



**CITY OF BROOKLYN
CUYAHOGA COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2005



**Auditor of State
Betty Montgomery**

CITY OF BROOKLYN
CUYAHOGA COUNTY

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

City of Brooklyn
Cuyahoga County
7619 Memphis Avenue
Brooklyn, Ohio 44144

To the City Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brooklyn, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 19, 2006. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the City's management dated June 19, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring 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 directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the City's management dated June 19, 2006, we reported other matters related to noncompliance we deemed immaterial.

City of Brooklyn
Cuyahoga County
Independent Accountants' Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Required by
Government Auditing Standards
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We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 19, 2006

City of Brooklyn, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2005

Prepared by:

Gale W. Fisk
Director of Finance

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City of Brooklyn, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2005
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Mayor
Kenneth E. Patton

The City of
Brooklyn · Ohio
FOUNDED 1867

Council
John E. Frey
Gregory L. Frey
Rita M. Brown
Kathleen M. Pucci
Colleen Coyne-Gallagher
Richard H. Balbier
Craig M. Patton

June 19, 2006

City Council and
Citizens of Brooklyn:

We are pleased to submit the City of Brooklyn's (the City) seventeenth Comprehensive Annual Financial Report (CAFR) prepared by Mayor Patton and the City Finance Office. This is the third year the City is presenting its financial statements using the GASB Statement No. 34 model. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the data as presented is accurate in all material respects and is presented in a manner designed to set forth fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included. This report will provide the taxpayers of the City of Brooklyn with comprehensive financial data to inform them of the City of Brooklyn's financial status. Copies will be made available to major corporate taxpayers, the Brooklyn Branch of the Cuyahoga County Public Library, financial rating services and other interested parties. In addition, the City plans to publish its fifth Popular Annual Financial Report (PAFR) to provide residents a more easily read and understood explanation of the City's financial position for those without a financial or accounting background.

The comprehensive annual financial report is presented in three sections as follows:

1. The Introductory Section, which contains a Table of Contents, Letter of Transmittal, Organizational Chart of the City, a list of the City's Principal Officials, and the GFOA Certificate of Achievement.
2. The Financial Section, which begins with the Independent Accountants' Report and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes which provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other Schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section, which presents various tables reflecting social and economic information, financial trends and the fiscal capacity of the City of Brooklyn.

REPORTING ENTITY

The City has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In evaluating how to define the City for financial reporting purposes, management has considered all agencies, departments and organizations making up the City of Brooklyn (the Primary Government) and its potential component units.

The Brooklyn City School District and the Brooklyn Library have not been included in the accompanying financial statements because the City is not financially accountable for either entity and neither entity is fiscally dependent on the City. The Southwest Council of Governments, the Parma Community General Hospital Association and the Northeast Ohio Public Energy Council are reported as jointly governed organizations.

City of Brooklyn

A small community adjacent to the City of Cleveland on three sides and the City of Parma on the fourth, Brooklyn is approximately six miles from downtown Cleveland. The City is uniquely situated for both commuters and industry with I-480 running east-west through the southern extremity of the City, I-77 and I-71, the major north-south highways, within 5 minutes either side of the City and Cleveland Hopkins Airport only 10 minutes away.

Founded by German immigrants in 1818, Brooklyn Township was set apart from Cleveland Township, which is now known as “Old Brooklyn”. On August 5, 1867, Brooklyn Village became incorporated, eventually becoming a chartered home rule City on January 1, 1952. According to the latest population figures, Brooklyn has 11,586 residents.

Operating under the Mayor/Council form of government, the citizens of Brooklyn elect a mayor and seven council members who serve at-large. Terms for both the Mayor and Council are four years. As the chief executive officer for the City, the Mayor is responsible for the supervision and administration of the City’s affairs and exercises control over all departments and divisions. The Mayor may introduce and make recommendations on legislation and has full veto powers.

As a result of changes to the City Charter (November 1999), the Council President now chairs Council Meetings. The charter change also created the positions of “Magistrate” and “Prosecutor”.

The Mayor is also responsible for the preparation and submission of the annual estimate of receipts and expenditures, and of appropriation measures. The Mayor keeps Council advised of the City’s financial condition. He also is the Chief Peace Officer. Directors of Law, Finance, Public Safety, and Public Service serve at the pleasure of the Mayor and report directly to him. Brooklyn also maintains a certified Building Department with a full-time Chief Building Official as its head. The Police Chief and Fire Chief are also at will employees.

The City provides a full range of municipal services, including full-time police, fire and emergency medical services, senior citizen programs, recreation programs, street maintenance and repair, residential refuse collection and disposal, curbside recycling, building, planning and zoning, as well as other administrative functions.

ECONOMIC CONDITION AND OUTLOOK

The City of Brooklyn has a longstanding reputation for encouraging growth and development of its thriving industrial and commercial base. Exceptional working relationships have been forged between the City Administration, business and industry. Thanks to a targeted economic development program, which has included expansion of the retail, commercial and industrial sectors, the City’s financial condition remains excellent.

A Chamber of Commerce was inaugurated in Brooklyn in 2002. The Mayor understands that the bulk of the taxes paid in Brooklyn come from our businesses. In consonance with the Chamber of Commerce, he established a Business Retention and Expansion Task Force in 2003 to receive input from our businesses on their perceptions of City services and support and on their needs. Follow up with various businesses to assist them has resulted from this data. The Mayor also instituted the establishment of a Master Plan for the City. Development of the plan began in 2004 and was completed in early 2006. The Master Plan has been reviewed and approved by both the Planning Commission and City Council.

The City's number one corporate entity, American Greetings, restructured three years ago to increase its effectiveness. To continue to maintain its competitive advantage, the company restructured again in the fall of 2004. American Greetings continues to redefine its operations to maintain its position in the ever changing and highly competitive greetings card market. KeyBank has also restructured and sold one of its divisions eliminating some positions from its Brooklyn operations site. Because Brooklyn is its main operating site, personnel were moved from other locations to Brooklyn reducing the overall impact. The Plain Dealer, the largest newspaper in the State, maintains a large distribution plant in the City.

Brooklyn has a much larger business base than most communities. Property taxes in Brooklyn are split with 37.99 percent from residential properties, 39.26 percent from commercial properties and 22.75 percent from other sources. As a result, Brooklyn has an assessed valuation per capita of \$33,633. The City has reconfigured from the 1970's when it had major industrial manufacturers such as Lampson & Sessions and Terex to a much more diversified business base today. In addition to three main businesses mentioned above there is a major mall, Ridge Park Square, Cascades Crossing (Hampton Inn, Extended Stay America, TGI Friday's, Don Pablo's, Steak and Shake, and Chipotle Mexican Grill), Key Commons (Cracker Barrel, Panera's, Carrabba's Italian Grill and Max & Erma's), Brooklyn Corporate Center, a major medical building, manufacturing such as Ferrous Metals, Superior and Areway and trucking such as Falcon and USF Holland. Businesses along the Brookpark Road corridor are Best Buy, Super K-Mart, Golden Corral, Staples, Wal-Mart, IHOP, Flower Factory and Gordon Foods.

The maintenance of our commercial properties and housing stock is the key to holding our property values. Some of the larger commercial construction projects started and/or completed in 2005 include the following:

- ❖ Gateway Safety, Inc. - wholesale distribution and parts assembly.
- ❖ Staples – retail office supply and copy center.
- ❖ Chipotle Mexican Grill, Cascade Crossing - restaurant.
- ❖ Kassouf Company – new equipment building.
- ❖ Lutheran Urgent Care Center – medical office.

The value of new construction, additions, and alterations in 2005 was \$10,069,495. This is an increase of approximately 6 percent from 2004. The value of construction is cyclic in nature. The average value of construction over the last four years is \$13,796,660. In 2005, 831 permits (building, plumbing, electrical, and HVAC) were issued generating \$55,495 in fees. A total of 514 contractor registrations were issued in the amount of \$38,550 and 167 miscellaneous permits (demolition, signs, street opening, obstruction, etc.) were issued generating \$13,412. The Building Department substantially increased code enforcement in 2005, with a 65 percent increase in property maintenance inspections.

Neff and Associates continues as the City of Brooklyn's Class Two Certified Plans Examiner, examining commercial building plans as required by the Ohio Board of Building Standards.

The City has a very prime location along Interstate 480. This competitive advantage allows retail outlets on Ridge and Brookpark Roads and retail services such as hotels and restaurants on Tiedeman Road, to continue to enjoy solid business. Expansion along these major corridors is anticipated during the coming years. Construction of Phase II of Key Commons began in 2005.

INFRASTRUCTURE

The City of Brooklyn continues to execute an aggressive street maintenance program. The 2005 Street Improvement Plan consisted of concrete repairs to Delora Avenue, Springwood Drive, Heather Lane, and Brookhigh Drive. The cost was \$178,524. Asphalt replacement was done on West 66th Street. Rejuvenation of asphalt and crack sealing was done on West 62nd, West Boulevard and Williamston Avenue. Woodhaven Avenue, Plainfield Avenue and Southfield Avenue also had asphalt rejuvenation work. The project cost for this asphalt work was \$108,706. Engineering costs were \$22,590 bringing the total cost of street maintenance to \$309,820. The Service Department's in house concrete crew repaired sidewalks and catch basins on Meadowbrook Avenue, Elizabeth Lane, Memphis Villas Avenue, Southwood Bridge, Willamston Avenue, Ansonia Avenue and Orchard Avenue. The cost of this project was \$98,050. Our goal is to accomplish about \$500,000 in street maintenance annually. Over the past four years, major projects were accomplished that far exceeded the goal. The City backed off a little in 2005 because of that. We have scheduled about \$650,000 in street maintenance work in 2006.

SERVICE INITIATIVES

City crews processed 4,890 tons of solid waste, recyclables, and white goods. Over 17 percent of the material collected was recycled. The municipal landfill processed 4,064 tons of solid waste in 249 days of operation with a daily average of 16.32 tons. The City landfill is the lone remaining municipally owned and operated landfill in Cuyahoga County. Landfill tipping fees were \$15,252. Most municipalities pay over \$30/ton to have their solid waste discarded; Brooklyn's tipping fee to the Ohio Environmental Protection Agency (OEPA) is \$3.50/ton and \$1.00 to Cuyahoga County.

The Recycling Department processed 792 tons of recyclable material (steel, aluminum, glass, plastic and newspaper) in 2005. This diversion means that 49 days of landfill space was saved for future use. All of the curbside recycle material that is collected is transported to Waste Management. We pay a cost of \$25/ton to keep the material out of the landfill. In 2005 the City paid \$19,748 in tipping fees for recycling.

RECREATION

The City has long had one of the finest ice rinks in the Cleveland Metropolitan area and has hosted some of the top amateur hockey tournaments in the region. Brooklyn was again the host of the Greater Cleveland High School Hockey League Baron Cup Division I and II Championship Games and the Ohio High School Athletic Association Sectional, District and Regional matches during the State Ice Hockey Tournament. Other youth hockey tournaments, precision competitions, figure skating exhibitions and figure skating and hockey clinics are held at the recreation center throughout the year.

Brooklyn also has a wonderful inventory of parks and outdoor recreation space. Memorial Park extends southward from City Hall and the Senior Community Center and includes a children's play area, a wading pool, a fountain, baseball and softball fields, three picnic pavilions and a nature trail. Those using the Old Stone Pavilion can now enjoy the addition of lights and electrical outlets that increases their picnicking pleasure. Visitors to the park can enjoy the Backyard Fun Area, which includes tennis courts, basketball courts and a synthetic turf putting green. The in-line skating rink was removed and replaced with a skate park, which opened in the spring of 2004. During the summer months, the Grande Pavilion was the site of six outdoor musical concerts, two community CPR courses and three children's entertainment programs. The City also owns and operates Marquardt Park and Brock Playground. A Cleveland Metro Park site which is part of Cleveland's "Emerald Necklace" provides additional park and natural recreation land.

PUBLIC SAFETY

The Brooklyn Police Department responded to 11,662 complaints in 2005 and issued 4,780 citations. There were 611 accidents on City streets. General arrests total 680 with 200 felony arrests and 93 juvenile filings. The majority of complaints continue to be property theft and damage to property, disorderly conduct, and motor vehicle accidents. Our jail housed 1,354 prisoners in 2005. Mayor's Court generated \$500,710 through fines and waivers for the City. The Mayor's Court is the fourth busiest in the State. The Juvenile Diversion Program is a community based program designed to sanction and assist certain juvenile misdemeanor and status/unruly offenders. For 2005, 24 juveniles participated in the program.

A major upgrade to the facilities and capabilities of the police department was initiated in 2004 and completed in 2005. The old police communications center was dismantled and a new central dispatch center was constructed. This facility upgrades our radios, 911 call center capabilities, security system and emergency generator. When coupled with new computer aided dispatch software it has completely modernized the City's communications and police record keeping systems. The total cost of the project was \$432,688. The City received a COPS Grant from the Department of Justice that paid for \$99,350 of the project. To further modernize the department, an automated fingerprinting system (CrossMatch) was installed at a cost of \$15,336. Video enhancement equipment (Ocean Avid Xpress Provideo Enhancement System) which allows for automated viewing and enhancement of video and security tapes was implemented at a cost of \$25,298. Brooklyn is one of only twelve communities in the State of Ohio to have this capability.

The Brooklyn Fire Department responded to 778 fire runs and 1,467 emergency medical calls, a total of 2,245 emergency responses in the year 2005. About \$133,000 was collected for ambulance service fees. The Fire Department maintained an Insurance Services Office (ISO) rating of 3. This places the Brooklyn Fire Department in the top 10 percent of the nearly 45,000 fire departments the ISO evaluates nationwide. The department applied for and received a \$100,000 grant from the Department of Homeland Security. Those funds were used for a compressor to fill self-contained breathing apparatus (SCBA's) and the replacement of our aging Scott Air-Packs.

By far the most important item facing our safety forces is the construction of a new fire station. Issue 10 appeared on the ballot in November of 2004. This issue was an advisory vote whereby the citizens of Brooklyn expressed their support for a new fire station, a new aerial ladder truck and an increase in property taxes to fully fund police and firemen's pensions. This 1.5 mill property tax increase will provide \$382,805 annually to pay for the new fire station and aerial ladder truck and an additional \$191,402 for pensions. Issue 10 passed with 55 percent of the vote in favor. Even with this increase in property tax, Brooklyn remains in fifth position out of eighty in Cuyahoga County for the lowest property taxes for a community.

Bids for site development were taken in July and construction of the new fire station began in August of 2005. Bids for the remainder of the work were taken in the fall and approved by City Council in December. The City sold general obligation fire station improvement bonds in March of 2006 with the net proceeds of \$5,441,000. Construction of the 24,000 square foot building began in March 2006 and completion is anticipated prior to the end of 2006.

SENIOR ACTIVITIES

During 2005, the Brooklyn Senior Center had nearly 25,000 people sign-in for a variety of programs and activities geared to making the later years healthy, active and rewarding. Two of the most popular programs offered to our senior residents are snow removal (900 participants) and grass cutting (676 participants). The City plows the drives of senior citizens for the winter for \$10 and mows their lawns from May to September for \$15. These are unique programs of great value to senior citizens that are not offered at many other communities in the area or the State.

The Home Bound Meal Program assists seniors requiring long term meal delivery. In 2005, 4,765 meals were delivered under this program. Weekly luncheons served 4,500 meals. The Senior Center also provided van transportation to 4,582 seniors for medical visits, shopping and recreation.

Health screenings for blood pressure, cholesterol, blood sugar, glaucoma, flu shots, prostate, mammograms, skin cancer and vascular conditions were conducted at the Senior Center throughout 2005. An Alzheimer and bereavement support group is also offered. Tax preparation is available during the months of February, March and April.

A diversified menu of recreational activities also plays an integral part in the Center's daily operations. Some of these activities include art classes, country line dancing, bingo, bocce ball, cards, ceramics, choral group, knitting, exercise, films, dinner dances, speakers, pool tournaments, ping pong, quilting, tole painting and bus trips. This year the Center also sponsored tours of local residential holiday lighting displays. To help make all of this happen, the paid staff was augmented by 110 volunteers who donated nearly 8,600 hours of service.

FINANCIAL INFORMATION

Internal Accounting and Budgetary Control

In the preparation of its annual report, the City utilizes the modified accrual basis of accounting for governmental funds. When using the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. This timing enables management to improve the quality of its decision making process by providing more consistent, comparable information regarding the current and past operations and financial position of the City.

Development of the City's accounting system includes consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefit likely to be derived from its implementation, and (2) the valuation of costs and benefits requires estimates and judgments by management.

The Director of Finance is responsible for evaluating the City's internal control methods and for developing procedures to enhance internal control. He is further responsible for working closely with auditors to ensure the City's internal controls are followed and adapted to any recommendations from the Auditor of State's Local Government Services Section or from the Audit Section. To ensure those responsibilities continue to be met, the City replaced its eight year old funds management system with a new Windows based, networked system which was fully implemented by February 15, 2002. That system was moved to the City computer network in 2003.

In the fall of 2004, the Income Tax Department upgraded to a Windows based software package and installed new hardware. In the fall of 2005, a new Disaster Recovery Plan was implemented and necessary software and hardware upgrades were made to heighten system security. In January, 2006 the Finance Department added a new automated Purchase Order software package to further enhance internal controls. Departments now receive immediate feedback on whether or not funds are available for a purchase and can access expenditure reports real time on line. Monthly paper reports are no longer required.

Budgetary control is maintained by an encumbrance of purchase amounts, prior to the release of purchase orders to vendors. Accounts receivable and accounts payable operations are fully computerized. These improvements have measurably streamlined departmental tasks and allow the Mayor and Finance Director to better analyze financial trends and comparisons.

The City utilizes a cash accounting system throughout the year. The Mayor and Department Heads approve every purchase order, and the Director of Finance attests that monies are available for payment of the expenditures on every purchase order prior to its release to a vendor. The Mayor is responsible for the preparation and submission of the annual estimate of receipts and expenditures and of appropriation measures and keeps Council fully advised of the financial condition and needs of the City. The Mayor and Council are provided with monthly cash reports. The Director of Finance furnishes quarterly written reports to the Mayor and Council. A mid year review provides information so that corrective action may be taken if revenues or expenditures are not in consonance with original projections. An end of year review provides additional data on the actual outcomes for the year and is used in setting the budget for the next year.

The City adopts a temporary appropriation spending measure on or before January 1 of each year for the period January 1 through December 31. A permanent appropriation spending measure is adopted prior to April 1st and amended, if necessary, throughout the year. All disbursements and transfers of cash between funds require appropriation authority. Appropriations are controlled at the object code level.

Financial Condition This is the third year the City has prepared financial statements following GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." GASB 34 created new basic financial statements for reporting on the City's financial activities as follows:

Government-wide Financial Statements These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Fund Financial Statements These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Fiduciary funds use the accrual basis of accounting.

Statements of Budgetary Comparisons These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this reporting model, management is responsible for preparing a Management Discussion and Analysis of the City. This discussion follows the Independent Accountants' Report, providing an assessment of the City finances for 2005 and a discussion of current issues affecting the City.

CHARTER TAX RATE LIMITATION

Article VIII, Section 2, of the City Charter relates to the limitation on the rate at which Council may levy property taxes without a vote of the people. It provides that the maximum total property tax rate that may be levied without a vote of the electors for all City purposes is thirteen mills. Within that thirteen-mill maximum, the City is first required to levy any amount necessary to provide for debt service on all notes and bonds of the City outstanding from time to time, and issued without a vote of the electors. After provisions have been made for the payment of debt service, whether from this unvoted property tax or from other sources, the Charter provides that an amount shall be levied each year sufficient to provide the amounts for police and firefighter pensions. The City may levy up to six mills for current operating expenses from the remaining amount within the twelve-mill limit. In addition, Council is permitted to levy up to one mill for street lighting purposes.

CASH MANAGEMENT

The City adheres strictly to the regulations set forth in the Ohio Revised Code to ensure the safety of its investments. All deposits are made under contracts with local banking institutions.

A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least one hundred and 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.

RISK MANAGEMENT

The City of Brooklyn has a personal service contract with the Edward H. Sutton Insurance Agency for risk management and has Jackson, Dieken & Associates as their insurance agents. In 2005, the total cost for insurance premiums and bonds was \$179,361. The City solicited bids for this service in 2003. Arch Jackson, Dieken & Associates was the lowest and best bid and retained the contract. The contract was renewed in 2004 and 2005.

The City carries a \$3,000,000 comprehensive general liability insurance policy with no deductible and \$9,000,000 umbrella over its comprehensive general liability and business auto and law enforcement liability insurance policies. The City also carries a \$1,000,000 police professional liability insurance policy with no deductible. Other coverage carried by the City includes building/contents, scheduled equipment, business auto, scheduled properties, public employees blanket bond, public officials bonds, public officials' liability, and fire department malpractice liability. A \$100,000 blanket bond covers all employees of the City of Brooklyn, while certain individuals in policy-making roles are covered by separate, higher limit bond coverage. City safety forces are covered by separate liability coverage.

The City pays the Ohio Bureau of Workers' Compensation System (OBWC) a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. In 2004, the City was part of the group rating for the Ohio Association of Public Treasurers. In 2005, the City applied for and was authorized to enter the State's Retrospective Rating Program. By doing so, the City was able to reduce workers compensation costs by about \$54,000. The City has undertaken a more active posture on claims management including monitoring the effects of lost time claims. A transitional work program has also been instituted. All of these actions are aimed at controlling workers compensation costs. A recent rating by our third party administrator rated the City of Brooklyn at 151 percent meaning we substantially exceed the benchmarks established for reporting workers compensation incidents and then getting workers cared for and back to work. A score of 100 percent is the benchmark for excellence.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government of Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Brooklyn, Ohio, for the sixteenth consecutive year for its Comprehensive Annual Financial Report for the year ended December 31, 2004.

