108,086	1,111,412	4,884,510	1,348,634
<i>General Revenues:</i>						
Property and Other Local Taxes	4,677,257	4,506,623	480,309	486,477	5,157,566	4,993,100
Income Tax	9,993,755	11,126,645	0	0	9,993,755	11,126,645
Grants and Entitlements	1,777,548	2,224,225	0	0	1,777,548	2,224,225
Investment Earnings	124,123	199,120	0	0	124,123	199,120
Miscellaneous	128,338	104,854	63,571	63,936	191,909	168,790
Total Revenues	27,228,458	24,293,036	4,141,925	5,005,636	31,370,383	29,298,672
Program Expenses						
Security of Persons and Property	6,883,839	6,756,475	0	0	6,883,839	6,756,475
Public Health	119,132	122,080	0	0	119,132	122,080
Leisure Time Activities	3,005,421	3,207,018	0	0	3,005,421	3,207,018
Community Development	496,548	502,423	0	0	496,548	502,423
Public Works	1,121,553	1,265,014	0	0	1,121,553	1,265,014
Transportation	2,936,864	2,631,003	0	0	2,936,864	2,631,003
General Government	6,543,797	6,075,079	0	0	6,543,797	6,075,079
Interest and Fiscal Charges	668,099	563,320	0	0	668,099	563,320
Water	0	0	3,639,102	3,650,419	3,639,102	3,650,419
Sewer	0	0	873,591	1,005,252	873,591	1,005,252
Total Program Expenses	21,775,253	21,122,412	4,512,693	4,655,671	26,287,946	25,778,083
Change in Net Assets						
<i>Before Transfers</i>	5,453,205	3,170,624	(370,768)	349,965	5,082,437	3,520,589
Transfers	(730,094)	(132,000)	730,094	132,000	0	0
Total Change in Net Assets	\$ 4,723,111	\$ 3,038,624	\$ 359,326	\$ 481,965	\$ 5,082,437	\$ 3,520,589

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009

Governmental Activities

Governmental activities increased the City's net assets by \$4.7 million, thereby accounting for 7.6 percent growth in total net assets. Most of this was an increase of \$4.5 million in capital contributions from the prior year. These contributions were made up of equipment and building and road improvements from outside sources.

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 2009 was \$10.0 million. General revenues from grants and entitlements, such as local government funds, are also sources of revenue.

The economic downturn has contributed to the City's 10.2 percent decrease in income tax revenues from 2008. Of the \$27.2 million in total governmental revenue, income tax accounts for 36.7 percent of that total. Property taxes of \$4.5 million accounts for 16.5 percent, with program revenues accounting for 35.3 percent of governmental activities. Grants and entitlements, investment earnings and miscellaneous income account for the remaining 11.5 percent.

Expenses remained fairly consistent with 2008 with only a 3.1 percent increase. While the City continues to expend significant money towards its improvements to its infrastructure, it fluctuates annually. The Front Street Overpass and the Seminary Street improvement projects began in 2009 while Phase I of the Water Plant was completed. 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 security of persons and property, which includes the police and fire departments and represents approximately 31.6 percent of program expenses in 2009. The next largest program function relates to general government, which represents approximately 30.1 percent of program expenses in 2009.

Business-Type Activities

The business type activities of the City, which include the City's water and sewer operations, increased the City's net assets by \$.4 million. Operating revenues were not enough to cover expenses in either the water or sewer revenue funds. The water revenue fund received \$.2 million in capital contributions from governmental activities and \$8,600 from an outside source. This along with nonoperating revenues offset the deficiency for an increase in net assets of \$.3 million. The sewer revenue fund received transfers and net operating revenue of \$.1 million to achieve an increase in net assets of \$.03 million.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009

The City's Funds

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

As of December 31, 2009, the City's governmental funds reported combined ending fund balances of \$8.0 million. Of that amount, \$7.2 million constitutes unreserved fund balances, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchases of the prior period of \$.8 million.

All governmental funds had total revenue of \$22.6 million and expenditures of \$23.3 leaving a deficit of \$.7 million which is similar to 2008. Other financing sources and uses of note and loan proceeds and transfers in and out provided an additional \$5.9 million increase. The total increase in fund balances for 2009 was \$5.3 million.

The general fund, which includes the municipal income tax fund, remained fairly consistent with 2008 with a \$3.2 million excess of revenues over expenditures. Other financing sources and uses mainly made up of transfers to other funds amounted to \$3.2 million which reduced the increase in fund balance to slightly under \$11,000. At the end of the current fiscal year, total fund balance for the general fund was \$3.6 million, of which \$3.5 million was unreserved. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balances and total fund balance to the sum of total fund expenditures and other financing uses. Unreserved fund balance represents 21.5 percent of total general fund expenditures and other financing uses, while total fund balance represents 22.4 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 had an increase in fund balance of \$.2 million which is consistent with 2008.

The balance in the railroad capital improvement fund increased \$3.9 million due to reimbursements for project expenses.

The balance in the court capital improvement fund increased \$.3 million through revenues received. There were no expenses in 2009 as the project is currently in the planning phase.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009

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 2009, the City amended its general fund budget, but not significantly. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for Ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund, and within major category, the key categories being "Personal Services" and "Other". The general fund supports many of our major activities including the Police Department, the Fire Department, the Municipal Court, and most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the general fund, original budgeted revenues were \$16.2 million. The final budgeted amount was \$16.3 million. Original and final budgeted expenditures only slightly changed with final budgeted expenditures being lower by less than \$54,000. The difference between the general fund's original budget and the final amended budget was a decrease of \$.9 million. The increase in final budget transfers out of \$1.1 million accounts for most of this difference.

The actual expenditures were 4.3 percent less than the budgeted amount mostly due to decreases in capital expenditures. The City's ending unencumbered cash balance in the general fund was \$.6 million above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of 2009, the City had \$ 104.8 million (net of accumulated depreciation) invested in land, construction in progress, land improvements, buildings and improvements, machinery and equipment, furniture and fixtures, vehicles and infrastructure. Of this total, \$74.2 million was reported in governmental activities and \$30.6 million was reported in business-type activities. Table 3 shows 2009 balances compared to 2008:

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009

Table 3 - Capital Assets at December 31

	Governmental Activities		Business-Type Activities Activities		Total	
	2009	Restated 2008	2009	Restated 2008	2009	Restated 2008
	Land	\$ 5,249,724	\$ 5,182,207	\$ 93,181	\$ 93,181	\$ 5,342,905
Construction in Progress	17,282,582	14,779,877	1,604,796	3,303,767	18,887,378	18,083,644
Buildings	7,988,593	8,009,727	1,140,372	1,208,214	9,128,965	9,217,941
Land Improvements	2,924,054	3,131,882	345,455	405,049	3,269,509	3,536,931
Building Improvements	8,705,687	7,072,303	530,417	0	9,236,104	7,072,303
Machinery and Equipment	1,681,853	1,409,236	2,199,428	805,265	3,881,281	2,214,501
Furniture and Fixtures	108,555	142,299	25,386	25,316	133,941	167,615
Vehicles	723,087	789,476	36,197	48,020	759,284	837,496
Infrastructure:						
Bridges	6,952,480	7,220,035	0	0	6,952,480	7,220,035
Roads	20,044,394	20,041,081	0	0	20,044,394	20,041,081
Sidewalks	1,212,482	1,193,373	0	0	1,212,482	1,193,373
Traffic Signals	1,309,708	1,365,165	0	0	1,309,708	1,365,165
Water Lines	0	0	5,250,974	5,096,119	5,250,974	5,096,119
Storm Sewers	0	0	11,565,740	11,499,129	11,565,740	11,499,129
Sanitary Sewers	0	0	7,867,789	7,908,229	7,867,789	7,908,229
Totals	\$ 74,183,199	\$ 70,336,661	\$ 30,659,735	\$ 30,392,289	\$ 104,842,934	\$ 100,728,950

Total capital assets for the City as of December 31, 2009 were \$104.8 million, a \$4.1 million increase over 2008. The most significant increases in capital assets in 2009 were the renovations to the Cleveland Browns facility, the purchase of a rescue squad and EKG machine as well other road equipment and the completion of phase I of the water plant improvement project and the Linberg/Westlawn waterlines. Construction in progress included the Seminary parking project, Eastland waterline, water plant construction and sanitary sewer projects. 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 began in late 2008. The City is committed to a long-term goal of rebuilding its infrastructure and facilities. A capital plan is in place providing for rebuilding major residential streets, water, sewer and storm sewer lines, and adding additional facilities to complement our current structures. See Note 9 for additional information on capital assets.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009

Debt

At December 31, 2009, the City had \$8.9 million in general obligation bonds, \$.7 million in urban renewal bonds, \$.5 million in capital leases, \$9.2 million in OWDA loans, \$1.7 million in OPWC loans, \$.4 million in loans payable and \$5.8 million in bond anticipation notes. Of this total \$7.9 million is due within one year and \$19.3 million is due in more than one year. Table 4 summarized the bonds and loans outstanding at December 31:

Table 4 - Outstanding Debt at December 31

	Governmental Activities		Business-Type Activities Activities		Total	
	2009	Restated	2009	2008	2009	Restated
		2008				2008
<i>General Obligation Bonds:</i>						
1993 Various Purpose Bonds	\$ 510,000	\$ 620,000	\$ 0	\$ 0	\$ 510,000	\$ 620,000
1999 Various Purpose Bonds	425,000	845,000	0	0	425,000	845,000
2004 Library Refunding Bonds	305,000	400,000	0	0	305,000	400,000
2004 Various Purpose Refunding Bonds	720,000	945,000	0	0	720,000	945,000
2006 Various Purpose Bonds	6,915,000	7,065,000	0	0	6,915,000	7,065,000
<i>Other Obligations:</i>						
Urban Renewal Bonds	680,000	870,000	0	0	680,000	870,000
OWDA Loans	0	0	9,245,705	8,813,046	9,245,705	8,813,046
OPWC Loans	666,243	304,187	997,555	994,174	1,663,798	1,298,361
Loan Payable	0	0	388,070	353,874	388,070	353,874
Bond Anticipation Notes	5,850,000	975,000	0	25,000	5,850,000	1,000,000
Capital Leases	382,140	274,940	109,048	187,205	491,188	462,145
Totals	<u>\$ 16,453,383</u>	<u>\$ 12,299,127</u>	<u>\$ 10,740,378</u>	<u>\$ 10,373,299</u>	<u>\$ 27,193,761</u>	<u>\$ 22,672,426</u>

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

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

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

The bond anticipation notes were refinanced in March, 2010 and will be paid from the general capital improvement fund.

The loan payable will be paid from 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.

City of Berea
Cuyahoga County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009

Current Financial Related Activities

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

While the cost increases for medical insurance are unavoidable in today's environment, the City is working diligently to maintain a high level of coverage for its employees at the lowest cost possible. Several years ago, the City developed a self-funded insurance program and has been able to minimize its cost increases and reduce its health care costs.

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

In 2009, the City developed a Fund Balance Policy to establish criteria for growing its General Fund Balance and support future retirements. This policy fits well into the City's overall plan for fiscal responsibility and financial management.

Contacting the City's Financial Management

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

This Page Intentionally Left Blank

City of Berea
Cuyahoga County, Ohio
Statement of Net Assets
December 31, 2009

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 6,244,798	\$ 1,177,146	\$ 7,421,944
Receivables:			
Taxes	6,413,804	474,130	6,887,934
Accounts	305,984	961,523	1,267,507
Accrued Interest	15,199	0	15,199
Special Assessments	867,375	428,344	1,295,719
Intergovernmental	1,098,063	32,792	1,130,855
Materials and Supplies Inventory	132,007	62,773	194,780
Prepaid Items	5,884	11,424	17,308
Loans Receivable	513,007	0	513,007
Land and Construction in Progress	22,532,306	1,697,977	24,230,283
Depreciable Capital Assets, Net	51,650,893	28,961,758	80,612,651
<i>Total Assets</i>	<u>89,779,320</u>	<u>33,807,867</u>	<u>123,587,187</u>
Liabilities			
Accounts Payable	323,250	51,807	375,057
Accrued Wages and Benefits	200,184	22,306	222,490
Intergovernmental Payable	556,439	53,713	610,152
Claims Payable	87,781	0	87,781
Accrued Interest Payable	127,432	210,273	337,705
Unearned Revenue	3,730,478	435,318	4,165,796
Long Term Liabilities:			
Due Within One Year	7,332,416	697,373	8,029,789
Due In More Than One Year	10,670,862	10,143,221	20,814,083
<i>Total Liabilities</i>	<u>23,028,842</u>	<u>11,614,011</u>	<u>34,642,853</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	59,019,083	19,919,357	78,938,440
Restricted for:			
Capital Outlay	2,486,092	0	2,486,092
Debt Service	1,104,494	0	1,104,494
Street Lighting	1,093,595	0	1,093,595
Street Maintenance and Repair	395,710	0	395,710
Other Purposes	628,634	0	628,634
Unrestricted	2,022,870	2,274,499	4,297,369
<i>Total Net Assets</i>	<u>\$ 66,750,478</u>	<u>\$ 22,193,856</u>	<u>\$ 88,944,334</u>

See accompanying notes to the basic financial statements.

This Page is Intentionally Left Blank.

City of Berea
Cuyahoga County, Ohio
Statement of Activities
For the Year Ended December 31, 2009

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Security of Persons and Property	\$ 6,883,839	\$ 1,383,581	\$ 24,364	\$ 2,487,993
Public Health and Welfare	119,132	0	80,728	0
Lesiure Time Activities	3,005,421	409,457	19,375	0
Community Development	496,548	33,534	65,293	10,670
Public Works	1,121,553	0	0	0
Transportation	2,936,864	486,980	702,977	2,277,761
General Government	6,543,797	2,544,724	0	0
Interest and Fiscal Charges	668,099	0	0	0
<i>Total Governmental Activities</i>	<u>21,775,253</u>	<u>4,858,276</u>	<u>892,737</u>	<u>4,776,424</u>
Business-Type Activities				
Water	3,639,102	2,768,562	0	8,600
Sewer	873,591	721,397	0	99,486
<i>Total Business-Type Activities</i>	<u>4,512,693</u>	<u>3,489,959</u>	<u>0</u>	<u>108,086</u>
<i>Totals</i>	<u>\$ 26,287,946</u>	<u>\$ 8,348,235</u>	<u>\$ 892,737</u>	<u>\$ 4,884,510</u>

General Revenues:

Property Taxes Levied for:

General Purposes

Other Purposes

Debt Service

Water Improvements

Municipal Income Taxes Levied for:

General Purposes

Other Taxes

Grants and Entitlements not Restricted to

Specific Programs

Interest and Investment Earnings

Other

Total General Revenues

Net Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year (Restated, See Note 3)

Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (2,987,901)	\$ 0	\$ (2,987,901)
(38,404)	0	(38,404)
(2,576,589)	0	(2,576,589)
(387,051)	0	(387,051)
(1,121,553)	0	(1,121,553)
530,854	0	530,854
(3,999,073)	0	(3,999,073)
(668,099)	0	(668,099)
<u>(11,247,816)</u>	<u>0</u>	<u>(11,247,816)</u>
0	(861,940)	(861,940)
<u>0</u>	<u>(52,708)</u>	<u>(52,708)</u>
0	(914,648)	(914,648)
<u>(11,247,816)</u>	<u>(914,648)</u>	<u>(12,162,464)</u>
1,915,871	0	1,915,871
842,599	0	842,599
1,719,659	0	1,719,659
0	480,309	480,309
9,993,755	0	9,993,755
199,128	0	199,128
1,777,548	0	1,777,548
124,123	0	124,123
128,338	63,571	191,909
<u>16,701,021</u>	<u>543,880</u>	<u>17,244,901</u>
<u>(730,094)</u>	<u>730,094</u>	<u>0</u>
<u>15,970,927</u>	<u>1,273,974</u>	<u>17,244,901</u>
4,723,111	359,326	5,082,437
<u>62,027,367</u>	<u>21,834,530</u>	<u>83,861,897</u>
<u>\$ 66,750,478</u>	<u>\$ 22,193,856</u>	<u>\$ 88,944,334</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Balance Sheet
Governmental Funds
December 31, 2009

	General Fund	General Bond Retirement Fund	Railroad Capital Improvement Fund	Court Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Investments	\$ 2,061,750	\$ 847,063	\$ 1,503,584	\$ 242,854	\$ 1,515,651	\$ 6,170,902
Receivables:						
Taxes	3,988,634	1,661,211	0	0	763,959	6,413,804
Accounts	252,215	0	0	18,542	35,227	305,984
Accrued Interest	15,199	0	0	0	0	15,199
Special Assessments	4,405	12,130	0	0	850,840	867,375
Intergovernmental	551,094	110,020	0	0	436,949	1,098,063
Materials and Supplies Inventory	11,440	0	0	0	120,567	132,007
Prepaid Items	4,211	0	0	0	1,673	5,884
Advances To Other Funds	150,000	0	0	0	0	150,000
Loans Receivable	0	0	0	0	513,007	513,007
<i>Total Assets</i>	<u>\$ 7,038,948</u>	<u>\$ 2,630,424</u>	<u>\$ 1,503,584</u>	<u>\$ 261,396</u>	<u>\$ 4,237,873</u>	<u>\$ 15,672,225</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$ 215,886	\$ 0	\$ 4,730	\$ 0	\$ 102,634	\$ 323,250
Accrued Wages and Benefits	176,575	0	0	0	23,609	200,184
Intergovernmental Payable	245,857	0	0	0	310,582	556,439
Advances From Other Funds	0	0	150,000	0	0	150,000
Deferred Revenue	2,777,083	1,783,361	0	0	1,923,923	6,484,367
<i>Total Liabilities</i>	<u>3,415,401</u>	<u>1,783,361</u>	<u>154,730</u>	<u>0</u>	<u>2,360,748</u>	<u>7,714,240</u>
Fund Balances						
Reserved for Encumbrances	9,796	0	0	0	126,231	136,027
Reserved for Loans Receivable	0	0	0	0	513,007	513,007
Reserved for Advances	150,000	0	0	0	0	150,000
Unreserved, Undesignated, Reported In:						
General Fund	3,463,751	0	0	0	0	3,463,751
Special Revenue Funds	0	0	0	0	954,698	954,698
Debt Service Fund	0	847,063	0	0	0	847,063
Capital Projects Funds	0	0	1,348,854	261,396	283,189	1,893,439
<i>Total Fund Balances</i>	<u>3,623,547</u>	<u>847,063</u>	<u>1,348,854</u>	<u>261,396</u>	<u>1,877,125</u>	<u>7,957,985</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 7,038,948</u>	<u>\$ 2,630,424</u>	<u>\$ 1,503,584</u>	<u>\$ 261,396</u>	<u>\$ 4,237,873</u>	<u>\$ 15,672,225</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Assets Governmental Activities
December 31, 2009

Total Governmental Fund Balances	\$	7,957,985
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		74,183,199
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	\$ 332,095	
Municipal Income Tax	737,384	
Intergovernmental	817,035	
Special Assessments	867,375	2,753,889
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.		(13,885)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(127,432)
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	(8,875,000)	
Urban Renewal Bonds	(680,000)	
Bond Anticipation Notes	(5,850,000)	
OPWC Loan	(666,243)	
Unamortized Bond Premium	(97,946)	
Capital Leases	(382,140)	
Compensated Absences	(1,223,238)	
Police and Fire Pension Liability	(228,711)	(18,003,278)
 <i>Net Assets of Governmental Activities</i>	 \$	 <u><u>66,750,478</u></u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General Fund	General Bond Retirement Fund	Railroad Capital Improvement Fund	Court Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Income Taxes	\$ 10,181,318	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,181,318
Property Taxes	1,713,283	1,592,839	0	0	765,468	4,071,590
Other Local Taxes	199,128	0	0	0	0	199,128
Intergovernmental Revenue	1,672,591	359,132	16,633	0	1,353,804	3,402,160
Special Assessments	8,310	7,093	0	0	502,515	517,918
Charges for Services	228,671	0	0	0	765,201	993,872
Fees, Licenses and Permits	376,046	0	0	0	32,375	408,421
Fines and Forfeitures	1,546,055	0	0	276,875	620,193	2,443,123
Interest Income	124,123	0	0	0	0	124,123
Contributions and Donations	0	0	0	0	94,495	94,495
Other	86,860	0	0	0	89,113	175,973
<i>Total Revenues</i>	<u>16,136,385</u>	<u>1,959,064</u>	<u>16,633</u>	<u>276,875</u>	<u>4,223,164</u>	<u>22,612,121</u>
Expenditures						
Current:						
Security of Persons and Property	5,051,947	0	0	0	1,422,715	6,474,662
Public Health and Welfare	0	0	0	0	119,132	119,132
Lesiure Time Activities	478,347	0	0	0	1,132,270	1,610,617
Community Development	505,093	0	0	0	0	505,093
Public Works	1,089,789	0	0	0	0	1,089,789
Transportation	0	0	0	0	884,337	884,337
General Government	5,789,904	35,495	0	0	503,830	6,329,229
Capital Outlay	0	0	217,517	0	3,213,355	3,430,872
Debt Service:						
Principal Retirement	0	2,165,000	0	0	110,311	2,275,311
Interest and Fiscal Charges	0	527,722	0	0	18,257	545,979
<i>Total Expenditures</i>	<u>12,915,080</u>	<u>2,728,217</u>	<u>217,517</u>	<u>0</u>	<u>7,404,207</u>	<u>23,265,021</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	3,221,305	(769,153)	(200,884)	276,875	(3,181,043)	(652,900)
Other Financing Sources (Uses)						
Inception of Capital Lease	0	0	0	0	212,598	212,598
Issuance of Notes	0	5,850,000	0	0	0	5,850,000
Proceeds on Sale of Capital Assets	10,578	0	0	0	0	10,578
Issuance of Loans	0	0	0	0	362,056	362,056
Transfers In	0	0	4,138,068	0	3,499,000	7,637,068
Transfers Out	(3,221,200)	(4,913,068)	0	0	0	(8,134,268)
<i>Total Other Financing Sources (Uses)</i>	<u>(3,210,622)</u>	<u>936,932</u>	<u>4,138,068</u>	<u>0</u>	<u>4,073,654</u>	<u>5,938,032</u>
<i>Net Change in Fund Balance</i>	10,683	167,779	3,937,184	276,875	892,611	5,285,132
<i>Fund Balance Beginning of Year</i>	<u>3,612,864</u>	<u>679,284</u>	<u>(2,588,330)</u>	<u>(15,479)</u>	<u>984,514</u>	<u>2,672,853</u>
<i>Fund Balance End of Year</i>	<u>\$ 3,623,547</u>	<u>\$ 847,063</u>	<u>\$ 1,348,854</u>	<u>\$ 261,396</u>	<u>\$ 1,877,125</u>	<u>\$ 7,957,985</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Reconciliation of the Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2009

Net Change in Fund Balances - Total Governmental Funds \$ 5,285,132

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 additions exceeded depreciation in the current period.

Capital Asset Additions	\$ 7,616,450	
Current Year Depreciation	<u>(3,763,176)</u>	3,853,274

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.

(6,736)

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

Delinquent Property Taxes	32,452	
Municipal Income Taxes	(187,563)	
Intergovernmental	(316,323)	
Special Assessments	<u>320,339</u>	(151,095)

The issuance of long term debt provides current financial resources to the governmental funds while the repayment of principal of long term debt consumes the current financial resources, but reduces long term liabilities in the statement of net assets.

Proceeds from Notes	(5,850,000)	
Proceeds from OPWC Loan	(362,056)	
Inception of Capital Lease	(212,598)	
General Obligation Bond Principal	1,000,000	
Urban Renewal Bond Principal	190,000	
Bond Anticipation Note Principal	975,000	
Police and Fire Pension Liability Principal	4,913	
Capital Leases Principal	<u>105,398</u>	(4,149,343)

In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.

