

Mary Taylor, CPA
Auditor of State

CITY OF BROOKLYN
CUYAHOGA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	1
Status of Prior Audit Findings	3

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

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 Members of City Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Brooklyn, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 20, 2008, wherein we noted the City restated the December 31, 2006 fund balances for the General and Other Governmental Funds and Governmental Activities. 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 as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

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

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. We noted certain matters that we reported to the City's management in a separate letter dated June 20, 2008.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361
www.auditor.state.oh.us

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*. We did note certain noncompliance or other matters that we reported to the City's management in a separate letter dated June 20, 2008.

We intend this report solely for the information and use of the audit committee, management, and City Council. We intend it for no one other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

June 20, 2008

CITY OF BROOKLYN
CUYAHOGA COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Two contracts exceeded \$25,000 and were not competitively bid as required by ORC Section 735.05	Yes	
2006-002	ORC Section 5705.41(D)(1), obligations were entered into prior to obtaining the Finance Director's certification of the availability of funds.	No	Partially, reported in the 2007 management letter

CITY OF BROOKLYN, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2007

City of Brooklyn, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2007

Prepared by:

Dennis G. Kennedy
Director of Finance

City of Brooklyn, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2007
Table of Contents

	<i>Page</i>
I. Introductory Section	
Title Page	i
Table of Contents	ii
Letter of Transmittal	v
Organization Chart.....	x
List of Principal Officials.....	xi
GFOA Certificate of Achievement	xii
 II. Financial Section	
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
 Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	16
Statement of Activities.....	17
 Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual:	
General Fund	22
Police Pension Fund	23
Fire Pension Fund.....	24
Statement of Fiduciary Assets and Liabilities - Agency Funds	25
Notes to the Basic Financial Statements	26

Combining Statements and Individual Fund Schedules:

Combining Statements - Nonmajor Funds:

Fund Descriptions	56
Combining Balance Sheet - Nonmajor Governmental Funds	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	59
Combining Balance Sheet - Nonmajor Special Revenue Funds	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	64
Combining Balance Sheet – Nonmajor Capital Projects Funds	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	69

Combining Statements - Fiduciary Funds:

Fund Descriptions	70
Combining Statement of Assets and Liabilities Agency Funds	71
Combining Statement of Changes in Assets and Liabilities Agency Funds	72

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

Major Funds:

General Fund	75
Police Pension Fund	80
Fire Pension Fund.....	81
Capital Improvements Fund	82

NonMajor Funds:

Street Maintenance and Repair Fund	83
State Highway Fund.....	84
Community Development Block Grant Fund	85
Street Lighting Fund	86
Motor Vehicle License Tax Fund	87
Recycling and Litter Fund	88
D.A.R.E. Fund	89
Bullet Proof Vest Fund	90
FEMA Fire Act Fund.....	91
Federal Grants Fund.....	92
Public Safety Equipment Fund	93
Law Enforcement Fund.....	94
Mandatory Drug Law Fund	95

Underground Storage Tank Fund.....	96
Groeger Trust Fund.....	97
Court Computer Fund	98
Juvenile Diversion Fund	99
General Obligation Bond Retirement Fund	100
Tiedeman Road Fund.....	101
Biddulph Road Fund.....	102
Safety Forces Construction Fund.....	103
I-480/Tiedeman Upgrade Fund.....	104

III. Statistical Section

Statistical Section Description	S1
Net Assets by Component - Last Five Years	S3
Changes in Net Assets - Last Five Years	S4
Fund Balances, Governmental Funds - Last Ten Years.....	S6
Changes in Fund Balances, Governmental Funds - Last Ten Years.....	S8
Assessed Valuation and Estimated True Values of Taxable Property - Last Ten Years	S10
Property Tax Rates – Direct and Overlapping Governments - Last Ten Years	S12
Property Tax Levies and Collections - Last Ten Years	S14
Principal Real Property Taxpayers – 2007 and 1998.....	S16
Income Tax Revenue Base and Collections – Last Ten Years	S17
Ratio of Outstanding Debt to Total Personal Income and Debt per Capita – Last Ten Years.....	S18
Ratio of General Obligation Bonded Debt to Estimated Actual Value and Bonded Debt per Capita – Last Ten Years.....	S20
Legal Debt Margin – Last Ten Years.....	S22
Computation of Direct and Overlapping Governmental Activities Debt.....	S24
Principal Employers – Current Year and Nine Years Ago	S25
Demographic and Economic Statistics – Last Eight Years.....	S26
Full-Time Equivalent City Government Employees by Function/Program – Last Six Years	S28
Operating Indicators by Function/Program – Last Six Years	S29
Capital Assets Statistics by Function/Program – Last Ten Years.....	S32



INTRODUCTORY SECTION

CITY OF BROOKLYN, OHIO

Mayor
Kenneth E. Patton

The City of
Brooklyn · Ohio
FOUNDED 1867

Council
Gregory L. Frey
Kathleen M. Pucci
Colleen Coyne-Gallagher
Richard H. Balbier
Craig M. Patton
Joseph A. Magrey
Scott D. Claussen

June 20, 2008

City Council and Citizens of Brooklyn:

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of fiscal year end. This report is published to fulfill the State filing requirement for the year ended December 31, 2007. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that it has established for that purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. This report will be the nineteenth consecutive Comprehensive Annual Financial Report (CAFR) the City has published and 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 seventh 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 Auditor of State for the State of Ohio has issued an unqualified ("clean") opinion on the City of Brooklyn's financial statements for the year ended December 31, 2007. The independent accountant's report is located at the front of the financial section of this report.

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

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. The City consists of 2,745 acres or 4.60 square miles.

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.

7619 Memphis Avenue • Brooklyn, Ohio 44144-2197 • (216) 351-2133 • Fax (216) 351-7601

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 members 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. 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. 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. In addition, Brooklyn provides some unique services not normally seen in most municipalities. Senior citizens can sign up to have their lawns mowed from May to September and their driveways plowed during the winter. The City charges only a nominal fee for both services.

The City Council is required to adopt a temporary budget for the next year by no later than the close of the current year. The annual budget serves as the foundation of the City of Brooklyn's financial planning and control. The budget is prepared by fund, function (e.g., public safety), department (e.g., police) and object code (e.g. materials and supplies). The budget is then passed at the department and object code level for the general fund and at the object code level for all other funds. Transfers between departments or funds require special approval of City Council.