In order to be awarded a Certificate of Achievement a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, which conforms to program standards. These reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting, and its award represents a significant accomplishment by a government and its management.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the requirements and standards of the Certificate of Achievement Program. Thus, we are submitting the 2005 Comprehensive Annual Financial Report to the GFOA for award consideration.

INDEPENDENT AUDIT

State statutes require the City to have an annual examination by an independent auditor. The Auditor of State for the State of Ohio was selected to render an opinion on the City's financial statements as of December 31, 2005. The Independent Accountants' Report on the basic financial statements is included in the financial section of this report.

ACKNOWLEDGMENTS

The publication of this report significantly increases the accountability of the City of Brooklyn to the taxpayers. The preparation of a comprehensive annual financial report on a timely basis was made possible by the dedicated service of personnel from the Finance and Mayor's Offices, as well as key employees and department heads from the various municipal departments. All employees have our sincere appreciation for their contributions made in the preparation of this report.

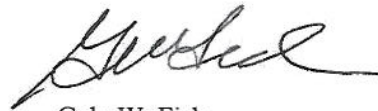
A special note of appreciation is expressed to the Local Government Services Section of the State Auditor's Office for their assistance with this financial report. Mr. Mark Podolak created the design of our 2005 Comprehensive Annual Financial Report cover and inserts.

Without the positive leadership and cooperation exhibited by the Administration and Council, preparation of this report would not have been possible. Special thanks go to City of Brooklyn residents and taxpayers for entrusting us with the administration of their local government.

Respectfully Submitted,

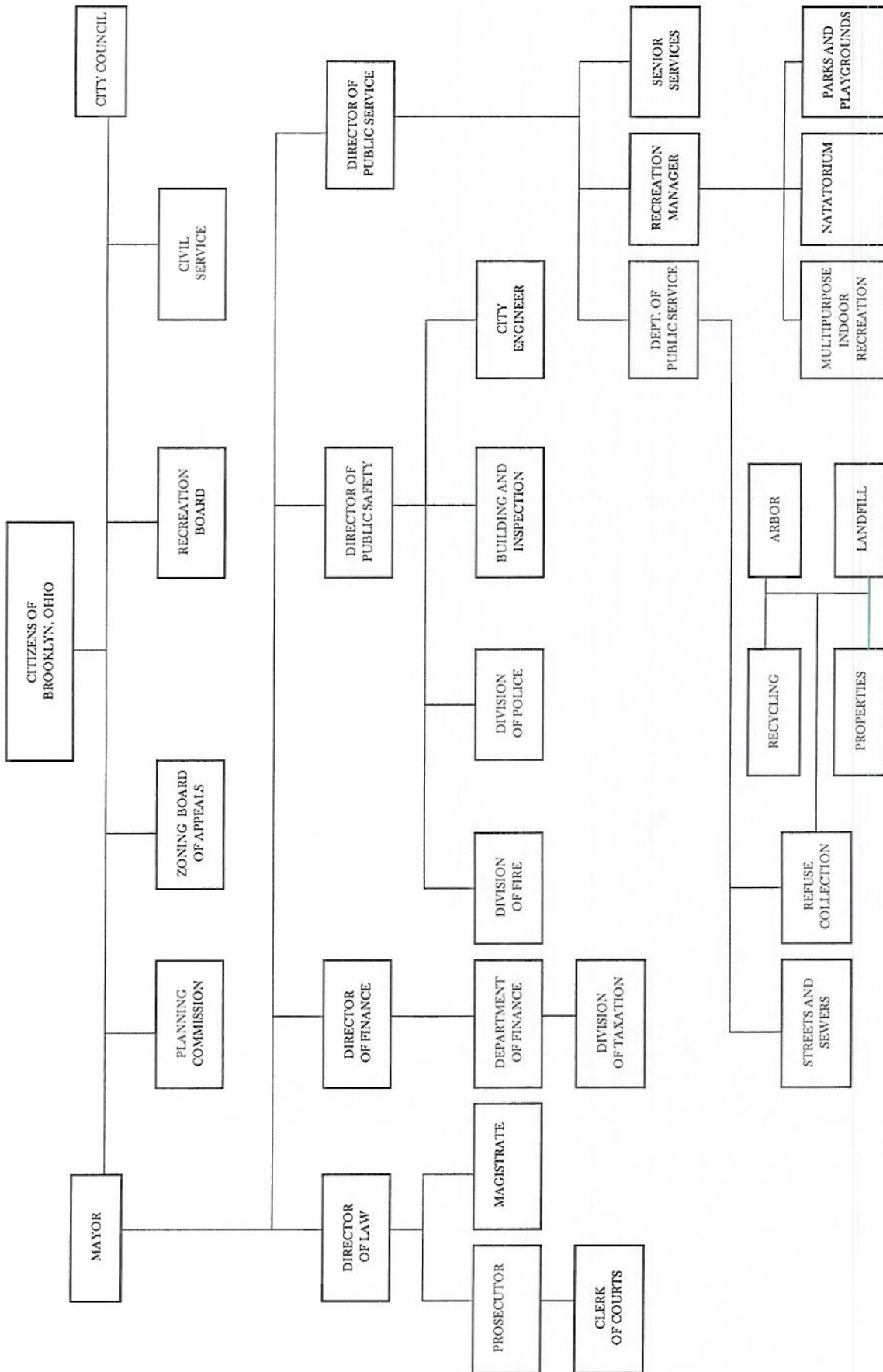


Kenneth E. Patton
Mayor



Gale W. Fisk
Director of Finance

CITY OF BROOKLYN, OHIO
ORGANIZATIONAL CHART



CITY OF BROOKLYN, OHIO

Principal Officials

Mayor

Kenneth E. Patton

Council President
Council-At-Large
Council-At-Large
Council-At-Large
Council-At-Large
Council-At-Large
Council-At-Large

Richard H. Balbier
Gregory L. Frey
Craig M. Patton
Rita M. Brown
Kathleen M. Pucci
Colleen B. Coyne-Gallagher
John E. Frey

Director of Law
Magistrate
Prosecutor
Director of Public Safety

Thomas O. Shaper
Ronald Balbier
Hillary Goldberg
Kenneth E. Patton,
Donald Hilberg appointed 01/09/2006

Director of Public Service
Director of Finance
Chief Building Official
Police Chief
Fire Chief

Robert A. Kappler
Gale W. Fisk
Thomas J. Ockington
Jack T. Murphy
Paul Duchoslav

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Brooklyn,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

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.



Carla E. Perry

President

Jeffrey R. Enser

Executive Director



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

City of Brooklyn
Cuyahoga County
7619 Memphis Avenue
Brooklyn, Ohio 44144

To the City Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brooklyn, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2005, 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'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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 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, each major fund, and the aggregate remaining fund information of the City of Brooklyn, Cuyahoga County, Ohio, as of December 31, 2005, and the respective changes in financial position thereof and the respective budgetary comparisons for the General, Police Pension and Fire Pension funds 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 19, 2006, on our consideration of the City'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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules, statistical tables and supplemental information provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section, statistical tables and supplemental information to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 19, 2006

City of Brooklyn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

The management's discussion and analysis of the City of Brooklyn's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2005. The intent of this discussion and analyses is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2005 are:

- City income tax totaled \$12,145,383 in governmental activities. This is an increase of \$956,827. The City expected a 1.5 percent increase compared to 2004. The actual increase was much larger at 8.55 percent.
- Total assets increased by \$3,644,292, a 9.34 percent increase from 2004.
- Total net assets decreased by \$516,680, a 2.26 percent decrease from 2004.
- Total capital assets decreased \$910,224; 3.40 percent less than 2004.
- Total outstanding long term liabilities increased \$4,081,306, an increase of 32.62 percent from 2004. The City borrowed \$4.3 million in bond anticipation notes to begin the construction of a new fire station.
- The fund balances for the City increased by \$4,404,706 to \$12,219,893. The City borrowed \$4.3 million for the new Fire Station. The increase in income tax collections also added to the total.

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 proceed to provide an increasingly detailed look at our specific financial condition.

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 assets. 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 non-major funds presented in total in one column.

City of Brooklyn, Ohio
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Reporting the City of Brooklyn 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 looks at all financial transactions and asks the question, "How did the City do financially during 2005?" 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 of 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 the changes in those assets. The changes in net assets are 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 will also need to be evaluated.

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

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

Reporting the City of Brooklyn's Most Significant Funds

Fund Financial Statements

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 of Brooklyn, the major funds are the general, capital improvements, police pension and firemen's pension.

Governmental Funds

Most of the City's activities are reported in the governmental funds which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods. Governmental 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. Government fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the *Statement of Net Assets* and the *Statement of Activities*) and governmental funds is reconciled in the financial statements.

City of Brooklyn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

The City of Brooklyn as a Whole

The *Statement of Net Assets* looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2005 compared to 2004.

Table 1
Net Assets

	Governmental Activities		Change
	2005	2004	
Current and Other Assets	\$16,779,997	\$12,225,481	\$4,554,516
Capital Assets, Net	25,896,154	26,806,378	(910,224)
Total Assets	42,676,151	39,031,859	3,644,292
Current and Other Liabilities	3,772,814	3,693,148	79,666
Long-Term Liabilities			
Due Within One Year	1,029,167	1,100,463	(71,296)
Due in More Than One Year	15,563,236	11,410,634	4,152,602
Total Liabilities	20,365,217	16,204,245	4,160,972
Invested in Capital Assets, Net of Related Debt	15,357,773	20,264,115	(4,906,342)
Restricted:			
Capital Projects	5,687,329	1,796,796	3,890,533
Debt Service	214,992	174,909	40,083
Street Construction, Maintenance and Repair	223,557	429,095	(205,538)
State Highway	77,558	78,242	(684)
Court Computer	61,576	66,078	(4,502)
Police Programs	77,307	86,937	(9,630)
Other Purposes	91,108	92,640	(1,532)
Unrestricted (Deficit)	519,734	(161,198)	680,932
Total Net Assets	\$22,310,934	\$22,827,614	(\$516,680)

Total net assets decreased by \$516,680 or 2.26 percent. Total assets increased by \$3,644,292 on \$39.0 million in total assets. Current assets increased by \$4,554,516. The main reason for this increase is that the City borrowed \$4.3 million to build the new fire station. Site development began in August. The City also purchased a new aerial ladder fire truck via a capital lease. This has been accounted for as a long-term liability. The new fire truck is being constructed and not yet delivered. So the matching asset is not yet available. The new fire truck will be delivered in the fall of 2006 and will be added to the City's capital asset data base. The lease is for \$830,000. This timing difference explains the decrease in total net assets. The City continued to make aggressive payments on long term debt. During 2005, bond anticipation notes for the fire station were issued. The site development has began and no land has been purchased. Those notes will be retired in 2006 and have been replaced by a 2006 general obligation improvement bond for the Fire Station.

City of Brooklyn, Ohio
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Table 2 shows the changes in net assets for the year ended December 31, 2005. The City of Brooklyn implemented GASB 34 in 2003. Comparisons between the last two years are shown below:

Table 2
Changes in Net Assets

	Governmental Activities	
	2005	2004
Revenues:		
Program Revenues:		
Charges for Services	\$1,480,975	\$1,519,228
Operating Grants and Contributions	861,972	1,005,721
Capital Grants and Contributions	35,093	0
Total Program Revenues	<u>2,378,040</u>	<u>2,524,949</u>
General Revenues:		
Property and Other Taxes	2,488,485	2,271,331
Municipal Income Taxes	12,145,383	11,188,556
Grants and Entitlements	1,278,859	1,015,766
Gain on Sale of Capital Assets	2,696	0
Investment Earnings	412,082	184,372
Miscellaneous	79,292	52,852
Total General Revenues	<u>16,406,797</u>	<u>14,712,877</u>
Total Revenues	<u>18,784,837</u>	<u>17,237,826</u>
Program Expenses		
General Government	2,016,228	1,780,771
Security of Persons and Property	8,727,438	7,445,195
Transportation	1,291,187	796,490
Community Environment	1,738,079	1,565,039
Basic Utility Services	2,997,427	3,019,920
Leisure Time Activities	2,296,404	2,423,794
Interest and Fiscal Charges	234,754	222,601
Total Program Expenses	<u>19,301,517</u>	<u>17,253,810</u>
Change in Net Assets	(516,680)	(15,984)
Net Assets Beginning of Year	<u>22,827,614</u>	<u>22,843,598</u>
Net Assets End of Year	<u>\$22,310,934</u>	<u>\$22,827,614</u>

Table 2 shows that the overall financial strength of the City declined in 2005 by \$516,680. Total revenues improved by \$1,547,011. Income taxes account for about 65 percent of the City's revenue. Income tax collections increased by \$956,827, an 8.55 percent improvement. Property tax and local taxes increased by \$217,154. An increase in property tax was approved to pay for the new fire station and the first revenue from that increase was received in 2005. Overall, there was an 8.97 percent increase in revenue for all governmental activities.

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Expenses increased by \$2,047,707, or 11.87 percent. Security of Persons and Property rose from 43.15 percent of total expenses to 45.22 percent. The increase of \$1,282,243 for basic police and fire protection was caused by the expenditures for the site development for the fire station, approximately \$573,000, and the purchase of the new aerial ladder truck, approximately \$830,000. Basic Utility Services makes up another 15.53 percent of program expenses. This expense decreased slightly. Personnel retired and were not replaced with an eye to lowering expenses. The third largest program is Leisure Time Activities accounting for over 11.90 percent of expenses. Costs for this program were again reduced. The City has reviewed all aspects of this program and taken specific action to reduce costs over the past two years. This year personnel retired and were not replaced. The work force was restructured to reduce costs. General Government makes up another 10.45 percent of expenses. The increase for this category was \$235,457, a 13.22 percent increase. Community Environment costs went up by \$173,040, an 11.06 percent increase. The City has long maintained an aggressive Transportation program. City streets are well maintained. About 6.69 percent of total expenses were spent on this program in 2005. Transportation expenses increased by \$494,697. The increased costs for Community Environment and Transportation are for costs related to the upkeep of capital assets.

GOVERNMENTAL ACTIVITIES

The main revenue source for the City's governmental activities is City income tax. The City has an income tax rate of two percent. Residents receive 100 percent credit on income earned outside the City. Almost 98 percent of the income tax is contributed by the City's businesses. In 2004, income tax collections declined by less than 1 percent. The City expected a recovery in 2005. The recovery was much higher than expected. One of our two largest employers moved more personnel to its facility in Brooklyn. Revenue for income tax rose from \$11,188,556 to \$12,145,383. This is an increase of \$956,827. The bulk of the increase was due to increased withholding payments for personnel employed at businesses in the City.

The City has long had a strong economic development program that continues to bring new businesses to the community. The number of businesses, being industrial or commercial, large or small, provides the City with a diverse income tax base that can sustain the loss of any major tax paying entity and still be able to meet the financial needs of the City. City income tax revenues were distributed to the General Fund (88 percent) and the Capital Improvement Fund (12 percent) in 2005.

General revenues from property taxes and local government funds are also significant revenue generators. Brooklyn's charter authorizes up to 13 mills of property taxes. Only 5.4 mills of that original charter amount had been levied through 2004. With 13 mills authorized, the City had 7.6 mills of property taxes that could be utilized to offset financial needs or difficulties. In November 2004 citizens voted for a 1.5 mill property tax increase to pay for the construction of a new fire station, new aerial ladder fire truck and additional funding for police and firemen's pensions. Revenue generated in 2005 rose by \$217,154, nearly 10 percent due to this additional property tax millage.

Charges for Services are the third significant revenue contributor. Revenues in this category declined by \$38,253. Court fines dropped from about \$537,000 in 2004 to \$500,000 in 2005. The ice rink contributed about \$425,000. The pools added another \$122,000. Building permits added about \$90,000 this year. Recovery of costs for ambulance rescue services added another \$133,000. These are the major revenue sources for this category.

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Interest income more than doubled in 2005. Action by the Federal Reserve raised rates in 2005, thereby increasing interest rates. The result was additional income.

Security of Persons and Property was the largest single area of expenses as it has been historically. This program accounted for about 45 percent of expenses (\$8,727,438). That pays for basic police and fire services, D.A.R.E., pensions and equipment. A property tax levy of 1.85 mills had previously paid for about 85 percent of the pension costs associated with police and firemen. Issue 10 received a favorable vote in November 2004 This added .5 mill for police and firemen's pensions. These pensions were 100 percent funded in 2005. Issue 10 also approved 1.0 mills of property tax to fund the new fire station. About \$573,000 was spent in 2005 to develop the site. A new aerial ladder truck was purchased with a capital lease at a cost of \$830,000.

Basic Utility Service makes up about 16 percent of expenses (\$2,997,427). This includes trash collection, snow removal and recycling. Trash is picked up from behind the home. Snow removal includes all sidewalks in the City. Personnel who retired were not replaced. The number of part time personnel was reduced which caused the \$22,493 decrease.

The third largest program expense is Leisure Time Activities. The program accounts for about 12 percent of total expense (\$2,296,404). The City has a recreation center with an ice rink, indoor and outdoor pools, playgrounds, two large parks and a senior center. The City has long provided excellent recreation opportunities at a very low cost to its residents. Costs for this program are thus higher than might be expected for a City of this size. The City took specific action to reduce the costs in this area in 2004 and 2005. In 2005, expenses were reduced by \$127,390 due to the retirement of four personnel of which only one was replaced.

General Government comprises almost 10.4 percent (\$2,016,228) of total program expenses. Costs for the Mayor's office, City council, law, finance and lands and buildings are included here. Lands and buildings pays for gas, electric, phone service and water and sewer for all municipal operations. The City collects its own income taxes so the cost for that operation is also included. This area shows a 2.2 percent growth. Natural gas costs rose by \$16,720. Legal costs rose by about \$12,000 to settle grievances and establish a new Personnel Policy Manual. Costs to support computer network operations increased by about \$8,000.

Community Environment utilizes about 9 percent of our funds. The City runs the only municipal landfill in Cuyahoga County. Thus, expenses in this program are higher to pay for various testing and monitoring programs associated with a landfill. This is more than offset by substantially lower costs for utility services. The City pays about one tenth of the amount in fees for operation of the landfill that would be required if tipping fees had to be paid for trash removal.

Transportation is another meaningful program. Brooklyn has always maintained its streets well and routinely spends over \$500,000 annually on transportation. That was done again this year with expenses of \$1,291,187.

The City's Funds

The City of Brooklyn uses fund accounting as mandated by governmental legal requirements. The importance of accounting and reporting using this method is to demonstrate compliance with these finance related requirements.

City of Brooklyn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
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Governmental Funds

Information about the City's governmental funds begins on page 18. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues of \$18,865,158 and expenditures of \$19,199,023. Income tax is the City's largest revenue source. Income tax accounted for about 65 percent of the total revenue for the year. Income tax collections increased by 8.55 percent and added about \$1 million to the City's revenue. This accounts for most of the increase in revenue from 2004 to 2005.

The largest fund for the City is the General Fund. The year-end fund balance for the General Fund was \$6,079,991. This is an increase of \$649,570 from the previous year. At the beginning of the year the budget showed a large gap between revenues and expenditures for the General Fund. The City cut expenditures by about \$1 million by reducing salaries for part time personnel, allowing five personnel to retire and leaving those positions vacant and reducing discretionary expenditures as much as practical. When income tax revenue recovered as robustly as it did, the City was able to generate a surplus. Included in the General Fund figure is a reserved fund balance for the Landfill Closure and Post Closure Trust. These monies are being accumulated to address issues that will be required by the Environmental Protection Agency in about 35 years when the landfill has reached capacity. The total set aside for this purpose is \$3,109,403. The unreserved balance for the General Fund is \$2,886,049. This unreserved balance increased by \$447,993.

The Capital Improvements Fund has been maintained with a very healthy balance. The City wishes to maintain a balance that would allow recovery from any natural disaster that might occur. The fund balance in Capital Improvements at the end of 2004 was \$1,612,498. The balance increased by \$101,590 to \$1,714,088. For all funds the end of year balances increased for the year by \$4,404,706. A large portion of those funds is due to the monies borrowed but not yet expended to build the new fire station. Total fund balances increased from \$7,815,187 to \$12,219,893. If the balance in the Safety Forces Construction Fund were subtracted, the overall fund balance would be \$8,383,200. The balance would still be more than \$500,000 above last years overall balance. The available fund balance for all funds is slightly more than 64 percent of the amount spent in total in 2005. If the reserved balance for Landfill Closure and Post closure Trust is removed from consideration, the City still has an overall fund balance of \$9,110,490 for 2005. That total is 43 percent of the total expenditures for 2005.

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. Recommendations and requests for budget changes are referred to the Finance Committee before going to the formal Council Meeting for ordinance enactment on the change. The Finance Director provides the administration and City Council with a Mid Year and End of Year Review. This provides all parties with information on revenue and expenditure levels, trends, budgeted versus actual and recommendations on any changes in policy or execution that may be required. The Mid Year Review is intended to discuss mid course budget execution. The End of Year Review provides information on actual revenues and expenditures and helps shape the permanent budget for the next year.