(76,141)

Some expenses reported in the statement of activities do not use the current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(2,110)	
Bond Issuance Costs	(52,509)	
Amortization of Bond Premiums	<u>6,530</u>	(48,089)

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

0

Change in Net Assets of Governmental Activities: \$ 4,707,002

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Income Taxes	\$ 10,322,666	\$ 10,280,523	\$ 10,280,523	\$ 0
Property Taxes	1,605,696	1,713,283	1,713,283	0
Other Local Taxes	190,500	224,148	224,148	0
Intergovernmental Revenue	1,447,310	1,697,391	1,697,391	0
Special Assessments	10,816	10,816	10,816	0
Charges for Services	431,000	239,093	239,093	0
Fees, Licenses and Permits	410,000	376,046	376,046	0
Fines and Forfeitures	1,558,785	1,550,268	1,550,268	0
Investment Income	160,000	131,865	131,865	0
Other	33,399	85,819	85,819	0
<i>Total Revenues</i>	<u>16,170,172</u>	<u>16,309,252</u>	<u>16,309,252</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property	5,134,458	5,138,858	5,015,001	123,857
Leisure Time Activities	509,100	492,100	479,021	13,079
Community Development	542,603	542,603	515,433	27,170
Public Works	1,332,918	1,264,918	1,161,262	103,656
General Government	6,122,595	6,149,820	5,828,342	321,478
<i>Total Expenditures</i>	<u>13,641,674</u>	<u>13,588,299</u>	<u>12,999,059</u>	<u>589,240</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,528,498	2,720,953	3,310,193	589,240
Other Financing Sources (Uses)				
Proceeds on Sale of Capital Assets	0	2,978	2,978	0
Advances In	155,000	112,000	112,000	0
Transfers Out	(2,150,200)	(3,221,200)	(3,221,200)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,995,200)</u>	<u>(3,106,222)</u>	<u>(3,106,222)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	533,298	(385,269)	203,971	589,240
<i>Fund Balance Beginning of Year</i>	1,804,403	1,804,403	1,804,403	0
Prior Year Encumbrances Appropriated	19,432	19,432	19,432	0
<i>Fund Balance End of Year</i>	<u>\$ 2,357,133</u>	<u>\$ 1,438,566</u>	<u>\$ 2,027,806</u>	<u>\$ 589,240</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2009

	Enterprise Funds			Governmental
	Water Revenue	Sewer Revenue	Total	Internal Service Funds
Assets				
Current Assets				
Equity in Pooled Cash and Investments	\$ 993,737	\$ 183,409	\$ 1,177,146	\$ 73,896
Receivables				
Taxes	474,130	0	474,130	0
Accounts	758,522	203,001	961,523	0
Intergovernmental Receivable	32,792	0	32,792	0
Special Assessments	338,779	89,565	428,344	0
Materials and Supplies Inventory	61,840	933	62,773	0
Prepaid Items	11,424	0	11,424	0
<i>Total Current Assets</i>	2,671,224	476,908	3,148,132	73,896
Non-Current Assets				
Capital Assets				
Nondepreciable Capital Assets	1,471,769	226,208	1,697,977	0
Depreciable Capital Assets, Net	18,244,006	10,717,752	28,961,758	0
<i>Total Non-Current Assets</i>	19,715,775	10,943,960	30,659,735	0
<i>Total Assets</i>	22,386,999	11,420,868	33,807,867	73,896
Liabilities				
Current Liabilities				
Accounts Payable	48,924	2,883	51,807	0
Accrued Wages and Benefits	18,978	3,328	22,306	0
Intergovernmental Payable	45,871	7,842	53,713	0
Claims Payable	0	0	0	87,781
Unearned Revenue	435,318	0	435,318	0
Accrued Interest Payable	132,149	78,124	210,273	0
Compensated Absences - Current	1,585	0	1,585	0
OWDA Loans Payable - Current	431,245	128,517	559,762	0
OPWC Loans Payable - Current	0	53,504	53,504	0
Capital Lease Payable - Current	25,134	57,388	82,522	0
<i>Total Current Liabilities</i>	1,139,204	331,586	1,470,790	87,781
Non-Current Liabilities				
Compensated Absences	98,631	0	98,631	0
OWDA Loans Payable	5,843,855	2,842,088	8,685,943	0
OPWC Loans Payable	0	944,051	944,051	0
Loan Payable	0	388,070	388,070	0
Capital Lease Payable	26,526	0	26,526	0
<i>Total Non-Current Liabilities</i>	5,969,012	4,174,209	10,143,221	0
<i>Total Liabilities</i>	7,108,216	4,505,795	11,614,011	87,781
Net Assets				
Invested in Capital Assets, Net of Related Debt	13,389,015	6,530,342	19,919,357	0
Unrestricted	1,889,768	384,731	2,274,499	(13,885)
<i>Total Net Assets</i>	\$ 15,278,783	\$ 6,915,073	\$ 22,193,856	\$ (13,885)

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2009

	<u>Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	<u>Internal</u>
	<u>Revenue</u>	<u>Revenue</u>	<u>Total</u>	<u>Service</u>
				<u>Funds</u>
Operating Revenues				
Charges for Services	\$ 2,484,752	\$ 644,749	\$ 3,129,501	\$ 1,888,476
Miscellaneous	63,263	308	63,571	0
<i>Total Operating Revenues</i>	<u>2,548,015</u>	<u>645,057</u>	<u>3,193,072</u>	<u>1,888,476</u>
Operating Expenses				
Personal Services	1,666,268	276,220	1,942,488	0
Contractual Service	682,166	79,545	761,711	564,230
Claims	0	0	0	1,306,841
Materials and Supplies	309,454	85,594	395,048	0
Depreciation	644,123	272,086	916,209	0
Other	15,081	5,691	20,772	1,299
<i>Total Operating Expenses</i>	<u>3,317,092</u>	<u>719,136</u>	<u>4,036,228</u>	<u>1,872,370</u>
<i>Operating Income (Loss)</i>	(769,077)	(74,079)	(843,156)	16,106
Non-Operating Revenues (Expenses)				
Property Taxes	480,309	0	480,309	0
Intergovernmental Revenue	99,486	0	99,486	0
Special Assessments	283,810	76,648	360,458	0
Interest Income	0	0	0	3
Interest and Fiscal Charges	(322,010)	(154,455)	(476,465)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>541,595</u>	<u>(77,807)</u>	<u>463,788</u>	<u>3</u>
<i>Income (Loss) Before Contributions and Transfers</i>	<u>(227,482)</u>	<u>(151,886)</u>	<u>(379,368)</u>	<u>16,109</u>
Capital Contributions	241,494	0	241,494	0
Transfers In	320,000	177,200	497,200	0
<i>Change in Net Assets</i>	334,012	25,314	359,326	16,109
<i>Net Assets Beginning of Year (Restated, See Note 3)</i>	<u>14,944,771</u>	<u>6,889,759</u>	<u>21,834,530</u>	<u>(29,994)</u>
<i>Net Assets End of the Year</i>	<u>\$ 15,278,783</u>	<u>\$ 6,915,073</u>	<u>\$ 22,193,856</u>	<u>\$ (13,885)</u>

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2009

	<u>Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	<u>Activities</u>
	<u>Revenue</u>	<u>Revenue</u>		<u>Internal</u>
				<u>Service</u>
				<u>Funds</u>
Cash Flows From Operating Activities				
Cash Received from Customers	\$ 2,628,530	\$ 672,372	\$ 3,300,902	\$ 1,888,476
Cash Payments to Employees for Services and Benefits	(1,728,321)	(279,184)	(2,007,505)	0
Cash Payments for Contractual and Other Services	(677,448)	(90,195)	(767,643)	(540,333)
Cash Payments for Materials and Supplies	(349,377)	(86,527)	(435,904)	0
Cash Payments for Claims	0	0	0	(1,376,405)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>(126,616)</u>	<u>216,466</u>	<u>89,850</u>	<u>(28,262)</u>
Cash Flows From Non-Capital Financing Activities				
Property Tax	476,493	0	476,493	0
Transfers In	320,000	177,200	497,200	0
<i>Net Cash Provided By (Used For) Non-Capital Activities</i>	<u>796,493</u>	<u>177,200</u>	<u>973,693</u>	<u>0</u>
Cash Flows From Capital and Related Activities				
Proceeds from Loans	0	34,196	34,196	0
Proceeds from OPWC Loans	0	39,635	39,635	0
Proceeds from OWDA Loans	833,081	105,901	938,982	0
Proceeds from Special Assessments	269,593	77,173	346,766	0
Grants	99,107	0	99,107	0
Acquisition and Construction of Assets	(665,929)	(276,232)	(942,161)	0
Principal Payments on Capital Leases	(23,814)	(54,343)	(78,157)	0
Principal Payments on Debt	(462,797)	(158,552)	(621,349)	0
Interest and Fiscal Charges	(271,992)	(149,040)	(421,032)	0
<i>Net Cash Provided By (Used For) Capital and Related Financing Activities</i>	<u>(222,751)</u>	<u>(381,262)</u>	<u>(604,013)</u>	<u>0</u>
Cash Flows From Investing Activities				
Interest on Investments	0	0	0	3
<i>Net Cash Provided By (Used For) Investing Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	447,126	12,404	459,530	(28,259)
<i>Cash and Investments Beginning of Year</i>	<u>546,611</u>	<u>171,005</u>	<u>717,616</u>	<u>102,155</u>
<i>Cash and Investments End of Year</i>	<u>\$ 993,737</u>	<u>\$ 183,409</u>	<u>\$ 1,177,146</u>	<u>\$ 73,896</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities				
Operating Income (Loss)	\$ (769,077)	\$ (74,079)	\$ (843,156)	\$ 16,106
Adjustments:				
Depreciation Expense	644,123	272,086	916,209	0
(Increase) Decrease in Assets:				
Accounts Receivable	80,515	27,315	107,830	0
Materials and Supplies Inventory	(37,736)	(933)	(38,669)	0
Prepays	(2,187)	0	(2,187)	28,032
Increase (Decrease) in Liabilities:				
Accounts Payable	19,799	(4,959)	14,840	(2,836)
Compensated Absences	(51,083)	0	(51,083)	0
Accrued Salaries, Wages and Benefits	3,486	984	4,470	0
Claims Payable	0	0	0	(69,564)
Intergovernmental Payable	(14,456)	(3,948)	(18,404)	0
<i>Total Adjustments</i>	<u>642,461</u>	<u>290,545</u>	<u>933,006</u>	<u>(44,368)</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ (126,616)</u>	<u>\$ 216,466</u>	<u>\$ 89,850</u>	<u>\$ (28,262)</u>

Schedule of Noncash Capital Financing Activities

As of December 31, 2009, the Water Revenue Fund received capital assets from Governmental Activities and outside sources of \$232,894 and \$8,600, respectively. In addition, the Water and Sewer Revenue Funds recorded capitalized interest and OWDA fees as additions to OWDA loans in the amount of \$53,772 and \$1,326, respectively.

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2009

		Agency Funds
Assets		
Equity in Pooled Cash and Investments	\$	969,673
Equity in Pooled Cash Segregated		407,997
Receivables:		
Accounts Receivable		831,398
Special Assessments		358,322
<i>Total Assets</i>	\$	2,567,390
 Liabilities		
Accounts Payable	\$	537,568
Due to Other Governments		1,667,686
Deposits Held and Due to Others		362,136
<i>Total Liabilities</i>	\$	2,567,390

See accompanying notes to the basic financial statements.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 1 - DESCRIPTION OF THE CITY AND THE REPORTING ENTITY

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

The Reporting Entity

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

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

The City participates in several jointly governed organizations, including the Northeast Ohio Public Energy Council, the Southwest Council of Governments, the Southwest General Health Center, 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies generally accepted accounting principles that were issued prior to November 30, 1989 by the Financial Accounting Standards Board (“FASB”) to its governmental and business-type activities and proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has elected not to follow FASB guidance for business-type activities and enterprise funds issued after November 30, 1989. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification. The more significant of the City’s accounting policies are described below.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

A. Basis of Presentation

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

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

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

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

B. Fund Accounting

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

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

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund also accounts for the activities related to the Issue 9 tax levy collections passed by ordinance in November, 1992. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter of the City of Berea and/or the general laws of Ohio.

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

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

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

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

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

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

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

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

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

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

account for regional sewer collections, deposits held for contractors and developers, unclaimed monies, Ohio Board of Building Standards fees, dog license fees, and municipal court collections.

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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, 2009 but which were levied to finance year 2010 operations, have been recorded as deferred/unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred/unearned revenue.

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

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

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

E. Cash and Investments

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

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

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

During 2009, investments were limited to Federal Home Loans, mortgage bank notes, a repurchase agreement and State Treasury Asset Reserve of Ohio (STAROhio).

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2009.

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 2009 amounted to \$124,123, which includes \$84,482 assigned from other City funds. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 6, "Cash, Cash Equivalents and Investments."

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

F. Materials and Supplies Inventory

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Capital Assets

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

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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:

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

I. Interfund Balances

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

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

J. Compensated Absences

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

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

K. Accrued Liabilities and Long-Term Obligations

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

L. Fund Balance Reserves

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

M. Net Assets

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

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

N. Operating Revenues and Expenses

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

O. Contributions of Capital

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

P. Interfund Activity

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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 2009.

R. Estimates

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

S. Budgetary Data

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director of Finance. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2009.

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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

T. Changes in Accounting Principles

For the year ended December 31, 2009, the City has implemented GASB Statement No. 52, “Land and Other Real Estate Held as Investments by Endowments,” GASB Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” and GASB Statement No. 56, “Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards.”

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature.

GASB Statement No. 56 incorporates into the Governmental Accounting Standards Board's (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards.

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

NOTE 3 – RESTATEMENT OF NET ASSETS

It was determined that the delinquent utility receivables recorded in 2008 were already included in the special assessments. There was also an asset that was capitalized and included in construction in progress in 2008. The change in net assets to reduce the accounts receivable and capital assets for those funds/activities are as follows:

	Water Fund	Sewer Fund	Business-Type Activities
Net Assets at December 31, 2008	\$ 15,430,150	\$ 6,965,115	\$ 22,395,265
Adjustment for Accounts Receivable	(271,706)	(75,356)	(347,062)
Adjustment for Capital Assets	(213,673)	0	(213,673)
Restated Net Assets at January 1, 2009	<u>\$ 14,944,771</u>	<u>\$ 6,889,759</u>	<u>\$ 21,834,530</u>

The City entered into an improvement project, managed by Cuyahoga County, which began in 2008. The construction in progress for this project was not added to capital assets as of December 31, 2008. In addition, the City obtained a loan from OPWC and it was determined that a portion of this loan should have been recorded in 2008. The change in net assets for governmental activities is as follows:

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

	Governmental Activities
Net Assets at December 31, 2008	\$ 60,338,681
Adjustment for Construction in Progress	1,992,873
Adjustment for OPWC Loan	(304,187)
Restated Net Assets at January 1, 2009	\$ 62,027,367

NOTE 4 - ACCOUNTABILITY

Special Revenue Funds

The fire pension fund has a deficit of \$88,971 and the police pension fund has a deficit of \$85,940, 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.

Internal Service Fund

The medical benefits fund had a deficit of \$13,885, 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.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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

Net Change in Fund Balance

	General
GAAP Basis	\$ 10,683
Net Adjustment for Revenue Accruals	165,267
Advance In	112,000
Net Adjustment for Expenditure Accruals	(66,830)
Encumbrances	(17,149)
Budget Basis	\$ 203,971

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:

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
6. The State Treasurer's investment pool (STAROhio).
7. Certain banker's acceptances and commercial paper notes in an amount not to exceed 25% of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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

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

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Cash on Hand - At December 31, 2009 the City had \$10,500 in undeposited cash on hand, which is included in the balance sheet of the City as part of "Equity in Pooled Cash and Investments".

Deposits - At year-end, the carrying amount of the City's deposits was \$4,487,391 and the bank balance was \$4,914,196. Of the bank balance:

1. \$4,886,802 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. \$27,394 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department in the City's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

The carrying amount of the Municipal Court Bond fund was \$407,997 ("Equity in Pooled Cash Segregated") and the bank balance was \$419,640. 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:

Standard & Poor's	Investment	Fair Value	Investment Maturities		% Total Investments
			(in years)		
			Less than 1	4 - 5	
AAAm	STAROhio	\$ 66,068	\$ 66,068	\$ 0	1.7%
AAA	Repurchase Agreement U.S. Agency Notes	791,448	791,448	0	20.3%
AAA	Federal Home Loan Bank U.S. Agency Discount Notes	2,100,682	0	2,100,682	54.0%
AAA	Federal National Mortgage Assn.	935,528	0	935,528	24.0%
		<u>\$ 3,893,726</u>	<u>\$ 857,516</u>	<u>\$ 3,036,210</u>	<u>100.0%</u>

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
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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

Custodial Credit Risk - For an investment, custodial risk is that risk that, in the event of the failure of the counterparty, the City will no longer be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment in repurchase agreements is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the City. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk - The City places no limit on the amount it may invest in any one issuer. The investment percentages are listed above.

NOTE 7 – RECEIVABLES

Receivables at December 31, 2009 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 \$4,405 in the general fund, \$12,130 in the general bond retirement fund and \$850,840 in other governmental funds. At December 31, 2009 the amount of delinquent special assessments was \$242,076.

A. Income Taxes

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

The City, by ordinance, allocates income tax revenues and expenditures for collecting, administering, and enforcing the tax to the general fund. There is currently \$628,734 in unencumbered funds within the general fund, for financial statement purposes, that will be allocated to other funds as approved by the Issue 9 tax levy.

B. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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.

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

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

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In 2007-2010, the City will be fully reimbursed for the lost revenue. In 2011-2017, the reimbursements will be phased out.

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

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

	Assessed Values
<i>Real Property</i>	
Residential/Agricultural	\$ 304,082,920
Commercial/Industrial/Mineral	78,419,690
Tangible Personal Property	9,177,032
Public Utility	6,122,200
	\$ 397,801,842

C. Intergovernmental Receivable

A summary of the intergovernmental receivable follows:

	Amount
<i>Governmental Activities:</i>	
Homestead/Rollback	\$ 277,766
Estate Tax	21,638
Auto Registration	55,228
Gasoline Tax	281,198
Permissive Tax	2,998
Local Government	407,287
Grants	45,764
Court Fees	6,184
Total	\$ 1,098,063
 <i>Business-Type Activities</i>	
Water Fund:	
Homestead/Rollback	\$ 32,792

D. Loans Receivable

The City is reporting a long-term loan receivable related to the Eastland Road Construction project. During 2005, the Cities of Berea, Middleburg Heights and Brook Park, along with Cuyahoga County, entered into an agreement that involves various improvements between Bagley Road and State Route 237. As part of this agreement, the City has entered into a loan agreement with the Ohio Public Works Commission (OPWC) in the amount of \$1,900,900 to help fund some of the construction costs. Although the City of Berea is obligated for the entire loan amount upon its full “draw down”, the agreement

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

between the Cities obligates the City of Middleburg Heights (43%) and the City of Brook Park (34%) to make annual debt service payments to the City of Berea to help make the annual debt service payments to OPWC.

As of December 31, 2009, construction “draw down” expenditures from OPWC has amounted to \$666,243, thus creating a long-term OWPC loans payable by the City (See Note 13). A corresponding long-term loans receivable has been reported in the City’s financial statements in the amount of \$513,007, which represents the combined amount owed (77%) by the City of Middleburg Heights and the City of Brook Park to the City. These loans are classified as loans receivable on the balance sheet, considered collectible in full, and are expected to be collected in more than one year.

NOTE 8 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A. Interfund Transfers

Transfers Out	Transfers In				Total
	Railroad Capital Improvement	Nonmajor Governmental	Sewer Revenue	Water Revenue	
General Fund	\$ 0	\$ 2,749,000	\$ 177,200	\$ 295,000	\$ 3,221,200
General Bond Retirement Fund	4,138,068	750,000	0	25,000	4,913,068
Total	<u>\$ 4,138,068</u>	<u>\$ 3,499,000</u>	<u>\$ 177,200</u>	<u>\$ 320,000</u>	<u>\$ 8,134,268</u>

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

Fund	Amount
Recreation Fund	\$ 690,500
Recreation Capital Improvement Fund	42,000
General Improvement Fund	974,000
Safety Capital Improvement Fund	119,000
Neighborhood Capital Improvement Fund	442,500
Sewer Revenue Fund	177,200
Water Revenue Fund	295,000
Total	<u>\$ 2,740,200</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

In addition, the general fund transferred \$210,000 to the street maintenance fund, \$30,000 to the fire pension fund, \$71,000 to the police pension fund and \$170,000 to the neighborhood capital improvement fund for expenditures. The general bond retirement fund transferred \$4,138,068 to the railroad capital improvement fund, \$750,000 to the general capital improvement fund and \$25,000 to the water revenue fund to repay debt obligations.