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. 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 the three main businesses (American Greetings, Key Bank and The Plain Dealer) there is Ridge Park Square Shopping Center, Cascades Crossing (Hampton Inn, Extended Stay America, TGI Friday's, Steak & Shake and Chipotle Mexican Grill), Key Commons (Cracker Barrel, Panera's, Carrabba's Italian Grill, Wild Ginger and Max & Erma's), Brooklyn Corporate Center, a major medical building, manufacturing such as Ferrous Metals, Superior Products, and Areway Manufacturing; and trucking such as USF Holland, Falcon and numerous small trucking companies. Businesses along the Brookpark Road corridor include Best Buy, Super Kmart, Golden Corral, Staples, Wal-Mart, Home Depot, IHOP, Flower Factory and Gordon Foods.

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. The maintenance of our commercial properties and housing stock is key to holding our property values.

Although Brooklyn has not been immune to the economic slowdown in Northeast Ohio, residential and commercial construction has been steady, with some of the larger commercial construction projects started and/or completed in 2007 listed below:

Brooklyn Ice Rink renovation -	\$1,160,950
American Greetings renovations -	\$1,073,000 (Multiple projects)
Vendors Exchange complex -	\$705,435 (Multiple projects)
Nassif & Marino Dental Office -	\$350,000 (Building shell only)
Giant Eagle renovations -	\$317,216

The work on the infrastructure for Key Commons II has been completed, and there is considerable interest in the five building sites still available, and negotiations on those sites are ongoing.

Construction of a \$32 million Senior Assisted Living Facility is slated to begin in the spring of 2008.

Brooklyn has a much larger business base than most communities. Property taxes in Brooklyn are split with 40.63 percent from residential properties, 41.69 percent from commercial properties and 17.68 percent from other sources. Because of the large business base for property taxes, Brooklyn has an assessed valuation per capita of \$34,478. Revenue from resident income tax collections accounts for about 2 percent of the total income tax for the City. Net profits from business generate about 15 percent. The bulk of the income taxes paid, 83 percent, are paid by employees of the businesses located in the City.

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. 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 Plan was reviewed and approved by both the Planning Commission and City Council.

RELEVANT FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING

Unreserved, undesignated fund balance in the General Fund (32.0 percent of total General Fund revenues) falls within the policy guidelines set by the Council for Budgetary and Planning Purposes (between 5 and 15 percent or more of total General Fund Revenues). City Council has established an informal benchmark of 16 percent, approximately 60 days of operating funds. Over the past six years, the City has had balances ranging between 13 percent to 32 percent.

The City ensures there are funding sources for all projects it undertakes. A portion of income tax collections is designated for the Capital Improvement Fund to ensure considerable pay-as-you-go financing of capital projects. The balance in the Capital Improvements Fund is equal to more than six months of capital expenditures in a normal year. It has been at that level and more every year for the last six years. The 2007 year end fund balance was \$1.78 million dollars. The new fire station has a mill property tax designated to pay the bond payments for it. The City operates the only municipal landfill in Cuyahoga County. Monies are being accumulated to ensure closure and post closure costs are covered when the landfill reaches capacity in 29 years. Currently, the City has accumulated more than \$3.5 million as of the end of 2007 for the closure and post closure costs. The City has a very favorable debt profile and amortizes debt quickly; over 75 percent of outstanding debt is paid back within ten years.

MAJOR INITIATIVES

Traffic was the number one concern of residents and businesses in two surveys done for the Master Plan and Business Retention and Expansion projects. The City has been working on a solution to the ever increasing traffic at Interstate 480 and Tiedeman Road.

The City has received a \$1.6 million in federal grant monies for studies and engineering needed to upgrade the ramps and roadway. The actual engineering work began in 2006 and is to be completed by the end of 2009. The City has applied for additional funding for the final phases of engineering, plan design and construction costs. Construction costs are estimated at \$10-\$12 million dollars, therefore, it will be necessary for the City to obtain assistance in funding the project. Current plans would envision construction in 2011 or 2012.

The City has hired an economic development director to pursue acquisition of new businesses within the City and retention of our existing tax base. In addition, this position will be responsible for procurement of various sources of funds to support the continuation of the City's Master Plan.

The City invested over \$2 million in a comprehensive energy savings renovation plan at the recreation center. These improvements are expected to sustain the revenue generating capabilities of the center over the course of the next 15 years.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Brooklyn for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2006. This was the eighteenth consecutive year that Brooklyn has received this prestigious award. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

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

In addition, Brooklyn also received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the year ended December 31, 2006. This is the sixth consecutive Award for Outstanding Achievement the City has received for publishing a PAFR. This report is specifically designed to meet the needs of interested parties who may not wish to use traditional financial reports.

The publication of this CAFR significantly increases the accountability of the City to the taxpayers. The preparation of this report was made possible by the dedicated service of the entire staff of the finance department. All employees have our sincere appreciation for their contributions made in the preparation of this report. Credit must also be given to the department heads and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of Brooklyn's finances. Special thanks go to Brooklyn residents and taxpayers for entrusting us with the administration of their local government.