The General Fund supports most of the City's major activities such as the police, fire, building, and service departments as well as the legislative and most executive activities. For the general fund, the original budgeted revenues were \$13,910,599. Final budgeted revenues for the year were \$14,396,645, an increase of \$486,046 over the original budget. Actual revenues of \$14,239,921 on a cash basis were higher than the original projection but \$156,724 lower than the final budgeted amount. The increase in income tax revenue is the reason for the difference between the actual amount received and the original budget.

City of Brooklyn, Ohio
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After the permanent budget was adopted, the amount appropriated for the General Fund for 2005 did not change by a large amount. The original budget estimate pegged expenditures at \$14,048,500 and transfers out at \$380,400 for a total original budget of \$14,428,900. City Council was advised at the time that the budget passed that the administration intended to hold expenditures to \$14.150 million or less. At the mid year review the increase in income tax collections was noted. Expenditures were on target. Council was advised that we would avoid a decline in fund balance and probably generate a surplus. The original budget was increased during the year by \$113,884 to bring the final budget amount to \$14,162,384. Actual expenditures were \$13,805,935 on a budgetary basis. Expenditures were \$242,565 less than originally budgeted and \$344,065 less than the administration's self imposed target. The actual expenditures were \$356,449 less than the final budget. The actual outcomes were in consonance with the financial updates supplied to City Council throughout the year. The Department heads followed the plan.

Capital Assets and Debt Administration

Capital Assets

Table 3
 Capital Assets
 (Net of Depreciation)

	Governmental	
	2005	2004
Land	\$2,611,037	\$2,611,037
Buildings	8,106,493	8,382,663
Improvements Other Than Buildings	5,865,197	5,968,453
Machinery and Equipment	1,595,405	1,748,796
Vehicles	1,479,632	1,428,586
Infrastructure		
Roads and Sidewalks	3,771,076	4,002,300
Sanitary Sewers	746,513	792,176
Storm Sewers	665,266	705,213
Water Lines	503,675	545,163
Traffic Signals	551,860	621,991
Total	\$25,896,154	\$26,806,378

The City of Brooklyn takes care to maintain its equipment and infrastructure. Twelve percent of City income taxes are distributed to the Capital Improvements Fund to ensure this outcome. For 2005, this meant that \$1,409,471 of the income tax revenue went to the Capital Improvements Fund. The City had distributed 15 percent of income tax to capital outlays in the past. The City purchased four police cars, four small utility tractors with snow plow attachments and a four wheel drive pick up truck. The 2005 street maintenance plan was executed. In all other areas, the depreciation on past assets exceeded the cost of items added for this year. Total net capital assets decreased by \$910,224 for the year. See note 9 of the basic financial statements for additional information on capital assets.

City of Brooklyn, Ohio
Management's Discussion and Analysis
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Debt

On December 31, 2005, the City of Brooklyn had \$9,376,639 in general obligation bonds, notes and OPWC loans outstanding. The City paid principal of \$933,071 in 2005. The City took out notes for the construction of the new fire station for \$4,300,000. The total outstanding debt went up by \$3,366,929. Table 4 summarizes bonds, notes, loans and police pension outstanding.

Table 4
 Outstanding Debt at End of Year

	Govenmental	
	2005	2004
General Obligation Bonds	\$2,522,806	\$2,832,806
OPWC Loans	522,215	577,185
Honeywell Loans	477,434	634,625
Police Pension	54,184	55,094
Long-Term Notes	5,800,000	1,910,000
Totals	\$9,376,639	\$6,009,710

The City has one General Obligation Bond originally sold in 1992 and refinanced in 1999 for \$4,400,000. It was originally issued in 1992 for \$4,825,000 to pay for a new public library (\$2,850,000), Tiedeman Road improvements (\$1,500,000) and for the indoor and outdoor pools (\$475,000). The bonds will be paid in full in 2012. The Tiedeman Road portion of this note is paid from property taxes and income taxes paid by the Plain Dealer and set aside annually by ordinance for this purpose. There is still \$2,522,806 outstanding on the bonds. The Ohio Public Works Commission is a no interest loan for improvements at the Sanitary Landfill taken out in 1993 for \$1,099,400. Payments are \$27,485 semi-annually. The loan will be paid in full in 2015.

The Honeywell Tax Exempt Loan was put into effect in 1998 to pay for energy improvements to reduce usage and costs. The loan was for \$1,400,171. The monthly payment is \$13,099 and the loan will be paid in full in 2008.

The City also has three bond anticipation notes that are more than five years old. The City has chosen to keep them in notes and pay them off as if they were bonds. The first is for Tiedeman Road improvements. The balance outstanding was \$675,000 and was reissued for \$450,000 in 2005. The interest and principal paid on this note also come from property taxes and income tax paid by the Plain Dealer. The second is Street and Sidewalk improvements. This note was for \$225,000 and was reissued at \$175,000. The third note is for the improvements needed to establish Marquardt Park. This note was for \$575,000 and was reissued at \$530,000. The note for improvements to Biddulph Road was reissued for \$345,000. This note was originally sold in 2001 for \$1,250,000.

Since the end of 2005 the City executed a long term financing plan for the new fire station. On March 9, 2006 Moody's Investors Services reviewed the City's financial operations. On March 13 the 2006 General Obligation Bond ordinance for the fire station was passed. On March 16, 2006 Moody's upgraded Brooklyn's rating to A1 from A2. The A1 rating was based on the City's strong financial operations, healthy reserves, additional revenue raising capacity and favorable debt profile. Moody's believes the City's debt profile will

City of Brooklyn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

remain favorable, given low debt burden, rapid amortization and considerable pay-as you-go financing of capital needs. Brooklyn's debt burden is low and is rapidly paid back with 77.4 percent of principal retired in the first ten years.

On April 5, 2006 Brooklyn executed a sale of \$5.255 million of Series 2006 General Obligation (Limited Tax) Fire Station Improvement Bonds at 4.28 percent. The \$4,300,000 Bond Anticipation note was subsequently retired. See note 14 of the basic financial statements for additional information on debt.

Current Financial Related Activities

Two factors shaped the financial outcomes for the City of Brooklyn in 2005. The first of these was the formulation and execution of the budget. Income tax collections had declined in 2004. A major recovery could not be predicted. Many expenses were due to rise at the rate of inflation, but others such as health care coverage, workers compensation, natural gas and gasoline were clearly going to have increases well in excess of normal inflation. Thus, when the preliminary budget was outlined in the fall of 2004 there was a \$1.8 million gap between revenues and expenditures. The administration reviewed all areas of the budget and formulated a plan making over \$1 million in cuts. Personnel costs consume 78 percent of the budget. Part time salaries and positions were cut in police, service garage and the recreation center. Two unions and all non union personnel accepted contracts for 2005 with no pay increase. Six personnel retired and five of those positions were left vacant. The electorate voted in favor of Issue 10 approving added property tax for the building of a fire station and the payment of police and firemen's pensions. This eliminated a \$150,000 transfer from the General Fund to pension funds. Income tax distribution was changed moving an additional 3 percent of income tax from the Capital Improvement Fund to the General Fund. Revenues in the General Fund were thus increased by \$300,000. Capital Improvement expenditures were reduced accordingly. The budget had thus been restructured. The City stuck with the plan throughout the year.

Income tax collections recovered and exceeded projections. Income tax collections rose by 8.55 percent resulting in a \$956,000 increase, an amount about \$700,000 above projection. The result was that costs for 2005 were less than 2004; revenues were greater than the previous year. A certain decline in fund balance was avoided and a surplus developed.

The City rewarded those who had accepted no pay increases with additional compensation at year end of 2 percent on base pay. Union contracts for the next three years have also been negotiated with a 3.25 percent raise in 2006, 3.25 percent in 2007 and 3 percent raise in 2008. Health care coverage deductibles and co-payments have been increased cutting the rate of increase to 5 percent. The City recognized a problem, formulated a plan and took action. Significant results were achieved in 2005 and many of these actions will have long term affects that will continue to maintain our financial position in the near future.

The second major factor is the replacement of the City's 60 year old fire station and 25 year old aerial ladder truck. The planning for this replacement started four years ago. The truck was nearing the end of its expected life and modern trucks would not fit in the old station. The station was old, half the size of a modern station and had been remodeled twice. The resulting layout was very inefficient. Alternative courses of action were reviewed. The decision was made to build a new station at a cost of \$3.8 million. An initiative was put before the electorate and a 1 mill property tax was approved in November 2004. This would provide about \$380,000 annually of dedicated funding to pay for the new fire station and truck at a cost of about \$4.6 million. Total cost of the project was \$5.030 million.

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The architect completed the plans. A construction manager was hired. Costs were rising. Changes were proposed to cut costs. Approximately ten changes were made and about \$200,000 was cut from the project. Site development began in August. Hurricane Katrina and Hurricane Rita then battered the southern coast of the United States. Plans and drawings were finalized and bids were advertised in October. The City feared prices would escalate as a result of the devastation of these two storms. When the bids were received those fears were realized. Costs for constructing the fire station had escalated to \$4.6 million. The aerial ladder truck would cost an additional \$830,000. Other costs brought the total above the dedicated funding from the 1 mill of property tax. The City purchased the ladder truck on a 10 year capital lease utilizing funds from the Capital Improvement Fund. This action put the cost of the project within the \$380,000 generated from the annual property tax. The bids were accepted. The City executed its plan for long term financing. The \$5.255 million 2006 General Obligation Fire Station Improvement Bond was sold on April 5, 2006 at 4.28 percent yielding \$5.441 million in funds to the City.

As part of the financing process, the City asked Moody's Investors Service for a rating review. Moody's visited the City on March 9, 2006 and received a financial presentation and a tour of the City and its facilities. On March 16 Moody's upgraded the City of Brooklyn rating to A1 from A2. Moody's cited several factors for the upgrade. One was a record of strong financial management. The City had developed and published a Master Plan. Brooklyn had a 5 year capital plan, 5 year street maintenance plan and a 3 year budget. Mid year and End of Year Financial Reviews are published annually. Recognition of problems and the ability and resolve to solve them were displayed in the 2005 budget.

A second factor was healthy fund balances. Fund balances prior to 2000 were very good and had been enhanced since then. The City had a benchmark for fund balances of 16 percent of annual expenditures and exceeded the standard. Action in 2005 improved those balances. The General Fund balance rose from \$5,430,421 to \$6,079,991. The overall balance rose from \$7,815,187 to \$12,219,893. As of the end of 2005 the City has a balance in the General Fund that is 43 percent of annual expenditures. The unrestricted balance is 44 percent of expenditures. Another factor was the ability to raise more revenue if needed. The City has 13 mills of charter property tax millage with only 6.9 mills levied. The additional 6.1 mills of already authorized millage could generate an additional \$2 million in property tax.

The final factor was a very favorable debt profile. Debt burden is low at 1.2 percent of full property tax valuation. The City pays cash for most of its capital improvement needs. The City rapidly pays off outstanding debt. In 2005 over \$933,000 in long term debt was retired. Overall, the City was in a strong financial position prior to 2000 and is even stronger at the end of 2005.

The City of Brooklyn has committed itself to financial excellence and has a history of doing just that. The City has received the Government Finance Officers Award Certificate of Achievement for Excellence for sixteen consecutive years. We have produced a Popular Annual Financial Report for the last four years and have received the Award for Outstanding Achievement for each. For the last four years, the City has also received the State Auditor's Award for its commitment to the highest standards in financial reporting. Our commitment to our residents has always been one of full disclosure of the financial position of the City.

City of Brooklyn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends or invests. If you have any questions about this report or need financial information contact the Director of Finance, Gale W. Fisk, 7619 Memphis Avenue, Brooklyn, Ohio 44144, telephone (216) 351-2133 or the City website at www.brooklynohio.gov.

BASIC FINANCIAL STATEMENTS

City of Brooklyn, Ohio

Statement of Net Assets

December 31, 2005

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$8,509,465
Cash and Cash Equivalents:	
In Segregated Accounts	788,536
With Fiscal Agents	1,086
With a Trustee	2,351,209
Materials and Supplies Inventory	38,097
Accrued Interest Receivable	31,735
Accounts Receivable	43,121
Intergovernmental Receivable	811,285
Prepaid Items	134,031
Municipal Income Taxes Receivable	1,450,939
Property and Other Taxes Receivable	2,620,493
Nondepreciable Capital Assets	2,611,037
Depreciable Capital Assets, Net	<u>23,285,117</u>
<i>Total Assets</i>	<u>42,676,151</u>
Liabilities	
Accounts Payable	342,468
Accrued Wages and Benefits	187,803
Intergovernmental Payable	624,385
Vacation Benefits Payable	43,558
Deferred Revenue	2,524,450
Accrued Interest Payable	50,150
Long-Term Liabilities:	
Due Within One Year	1,029,167
Due In More Than One Year	<u>15,563,236</u>
<i>Total Liabilities</i>	<u>20,365,217</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	15,357,773
Restricted for:	
Capital Projects	5,687,329
Debt Service	214,992
Street Construction, Maintenance and Repair	223,557
State Highway	77,558
Court Computer	61,576
Police Programs	77,307
Other Purposes	91,108
Unrestricted	<u>519,734</u>
<i>Total Net Assets</i>	<u><u>\$22,310,934</u></u>

See accompanying notes to the basic financial statements

City of Brooklyn, Ohio
Statement of Activities
For the Year Ended December 31, 2005

	Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
Governmental Activities				
General Government	\$2,016,228	\$49,926	\$22,886	\$0
Security of Persons and Property	8,727,438	674,340	201,212	35,093
Transportation	1,291,187	0	604,328	0
Community Environment	1,738,079	124,325	33,546	0
Basic Utility Services	2,997,427	338	0	0
Leisure Time Activities	2,296,404	632,046	0	0
Interest and Fiscal Charges	234,754	0	0	0
<i>Totals</i>	<u>\$19,301,517</u>	<u>\$1,480,975</u>	<u>\$861,972</u>	<u>\$35,093</u>
General Revenues				
Property and Other Taxes Levied for:				
General Purposes				1,106,813
Street Lighting				92,175
Police Pension				377,898
Fire Pension				468,419
Debt Service				363,739
Capital Outlay				79,441
Municipal Income Taxes Levied for:				
General Purposes				10,505,190
Capital Outlay				1,640,193
Grants and Entitlements not Restricted to Specific Programs				1,278,859
Gain on Sale of Capital Assets				2,696
Investment Earnings				412,082
Miscellaneous				79,292
<i>Total General Revenues</i>				<u>16,406,797</u>
Change in Net Assets				(516,680)
Net Assets Beginning of Year				<u>22,827,614</u>
<i>Net Assets End of Year</i>				<u>\$22,310,934</u>

See accompanying notes to the basic financial statements

City of Brooklyn, Ohio

Balance Sheet

Governmental Funds

December 31, 2005

	General	Police Pension	Fire Pension	Capital Improvements
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,086,115	\$30,281	\$49,059	\$1,564,205
Cash and Cash Equivalents:				
in Segregated Accounts	30,342	0	0	0
with Fiscal Agents	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents in Segregated Accounts	758,194	0	0	0
Cash and Cash Equivalents with a Trustee	2,351,209	0	0	0
Materials and Supplies Inventory	38,097	0	0	0
Accrued Interest Receivable	31,735	0	0	0
Accounts Receivable	43,121	0	0	0
Interfund Receivable	7,500	0	0	198,500
Intergovernmental Receivable	499,282	18,617	23,049	0
Prepaid Items	134,031	0	0	0
Municipal Income Taxes Receivable	1,276,826	0	0	174,113
Property and Other Taxes Receivable	1,273,627	374,130	448,956	0
<i>Total Assets</i>	<u>\$8,530,079</u>	<u>\$423,028</u>	<u>\$521,064</u>	<u>\$1,936,818</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$117,894	\$0	\$0	\$195,221
Accrued Wages and Benefits	182,362	0	0	0
Intergovernmental Payable	365,192	111,008	134,675	0
Deferred Revenue	1,784,640	392,747	472,005	27,509
Interfund Payable	0	0	0	0
<i>Total Liabilities</i>	<u>2,450,088</u>	<u>503,755</u>	<u>606,680</u>	<u>222,730</u>
Fund Balances (Deficit)				
Reserved for Encumbrances	84,539	0	0	136,672
Reserved for Landfill Closure and Postclosure Care	3,109,403	0	0	0
Unreserved, Undesignated, Reported in:				
General Fund	2,886,049	0	0	0
Special Revenue Funds	0	(80,727)	(85,616)	0
Debt Service Fund	0	0	0	0
Capital Projects Funds	0	0	0	1,577,416
<i>Total Fund Balances (Deficit)</i>	<u>6,079,991</u>	<u>(80,727)</u>	<u>(85,616)</u>	<u>1,714,088</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$8,530,079</u>	<u>\$423,028</u>	<u>\$521,064</u>	<u>\$1,936,818</u>

See accompanying notes to the basic financial statements

City of Brooklyn, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2005*

Safety Forces Construction	Other Governmental Funds	Total Governmental Funds		
\$3,847,423	\$932,382	\$8,509,465	Total Governmental Fund Balances	\$12,219,893
0	0	30,342	<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
0	1,086	1,086	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	25,896,154
0	0	758,194	Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:	
0	0	2,351,209	Property and Other Taxes	57,043
0	0	38,097	Municipal Income Taxes	229,240
0	0	31,735	Intergovernmental	<u>594,715</u>
0	0	43,121		
0	0	206,000	Total	880,998
0	270,337	811,285	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(50,150)
0	0	134,031		
0	0	1,450,939	Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(43,558)
0	523,780	2,620,493		
<u>\$3,847,423</u>	<u>\$1,727,585</u>	<u>\$16,985,997</u>	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
\$10,730	\$18,623	\$342,468	General Obligation Bonds	(2,522,806)
0	5,441	187,803	OPWC Loan	(522,215)
0	13,510	624,385	Honeywell Loan	(477,434)
0	728,547	3,405,448	Police Pension	(54,184)
0	206,000	206,000	Long-Term Notes	(5,800,000)
<u>10,730</u>	<u>972,121</u>	<u>4,766,104</u>	Capital Lease Obligation Payable	(1,215,926)
563,118	40,421	824,750	Landfill Closure and Postclosure Care	(4,359,500)
0	0	3,109,403	Compensated Absences Payable	<u>(1,640,338)</u>
0	0	2,886,049	Total	<u>(16,592,403)</u>
0	0	2,886,049	Total	<u>(16,592,403)</u>
0	380,750	214,407	<i>Net Assets of Governmental Activities</i>	<u>\$22,310,934</u>
0	239,145	239,145		
3,273,575	95,148	4,946,139		
<u>3,836,693</u>	<u>755,464</u>	<u>12,219,893</u>		
<u>\$3,847,423</u>	<u>\$1,727,585</u>	<u>\$16,985,997</u>		

City of Brooklyn, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2005

	General	Police Pension	Fire Pension	Capital Improvements	Safety Forces Construction
Revenues					
Municipal Income Taxes	\$10,588,212	\$0	\$0	\$1,409,471	\$0
Property and Other Taxes	1,113,645	380,485	471,937	0	0
Charges for Services	802,328	0	0	0	0
Fines, Licenses and Permits	652,555	0	0	0	0
Intergovernmental	1,144,536	36,856	45,622	0	35,093
Contributions and Donations	25,677	0	0	0	0
Interest	249,169	0	0	1,433	75,501
Miscellaneous	56,573	0	0	0	3,600
<i>Total Revenues</i>	<u>14,632,695</u>	<u>417,341</u>	<u>517,559</u>	<u>1,410,904</u>	<u>114,194</u>
Expenditures					
Current:					
General Government	1,636,630	0	0	0	0
Security of Persons and Property	6,261,483	407,686	485,746	0	0
Transportation	0	0	0	0	0
Community Environment	1,371,345	0	0	0	0
Basic Utility Services	2,459,369	0	0	0	0
Leisure Time Activities	1,970,298	0	0	0	0
Capital Outlay	0	0	0	1,623,636	878,005
Debt Service:					
Principal Retirement	1,984	910	0	372,803	0
Interest and Fiscal Charges	83	2,333	0	46,585	0
<i>Total Expenditures</i>	<u>13,701,192</u>	<u>410,929</u>	<u>485,746</u>	<u>2,043,024</u>	<u>878,005</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>931,503</u>	<u>6,412</u>	<u>31,813</u>	<u>(632,120)</u>	<u>(763,811)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	2,696	0	0	0	0
Notes Issued	0	0	0	0	4,300,000
Current Refunding	0	0	0	0	0
Inception of Capital Lease	15,875	0	0	830,000	0
Transfers In	0	0	0	0	300,504
Transfers Out	(300,504)	0	0	(96,290)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(281,933)</u>	<u>0</u>	<u>0</u>	<u>733,710</u>	<u>4,600,504</u>
<i>Net Change in Fund Balances</i>	649,570	6,412	31,813	101,590	3,836,693
<i>Fund Balances Beginning of Year</i>	<u>5,430,421</u>	<u>(87,139)</u>	<u>(117,429)</u>	<u>1,612,498</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$6,079,991</u>	<u>(\$80,727)</u>	<u>(\$85,616)</u>	<u>\$1,714,088</u>	<u>\$3,836,693</u>