B. Advances from/to Other Funds

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

As of December 31, 2009, the advances to and from other funds balance is made up of a working capital loan made to the Railroad Capital Improvement Fund for \$150,000 that the general fund does not expect to collect until sometime in the future.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 9 - CAPITAL ASSETS

A summary of changes in capital assets during 2009 follows:

	Restated Balance 12/31/08	Additions	Reductions	Balance 12/31/09
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 5,182,207	\$ 67,517	\$ 0	\$ 5,249,724
Construction in Progress	14,779,877	2,735,599	(232,894)	17,282,582
<i>Total Capital Assets Not Being Depreciated</i>	<u>19,962,084</u>	<u>2,803,116</u>	<u>(232,894)</u>	<u>22,532,306</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	8,143,150	141,402	0	8,284,552
Buildings	14,686,527	346,865	0	15,033,392
Building Improvements	19,185,783	2,405,026	0	21,590,809
Machinery and Equipment	4,723,540	478,167	(111,380)	5,090,327
Furniture and Fixtures	916,270	9,000	0	925,270
Vehicles	1,608,489	58,449	(45,822)	1,621,116
Infrastructure:				
Bridges	8,418,322	0	0	8,418,322
Roads	34,188,800	1,516,156	(272,468)	35,432,488
Sidewalks	1,416,437	91,163	0	1,507,600
Traffic Signals	1,663,700	0	0	1,663,700
<i>Total Capital Assets Being Depreciated</i>	<u>94,951,018</u>	<u>5,046,228</u>	<u>(429,670)</u>	<u>99,567,576</u>
<i>Accumulated Depreciation</i>				
Land Improvements	(5,011,268)	(349,230)	0	(5,360,498)
Buildings	(6,676,800)	(367,999)	0	(7,044,799)
Building Improvements	(12,113,480)	(771,642)	0	(12,885,122)
Machinery and Equipment	(3,314,304)	(205,550)	111,380	(3,408,474)
Furniture and Fixtures	(773,971)	(42,744)	0	(816,715)
Vehicles	(819,013)	(124,838)	45,822	(898,029)
Infrastructure:				
Bridges	(1,198,287)	(267,555)	0	(1,465,842)
Roads	(14,147,719)	(1,506,107)	265,732	(15,388,094)
Sidewalks	(223,064)	(72,054)	0	(295,118)
Traffic Signals	(298,535)	(55,457)	0	(353,992)
<i>Total Accumulated Depreciation</i>	<u>(44,576,441)</u>	<u>(3,763,176)</u>	<u>422,934</u>	<u>(47,916,683)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>50,374,577</u>	<u>1,283,052</u>	<u>(6,736)</u>	<u>51,650,893</u>
Governmental Activities Capital Assets, Net	<u>\$ 70,336,661</u>	<u>\$ 4,086,168</u>	<u>\$ (239,630)</u>	<u>\$ 74,183,199</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

	Restated Balance 12/31/08	Additions	Reductions	Balance 12/31/09
Business-Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 93,181	\$ 0	\$ 0	\$ 93,181
Construction in Progress	3,303,767	834,214	(2,533,185)	1,604,796
<i>Total Capital Assets Not Being Depreciated</i>	3,396,948	834,214	(2,533,185)	1,697,977
<i>Capital Assets Being Depreciated</i>				
Land Improvements	917,194	0	0	917,194
Buildings	3,038,631	0	(188,052)	2,850,579
Building Improvements	36,180	540,002	0	576,182
Machinery and Equipment	2,287,264	1,497,418	0	3,784,682
Furniture and Fixtures	32,220	5,032	0	37,252
Vehicles	92,707	0	0	92,707
Infrastructure:				
Water Lines	6,553,921	287,991	0	6,841,912
Storm Sewers	13,183,996	401,120	0	13,585,116
Sanitary Sewers	9,487,049	151,063	0	9,638,112
<i>Total Capital Assets Being Depreciated</i>	35,629,162	2,882,626	(188,052)	38,323,736
<i>Accumulated Depreciation</i>				
Land Improvements	(512,145)	(59,594)	0	(571,739)
Buildings	(1,830,417)	(67,842)	188,052	(1,710,207)
Building Improvements	(36,180)	(9,585)	0	(45,765)
Machinery and Equipment	(1,481,999)	(103,255)	0	(1,585,254)
Furniture and Fixtures	(6,904)	(4,962)	0	(11,866)
Vehicles	(44,687)	(11,823)	0	(56,510)
Infrastructure:				
Water Lines	(1,457,802)	(133,136)	0	(1,590,938)
Storm Sewers	(1,684,867)	(334,509)	0	(2,019,376)
Sanitary Sewers	(1,578,820)	(191,503)	0	(1,770,323)
<i>Total Accumulated Depreciation</i>	(8,633,821)	(916,209)	188,052	(9,361,978)
<i>Total Capital Assets Being Depreciated, Net</i>	26,995,341	1,966,417	0	28,961,758
Business-Type Activities Capital Assets, Net	\$ 30,392,289	\$ 2,800,631	\$ (2,533,185)	\$ 30,659,735

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Depreciation expense was charged to governmental activities as follows:

	<u>Depreciation</u>
Security of Persons and Property	\$ 264,545
Leisure Time Activities	1,423,929
Public Works	25,013
Transportation	1,833,747
General Government	215,942
 Total Depreciation Expense	 \$ 3,763,176

NOTE 10 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, members in State and local classifications contributed 10.0 percent of covered payroll and public safety and law enforcement members contributed 10.1 percent.

The City’s contribution rate for 2009 was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City’s contribution was 17.4 percent of covered payroll. For 2009, a portion of the City’s contribution was allocated to fund the post-employment health care plan. From January 1 through March 31, 2009 this allocation was 7.0% and from April 1 through December 31, 2009

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

the allocation was 5.5%. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14.0 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The City's required contributions for pension obligations to OPERS for the years ended December 31, 2009, 2008 and 2007 were \$512,225, \$443,863 and \$586,012, respectively. 93.0 percent has been contributed for 2009 and 100 percent has been contributed for 2008 and 2007.

Ohio Police and Fire Pension Fund

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

Funding Policy - Plan members are required to contribute 10.0 percent of their annual covered salary to fund pension obligations while the City is required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. Contributions are authorized by State statute. For 2009, a portion of the City's contribution equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. For 2008, this allocation was also 6.75 percent. The City's contributions to OP&F for police officers and firefighters were \$305,247 and \$317,452 for the year ended December 31, 2009, \$294,985 and \$302,965 for the year ended December 31, 2008 and \$284,056 and \$301,545 for the year ended December 31, 2007, equal to the required contributions for each year. The full amount has been contributed for 2008 and 2007. 72.0 percent has been contributed for 2009, with the remainder being reported as a liability.

NOTE 11 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, local government employers contributed 14.0% of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 7.0% of covered payroll from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009.

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

The Traditional Pension and Combined Plans had 357,584 active contributing participants as of December 31, 2009. The number of active contributing participants for both plans used in the December 31, 2008 actuarial valuation was 356,388.

The amount of \$10.7 billion represents the actuarial funding value of OPERS’ net assets available for OPEB at December 31, 2008 (the latest information available). Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2008 reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB at \$29.6 billion and \$18.9 billion, respectively.

The City’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008 and 2007 were \$367,881, \$443,863 and \$331,081 respectively; 93.0 percent has been contributed for 2009 and 100 percent for 2008 and 2007.

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

Ohio Police and Fire Pension Fund

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the 401(h) account as the employer contribution for retiree health care benefits. For the years ended December 31, 2009 and 2008, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequate funded and also is limited by the provisions of Section 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

The number of participants eligible to receive health care benefits as of December 31, 2008 (the latest information available), are 14,567 for Police and 10,750 for Firefighters. The total health care expense for the year ending December 31, 2008 was \$96,472,398, which was net of member contributions of \$56,948,977.

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police officers and firefighters were \$161,602 and \$124,221 for the year ended December 31, 2009, \$156,168 and \$118,552 for the year ended December 31, 2008 and \$150,383 and \$117,996 for the year ended December 31, 2007. The full amount has been contribution for 2008 and 2007. 72% percent has been contributed for 2009.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 12 - COMPENSATED ABSENCES

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

For all employees, except for firefighters, sick leave is earned at the rate of four and sixteenths hours per bi-weekly pay period. Firefighters earn sick leave at the rate of 24 hours, which equals one tour of duty, per month. Each employee with 10 - 20 years of service with the City is paid for one-third of the employee's earned unused sick leave, not to exceed 360 hours, or 17 tours of duty for firefighters, upon separation from the City. Each employee with 20 or more years of service with the City is paid for one-third of the employee's earned unused sick leave, limited to 63 tours for firefighters, upon separation from the City. In 2010, the payment upon retirement will be paid over three years. The full balance may be transferred to another governmental agency if not taken upon separation.

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

NOTE 13 - NOTES PAYABLE

A summary of the note transactions for the year ended December 31, 2009 follows:

	<u>Outstanding 12/31/08</u>	<u>Increase</u>	<u>Decrease</u>	<u>Outstanding 12/31/09</u>
2.10% Property Acquisition Note	\$ 2,500,000	\$ 0	\$ (2,500,000)	\$ 0
2.50% Various Purpose Notes	<u>2,350,000</u>	<u>0</u>	<u>(2,350,000)</u>	<u>0</u>
Total	<u>\$ 4,850,000</u>	<u>\$ 0</u>	<u>\$ (4,850,000)</u>	<u>\$ 0</u>

In 2008, the City issued \$2,500,000 in Property Acquisition Notes to finance the purchase of property to be used for the Service Department. The City also issued \$2,350,000 in Various Purpose Notes to refund the Municipal Court Improvement Notes and to finance the construction of a three bridge overpass on Front Street.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 14 - LONG-TERM OBLIGATIONS

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

	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
General Obligation Bonds				
1993 Various Purpose Bonds	1993	2013	4.68%	2,878,603
1999 Various Purpose Bonds	1999	2018	5.35%	7,785,000
2004 Various Purpose Refunding Bonds	2004	2012	2.00%	2,230,000
2004 Library Refunding Bonds	2004	2012	2.00%	795,000
2006 Various Purpose Refunding Bonds	2006	2026	3.75%	7,365,000
Urban Renewal Bonds				
First Avenue Community Bonds	2004	2012	2.00%	1,205,000
First Avenue Community Bonds	1992	2013	4.68%	650,000
OPWC Loans				
Sewer	2005	2025	0.00%	370,069
Sewer	2007	2027	0.00%	710,000 *
Governmental Activities	2009	2029	0.00%	666,243 *
	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
OWDA Loans				
Sewer	1994	2014	4.56%	\$ 465,000
Sewer	1997	2022	6.11%	700,000
Sewer	1999	2019	5.54%	705,173
Sewer	2004	2034	4.66%	1,200,000
Sewer	2005	2036	3.75%	713,940
Sewer	2008	2024	4.28%	345,251 *
Water	1994	2014	6.72%	1,135,000
Water	2000	2009	5.56%	175,000
Water	2000	2014	5.56%	550,000
Water	2006	2012	3.20%	859,153 *
Water	2006	2027	4.42%	1,156,254
Water	2007	2038	4.17%	1,109,436
Water	2007	2028	3.25%	1,930,593 *
Water	2008	2038	4.78%	1,105,020 *
Water	2009	2030	3.70%	3,783,447 *

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

A schedule of changes in long-term obligations of the City during 2009 follows:

	Restated Balance 12/31/08	Additions	Reductions	Balance 12/31/09	Due Within One Year
Governmental Activities					
<i>General Obligation Bonds</i>					
1993 Various Purpose Bonds	\$ 620,000	\$ 0	\$ (110,000)	\$ 510,000	\$ 120,000
1999 Various Purpose Bonds	845,000	0	(420,000)	425,000	425,000
2004 Library Bonds Refunded	400,000	0	(95,000)	305,000	100,000
2004 Various Purpose Bonds	945,000	0	(225,000)	720,000	235,000
2006 Various Purpose Bonds	<u>7,065,000</u>	<u>0</u>	<u>(150,000)</u>	<u>6,915,000</u>	<u>175,000</u>
<i>Total General Obligation Bonds</i>	<u>9,875,000</u>	<u>0</u>	<u>(1,000,000)</u>	<u>8,875,000</u>	<u>1,055,000</u>
<i>Urban Renewal Bonds</i>					
2004 First Avenue Community Bonds	640,000	0	(150,000)	490,000	155,000
1993 First Avenue Community Bonds	<u>230,000</u>	<u>0</u>	<u>(40,000)</u>	<u>190,000</u>	<u>45,000</u>
<i>Total Urban Renewal Bonds</i>	<u>870,000</u>	<u>0</u>	<u>(190,000)</u>	<u>680,000</u>	<u>200,000</u>
<i>Bond Anticipation Notes</i>					
2.45% Various Improvement Notes	975,000	0	(975,000)	0	0
2.45% Various Improvement Notes	0	1,000,000	0	1,000,000	1,000,000
2.45% Various Improvement Notes	<u>0</u>	<u>4,850,000</u>	<u>0</u>	<u>4,850,000</u>	<u>4,850,000</u>
<i>Total Bond Anticipation Notes</i>	<u>975,000</u>	<u>5,850,000</u>	<u>(975,000)</u>	<u>5,850,000</u>	<u>5,850,000</u>
OPWC Loan Payable	304,187	362,056	0	666,243	0
<i>Other Long Term Obligations</i>					
<i>Capital Lease Obligations:</i>					
Street Sweeper	72,925	0	(35,633)	37,292	37,292
Dump Truck	88,944	0	(20,593)	68,351	21,652
Roller	27,501	0	(4,947)	22,554	5,210
Aerial Truck	85,570	0	(27,269)	58,301	28,505
Plow Tractor	0	119,370	0	119,370	21,431
International Truck	<u>0</u>	<u>93,228</u>	<u>(16,956)</u>	<u>76,272</u>	<u>17,762</u>
<i>Total Capital Lease Obligations</i>	<u>274,940</u>	<u>212,598</u>	<u>(105,398)</u>	<u>382,140</u>	<u>131,852</u>
Unamortized Bond Premium	104,476	0	(6,530)	97,946	6,530
Compensated Absences	1,221,128	126,621	(124,511)	1,223,238	84,075
Police and Fire Pension Liability	<u>233,624</u>	<u>0</u>	<u>(4,913)</u>	<u>228,711</u>	<u>4,959</u>
<i>Total Other Long Term Obligations</i>	<u>1,834,168</u>	<u>339,219</u>	<u>(241,352)</u>	<u>1,932,035</u>	<u>227,416</u>
Total Governmental Activities	<u>\$ 13,858,355</u>	<u>\$ 6,551,275</u>	<u>\$ (2,406,352)</u>	<u>\$ 18,003,278</u>	<u>\$ 7,332,416</u>

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

	Balance 12/31/08	Additions	Reductions	Balance 12/31/09	Due Within One Year
Business-Type Activities					
<i>OWDA Loans</i>					
Sewer	\$ 185,511	\$ 0	\$ (27,539)	\$ 157,972	\$ 28,809
Sewer	510,831	0	(24,120)	486,711	25,594
Sewer	461,768	0	(33,623)	428,145	35,485
Sewer	1,118,644	0	(22,805)	1,095,839	23,880
Sewer	687,054	0	(14,211)	672,843	14,749
Sewer	23,194	105,901	0	129,095	0
Water	22,123	0	(22,123)	0	0
Water	275,033	0	(39,791)	235,242	42,034
Water	503,947	0	(70,951)	432,996	75,719
Water	697,209	0	(166,294)	530,915	170,296
Water	865,609	0	(31,065)	834,544	32,453
Water	1,099,990	0	(19,484)	1,080,506	20,305
Water	1,763,377	127,008	(70,986)	1,819,399	72,720
Water	598,756	466,190	(17,103)	1,047,843	17,718
Water	0	293,655	0	293,655	0
<i>Total OWDA Loans</i>	<u>8,813,046</u>	<u>992,754</u>	<u>(560,095)</u>	<u>9,245,705</u>	<u>559,762</u>
<i>OPWC Loans</i>					
Sewer	323,809	0	(18,504)	305,305	18,504
Sewer	670,365	39,635	(17,750)	692,250	35,000
<i>Total OPWC Loans</i>	<u>994,174</u>	<u>39,635</u>	<u>(36,254)</u>	<u>997,555</u>	<u>53,504</u>
Loan Payable	353,874	34,196	0	388,070	0
<i>Bond Anticipation Note</i>					
2.45% Various Improvement Note	25,000	0	(25,000)	0	0
<i>Other Long Term Obligations</i>					
<i>Capital Lease Obligations:</i>					
Sewer Cleaner	89,217	0	(43,373)	45,844	45,844
Bobcat	22,514	0	(10,970)	11,544	11,544
Backhoe	75,474	0	(23,814)	51,660	25,134
<i>Total Capital Lease Obligations</i>	<u>187,205</u>	<u>0</u>	<u>(78,157)</u>	<u>109,048</u>	<u>82,522</u>
Compensated Absences	117,080	18,979	(35,843)	100,216	1,585
<i>Total Other Long Term Obligations</i>	<u>304,285</u>	<u>18,979</u>	<u>(114,000)</u>	<u>209,264</u>	<u>84,107</u>
Total Business-Type Activities	<u><u>\$ 10,490,379</u></u>	<u><u>\$ 1,085,564</u></u>	<u><u>\$ (735,349)</u></u>	<u><u>\$ 10,840,594</u></u>	<u><u>\$ 697,373</u></u>

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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, 2009 are to be repaid from both voted and unvoted property taxes levied on all taxable property located within the City, municipal income taxes, and transfers from the water revenue fund for exempt properties. Exempt properties include organizations exempt from taxation, such as colleges and churches, as well as property outside the City's jurisdiction who are provided water services from the City. The City assesses these exempt properties through a surcharge on their water bills to pay for the debt.

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

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

OPWC Loan - The Ohio Public Works Commission (OPWC) loans are a zero percent loan and paid from the general capital improvement fund, which includes resources related to loans receivable (See Note 7.D.) and the sewer enterprise fund. The governmental OPWC project is not completed. There is no amortization schedule available, and it has been excluded from the following amortization schedule.

Loan Payable - During 2008, the City entered into an agreement with the City of Olmsted Falls, Ohio for a joint construction project on Lindberg/Westlawn Road. As part of this agreement, the City agreed to make annual debt service payments to the City of Olmsted Falls to cover annual debt service payments from a loan the City of Olmsted Falls entered into with OPWC in order to provide funding for the project. As of December 31, 2009, the City has not been provided a debt service amortization schedule from the City of Olmsted Falls, Ohio, and this loan has been excluded from the following amortization schedule.

Notes Payable - In 2009, the City issued \$1,000,000 in Various Purpose Notes to finance the purchase of equipment and ambulance for the Fire Department, acquiring vehicles for City departments and resurfacing City streets. The City also issued \$4,850,000 in Various Purpose Notes to refund the Municipal Court Improvement Notes, to finance the construction of a three bridge overpass on Front Street and to finance the purchase of property to be used for the Service Department. The Various Improvement Notes will be paid from the general capital improvement fund.

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

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

The City has the ability to issue \$8,001,164 of additional debt without obtaining voter approval.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2009 are as follows:

Governmental Activities

Year	General Obligation Bonds		Urban Renewal Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 1,055,000	\$ 357,490	\$ 200,000	\$ 28,537	\$ 1,255,000	\$ 386,027
2011	1,070,000	312,760	210,000	20,419	1,280,000	333,179
2012	1,110,000	270,169	220,000	11,925	1,330,000	282,094
2013	790,000	225,936	50,000	2,562	840,000	228,498
2014	665,000	194,388	0	0	665,000	194,388
2015 - 2019	3,085,000	561,514	0	0	3,085,000	561,514
2020 - 2024	780,000	154,800	0	0	780,000	154,800
2025 - 2026	320,000	19,400	0	0	320,000	19,400
Total	\$ 8,875,000	\$ 2,096,457	\$ 680,000	\$ 63,443	\$ 9,555,000	\$ 2,159,900

On March 31, 2010, payment is due in full on the bond anticipation notes in the amounts of \$1,000,000 plus interest at 3.0 percent and \$4,850,000 plus interest at 1.0 percent.

Business-Type Activities

Year	OWDA (1)		OPWC	Totals	
	Principal	Interest	Principal	Principal	Interest
2010	\$ 559,762	\$ 387,532	\$ 53,504	\$ 613,266	\$ 387,532
2011	315,335	242,895	53,504	368,839	242,895
2012	332,558	225,673	53,504	386,062	225,673
2013	350,751	207,482	53,504	404,255	207,482
2014	369,961	188,269	53,504	423,465	188,269
2015 - 2019	1,041,960	744,389	267,520	1,309,480	744,389
2019 - 2024	912,520	493,740	267,520	1,180,040	493,740
2025 - 2029	767,434	303,370	194,995	962,429	303,370
2030 - 2034	749,017	149,321	0	749,017	149,321
2035 - 2038	286,234	21,487	0	286,234	21,487
Total	\$ 5,685,532	\$ 2,964,158	\$ 997,555	\$ 6,683,087	\$ 2,964,158

- (1) OWDA loans issued in 2008 and 2009 have not been fully drawn down, thus there are no amortization schedules available. Some of these loans will have retirement payments in 2010 totaling \$260,734, and are reported as long term obligations due within one year. The balance of the loans drawn totaling \$3,299,439 are reported as long term obligations due in more than one year.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 15 - CAPITAL LEASES

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

Asset	Governmental Activities						Total
	Street Sweeper	Dump Truck	Roller	Aerial Truck	Plow Tractor	International Truck	
Machinery & Equipment	\$ 195,124	\$ 108,530	\$ 32,199	\$ 155,730	\$ 119,370	\$ 93,228	\$ 704,181
Less Accumulated Depreciation	(43,903)	(13,566)	(4,025)	(109,010)	(2,984)	(2,331)	(175,819)
Total	\$ 151,221	\$ 94,964	\$ 28,174	\$ 46,720	\$ 116,386	\$ 90,897	\$ 528,362

Asset	Business-Type Activities			
	Sewer Cleaner	Bobcat	Backhoe	Total
Machinery & Equipment	\$ 242,287	\$ 59,216	\$ 98,038	\$ 399,541
Less Accumulated Depreciation	(54,515)	(13,324)	(24,509)	(92,348)
Total	\$ 187,772	\$ 45,892	\$ 73,529	\$ 307,193

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

Year Ending December 31,	Governmental Activities						Total
	Street Sweeper	Dump Truck	Roller	Aerial Truck	Plow Tractor	International Truck	
2010	\$39,025	\$ 25,165	\$ 6,405	\$ 31,146	\$ 27,877	\$ 21,385	\$ 151,003
2011	0	25,165	6,405	31,146	27,877	21,385	111,978
2012	0	25,165	6,405	0	27,877	21,385	80,832
2013	0	0	6,405	0	27,877	21,385	55,667
2014	0	0	0	0	27,877	0	27,877
Minimum Lease Payments	39,025	75,495	25,620	62,292	139,385	85,540	427,357
Less Amount Representing Interest	(1,733)	(7,144)	(3,066)	(3,991)	(20,015)	(9,268)	(45,217)
Present Value of Net Lease Payments	\$37,292	\$ 68,351	\$ 22,554	\$ 58,301	\$ 119,370	\$ 76,272	\$ 382,140

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

Business-Type Activities

Year Ending December 31,	Sewer Cleaner	Bobcat	Backhoe	Total
2010	\$ 48,457	\$ 11,843	\$ 27,996	\$ 88,296
2011	0	0	27,996	27,996
Minimum Lease Payments	48,457	11,843	55,992	116,292
Less Amount Representing Interest	(2,613)	(299)	(4,332)	(7,244)
Present Value of Net Lease Payments	<u>\$ 45,844</u>	<u>\$ 11,544</u>	<u>\$ 51,660</u>	<u>\$ 109,048</u>

NOTE 16 - OPERATING LEASES - LESSOR DISCLOSURE

The City leases space on its water tower for cellular antennae. The lease revenue due in 2009 amounted to \$121,980.

NOTE 17 - RISK MANAGEMENT

A. Property and Liability Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains a property and liability insurance internal service fund to account for and finance its uninsured and insured risk of loss. Under this program, the general liability and property losses are covered to \$25,000 and \$50,000 respectively. The City purchases commercial insurance for claims in excess of coverage provided by the fund for all risk of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The general fund, recreation and street maintenance special revenue funds and the water revenue and sewer revenue enterprise funds participate in the program and make payments to the property and liability insurance internal service fund based on estimates of the amounts needed to pay prior year and current year claims. There has not been a significant reduction in coverage from the prior year.

The City has no claims liability at December 31, 2009 or 2008.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

B. Medical Benefits

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

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 \$87,781 reported in the medical benefits internal service fund at December 31, 2009 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 2007, 2008, and 2009 were as follows:

	<u>Balance</u> <u>January 1</u>	<u>Current</u> <u>Year Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance</u> <u>December 31</u>
2007	\$ 186,028	\$ 1,426,167	\$ 1,493,280	\$ 118,915
2008	\$ 118,915	\$ 1,494,733	\$ 1,456,303	\$ 157,345
2009	\$ 157,345	\$ 1,306,841	\$ 1,376,405	\$ 87,781

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.

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS

A. Southwest Council of Governments

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

The Council has established two subsidiary organizations, the Southwest Emergency Response Team (SERT), which provides hazardous material protection and assistance, technical rescue, fire investigation and tactical EMS services, and the Southwest Enforcement Bureau (SEB), which provides extra assistance to cities in the form of a SWAT team. In 2009, the City of Berea contributed \$13,000 to the Council. The Council's financial statements may be obtained by contacting Southwest Council of Governments, 11 Berea Commons, Berea, Ohio 44017.

B. Southwest General Health Center

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

The Health Center is governed by a Board of Trustees consisting of the following: one member of the legislative body from each of the political subdivisions, one resident from each of the political subdivisions who is not a member of the legislative body, three persons who are residents of any of the participating political subdivisions, the president and the executive vice president of the corporations, and the president and the vice president of the medical staff. The legislative body of each political subdivision elect their own member to serve on the Board of Trustees of the Health Center. The Board exercises total control over the operation of the Health Center including budgeting, appropriating, contracting and designating management. Each City's control is limited to its representation on the Board. In 2009, the City of Berea contributed \$119,131 to the Health Center.