Respectfully Submitted,

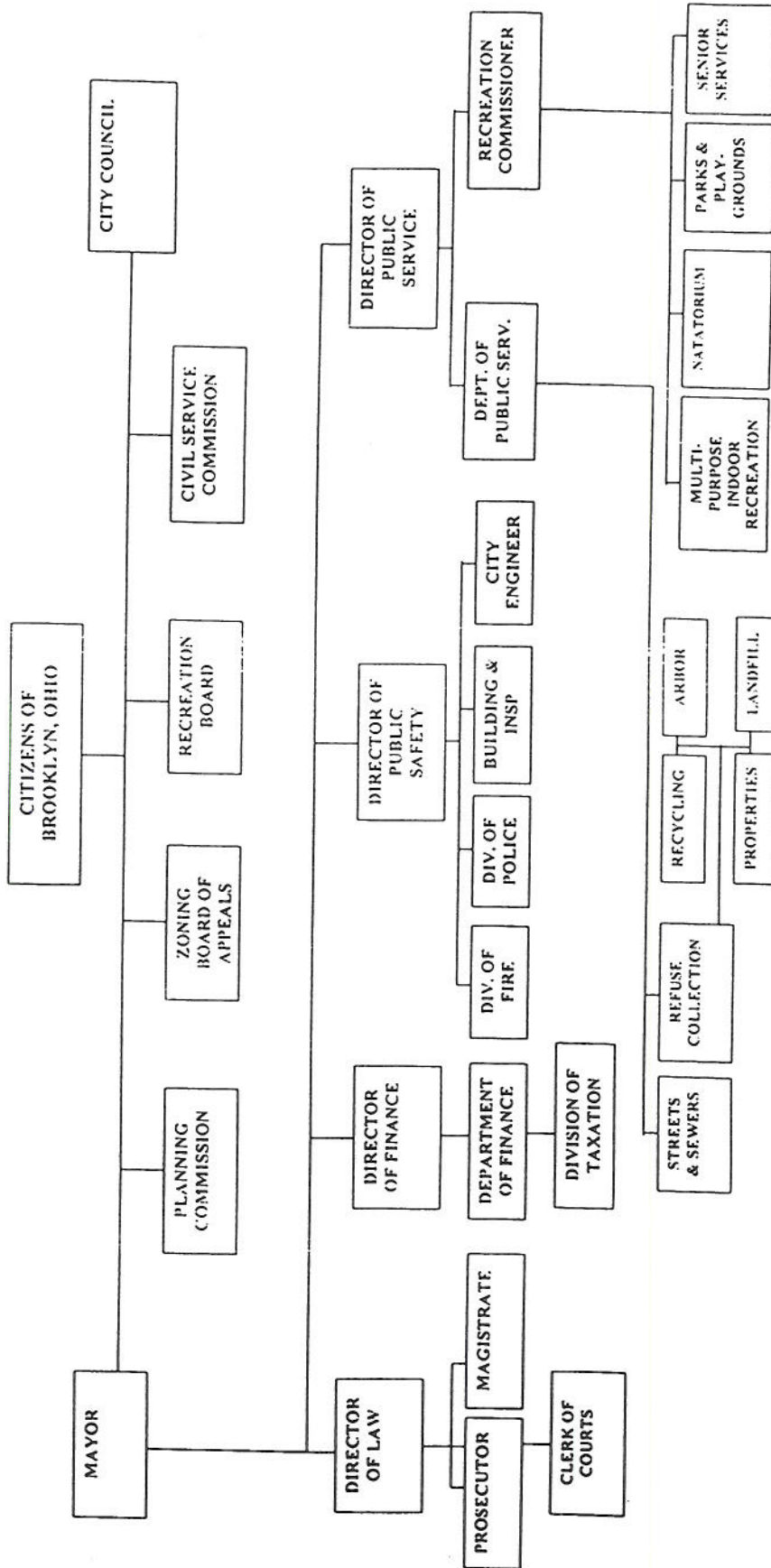


Kenneth E. Patton
Mayor



Dennis G. Kennedy
Director of Finance

CITY OF BROOKLYN, OHIO ORGANIZATION 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
Director of Public Service
Director of Finance
Chief Building Official
Police Chief
Fire Chief

Thomas O. Shaper
Ronald Balbier
Hillary Goldberg
Donald Hilberg
Robert A. Kappler
Dennis G. Kennedy
Thomas J. Ockington
Mark Tenaglia
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, 2006

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.



Charles S. Cox

President

Jeffrey R. Emery

Executive Director



FINANCIAL SECTION

CITY OF BROOKLYN, OHIO



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Members of 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, 2007, 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, 2007, 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.

As described in Note 3B to the basic financial statements, the City restated the December 31, 2006 fund balances for the General and Other Governmental Funds and Governmental Activities.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2008, 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 and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund financial 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 and statistical tables 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 20, 2008

City of Brooklyn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
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, 2007. 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 2007 are:

- City income tax totaled \$12,473,179 in governmental activities. This is a decrease of \$1,244,753 from \$13,717,932 in 2006. The original expectations for 2007 included a 3.0 to 3.25 percent decrease compared to 2006. The actual decrease was much larger at 9.07 percent. In part, collections from a prior period artificially inflated 2006 revenue. Additionally, economic slowdowns in 2007 caused some minor reductions in the amount of withholding remittances and net profit revenue.
- Total assets decreased by \$2,532,720 or 5.27 percent from 2006.
- Total net assets decreased by \$3,137,513 or 11.74 percent from 2006.
- Total capital assets decreased \$839,443 or 2.59 percent less than 2006.
- Total outstanding long term liabilities increased \$1,046,444, a 6.20 percent change from 2006.
- The fund balances for the City decreased by \$776,615 to \$8,629,334.

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.

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 2007?" 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

City of Brooklyn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

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, the major funds are the general, police pension, fire pension, and capital improvements.

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, 2007
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 2007 compared to 2006.

Table 1
Net Assets

	Governmental Activities		Change
	2007	2006	
Current and Other Assets	\$13,866,783	\$15,560,060	(\$1,693,277)
Capital Assets, Net	31,633,663	32,473,106	(839,443)
Total Assets	45,500,446	48,033,166	(2,532,720)
Current and Other Liabilities	4,007,110	4,488,991	(481,881)
Long-Term Liabilities			
Due Within One Year	1,389,258	1,243,351	145,907
Due in More Than One Year	16,522,797	15,582,030	940,767
Total Liabilities	21,919,165	21,314,372	604,793
Invested in Capital Assets, Net of Related Debt	20,975,883	21,907,993	(932,110)
Restricted:			
Capital Projects	1,860,948	2,104,553	(243,605)
Street Construction, Maintenance and Repair	290,459	298,241	(7,782)
State Highway	130,675	114,162	16,513
Court Computer	16,534	46,779	(30,245)
Police Programs	100,494	75,024	25,470
Other Purposes	150,493	170,522	(20,029)
Unrestricted	55,795	2,001,520	(1,945,725)
Total Net Assets	\$23,581,281	\$26,718,794	(\$3,137,513)

Total net assets decreased by \$3,137,513 or 11.74 percent. Total assets decreased by \$2,532,720 from \$48.0 million to \$45.5 million in total assets. Total liabilities increased by \$604,793. The majority of the decrease in net assets realized in 2007 was associated with a \$6.9 million decline in the amount of capital asset additions recorded versus comparable amounts from 2006. In 2006, major additions were recorded with the construction of the new fire station and the acquisition of a new aerial fire truck.

Income tax receivables decreased in 2007 by \$1.4 million in the General Fund, primarily due to the inclusion of \$1.03 million in the final 2006 receivable figures that was collected in 2007. Receivable amounts in both the areas of the Capital Improvement Fund and the Police Pension Fund also declined from 2006 levels.