See accompanying notes to the basic financial statements

City of Brooklyn, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2005*

Other Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances - Total Governmental Funds	\$4,404,706
		<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
\$253,463	\$12,251,146	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	
536,702	2,502,769	Capital Asset Additions	910,855
0	802,328	Current Year Depreciation	<u>(1,805,103)</u>
26,092	678,647	Total	(894,248)
851,110	2,113,217	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.	(15,976)
0	25,677	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues.	
85,979	412,082	Delinquent Property Taxes	(14,284)
19,119	79,292	Municipal Income Taxes	(105,763)
<u>1,772,465</u>	<u>18,865,158</u>	Intergovernmental	<u>37,030</u>
		Total	(83,017)
22,147	1,658,777	Repayment of bond, loan, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,650,667
224,815	7,379,730	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(21,493)
713,054	713,054	Other financing sources in the governmental funds increased long-term liabilities in the statement of net assets.	
37,744	1,409,089	Notes Issued	(5,800,000)
153,137	2,612,506	Inception of Capital Leases	<u>(845,875)</u>
0	1,970,298	Total	(6,645,875)
0	2,501,641	Some expenses reported in the statement of activities, such as compensated absences and landfill costs do not require the use of current financial resources and therefore are not reported as expenditures.	
774,970	1,150,667	Compensated Absences	28,514
164,260	213,261	Landfill	(114,612)
<u>2,090,127</u>	<u>19,609,023</u>	Vacation Benefits Payable	<u>174,654</u>
		Total	<u>88,556</u>
(317,662)	(743,865)	Change in Net Assets of Governmental Activities	<u><u>(\$516,680)</u></u>
0	2,696		
1,500,000	5,800,000		
(1,500,000)	(1,500,000)		
0	845,875		
468,550	769,054		
(372,260)	(769,054)		
<u>96,290</u>	<u>5,148,571</u>		
(221,372)	4,404,706		
<u>976,836</u>	<u>7,815,187</u>		
<u>\$755,464</u>	<u>\$12,219,893</u>		

City of Brooklyn, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Municipal Income Taxes	\$10,220,599	\$10,249,800	\$10,257,753	\$7,953
Property and Other Taxes	1,100,000	1,226,930	1,113,271	(113,659)
Charges for Services	800,000	861,255	803,377	(57,878)
Fines, Licenses and Permits	600,000	668,200	617,248	(50,952)
Intergovernmental	1,000,000	1,134,480	1,146,982	12,502
Contributions and Donations	20,000	31,500	25,677	(5,823)
Interest	150,000	192,000	223,607	31,607
Other	20,000	32,480	52,006	19,526
<i>Total Revenues</i>	<u>13,910,599</u>	<u>14,396,645</u>	<u>14,239,921</u>	<u>(156,724)</u>
Expenditures				
Current:				
General Government	1,700,500	1,732,476	1,641,154	91,322
Security of Persons and Property	6,313,000	6,340,345	6,271,542	68,803
Community Environment	1,459,100	1,454,045	1,399,962	54,083
Basic Utility Services	2,517,200	2,519,363	2,492,703	26,660
Leisure Time Activities	2,058,700	2,116,155	2,000,574	115,581
<i>Total Expenditures</i>	<u>14,048,500</u>	<u>14,162,384</u>	<u>13,805,935</u>	<u>356,449</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(137,901)</u>	<u>234,261</u>	<u>433,986</u>	<u>199,725</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	5,000	10,000	2,696	(7,304)
Advances Out	0	0	(7,500)	(7,500)
Transfers Out	(380,400)	(382,802)	(300,504)	82,298
<i>Total Other Financing Sources (Uses)</i>	<u>(375,400)</u>	<u>(372,802)</u>	<u>(305,308)</u>	<u>67,494</u>
<i>Net Change in Fund Balance</i>	(513,301)	(138,541)	128,678	267,219
<i>Fund Balance Beginning of Year</i>	4,760,245	4,760,245	4,760,245	0
Prior Year Encumbrances Appropriated	168,948	168,948	168,948	0
<i>Fund Balance End of Year</i>	<u>\$4,415,892</u>	<u>\$4,790,652</u>	<u>\$5,057,871</u>	<u>\$267,219</u>

See accompanying notes to the basic financial statements

City of Brooklyn, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Taxes	\$386,168	\$386,168	\$380,485	(\$5,683)
Intergovernmental	<u>27,500</u>	<u>27,500</u>	<u>36,856</u>	<u>9,356</u>
<i>Total Revenues</i>	413,668	413,668	417,341	3,673
Expenditures				
Current:				
Security of Persons and Property	<u>404,570</u>	<u>409,820</u>	<u>408,277</u>	<u>1,543</u>
<i>Net Change in Fund Balance</i>	9,098	3,848	9,064	5,216
<i>Fund Balance Beginning of Year</i>	<u>21,217</u>	<u>21,217</u>	<u>21,217</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$30,315</u></u>	<u><u>\$25,065</u></u>	<u><u>\$30,281</u></u>	<u><u>\$5,216</u></u>

See accompanying notes to the basic financial statements

City of Brooklyn, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$478,124	\$478,124	\$471,937	(\$6,187)
Intergovernmental	38,000	38,000	45,622	7,622
<i>Total Revenues</i>	516,124	516,124	517,559	1,435
Expenditures				
Current:				
Security of Persons and Property	476,644	477,644	477,294	350
<i>Net Change in Fund Balance</i>	39,480	38,480	40,265	1,785
<i>Fund Balance Beginning of Year</i>	8,794	8,794	8,794	0
<i>Fund Balance End of Year</i>	\$48,274	\$47,274	\$49,059	\$1,785

See accompanying notes to the basic financial statements

City of Brooklyn, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2005

Assets

Equity in Pooled Cash and Cash Equivalents	<u><u>\$85,201</u></u>
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Liabilities

Intergovernmental Payable	\$291
Deposits Held and Due to Others	<u>84,910</u>

<i>Total Liabilities</i>	<u><u>\$85,201</u></u>
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See accompanying notes to the basic financial statements

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 1 - Description of the City and Reporting Entity

The City of Brooklyn (the "City") is a charter municipal corporation established and operated under the laws of the State of Ohio. A charter was first adopted by the electorate at a general election held in 1951. The current charter provides for a council-mayor form of government. Elected officials include seven council members and a mayor.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. The primary government provides the following services to its citizens: a mayor's court, police and fire protection, emergency medical, recreation (including parks), planning, zoning, street maintenance and repair, refuse collection, recycling and general administrative services.

The Brooklyn Mayor's Court has been included in the City's financial statements as an agency fund. The mayor is an elected official who has a fiduciary responsibility for the collection and distribution of the court fees and fines.

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 organizations. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. There are no component units included as part of this report.

The City is associated with three jointly governed organizations, the Southwest Council of Governments, the Parma Community General Hospital Association, and the Northeast Ohio Public Energy Council. These organizations are presented in Note 17 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City of Brooklyn have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities unless these pronouncements conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

A. Basis of Presentation

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

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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 statement of net assets presents the financial condition of the governmental 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. 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 function 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 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. 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. The City reports two categories of funds: governmental and fiduciary.

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

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

Police Pension Fund The police pension fund accounts for property taxes collected to pay the City's share of police pension benefits.

Fire Pension Fund The fire pension fund accounts for property taxes collected to pay the City's share of fire pension benefits.

Capital Improvements Fund The capital improvements fund accounts for tax revenues and special assessments expended for various capital projects of the City.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Safety Forces Construction Fund The safety forces construction fund accounts for revenues and expenditures for the construction of the new fire station and maintenance of the police and fire stations.

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

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. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for deposits pledged by contractors and citizens and building assessment fees collected for the Ohio Board of Building Standards.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the 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 (i.e., revenues) and decreases (i.e., 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.

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

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 7) Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange 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, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), interest, grants, fees and rentals.

Deferred 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, 2005, but which were levied to finance year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. 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 budgetary control is at the department, object level within the general fund and at the object level for all other funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control. The Director of Finance is authorized to transfer appropriations between line items within an object of any department. Budgetary statements are presented beyond that legal level of control for information purposes only.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. 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 amended certificate of estimated resources in effect at the time the final appropriations were passed by Council.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources by fund. 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.

F. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

Cash and cash equivalents that are held separately within departments of the City are recorded as "Cash and Cash Equivalents in Segregated Accounts".

Cash and cash equivalents that are held separately for the City by escrow agents are recorded as "Cash and Cash Equivalents with Fiscal Agents".

The City utilizes a trust and a segregated account to hold monies set aside for Landfill Closure and Postclosure Care cost. The balance in the trust account is represented on the balance sheet as "Restricted Assets - Cash and Cash Equivalents with Fiscal Agents." The City's additional required set aside amount is represented on the balance sheet as "Restricted Assets - Cash and Cash Equivalents in Segregated Accounts."

During 2005, the City's investments were limited to repurchase agreements, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Notes and Victory United States Government Obligations Money Market Mutual Funds. Investments are reported at fair value, except for non-negotiable certificates of deposit and repurchase agreements which are reported at cost. Fair value is based on quoted market prices or for investments in open-end mutual funds, by the fund's share price.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2005 amounted to \$249,169, which includes \$65,667 assigned from other City funds.

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 cash equivalents.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

G. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets represent amounts required by to be set-aside for Landfill Closure and Postclosure Care.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which the services are consumed.

I. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies.

J. Capital Assets

The City's only capital assets are general capital assets. General capital assets are those 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.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of one thousand dollars. 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.

All reported capital assets are depreciated except for land. 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:

Description	Estimated Lives
Land	N/A
Buildings	5 - 50 years
Improvements	5 - 50 years
Machinery and Equipment	3 - 25 years
Furniture and Fixtures	7 - 10 years
Infrastructure	5 - 60 years

The City's infrastructure consists of roads and sidewalks, sanitary sewers, storm sewers, water lines and traffic signals and includes infrastructure acquired prior to December 31, 1980.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

K. Interfund Balances

On fund financial statements, receivables and payables resulting in short term interfund loans are classified as “interfund receivables/payables”. These amounts are eliminated in the governmental activities column of the statement of net assets.

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributed 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 employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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

N. 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. Unreserved fund balance indicates that portion of fund equity which is available for appropriations in future periods. Fund balance reserves have been established for encumbrances and landfill closure and postclosure care.

O. 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 on enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Net assets restricted for other purposes include the operations of the Groeger trust and the underground storage tank.

The government wide statement of net assets report \$6,433,427 of restricted net assets of which \$334,993 is restricted by enabling legislation.

P. Interfund Activity

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. Repayments 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.

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.

Note 3 - Changes in Accounting Principles

Changes in Accounting Principles. For 2005, the City has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures" and GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries."

GASB Statement No. 40 establishes disclosure requirements for investments credit risk, interest rate risk, deposit custodial risk and foreign currency risk.

GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries.

The implementation of GASB Statement No. 40 and GASB Statement No. 42 did not affect the presentation of the financial statements of the City.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 4 - Fund Deficits and Legal Compliance

A. Fund Deficits

The following funds had deficit fund balances at December 31, 2005:

Major Funds	
Police Pension	\$80,727
Fire Pension	85,616
Nonmajor Funds	
Community Development Block Grant	19,619
FEMA Fire Act	9,990

The deficits in the police pension and fire pension special revenue funds are the result of adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, rather than when accruals occur.

The deficit in the community development block grant and the fire FEMA act special revenue funds are the result of short term interfund loans in anticipation of grant monies. Once the monies have been received the deficit balance will be eliminated.

B. Legal Compliance

Contrary to ORC Section 5705.39, the federal grants special revenue fund has final appropriations in excess of final certifications plus beginning balances in the amount of \$2,914.

Although this budgetary violation was not corrected by year-end, management has indicated that appropriations will be closely monitored to ensure no future violations.

Note 5 - Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual for the general fund and the major special revenue funds 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 the GAAP basis are:

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

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.
5. Investments are reported at fair value (GAAP) rather than cost (budget).
6. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budget basis statements for the general fund and major special revenue funds.

	General	Police Pension	Fire Pension
GAAP Basis	\$649,570	\$6,412	\$31,813
Net Adjustment for Revenue Accruals	(386,180)	0	0
Beginning Fair Value Adjustment for Investments	(6,859)	0	0
Ending Fair Value Adjustment for Investments	(3,018)	0	0
Beginning Adjustment for Unrecorded Cash	(22,652)	0	0
Ending Adjustment for Unrecorded Cash	10,060	0	0
Net Adjustment for Expenditure Accruals	(1,732)	2,652	8,452
Advances Out	(7,500)	0	0
Adjustment for Encumbrances	(103,011)	0	0
Budget Basis	<u>\$128,678</u>	<u>\$9,064</u>	<u>\$40,265</u>

Note 6 - Deposits and Investments

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

Active deposits are public deposits necessary to meet current demands on the City treasury. Active 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 five 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.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, Notes or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and 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 division (1) or (2) 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).

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest, or coupons; and,
3. Obligations of the City.

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. Investments may only be made through specified dealers and institutions.

Deposits

Custodial Credit Risk Custodial Credit Risk is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year-end, \$6,816,715 of the City's bank balance of \$7,540,698 was uninsured and uncollateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investment of the money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

The City has no deposit policy for custodial risk beyond the requirements of the State Statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

All investments are in an internal investment pool.

	<u>Fair Value</u>	<u>Maturity</u>
Repurchase Agreement	\$92,648	33 days
Victory U.S. Money Market Mutual Fund	3,377,771	30 days
Federal Home Loan Bank Notes	985,668	February 8, 2006
Federal Home Loan Mortgage Corporation Notes	494,723	February 21, 2006
	<u>\$4,950,810</u>	

Interest Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within a year from the date of purchase and that the City's investment portfolio be structured so that the 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.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Notes and the Federal Home Loan Mortgage Corporation Notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial credit 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.

Credit Risk The Federal Home Loan Bank Notes and the Federal Home Loan Mortgage Corporation Notes carry a rating of AAA by Standard & Poor's. The Victory Federal Money Market Mutual Fund carries a rating of AAAM by Standard & Poor's. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk The City places not limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2005:

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

<u>Investment</u>	<u>Percentage of Investment</u>
Repurchase Agreements	1.87 %
Victory U.S. Money Market Mutual Fund	68.23
Federal Home Loan Bank Notes	19.91
Federal Home Loan Mortgage Corporation Notes	9.99

Note 7 - Receivables

Receivables at December 31, 2005, consisted primarily of municipal income taxes, property and other taxes, special assessments, accounts (billings for user charged services and court fines), and intergovernmental receivables arising from grants, entitlements and shared revenues.

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2005 for real and public utility property taxes represents collections of the 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) are for 2005 taxes.

2005 real property taxes are levied after October 1, 2005, on the assessed value as of January 1, 2005, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2005 real property taxes are collected in and intended to finance 2006.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2005 public utility property taxes which became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

2005 tangible personal property taxes are levied after October 1, 2004, on the values as of December 31, 2004. Collections are made in 2005. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent for inventory.

The full tax rate for all City operations for the year ended December 31, 2005, was \$6.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2004 property tax receipts were based as follows:

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Real Estate	
Residential/Agriculture	\$301,034,980
Tangible Personal Property	
Public Utility	17,752,200
General Tangible Personal Property	<u>70,888,141</u>
Total Valuation	<u><u>\$389,675,321</u></u>

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Brooklyn. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2005 and for which there is an enforceable legal claim. In the general fund; street lighting, police pension and fire pension special revenue funds; and general obligation bond debt service fund; the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2005 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

B. Income Taxes

The City levies a two percent municipal income tax on substantially all income earned within the City. In addition, City residents are required to pay tax on income earned outside of the City. The City allows a credit of one hundred percent for income tax paid to another municipality, not to exceed two percent of taxable income.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, passed on December 4, 2004 and effective as of January 1, 2005 eighty-eight percent of the income tax proceeds were credited to the general fund and twelve percent of the income tax proceeds were credited to the capital improvements capital projects fund. By City Ordinance, effective September 1, 1997 through December 31, 2004, fifty percent of gross income tax receipts collected from the Plain Dealer Printing and Distributing Center were credited to the Tiedeman Road capital projects fund, with the remaining fifty percent credited to general fund and the capital improvements capital projects fund in accordance with the City ordinances above.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

C. Intergovernmental Receivable

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities	
Local Government	\$409,400
Homestead and Rollback	122,339
Gasoline Excise Tax	85,064
Gasoline Tax	80,489
Motor Vehicle Registration	37,475
Community Development Block Grant	28,893
Local Government Revenue Assistance	25,205
Permissive License Tax	16,254
Liquor Licenses	4,466
Prisoner Housing	<u>1,700</u>
<i>Total Governmental Activities</i>	<u><u>\$811,285</u></u>

Note 8 - Compensated Absences

The criteria for determining vacation and sick leave liabilities are derived from negotiated agreements and State laws. Employees earn ten to thirty days of vacation per year, depending upon length of service. Vacation accumulation is limited to one year. All accumulated unused vacation time is paid upon termination of employment. Employees may only carry over 40 hours of vacation time. The vacation benefits liability at year-end is reported on the government-wide financial statements.

Employees earn sick leave at different rates depending upon type of employment. Sick leave accrual is continuous, without limit. Upon retirement or death, an employee can be paid a maximum of fifty percent of accumulated, unused sick leave.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2005, was as follows:

	Balance 12/31/04	Additions	Deletions	Balance 12/31/05
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$2,611,037	\$0	\$0	\$2,611,037
<i>Capital Assets, being depreciated:</i>				
Buildings	13,862,914	5,700	0	13,868,614
Improvements Other than Buildings	9,884,787	10,688	0	9,895,475
Machinery and Equipment	4,471,659	181,399	(215,753)	4,437,305
Vehicles	3,950,367	465,619	(47,168)	4,368,818
Infrastructure				
Roads and Sidewalks	9,606,083	247,449	0	9,853,532
Sanitary Sewer	2,696,363	0	0	2,696,363
Storm Sewer	2,023,140	0	0	2,023,140
Water Lines	2,446,344	0	0	2,446,344
Traffic Signals	2,015,477	0	0	2,015,477
<i>Total Capital Assets, being depreciated</i>	<u>50,957,134</u>	<u>910,855</u>	<u>(262,921)</u>	<u>51,605,068</u>
Less Accumulated Depreciation:				
Buildings	(5,480,251)	(281,870)	0	(5,762,121)
Improvements Other than Buildings	(3,916,334)	(361,393)	0	(4,277,727)
Machinery and Equipment	(2,722,863)	(319,830)	200,793	(2,841,900)
Vehicles	(2,521,781)	(413,557)	46,152	(2,889,186)
Infrastructure				
Roads and Sidewalks	(5,603,783)	(231,224)	0	(5,835,007)
Sanitary Sewer	(1,904,187)	(45,663)	0	(1,949,850)
Storm Sewer	(1,317,927)	(39,947)	0	(1,357,874)
Water Lines	(1,901,181)	(41,488)	0	(1,942,669)
Traffic Signals	(1,393,486)	(70,131)	0	(1,463,617)
<i>Total Accumulated Depreciation</i>	<u>(26,761,793)</u>	<u>(1,805,103) *</u>	<u>246,945</u>	<u>(28,319,951)</u>
Total Capital Assets, being depreciated, net	<u>24,195,341</u>	<u>(894,248)</u>	<u>(15,976)</u>	<u>23,285,117</u>
Governmental Activities Capital Assets, Net	<u>\$26,806,378</u>	<u>(\$894,248)</u>	<u>(\$15,976)</u>	<u>\$25,896,154</u>

* Depreciation expense was charged to governmental functions as follow:

General Government	\$143,797
Security of Persons and Property	361,475
Transportation	307,244
Community Environment	113,454
Basic Utility Services	460,482
Leisure Time Activities	418,651
Total Depreciation Expense	<u>\$1,805,103</u>

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 10 - Risk Management

A. Property and Liability

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 disaster. During 2005, the City contracted through Jackson, Dieken & Associates, Inc for various types of insurance as follows:

<u>Company</u>	<u>Type</u>	<u>Coverage</u>
Arch Insurance Company	Blanket Property, and Contents, Replacement	\$25,219,000
	Earthquake Coverage	500,000
	General Liability	3,000,000
	Automobile Liability	1,000,000
	Umbrella Liability	9,000,000
	Public Officials Liability	1,000,000
	Police Professional Liability	1,000,000
	Inland Marine	2,728,953
	Steam Boiler/Machinery	10,000,000
	Electronic Data Processing	430,650

The City carries commercial insurance coverage for all risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there were no significant reductions in coverage from the prior year.

B. Workers' Compensation

Workers' Compensation coverage is provided by the State. The City participates in the State Worker's Compensation retrospective rating and payment system. This plan involves the payment of a premium for administrative services and stop-loss coverage plus the actual claim costs for injured employees. This rate is calculated based on accident history and administrative costs. In the past, the City of Brooklyn was rated as an individual public entity.

Note 11 - Interfund Transfers and Balances

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to provide additional resources for current operations or debt service; and to segregate money for anticipated capital projects.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Interfund transfers for the year ended December 31, 2005 consisted of the following:

<u>Transfer To</u>	<u>Transfer From</u>			<u>Total</u>
	<u>General</u>	<u>Capital Improvements</u>	<u>Other Governmental</u>	
Other Governmental Funds:				
General Obligation Bond Retirement	\$0	\$0	\$372,260	\$372,260
Issue II	0	91,290	0	91,290
Biddulph Road	0	5,000	0	5,000
Safety Forces Construction	300,504	0	0	300,504
<i>Total Governmental Activities</i>	<u>\$300,504</u>	<u>\$96,290</u>	<u>\$372,260</u>	<u>\$769,054</u>

Interfund balances at December 31, 2005, consisted of the following advances made to cover expenditures in anticipation of grant monies.