C. Southwest Suburban Airport Council of Governments

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

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. Financial information can be obtained by contacting Timothy Pope, Treasurer, 15700 Bagley Road, Middleburg Heights, Ohio 44130.

City of Berea
Cuyahoga County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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 2009 the City of Berea contributed \$10,000 to the Cemetery for operations. Woodvale Union Cemetery made a final reimbursement the City \$33,339 toward the City's costs of renovating and constructing the addition to the cemetery administration building.

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 2009. Financial information can be obtained by contacting Joseph Migliorini, the Board Chairman, at 175 South Main Street, Akron, Ohio 44308 or at the website www.nopecinfo.org.

NOTE 19 – CONTINGENCIES

A. Litigation

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

City of Berea
Cuyahoga County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

B. Grants

The disbursement of funds received under federal and state grants generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any potential disallowed claims resulting from such an audit could become a liability of the City. However, City management believes any such disallowed claims would be immaterial on the overall financial position of the City at December 31, 2009.

NOTE 20 – CONTRACTUAL COMMITMENT

The City had the following contractual commitments outstanding at December 31, 2009:

	<u>Contractual Commitment</u>	<u>Expended</u>	<u>Balance Remaining</u>
Water Plant Phase II	\$ 3,688,270	\$ 211,289	\$ 3,476,981
Eastland Road OPWC Project**	<u>1,901,150</u>	<u>666,243</u>	<u>1,234,907</u>
Total	<u>\$ 5,589,420</u>	<u>\$ 877,532</u>	<u>\$ 4,711,888</u>

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

NOTE 21 - SUBSEQUENT EVENTS

On March 30, 2010, the City issued \$3,250,000 in Bond Anticipation Notes (BANs) at an interest rate of 1.0 percent. These BANs will be used to retire BANs outstanding at December 31, 2009 and finance various capital improvements and will mature on March 30, 2011.

On March 30, 2010, the City issued \$2,725,000 in Bonds at an interest rate of 2.0 percent. These Bonds will be used to retire BANs outstanding at December 31, 2009 and finance various capital improvements throughout the City and will mature in 2030.

This Page Intentionally Left Blank

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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

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

Nonmajor Special Revenue Funds

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

Recreation Fund

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

State Highway Fund

To account for that portion of the State gasoline tax and motor vehicle registration fees designated for maintenance of State highways within the City.

Street Maintenance Fund

To account for that portion of the State gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

Fire Pension Fund

To accumulate property taxes levied for the payment of current employer contributions for fire disability and pension benefits and the accrued liability.

Police Pension Fund

To accumulate property taxes levied for the payment of current employer contributions for police disability and pension benefits and the accrued liability.

DARE Grant Fund

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

Animal Control Fund

To account for revenues generated from animal control activities.

Street Lighting Fund

To account for special assessments levied to pay the costs of street lighting in certain areas of the City.

Berea Welfare Fund

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

Special Events Fund

To account for revenues and expenditures for Berea special events.

Community Hospital Fund

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

(Continued)

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

Nonmajor Special Revenue Funds

Community Development Block Grant Fund

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

Municipal Vehicle Tax Levy Fund

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

Law Enforcement Fund

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

Probation Fund

To account for court fees, restricted for the operation of the Court Probation Program.

Indigent Drivers Alcohol Treatment Fund

To account for the resources obtained from DUI fines and designated, by state statute, for a state approved alcohol treatment program.

DUI Education Fund

To account for court fees obtained from DUI cases and restricted by State statute, for expenditures that would enhance DUI education.

Indigent Driving School Fund

To account for court fees, restricted for the payment of driving school fees charged to indigent defendants.

DUS Diversion Fund

To account for court fees obtained from DUS cases restricted for the operation of the Court's DUS Diversion Program.

Court Computer Fund

To account for court fees, restricted for the use and maintenance of the computers within the Berea Municipal Court, Clerk of Courts Office.

Court Computer Research Fund

To account for court fees, restricted for the use and maintenance of the computers within the Berea Municipal Court, Judge's Office.

Court Special Projects Fund

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

(Continued)

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

Nonmajor Special Revenue Funds

Court Special Projects II Fund

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

State Highway Patrol Fund

To account for the resources obtained from state highway fines and designated, by state statute, for expenditures that would enhance the law library.

Nonmajor Capital Projects Funds

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

General Capital Improvement Fund

To account for one-half of the City's admission tax revenues and other financial resources designated for the acquisition or major repair of infrastructure or capital assets.

Safety Capital Improvement Fund

To account for revenue earmarked for improvements to the Police and Fire Department and the acquisition of capital equipment.

Recreation Capital Improvement Fund

To account for monies borrowed or earmarked for capital improvements for recreational purposes.

Neighborhood Improvement Fund

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

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash, Cash Equivalents and Investments	\$ 1,115,548	\$ 400,103	\$ 1,515,651
Receivables:			
Taxes	763,959	0	763,959
Accounts	35,227	0	35,227
Special Assessments	840,170	10,670	850,840
Intergovernmental	436,949	0	436,949
Materials and Supplies Inventory	120,567	0	120,567
Prepaid Items	1,673	0	1,673
Loans Receivable	0	513,007	513,007
	<u> </u>	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>\$ 3,314,093</u>	<u>\$ 923,780</u>	<u>\$ 4,237,873</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 68,704	\$ 33,930	\$ 102,634
Accrued Wages and Benefits	18,670	4,939	23,609
Intergovernmental Payable	301,864	8,718	310,582
Deferred Revenue	1,913,253	10,670	1,923,923
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u>2,302,491</u>	<u>58,257</u>	<u>2,360,748</u>
Fund Balances			
Reserved for Encumbrances	56,904	69,327	126,231
Reserved for Loans Receivable	0	513,007	513,007
Unreserved, Undesignated Reported In:			
General Fund			
Special Revenue Funds	954,698	0	954,698
Capital Projects Funds	0	283,189	283,189
	<u> </u>	<u> </u>	<u> </u>
<i>Total Fund Balances</i>	<u>1,011,602</u>	<u>865,523</u>	<u>1,877,125</u>
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 3,314,093</u>	<u>\$ 923,780</u>	<u>\$ 4,237,873</u>

City of Berea
Cuyahoga County, Ohio
Combining Statements of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Property Tax	\$ 765,468	\$ 0	\$ 765,468
Intergovernmental Revenue	1,313,865	39,939	1,353,804
Special Assessments	502,515	0	502,515
Charges for Services	381,804	383,397	765,201
Fees, Licenses and Permits	0	32,375	32,375
Fines and Forfeitures	620,193	0	620,193
Contributions and Donations	94,495	0	94,495
Other	57,488	31,625	89,113
	<u> </u>	<u> </u>	<u> </u>
<i>Total Revenues</i>	<u>3,735,828</u>	<u>487,336</u>	<u>4,223,164</u>
Expenditures			
Current:			
Security of Persons and Property	1,422,715	0	1,422,715
Public Health and Welfare	119,132	0	119,132
Leisure Time Activities	1,132,270	0	1,132,270
Transportation	884,337	0	884,337
General Government	503,830	0	503,830
Capital Outlay	365,027	2,848,328	3,213,355
Debt Service:			
Principal Retirement	4,913	105,398	110,311
Interest and Fiscal Charges	9,879	8,378	18,257
	<u> </u>	<u> </u>	<u> </u>
<i>Total Expenditures</i>	<u>4,442,103</u>	<u>2,962,104</u>	<u>7,404,207</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(706,275)	(2,474,768)	(3,181,043)
Other Financing Sources (Uses)			
Inception of Capital Lease	0	212,598	212,598
Issuance of Loans	0	362,056	362,056
Transfers In	1,001,500	2,497,500	3,499,000
	<u> </u>	<u> </u>	<u> </u>
<i>Total Other Financing Sources (Uses)</i>	<u>1,001,500</u>	<u>3,072,154</u>	<u>4,073,654</u>
<i>Net Change in Fund Balances</i>	295,225	597,386	892,611
<i>Fund Balances Beginning of Year</i>	<u>716,377</u>	<u>268,137</u>	<u>984,514</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,011,602</u>	<u>\$ 865,523</u>	<u>\$ 1,877,125</u>

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	Recreation Fund	State Highway Fund	Street Maintenance Fund	Fire Pension Fund	Police Pension Fund
Assets					
Equity in Pooled Cash and Investments	\$ 44,229	\$ 9,038	\$ 38,755	\$ 39,631	\$ 44,596
Receivables:					
Taxes	0	0	0	340,554	340,554
Accounts	0	0	0	0	0
Special Assessments	0	0	0	0	0
Intergovernmental	0	25,231	311,195	23,660	23,660
Materials and Supplies Inventory	933	0	119,634	0	0
Prepaid Items	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 45,162</u>	<u>\$ 34,269</u>	<u>\$ 469,584</u>	<u>\$ 403,845</u>	<u>\$ 408,810</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 16,135	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	6,972	0	8,851	0	0
Intergovernmental Payable	17,429	0	17,900	128,548	130,536
Deferred Revenue	0	17,434	215,029	364,214	364,214
<i>Total Liabilities</i>	<u>40,536</u>	<u>17,434</u>	<u>241,780</u>	<u>492,762</u>	<u>494,750</u>
Fund Balances					
Reserved for Encumbrances	452	0	418	0	0
Unreserved, Undesignated Reported In:					
Special Revenue Funds	4,174	16,835	227,386	(88,917)	(85,940)
<i>Total Fund Balances (Deficit)</i>	<u>4,626</u>	<u>16,835</u>	<u>227,804</u>	<u>(88,917)</u>	<u>(85,940)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 45,162</u>	<u>\$ 34,269</u>	<u>\$ 469,584</u>	<u>\$ 403,845</u>	<u>\$ 408,810</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	D.A.R.E. Grant Fund	Animal Control Fund	Street Lighting Fund	Berea Welfare Fund	Special Events Fund
Assets					
Equity in Pooled Cash and Investments	\$ 0	\$ 95	\$ 292,100	\$ 33,751	\$ 4,981
Receivables:					
Taxes	0	0	0	0	0
Accounts	0	0	0	0	0
Special Assessments	0	0	840,170	0	0
Intergovernmental	20,864	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Items	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 20,864</u>	<u>\$ 95</u>	<u>\$ 1,132,270</u>	<u>\$ 33,751</u>	<u>\$ 4,981</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 38,675	\$ 5,331	\$ 2,127
Accrued Wages and Benefits	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Deferred Revenue	0	0	840,170	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>878,845</u>	<u>5,331</u>	<u>2,127</u>
Fund Balances					
Reserved for Encumbrances	0	0	49,154	294	48
Unreserved, Undesignated Reported In: Special Revenue Funds	<u>20,864</u>	<u>95</u>	<u>204,271</u>	<u>28,126</u>	<u>2,806</u>
<i>Total Fund Balances (Deficit)</i>	<u>20,864</u>	<u>95</u>	<u>253,425</u>	<u>28,420</u>	<u>2,854</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 20,864</u>	<u>\$ 95</u>	<u>\$ 1,132,270</u>	<u>\$ 33,751</u>	<u>\$ 4,981</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	Community Hospital Fund	Community Development Block Grant Fund	Municipal Vehicle Tax Levy Fund	Law Enforcement Fund	Probation Fund
Assets					
Equity in Pooled Cash and Investments	\$ 0	\$ 3,671	8,346	\$ 12,012	\$ 40,525
Receivables:					
Taxes	82,851	0	0	0	0
Accounts	0	0	0	0	13,852
Special Assessments	0	0	0	0	0
Intergovernmental	4,441	24,900	2,998	0	0
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Items	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 87,292</u>	<u>\$ 28,571</u>	<u>\$ 11,344</u>	<u>\$ 12,012</u>	<u>\$ 54,377</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,480
Accrued Wages and Benefits	0	0	0	0	2,709
Intergovernmental Payable	0	0	0	0	7,430
Deferred Revenue	87,292	24,900	0	0	0
<i>Total Liabilities</i>	<u>87,292</u>	<u>24,900</u>	<u>0</u>	<u>0</u>	<u>11,619</u>
Fund Balances					
Reserved for Encumbrances	0	0	0	0	0
Unreserved, Undesignated Reported In:					
Special Revenue Funds	0	3,671	11,344	12,012	42,758
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>3,671</u>	<u>11,344</u>	<u>12,012</u>	<u>42,758</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 87,292</u>	<u>\$ 28,571</u>	<u>\$ 11,344</u>	<u>\$ 12,012</u>	<u>\$ 54,377</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	Indigent Drivers Alcohol Treatment Fund	DUI Education Fund	Indigent Driving School Fund	DUS Diversion Fund	Court Computer Fund
Assets					
Equity in Pooled Cash and Investments	\$ 96,566	\$ 8,897	\$ 753	\$ 14,445	\$ 114,671
Receivables:					
Taxes	0	0	0	0	0
Accounts	900	0	0	0	6,504
Special Assessments	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Items	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 97,466</u>	<u>\$ 8,897</u>	<u>\$ 753</u>	<u>\$ 14,445</u>	<u>\$ 121,175</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances					
Reserved for Encumbrances	5,210	0	0	0	0
Unreserved, Undesignated Reported In:					
Special Revenue Funds	92,256	8,897	753	14,445	121,175
<i>Total Fund Balances (Deficit)</i>	<u>97,466</u>	<u>8,897</u>	<u>753</u>	<u>14,445</u>	<u>121,175</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 97,466</u>	<u>\$ 8,897</u>	<u>\$ 753</u>	<u>\$ 14,445</u>	<u>\$ 121,175</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	Court Computer Research Fund	Court Special Projects Fund	Court Special Projects II Fund	State Highway Patrol Fund	Total Nonmajor Special Revenue Funds
Assets					
Equity in Pooled Cash and Investments	\$ 125,837	\$ 164,863	\$ 17,244	\$ 542	\$ 1,115,548
Receivables:					
Taxes	0	0	0	0	763,959
Accounts	2,774	9,149	1,447	601	35,227
Special Assessments	0	0	0	0	840,170
Intergovernmental	0	0	0	0	436,949
Materials and Supplies Inventory	0	0	0	0	120,567
Prepaid Items	1,673	0	0	0	1,673
<i>Total Assets</i>	<u>\$ 130,284</u>	<u>\$ 174,012</u>	<u>\$ 18,691</u>	<u>\$ 1,143</u>	<u>\$ 3,314,093</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 1,750	\$ 3,206	\$ 0	\$ 0	\$ 68,704
Accrued Wages and Benefits	138	0	0	0	18,670
Intergovernmental Payable	21	0	0	0	301,864
Deferred Revenue	0	0	0	0	1,913,253
<i>Total Liabilities</i>	<u>1,909</u>	<u>3,206</u>	<u>0</u>	<u>0</u>	<u>2,302,491</u>
Fund Balances					
Reserved for Encumbrances	0	1,328	0	0	56,904
Unreserved, Undesignated Reported In: Special Revenue Funds	<u>128,375</u>	<u>169,478</u>	<u>18,691</u>	<u>1,143</u>	<u>954,698</u>
<i>Total Fund Balances (Deficit)</i>	<u>128,375</u>	<u>170,806</u>	<u>18,691</u>	<u>1,143</u>	<u>1,011,602</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 130,284</u>	<u>\$ 174,012</u>	<u>\$ 18,691</u>	<u>\$ 1,143</u>	<u>\$ 3,314,093</u>

City of Berea
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	<u>Recreation Fund</u>	<u>State Highway Fund</u>	<u>Street Maintenance Fund</u>	<u>Fire Pension Fund</u>	<u>Police Pension Fund</u>
Revenues					
Property Tax	\$ 0	\$ 0	\$ 0	\$ 343,190	\$ 343,190
Intergovernmental Revenue	0	50,570	623,712	77,804	77,804
Special Assessments	0	0	0	0	0
Charges for Services	381,319	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
Contributions and Donations	19,375	0	0	0	0
Other	30,041	0	574	0	0
	<u>430,735</u>	<u>50,570</u>	<u>624,286</u>	<u>420,994</u>	<u>420,994</u>
<i>Total Revenues</i>					
Expenditures					
Current:					
Security of Persons and Property	0	0	0	441,672	466,848
Public Health and Welfare	0	0	0	0	0
Leisure Time Activities	1,082,816	0	0	0	0
Transportation	0	50,000	799,337	0	0
General Government	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	1,261	3,652
Interest and Fiscal Charges	0	0	0	2,537	7,342
	<u>1,082,816</u>	<u>50,000</u>	<u>799,337</u>	<u>445,470</u>	<u>477,842</u>
<i>Total Expenditures</i>					
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(652,081)	570	(175,051)	(24,476)	(56,848)
Other Financing Sources (Uses)					
Transfers In	690,500	0	210,000	30,000	71,000
	<u>690,500</u>	<u>0</u>	<u>210,000</u>	<u>30,000</u>	<u>71,000</u>
<i>Total Other Financing Sources (Uses)</i>					
<i>Net Change in Fund Balances</i>	38,419	570	34,949	5,524	14,152
<i>Fund Balances (Deficit) Beginning of Year</i>	(33,793)	16,265	192,855	(94,441)	(100,092)
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 4,626</u>	<u>\$ 16,835</u>	<u>\$ 227,804</u>	<u>\$ (88,917)</u>	<u>\$ (85,940)</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	D.A.R.E. Grant Fund	Animal Control Fund	Street Lighting Fund	Berea Welfare Fund	Special Events Fund
Revenues					
Property Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenue	42,385	0	0	0	0
Special Assessments	0	0	502,515	0	0
Charges for Services	0	485	0	0	0
Fines and Forfeitures	0	0	0	0	0
Contributions and Donations	0	0	0	49,120	26,000
Other	0	0	21,265	0	5,608
<i>Total Revenues</i>	<u>42,385</u>	<u>485</u>	<u>523,780</u>	<u>49,120</u>	<u>31,608</u>
Expenditures					
Current:					
Security of Persons and Property	21,521	520	488,682	0	0
Public Health and Welfare	0	0	0	0	0
Leisure Time Activities	0	0	0	20,700	28,754
Transportation	0	0	0	0	0
General Government	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>21,521</u>	<u>520</u>	<u>488,682</u>	<u>20,700</u>	<u>28,754</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	20,864	(35)	35,098	28,420	2,854
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	20,864	(35)	35,098	28,420	2,854
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>130</u>	<u>218,327</u>	<u>0</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 20,864</u>	<u>\$ 95</u>	<u>\$ 253,425</u>	<u>\$ 28,420</u>	<u>\$ 2,854</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Community Hospital Fund	Community Development Block Grant Fund	Municipal Vehicle Tax Levy Fund	Law Enforcement Fund	Probation Fund
Revenues					
Property Tax	\$ 79,088	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenue	39,148	365,027	37,415	0	0
Special Assessments	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	0	0	0	1,636	271,196
Contributions and Donations	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>118,236</u>	<u>365,027</u>	<u>37,415</u>	<u>1,636</u>	<u>271,196</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	0	266	0
Public Health and Welfare	119,132	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Transportation	0	0	35,000	0	0
General Government	0	0	0	0	253,048
Capital Outlay	0	365,027	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>119,132</u>	<u>365,027</u>	<u>35,000</u>	<u>266</u>	<u>253,048</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(896)	0	2,415	1,370	18,148
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(896)	0	2,415	1,370	18,148
<i>Fund Balances (Deficit) Beginning of Year</i>	896	3,671	8,929	10,642	24,610
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 3,671</u>	<u>\$ 11,344</u>	<u>\$ 12,012</u>	<u>\$ 42,758</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Indigent Drivers Alcohol Treatment Fund	DUI Education Fund	Indigent Driving School Fund	DUS Diversion Fund	Court Computer Fund
Revenues					
Property Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenue	0	0	0	0	0
Special Assessments	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines and Forfeitures	32,962	1,740	0	13,895	96,566
Contributions and Donations	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>32,962</u>	<u>1,740</u>	<u>0</u>	<u>13,895</u>	<u>96,566</u>
Expenditures					
Current:					
Security of Persons and Property	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Transportation	0	0	0	0	0
General Government	8,161	0	0	0	102,270
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>8,161</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>102,270</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	24,801	1,740	0	13,895	(5,704)
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	24,801	1,740	0	13,895	(5,704)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>72,665</u>	<u>7,157</u>	<u>753</u>	<u>550</u>	<u>126,879</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 97,466</u>	<u>\$ 8,897</u>	<u>\$ 753</u>	<u>\$ 14,445</u>	<u>\$ 121,175</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Court Computer Research Fund	Court Special Projects Fund	Court Special Projects II Fund	State Highway Patrol Fund	Total Nonmajor Special Revenue Funds
Revenues					
Property Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 765,468
Intergovernmental Revenue	0	0	0	0	1,313,865
Special Assessments	0	0	0	0	502,515
Charges for Services	0	0	0	0	381,804
Fines and Forfeitures	41,733	134,915	18,691	6,859	620,193
Contributions and Donations	0	0	0	0	94,495
Other	0	0	0	0	57,488
<i>Total Revenues</i>	<u>41,733</u>	<u>134,915</u>	<u>18,691</u>	<u>6,859</u>	<u>3,735,828</u>
Expenditures					
Current:					
Security of Persons and Property	0	3,206	0	0	1,422,715
Public Health and Welfare	0	0	0	0	119,132
Leisure Time Activities	0	0	0	0	1,132,270
Transportation	0	0	0	0	884,337
General Government	44,470	88,681	0	7,200	503,830
Capital Outlay	0	0	0	0	365,027
Debt Service:					
Principal Retirement	0	0	0	0	4,913
Interest and Fiscal Charges	0	0	0	0	9,879
<i>Total Expenditures</i>	<u>44,470</u>	<u>91,887</u>	<u>0</u>	<u>7,200</u>	<u>4,442,103</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(2,737)	43,028	18,691	(341)	(706,275)
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	1,001,500
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,001,500</u>
<i>Net Change in Fund Balances</i>	(2,737)	43,028	18,691	(341)	295,225
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>131,112</u>	<u>127,778</u>	<u>0</u>	<u>1,484</u>	<u>716,377</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 128,375</u>	<u>\$ 170,806</u>	<u>\$ 18,691</u>	<u>\$ 1,143</u>	<u>\$ 1,011,602</u>

City of Berea
Cuyahoga County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2009

	General Capital Improvement Fund	Safety Capital Improvement Fund	Recreation Capital Improvement Fund	Neighborhood Improvement Fund	Totals
Assets					
Equity in Pooled Cash and Investments	\$ 158,212	\$ 200,785	\$ 701	\$ 40,405	\$ 400,103
Special Assessments Receivable	0	0	0	10,670	10,670
Loans Receivable	513,007	0	0	0	513,007
<i>Total Assets</i>	<u>\$ 671,219</u>	<u>\$ 200,785</u>	<u>\$ 701</u>	<u>\$ 51,075</u>	<u>\$ 923,780</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 25,201	\$ 3,707	\$ 0	\$ 5,022	\$ 33,930
Accrued Wages and Benefits	0	0	0	4,939	4,939
Intergovernmental Payable	0	0	0	8,718	8,718
Deferred Revenue	0	0	0	10,670	10,670
<i>Total Liabilities</i>	<u>25,201</u>	<u>3,707</u>	<u>0</u>	<u>29,349</u>	<u>58,257</u>
Fund Balances					
Reserved for Encumbrances	67,352	1,300	0	675	69,327
Reserved for Loans Receivable	513,007	0	0	0	513,007
Unreserved, Undesignated (Deficit) Reported In: Capital Projects Funds	65,659	195,778	701	21,051	283,189
<i>Total Fund Balances</i>	<u>646,018</u>	<u>197,078</u>	<u>701</u>	<u>21,726</u>	<u>865,523</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 671,219</u>	<u>\$ 200,785</u>	<u>\$ 701</u>	<u>\$ 51,075</u>	<u>\$ 923,780</u>