City of Brooklyn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

Table 2 shows the changes in net assets for the year ended December 31, 2007. The City implemented GASB 34 in 2003. Comparisons between the last two years are shown below:

Table 2
Changes in Net Assets

	Governmental Activities		Change
	2007	2006	
Revenues:			
Program Revenues:			
Charges for Services	\$1,479,853	\$1,623,580	(\$143,727)
Operating Grants and Contributions	1,206,544	833,688	372,856
Capital Grants and Contributions	191,381	0	191,381
Total Program Revenues	<u>2,877,778</u>	<u>2,457,268</u>	<u>420,510</u>
General Revenues:			
Property Taxes	2,535,917	2,647,492	(111,575)
Municipal Income Taxes	12,473,179	13,717,932	(1,244,753)
Grants and Entitlements	1,442,977	1,228,147	214,830
Investment Earnings	445,581	654,993	(209,412)
Gain on Sale of Capital Assets	9,126	0	9,126
Miscellaneous	147,826	81,341	66,485
Total General Revenues	<u>17,054,606</u>	<u>18,329,905</u>	<u>(1,275,299)</u>
Total Revenues	<u>19,932,384</u>	<u>20,787,173</u>	<u>(854,789)</u>
Program Expenses			
General Government	2,618,931	1,492,020	1,126,911
Security of Persons and Property	10,066,623	7,010,400	3,056,223
Transportation	1,898,354	252,414	1,645,940
Community Environment	2,085,037	1,784,567	300,470
Basic Utility Services	3,347,481	2,854,851	492,630
Leisure Time Activities	2,581,966	2,309,476	272,490
Interest and Fiscal Charges	471,505	494,153	(22,648)
Total Program Expenses	<u>23,069,897</u>	<u>16,197,881</u>	<u>6,872,016</u>
Change in Net Assets	(3,137,513)	4,589,292	(7,726,805)
Net Assets Beginning of Year - Restated (See Note 3)	<u>26,718,794</u>	<u>22,129,502</u>	<u>4,589,292</u>
Net Assets End of Year	<u>\$23,581,281</u>	<u>\$26,718,794</u>	<u>(\$3,137,513)</u>

Table 2 shows that the overall financial strength of the City decreased in 2007 by \$3,137,513. Total revenues decreased by \$854,789. Income taxes account for 62.58 percent of the City's revenue. Income tax collections decreased by \$1,244,753 or 9.07 percent largely due to an unfavorable comparison with 2006 revenue which included a \$1.03 million one time receivable. Charges for Services decreased by \$143,727 due to energy conservation renovations at the Recreation Center and thus parts of the facility were inoperable during 2007 and various programs were canceled or restructured to lower participation levels. In 2006, rent from billboards was over \$286,000. These funds are received every five years and therefore were allocated over the five year period. Building permits decreased by about \$43,000. Revenues from the Mayor's Court also

City of Brooklyn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

decreased by about \$211,000. Ice rink fees decreased by about \$57,000 in part due to the shutdown of the ice for repairs and improvements. Interest income decreased by about \$46,000.

Expenses increased by \$6,872,016 or 42.4 percent. The increase is due to increased costs as well as additional costs in 2007 for salaries, benefits, supplies and contractual services. Security of Persons and Property remained the same from 43.27 percent of total expenses to 43.63 percent. There were no major changes in the level of service between 2006 and 2007. Most expenses increased compared to 2006 levels. Services in General Government did not decline. Transportation improvements continued to be made. Basic Utility Services make up 14.51 percent of program expenses. This expense increased 17.3 percent. The fourth largest program is Leisure Time Activities accounting for 11.19 percent of expenses. Costs for this program increased slightly, largely because of periodic maintenance. General Government makes up another 11.35 percent of expenses. Community Environment costs went up by \$300,470 or 16.84 percent. 2007 interest and fiscal charges decreased by nearly \$23,000.

GOVERNMENTAL ACTIVITIES

The main revenue source for the City's governmental activities is 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. Revenue for income tax declined from \$13,717,932 in 2006 to \$12,473,179 in 2007. This is a decrease of \$1,244,753. The administration had projected an actual decrease in 2007. Slowdowns in the national and state economies caused some reduction in tax withholdings and net profits as some Brooklyn businesses deferred payroll expansions and – in some cases – initiated staff reductions.

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 (85 percent) and the Capital Improvement Fund (15 percent) in 2007.

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 approved by advisory vote to use 1.5 mills of the 7.6 mills to pay for the construction of a new fire station and additional funding for police and firemen's pensions. Property Tax Revenue generated in 2007 decreased by \$111,575, or 4.21 percent. This reduction matched results impacting most Cuyahoga County municipalities as the downturn in the economy and foreclosures expanded during 2007.

Charges for Services are the third significant revenue contributor. Revenue in this category decreased by \$143,727 because of declines in court fines and fees for building permits. Recreation program revenues were impacted in 2007 by a major capital improvement project at the Recreation Center that rendered parts of the facility unusable for various periods.

City of Brooklyn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

The lowering of interest rates by the Federal Reserve coupled with less investment capital contributed to the 2007 decline resulting in less income.

Security of Persons and Property was the largest single area of expenses as it has been historically. This program accounted for about 44 percent of expenses (\$10,066,623). 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, the advisory vote of 2004, received a favorable vote of .5 mill in November 2004. This added .5 mill for police and firemen's pensions. Issue 10 also approved 1.0 mills of property tax to fund the new fire station. Pension contributions increased in 2007 and some additional subsidies were required from the General Fund to support total 2007 expenses.

Basic Utility Service includes trash collection, snow removal and recycling. Trash is picked up from behind the home. Snow removal includes all sidewalks in the City. Rising energy costs necessary to be incurred in operation of service oriented programs account for a major portion of the \$492,630 increase.

General Government comprises 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.

The fourth largest program expense is Leisure Time Activities. 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. Expenses for 2007 were monitored and consistently evaluated, the results of which were a limited expansion of costs incurred in 2007 by a level of \$272,490.

The City runs the only municipal landfill in Cuyahoga County. Thus, expenses in the Community Environment 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.

The City's Funds

The City 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.

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 \$20,029,613 and expenditures of \$22,872,093. Income tax is the City's largest revenue source. Income tax accounted for about 64.36 percent of the total revenue for the year. Income tax collections decreased by 4.35 percent, or \$585,544 from 2006.

City of Brooklyn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

The largest fund for the City is the General Fund. The year-end fund balance for the General Fund was \$6,668,313. This is a decrease of \$456,337 from the previous year. Revenue exceeded budget projections. Expenditures were managed prudently and ended the year approximately \$583,000 under budget. However, expenditures still exceeded revenues by \$456,337. 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 33 years when the landfill has reached capacity. The total set aside for this purpose is \$3,501,863. The unreserved balance for the General Fund is \$3,055,408.

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 2006 was \$1,433,089. The balance increased by \$347,344 to \$1,780,433 in 2007. The City planned to spend some of this balance to do additional street maintenance. In 2007, the Capital Improvements Fund continued to receive 15 percent of total taxes generated during the course of the year.

For all funds, the end of year balances decreased for the year by \$776,615. Total fund balances decreased from \$9,405,949 to \$8,629,334. The City still has an overall fund balance of \$8,629,334 at the end of 2007 or \$5,127,471 without the reserve for landfill closure and post-closure care. That total is 22.42 percent of the total expenditures for 2007. This is well above the benchmark set by Council and the Administration.

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.

As stated previously, 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 and final budgeted revenues were \$15,856,901. Actual revenues of \$16,058,864 were higher than the original and final projections. This is due to actual income tax revenue being \$274,447 higher than the estimated original and final budget.