<u>Interfund Payable</u>	<u>Interfund Receivable</u>		
	<u>General</u>	<u>Capital Improvements</u>	<u>Total</u>
Other Governmental Funds:			
Community Development Block Grant	\$0	\$98,500	\$98,500
FEMA Fire Act	0	100,000	100,000
Federal Grants	7,500	0	7,500
<i>Total Governmental Activities</i>	<u>\$7,500</u>	<u>\$198,500</u>	<u>\$206,000</u>

Note 12 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System (OPERS)

The City of Brooklyn participates in the Ohio Public 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.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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 which may be obtained by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614)222-6705 or (800)222-7377.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent.

The City's contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$443,415, \$471,524 and \$415,017, respectively; 73.78 percent has been contributed for 2005 and 100 percent for 2004 and 2003. Contributions to the member-directed plan for 2005 were \$2,134 made by the City and \$1,339 made by the plan members.

B. Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. 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. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund for police and firefighters were \$250,071 and \$327,791 for the year ended December 31, 2005, \$253,315 and \$312,550 for the year ended December 31, 2004, and \$236,149 and \$315,836 for the year ended December 31, 2003. The full amount has been contributed for 2004 and 2003. 71.20 percent for police and 69.47 percent for firefighters has been contributed for 2005 with the remainder being reported as a liability.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2005, the unfunded liability of the City was \$54,184 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary. The liability is reported as "long-term liabilities" in the governmental activities column on the statement of net assets.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 13 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System of Ohio (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.0 percent was the portion that was used to fund health care.

Benefits are advanced-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004 include a rate of return on investments of 8.0 percent, an annual increase in active employee total payroll of 4.0 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after 8 years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 376,109. Actual employer contributions for 2005 which were used to fund postemployment benefits were \$185,724. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2005. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2005 that were used to fund postemployment benefits were \$164,940 for police and \$156,331 for firefighters. The OP&F's total health care expense for the year ended December 31, 2004, (the latest information available) was \$102,173,796 which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 13,812 for police and 10,528 for firefighters.

Note 14 - Long-Term Obligations

The original issue date, interest rate, original issue amount and date of maturity of each of the City's bonds and loans follows:

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Governmental Activities:			
Various Purposes General Obligation Refunding Bonds - 1999	3.03-4.45%	\$4,440,000	January 1, 2012
Sanitary Landfill Improvement OPWC Loan - 1992	0.00%	1,099,400	January 1, 2015
Energy Conservation Honeywell Loan - 1998	5.27%	1,400,171	September 1, 2008
Police Pension - 1988	0.00%	70,770	October 6, 2035
Long-Term Notes:			
Tiedeman Road Improvements Notes - 2005	4.00%	450,000	June 24, 2006
Street and Sidewalk Improvements Notes - 2005	4.00%	175,000	June 25, 2006
Marquardt Improvements Notes - 2005	4.00%	530,000	June 25, 2006
Biddulph Road Improvement Notes - 2005	4.00%	345,000	June 25, 2006
New Fire Station - 2005	4.00%	4,300,000	June 25, 2006

City of Brooklyn, Ohio
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Changes in long-term obligations of the City during 2005 are as follows:

	<u>Outstanding 12/31/2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 12/31/2005</u>	<u>Due in One Year</u>
Governmental Activities:					
General Obligation Refunding Bonds	\$2,832,806	\$0	\$310,000	\$2,522,806	\$320,000
OPWC Loan	577,185	0	54,970	522,215	54,970
Honeywell Loan	634,625	0	157,191	477,434	165,677
Police Pension (Note 12)	55,094	0	910	54,184	949
Long-Term Notes:					
Tiedeman Road Improvements	675,000	450,000	675,000	450,000	0
Street and Sidewalk Improvements	225,000	175,000	225,000	175,000	0
Marquardt Park Improvements	575,000	530,000	575,000	530,000	0
Issue II Improvements	90,000	0	90,000	0	0
Biddulph Road Improvements	345,000	345,000	345,000	345,000	0
New Fire Station	0	4,300,000	0	4,300,000	0
<i>Total Long-Term Notes</i>	<u>1,910,000</u>	<u>5,800,000</u>	<u>1,910,000</u>	<u>5,800,000</u>	<u>0</u>
Capital Leases	587,647	845,875	217,596	1,215,926	252,748
Landfill (Note 16)	4,244,888	114,612	0	4,359,500	0
Compensated Absences	<u>1,668,852</u>	<u>169,197</u>	<u>197,711</u>	<u>1,640,338</u>	<u>234,823</u>
<i>Total Governmental Activities</i>	<u><u>\$12,511,097</u></u>	<u><u>\$6,929,684</u></u>	<u><u>\$2,848,378</u></u>	<u><u>\$16,592,403</u></u>	<u><u>\$1,029,167</u></u>

General obligation bonds are the direct obligation of the City and will be paid from the debt service fund using property tax revenues. Special assessment bonds will be paid from special assessment proceeds levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The Ohio Public Works Commission (OPWC) Loans will be paid from the debt service fund using property tax revenues. The Honeywell Loan will be paid by income tax revenues from the capital improvements capital projects fund. Capital leases will be paid from the capital improvements capital projects fund. Compensated absences will be paid from the general fund and the street maintenance and repair special revenue fund which are the funds from which the employees' salaries are paid.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

The police pension liability will be paid from levied taxes in the police pension special revenue fund. The landfill will be paid for using designated general fund revenues which are for landfill closure and postclosure care. During 2005 a re-evaluation of the landfill total yearly post-closure cost estimate and landfill closure and postclosure care liability was completed and resulted in a decrease in the value. (See Note 16) Compensated absences will be paid by the general fund and street construction, maintenance and repair special revenue fund.

Bond anticipation notes that were rolled over prior to the issuance of the financial statements and have a new maturity beyond the end of the year in which the report is issued have been reported in the government wide statements. The notes are backed by the full faith of the City of Brooklyn.

On March 18, 1999, the City issued \$4,440,000 in general obligation bonds with interest rates varying from 3.30 percent to 4.45 percent, for the purpose of advance refunding \$3,945,000 of 1992 various purpose bonds. As of December 31, 2000, the refunded various purpose improvement bonds are considered fully defeased. The balance outstanding for the bonds is \$2,522,806 as of December 31, 2005.

The City's overall legal debt margin was \$32,832,248 at December 31, 2005. The unvoted legal debt margin was \$13,348,482. Principal and interest requirements to retire the long-term obligations as of December 31, 2005, are as follows:

	General Obligation Bonds		OPWC Loan	Honeywell Loan	
	Principal	Interest	Principal	Principal	Interest
2006	\$320,000	\$107,710	\$54,970	\$165,677	\$21,195
2007	335,000	95,070	54,970	174,622	12,251
2008	355,000	81,503	54,970	137,135	3,028
2009	360,000	66,948	54,970	0	0
2010	385,000	52,008	54,970	0	0
2011-2015	767,806	53,890	247,365	0	0
2016-2019	0	0	0	0	0
Total	<u>\$2,522,806</u>	<u>\$457,129</u>	<u>\$522,215</u>	<u>\$477,434</u>	<u>\$36,474</u>

	Police Pension		Long-Term Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$949	\$2,293	\$5,800,000	\$38,501	\$6,341,596	\$169,699
2007	990	2,252	0	0	565,582	109,573
2008	1,033	2,210	0	0	548,138	86,741
2009	1,077	2,165	0	0	416,047	69,113
2010	1,123	2,119	0	0	441,093	54,127
2011-2015	6,383	9,827	0	0	1,021,554	63,717
2016-2020	7,878	8,332	0	0	7,878	8,332
2021-2025	9,721	6,489	0	0	9,721	6,489
2026-2030	11,996	4,214	0	0	11,996	4,214
2031-2035	13,034	1,411	0	0	13,034	1,411
Total	<u>\$54,184</u>	<u>\$41,312</u>	<u>\$5,800,000</u>	<u>\$38,501</u>	<u>\$9,376,639</u>	<u>\$573,416</u>

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Industrial Development Revenue Bonds

The City has issued industrial development revenue bonds in the aggregate outstanding principal amount of \$805,000 at December 31, 2005 for facilities used by private corporations. The City is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded from the City's debt presentation. There has not been and is not any condition of default under the bonds or the related financing documents.

Note 15 - Capital Leases

The City entered into lease agreements for pool improvements, network cabling, two salt trucks and three police cars. The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases". Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2005:

<i>Capital Assets, being depreciated:</i>	
Improvements Other than Buildings	\$697,160
Vehicles	<u>1,109,091</u>
<i>Total Capital Assets, being depreciated</i>	<u>1,806,251</u>
Less Accumulated Depreciation:	
Improvements Other than Buildings	(78,313)
Vehicles	<u>(167,998)</u>
<i>Total Accumulated Depreciation</i>	<u>(246,311)</u>
<i>Capital Assets, Net</i>	<u><u>\$1,559,940</u></u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2005.

Year Ending December 30,	Governmental Activities
2006	\$194,364
2007	222,680
2008	190,451
2009	104,173
2010	102,795
2011-2015	513,975
2016	<u>102,795</u>
Total	1,431,233
Less: Amount Representing Interest	<u>(215,307)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$1,215,926</u></u>

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 16 - Landfill Closure and Postclosure Care

State and federal laws and regulations require the City to place a final cover on its Sanitary Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. During 2005 a re-evaluation of the landfill total yearly postclosure cost estimate and landfill closure and postclosure care liability was completed. The re-evaluation was approved by the Ohio Environmental Protection Agency. The \$4,359,500 reported as landfill closure and postclosure care liability at December 31, 2005, represents the cumulative amount reported to date based on the use of 67.02 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$2,126,904 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2005. The City expects to close the landfill in the year 2039. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to make annual contributions to a trust to finance landfill closure and postclosure care. The City is in compliance with these requirements and made its first contribution in 1995. These are reported as restricted assets on the balance sheet as "cash and cash equivalents with a trustee" and "cash and cash equivalents in segregated accounts." The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by future tax revenues.

The City had restricted \$758,194 in segregated accounts and an additional \$2,351,209 with a trustee to provide a total of \$3,109,403 for the landfill closure and postclosure care costs as of December 31, 2005.

Note 17 - Jointly Governed Organizations

A. Southwest Council of Governments

The Southwest Council of Governments helps foster cooperation between municipalities in areas effecting health, safety, welfare, education, economic conditions and regional development. The 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. In 2005, the City contributed \$7,500.

The Council has established two subsidiary organizations, the Hazardous Material Response Team ("HAZ MAT") which provides hazardous material protection and assistance and the Southwest Enforcement Bureau which provides extra assistance to cities in the form of a Special Weapons and Tactics Team ("SWAT Team"). The Council's financial statements may be obtained by contacting the Southwest Council of Governments, Parma Heights, Ohio.

B. Parma Community General Hospital Association

The Parma Community General Hospital Association is a not for profit adult care hospital controlled by a Board of Trustees which is composed of Mayoral appointees from the Cities of Brooklyn, North Royalton, Parma, Parma Heights, Seven Hills, and Brooklyn Heights. Each City has two representatives on the Board other than Parma, which has six. The operations, maintenance and management of the hospital are the exclusive charge of the Parma Community General Hospital Association. The City's degree of control is limited to its appointment to the Board of Trustees.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Additions to the hospital have been financed by the issuance of hospital revenue bonds. The bonds are backed solely by the revenues of the hospital. The Cities have no responsibility for the payment of bonds, nor is there any ongoing financial interest or responsibility by the City to the hospital.

Because there is no ongoing equity interest, there is no requirement to disclose the investment in the jointly governed organization. The hospital's financial statements may be obtained by contacting the Parma Community General Hospital, Parma, Ohio.

C. Northeast Ohio Public Energy Council (NOPEC)

The City is a 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 112 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. Financial information can be obtained by contacting the Joseph Migliorini, Board Chairman at 175 South Main Street, Akron, Ohio 44308 or at the website www.nopecinfo.org.

Note 18 - Contingencies

A. Grants

The City received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2005.

B. Litigation

The City of Brooklyn is a party to legal proceedings seeking damages. The City management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note 19- Subsequent Events

On May 4, 2006, the City issued \$5,255,000 in General Obligation Bonds for Fire Station improvements yielding \$5,441,000 at interest rate of 4.28 percent. As part of the issue, Moody's Investors Service reviewed the City's financial status and upgraded the rating from A2 to A1.

On May 24, 2006, the City retired the \$4,300,000 general obligation bond anticipation notes for the Fire Station with the above mentioned bond proceeds.

On May 24, 2006, the City retired \$1,500,000 in general obligation bond anticipation notes and issued \$1,120,000 in new notes. The following table summarizes the activity.

<u>Note Issuance</u>	<u>Retired</u>	<u>Issued</u>
Tiedeman Road Improvement Notes	\$450,000	\$225,000
Street and Sidewalk Improvement Notes	175,000	145,000
Marquardt Park Improvement Notes	530,000	485,000
Biddulph Road Improvement Notes	345,000	265,000
New Fire Station Notes	<u>4,300,000</u>	<u>0</u>
<i>Total Notes</i>	<u><u>\$5,800,000</u></u>	<u><u>\$1,120,000</u></u>

**Combining Statements and
Individual Fund Schedules**

Fund Descriptions - Nonmajor Funds

Nonmajor Special Revenue Funds

To account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes.

Street Maintenance and Repair Fund - This fund accounts for the portion of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of designated streets within the City and for the maintenance and operations of the street department.

State Highway Fund - This fund accounts for that portion of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of State highways within the City.

Community Development Block Grant Fund - This fund accounts for revenues received from the federal government and City matching funds and expenditures as prescribed under the Community Development Block Grant Program.

Street Lighting Fund - This fund accounts for property taxes levied to pay for street lighting expenditures within the City.

Motor Vehicle License Tax Fund - This fund accounts for the City's share of motor vehicle license tax levied by the County.

Recycling and Litter Fund - This fund accounts for monies received from the State to be used for litter prevention and the recycling program in the City.

D.A.R.E. Fund - This fund accounts for monies used to educate the public regarding drug abuse and drug abuse prevention.

Bullet Proof Vest Fund - This fund accounts for revenues received from the federal government and expenditures as prescribed under the Bullet Proof Vest Partnership Grant Program.

FEMA Fire Act Fund - This fund accounts for revenues received from the federal government and expenditures as prescribed under the Federal Emergency Management Agency's Assistance to Firefighters Grant Program for Wellness and Fitness.

Federal Grants Fund - This fund accounts for revenues received from the Federal government and expenditures as prescribed under the DUI enforcement program.

Public Safety Equipment Fund - This fund accounts for Runsaver monies received for reimbursements due to equipment and supply use for hazardous spills and major accidents on State highways.

(continued)

Fund Descriptions - Nonmajor Funds (continued)

Law Enforcement Fund - This fund accounts for monies received from fines from convictions related to drug cases used for the education of the community.

Mandatory Drug Law Fund - This fund accounts for monies received from drug fines and forfeited bonds to be used only for drug investigations.

Underground Storage Tank Fund - This fund accounts for monies transferred for potential expenditures related to the City's underground storage tanks.

Groeger Trust Fund - This fund accounts for the interest received from investments of an independent trust used for the benefit of the Brooklyn Senior Center.

Court Computer Fund - This fund accounts for fines collected to be used to update court computer systems.

Juvenile Diversion Fund - This fund accounts for monies received from Cuyahoga County to be used to establish or expend community policing programs.

Nonmajor Debt Service Fund

General Obligation Bond Retirement Fund – This fund accounts for the accumulation of resources to pay principal and interest on general obligation, special assessment and note debt.

Nonmajor Capital Projects Funds

Tiedeman Road Fund - This fund accounts for tax revenue for the widening and improvement of Tiedeman Road.

Issue II Fund - This fund accounts for grant monies received from the Ohio Public Works Commission plus City matching funds. Expenditures are restricted to specific projects within the City.

Biddulph Road Fund - This fund accounts for federal grant monies received from the Ohio Department of Transportation plus City and County matching funds used for the improvement of Biddulph Road.

City of Brooklyn, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$598,089	\$239,145	\$95,148	\$932,382
Cash and Cash Equivalents with Fiscal Agents	1,086	0	0	1,086
Intergovernmental Receivable	252,607	17,730	0	270,337
Property and Other Taxes Receivable	149,651	374,129	0	523,780
<i>Total Assets</i>	<u>\$1,001,433</u>	<u>\$631,004</u>	<u>\$95,148</u>	<u>\$1,727,585</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$18,623	\$0	\$0	\$18,623
Accrued Wages and Benefits	5,441	0	0	5,441
Intergovernmental Payable	13,510	0	0	13,510
Deferred Revenue	336,688	391,859	0	728,547
Interfund Payable	206,000	0	0	206,000
<i>Total Liabilities</i>	<u>580,262</u>	<u>391,859</u>	<u>0</u>	<u>972,121</u>
Fund Balances				
Reserved for Encumbrances	40,421	0	0	40,421
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	380,750	0	0	380,750
Debt Service Funds	0	239,145	0	239,145
Capital Projects Funds	0	0	95,148	95,148
<i>Total Fund Balances</i>	<u>421,171</u>	<u>239,145</u>	<u>95,148</u>	<u>755,464</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,001,433</u>	<u>\$631,004</u>	<u>\$95,148</u>	<u>\$1,727,585</u>

City of Brooklyn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Municipal Income Taxes	\$0	\$0	\$253,463	\$253,463
Property and Other Taxes	91,452	365,809	79,441	536,702
Fines, Licenses and Permits	26,092	0	0	26,092
Intergovernmental	816,022	35,088	0	851,110
Interest	7,195	75,592	3,192	85,979
Miscellaneous	19,119	0	0	19,119
<i>Total Revenues</i>	<u>959,880</u>	<u>476,489</u>	<u>336,096</u>	<u>1,772,465</u>
Expenditures				
Current:				
General Government	22,147	0	0	22,147
Security of Persons and Property	224,815	0	0	224,815
Transportation	713,054	0	0	713,054
Community Environment	37,744	0	0	37,744
Basic Utility Services	153,137	0	0	153,137
Debt Service:				
Principal Retirement	0	684,970	90,000	774,970
Interest and Fiscal Charges	0	155,234	9,026	164,260
<i>Total Expenditures</i>	<u>1,150,897</u>	<u>840,204</u>	<u>99,026</u>	<u>2,090,127</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(191,017)</u>	<u>(363,715)</u>	<u>237,070</u>	<u>(317,662)</u>
Other Financing Sources (Uses)				
Notes Issued	0	1,155,000	345,000	1,500,000
Current Refunding	0	(1,155,000)	(345,000)	(1,500,000)
Transfers In	0	372,260	96,290	468,550
Transfers Out	0	0	(372,260)	(372,260)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>372,260</u>	<u>(275,970)</u>	<u>96,290</u>
<i>Net Change in Fund Balances</i>	(191,017)	8,545	(38,900)	(221,372)
<i>Fund Balances Beginning of Year</i>	<u>612,188</u>	<u>230,600</u>	<u>134,048</u>	<u>976,836</u>
<i>Fund Balances End of Year</i>	<u>\$421,171</u>	<u>\$239,145</u>	<u>\$95,148</u>	<u>\$755,464</u>

City of Brooklyn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005

	Street Maintenance and Repair	State Highway	Community Development Block Grant
Assets			
Equity in Pooled Cash and Cash Equivalents	\$94,951	\$68,969	\$68,143
Cash and Cash Equivalents with Fiscal Agents	0	0	1,086
Intergovernmental Receivable	187,800	15,227	28,893
Property and Other Taxes Receivable	0	0	0
<i>Total Assets</i>	<u>\$282,751</u>	<u>\$84,196</u>	<u>\$98,122</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$4,918	\$6,638	\$0
Accrued Wages and Benefits	4,972	0	0
Intergovernmental Payable	12,711	0	0
Deferred Revenue	139,820	11,337	19,241
Interfund Payable	0	0	98,500
<i>Total Liabilities</i>	<u>162,421</u>	<u>17,975</u>	<u>117,741</u>
Fund Balances			
Reserved for Encumbrances	2,064	850	3,810
Unreserved, Undesignated (Deficit)	118,266	65,371	(23,429)
<i>Total Fund Balances (Deficit)</i>	<u>120,330</u>	<u>66,221</u>	<u>(19,619)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$282,751</u>	<u>\$84,196</u>	<u>\$98,122</u>

<u>Street Lighting</u>	<u>Motor Vehicle License Tax</u>	<u>Recycling and Litter</u>	<u>D.A.R.E</u>	<u>Bullet Proof Vest</u>	<u>FEMA Fire Act</u>
\$33,336	\$18,282	\$5,781	\$30,444	\$8,498	\$90,010
0	0	0	0	0	0
4,433	16,254	0	0	0	0
149,651	0	0	0	0	0
<u>\$187,420</u>	<u>\$34,536</u>	<u>\$5,781</u>	<u>\$30,444</u>	<u>\$8,498</u>	<u>\$90,010</u>
\$0	\$6,519	\$0	\$0	\$0	\$0
0	0	0	469	0	0
46	0	0	568	0	0
154,084	12,206	0	0	0	0
0	0	0	0	0	100,000
<u>154,130</u>	<u>18,725</u>	<u>0</u>	<u>1,037</u>	<u>0</u>	<u>100,000</u>
0	0	0	0	0	0
33,290	15,811	5,781	29,407	8,498	(9,990)
<u>33,290</u>	<u>15,811</u>	<u>5,781</u>	<u>29,407</u>	<u>8,498</u>	<u>(9,990)</u>
<u>\$187,420</u>	<u>\$34,536</u>	<u>\$5,781</u>	<u>\$30,444</u>	<u>\$8,498</u>	<u>\$90,010</u>