City of Berea
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2009

	General Capital Improvement Fund	Safety Capital Improvement Fund	Recreation Capital Improvement Fund	Neighborhood Improvement Fund	Totals
Revenues					
Intergovernmental	\$ 33,339	\$ 0	\$ 0	\$ 6,600	\$ 39,939
Charges for Services	172,690	210,707	0	0	383,397
Fees, Licenses and Permits	0	0	0	32,375	32,375
Other	10,897	5,225	0	15,503	31,625
<i>Total Revenues</i>	<u>216,926</u>	<u>215,932</u>	<u>0</u>	<u>54,478</u>	<u>487,336</u>
Expenditures					
Capital Outlay	1,717,132	408,020	48,673	674,503	2,848,328
Debt Service:					
Principal Retirement	105,398	0	0	0	105,398
Interest and Fiscal Charges	8,378	0	0	0	8,378
<i>Total Expenditures</i>	<u>1,830,908</u>	<u>408,020</u>	<u>48,673</u>	<u>674,503</u>	<u>2,962,104</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,613,982)</u>	<u>(192,088)</u>	<u>(48,673)</u>	<u>(620,025)</u>	<u>(2,474,768)</u>
Other Financing Sources (Uses)					
Inception of Capital Lease	212,598	0	0	0	212,598
Issuance of Loans	362,056	0	0	0	362,056
Transfers In	1,724,000	119,000	42,000	612,500	2,497,500
<i>Total Other Financing Sources</i>	<u>2,298,654</u>	<u>119,000</u>	<u>42,000</u>	<u>612,500</u>	<u>3,072,154</u>
<i>Net Change in Fund Balances</i>	684,672	(73,088)	(6,673)	(7,525)	597,386
<i>Fund Balances Beginning of Year</i>	<u>(38,654)</u>	<u>270,166</u>	<u>7,374</u>	<u>29,251</u>	<u>268,137</u>
<i>Fund Balances End of Year</i>	<u>\$ 646,018</u>	<u>\$ 197,078</u>	<u>\$ 701</u>	<u>\$ 21,726</u>	<u>\$ 865,523</u>

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

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Municipal Income Taxes	\$ 10,280,523	\$ 10,280,523	\$ 0
Property Taxes	1,713,283	1,713,283	0
Other Local Taxes	224,148	224,148	0
Special Assessments	10,816	10,816	0
Intergovernmental	1,697,391	1,697,391	0
Charges for Services	239,093	239,093	0
Fees, Licenses and Permits	376,046	376,046	0
Fines and Forfeitures	1,550,268	1,550,268	0
Investment Income	131,865	131,865	0
Other	85,819	85,819	0
<i>Total Revenues</i>	<u>16,309,252</u>	<u>16,309,252</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police Department:			
Personal Services	2,887,232	2,843,263	43,969
Other	295,000	240,062	54,938
Total Police Department	<u>3,182,232</u>	<u>3,083,325</u>	<u>98,907</u>
Fire:			
Personal Services	1,894,751	1,874,782	19,969
Other	61,875	56,894	4,981
Total Fire Department	<u>1,956,626</u>	<u>1,931,676</u>	<u>24,950</u>
Total Security of Persons and Property	<u>5,138,858</u>	<u>5,015,001</u>	<u>123,857</u>
Leisure Time Activities:			
Municipal Signage:			
Personal Services	106,250	101,984	4,266
Total Municipal Signage	<u>106,250</u>	<u>101,984</u>	<u>4,266</u>
Public Grounds:			
Personal Services	330,000	323,743	6,257
Other	55,850	53,294	2,556
Total Public Grounds	<u>385,850</u>	<u>377,037</u>	<u>8,813</u>
Total Leisure Time Activities	<u>492,100</u>	<u>479,021</u>	<u>13,079</u>
Community Development:			
Building Department:			
Personal Services	330,887	308,052	22,835
Other	21,850	19,299	2,551
Total Building Department	<u>352,737</u>	<u>327,351</u>	<u>25,386</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Engineering Department:			
Personal Services	175,666	175,254	412
Other	14,200	12,828	1,372
Total Engineering Department	189,866	188,082	1,784
Total Community Development	542,603	515,433	27,170
Public Works:			
Storm Sewers and Drains:			
Personal Services	3,540	1,363	2,177
Other	20,500	12,387	8,113
Total Storm Sewers and Drains	24,040	13,750	10,290
Refuse Collection and Disposal:			
Other	825,000	822,536	2,464
Total Refuse Collections and Disposal	825,000	822,536	2,464
Recycling Collection:			
Personal Services	5,000	0	5,000
Total Recycling Collection	5,000	0	5,000
Leaf Collection:			
Personal Services	57,000	55,037	1,963
Other	26,750	14,275	12,475
Total Leaf Collection	83,750	69,312	14,438
Snow Removal:			
Personal Services	148,628	82,103	66,525
Other	178,500	173,561	4,939
Total Snow Removal	327,128	255,664	71,464
Total Public Works	1,264,918	1,161,262	103,656
General Government:			
Council:			
Personal Services	146,333	142,697	3,636
Other	8,333	5,261	3,072
Total Council	154,666	147,958	6,708
Mayor:			
Personal Services	186,124	185,663	461
Other	2,600	1,849	751
Total Mayor	188,724	187,512	1,212
Finance			
Personal Services	281,719	279,955	1,764
Other	12,600	12,377	223
Total Finance	294,319	292,332	1,987

(continued)

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Law:			
Personal Services	205,812	204,794	1,018
Other	13,635	12,851	784
Total Law	<u>219,447</u>	<u>217,645</u>	<u>1,802</u>
Municipal Court:			
Personal Services	839,396	831,999	7,397
Other	559,683	534,115	25,568
Total Municipal Court	<u>1,399,079</u>	<u>1,366,114</u>	<u>32,965</u>
Administration:			
Personal Services	27,200	26,379	821
Other	2,677,443	2,499,130	178,313
Total Administration	<u>2,704,643</u>	<u>2,525,509</u>	<u>179,134</u>
Municipal Fleet and Equipment:			
Personal Services	174,000	159,693	14,307
Other	235,000	213,460	21,540
Total Municipal Fleet and Equipment	<u>409,000</u>	<u>373,153</u>	<u>35,847</u>
Municipal Building:			
Personal Services	0	0	0
Other	493,500	479,712	13,788
Total Municipal Building	<u>493,500</u>	<u>479,712</u>	<u>13,788</u>
Service Administration:			
Personal Services	169,442	151,870	17,572
Other	18,950	18,276	674
Total Service Administration	<u>188,392</u>	<u>170,146</u>	<u>18,246</u>
Planning and Development:			
Other	18,050	15,684	2,366
Total Planning and Development	<u>18,050</u>	<u>15,684</u>	<u>2,366</u>
Other:			
Other	80,000	52,577	27,423
Total Other	<u>80,000</u>	<u>52,577</u>	<u>27,423</u>
Total General Government	<u>6,149,820</u>	<u>5,828,342</u>	<u>321,478</u>
<i>Total Expenditures</i>	<u>13,588,299</u>	<u>12,999,059</u>	<u>589,240</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,720,953</u>	<u>3,310,193</u>	<u>589,240</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)			
Proceeds from Sale of Assets	2,978	2,978	0
Advances In	112,000	112,000	0
Transfers Out	<u>(3,221,200)</u>	<u>(3,221,200)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(3,106,222)</u>	<u>(3,106,222)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(385,269)	203,971	589,240
<i>Fund Balance (Deficit) Beginning of Year</i>	1,804,403	1,804,403	0
Prior Year Encumbrances Appropriated	<u>19,432</u>	<u>19,432</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 1,438,566</u>	<u>\$ 2,027,806</u>	<u>\$ 589,240</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Bond Retirement Bond
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 1,592,839	\$ 1,592,839	\$ 0
Intergovernmental	359,132	359,132	0
Special Assessments	9,555	9,555	0
<i>Total Revenues</i>	<u>1,961,526</u>	<u>1,961,526</u>	<u>0</u>
Expenditures			
Current:			
General Government			
Other	40,000	35,495	4,505
Total General Government	<u>40,000</u>	<u>35,495</u>	<u>4,505</u>
Debt Service			
Principal Retirement	7,040,000	7,040,000	0
Interest and Fiscal Charges	581,258	570,758	10,500
Total Debt Service	<u>7,621,258</u>	<u>7,610,758</u>	<u>10,500</u>
<i>Total Expenditures</i>	<u>7,661,258</u>	<u>7,646,253</u>	<u>15,005</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,699,732)</u>	<u>(5,684,727)</u>	<u>15,005</u>
Other Financing Sources (Uses)			
Proceeds of Notes	5,854,968	5,854,968	0
<i>Net Change in Fund Balance</i>	155,236	170,241	15,005
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>676,822</u>	<u>676,822</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 832,058</u>	<u>\$ 847,063</u>	<u>\$ 15,005</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Railroad Capital Improvement Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 220,000	\$ 16,633	\$ (203,367)
<i>Total Revenues</i>	<u>220,000</u>	<u>16,633</u>	<u>(203,367)</u>
Expenditures			
Capital Outlay	220,000	212,787	7,213
<i>Total Expenditures</i>	<u>220,000</u>	<u>212,787</u>	<u>7,213</u>
<i>Net Change in Fund Balance</i>	0	(196,154)	(196,154)
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>1,699,737</u>	<u>1,699,737</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 1,699,737</u>	<u>\$ 1,503,583</u>	<u>\$ (196,154)</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Capital Improvement Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fees, Licenses and Permits	\$ 278,013	\$ 278,013	\$ 0
<i>Total Revenues</i>	<u>278,013</u>	<u>278,013</u>	<u>0</u>
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>278,013</u>	<u>278,013</u>	<u>0</u>
Other Financing Sources (Uses)			
Advances Out	<u>(112,000)</u>	<u>(112,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	166,013	166,013	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>76,841</u>	<u>76,841</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 242,854</u></u>	<u><u>\$ 242,854</u></u>	<u><u>\$ 0</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$ 381,319	\$ 381,319	\$ 0
Contributions and Donations	19,375	19,375	0
Other	30,041	30,041	0
<i>Total Revenues</i>	<u>430,735</u>	<u>430,735</u>	<u>0</u>
Expenditures			
Current:			
Leisure Time Activities:			
Personal Services	495,550	489,983	5,567
Other	607,604	593,142	14,462
<i>Total Expenditures</i>	<u>1,103,154</u>	<u>1,083,125</u>	<u>20,029</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(672,419)</u>	<u>(652,390)</u>	<u>20,029</u>
Other Financing Sources (Uses)			
Transfers In	690,500	690,500	0
Transfers Out	(17,042)	(17,042)	0
<i>Total Other Financing Sources (Uses)</i>	<u>673,458</u>	<u>673,458</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,039	21,068	20,029
<i>Fund Balance (Deficit) Beginning of Year</i>	19,400	19,400	0
Prior Year Encumbrances Appropriated	3,233	3,233	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 23,672</u>	<u>\$ 43,701</u>	<u>\$ 20,029</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 51,181	\$ 51,181	\$ 0
<i>Total Revenues</i>	<u>51,181</u>	<u>51,181</u>	<u>0</u>
Expenditures			
Current:			
Transportation			
Other	50,000	50,000	0
<i>Total Expenditures</i>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,181	1,181	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>7,856</u>	<u>7,856</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 9,037</u>	<u>\$ 9,037</u>	<u>\$ 0</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 631,240	\$ 631,240	\$ 0
Other	574	574	0
<i>Total Revenues</i>	<u>631,814</u>	<u>631,814</u>	<u>0</u>
Expenditures			
Current:			
Transportation			
Personal Services	502,506	498,478	4,028
Other	340,011	326,711	13,300
<i>Total Expenditures</i>	<u>842,517</u>	<u>825,189</u>	<u>17,328</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(210,703)</u>	<u>(193,375)</u>	<u>17,328</u>
Other Financing Sources (Uses)			
Transfers In	210,000	210,000	0
<i>Net Change in Fund Balance</i>	(703)	16,625	17,328
<i>Fund Balance (Deficit) Beginning of Year</i>	21,212	21,212	0
Prior Year Encumbrances Appropriated	500	500	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 21,009</u>	<u>\$ 38,337</u>	<u>\$ 17,328</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 343,190	\$ 343,190	\$ 0
Intergovernmental	77,804	77,804	0
<i>Total Revenues</i>	<u>420,994</u>	<u>420,994</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Personal Services	439,254	437,374	1,880
<i>Total Expenditures</i>	<u>439,254</u>	<u>437,374</u>	<u>1,880</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(18,260)</u>	<u>(16,380)</u>	<u>1,880</u>
Other Financing Sources (Uses)			
Transfers In	30,000	30,000	0
<i>Net Change in Fund Balance</i>	11,740	13,620	1,880
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>26,010</u>	<u>26,010</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 37,750</u>	<u>\$ 39,630</u>	<u>\$ 1,880</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 343,190	\$ 343,190	\$ 0
Intergovernmental	77,804	77,804	0
<i>Total Revenues</i>	<u>420,994</u>	<u>420,994</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Personal Services	474,246	472,486	1,760
<i>Total Expenditures</i>	<u>474,246</u>	<u>472,486</u>	<u>1,760</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(53,252)</u>	<u>(51,492)</u>	<u>1,760</u>
Other Financing Sources (Uses)			
Transfers In	71,000	71,000	0
<i>Net Change in Fund Balance</i>	17,748	19,508	1,760
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>25,088</u>	<u>25,088</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 42,836</u>	<u>\$ 44,596</u>	<u>\$ 1,760</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Dare Grant Fund
For the Year Ended December 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 21,521	\$ 21,521	\$ 0
<i>Total Revenues</i>	<u>21,521</u>	<u>21,521</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	21,521	21,521	0
<i>Total Expenditures</i>	<u>21,521</u>	<u>21,521</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Animal Control Fund
For the Year Ended December 31, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Fines and Forfeitures	\$ 485	\$ 485	\$ 0
<i>Total Revenues</i>	<u>485</u>	<u>485</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	<u>580</u>	<u>520</u>	<u>60</u>
<i>Total Expenditures</i>	<u>580</u>	<u>520</u>	<u>60</u>
<i>Net Change in Fund Balance</i>	(95)	(35)	60
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>130</u>	<u>130</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 35</u>	<u>\$ 95</u>	<u>\$ 60</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Special Assessments	\$ 667,326	\$ 667,326	\$ 0
Other	21,265	21,265	0
<i>Total Revenues</i>	<u>688,591</u>	<u>688,591</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	620,000	601,869	18,131
<i>Total Expenditures</i>	<u>620,000</u>	<u>601,869</u>	<u>18,131</u>
<i>Net Change in Fund Balance</i>	68,591	86,722	18,131
<i>Fund Balance (Deficit) Beginning of Year</i>	154,183	154,183	0
Prior Year Encumbrances Appropriated	45	45	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 222,819</u>	<u>\$ 240,950</u>	<u>\$ 18,131</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Berea Welfare Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$ 32,078	\$ 32,078	\$ 0
<i>Total Revenues</i>	<u>32,078</u>	<u>32,078</u>	<u>0</u>
Expenditures			
Current:			
Leisure:			
Other	40,000	20,994	19,006
<i>Total Expenditures</i>	<u>40,000</u>	<u>20,994</u>	<u>19,006</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(7,922)</u>	<u>11,084</u>	<u>19,006</u>
Other Financing Sources (Uses)			
Transfers In	17,042	17,042	0
<i>Net Change in Fund Balance</i>	9,120	28,126	19,006
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 9,120</u>	<u>\$ 28,126</u>	<u>\$ 19,006</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Events Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$ 26,000	\$ 26,000	\$ 0
Other	5,608	5,608	0
<i>Total Revenues</i>	<u>31,608</u>	<u>31,608</u>	<u>0</u>
Expenditures			
Current:			
Leisure:			
Other	30,536	28,075	2,461
<i>Total Expenditures</i>	<u>30,536</u>	<u>28,075</u>	<u>2,461</u>
<i>Net Change in Fund Balance</i>	1,072	3,533	2,461
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 1,072</u>	<u>\$ 3,533</u>	<u>\$ 2,461</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Hospital Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$ 79,088	\$ 79,088	\$ 0
Intergovernmental	39,148	39,148	0
<i>Total Revenues</i>	<u>118,236</u>	<u>118,236</u>	<u>0</u>
Expenditures			
Current:			
Public Health and Welfare:			
Other	119,132	119,132	0
<i>Total Expenditures</i>	<u>119,132</u>	<u>119,132</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(896)	(896)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>896</u>	<u>896</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 365,027	\$ 365,027	\$ 0
<i>Total Revenues</i>	<u>365,027</u>	<u>365,027</u>	<u>0</u>
Expenditures			
Capital Outlay	365,027	365,027	0
<i>Total Expenditures</i>	<u>365,027</u>	<u>365,027</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>3,671</u>	<u>3,671</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 3,671</u>	<u>\$ 3,671</u>	<u>\$ 0</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Municipal Vehicle Tax Levy Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 37,428	\$ 37,428	\$ 0
<i>Total Revenues</i>	<u>37,428</u>	<u>37,428</u>	<u>0</u>
Expenditures			
Current:			
Transportation:			
Other	37,500	35,000	2,500
<i>Total Expenditures</i>	<u>37,500</u>	<u>35,000</u>	<u>2,500</u>
<i>Net Change in Fund Balance</i>	(72)	2,428	2,500
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>5,920</u>	<u>5,920</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 5,848</u>	<u>\$ 8,348</u>	<u>\$ 2,500</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 1,636	\$ 1,636	\$ 0
<i>Total Revenues</i>	<u>1,636</u>	<u>1,636</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	<u>5,000</u>	<u>266</u>	<u>4,734</u>
<i>Total Expenditures</i>	<u>5,000</u>	<u>266</u>	<u>4,734</u>
<i>Net Change in Fund Balance</i>	(3,364)	1,370	4,734
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>10,642</u>	<u>10,642</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 7,278</u>	<u>\$ 12,012</u>	<u>\$ 4,734</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Probation Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 272,636	\$ 272,636	\$ 0
<i>Total Revenues</i>	<u>272,636</u>	<u>272,636</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	256,862	244,593	12,269
<i>Total Expenditures</i>	<u>256,862</u>	<u>244,593</u>	<u>12,269</u>
<i>Net Change in Fund Balance</i>	15,774	28,043	12,269
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>12,482</u>	<u>12,482</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 28,256</u>	<u>\$ 40,525</u>	<u>\$ 12,269</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Alcohol Treatment Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 32,862	\$ 32,862	\$ 0
<i>Total Revenues</i>	<u>32,862</u>	<u>32,862</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	33,000	13,371	19,629
<i>Total Expenditures</i>	<u>33,000</u>	<u>13,371</u>	<u>19,629</u>
<i>Net Change in Fund Balance</i>	(138)	19,491	19,629
<i>Fund Balance (Deficit) Beginning of Year</i>	66,866	66,866	0
Prior Year Encumbrances Appropriated	5,000	5,000	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 71,728</u>	<u>\$ 91,357</u>	<u>\$ 19,629</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DUI Education Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 1,740	\$ 1,740	\$ 0
<i>Total Revenues</i>	<u>1,740</u>	<u>1,740</u>	<u>0</u>
Expenditures			
Current:			
Security of Persons and Property:			
Other	<u>2,000</u>	<u>0</u>	<u>2,000</u>
<i>Total Expenditures</i>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
<i>Net Change in Fund Balance</i>	(260)	1,740	2,000
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>7,156</u>	<u>7,156</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 6,896</u>	<u>\$ 8,896</u>	<u>\$ 2,000</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Driving School Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$ 0	\$ 0	\$ 0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	753	753	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 753</u>	<u>\$ 753</u>	<u>\$ 0</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
DUS Diversion Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 14,445	\$ 14,445	\$ 0
<i>Total Revenues</i>	<u>14,445</u>	<u>14,445</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	5,939	0	5,939
<i>Total Expenditures</i>	<u>5,939</u>	<u>0</u>	<u>5,939</u>
<i>Net Change in Fund Balance</i>	8,506	14,445	5,939
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 8,506</u>	<u>\$ 14,445</u>	<u>\$ 5,939</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Computer Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 96,938	\$ 96,938	\$ 0
<i>Total Revenues</i>	<u>96,938</u>	<u>96,938</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	102,500	102,270	230
<i>Total Expenditures</i>	<u>102,500</u>	<u>102,270</u>	<u>230</u>
<i>Net Change in Fund Balance</i>	(5,562)	(5,332)	230
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>120,003</u>	<u>120,003</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 114,441</u>	<u>\$ 114,671</u>	<u>\$ 230</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Computer Research Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 41,902	\$ 41,902	\$ 0
<i>Total Revenues</i>	<u>41,902</u>	<u>41,902</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Personal Services	99,500	47,374	52,126
<i>Total Expenditures</i>	<u>99,500</u>	<u>47,374</u>	<u>52,126</u>
<i>Net Change in Fund Balance</i>	(57,598)	(5,472)	52,126
<i>Fund Balance (Deficit) Beginning of Year</i>	127,887	127,887	0
Prior Year Encumbrances Appropriated	3,422	3,422	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 73,711</u>	<u>\$ 125,837</u>	<u>\$ 52,126</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Special Projects Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 135,545	\$ 135,545	\$ 0
<i>Total Revenues</i>	<u>135,545</u>	<u>135,545</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	130,000	99,723	30,277
<i>Total Expenditures</i>	<u>130,000</u>	<u>99,723</u>	<u>30,277</u>
<i>Net Change in Fund Balance</i>	5,545	35,822	30,277
<i>Fund Balance (Deficit) Beginning of Year</i>	117,007	117,007	0
Prior Year Encumbrances Appropriated	7,500	7,500	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 130,052</u>	<u>\$ 160,329</u>	<u>\$ 30,277</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Special Projects II Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 17,244	\$ 17,244	\$ 0
<i>Total Revenues</i>	<u>17,244</u>	<u>17,244</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	<u>3,000</u>	<u>0</u>	<u>3,000</u>
<i>Total Expenditures</i>	<u>3,000</u>	<u>0</u>	<u>3,000</u>
<i>Net Change in Fund Balance</i>	14,244	17,244	3,000
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 14,244</u>	<u>\$ 17,244</u>	<u>\$ 3,000</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Patrol Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Fines and Forfeitures	\$ 7,086	\$ 7,086	\$ 0
<i>Total Revenues</i>	<u>7,086</u>	<u>7,086</u>	<u>0</u>
Expenditures			
Current:			
General Government:			
Other	<u>7,742</u>	<u>7,200</u>	<u>542</u>
<i>Total Expenditures</i>	<u>7,742</u>	<u>7,200</u>	<u>542</u>
<i>Net Change in Fund Balance</i>	(656)	(114)	542
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>656</u>	<u>656</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 542</u>	<u>\$ 542</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Capital Improvement Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$ 172,690	\$ 172,690	0
Contributions and Donations	33,339	33,339	0
Other	10,897	10,897	0
<i>Total Revenues</i>	<u>216,926</u>	<u>216,926</u>	<u>0</u>
Expenditures			
Capital Outlay	2,257,029	2,188,718	68,311
<i>Total Expenditures</i>	<u>2,257,029</u>	<u>2,188,718</u>	<u>68,311</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,040,103)</u>	<u>(1,971,792)</u>	<u>68,311</u>
Other Financing Sources (Uses)			
Issuance of Loans	362,056	362,056	0
Transfers In	974,000	974,000	0
<i>Net Change in Fund Balance</i>	<u>(704,047)</u>	<u>(635,736)</u>	<u>68,311</u>
<i>Fund Balance (Deficit) Beginning of Year</i>	614,802	614,802	0
<i>Prior Year Encumbrances Appropriated</i>	<u>105,892</u>	<u>105,892</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 16,647</u>	<u>\$ 84,958</u>	<u>\$ 68,311</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Safety Capital Improvement Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$ 210,707	\$ 210,707	\$ 0
Other	5,225	5,225	0
<i>Total Revenues</i>	<u>215,932</u>	<u>215,932</u>	<u>0</u>
Expenditures			
Capital Outlay	415,000	410,626	4,374
<i>Total Expenditures</i>	<u>415,000</u>	<u>410,626</u>	<u>4,374</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(199,068)</u>	<u>(194,694)</u>	<u>4,374</u>
Other Financing Sources (Uses)			
Transfers In	119,000	119,000	0
<i>Net Change in Fund Balance</i>	(80,068)	(75,694)	4,374
<i>Fund Balance (Deficit) Beginning of Year</i>	272,556	272,556	0
Prior Year Encumbrances Appropriated	2,622	2,622	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 195,110</u>	<u>\$ 199,484</u>	<u>\$ 4,374</u>