After the permanent budget was adopted, the amount appropriated for the General Fund for 2007 did not change. The original and final budget estimate identified expenditures at \$15,647,286 for the year. City Council was advised at the time that the budget passed that the administration intended to hold expenditures to \$15.150 million or less. At the mid year review, the increase in actual income tax collections over the estimated amount was noted and Council was advised that the General Fund would probably generate a minor surplus by year end. At that time, Council was also advised that expenditures were being incurred at a rate consistent with the original 2007 projections. Actual expenditures for 2007 were \$15,064,198 on a budgetary basis. Expenditures were \$583,088 less than original and final budgeted amounts and considerably less than the administration's self imposed target. The actual outcomes were in consonance with the financial updates

City of Brooklyn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

supplied to City Council throughout the year. The Department heads executed the plan and excellent results were achieved again.

Capital Assets and Debt Administration

Capital Assets

Table 3
 Capital Assets
 (Net of Depreciation)

	Governmental	
	2007	2006
Land	\$2,887,821	\$2,887,821
Construction In Progress	16,194	0
Buildings	12,693,630	13,107,997
Improvements Other Than Buildings	5,223,223	5,464,568
Machinery and Equipment	1,767,114	1,885,724
Vehicles	1,985,060	2,241,585
Infrastructure		
Roads and Sidewalks	4,948,137	4,610,082
Sanitary Sewers	655,187	700,850
Storm Sewers	585,372	625,319
Water Lines	420,699	462,187
Traffic Signals	451,226	486,973
Total	\$31,633,663	\$32,473,106

The City takes care to maintain its equipment and infrastructure. Fifteen percent of City income taxes are distributed to the Capital Improvements Fund to ensure this outcome. For 2007, this meant that \$1,972,458 of the income tax revenue went to the Capital Improvements Fund. During 2007, the City signed a lease for \$325,000 to replace recreation center windows and a \$1,729,515 building improvement lease to insure the functionality of the facility for future years. Total net capital assets decreased by \$839,443 for the year. See note 9 of the basic financial statements for additional information on capital assets.

Debt

On December 31, 2007, the City had \$8,491,712 in general obligation bonds, loans, police pension and notes outstanding. The City paid \$490,000 in bond principal, \$229,592 in loan principal and \$262,813 in capital lease principal in 2007. The net change in outstanding debt was a decrease of \$817,507. Table 4 summarizes the bonds, notes, loans and police pension outstanding.

City of Brooklyn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

Table 4
 Outstanding Debt at End of Year

	Governmental	
	2007	2006
General Obligation Bonds	\$6,737,806	\$7,227,806
Unamortized Premium	272,251	285,864
OPWC Loan	412,275	467,245
Honeywell Loan	137,135	311,757
Police Pension	52,245	53,235
Long-Term Notes	880,000	1,120,000
Capital Leases	2,823,720	1,032,018
Totals	\$11,315,432	\$10,497,925

The general obligation refunding bonds were originally sold in 1992 and refinanced in 1999 for \$4,400,000. They were 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 bond 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 \$1,867,806 outstanding on the bonds. The Ohio Public Works Commission is a no interest loan for improvements at the Sanitary Landfill taken out in 1992 for \$1,099,400. Payments are \$27,485 semi-annually. The loan will be paid in full in 2015.

The City has executed its long term financing plan for the new fire station. On March 9, 2006 Moody's Investors Services reviewed the City's financial operations and upgraded the City'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 remain favorable, given low debt burden, rapid amortization and considerable pay-as-you-go financing of capital needs. The City's debt burden is low and is rapidly paid back with over 75 percent of principal retired in the first ten years.

On April 5, 2006 the City executed a sale of \$5.255 million of Series 2006 General Obligation (Limited Tax) Fire Station Improvement Bonds at 4.29 percent. The yield on that sale was \$5.555 million. The annual payments on this bond never exceed \$382,000. The 1 mill property tax allocated to pay this bond will provide funding to meet or exceed that requirement. The bonds mature in 2027. See Note 14 of the basic financial statements for additional information on debt.

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 \$15,572 which includes principal and interest. The City paid \$174,622 in principal in 2007. The loan will be paid in full in 2008.

The City also has four 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 \$100,000 and was subsequently retired. 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 \$120,000 and was reissued at \$80,000. The third note is for the improvements needed to establish Marquardt Park. This note was for \$440,000 and was reissued at \$400,000.

City of Brooklyn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

The note for improvements to Biddulph Road was \$220,000 and was reissued for \$170,000. The outstanding balance for all four notes at the end of 2006 was \$1,120,000 and at the end of 2007 was \$880,000.

Current Financial Related Activities

As part of the financing process related to the replacement of the City's fire station executed in 2006, the City asked Moody's Investors Service for a rating review. Moody's visited the City and received a financial presentation and a tour of the City and its facilities. Moody's upgraded the City of Brooklyn rating to A1 from A2. Several factors for the upgrade were cited. One was a record of strong financial management. The City had developed and published a Master Plan, 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 apparent. A second factor was healthy fund balances. Fund balances prior to 2000 were very good and have been enhanced since then. The City had a benchmark for fund balances of 16 percent of annual expenditures and exceeded the standard. Action in 2006 improved those balances. The General Fund balance decreased from \$7,124,650 to \$6,668,313. Overall fund balance declined from \$9,405,949 to \$8,629,334. As of the end of 2007, the City has a balance in the General Fund that is 29.16 percent of annual expenditures. The unrestricted balance is 22.42 percent of expenditures. A third 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. The City pays cash for most of its capital improvement needs. The City rapidly pays off outstanding debt. In 2007, \$1,015,043 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 2007.

Budget execution in 2007 was conducted efficiently and effectively. The administration assembled and City Council approved a General Fund balanced budget. Original and final budgeted revenue were \$15.856 million. Actual revenue was \$16.059 million. Original and final revenue projections were 98.74 percent accurate. Original and final appropriations were \$15.647 million. Original and final budgeted expenditures exceeded budgeted revenues by \$209,615. Actual expenditures were \$15.064 million. Expenditures were \$583,088 under appropriations, a difference of about 3.9%. A balanced budget was achieved and the fund balance was enhanced.

Income tax revenues decreased slightly during 2007. Last year, in reconciling business accounts, the department uncovered an error in a business's tax submission which resulted in a \$1 million payment correction. Those actions increased 2006 revenues by more than \$1.1 million as compared to the prior year 2005. Over \$1 million of this amount was actually collected in January 2007. During 2007, income tax collections decreased by 9.07 percent resulting in a \$1,245,000 decrease compared to 2006. Worsening financial conditions that impacted the state and national economies affected the City's area businesses to some extent as withholding and net profit tax revenue suffered a slight decline.