(continued)

City of Brooklyn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2005

	Federal Grants	Public Safety Equipment	Law Enforcement
Assets			
Equity in Pooled Cash and Cash Equivalents	\$7,549	\$8,337	\$17,390
Cash and Cash Equivalents			
with Fiscal Agents	0	0	0
Intergovernmental Receivable	0	0	0
Property and Other Taxes Receivable	0	0	0
<i>Total Assets</i>	<u>\$7,549</u>	<u>\$8,337</u>	<u>\$17,390</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$46	\$0
Accrued Wages and Benefits	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	0	0	0
Interfund Payable	7,500	0	0
<i>Total Liabilities</i>	<u>7,500</u>	<u>46</u>	<u>0</u>
Fund Balances			
Reserved for Encumbrances	0	0	0
Unreserved, Undesignated (Deficit)	49	8,291	17,390
<i>Total Fund Balances (Deficit)</i>	<u>49</u>	<u>8,291</u>	<u>17,390</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,549</u>	<u>\$8,337</u>	<u>\$17,390</u>

Mandatory Drug Law	Underground Storage Tank	Groeger Trust	Court Computer	Juvenile Diversion	Total Nonmajor Special Revenue Funds
\$13,721	\$27,878	\$40,333	\$62,263	\$2,204	\$598,089
0	0	0	0	0	1,086
0	0	0	0	0	252,607
0	0	0	0	0	149,651
<u>\$13,721</u>	<u>\$27,878</u>	<u>\$40,333</u>	<u>\$62,263</u>	<u>\$2,204</u>	<u>\$1,001,433</u>
\$0	\$0	\$0	\$502	\$0	\$18,623
0	0	0	0	0	5,441
0	0	0	185	0	13,510
0	0	0	0	0	336,688
0	0	0	0	0	206,000
0	0	0	687	0	580,262
0	0	33,697	0	0	40,421
13,721	27,878	6,636	61,576	2,204	380,750
13,721	27,878	40,333	61,576	2,204	421,171
<u>\$13,721</u>	<u>\$27,878</u>	<u>\$40,333</u>	<u>\$62,263</u>	<u>\$2,204</u>	<u>\$1,001,433</u>

City of Brooklyn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Street Maintenance and Repair	State Highway	Community Development Block Grant
Revenues			
Property and Other Taxes	\$0	\$0	\$0
Fines, Licenses and Permits	0	0	0
Intergovernmental	509,323	41,296	44,748
Interest	4,005	2,130	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>513,328</u>	<u>43,426</u>	<u>44,748</u>
Expenditures			
Current:			
General Government	0	0	0
Security of Persons and Property	0	0	0
Transportation	597,741	55,447	0
Community Environment	0	0	37,744
Basic Utility Services	0	0	0
<i>Total Expenditures</i>	<u>597,741</u>	<u>55,447</u>	<u>37,744</u>
<i>Net Change in Fund Balances</i>	(84,413)	(12,021)	7,004
<i>Fund Balances (Deficit)</i>			
<i>Beginning of Year</i>	<u>204,743</u>	<u>78,242</u>	<u>(26,623)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$120,330</u></u>	<u><u>\$66,221</u></u>	<u><u>(\$19,619)</u></u>

Street Lighting	Motor Vehicle License Tax	Recycling and Litter	D.A.R.E	Bullet Proof Vest	FEMA Fire Act
\$91,452	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
8,766	32,015	0	38,866	0	90,000
0	898	0	0	0	0
0	0	0	0	0	0
100,218	32,913	0	38,866	0	90,000
0	0	0	0	0	0
0	0	0	41,607	0	99,998
0	59,866	0	0	0	0
0	0	0	0	0	0
153,137	0	0	0	0	0
153,137	59,866	0	41,607	0	99,998
(52,919)	(26,953)	0	(2,741)	0	(9,998)
86,209	42,764	5,781	32,148	8,498	8
\$33,290	\$15,811	\$5,781	\$29,407	\$8,498	(\$9,990)

(continued)

City of Brooklyn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2005

	Federal Grants	Public Safety Equipment	Law Enforcement
Revenues			
Property and Other Taxes	\$0	\$0	\$0
Fines, Licenses and Permits	0	0	6,151
Intergovernmental	39,008	0	0
Interest	0	0	0
Miscellaneous	0	19,119	0
<i>Total Revenues</i>	<u>39,008</u>	<u>19,119</u>	<u>6,151</u>
Expenditures			
Current:			
General Government	0	0	0
Security of Persons and Property	38,959	10,828	1,175
Transportation	0	0	0
Community Environment	0	0	0
Basic Utility Services	0	0	0
<i>Total Expenditures</i>	<u>38,959</u>	<u>10,828</u>	<u>1,175</u>
<i>Net Change in Fund Balances</i>	49	8,291	4,976
<i>Fund Balances (Deficit)</i>			
<i>Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>12,414</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$49</u></u>	<u><u>\$8,291</u></u>	<u><u>\$17,390</u></u>

Mandatory Drug Law	Underground Storage Tank	Groeger Trust	Court Computer	Juvenile Diversion	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$91,452
2,296	0	0	17,645	0	26,092
0	0	0	0	12,000	816,022
0	0	162	0	0	7,195
0	0	0	0	0	19,119
<u>2,296</u>	<u>0</u>	<u>162</u>	<u>17,645</u>	<u>12,000</u>	<u>959,880</u>
0	0	0	22,147	0	22,147
20,040	0	0	0	12,208	224,815
0	0	0	0	0	713,054
0	0	0	0	0	37,744
0	0	0	0	0	153,137
<u>20,040</u>	<u>0</u>	<u>0</u>	<u>22,147</u>	<u>12,208</u>	<u>1,150,897</u>
(17,744)	0	162	(4,502)	(208)	(191,017)
<u>31,465</u>	<u>27,878</u>	<u>40,171</u>	<u>66,078</u>	<u>2,412</u>	<u>612,188</u>
<u>\$13,721</u>	<u>\$27,878</u>	<u>\$40,333</u>	<u>\$61,576</u>	<u>\$2,204</u>	<u>\$421,171</u>

City of Brooklyn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005

	Tiedeman Road	Issue II	Biddulph Road	Total Nonmajor Capital Projects Funds
Revenues				
Municipal Income Taxes	\$253,463	\$0	\$0	\$253,463
Property and Other Taxes	79,441	0	0	79,441
Interest	3,192	0	0	3,192
<i>Total Revenues</i>	<u>336,096</u>	<u>0</u>	<u>0</u>	<u>336,096</u>
Expenditures				
Debt Service:				
Principal Retirement	0	90,000	0	90,000
Interest and Fiscal Charges	0	1,868	7,158	9,026
<i>Total Expenditures</i>	<u>0</u>	<u>91,868</u>	<u>7,158</u>	<u>99,026</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>336,096</u>	<u>(91,868)</u>	<u>(7,158)</u>	<u>237,070</u>
Other Financing Sources (Uses)				
Notes Issued	0	0	345,000	345,000
Current Refunding	0	0	(345,000)	(345,000)
Transfers In	0	91,290	5,000	96,290
Transfers Out	(372,260)	0	0	(372,260)
<i>Total Other Financing Sources (Uses)</i>	<u>(372,260)</u>	<u>91,290</u>	<u>5,000</u>	<u>(275,970)</u>
<i>Net Change in Fund Balances</i>	(36,164)	(578)	(2,158)	(38,900)
<i>Fund Balances Beginning of Year</i>	<u>131,312</u>	<u>578</u>	<u>2,158</u>	<u>134,048</u>
<i>Fund Balances End of Year</i>	<u><u>\$95,148</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$95,148</u></u>

Fund Descriptions - Fiduciary Funds

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. The City has no trust funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Agency Funds

Required Deposits Fund - This fund accounts for deposits made by citizens, contractors or vendors held by the City to ensure compliance with various City ordinances.

Building Assessment Fees Fund - This fund was established in accordance with Senate Bill 359 that states that all political subdivisions that collect fees for acceptance and approval of plans for commercial and industrial building must collect and remit a monthly fee to the State on behalf of the Ohio Board of Building Standards.

City of Brooklyn, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2005

	Required Deposits	Building Assessment Fees	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$84,910	\$291	\$85,201
Liabilities			
Intergovernmental Payable	\$0	\$291	\$291
Deposits Held and Due to Others	84,910	0	84,910
<i>Total Liabilities</i>	\$84,910	\$291	\$85,201

City of Brooklyn, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2005

	Balance 12/31/04	Additions	Reductions	Balance 12/31/05
Required Deposits				
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$79,492	\$14,000	\$8,582	\$84,910
Interfund Receivable	38	0	38	0
<i>Total Assets</i>	<u>\$79,530</u>	<u>\$14,000</u>	<u>\$8,620</u>	<u>\$84,910</u>
Liabilities				
Deposits Held and Due to Others	<u>\$79,530</u>	<u>\$14,000</u>	<u>\$8,620</u>	<u>\$84,910</u>
Building Assessment Fees				
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$0	\$1,333	\$1,042	\$291
<i>Total Assets</i>	<u>\$0</u>	<u>\$1,333</u>	<u>\$1,042</u>	<u>\$291</u>
Liabilities				
Intergovernmental Payable	\$0	\$1,333	\$1,042	\$291
Interfund Payable	38	0	38	0
Deposits Held and Due to Others	(38)	38	0	0
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$1,371</u>	<u>\$1,080</u>	<u>\$291</u>
Totals - All Agency Funds				
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$79,492	\$15,333	\$9,624	\$85,201
Interfund Receivable	38	0	38	0
<i>Total Assets</i>	<u>\$79,530</u>	<u>\$15,333</u>	<u>\$9,662</u>	<u>\$85,201</u>
Liabilities				
Intergovernmental Payable	\$0	\$1,333	\$1,042	\$291
Interfund Payable	38	0	38	0
Deposits Held and Due to Others	79,492	14,038	8,620	84,910
<i>Total Liabilities</i>	<u>\$79,530</u>	<u>\$15,371</u>	<u>\$9,700</u>	<u>\$85,201</u>

*Individual Fund Schedules of Revenues, Expenditures
and Changes in Fund Balances
Budget (Non-GAAP Basis) and Actual*

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$10,220,599	\$10,249,800	\$10,257,753	\$7,953
Property and Other Taxes	1,100,000	1,226,930	1,113,271	(113,659)
Charges for Services	800,000	861,255	803,377	(57,878)
Fines, Licenses and Permits	600,000	668,200	617,248	(50,952)
Intergovernmental	1,000,000	1,134,480	1,146,982	12,502
Contributions and Donations	20,000	31,500	25,677	(5,823)
Interest	150,000	192,000	223,607	31,607
Other	20,000	32,480	52,006	19,526
<i>Total Revenues</i>	13,910,599	14,396,645	14,239,921	(156,724)
Expenditures				
Current:				
General Government:				
Income Tax:				
Personal Services	158,000	157,770	156,752	1,018
Materials and Supplies	28,500	30,165	25,115	5,050
Contractual Services	9,300	9,300	896	8,404
Capital Outlay	650	650	0	650
Other	850	850	754	96
Total Income Tax	197,300	198,735	183,517	15,218
Council:				
Personal Services	115,000	114,563	112,244	2,319
Materials and Supplies	8,000	8,950	5,966	2,984
Contractual Services	1,000	1,250	933	317
Other	500	500	103	397
Total Council	124,500	125,263	119,246	6,017
Mayor:				
Personal Services	280,000	278,813	275,164	3,649
Materials and Supplies	8,000	8,300	7,615	685
Contractual Services	10,000	10,200	10,192	8
Other	5,000	4,295	5,067	(772)
Total Mayor	\$303,000	\$301,608	\$298,038	\$3,570

(continued)

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Legal:				
Personal Services	\$234,000	\$233,932	\$232,211	\$1,721
Materials and Supplies	6,000	6,530	6,400	130
Contractual Services	91,000	92,044	84,897	7,147
Other	600	600	355	245
Total Legal	331,600	333,106	323,863	9,243
Finance:				
Personal Services	200,000	199,384	197,760	1,624
Materials and Supplies	9,000	9,990	8,784	1,206
Contractual Services	47,000	47,715	42,400	5,315
Capital Outlay	1,000	1,000	0	1,000
Other	2,000	2,000	362	1,638
Total Finance	259,000	260,089	249,306	10,783
Civil Service:				
Personal Services	10,000	10,501	10,409	92
Materials and Supplies	1,000	1,050	122	928
Contractual Services	7,000	7,100	6,653	447
Other	100	135	0	135
Total Civil Service	18,100	18,786	17,184	1,602
Engineering:				
Personal Services	0	10,869	0	10,869
Contractual Services	115,000	112,700	110,622	2,078
Total Engineering	115,000	123,569	110,622	12,947
Miscellaneous:				
Materials and Supplies	3,000	3,390	1,650	1,740
Contractual Services	349,000	354,437	337,728	16,709
Capital Outlay	0	13,493	0	13,493
Total Miscellaneous	352,000	371,320	339,378	31,942
Total General Government	\$1,700,500	\$1,732,476	\$1,641,154	\$91,322

(continued)

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Security of Persons and Property:				
Public Safety:				
Personal Services	\$3,320,000	\$3,321,527	\$3,304,161	\$17,366
Materials and Supplies	225,000	222,361	218,647	3,714
Contractual Services	130,000	144,993	133,525	11,468
Other	3,000	3,100	3,070	30
Total Public Safety	3,678,000	3,691,981	3,659,403	32,578
Fire Department:				
Personal Services	2,510,000	2,513,578	2,496,659	16,919
Materials and Supplies	65,000	68,615	62,458	6,157
Contractual Services	29,000	34,421	22,517	11,904
Capital Outlay	30,000	30,750	30,423	327
Other	1,000	1,000	82	918
Total Fire Department	2,635,000	2,648,364	2,612,139	36,225
Total Security of Persons and Property	6,313,000	6,340,345	6,271,542	68,803
Community Environment:				
Public Lands and Buildings:				
Personal Services	92,000	93,308	91,879	1,429
Materials and Supplies	58,000	59,897	57,702	2,195
Contractual Services	700,000	702,904	668,206	34,698
Capital Outlay	20,000	20,500	13,660	6,840
Total Public Lands and Buildings	870,000	876,609	831,447	45,162
Public Service:				
Personal Services	153,000	153,382	152,352	1,030
Materials and Supplies	500	650	125	525
Contractual Services	200	250	205	45
Other	200	250	25	225
Total Public Service	153,900	154,532	152,707	1,825
Building Department:				
Personal Services	198,000	197,877	196,822	1,055
Materials and Supplies	4,000	5,027	4,717	310
Contractual Services	6,000	6,990	6,753	237
Other	2,000	2,000	1,806	194
Total Building Department	\$210,000	\$211,894	\$210,098	\$1,796

(continued)

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Recycling:				
Personal Services	\$60,000	\$60,460	\$58,943	\$1,517
Materials and Supplies	3,000	3,200	2,665	535
Contractual Services	40,000	42,850	41,086	1,764
Other	200	250	0	250
Total Recycling	103,200	106,760	102,694	4,066
Service Department				
Materials and Supplies	11,000	11,500	10,785	715
Contractual Services	14,000	9,250	13,728	(4,478)
Capital Outlay	87,000	73,500	77,503	(4,003)
Total Recycling	112,000	94,250	102,016	(7,766)
Landfill:				
Contractual Services	10,000	10,000	1,000	9,000
Total Community Environment	1,459,100	1,454,045	1,399,962	54,083
Basic Utility Services				
Garage:				
Personal Services	2,240,000	2,244,049	2,241,001	3,048
Materials and Supplies	260,000	257,123	241,192	15,931
Contractual Services	14,000	14,841	10,300	4,541
Capital Outlay	2,500	2,650	150	2,500
Other	700	700	60	640
Total Basic Utility Services	2,517,200	2,519,363	2,492,703	26,660
Leisure Time Activities:				
Recreation Center:				
Personal Services	730,000	722,986	713,016	9,970
Materials and Supplies	90,000	98,160	80,225	17,935
Contractual Services	100,000	112,132	92,447	19,685
Capital Outlay	11,000	12,200	8,559	3,641
Other	1,500	1,500	704	796
Total Recreation Center	932,500	946,978	894,951	52,027
Indoor/Outdoor Pool:				
Personal Services	450,000	457,098	454,581	2,517
Materials and Supplies	95,000	102,513	83,797	18,716
Contractual Services	35,000	42,089	30,842	11,247
Capital Outlay	7,000	7,700	7,065	635
Other	3,000	3,200	2,164	1,036
Total Indoor/Outdoor Pool	\$590,000	\$612,600	\$578,449	\$34,151

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Parks:				
Personal Services	\$45,000	\$47,398	\$47,384	\$14
Materials and Supplies	35,000	37,466	32,387	5,079
Contractual Services	32,000	35,602	27,438	8,164
Capital Outlay	15,000	15,000	13,521	1,479
Total Parks	127,000	135,466	120,730	14,736
Senior Services:				
Personal Services	320,000	324,267	321,612	2,655
Materials and Supplies	55,000	56,800	52,587	4,213
Contractual Services	30,000	35,159	28,180	6,979
Capital Outlay	4,000	4,635	4,065	570
Other	200	250	0	250
Total Senior Services	409,200	421,111	406,444	14,667
Total Leisure Time Activities	2,058,700	2,116,155	2,000,574	115,581
Total Expenditures	14,048,500	14,162,384	13,805,935	356,449
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(137,901)</i>	<i>234,261</i>	<i>433,986</i>	<i>199,725</i>
Other Financing Sources (Uses)				
Sale of Capital Assets	5,000	10,000	2,696	(7,304)
Advances Out	0	0	(7,500)	(7,500)
Transfers Out	(380,400)	(382,802)	(300,504)	82,298
Total Other Financing Sources (Uses)	(375,400)	(372,802)	(305,308)	67,494
Net Change in Fund Balance	(513,301)	(138,541)	128,678	267,219
Fund Balance Beginning of Year	4,760,245	4,760,245	4,760,245	0
Prior Year Encumbrances Appropriated	168,948	168,948	168,948	0
Fund Balance End of Year	\$4,415,892	\$4,790,652	\$5,057,871	\$267,219

City of Brooklyn, 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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$386,168	\$386,168	\$380,485	(\$5,683)
Intergovernmental	27,500	27,500	36,856	9,356
<i>Total Revenues</i>	413,668	413,668	417,341	3,673
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	404,570	409,820	408,277	1,543
<i>Net Change in Fund Balance</i>	9,098	3,848	9,064	5,216
<i>Fund Balance Beginning of Year</i>	21,217	21,217	21,217	0
<i>Fund Balance End of Year</i>	<u>\$30,315</u>	<u>\$25,065</u>	<u>\$30,281</u>	<u>\$5,216</u>

City of Brooklyn, 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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$478,124	\$478,124	\$471,937	(\$6,187)
Intergovernmental	38,000	38,000	45,622	7,622
<i>Total Revenues</i>	516,124	516,124	517,559	1,435
Expenditures				
Current:				
Security of Persons and Property:				
Fire Pension:				
Personal Services	476,644	477,644	477,294	350
<i>Net Change in Fund Balance</i>	39,480	38,480	40,265	1,785
<i>Fund Balance Beginning of Year</i>	8,794	8,794	8,794	0
<i>Fund Balance End of Year</i>	<u>\$48,274</u>	<u>\$47,274</u>	<u>\$49,059</u>	<u>\$1,785</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$1,328,880	\$1,397,880	\$1,398,784	\$904
Interest	0	0	1,433	1,433
<i>Total Revenues</i>	1,328,880	1,397,880	1,400,217	2,337
Expenditures				
Capital Outlay:				
Capital Improvements:				
Capital Outlay	1,353,338	1,374,338	1,276,991	97,347
<i>Excess of Revenues Over (Under) Expenditures</i>	(24,458)	23,542	123,226	99,684
Other Financing Uses				
Advances Out	0	0	(100,000)	(100,000)
Transfers Out	(98,000)	(98,000)	(96,290)	1,710
<i>Total Other Financing Uses</i>	(98,000)	(98,000)	(196,290)	(98,290)
<i>Net Change in Fund Balance</i>	(122,458)	(74,458)	(73,064)	1,394
<i>Fund Balance Beginning of Year</i>	1,334,672	1,334,672	1,334,672	0
Prior Year Encumbrances Appropriated	46,887	46,887	46,887	0
<i>Fund Balance End of Year</i>	<u>\$1,259,101</u>	<u>\$1,307,101</u>	<u>\$1,308,495</u>	<u>\$1,394</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Safety Forces Construction Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$0	\$0	\$35,093	\$35,093
Interest	0	0	75,501	75,501
Other	0	0	3,600	3,600
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>114,194</u>	<u>114,194</u>
Expenditures				
Current:				
Capital Outlay				
Safety Construction				
Contractual Services	3,800,000	3,800,000	1,441,123	2,358,877
Capital Outlay	800,000	800,000	0	800,000
<i>Total Expenditures</i>	<u>4,600,000</u>	<u>4,600,000</u>	<u>1,441,123</u>	<u>3,158,877</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(4,600,000)</u>	<u>(4,600,000)</u>	<u>(1,326,929)</u>	<u>3,273,071</u>
Other Financing Sources				
Notes Issued	4,300,000	4,300,000	4,300,000	0
Transfers In	382,805	382,802	300,504	(82,298)
<i>Total Other Financing Sources</i>	<u>4,682,805</u>	<u>4,682,802</u>	<u>4,600,504</u>	<u>(82,298)</u>
<i>Net Change in Fund Balance</i>	82,805	82,802	3,273,575	3,190,773
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$82,805</u></u>	<u><u>\$82,802</u></u>	<u><u>\$3,273,575</u></u>	<u><u>\$3,190,773</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$550,000	\$550,000	\$529,537	(\$20,463)
Interest	2,600	2,600	4,005	1,405
Other	500	500	0	(500)
<i>Total Revenues</i>	<u>553,100</u>	<u>553,100</u>	<u>533,542</u>	<u>(19,558)</u>
Expenditures				
Current:				
Transportation:				
Street Maintenance and Repair:				
Personal Services	300,000	304,700	299,892	4,808
Materials and Supplies	135,000	141,473	137,499	3,974
Contractual Services	75,000	77,130	73,907	3,223
Capital Outlay	76,103	85,500	85,295	205
<i>Total Expenditures</i>	<u>586,103</u>	<u>608,803</u>	<u>596,593</u>	<u>12,210</u>
<i>Net Change in Fund Balance</i>	(33,003)	(55,703)	(63,051)	(7,348)
<i>Fund Balance Beginning of Year</i>	140,444	140,444	140,444	0
Prior Year Encumbrances Appropriated	<u>15,423</u>	<u>15,423</u>	<u>15,423</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$122,864</u>	<u>\$100,164</u>	<u>\$92,816</u>	<u>(\$7,348)</u>