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Capital Improvement Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$ 0	\$ 0	\$ 0
Expenditures			
Capital Outlay	49,000	48,673	327
<i>Total Expenditures</i>	49,000	48,673	327
<i>Excess of Revenues Over (Under) Expenditures</i>	(49,000)	(48,673)	327
Other Financing Sources (Uses)			
Transfers In	42,000	42,000	0
<i>Net Change in Fund Balance</i>	(7,000)	(6,673)	327
<i>Fund Balance (Deficit) Beginning of Year</i>	4,920	4,920	0
<i>Prior Year Encumbrances Appropriated</i>	2,453	2,453	0
<i>Fund Balance (Deficit) End of Year</i>	\$ 373	\$ 700	\$ 327

City of Berea
Cuyahoga County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Neighborhood Improvement Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 6,600	\$ 6,600	\$ 0
Fees, Licenses and Permits	32,375	32,375	0
Other	15,503	15,503	0
<i>Total Revenues</i>	<u>54,478</u>	<u>54,478</u>	<u>0</u>
Expenditures			
Capital Outlay:			
Personal Services	715,292	679,401	35,891
<i>Total Expenditures</i>	<u>715,292</u>	<u>679,401</u>	<u>35,891</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(660,814)</u>	<u>(624,923)</u>	<u>35,891</u>
Other Financing Sources (Uses)			
Transfers In	612,500	612,500	0
<i>Net Change in Fund Balance</i>	(48,314)	(12,423)	35,891
<i>Fund Balance (Deficit) Beginning of Year</i>	45,672	45,672	0
Prior Year Encumbrances Appropriated	6,481	6,481	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 3,839</u>	<u>\$ 39,730</u>	<u>\$ 35,891</u>

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

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

Medical Benefits Fund

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

Property/Liability Insurance Fund

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

City of Berea
Cuyahoga County, Ohio
Combining Statement of Fund Net Assets
Internal Service Funds
December 31, 2009

	Medical Benefits	Proprietary/ Liability Insurance	Totals
Assets			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 73,796	100	\$ 73,896
<i>Total Assets</i>	<u>\$ 73,796</u>	<u>\$ 100</u>	<u>\$ 73,896</u>
Liabilities			
Current Liabilities:			
Claims Payable	87,781	0	87,781
<i>Total Current Liabilities</i>	87,781	0	87,781
Net Assets			
Unrestricted (Deficit)	<u>\$ (13,985)</u>	<u>\$ 100</u>	<u>\$ (13,885)</u>

City of Berea
Cuyahoga County, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2009

	Medical Benefits	Proprietary/ Liability Insurance	Totals
Operating Revenues			
Charges for Services	\$ 1,665,110	\$ 223,366	\$ 1,888,476
<i>Total Operating Revenues</i>	<u>1,665,110</u>	<u>223,366</u>	<u>1,888,476</u>
Operating Expenses			
Contractual Services	349,827	214,403	564,230
Claims	1,287,624	19,217	1,306,841
Other	1,299	0	1,299
<i>Total Operating Expenses</i>	<u>1,638,750</u>	<u>233,620</u>	<u>1,872,370</u>
Operating Income	26,360	(10,254)	16,106
Non-Operating Revenues (Expenses)			
Interest	<u>3</u>	<u>0</u>	<u>3</u>
<i>Change in Net Assets</i>	26,363	(10,254)	16,109
<i>Net Assets Beginning of Year</i>	<u>(40,348)</u>	<u>10,354</u>	<u>(29,994)</u>
<i>Net Assets End of Year</i>	<u>\$ (13,985)</u>	<u>\$ 100</u>	<u>\$ (13,885)</u>

City of Berea
Cuyahoga County, Ohio
Statement of Cash Flows-
Internal Service Funds
December 31, 2009

	Medical Benefits	Property/ Liability Insurance	Total Internal Service Funds
Cash Flows From Operating Activities			
Cash Received from Customers	\$ 1,665,110	\$ 223,366	\$ 1,888,476
Cash Payments for Contractual and Other Services	(323,094)	(217,239)	(540,333)
Cash Payments for Claims	(1,357,188)	(19,217)	(1,376,405)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<i>(15,172)</i>	<i>(13,090)</i>	<i>(28,262)</i>
Cash Flows From Investing Activities			
Interest on Investments	3	0	3
<i>Net Cash Provided By (Used For) Investing Activities</i>	<i>3</i>	<i>0</i>	<i>3</i>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<i>(15,169)</i>	<i>(13,090)</i>	<i>(28,259)</i>
<i>Cash and Cash Equivalents Beginning of Year</i>	<i>88,965</i>	<i>13,190</i>	<i>102,155</i>
<i>Cash and Cash Equivalents End of Year</i>	<i>\$ 73,796</i>	<i>\$ 100</i>	<i>\$ 73,896</i>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities			
Operating Income (Loss)	\$ 26,360	\$ (10,254)	\$ 16,106
Adjustments:			
(Increase) Decrease in Assets:			
Prepays	28,032	0	28,032
Increase (Decrease) in Liabilities:			
Accounts Payable	0	(2,836)	(2,836)
Claims Payable	(69,564)	0	(69,564)
<i>Total Adjustments</i>	<i>(41,532)</i>	<i>(2,836)</i>	<i>(44,368)</i>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<i>\$ (15,172)</i>	<i>\$ (13,090)</i>	<i>\$ (28,262)</i>

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

Fiduciary Funds

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

Agency Funds

Regional Sewer Agency Fund

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

Unclaimed Monies Fund

To account for monies which have been unclaimed.

Contract Retainer Fund

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

Guarantee Deposits Fund

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

Ohio Board of Building Standards Fund

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

Metroparks

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

Municipal Court Fund

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

City of Berea
Cuyahoga County, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2009

	<u>Regional Sewer</u>	<u>Unclaimed Monies</u>	<u>Contract Retainer</u>	<u>Guarantee Deposits</u>
Assets				
Equity in Pooled Cash and Investments	\$ 597,898	\$ 24,344	\$ 102,784	\$ 235,008
Equity in Pooled Cash Segregated	0	0	0	0
Receivables:				
Accounts	830,887	0	0	0
Special Assessments	<u>358,322</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$ 1,787,107</u></u>	<u><u>\$ 24,344</u></u>	<u><u>\$ 102,784</u></u>	<u><u>\$ 235,008</u></u>
Liabilities				
Accounts Payable	\$ 537,568	\$ 0	\$ 0	\$ 0
Due to Other Governments	1,249,539	0	0	0
Deposits Held and Due to Others	<u>0</u>	<u>24,344</u>	<u>102,784</u>	<u>235,008</u>
<i>Total Liabilities</i>	<u><u>\$ 1,787,107</u></u>	<u><u>\$ 24,344</u></u>	<u><u>\$ 102,784</u></u>	<u><u>\$ 235,008</u></u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2009

	Ohio Board of Building Standards	Metroparks	Municipal Court	Totals
Assets				
Equity in Pooled Cash and Investments	\$ 2,761	\$ 6,878	\$ 0	\$ 969,673
Equity in Pooled Cash Segregated	0	0	407,997	407,997
Receivables:				
Accounts	0	511	0	831,398
Special Assessments	0	0	0	358,322
<i>Total Assets</i>	<u>\$ 2,761</u>	<u>\$ 7,389</u>	<u>\$ 407,997</u>	<u>\$ 2,567,390</u>
Liabilities				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 537,568
Due to Other Governments	2,761	7,389	407,997	1,667,686
Deposits Held and Due to Others	0	0	0	362,136
<i>Total Liabilities</i>	<u>\$ 2,761</u>	<u>\$ 7,389</u>	<u>\$ 407,997</u>	<u>\$ 2,567,390</u>

City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2009

	Beginning Balance <u>12/31/2008</u>	Additions	Reductions	Ending Balance <u>12/31/2009</u>
Regional Sewer				
Assets				
Equity in Pooled Cash and Investments	\$ 658,643	\$ 2,626,718	\$ 2,687,463	\$ 597,898
Receivables:				
Accounts	854,239	1,094,825	1,118,177	830,887
Special Assessments	<u>318,635</u>	<u>358,322</u>	<u>318,635</u>	<u>358,322</u>
<i>Total Assets</i>	<u>\$ 1,831,517</u>	<u>\$ 4,079,865</u>	<u>\$ 4,124,275</u>	<u>\$ 1,787,107</u>
Liabilities				
Accounts Payable	\$ 598,062	\$ 537,568	\$ 598,062	\$ 537,568
Due to Other Governments	<u>1,233,455</u>	<u>598,062</u>	<u>581,978</u>	<u>1,249,539</u>
<i>Total Liabilities</i>	<u>\$ 1,831,517</u>	<u>\$ 1,135,630</u>	<u>\$ 1,180,040</u>	<u>\$ 1,787,107</u>
Unclaimed Monies				
Assets				
Equity in Pooled Cash and Investments	\$ 20,206	\$ 4,138	\$ 0	\$ 24,344
<i>Total Assets</i>	<u>\$ 20,206</u>	<u>\$ 4,138</u>	<u>\$ 0</u>	<u>\$ 24,344</u>
Liabilities				
Deposits Held and Due to Others	\$ 20,206	\$ 4,138	\$ 0	\$ 24,344
<i>Total Liabilities</i>	<u>\$ 20,206</u>	<u>\$ 4,138</u>	<u>\$ 0</u>	<u>\$ 24,344</u>
Contract Retainer				
Assets				
Equity in Pooled Cash and Investments	\$ 55,586	\$ 107,359	\$ 60,161	\$ 102,784
<i>Total Assets</i>	<u>\$ 55,586</u>	<u>\$ 107,359</u>	<u>\$ 60,161</u>	<u>\$ 102,784</u>
Liabilities				
Deposits Held and Due to Others	\$ 55,586	\$ 107,359	\$ 60,161	\$ 102,784
<i>Total Liabilities</i>	<u>\$ 55,586</u>	<u>\$ 107,359</u>	<u>\$ 60,161</u>	<u>\$ 102,784</u>

(continued)

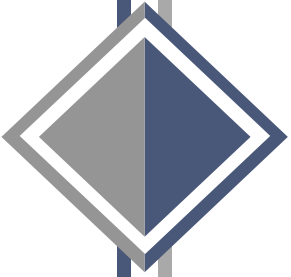
City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2009

	<u>Beginning Balance 12/31/2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 12/31/2009</u>
Guarantee Deposits				
Assets				
Equity in Pooled Cash and Investments	\$ 212,025	\$ 80,458	\$ 57,475	\$ 235,008
<i>Total Assets</i>	<u>\$ 212,025</u>	<u>\$ 80,458</u>	<u>\$ 57,475</u>	<u>\$ 235,008</u>
Liabilities				
Deposits Held and Due to Others	\$ 212,025	\$ 80,458	\$ 57,475	\$ 235,008
<i>Total Liabilities</i>	<u>\$ 212,025</u>	<u>\$ 80,458</u>	<u>\$ 57,475</u>	<u>\$ 235,008</u>
Ohio Board of Building Standards				
Assets				
Equity in Pooled Cash and Investments	\$ 3,293	\$ 8,381	\$ 8,913	\$ 2,761
<i>Total Assets</i>	<u>\$ 3,293</u>	<u>\$ 8,381</u>	<u>\$ 8,913</u>	<u>\$ 2,761</u>
Liabilities				
Due to Other Governments	\$ 3,293	\$ 8,381	\$ 8,913	\$ 2,761
<i>Total Liabilities</i>	<u>\$ 3,293</u>	<u>\$ 8,381</u>	<u>\$ 8,913</u>	<u>\$ 2,761</u>
Metroparks				
Assets				
Equity in Pooled Cash and Investments	\$ 5,135	\$ 7,974	\$ 6,231	\$ 6,878
Accounts Receivable	<u>527</u>	<u>511</u>	<u>527</u>	<u>511</u>
<i>Total Assets</i>	<u>\$ 5,662</u>	<u>\$ 8,485</u>	<u>\$ 6,758</u>	<u>\$ 7,389</u>
Liabilities				
Due to Other Governments	\$ 5,662	\$ 8,485	\$ 6,758	\$ 7,389
<i>Total Liabilities</i>	<u>\$ 5,662</u>	<u>\$ 8,485</u>	<u>\$ 6,758</u>	<u>\$ 7,389</u>

(continued)

City of Berea
Cuyahoga County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2009

	<u>Beginning Balance 12/31/2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 12/31/2009</u>
Municipal Court				
Assets				
Equity in Pooled Cash Segregated	\$ 370,609	\$ 407,997	\$ 370,609	\$ 407,997
<i>Total Assets</i>	<u>\$ 370,609</u>	<u>\$ 407,997</u>	<u>\$ 370,609</u>	<u>\$ 407,997</u>
Liabilities				
Due to Other Governments	\$ 370,609	\$ 407,997	\$ 370,609	\$ 407,997
<i>Total Liabilities</i>	<u>\$ 370,609</u>	<u>\$ 407,997</u>	<u>\$ 370,609</u>	<u>\$ 407,997</u>
Total Agency Funds				
Assets				
Equity in Pooled Cash and Investments	\$ 954,888	\$ 2,835,028	\$ 2,820,243	\$ 969,673
Equity in Pooled Cash Segregated	370,609	407,997	370,609	407,997
Receivables:				
Accounts	854,766	1,095,336	1,118,704	831,398
Special Assessments	318,635	358,322	318,635	358,322
<i>Total Assets</i>	<u>\$ 2,498,898</u>	<u>\$ 4,696,683</u>	<u>\$ 4,628,191</u>	<u>\$ 2,567,390</u>
Liabilities				
Accounts Payable	\$ 598,062	\$ 537,568	\$ 598,062	\$ 537,568
Due to Other Governments	1,613,019	1,022,925	968,258	1,667,686
Deposits Held and Due to Others	287,817	191,955	117,636	362,136
<i>Total Liabilities</i>	<u>\$ 2,498,898</u>	<u>\$ 1,752,448</u>	<u>\$ 1,683,956</u>	<u>\$ 2,567,390</u>



STATISTICAL SECTION

Statistical Section

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

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

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

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

	2009	Restated 2008	2007	2006
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 59,019,083	\$ 54,735,567	\$ 53,184,519	\$ 48,121,514
Restricted:				
Capital Projects	2,486,092	301,374	0	232,205
Debt Service	1,104,494	905,303	680,940	670,019
Street Lighting	1,093,595	755,289	0	0
Street Maintenance and Repair	395,710	304,989	0	0
Other Purposes *	628,634	703,967	2,096,437	2,053,168
Unrestricted	2,022,870	4,320,878	1,338,161	1,997,946
<i>Total Governmental Activities Net Assets</i>	<u>\$ 66,750,478</u>	<u>\$ 62,027,367</u>	<u>\$ 57,300,057</u>	<u>\$ 53,074,852</u>
Business Type - Activities				
Invested in Capital Assets, Net of Related Debt	\$ 19,919,357	\$ 20,018,990	\$ 19,953,368	\$ 18,647,776
Restricted:				
Renewal and Replacement				
Unrestricted	2,274,499	1,815,540	1,612,870	1,086,173
<i>Total Business-Type Activities Net Assets</i>	<u>\$ 22,193,856</u>	<u>\$ 21,834,530</u>	<u>\$ 21,566,238</u>	<u>\$ 19,733,949</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	\$ 78,938,440	\$ 74,754,557	\$ 73,137,887	\$ 66,769,290
Restricted	5,708,525	2,970,922	2,777,377	2,955,392
Unrestricted	4,297,369	6,136,418	2,951,031	3,084,119
<i>Total Primary Government Net Assets</i>	<u>\$ 88,944,334</u>	<u>\$ 83,861,897</u>	<u>\$ 78,866,295</u>	<u>\$ 72,808,801</u>

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

<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 42,381,980	\$ 45,448,288	\$ 32,753,184
3,264,410	4,515,207	5,088,512
643,931	657,684	306,605
0	0	0
0	0	0
2,460,328	2,031,958	1,675,371
749,997	1,203,314	440,214
<u>\$ 49,500,646</u>	<u>\$ 53,856,451</u>	<u>\$ 40,263,886</u>
\$ 16,754,484	\$ 8,818,160	\$ 8,272,544
<u>1,377,976</u>	<u>839,608</u>	<u>463,839</u>
<u>\$ 18,132,460</u>	<u>\$ 9,657,768</u>	<u>\$ 8,736,383</u>
\$ 59,136,464	\$ 54,266,448	\$ 41,025,728
6,368,669	7,204,849	7,070,488
2,127,973	2,042,922	904,053
<u>\$ 67,633,106</u>	<u>\$ 63,514,219</u>	<u>\$ 49,000,269</u>

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

	2009	Restated 2008	2007	2006
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 2,544,724	\$ 2,391,999	\$ 2,743,431	\$ 2,757,377
Security of Persons and Property	1,383,581	1,091,201	510,215	428,927
Public Health and Welfare	0	0	0	0
Leisure Time Activities	409,457	424,726	413,284	381,189
Community Development	33,534	27,237	461,435	967,225
Public Works	0	0	6,715	2,696
Basic Utility	0	0	43	0
Transportation	486,980	679,167	0	0
Subtotal - Charges for Services	<u>4,858,276</u>	<u>4,614,330</u>	<u>4,135,123</u>	<u>4,537,414</u>
Operating Grants and Contributions:				
General Government	0	4,000	0	447
Security of Persons and Property:	24,364	21,521	120,903	20,239
Public Health and Welfare	80,728	0	0	0
Leisure Time Activities	19,375	0	500	1,250
Community Development	65,293	0	0	0
Public Works	0	225,000	0	0
Transportation	702,977	1,029,496	728,512	736,799
Subtotal - Operating Grants and Contributions	<u>892,737</u>	<u>1,280,017</u>	<u>849,915</u>	<u>758,735</u>
Capital Grants and Contributions:				
Security of Persons and Property:	2,487,993	0	0	220,893
Leisure Time Activities	0	0	0	473,648
Community Development	10,670	0	0	150,000
Basic Utility	0	0	0	0
Transportation	2,277,761	237,222	4,860,546	2,382,193
General Government	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>4,776,424</u>	<u>237,222</u>	<u>4,860,546</u>	<u>3,226,734</u>
<i>Total Governmental Activities Program Revenues</i>	<u>10,527,437</u>	<u>6,131,569</u>	<u>9,845,584</u>	<u>8,522,883</u>
Business-Type Activities:				
Charges for Services:				
Water	2,768,562	2,581,125	3,039,350	2,716,951
Sewer	721,397	762,686	838,176	792,902
Capital Grants and Contributions				
Water	8,600	906,530	1,459,661	1,670,964
Sewer	99,486	204,882	306,210	588,366
<i>Total Business-Type Activities Program Revenues</i>	<u>3,598,045</u>	<u>4,455,223</u>	<u>5,643,397</u>	<u>5,769,183</u>
<i>Total Primary Government Program Revenues</i>	<u>\$ 14,125,482</u>	<u>\$ 10,586,792</u>	<u>\$ 15,488,981</u>	<u>\$ 14,292,066</u>
Expenses				
Governmental Activities:				
General Government	\$ 6,543,797	\$ 6,075,079	\$ 7,354,994	\$ 7,798,798
Security of Persons and Property:	6,883,839	6,756,475	6,438,828	6,639,568
Public Health and Welfare	119,132	122,080	120,472	144,833
Leisure Time Activities	3,005,421	3,207,018	3,373,362	2,029,456
Community Development	496,548	502,423	542,237	638,547
Public Works	1,121,553	1,265,014	1,262,949	1,122,270
Transportation	2,936,864	2,631,003	2,548,409	2,535,627
Interest and Fiscal Charges	668,099	563,320	1,070,332	1,292,593
<i>Total Governmental Activities Expenses</i>	<u>21,775,253</u>	<u>21,122,412</u>	<u>22,711,583</u>	<u>22,201,692</u>

	2005	2004	2003
\$	2,498,563	\$ 2,149,876	\$ 2,520,426
	391,611	477,761	540,091
	0	0	0
	317,031	280,562	450,076
	660,539	449,421	180,031
	128,455	295,098	90,015
	0	0	0
	41	3,617,529	5,220,882
	<u>3,996,240</u>	<u>7,270,247</u>	<u>9,001,521</u>
	950	0	0
	24,068	17,756	17,278
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	961,694	655,972	539,059
	<u>986,712</u>	<u>673,728</u>	<u>556,337</u>
	0	0	0
	0	0	258,160
	0	0	175,804
	0	613,294	0
	4,064,393	9,018,803	3,748,743
	1,260,873	0	0
	<u>5,325,266</u>	<u>9,632,097</u>	<u>4,182,707</u>
	<u>10,308,218</u>	<u>17,576,072</u>	<u>13,740,565</u>
	2,552,951	1,941,215	1,180,637
	766,157	559,478	491,000
	2,121,365	0	0
	<u>868,307</u>	<u>0</u>	<u>0</u>
	<u>6,308,780</u>	<u>2,500,693</u>	<u>1,671,637</u>
\$	<u>16,616,998</u>	<u>\$ 20,076,765</u>	<u>\$ 15,412,202</u>
\$	8,413,294	\$ 6,007,892	\$ 6,002,685
	5,845,715	5,512,773	4,478,817
	130,574	120,860	119,042
	3,869,281	1,144,893	1,750,225
	501,952	374,633	254,795
	889,213	1,446,006	1,539,776
	2,160,819	2,670,581	899,290
	<u>1,085,275</u>	<u>1,561,094</u>	<u>1,389,907</u>
	<u>22,896,123</u>	<u>18,838,732</u>	<u>16,434,537</u>

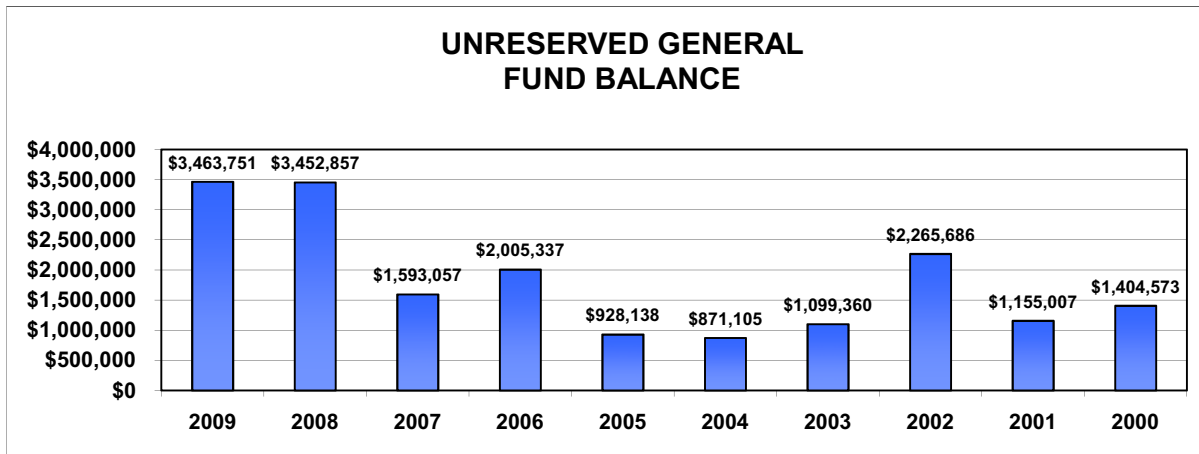
City of Berea, Ohio
Changes in Net Assets
Last Seven Years
(Accrual Basis of Accounting)