During 2007, the City implemented a major renovation and improvement project at its Recreation Center that was designed to realize energy cost savings over the long-term and to update the facility to protect the revenue making capabilities of pool and ice related programs in the future. The Recreation Center has long been strongly identified with the City and the major rehabilitation to the building, while causing some short-term revenue decline in 2007, will serve the City's residents for years to come and continue to be a strong source of program revenue.

City of Brooklyn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2007
Unaudited

Evaluation of a major highway improvement at the interchange of Tiedeman Road and Interstate 480 continued in 2007. Engineering studies and public forums were conducted during the year and the City executed plans to acquire funding for this program with a tentative construction date of 2010. The City has applied for various federal and state grants that will offset the majority of the expenditure related to this activity. Successful completion of this project would reduce traffic congestion in the area.

In 2007, plans for finances and construction were established and executed and the City's operational capability and financial positions were enhanced. The City has committed itself to financial excellence and has a history of meeting that commitment. The City has received the Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting for eighteen consecutive years. We have also produced a Popular Annual Financial Report for the last six years and have received the Award for Outstanding Achievement for each.

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, Dennis G. Kennedy, 7619 Memphis Avenue, Brooklyn, Ohio 44144, telephone (216) 351-2133 or the City website at www.brooklynohio.gov.

(This page is intentionally left blank)

BASIC FINANCIAL STATEMENTS

City of Brooklyn, Ohio

Statement of Net Assets

December 31, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$5,094,529
Cash and Cash Equivalents:	
In Segregated Accounts	954,817
With Fiscal Agents	1,086
With a Trustee	2,614,953
Materials and Supplies Inventory	41,081
Accrued Interest Receivable	34,005
Accounts Receivable	68,048
Intergovernmental Receivable	1,077,498
Prepaid Items	138,329
Municipal Income Taxes Receivable	1,073,354
Property Taxes Receivable	2,665,927
Deferred Charges	103,156
Nondepreciable Capital Assets	2,904,015
Depreciable Capital Assets, Net	<u>28,729,648</u>
<i>Total Assets</i>	<u>45,500,446</u>
Liabilities	
Accounts Payable	168,420
Accrued Wages and Benefits	253,028
Retainage Payable	11,620
Intergovernmental Payable	782,908
Vacation Benefits Payable	61,380
Deferred Revenue	2,464,038
Accrued Interest Payable	35,716
Note Payable	230,000
Long-Term Liabilities:	
Due Within One Year	1,389,258
Due In More Than One Year	<u>16,522,797</u>
<i>Total Liabilities</i>	<u>21,919,165</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	20,975,883
Restricted for:	
Capital Projects	1,860,948
Street Construction, Maintenance and Repair	290,459
State Highway	130,675
Court Computer	16,534
Police Programs	100,494
Other Purposes	150,493
Unrestricted	<u>55,795</u>
<i>Total Net Assets</i>	<u><u>\$23,581,281</u></u>

See accompanying notes to the basic financial statements

City of Brooklyn, Ohio
Statement of Activities
For the Year Ended December 31, 2007

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				Governmental Activities
General Government	\$2,618,931	\$118,104	\$112,470	\$0
Security of Persons and Property	10,066,623	681,396	326,059	0
Transportation	1,898,354	0	735,436	191,381
Community Environment	2,085,037	100,064	0	0
Basic Utility Services	3,347,481	1,763	32,579	0
Leisure Time Activities	2,581,966	578,526	0	0
Interest and Fiscal Charges	471,505	0	0	0
<i>Totals</i>	<u>\$23,069,897</u>	<u>\$1,479,853</u>	<u>\$1,206,544</u>	<u>\$191,381</u>
General Revenues				
Property Taxes Levied for:				
General Purposes				1,215,894
Street Lighting				165,820
Police Pension				290,911
Fire Pension				451,697
Debt Service				337,536
Capital Outlay				74,059
Municipal Income Taxes Levied for:				
General Purposes				10,348,944
Capital Outlay				2,124,235
Grants and Entitlements not Restricted to Specific Programs				
Investment Earnings				1,442,977
Gain on Sale of Capital Assets				445,581
Miscellaneous				9,126
				<u>147,826</u>
<i>Total General Revenues</i>				17,054,606
Change in Net Assets				(3,137,513)
Net Assets Beginning of Year - Restated (See Note 3)				<u>26,718,794</u>
<i>Net Assets End of Year</i>				<u>\$23,581,281</u>

See accompanying notes to the basic financial statements

City of Brooklyn, Ohio

Balance Sheet

Governmental Funds

December 31, 2007

	General	Police Pension	Fire Pension	Capital Improvements
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,825,368	\$11,073	\$12,363	\$1,436,552
Cash and Cash Equivalents:				
in Segregated Accounts	67,907	0	0	0
with Fiscal Agents	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents in Segregated Accounts	886,910	0	0	0
Cash and Cash Equivalents with a Trustee	2,614,953	0	0	0
Materials and Supplies Inventory	41,081	0	0	0
Accrued Interest Receivable	34,005	0	0	0
Accounts Receivable	66,113	0	0	0
Interfund Receivable	35,832	0	0	223,000
Intergovernmental Receivable	640,587	32,907	35,260	0
Prepaid Items	138,329	0	0	0
Municipal Income Taxes Receivable	912,351	0	0	161,003
Property Taxes Receivable	1,277,213	397,327	443,616	0
<i>Total Assets</i>	<u>\$9,540,649</u>	<u>\$441,307</u>	<u>\$491,239</u>	<u>\$1,820,555</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$131,637	\$0	\$0	\$30,839
Accrued Wages and Benefits	245,721	0	0	0
Retainage Payable	0	0	0	1,620
Intergovernmental Payable	537,542	107,870	118,945	0
Interfund Payable	0	0	0	0
Deferred Revenue	1,957,436	430,234	478,876	7,663
Accrued Interest Payable	0	0	0	0
Note Payable	0	0	0	0
<i>Total Liabilities</i>	<u>2,872,336</u>	<u>538,104</u>	<u>597,821</u>	<u>40,122</u>
 Fund Balances (Deficit)				
Reserved for Encumbrances	111,042	0	0	287,705
Reserved for Long-Term Advances	0	0	0	112,500
Reserved for Landfill Closure and Postclosure Care	3,501,863	0	0	0
Unreserved, Undesignated, Reported in:				
General Fund	3,055,408	0	0	0
Special Revenue Funds	0	(96,797)	(106,582)	0
Debt Service Fund	0	0	0	0
Capital Projects Funds	0	0	0	1,380,228
<i>Total Fund Balances (Deficit)</i>	<u>6,668,313</u>	<u>(96,797)</u>	<u>(106,582)</u>	<u>1,780,433</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$9,540,649</u>	<u>\$441,307</u>	<u>\$491,239</u>	<u>\$1,820,555</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, 2007*