City of Brooklyn, 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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$42,800	\$42,800	\$42,935	\$135
Interest	800	800	2,130	1,330
<i>Total Revenues</i>	<u>43,600</u>	<u>43,600</u>	<u>45,065</u>	<u>1,465</u>
Expenditures				
Current:				
Transportation:				
Garage:				
Personal Services	2,000	2,025	0	2,025
Materials and Supplies	45,400	45,480	40,817	4,663
Contractual Services	7,593	7,588	7,000	588
Capital Outlay	3,000	3,000	2,849	151
<i>Total Expenditures</i>	<u>57,993</u>	<u>58,093</u>	<u>50,666</u>	<u>7,427</u>
<i>Net Change in Fund Balance</i>	(14,393)	(14,493)	(5,601)	8,892
<i>Fund Balance Beginning of Year</i>	67,998	67,998	67,998	0
Prior Year Encumbrances Appropriated	<u>4,980</u>	<u>4,980</u>	<u>4,980</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$58,585</u></u>	<u><u>\$58,485</u></u>	<u><u>\$67,377</u></u>	<u><u>\$8,892</u></u>

City of Brooklyn, 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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$45,000	\$45,000	\$35,096	(\$9,904)
Expenditures				
Current:				
Community Environment:				
Community Development Block Grant:				
Capital Outlay	<u>47,268</u>	<u>47,268</u>	<u>41,554</u>	<u>5,714</u>
<i>Net Change in Fund Balance</i>	(2,268)	(2,268)	(6,458)	(4,190)
<i>Fund Balance Beginning of Year</i>	44,609	44,609	44,609	0
Prior Year Encumbrances Appropriated	<u>27,268</u>	<u>27,268</u>	<u>27,268</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$69,609</u></u>	<u><u>\$69,609</u></u>	<u><u>\$65,419</u></u>	<u><u>(\$4,190)</u></u>

City of Brooklyn, 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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Property and Other Taxes	\$96,260	\$96,260	\$91,452	(\$4,808)
Intergovernmental	5,000	5,000	8,766	3,766
<i>Total Revenues</i>	101,260	101,260	100,218	(1,042)
Expenditures				
Current:				
Basic Utility Services:				
Street Lighting:				
Contractual Services	166,000	166,000	165,960	40
<i>Net Change in Fund Balance</i>	(64,740)	(64,740)	(65,742)	(1,002)
<i>Fund Balance Beginning of Year</i>	99,078	99,078	99,078	0
<i>Fund Balance End of Year</i>	<u>\$34,338</u>	<u>\$34,338</u>	<u>\$33,336</u>	<u>(\$1,002)</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Tax Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$34,500	\$34,500	\$31,856	(\$2,644)
Interest	400	400	898	498
<i>Total Revenues</i>	<u>34,900</u>	<u>34,900</u>	<u>32,754</u>	<u>(2,146)</u>
Expenditures				
Current:				
Transportation:				
Motor Vehicle License Tax:				
Materials and Supplies	48,150	48,400	47,030	1,370
Contractual Services	9,000	9,250	9,000	250
<i>Total Expenditures</i>	<u>57,150</u>	<u>57,650</u>	<u>56,030</u>	<u>1,620</u>
<i>Net Change in Fund Balance</i>	(22,250)	(22,750)	(23,276)	(526)
<i>Fund Balance Beginning of Year</i>	29,289	29,289	29,289	0
Prior Year Encumbrances Appropriated	<u>10,750</u>	<u>10,750</u>	<u>10,750</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$17,789</u>	<u>\$17,289</u>	<u>\$16,763</u>	<u>(\$526)</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recycling and Litter Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Community Environment:				
Recycling and Litter:				
Capital Outlay	<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>3,000</u>
<i>Net Change in Fund Balance</i>	(3,000)	(3,000)	0	3,000
<i>Fund Balance Beginning of Year</i>	<u>5,781</u>	<u>5,781</u>	<u>5,781</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,781</u></u>	<u><u>\$2,781</u></u>	<u><u>\$5,781</u></u>	<u><u>\$3,000</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
D.A.R.E. Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$46,300	\$39,300	\$38,866	(\$434)
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	42,437	42,437	41,757	680
<i>Net Change in Fund Balance</i>	3,863	(3,137)	(2,891)	246
<i>Fund Balance Beginning of Year</i>	33,335	33,335	33,335	0
<i>Fund Balance End of Year</i>	<u>\$37,198</u>	<u>\$30,198</u>	<u>\$30,444</u>	<u>\$246</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bullet Proof Vest Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Capital Outlay	<u>9,444</u>	<u>9,444</u>	<u>950</u>	<u>8,494</u>
<i>Net Change in Fund Balance</i>	(9,444)	(9,444)	(950)	8,494
<i>Fund Balance Beginning of Year</i>	7,079	7,079	7,079	0
Prior Year Encumbrances Appropriated	<u>2,369</u>	<u>2,369</u>	<u>2,369</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4</u></u>	<u><u>\$4</u></u>	<u><u>\$8,498</u></u>	<u><u>\$8,494</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA Fire Act Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$90,000	\$90,000	\$0	(\$90,000)
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Capital Outlay	<u>100,000</u>	<u>100,000</u>	<u>99,998</u>	<u>2</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(10,000)	(10,000)	(99,998)	(89,998)
Other Financing Sources				
Advances In	<u>10,000</u>	<u>10,000</u>	<u>100,000</u>	<u>90,000</u>
<i>Net Change in Fund Balance</i>	0	0	2	2
<i>Fund Balance Beginning of Year</i>	<u>8</u>	<u>8</u>	<u>8</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8</u></u>	<u><u>\$8</u></u>	<u><u>\$10</u></u>	<u><u>\$2</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Grants Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$15,000	\$40,000	\$39,008	(\$992)
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	12,500	33,264	29,858	3,406
Capital Outlay	2,500	9,650	9,101	549
<i>Total Expenditures</i>	<u>15,000</u>	<u>42,914</u>	<u>38,959</u>	<u>3,955</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(2,914)	49	2,963
Other Financing Sources				
Advances In	0	0	7,500	7,500
<i>Net Change in Fund Balance</i>	0	(2,914)	7,549	10,463
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$0</u>	<u>(\$2,914)</u>	<u>\$7,549</u>	<u>\$10,463</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Safety Equipment Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$24,000	\$24,000	\$19,119	(\$4,881)
Expenditures				
Current:				
Security of Persons and Property				
Public Safety Equipment:				
Capital Outlay	16,000	16,000	10,782	5,218
<i>Net Change in Fund Balance</i>	8,000	8,000	8,337	337
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$8,000</u>	<u>\$8,000</u>	<u>\$8,337</u>	<u>\$337</u>

City of Brooklyn, 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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$3,000	\$5,022	\$6,151	\$1,129
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Materials and Supplies	3,000	3,000	1,175	1,825
Enforcement and Education:				
Contractual Services	4,500	4,500	0	4,500
<i>Total Expenditures</i>	7,500	7,500	1,175	6,325
<i>Net Change in Fund Balance</i>	(4,500)	(2,478)	4,976	7,454
<i>Fund Balance Beginning of Year</i>	12,414	12,414	12,414	0
<i>Fund Balance End of Year</i>	\$7,914	\$9,936	\$17,390	\$7,454

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mandatory Drug Law Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$10,000	\$10,000	\$2,296	(\$7,704)
Expenditures				
Current:				
Security of Persons and Property:				
Mandatory Drug Law:				
Materials and Supplies	4,000	9,000	3,140	5,860
Capital Outlay	13,000	18,500	16,900	1,600
<i>Total Expenditures</i>	17,000	27,500	20,040	7,460
<i>Net Change in Fund Balance</i>	(7,000)	(17,500)	(17,744)	(244)
<i>Fund Balance Beginning of Year</i>	31,465	31,465	31,465	0
<i>Fund Balance End of Year</i>	\$24,465	\$13,965	\$13,721	(\$244)

City of Brooklyn, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Underground Storage Tank Fund
For the Year Ended December 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Community Environment:				
Underground Storage Tank:				
Contractual Services	15,000	15,000	0	15,000
<i>Net Change in Fund Balance</i>	(15,000)	(15,000)	0	15,000
<i>Fund Balance Beginning of Year</i>	27,878	27,878	27,878	0
<i>Fund Balance End of Year</i>	\$12,878	\$12,878	\$27,878	\$15,000

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Groeger Trust Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Interest	\$500	\$500	\$162	(\$338)
Expenditures				
Current:				
Community Environment:				
Groeger Trust:				
Contractual Services	<u>1,000</u>	<u>36,000</u>	<u>33,847</u>	<u>2,153</u>
<i>Net Change in Fund Balance</i>	(500)	(35,500)	(33,685)	1,815
<i>Fund Balance Beginning of Year</i>	<u>40,306</u>	<u>40,306</u>	<u>40,306</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$39,806</u></u>	<u><u>\$4,806</u></u>	<u><u>\$6,621</u></u>	<u><u>\$1,815</u></u>

City of Brooklyn, 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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Fines, Licenses and Permits	<u>\$19,000</u>	<u>\$19,000</u>	<u>\$17,645</u>	<u>(\$1,355)</u>
Expenditures				
Current:				
General Government:				
Courts:				
Materials and Supplies	12,200	12,200	6,300	5,900
Contractual Services	2,000	2,000	1,518	482
Capital Outlay	<u>26,400</u>	<u>26,400</u>	<u>13,260</u>	<u>13,140</u>
<i>Total Expenditures</i>	<u>40,600</u>	<u>40,600</u>	<u>21,078</u>	<u>19,522</u>
<i>Net Change in Fund Balance</i>	(21,600)	(21,600)	(3,433)	18,167
<i>Fund Balance Beginning of Year</i>	55,391	55,391	55,391	0
Prior Year Encumbrances Appropriated	<u>9,900</u>	<u>9,900</u>	<u>9,900</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$43,691</u></u>	<u><u>\$43,691</u></u>	<u><u>\$61,858</u></u>	<u><u>\$18,167</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Juvenile Diversion Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$12,000	\$24,000	\$14,000	(\$10,000)
Expenditures				
Current:				
Security of Persons and Property:				
Juvenile Diversion:				
Materials and Supplies	400	400	208	192
Contractual Services	12,000	12,000	12,000	0
<i>Total Expenditures</i>	<u>12,400</u>	<u>12,400</u>	<u>12,208</u>	<u>192</u>
<i>Net Change in Fund Balance</i>	(400)	11,600	1,792	(9,808)
<i>Fund Balance Beginning of Year</i>	<u>412</u>	<u>412</u>	<u>412</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$12</u>	<u>\$12,012</u>	<u>\$2,204</u>	<u>(\$9,808)</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Property and Other Taxes	\$330,093	\$373,781	\$365,809	(\$7,972)
Intergovernmental	18,000	33,000	35,088	2,088
Interest	61,088	62,488	75,509	13,021
<i>Total Revenues</i>	<u>409,181</u>	<u>469,269</u>	<u>476,406</u>	<u>7,137</u>
Expenditures				
Debt Service:				
Principal Retirement	684,970	684,970	684,970	0
Interest and Fiscal Charges	153,015	155,504	155,234	270
<i>Total Expenditures</i>	<u>837,985</u>	<u>840,474</u>	<u>840,204</u>	<u>270</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(428,804)</u>	<u>(371,205)</u>	<u>(363,798)</u>	<u>7,407</u>
Other Financing Sources (Uses)				
Notes Issued	1,155,000	1,155,000	1,155,000	0
Current Refunding	(1,155,000)	(1,155,000)	(1,155,000)	0
Transfers In	372,260	372,260	372,260	0
<i>Total Other Financing Sources (Uses)</i>	<u>372,260</u>	<u>372,260</u>	<u>372,260</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(56,544)	1,055	8,462	7,407
<i>Fund Balance Beginning of Year</i>	<u>230,430</u>	<u>230,430</u>	<u>230,430</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$173,886</u>	<u>\$231,485</u>	<u>\$238,892</u>	<u>\$7,407</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Tiedeman Road Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$277,000	\$277,000	\$253,463	(\$23,537)
Property and Other Local Taxes	82,000	82,000	79,441	(2,559)
Interest	2,500	2,500	3,192	692
<i>Total Revenues</i>	361,500	361,500	336,096	(25,404)
Expenditures	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	361,500	361,500	336,096	(25,404)
Other Financing Uses				
Transfers Out	(372,260)	(372,260)	(372,260)	0
<i>Net Change in Fund Balance</i>	(10,760)	(10,760)	(36,164)	(25,404)
<i>Fund Balance Beginning of Year</i>	131,312	131,312	131,312	0
<i>Fund Balance End of Year</i>	\$120,552	\$120,552	\$95,148	(\$25,404)

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Debt Service:				
Principal Retirement	90,000	90,000	90,000	0
Interest and Fiscal Charges	1,854	1,868	1,868	0
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(91,854)	(91,868)	(91,868)	0
Other Financing Sources				
Transfers In	92,500	91,290	91,290	0
<i>Net Change in Fund Balance</i>	646	(578)	(578)	0
<i>Fund Balance Beginning of Year</i>	578	578	578	0
<i>Fund Balance End of Year</i>	<u>\$1,224</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Biddulph Road Fund
For the Year Ended December 31, 2005

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Debt Service:				
Interest and Fiscal Charges	7,103	7,158	7,158	0
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(7,103)	(7,158)	(7,158)	0
Other Financing Sources (Uses)				
Notes Issued	350,500	350,500	345,000	(5,500)
Refunding Principal	(345,000)	(345,000)	(345,000)	0
Transfers In	0	0	5,000	5,000
<i>Total Other Financing Sources (Uses)</i>	5,500	5,500	5,000	(500)
<i>Net Change in Fund Balance</i>	(1,603)	(1,658)	(2,158)	(500)
<i>Fund Balance Beginning of Year</i>	2,158	2,158	2,158	0
<i>Fund Balance End of Year</i>	<u>\$555</u>	<u>\$500</u>	<u>\$0</u>	<u>(\$500)</u>

City of Brooklyn, Ohio
*Governmental Activities Revenues by Source
and Expenses by Function (1)*
Last Three Years

	2005	2004	2003
Program Revenues			
Charges for Services	\$1,480,975	\$1,519,228	\$1,603,665
Operating Grants and Contributions	861,972	1,005,721	662,406
Capital Grants and Contributions	35,093	0	0
General Revenues			
Property and Other Local Taxes	2,488,485	2,271,331	2,166,402
Municipal Income Taxes	12,145,383	11,188,556	12,120,596
Intergovernmental	1,278,859	1,015,766	1,021,200
Interest	412,082	184,372	135,906
Gain on Sale of Capital Assets	2,696	0	0
Miscellaneous	79,292	52,852	23,490
Total	\$18,784,837	\$17,237,826	\$17,733,665
Expenses			
General Government	\$2,016,228	\$1,780,771	\$1,728,888
Security of Persons and Property	8,727,438	7,445,195	7,434,844
Transportation	1,291,187	796,490	865,328
Community Environment	1,738,079	1,565,039	1,600,235
Basic Utility Services	2,997,427	3,019,920	2,982,030
Leisure Time Activities	2,296,404	2,423,794	2,430,608
Interest and Fiscal Charges	234,754	222,601	229,090
Total	\$19,301,517	\$17,253,810	\$17,271,023

Source: City financial records
(1) Full Accrual Basis

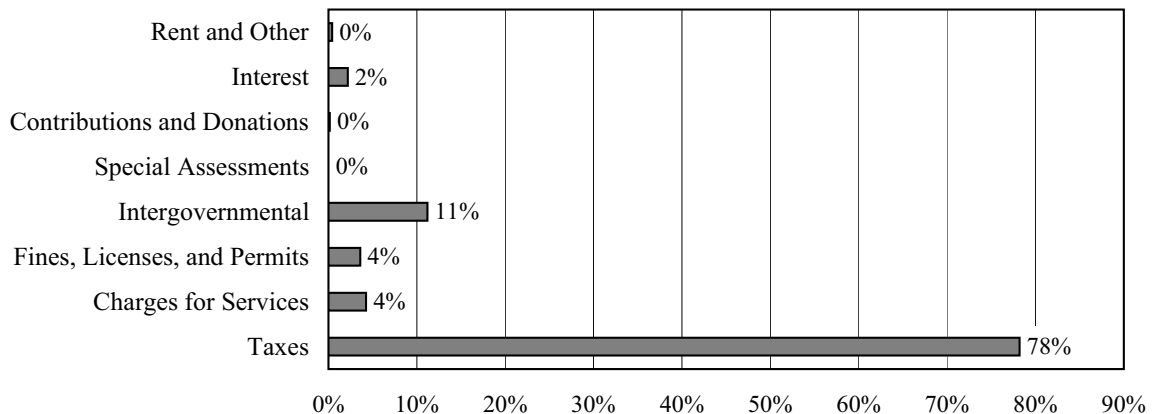
City of Brooklyn, Ohio
*Governmental Revenues by Source
and Expenditures by Function (1)*
Last Ten Years

	2005	2004	2003	2002
Revenues				
Taxes	\$14,753,915	\$13,546,493	\$13,924,737	\$12,945,935
Charges for Services	802,328	837,834	822,895	880,019
Fines, Licenses and Permits	678,647	681,394	780,770	913,412
Intergovernmental	2,113,217	1,916,555	1,669,861	2,441,584
Special Assessments	0	85,000	75,000	97,278
Contributions and Donations	25,677	30,107	30,381	36,812
Interest	412,082	184,372	135,906	169,578
Miscellaneous	79,292	52,852	23,490	423,591
Total	\$18,865,158	\$17,334,607	\$17,463,040	\$17,908,209
Expenditures				
Current:				
General Government	\$1,658,777	\$1,713,115	\$1,543,745	\$1,237,345
Security of Persons and Property	7,379,730	7,051,268	6,773,741	6,882,432
Transportation	713,054	518,645	587,379	441,473
Community Environment	1,409,089	1,474,151	1,364,005	1,329,200
Basic Utility Services	2,612,506	2,636,120	2,526,614	2,545,154
Leisure Time Activities	1,970,298	2,023,864	1,955,914	1,904,760
Capital Outlay	2,501,641	1,516,301	1,388,901	2,554,573
Debt Service	1,363,928	3,377,551	3,590,774	929,611
Total	\$19,609,023	\$20,311,015	\$19,731,073	\$17,824,548

Source: City financial records

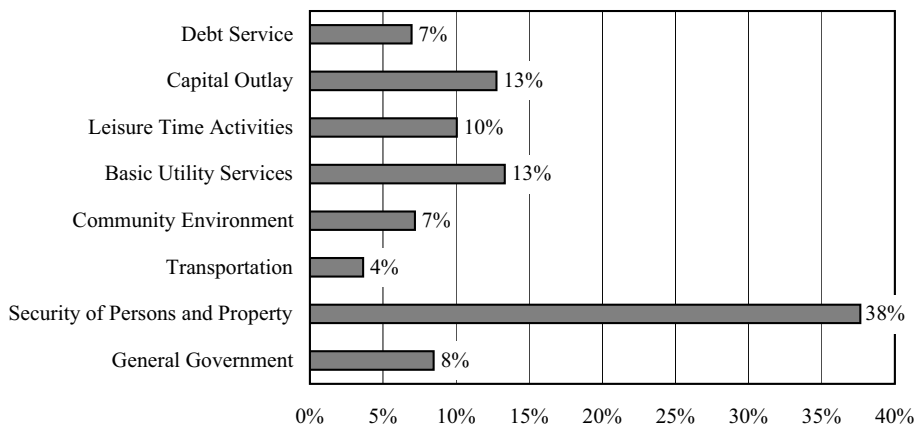
(1) Includes General, Special Revenue, Capital Projects and Debt Service Funds. Modified Accrual Basis.