	2009	Restated 2008	2007	2006
Business-Type Activities				
Water	3,639,102	3,650,419	3,048,752	3,292,666
Sewer	873,591	1,005,252	914,222	1,000,028
<i>Total Business-Type Activities Expenses</i>	<u>4,512,693</u>	<u>4,655,671</u>	<u>3,962,974</u>	<u>4,292,694</u>
<i>Total Primary Government Program Expenses</i>	<u>26,287,946</u>	<u>25,778,083</u>	<u>26,674,557</u>	<u>26,494,386</u>
Net (Expense)/Revenue				
Governmental Activities	(11,247,816)	(14,990,843)	(12,865,999)	(13,678,809)
Business-Type Activities	(914,648)	(200,448)	1,680,423	1,476,489
<i>Total Primary Government Net Expense</i>	<u>(12,162,464)</u>	<u>(15,191,291)</u>	<u>(11,185,576)</u>	<u>(12,202,320)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	\$ 1,915,871	\$ 1,948,775	\$ 2,161,447	\$ 2,088,896
Other Purposes	2,562,258	2,290,617	2,766,840	2,568,680
Municipal Income Taxes levied for:				
General Purposes	9,993,755	11,126,645	7,292,340	7,735,605
Special Revenue	0	0	2,430,779	2,578,536
Grants and Entitlements not Restricted to				
Specific Programs	1,777,548	2,224,225	2,072,711	1,960,590
Investment Income	124,123	199,120	252,034	344,936
Other Taxes	199,128	267,231	5,903	13,476
Miscellaneous	128,338	104,854	184,150	87,296
Transfers	(730,094)	(132,000)	(75,000)	(125,000)
<i>Total Governmental Activities</i>	<u>15,970,927</u>	<u>18,029,467</u>	<u>17,091,204</u>	<u>17,253,015</u>
Business-Type Activities				
Municipal Income Taxes levied for:				
Other Purpose - Debt Service	0	0	51,425	0
Property Taxes levied for:				
Water Improvements	480,309	486,477	0	0
Investment Income	0	0	25,441	0
Capital Contributions	0	0	0	0
Transfers	730,094	132,000	75,000	125,000
Miscellaneous	63,571	63,936	0	0
<i>Total Business-Type Activities</i>	<u>1,273,974</u>	<u>682,413</u>	<u>151,866</u>	<u>125,000</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>17,244,901</u>	<u>18,711,880</u>	<u>17,243,070</u>	<u>17,378,015</u>
Change in Net Assets				
Governmental Activities	4,723,111	3,038,624	4,225,205	3,574,206
Business-Type Activities	359,326	481,965	1,832,289	1,601,489
<i>Total Primary Government Change in Net Assets</i>	<u>\$ 5,082,437</u>	<u>\$ 3,520,589</u>	<u>\$ 6,057,494</u>	<u>\$ 5,175,695</u>

2005	2004	2003
2,603,840	2,005,238	1,970,077
1,486,172	575,435	526,892
4,090,012	2,580,673	2,496,969
26,986,135	21,419,405	18,931,506
(12,587,905)	(1,262,660)	(2,693,972)
2,218,768	(79,980)	(825,332)
(10,369,137)	(1,342,640)	(3,519,304)
\$ 1,976,838	\$ 3,634,820	\$ 2,052,840
2,456,646	2,301,511	1,745,486
7,116,009	8,902,933	8,694,407
2,372,003		
1,180,922	1,878,981	1,381,784
195,954	57,230	33,133
18,486		
78,228	1,182	1,148
(305,000)	(1,054,943)	(819,500)
15,090,086	15,721,714	13,089,298
0	0	34,079
0	0	0
0	0	0
0	0	257,348
305,000	1,054,943	879,756
0	0	0
305,000	1,054,943	1,171,183
15,395,086	16,776,657	14,260,481
2,502,181	14,459,054	10,395,326
2,523,768	974,963	345,851
\$ 5,025,949	\$ 15,434,017	\$ 10,741,177

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

	2009	2008	2007	2006	2005
General Fund					
Reserved	\$ 159,796	\$ 160,007	\$ 43,543	\$ 21,772	\$ 26,705
Unreserved	3,463,751	3,452,857	1,593,057	2,005,337	928,138
Total General Fund	<u>3,623,547</u>	<u>3,612,864</u>	<u>1,636,600</u>	<u>2,027,109</u>	<u>954,843</u>
All Other Governmental Funds					
Reserved	639,238	124,821	275,090	219,815	120,073
Unreserved, Undesignated, Reported in:					
Special Revenue funds	954,698	703,632	855,636	859,680	1,219,959
Debt Service funds	847,063	679,284	468,848	235,077	374,539
Capital Projects funds	1,893,439	(2,447,748)	(324,100)	133,043	3,272,463
Permanent funds	0	0	0	0	0
Total All Other Governmental Funds	<u>4,334,438</u>	<u>(940,011)</u>	<u>1,275,474</u>	<u>1,447,615</u>	<u>4,987,034</u>
Total Governmental Funds	<u>\$ 7,957,985</u>	<u>\$ 2,672,853</u>	<u>\$ 2,912,074</u>	<u>\$ 3,474,724</u>	<u>\$ 5,941,877</u>



2004	2003	2002	2001	2000
\$ 26,433	\$ 32,492	\$ 33,691	\$ 6,760	\$ 6,913
871,105	1,099,360	2,265,686	1,155,007	1,404,573
897,538	1,131,852	2,299,377	1,161,767	1,411,486
200,289	154,362	562,559	549,394	56,880
1,253,437	1,116,034	1,062,659	340,639	630,908
346,796	348,485	0	129,492	219,133
3,993,634	4,804,724	968,239	795,068	267,238
0	0	0	4,605	4,320
5,794,156	6,423,605	2,593,457	1,819,198	1,178,479
\$ 6,691,694	\$ 7,555,457	\$ 4,892,834	\$ 2,980,965	\$ 2,589,965

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

	2009	2008	2007	2006	2005
Revenues					
Property and Other Taxes	\$ 4,270,718	\$ 4,647,207	\$ 6,062,620	\$ 4,733,365	\$ 4,592,855
Municipal Income Taxes	10,181,318	10,928,016	8,828,219	10,563,354	9,291,061
Charges for Services	993,872	1,066,019	1,140,431	1,003,101	749,245
Fees, Licenses and Permits	408,421	274,645	599,923	998,953	882,642
Fines and Forfeitures	2,443,123	2,385,269	2,242,271	2,255,125	2,017,012
Intergovernmental	3,402,160	2,979,611	5,788,912	3,618,018	4,491,032
Special Assessments	517,918	844,993	607,345	495,358	575,716
Interest	124,123	199,120	252,079	344,936	195,980
Contributions and Donations	94,495	200,000	0	0	0
Other	175,973	272,233	139,107	199,684	663,941
<i>Total Revenues</i>	<u>22,612,121</u>	<u>23,797,113</u>	<u>25,660,907</u>	<u>24,211,894</u>	<u>23,459,484</u>
Expenditures					
Current:					
General Government	6,329,229	6,588,316	7,344,938	7,043,959	6,616,462
Security of Persons and Property:	6,474,662	6,419,429	6,199,605	6,613,828	6,305,057
Public Health and Welfare	119,132	122,080	120,472	144,833	130,574
Leisure Time Activities	1,610,617	1,625,000	1,772,479	1,693,868	1,951,111
Community Development	505,093	534,163	547,564	535,008	421,281
Public Works	1,089,789	1,236,211	1,241,619	1,019,438	826,085
Transportation	884,337	833,147	966,443	876,475	787,638
Capital Outlay	3,430,872	5,804,880	5,895,586	3,653,127	4,663,870
Debt Service:					
Principal Retirement	2,275,311	1,172,101	1,260,146	6,853,359	8,892,656
Interest and Fiscal Charges	545,979	548,167	958,072	1,113,234	1,100,417
<i>Total Expenditures</i>	<u>23,265,021</u>	<u>24,883,494</u>	<u>26,306,924</u>	<u>29,547,129</u>	<u>31,695,151</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(652,900)</u>	<u>(1,086,381)</u>	<u>(646,017)</u>	<u>(5,335,235)</u>	<u>(8,235,667)</u>
Other Financing Sources (Uses)					
Proceeds from Capital Assets	10,578	4,160	2,292	8,318	0
Special Assessment Bonds Issued	0	0	0	(210,039)	0
General Obligation Bonds Issued	0	0	0	0	0
General Obligation Bonds Refunded	0	0	0	7,365,000	0
Premium on Refunding Bonds	0	0	0	124,066	0
Payment to Refunding Bond Escrow Agent	0	0	0	(4,430,878)	0
Notes Issued	5,850,000	975,000	0	0	7,600,000
Inception of Capital Lease	212,598	0	156,075	136,615	170,604
Issuance of Loans	362,056	0	0	0	0
Other	0	0	0	0	2,043,000
Transfers In	7,637,068	2,104,000	2,982,479	2,981,550	0
Transfers Out	(8,134,268)	(2,236,000)	(3,057,479)	(3,106,550)	(2,348,000)
<i>Total Other Financing Sources (Uses)</i>	<u>5,938,032</u>	<u>847,160</u>	<u>83,367</u>	<u>2,868,082</u>	<u>7,465,604</u>
<i>Net Change in Fund Balances</i>	<u>\$ 5,285,132</u>	<u>\$ (239,221)</u>	<u>\$ (562,650)</u>	<u>\$ (2,467,153)</u>	<u>\$ (770,063)</u>
Debt Service as a Percentage of Noncapital Expenditures	0.18	0.10	0.12	0.32	0.39

	2004	2003	2002	2001	#	2000
\$	4,740,860	\$ 4,501,531	\$ 3,723,187	\$ 3,926,380		\$ 3,606,641
	8,891,029	8,180,722	9,080,486	8,539,789		8,703,484
	4,607,832	5,823,306	563,878	765,401		617,349
	600,031	214,274	153,214	156,720		185,528
	1,917,864	1,975,713	1,928,362	1,303,073		996,218
	11,961,187	6,825,904	6,443,731	4,128,910		2,851,281
	548,532	600,987	542,375	499,868		487,866
	57,230	33,133	79,783	218,782		274,318
	0	0	0	0		0
	113,319	129,433	309,649	1,872,049		184,999
	<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>
	6,165,039	5,897,318	4,913,272	4,475,039		4,056,290
	5,645,043	5,583,442	5,522,321	5,585,523		4,906,022
	120,860	119,042	117,680	121,902		116,878
	1,787,729	1,817,903	1,321,802	1,305,615		1,266,473
	367,363	365,892	371,253	333,151		333,344
	753,301	826,385	889,504	1,022,764		967,290
	686,509	641,113	1,281,752	1,220,266		1,077,396
	12,190,032	11,114,811	8,204,525	5,002,077		2,085,193
	9,862,504	2,950,624	2,206,525	1,384,937		1,510,000
	1,804,223	1,136,832	1,075,925	1,074,103		854,457
	<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>(5,944,719)</u>	<u>(2,168,359)</u>	<u>(3,079,894)</u>	<u>(114,405)</u>		<u>734,341</u>
	1,182	1,148	3,832	9,736		899
	0	0	0	0		0
	4,173,956	4,454,742	0	0		0
	(4,125,000)	0	0	0		0
	0	0	0	0		0
	0	0	0	0		0
	6,452,665	1,300,000	1,300,000	800,000		0
	0	0	0	0		0
	0	0	0	0		0
	0	0	4,804,886	0		363,468
	2,018,850	2,044,539	2,528,693	3,278,169		2,882,644
	<u>(2,591,450)</u>	<u>(3,085,439)</u>	<u>(3,675,893)</u>	<u>(4,244,269)</u>		<u>(4,065,144)</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>(14,516)</u>	<u>\$ 2,546,631</u>	<u>\$ 1,881,624</u>	<u>\$ (270,769)</u>		<u>\$ (83,792)</u>
	0.43	0.75	0.19	0.15	0	0.16

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

Year	City of Berea					Berea School District	Polaris JVSD	Cuyahoga Co & Special Taxing Districts (1)	
	General	Special Revenue	Water Revenue (2)	Debt Service	Total			Districts (1)	Total
2009	8.15	3.00	1.40	4.65	17.20	74.90	2.40	20.60	115.10
2008	8.55	3.00	1.40	5.65	18.60	74.90	2.40	20.20	116.10
2007	8.55	3.00	1.40	5.65	18.60	74.90	2.40	20.20	116.10
2006	8.95	3.10	N/A	5.35	17.50	69.70	2.40	20.30	109.90
2005	9.05	3.10	N/A	5.45	17.60	69.80	2.40	20.30	110.10
2004	7.95	3.10	N/A	6.45	17.50	69.80	2.40	19.40	109.10
2003	7.95	3.10	N/A	6.55	17.60	69.80	2.40	17.60	107.40
2002	7.95	3.10	N/A	6.45	17.50	63.80	2.40	17.60	101.30
2001	7.95	3.10	N/A	6.55	17.60	63.80	2.40	17.60	101.40
2000	7.95	3.10	N/A	6.65	17.70	63.90	2.40	16.70	100.70

Source: Cuyahoga County Auditor

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

Charter millage is consistently applied to all types of property.

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

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

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

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

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

<u>Year</u>	<u>City of Berea</u>					<u>Olmsted Falls School District</u>	<u>Polaris JVSD</u>	<u>Cuyahoga Co & Special Taxing Districts (1)</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Water Revenue (2)</u>	<u>Debt Service</u>	<u>Total</u>				
2009	8.15	3.00	1.40	4.65	17.20	91.90	2.40	20.60	132.10
2008	8.55	3.00	1.40	5.65	18.60	91.80	2.40	20.20	133.00
2007	8.55	3.00	1.40	5.65	18.60	89.80	2.40	20.20	131.00
2006	9.05	3.10	N/A	5.35	17.50	89.70	2.40	20.30	129.90
2005	9.05	3.10	N/A	5.45	17.60	89.80	2.40	20.30	130.10
2004	7.95	3.10	N/A	6.45	17.50	90.00	2.40	19.40	129.30
2003	7.95	3.10	N/A	6.55	17.60	90.00	2.40	17.60	127.60
2002	7.95	3.10	N/A	6.45	17.50	90.00	2.40	17.60	127.50
2001	7.95	3.10	N/A	6.55	17.60	90.30	2.40	17.60	127.90
2000	7.95	3.10	N/A	6.65	17.70	91.70	2.40	16.70	128.50

Source: Cuyahoga County Auditor

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

Charter millage is consistently applied to all types of property.

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

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

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

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

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

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Public Utility	
			Assessed Value	Estimated Actual Value
2009	382,502,610	1,092,864,600	6,122,200	6,957,045
2008	383,481,630	1,095,661,800	5,884,150	6,686,534
2007	373,920,320	1,068,343,771	9,363,610	10,640,466
2006	332,121,860	948,919,600	10,067,780	11,440,659
2005	319,853,310	913,866,600	11,175,430	12,699,352
2004	318,662,520	910,464,343	11,176,770	12,700,875
2003	297,914,120	851,183,200	10,255,400	11,653,864
2002	300,807,200	859,449,143	10,323,810	11,731,602
2001	297,018,160	848,623,314	12,663,290	14,390,102
2000	261,116,900	746,048,286	12,577,200	14,292,273

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

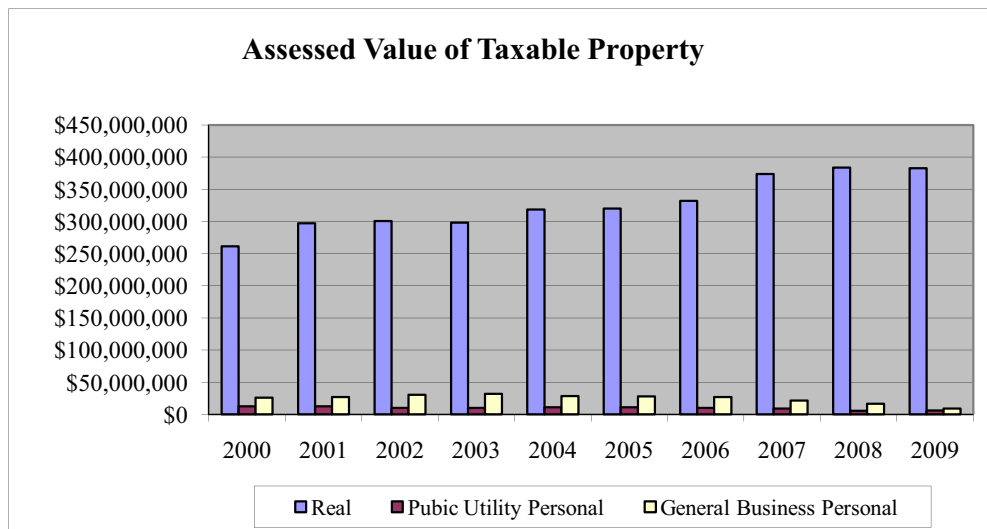
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Ohio Department of Taxation

Tangible Personal Property

General Business		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio
9,177,032	146,832,512	397,801,842	1,246,654,157	31.91
16,798,744	89,593,301	406,164,524	1,191,941,635	34.08
21,763,047	116,069,584	405,046,977	1,195,053,821	33.89
27,069,592	144,371,157	369,259,232	1,104,731,416	33.43
27,861,498	111,445,992	358,890,238	1,038,011,944	34.57
28,773,884	115,095,536	358,613,174	1,038,260,754	34.54
32,207,409	128,829,636	340,376,929	991,666,700	34.32
30,531,818	122,127,272	341,662,828	993,308,017	34.40
27,221,866	108,887,464	336,903,316	971,900,881	34.66
26,081,201	104,324,804	299,775,301	864,665,362	34.67



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

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy (2)	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2009	\$ 5,139,255	\$ 4,938,884	96.10	\$ 137,428	\$ 5,076,312	98.78	\$ 335,461	6.53
2008	5,225,363	4,997,094	95.63	205,661	5,687,504	108.85	334,638	6.40
2007	5,317,600	4,990,340	93.85	146,396	5,686,735	106.95	491,651	9.25
2006	6,498,219	5,700,609	87.73	316,167	6,016,776	92.59	491,707	7.57
2005	6,397,752	5,519,694	86.28	275,937	5,795,631	90.59	573,888	8.97
2004	5,402,046	4,835,331	89.51	210,845	5,046,176	93.41	402,346	7.45
2003	4,930,458	4,589,470	93.08	155,580	4,745,050	96.24	409,880	8.31
2002	5,113,482	4,584,946	89.66	182,474	4,767,420	93.23	318,128	6.22
2001	5,141,000	4,621,579	89.90	169,010	4,790,589	93.18	331,816	6.45
2000	4,592,422	4,230,158	92.11	129,836	4,359,994	94.94	112,887	2.46

Source: Cuyahoga County Auditor

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

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

City of Berea, Ohio
Principal Taxpayers - Real Estate Tax
 2009 and 2000

Taxpayer	2009	
	Real Property Assessed Valuation (1)	Percentage Of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 4,806,100	1.26%
Tower in the Park LTD	3,710,010	0.97%
Echo Berea Associates, LLC	2,914,530	0.76%
West Valley Plaza	2,726,580	0.71%
Berea Properties Company	2,694,910	0.70%
A&F Machine Products Co.	2,494,220	0.65%
OHI Asset II LLC	2,482,880	0.65%
Berea Square Co., LLC	1,873,380	0.49%
Tuthill Corp.	1,713,600	0.45%
680 North LLC	1,662,500	0.43%
Total	\$ 27,078,710	7.08%
Total Assessed Valuation	\$ 382,502,610	

Taxpayer	2000	
	Real Property Assessed Valuation (1)	Percentage Of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 5,444,340	2.09%
Tower in the Park LTD	4,014,430	1.54%
Columbia Gas of Ohio Inc.	2,994,350	1.15%
Ohio Bell Telephone Co.	2,847,890	1.09%
Berea Properties Company	2,435,480	0.93%
A&F Machine Products Co.	2,309,110	0.88%
West Valley Plaza	1,927,940	0.74%
Cleveland Senior Care Corp.	1,927,350	0.74%
RR Donnelley Ohio LLC	1,575,000	0.60%
Berea Square Co., LLC	1,414,110	0.54%
Total	\$ 26,890,000	10.30%
Total Assessed Valuation	\$ 261,116,900	

Source: County Auditor

(1) The amounts presented represent the assessed values upon which 2009 and 2000 collections were based.

City of Berea, Ohio
Principal Taxpayers - Municipal Tax
2009 and 2000

<i>2009</i>		
Taxpayer	Tax	Percentage of Tax Collected
Cleveland Browns Football	\$ 2,294,466	24.426%
Baldwin Wallace College	782,931	8.335%
Berea City School District	515,852	5.492%
City of Berea	214,760	2.286%
Berea Childrens Home	214,073	2.279%
ABNF LLC	193,883	2.064%
Ohio Turnpike Commission	156,115	1.662%
ColorMatrix Corp.	112,270	1.195%
Standby Screw Machine Products	104,870	1.116%
Tuthill Corporation	100,202	1.067%
 Total	 \$ 4,689,422	 49.922%
 Total Tax Collected	 \$ 9,393,556	

<i>2000*</i>		
Taxpayer	Tax	Percentage of Tax Collected
 Total Tax Collected	 \$ 7,119,648	

*2000 Principal Taxpayers not available

Source: Regional Income Tax Agency

City of Berea, Ohio

Principal Employers

2009 and 2006

Employer	<i>2009</i>	
	Number of Employees	Percentage of Total City Employment
Baldwin Wallace College	1,958	14.17%
Berea City School District	970	7.02%
Berea Childrens Home	537	3.89%
Cleveland Browns Football	374	2.71%
City of Berea	328	2.37%
Amerimark Direct LLC	298	2.16%
Standby Screw Machine Products	190	1.37%
ColorMatrix Corp.	154	1.11%
Tuthill Corp.	149	1.08%
Ohio Turnpike Commission	120	0.87%
Total	5,345	38.68%
Total Employment within the City	<u>13,820</u>	

Employer	<i>2006 (1)</i>	
	Number of Employees	Percentage of Total City Employment
Baldwin Wallace College	1,260	9.12%
Berea City School District	595	4.31%
Berea Childrens Home	510	3.69%
Cleveland Browns Football	367	2.66%
City of Berea	248	1.79%
Riser Foods Company	209	1.51%
Standby Screw Machine Products	205	1.48%
ColorMatrix Corp.	133	0.96%
Jaco Manufacturing Co.	132	0.96%
Ohio Turnpike Commission	116	0.84%
Total	3,775	27.32%
Total Employment within the City	<u>13,637</u>	

Source: Regional Income Tax Agency

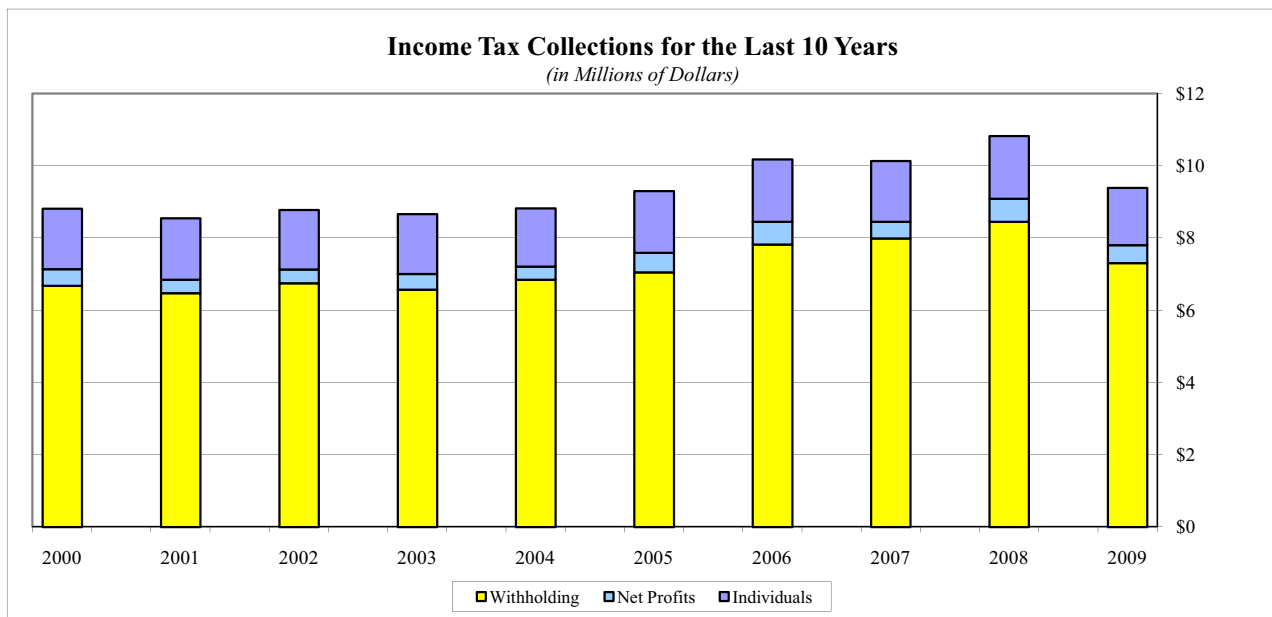
(1) Information for 2000 is not available.