Other Governmental Funds	Total Governmental Funds		
		Total Governmental Fund Balances	\$8,629,334
		<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$809,173	\$5,094,529	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	31,633,663
0	67,907		
1,086	1,086		
0	886,910	Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:	
0	2,614,953	Property Taxes	410,288
0	41,081	Municipal Income Taxes	51,087
0	34,005	Intergovernmental	<u>756,985</u>
1,935	68,048		
0	258,832	Total	1,218,360
368,744	1,077,498	In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued.	103,156
0	138,329		
0	1,073,354		
547,771	2,665,927	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(29,797)
<u>\$1,728,709</u>	<u>\$14,022,459</u>		
\$5,944	\$168,420	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.	(61,380)
7,307	253,028		
10,000	11,620		
18,551	782,908	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
258,832	258,832	General Obligation Bonds	(6,737,806)
808,189	3,682,398	Bond Premium	(272,251)
5,919	5,919	OPWC Loan	(412,275)
230,000	230,000	Honeywell Loan	(137,135)
<u>1,344,742</u>	<u>5,393,125</u>	Police Pension	(52,245)
151,181	549,928	Long-Term Notes	(650,000)
0	112,500	Capital Lease Obligation Payable	(2,823,720)
0	3,501,863	Landfill Closure and Postclosure Care	(4,605,251)
0	3,055,408	Claims Payable	(341,822)
346,629	143,250	Compensated Absences Payable	<u>(1,879,550)</u>
(21,841)	(21,841)	Total	<u>(17,912,055)</u>
(92,002)	1,288,226	<i>Net Assets of Governmental Activities</i>	<u><u>\$23,581,281</u></u>
<u>383,967</u>	<u>8,629,334</u>		
<u>\$1,728,709</u>	<u>\$14,022,459</u>		

City of Brooklyn, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General	Police Pension	Fire Pension	Capital Improvements	Other Governmental Funds
Revenues					
Municipal Income Taxes	\$10,718,916	\$0	\$0	\$1,972,458	\$200,486
Property Taxes	1,092,857	367,166	409,926	0	524,026
Charges for Services	771,638	0	0	0	0
Fines, Licenses and Permits	593,006	0	0	0	58,509
Intergovernmental	1,412,515	55,631	60,044	0	1,119,777
Contributions and Donations	22,551	0	0	0	0
Interest	397,951	0	0	0	47,630
Rentals	56,700	0	0	0	0
Other	68,078	0	0	23,485	56,263
<i>Total Revenues</i>	<u>15,134,212</u>	<u>422,797</u>	<u>469,970</u>	<u>1,995,943</u>	<u>2,006,691</u>
Expenditures					
Current:					
General Government	1,733,601	0	0	0	43,500
Security of Persons and Property	6,945,667	444,972	535,622	0	195,996
Transportation	0	0	0	0	747,293
Community Environment	1,579,859	0	0	0	20,018
Basic Utility Services	2,744,654	0	0	0	157,131
Leisure Time Activities	2,071,857	0	0	0	0
Capital Outlay	0	0	0	3,094,282	870,678
Debt Service:					
Principal Retirement	4,630	990	0	432,805	544,970
Principal Retirement - Current Refunding	0	0	0	0	230,000
Interest and Fiscal Charges	193	2,252	0	94,764	376,359
<i>Total Expenditures</i>	<u>15,080,461</u>	<u>448,214</u>	<u>535,622</u>	<u>3,621,851</u>	<u>3,185,945</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>53,751</u>	<u>(25,417)</u>	<u>(65,652)</u>	<u>(1,625,908)</u>	<u>(1,179,254)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	11,350	0	0	0	0
Inception of Capital Leases	0	0	0	2,054,515	0
General Obligation Notes Issued	0	0	0	0	650,000
Current Refunding	0	0	0	0	(650,000)
Transfers In	0	33,800	77,315	0	1,139,664
Transfers Out	(521,438)	0	0	(81,263)	(648,078)
<i>Total Other Financing Sources (Uses)</i>	<u>(510,088)</u>	<u>33,800</u>	<u>77,315</u>	<u>1,973,252</u>	<u>491,586</u>
<i>Net Change in Fund Balances</i>	(456,337)	8,383	11,663	347,344	(687,668)
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	7,124,650	(105,180)	(118,245)	1,433,089	1,071,635
<i>Fund Balances (Deficit) End of Year</i>	<u>\$6,668,313</u>	<u>(\$96,797)</u>	<u>(\$106,582)</u>	<u>\$1,780,433</u>	<u>\$383,967</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, 2007*

Total Governmental Funds		Net Change in Fund Balances - Total Governmental Funds	(\$776,615)
		<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
\$12,891,860		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 outlay in the current period.	
2,393,975		Capital Asset Additions	1,139,341
771,638		Current Year Depreciation	<u>(1,949,586)</u>
651,515		Total	(810,245)
2,647,967		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.	(29,198)
22,551		Revenues in the statement of activities that do not provide current financial resources are not reported as revenues.	
445,581		Delinquent Property Taxes	141,942
56,700		Municipal Income Taxes	(418,681)
147,826		Intergovernmental	<u>170,384</u>
		Total	(106,355)
20,029,613		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.	1,863,395
		In the statement of activities, interest accrued on outstanding bonds, bond premium and bond issuance costs are amortized over the terms of the bonds whereas in the governmental funds the expenditure is reported when bonds are issued.	
1,777,101		Accrued Interest on Bonds	(6,392)
8,122,257		Amortization of Deferred Charges	(5,158)
747,293		Amortization of Bond Premium	<u>13,613</u>
1,599,877			2,063
2,901,785		Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
2,071,857		Claims Payable	(308,801)
3,964,960		Compensated Absences	(139,841)
		Landfill	(119,326)
983,395		Vacation Benefits Payable	<u>(8,075)</u>
230,000		Total	(576,043)
473,568		Other financing sources in the governmental funds increased long-term liabilities in the statement of net assets.	
22,872,093		General Obligation Notes Issued	(650,000)
		Inception of Capital Leases	<u>(2,054,515)</u>
(2,842,480)		Total	<u>(2,704,515)</u>
			<u>(\$3,137,513)</u>
11,350			
2,054,515			
650,000			
(650,000)			
1,250,779			
(1,250,779)			
2,065,865			
(776,615)			
9,405,949			
\$8,629,334			