Governmental Revenues by Source



2001	2000	1999	1998	1997	1996
\$13,032,655	\$12,745,796	\$12,800,765	\$12,183,979	\$11,206,690	\$10,967,033
836,209	918,360	854,820	864,833	895,669	863,650
945,521	777,777	639,315	582,282	560,823	433,209
3,007,322	1,963,558	1,607,493	1,731,872	1,701,222	4,730,074
96,027	97,163	98,085	103,077	94,497	98,008
37,002	0	0	0	0	0
254,194	432,953	326,242	314,734	240,032	241,120
383,072	113,735	331,237	676,373	131,656	119,661
<u>\$18,592,002</u>	<u>\$17,049,342</u>	<u>\$16,657,957</u>	<u>\$16,457,150</u>	<u>\$14,830,589</u>	<u>\$17,452,755</u>
\$1,078,961	\$1,170,328	\$1,257,501	\$952,117	\$1,028,763	\$970,462
6,272,853	5,961,771	5,369,536	4,927,882	4,758,297	4,542,288
483,164	435,153	514,698	415,122	406,540	632,545
1,359,695	1,695,579	1,582,706	1,329,777	841,787	741,506
2,522,773	2,408,694	1,807,094	1,868,029	1,788,096	1,698,003
1,640,474	1,673,426	1,724,163	1,673,353	1,787,422	1,660,200
2,679,727	2,445,106	2,790,950	4,134,110	1,536,538	5,902,001
906,452	846,529	850,589	848,282	870,347	971,142
<u>\$16,944,099</u>	<u>\$16,636,586</u>	<u>\$15,897,237</u>	<u>\$16,148,672</u>	<u>\$13,017,790</u>	<u>\$17,118,147</u>

Governmental Expenditures by Function



City of Brooklyn, Ohio
Property Tax Levies and Collections (1)
Last Ten Years

Collection Year	Total Tax Levy (2)	Current Tax Collections (2)	Ratio of Current Taxes Collected to Total Tax Levy	Delinquent Tax Collections
2005	\$2,197,399	\$2,126,897	96.79 %	\$48,156
2004	1,721,897	1,674,028	97.22	60,099
2003	1,658,287	1,590,902	95.94	30,891
2002	1,645,513	1,587,957	96.50	67,587
2001	1,664,679	1,636,000	98.28	27,767
2000	1,515,926	1,489,947	98.29	28,823
1999	1,490,848	1,469,088	98.54	48,664
1998	1,456,512	1,435,508	98.56	21,910
1997	1,424,790	1,336,244	93.79	12,556
1996	1,413,607	1,362,146	96.36	9,654

Source: Cuyahoga County, Ohio; County Auditor

(1) Information for Real and Public Utility Only

(2) State Reimbursements of Rollback and Homestead Exemptions are included

(3) Penalties and interest are included, since by Ohio law they become part of tax obligation as assessment occurs

<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes (3)</u>	<u>Ratio of Delinquent to Total Tax Levy</u>
\$2,175,053	98.98 %	\$57,043	2.60 %
1,734,127	100.71	71,327	4.14
1,621,793	97.80	83,637	5.04
1,655,544	100.61	48,317	2.94
1,663,767	99.95	36,853	2.21
1,518,770	100.19	25,810	1.70
1,517,752	101.80	50,560	3.39
1,457,418	100.06	74,433	5.11
1,348,800	94.67	41,543	2.92
1,371,800	97.04	70,328	4.98

City of Brooklyn, Ohio
Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Years

Year	Real Property		Public Utility Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2005	\$301,034,980	\$860,099,942	\$17,752,200	\$20,172,955	\$70,888,141	\$308,209,309
2004	300,532,120	858,633,200	18,798,000	21,361,364	67,156,690	291,985,609
2003	297,301,330	849,432,371	19,429,120	22,078,545	71,086,443	309,071,491
2002	286,326,280	818,075,086	19,451,050	22,103,466	74,455,744	297,822,976
2001	283,815,680	810,901,942	20,934,340	23,789,022	75,714,966	302,859,864
2000	278,237,680	794,964,800	29,854,130	33,925,147	67,099,234	268,396,936
1999	250,158,120	714,737,486	32,288,580	36,691,568	72,851,158	291,404,632
1998	239,814,090	685,183,114	32,734,230	37,197,989	78,470,390	313,881,560
1997	235,266,210	672,189,171	33,266,860	37,803,250	81,459,237	325,836,948
1996	229,560,670	655,887,629	33,152,460	37,673,250	79,736,096	318,944,384

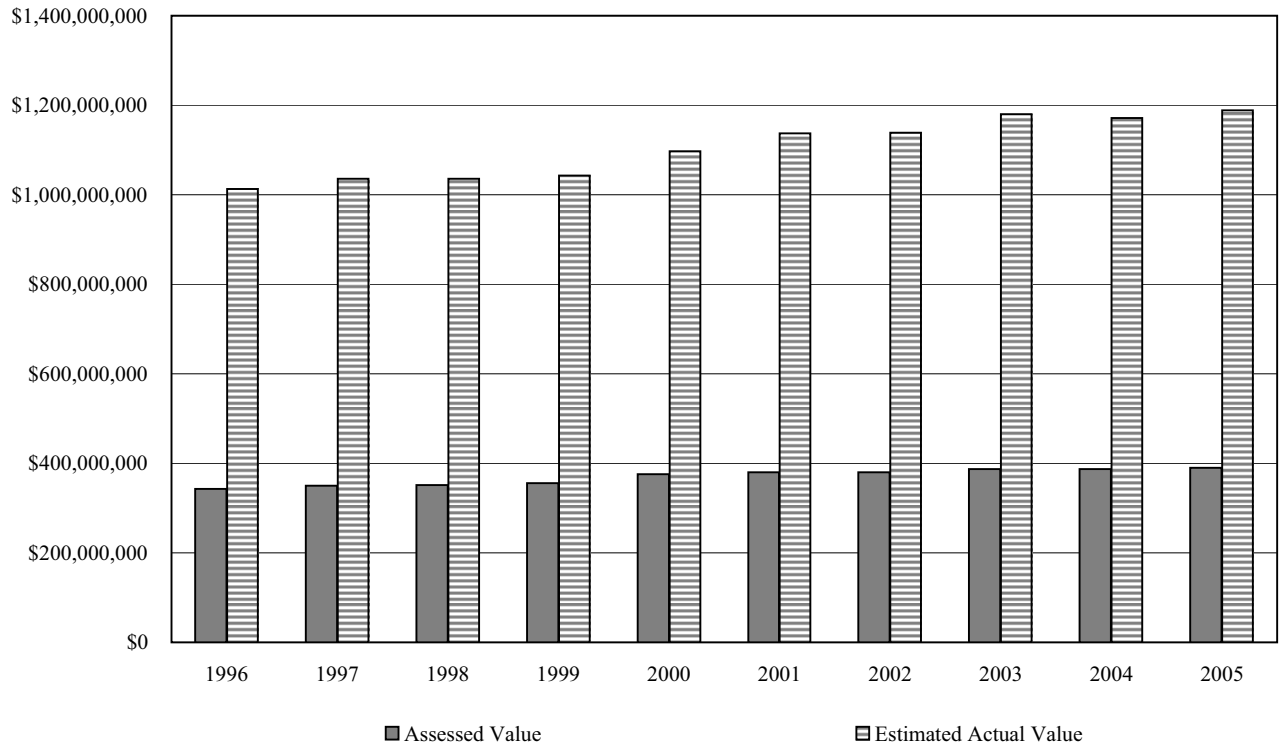
Source: Cuyahoga County, Ohio; County Auditor

Estimated actual value is calculated by dividing the assessed value by the assessment percentage. The percentages for 2005 were 35 percent for real property, 88 percent for public utility tangible and 25 percent of actual value for capital assets and 23 percent for inventory for tangible personal.

Totals

Assessed Value	Estimated Actual Value	Ratio
\$389,675,321	\$1,188,482,206	33 %
386,486,810	1,171,980,173	33
387,816,893	1,180,582,407	33
380,233,074	1,138,001,528	33
380,464,986	1,137,550,828	33
375,191,044	1,097,286,883	34
355,297,858	1,042,833,686	34
351,018,710	1,036,262,663	34
349,992,307	1,035,829,369	34
342,449,226	1,012,505,263	34

Assessed Valuation and Estimated Actual Value of Taxable Property



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

Year	City of Brooklyn				Brooklyn City School District	Polaris Joint Vocational School District	Cuyahoga County	Total Direct and Overlapping Governments
	General Fund	Special Revenue Funds	Debt Service Fund	Total City				
2005	\$2.30	\$3.60	\$1.00	\$6.90	\$39.50	\$2.40	\$20.30	\$69.10
2004	2.30	3.60	1.00	6.90	39.50	2.40	20.30	69.10
2003	2.30	2.10	1.00	5.40	39.50	2.40	19.40	66.70
2002	2.30	2.10	1.00	5.40	43.40	2.40	17.60	68.80
2001	2.30	2.10	1.00	5.40	43.40	2.40	17.60	68.80
2000	2.30	2.10	1.00	5.40	40.00	2.40	16.70	64.50
1999	2.30	2.10	1.00	5.40	40.00	2.40	16.70	64.50
1998	2.30	2.10	1.00	5.40	39.80	2.40	18.00	65.60
1997	2.30	2.10	1.00	5.40	39.90	2.40	18.00	65.70
1996	2.30	2.10	1.00	5.40	40.20	2.40	18.00	66.00

Source: Cuyahoga County, Ohio; County Auditor

City of Brooklyn, Ohio
Special Assessment
Billings and Collections
Last Ten Years

Collection Year	Total Billed	Amount Collected (1)	Percent Collected
2005	\$16,854	\$16,854 (2)	100.00 %
2004	96,832	85,000	87.78
2003	98,178	75,000	76.39
2002	97,759	97,278	99.51
2001	99,255	96,027	96.75
2000	99,171	97,163	97.98
1999	98,076	98,085	100.01
1998	96,864	103,077	106.41
1997	90,410	94,497	104.52
1996	83,122	98,008	117.91

Source: Cuyahoga County, Ohio; County Auditor

(1) Prior to 2002, special assessments included both principal and interest

(2) As of December 31, 2004, special assessment debt was paid off.
This amount represents delinquent amounts only.

Collections represent amounts for bonded debt only.

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

Year	Population (1)	Assessed Value (2)	Gross General Bonded Debt	Debt Service Monies Available
2005	11,586	\$389,675,321	\$2,522,806	\$239,145
2004	11,586	386,486,810	2,832,806	230,600
2003	11,586	387,816,893	3,127,806	296,290
2002	11,700	380,223,074	3,417,806	352,458
2001	11,700	380,464,986	3,687,806	435,026
2000	11,586	375,191,044	3,952,806	478,677
1999	11,774	355,297,858	4,207,806	24,547
1998	11,774	351,018,710	3,945,000	21,823
1997	11,774	349,992,307	4,115,000	21,267
1996	11,774	342,449,226	4,275,000	6,685

Sources: (1) U.S. Census Bureau
 (2) Cuyahoga County, Ohio; County Auditor

Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net General Bonded Debt Per Capita
\$2,283,661	0.59 %	\$197
2,602,206	0.67	225
2,831,516	0.73	244
3,065,348	0.81	262
3,252,780	0.85	278
3,474,129	0.93	300
4,183,259	1.18	355
3,923,177	1.12	333
4,093,733	1.17	348
4,268,315	1.25	363

City of Brooklyn, Ohio
*Ratio of Annual Debt Service Expenditures for
 General Bonded Debt to Total Governmental Expenditures
 Last Ten Years*

Year	Debt Service Expenditures			Total Governmental Expenditures	Ratio of Debt Service to Total Governmental Expenditures
	Principal	Interest and Fiscal Charges	Total Debt Service		
2005	\$310,000	\$119,645	\$429,645	\$19,609,023	2.19 %
2004	295,000	130,855	425,855	20,311,015	2.10
2003	290,000	141,586	431,586	19,731,073	2.19
2002	270,000	151,305	421,305	17,824,548	2.36
2001	265,000	160,580	425,580	16,944,099	2.51
2000	255,000	169,505	424,505	16,636,586	2.55
1999	190,000	131,832	321,832	15,897,237	2.02
1998	170,000	255,174	425,174	16,148,672	2.63
1997	160,000	255,175	415,175	13,017,790	3.19
1996	150,000	274,085	424,085	17,118,147	2.48

Source: Cuyahoga County, Ohio; County Auditor

City of Brooklyn, Ohio

*Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2005*

	<u>General Tax Supported Debt Outstanding</u>	<u>Overlapping Percentage Applicable to Brooklyn (1)</u>	<u>Amount Applicable to Brooklyn</u>
<u>Direct:</u>			
City of Brooklyn	<u>\$2,522,806</u>	100%	<u>\$2,522,806</u>
<u>Overlapping:</u>			
Cuyahoga County	231,365,971	1.27	2,938,348
Regional Transit Authority	<u>139,790,000</u>	1.27	<u>1,775,333</u>
Total Overlapping	<u>371,155,971</u>		<u>4,713,681</u>
Total	<u><u>\$373,678,777</u></u>		<u><u>\$7,236,487</u></u>

Source: Cuyahoga County, Ohio; County Auditor

(1) Overlapping percentages were calculated by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

City of Brooklyn, Ohio
Computation of Legal Debt Margin
December 31, 2005

Assessed Valuation		<u>\$389,675,321</u>
Overall Debt Limitation 10.5% of Assessed Valuation		40,915,909
Gross Indebtedness (Total Voted and Unvoted Debt)		
Refunding Bonds	2,522,806	
Honeywell Loan	477,434	
Bond Anticipation Notes	5,800,000	
OPWC Loans	<u>522,215</u>	
<i>Total</i>	<u>9,322,455</u>	
Exemptions:		
Honeywell Loan	477,434	
OPWC Loans	<u>522,215</u>	
<i>Total</i>	<u>999,649</u>	
Debt Within 10.5% Limitation	8,322,806	
Less: Amount Available in Debt Service Fund	<u>239,145</u>	
Net Debt Within 10.5% Limitation		<u>8,083,661</u>
Overall Debt Margin Within 10.5% Limitation		<u>\$32,832,248</u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation		\$21,432,143
Gross indebtedness authorized by Council	9,322,455	
Less: Debt Outside Limitation:		
Honeywell Loan	477,434	
OPWC Loans	<u>522,215</u>	
<i>Total</i>	<u>999,649</u>	
Debt Within 5.5% Limitation	8,322,806	
Less: Amount Available in Debt Service Fund	<u>239,145</u>	
Net Debt Within 5.5% Limitation		<u>8,083,661</u>
Legal Debt Margin Within 5.5% Limitation		<u>\$13,348,482</u>

Source: Cuyahoga County Auditor and City Financial Records

City of Brooklyn, Ohio
Construction, Bank Deposits and Property Value
Last Ten Years

Year	Number of Building Permits (1)	Dollar Value of Building Permits Issued (1)	Bank Deposits (2) (In Thousands)	Estimated Property Value (3)
2005	831	\$10,069,495	\$109,087,107	\$1,188,482,206
2004	828	9,509,936	101,838,959	1,171,980,173
2003	865	17,451,060	97,238,973	1,180,582,407
2002	870	18,156,149	95,761,917	1,138,001,528
2001	895	19,291,426	63,893,769	1,137,550,828
2000	761	13,307,375	61,942,764	1,097,286,883
1999	854	34,309,721	57,816,942	1,042,833,686
1998	705	10,725,085	58,904,596	1,036,262,663
1997	824	21,213,356	53,941,971 (A)	1,035,829,369
1996	810	23,476,122	27,068,211	1,012,505,263

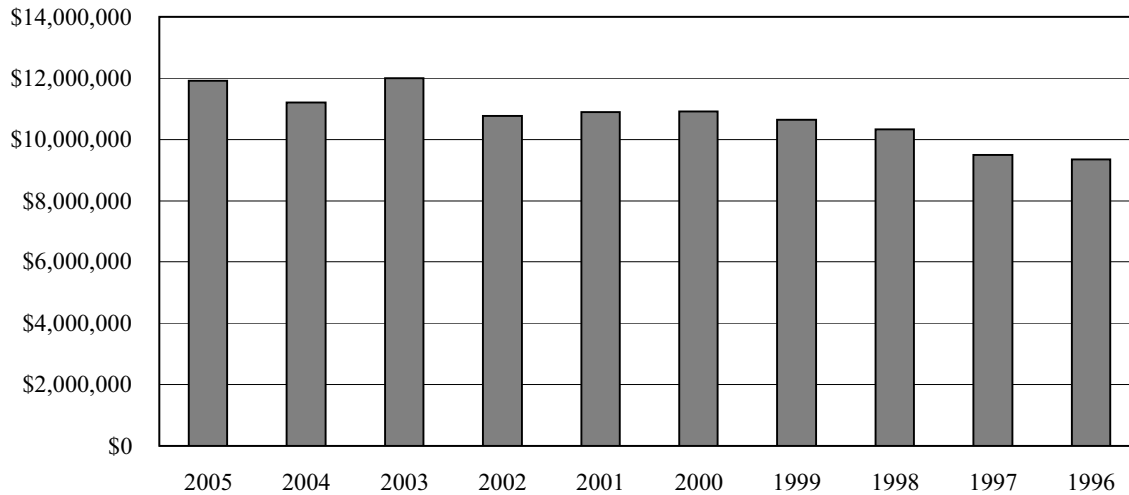
Source: (1) Brooklyn Building Department
(2) Federal Reserve Bank of Cleveland
(3) Cuyahoga County Auditor's Office

(A) Large increase in deposits due to Key Bank becoming a single
Charter in 1997.

City of Brooklyn, Ohio
Municipal Income Tax Revenue - Governmental Funds
Last Ten Years

Collection Year	Municipal Income Tax Revenue
2005	\$11,910,000
2004	11,208,422
2003	12,005,385
2002	10,772,246
2001	10,895,066
2000	10,902,091
1999	10,646,288
1998	10,325,818
1997	9,492,680
1996	9,355,857

Source: City Financial Records (Budget Basis)



City of Brooklyn, Ohio
Ten Largest Municipal Income Tax Withholding Accounts
December 31, 2005

Taxpayer	Municipal Income Tax Withholding
American Greetings Corporation	\$2,680,392
Keybank National Association	1,851,579
Plain Dealer Publishing Company	457,262
Arrow International, Incorporated	403,460
USF Holland, Incorporated	239,138
Wal-Mart/Sams Club	224,612
AGCM, Incorporated	215,366
McDonald Investments, Incorporated	187,127
City of Brooklyn	180,623
Eaton Corporation	179,928
Total	\$6,619,487

Source: City Financial Records

City of Brooklyn, Ohio

Demographic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Cuyahoga County (3)</u>
2005	11,586	1,452	6.2 %
2004	11,586	1,365	6.6
2003	11,586	1,351	6.2
2002	11,700	1,372	6.6
2001	11,700	1,401	4.6
2000	11,586	1,390	4.5
1999	11,774	1,417	4.5
1998	11,774	1,349	4.5
1997	11,774	1,383	4.5
1996	11,774	1,301	5.0

- Sources:
- (1) Even years from U.S. Census Bureau
Remainder estimated by City
 - (2) Brooklyn City School District Board of Education
 - (3) Ohio Bureau of Employment Services
Labor Market Information Services

City of Brooklyn, Ohio

Miscellaneous Statistics

December 31, 2005

Government: Date of Incorporation January 1, 1952
Form of Government: Charter - Mayor/Council

Population: 11,586

Area: 4.5 square miles

City Statistics: Streets - 33 miles of paved streets

Highways: Interstate 480 and Interstate 71

Police Protection: One Police Complex
Uniformed Personnel:
 Chief 1
 Sergeants 6
 Detectives 4
 Motorcycle Officers 4
 Patrolmen 17
Support Personnel 62

Fire Protection: One Fire Complex
Uniformed Personnel:
 Chief 1
 Lieutenants 3
 Lieutenants-Paramedics 2
 Firefighter-Paramedics 18
 Firefighter-Inspectors 2
 Paramedic-Inspectors 1
 Firefighters 3
Support Personnel 6

Other City
Departments: Elected 8
 Appointed 10
 Full-Time 60
 Part-Time 93
 Seasonal 68

Public Transit: Greater Cleveland Regional Transit Authority

Airport: Cleveland Hopkins International Airport
 (within 10 minutes driving distance)

(continued)

City of Brooklyn, Ohio
Miscellaneous Statistics (continued)
 December 31, 2005

Urban Center: Downtown Cleveland
 (within 10 minutes driving distance)

Shopping Areas: Five retail areas located within municipal boundaries.
 Approximately 10 minutes to downtown retail center.
 Parmatown and Great Northern Malls; 10 to 15 minutes away.
 Three home improvement stores within municipal boundaries.

Cable Television: Wide Open West
 Adelphia

Hospitals: Parma Community General Hospital
 MetroHealth Center
 Kaiser Permanente

Education:

Brooklyn High School	9-12	38 Classrooms
Brooklyn Middle School	6-8	18 Classrooms
Brookridge Elementary	3-5	14 Classrooms
Roadoan Elementary	K-2	13 Classrooms
St. Thomas More Elementary School	K-8	18 Classrooms
Heritage Christian Baptist School	K-12	13 Classrooms

Libraries: Cuyahoga County Public Library
 Brooklyn Branch

Recreation:

- One Natatorium and Outdoor Swim Complex
- One Multi-Purpose Indoor Recreation Center
- Two Commons (Park) Areas
- Three Picnic Pavilions
- One Veterans Memorial Park
- One Marquart Park
- Three Playgrounds
- One Playground with Integrated Learning Centers - Pre-school/School Age
- Four Baseball Diamonds
- Two Basketball Courts
- Four Tennis Courts
- One Press Box/Concessions
- One Community Senior-Center
- Two Bocci Ball Courts
- Two Horseshoe Pits
- One Volleyball Court
- Two Nature Trails (North/South)
- One Skate Park



**Auditor of State
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CITY OF BROOKLYN

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 11, 2006**