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

Tax Year (1)	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits
2009	2.00%	\$ 9,393,556	\$ 7,307,157	77.79%	\$ 497,722	5.30%
2008	2.00%	10,826,647	8,454,463	78.09%	633,225	5.85%
2007	2.00%	10,132,495	7,987,336	78.83%	466,872	4.61%
2006	2.00%	10,178,273	7,821,123	76.84%	626,093	6.15%
2005	2.00%	9,304,978	7,054,038	75.81%	535,723	5.76%
2004	2.00%	8,821,879	6,844,373	77.58%	364,126	4.13%
2003	2.00%	8,664,989	6,568,754	75.81%	434,830	5.02%
2002	2.00%	8,775,247	6,746,299	76.88%	385,470	4.39%
2001	2.00%	8,551,169	6,475,930	75.73%	366,038	4.28%
2000	2.00%	8,816,777	6,675,153	75.71%	467,274	5.30%

(1) 2002 through 2009 are on an Accrual Basis and 2000 through 2001 are on a Modified Accrual Basis.

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



	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
\$	1,588,677	16.91%
	1,738,959	16.06%
	1,678,287	16.56%
	1,731,057	17.01%
	1,715,217	18.43%
	1,613,380	18.29%
	1,661,405	19.17%
	1,643,478	18.73%
	1,709,201	19.99%
	1,674,350	18.99%

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

Year	Governmental Activities						
	General Obligation Debt	Urban Renewal Bond	Capital Lease	Notes Payable	OPWC	Taxable Bond City Portion	SIB Loan
2009	\$ 8,875,000	\$ 680,000	\$ 382,140	\$ 5,850,000	\$ 666,243	\$ 0	\$ 0
2008	9,875,000	870,000	274,940	5,825,000	0	0	0
2007	10,770,000	1,050,000	367,330	1,750,000	0	0	0
2006	11,785,756	1,225,000	276,127	200,000	0	0	0
2005	9,528,023	1,395,000	170,604	5,800,000	0	0	0
2004	10,373,346	1,520,000	0	5,800,000	0	322,333	0
2003	11,038,430	1,570,000	0	1,300,000	0	611,033	7,369,300

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

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

*Information prior to 2003 is not available.

Business-Type Activities

Capital Lease	Loan Payable	Note Payable	OWDA and OPWC	Taxable Bond Browns Portion	Total Primary Government	Total Personal Income	Percentage of Personal Income(1)	Per Capital(1)
\$ 109,048	\$ 388,070	\$ 0	\$ 10,243,260	\$ 0	\$ 27,193,761	\$ 406,709,550	6.69%	\$ 1,447
187,205	0	25,000	10,161,094	0	27,218,239	406,709,550	6.69%	1,449
261,225	0	261,225	7,428,347	0	21,626,902	406,709,550	5.32%	999
211,911	0	211,911	5,560,271	0	19,259,065	406,709,550	4.74%	1,015
256,731	0	256,731	4,911,537	0	22,061,895	406,709,550	5.42%	1,163
0	0	0	3,479,864	1,673,666	23,169,209	406,709,550	5.70%	1,221
0	0	0	3,065,686	2,626,996	27,581,445	406,709,550	6.78%	1,454

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

Year	(1) Population	Assessed Valuation(2)	Gross Bonded Debt(3)	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
2009	18,970	\$397,801,842	\$15,405,000	\$847,063	\$14,557,937	3.66%	\$767.42
2008	18,970	406,164,524	11,720,000	679,284	11,040,716	2.72%	582.01
2007	18,970	405,046,977	13,570,000	468,848	13,101,152	3.23%	697.24
2006	18,970	369,259,232	13,010,756	235,077	12,775,679	3.46%	673.47
2005	18,970	358,890,238	16,723,023	374,539	16,348,484	4.56%	861.81
2004	18,970	358,613,174	17,693,346	346,796	17,346,550	4.84%	914.42
2003	18,970	340,376,929	13,908,430	348,485	13,559,945	3.98%	714.81
2002	18,970	341,662,828	15,300,561	324,530	14,976,031	4.38%	789.46
2001	18,970	336,903,316	16,157,087	476,890	15,680,197	4.65%	826.58
2000	18,970	299,775,301	16,692,024	219,132	16,472,892	5.50%	868.37

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

(2) Source: Cuyahoga County Auditor

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

City of Berea, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2009

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct			
City of Berea	\$ 15,405,000	100.00%	\$ 15,405,000
<i>Total Direct Debt</i>	<u>15,405,000</u>		<u>15,405,000</u>
Overlapping			
Berea City School District	15,620,000	25.21%	3,938,259
Olmsted Falls School District	22,431,747	4.07%	913,176
Cuyahoga County	336,472,572	1.26%	4,255,586
Greater Cleveland Regional Transit Authority	163,025,000	1.26%	2,061,883
<i>Total Overlapping Debt</i>	<u>537,549,319</u>		<u>11,168,904</u>
Grand Total	<u>\$ 552,954,319</u>		<u>\$ 26,573,904</u>

Source: Cuyahoga County Auditor

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

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

City of Berea, Ohio

Legal Debt Margin

Last Ten Years

	2009	2008	2007	2006
Total Assessed Property Value	<u>\$ 397,801,842</u>	<u>\$ 406,164,524</u>	<u>\$ 405,046,977</u>	<u>\$ 369,259,232</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>41,769,193</u>	<u>42,647,275</u>	<u>42,529,933</u>	<u>38,772,219</u>
Debt Outstanding:				
General Obligation Bonds	<u>15,405,000</u>	<u>11,720,000</u>	<u>13,570,000</u>	<u>13,010,756</u>
Total Gross Indebtedness	15,405,000	11,720,000	13,570,000	13,010,756
Less:				
General Obligation Bonds	(680,000)	(870,000)	(1,050,000)	(1,225,000)
OPWC Loans	0	0	0	0
Amount Available in Debt Service Fund	<u>(847,063)</u>	<u>(679,284)</u>	<u>(468,848)</u>	<u>0</u>
Total Net Debt Applicable to Debt Limit	<u>13,877,937</u>	<u>10,170,716</u>	<u>12,051,152</u>	<u>11,785,756</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$27,891,256</u>	<u>\$32,476,559</u>	<u>\$30,478,781</u>	<u>\$26,986,463</u>
Legal Debt Margin as a Percentage of the Debt Limit	66.77%	76.15%	71.66%	69.60%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>21,879,101</u>	<u>22,339,049</u>	<u>22,277,584</u>	<u>20,309,258</u>
Total Gross Indebtedness	15,405,000	11,720,000	13,570,000	13,010,756
Less:				
General Obligation Bonds	(680,000)	(870,000)	(1,050,000)	(1,225,000)
OPWC Loans	0	0	0	0
Amount Available in Debt Service Fund	(847,063)	(679,284)	(468,848)	
Net Debt Within 5 ½ % Limitations	<u>13,877,937</u>	<u>10,170,716</u>	<u>12,051,152</u>	<u>11,785,756</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 8,001,164</u>	<u>\$ 12,168,333</u>	<u>\$ 10,226,432</u>	<u>\$ 8,523,502</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	36.57%	54.47%	45.90%	41.97%

Source: City Financial Records

2005	2004	2003	2002	2001	2000
<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>
37,683,475	37,654,383	35,739,473	35,874,597	35,374,904	31,476,407
16,723,023	18,015,679	14,519,463	16,170,087	17,258,137	18,000,418
16,723,023	18,015,679	14,519,463	16,170,087	17,258,137	18,000,418
(1,395,000)	(322,333)	(611,033)	(869,526)	(1,101,050)	(1,308,394)
0	(1,520,000)	(1,570,000)	(1,695,000)	(1,815,000)	(1,925,000)
0	0	0	0	0	0
15,328,023	16,173,346	12,338,430	13,605,561	14,342,087	14,767,024
<u>\$22,355,452</u>	<u>\$21,481,037</u>	<u>\$23,401,043</u>	<u>\$22,269,036</u>	<u>\$21,032,817</u>	<u>\$16,709,383</u>
59.32%	57.05%	65.48%	62.07%	59.46%	53.09%
19,738,963	19,723,725	18,720,676	18,791,456	18,529,712	16,487,642
16,723,023	18,015,679	14,519,463	16,170,087	17,258,137	18,000,418
(1,395,000)	(322,333)	(611,033)	(869,526)	(1,101,050)	(1,308,394)
0	(1,520,000)	(1,570,000)	(1,695,000)	(1,815,000)	(1,925,000)
15,328,023	16,173,346	12,338,430	13,605,561	14,342,087	14,767,024
<u>\$ 4,410,940</u>	<u>\$ 3,550,379</u>	<u>\$ 6,382,246</u>	<u>\$ 5,185,895</u>	<u>\$ 4,187,625</u>	<u>\$ 1,720,618</u>
22.35%	18.00%	34.09%	27.60%	22.60%	10.44%

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2009	18,790	406,709,550	21,645	45,615	36.1
2008	18,790	406,709,550	21,645	45,615	36.1
2007	18,790	406,709,550	21,645	45,615	36.1
2006	18,790	406,709,550	21,645	45,615	36.1
2005	18,790	406,709,550	21,645	45,615	36.1
2004	18,790	406,709,550	21,645	45,615	36.1
2003	18,790	406,709,550	21,645	45,615	36.1
2002	18,790	406,709,550	21,645	45,615	36.1
2001	18,790	406,709,550	21,645	45,615	36.1
2000	18,790	406,709,550	21,645	45,615	36.1

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

(1) Source: U. S. Census

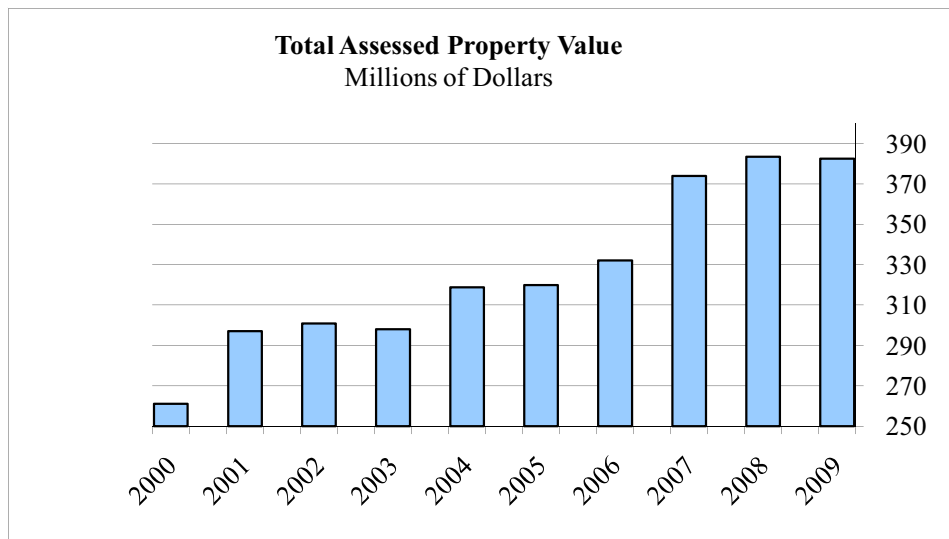
(a) 2000 Federal Census

(2) Source: Ohio Department of Education

(3) Source: Bureau of Labor Statistics

(4) Source: Cuyahoga County Auditor

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
3,365	7,181	10.2%	116,352	382,502,610
3,365	7,500	7.1%	123,603	383,481,630
3,365	7,713	6.2%	142,614	373,920,320
3,365	7,418	5.4%	130,645	332,121,860
3,365	7,535	5.6%	139,071	319,853,310
3,365	7,801	5.9%	129,206	318,662,520
3,365	7,561	6.0%	127,289	297,914,120
3,365	7,737	5.4%	124,053	300,807,200
3,365	7,809	4.4%	120,519	297,018,160
3,365	7,814	3.9%	116,500	261,116,900



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

Function/Program	2009	2008	2007	2006
General Government				
Council	5.0	7.0	5.0	5.0
Finance	4.5	5.0	7.0	5.5
Law	2.0	2.0	4.0	4.0
Administration	6.0	4.5	5.0	4.0
Engineer	2.0	2.0	3.0	3.0
Civil Service	0.0	0.0	0.0	2.5
Court	28.5	29.5	27.0	29.0
Public Building	9.0	15.5	5.5	5.0
Security of Persons and Property				
Police	32.0	33.0	32.0	31.0
Police - Auxiliary	4.0	4.0	4.5	4.5
Police - Dispatchers/Office	7.5	8.5	9.0	8.5
Police - Animal Wardens	1.0	1.0	1.0	1.0
Police - School guards/Parking Control	2.5	3.0	3.5	3.5
Fire	23.0	24.0	22.0	22.0
Fire - Secretary - Other	0.0	0.0	0.0	0.0
Leisure Time Activities				
Recreation - Admin	14.0	16.5	15.0	14.0
Recreation - Programs	9.0	14.0	14.0	7.0
Recreation - Pools	16.5	21.0	23.0	15.0
Jitney	2.5	2.0	2.0	2.0
Transportation				
Service	36.0	35.5	41.0	34.0
Basic Utility Services				
Water	20.5	21.0	17.5	19.0
Totals:	<u>225.5</u>	<u>249.0</u>	<u>241.0</u>	<u>219.5</u>

Source: City Payroll Department W2 Audit Listing

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

Information prior to 2003 is not available.

2005	2004	2003
5.0	5.0	5.0
5.0	5.0	5.5
4.0	4.0	5.0
5.5	6.5	6.0
3.0	2.0	2.0
2.5	3.0	3.0
30.5	31.0	26.5
3.0	2.5	3.5
31.0	31.0	32.0
4.5	5.5	3.0
8.5	8.0	8.5
1.0	1.0	1.0
4.0	4.0	3.5
23.0	21.0	23.0
1.0	0.5	0.5
5.0	6.0	8.0
13.0	11.0	13.5
17.0	14.5	11.5
1.0	1.0	1.0
35.0	36.0	33.0
18.0	18.5	17.0
220.5	217.0	212.0

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

Function/Program	2009	2008	2007
General Government			
<i>Council and Clerk(1)</i>			
Number of Ordinances Passed	67	61	62
Number of Resolutions Passed	19	17	15
<i>Finance Department(2)</i>			
Number of checks/ vouchers issued	3,329	4,951	3,404
Amount of checks written (Accounts Payable - in thousands)	\$ 16,312	\$ 18,700	\$ 28,113
General Fund Interest earnings (cash basis)	\$ 131,865	\$ 188,798	\$ 178,482
Number of Journal Entries issued	288	295	244
Number of Budget Adjustments issued	6	6	5
Agency Ratings - Moody's Financial Services	AA3	AA3	AA3
General Fund Receipts (cash basis in thousands)	\$ 13,742	\$ 13,986	\$ 40,747
General Fund Expenditures (cash basis in thousands)	\$ 14,289	\$ 13,922	\$ 38,785
General Fund Cash Balances (in thousands)	1,116	1,084	5,702
<i>Municipal Court(3)</i>			
Total Civil/Small claims cases filed	3,598	4,245	3,802
Number of Berea civil/small claims cases	812	882	871
Total Criminal cases filed	1,773	1,992	2,175
Number of Berea felony cases	30	61	57
Number of Berea misdemeanor cases	436	557	507
<i>Civil Service(4)</i>			
Number of police entry tests administered	0	104	0
Number of fire entry tests administered	0	118	0
Number of police promotional tests administered	0	0	0
Number of fire promotional tests administered	0	0	0
Number of hires of Police Officers from certified lists	0	1	1
Number of hires of Fire/Medics from certified lists	0	2	0
Number of promotions from police certified lists	0	0	0
Number of promotions from fire certified lists	0	0	0
Security of Persons & Property			
<i>Police(5)</i>			
Total Calls for Services	28,663	31,970	31,904
Number of traffic citations issued	1,964	2,520	2,548
Number of parking citations issued	2,096	2,343	2,515
Number of criminal arrests	1,435	1,623	1,497
Animal Warden service calls responded to per annual report	1,360	702	341
Police Dept. Auxiliary hours worked	1,971	2,209	3,473
DUI Arrests	96	113	113
Motor Vehicle Accidents	330	363	338
Property damage accidents/Self reported traffic accidents	40	110	175
<i>Fire(6)</i>			
EMS Calls	1,555	1,550	1,539
Ambulance Billing Collections (net)	\$ 328,363	\$ 292,052	\$ 318,208
Fire Calls	227	243	262
Fires with Loss	12	8	10
Fires with Losses exceeding \$10K	5	4	6
Fire Losses \$	\$ 314,400	\$ 193,500	\$ 390,095
Fire Safety Inspections	738	748	756

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

(continued)

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

Function/Program	2009	2008	2007
Leisure Time Activities			
<i>Recreation(2)</i>			
Outdoor swimming pool receipts	\$ 80,418	\$ 84,039	\$ 76,324
Membership receipts	166,046	157,699	157,693
Program fees	66,515	62,162	44,416
(Includes indoor and outdoor rec programs)			
<i>Building Department(7)</i>			
Construction Permits Issued	1,673	1,738	1,533
Estimated Value of Construction	\$ 77,870,198	\$ 25,573,472	\$ 9,901,081
Amount of Revenue generated from permits	\$ 625,070	\$ 739,580	\$ 618,813
Number of contract registrations issued	548	534	543
Amount of Revenue generated from contract registrations	\$ 54,800	\$ 53,400	\$ 54,300
Number of rental inspections performed*	146	674	245
Number of point of sale inspections	200	224	241
<i>Engineer Contracted Services(8)</i>			
Dollar amount of Construction overseen by Engineer	\$ 2,813,504	\$ 5,149,826	\$ 6,427,990
Transportation(8,10)			
Street Improvements - asphalt overlay (linear feet)	21,200	6,434	17,108
Street Repair (Curbs, aprons, berms, asphalt) (hours)	17,611	16,122	20,005
Municipal Signs (hours)	3,599	3,518	3,597
Paint Striping (hours)	1,267	977	1,580
Street Cleaning (hours)	2,033	1,375	1,662
Snow & Ice Removal regular hours	2,016	4,722	3,324
Snow & Ice Removal overtime hours	977	1,563	1,771
Sewer Crew (hours)	5,589	7,642	6,990
Leaf collection (hours)	2,346	2,365	2,226
Number of Trees Planted per year	60	37	173
Tons of snow melting salt purchased (Nov-Mar)	3,439	4,895	3,980
Cost of salt purchased	\$ 198,600	\$ 193,940	\$ 164,208
Water Department(9)			
Average Water Rate per 1000 gallons of water used	\$ 4.09	\$ 4.09	\$ 4.09
Wastewater Department(9)			
Average Wastewater Rates per 1000 gallons of water used	\$ 6.33	\$ 5.06	\$ 4.35
Average daily flow (Millions of gallons per day)	2.07	2.10	2.15

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

Information prior to 2003 is not available.

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

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

Function/Program	2009	2008	2007	2006
General Government				
Number of Buildings	4	4	4	4
Square footage of Buildings:				
City Hall/Municipal Court	17,000	14,500	14,500	14,500
Water Plant	19,100	2,075	2,075	2,075
Service Garage	25,400	3,000	3,000	3,000
Recreation Center	33,000	30,000	30,000	30,000
Administrative Vehicles	11	6	3	3
Inspection Vehicles	3	3	6	6
Municipal Court Vehicles	1	1	1	1
Police				
Stations	1	1	1	1
Square footage of station	9200	9700	9,700	9,700
Vehicles	22	24	N/A	N/A
Fire				
Stations	1	1	1	1
Square footage of station	7,900	5,000	5,000	5,000
Vehicles:				
Aerial Tower	1	1	1	1
Pumpers	2	2	2	2
Rescue Ambulances	2	2	2	2
Utility	1	1	1	1
Staff vehicles	2	2	2	2
Recreation				
Number of Parks	5	5	5	5
Number of Pools	2	2	2	2
Number of Raquetball Courts	2	2	2	2
Number of Basketball Courts	2	2	2	2
Number of Baseball Diamonds	4	4	4	4
Number of Soccer Fields	2	2	2	2
Number of Playground Areas	4	4	4	4
Number of Vehicles	3	6	5	5
Other Public Works				
Streets (miles)	89.8	89.8	86.00	82.50
Service Vehicles	34	38	25	25
Wastewater				
Sanitary Sewers (miles)	73.5	73.5	73.5	73.5
Storm Sewers (miles)	53.4	73.5	73.5	73.5
Vehicles	2	2	2	2
Water Department				
Water Lines (miles)	79.73	77	77	77
Vehicles	6	5	5	5

Source: City of Berea Service Department

Information prior to 2003 is not available.

2005	2004	2003
4	4	4
14,500	14,500	14,500
2,075	2,075	2,075
3,000	3,000	3,000
30,000	30,000	30,000
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
1	1	1
9,700	9,700	9,700
N/A	N/A	N/A
1	1	1
5,000	5,000	5,000
1	1	1
2	2	2
2	2	2
1	1	1
2	2	2
5	4	4
2	2	2
2	2	2
2	2	2
4	4	4
2	2	2
4	3	3
N/A	N/A	N/A
82.50	82.50	82.50
N/A	N/A	N/A
73.5	73.5	73.5
73.5	73.5	73.5
N/A	N/A	N/A
77	77	77
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
SEPTEMBER 30, 2010**