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$11,557,140	\$11,557,140	\$11,831,587	\$274,447
Property Taxes	1,180,480	1,180,480	1,102,321	(78,159)
Charges for Services	772,650	772,650	767,335	(5,315)
Fines, Licenses and Permits	819,750	819,750	573,367	(246,383)
Intergovernmental	1,165,156	1,165,156	1,290,947	125,791
Contributions and Donations	27,500	27,500	22,551	(4,949)
Interest	295,000	295,000	423,377	128,377
Other	39,225	39,225	47,379	8,154
<i>Total Revenues</i>	<u>15,856,901</u>	<u>15,856,901</u>	<u>16,058,864</u>	<u>201,963</u>
Expenditures				
Current:				
General Government	1,913,515	1,913,515	1,844,795	68,720
Security of Persons and Property	7,177,546	7,177,546	6,910,273	267,273
Community Environment	1,688,802	1,688,802	1,604,210	84,592
Basic Utility Services	2,672,464	2,672,464	2,609,791	62,673
Leisure Time Activities	2,194,959	2,194,959	2,095,129	99,830
<i>Total Expenditures</i>	<u>15,647,286</u>	<u>15,647,286</u>	<u>15,064,198</u>	<u>583,088</u>
<i>Excess of Revenues Over Expenditures</i>	<u>209,615</u>	<u>209,615</u>	<u>994,666</u>	<u>785,051</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	5,000	5,000	11,350	6,350
Advances Out	0	0	(15,000)	(15,000)
Transfers In	63,000	63,000	0	(63,000)
Transfers Out	(587,938)	(587,938)	(521,438)	66,500
<i>Total Other Financing Sources (Uses)</i>	<u>(519,938)</u>	<u>(519,938)</u>	<u>(525,088)</u>	<u>(5,150)</u>
<i>Net Change in Fund Balance</i>	<u>(310,323)</u>	<u>(310,323)</u>	469,578	779,901
<i>Fund Balance Beginning of Year</i>	5,474,963	5,474,963	5,474,963	0
Prior Year Encumbrances Appropriated	156,683	156,683	156,683	0
<i>Fund Balance End of Year</i>	<u>\$5,321,323</u>	<u>\$5,321,323</u>	<u>\$6,101,224</u>	<u>\$779,901</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$368,425	\$368,425	\$367,166	(\$1,259)
Intergovernmental	60,410	60,410	55,631	(4,779)
<i>Total Revenues</i>	<u>428,835</u>	<u>428,835</u>	<u>422,797</u>	<u>(6,038)</u>
Expenditures				
Current:				
Security of Persons and Property	457,501	457,501	444,708	12,793
Debt Service:				
Principal Retirement	990	990	990	0
Interest and Fiscal Charges	2,252	2,252	2,252	0
<i>Total Expenditures</i>	<u>460,743</u>	<u>460,743</u>	<u>447,950</u>	<u>12,793</u>
<i>Excess of Revenues</i> <i>Under Expenditures</i>	(31,908)	(31,908)	(25,153)	6,755
Other Financing Sources				
Transfers In	33,000	33,000	33,800	800
<i>Net Change in Fund Balance</i>	1,092	1,092	8,647	7,555
<i>Fund Balance Beginning of Year</i>	<u>2,426</u>	<u>2,426</u>	<u>2,426</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,518</u></u>	<u><u>\$3,518</u></u>	<u><u>\$11,073</u></u>	<u><u>\$7,555</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$410,427	\$410,427	\$409,926	(\$501)
Intergovernmental	78,258	78,258	60,044	(18,214)
<i>Total Revenues</i>	488,685	488,685	469,970	(18,715)
Expenditures				
Current:				
Security of Persons and Property	536,776	536,776	535,541	1,235
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(48,091)	(48,091)	(65,571)	(17,480)
Other Financing Sources				
Transfers In	48,000	48,000	77,315	29,315
<i>Net Change in Fund Balance</i>	(91)	(91)	11,744	11,835
<i>Fund Balance Beginning of Year</i>	619	619	619	0
<i>Fund Balance End of Year</i>	\$528	\$528	\$12,363	\$11,835

See accompanying notes to the basic financial statements

City of Brooklyn, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2007

Assets

Equity in Pooled Cash and Cash Equivalents	<u><u>\$104,315</u></u>
--	-------------------------

Liabilities

Intergovernmental Payable	\$153
Deposits Held and Due to Others	<u>104,162</u>

<i>Total Liabilities</i>	<u><u>\$104,315</u></u>
--------------------------	-------------------------

See accompanying notes to the basic financial statements

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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 18 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, 2007

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. These statements usually distinguish between those activities of the City that are governmental and those that are considered business-type. The City, however, has no business-type activities.

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 expended for various capital projects of the City.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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.

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

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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, 2007, but which were levied to finance year 2008 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 move appropriations between line items within an object of any department.

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.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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 2007, the City's investments were limited to repurchase agreements, Victory United States Government Obligations Money Market Mutual Funds, Federal Home Loan Bank Notes and Federal Home Mortgage Loan Corporation Notes. 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 2007 amounted to \$397,951, which includes \$73,019 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.

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 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, 2007, 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.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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.

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.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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, claims payable 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, long-term interfund advances 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 government wide statement of net assets report \$2,549,603 of restricted net assets of which none is restricted by enabling legislation. Net assets restricted for other purposes include the operations of the street construction, maintenance and repair, state highway and court computer fund and resources for various police programs.

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

P. Internal Activity

Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

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.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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 and Restatement of Prior Year Fund Balances/
Net Assets**

A. Change in Accounting Principles

For 2007, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this Statement for both the OPERS and the OP&F post-employment healthcare plans in the amount of \$53,084 and \$48,592 for police and \$42,979 for fire, respectively, which are the same as previously reported liabilities.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing).

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements.

B. Restatement of Prior Year Fund Balances/Net Assets

At December 31, 2006, \$1,120,000 bond anticipation notes was reported as long-term liabilities. \$240,000 of the notes was paid off in 2007 with available expendable resources and should have been reported as fund liabilities. \$880,000 was refinanced long-term and therefore excluded from fund liabilities.

Also, during 2007, it was determined that the Workers' Compensation retrospective rating plan intergovernmental liability was understated by \$89,592 in the funds and the claims liability was overstated by \$109,031 in the government wide financial statements.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

These restatements had the following effect on fund balances/ net assets as they were previously reported.

	General	Police Pension	Fire Pension	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Fund Balance, December 31, 2006	\$7,211,906	(\$105,180)	(\$118,245)	\$1,433,089	\$1,313,971	\$9,735,541
Restatement:						
Notes Payable	0	0	0	0	(240,000)	(240,000)
Intergovernmental Payable	(87,256)	0	0	0	(2,336)	(89,592)
Restated Fund Balance, December 31, 2006	<u>\$7,124,650</u>	<u>(\$105,180)</u>	<u>(\$118,245)</u>	<u>\$1,433,089</u>	<u>\$1,071,635</u>	<u>\$9,405,949</u>

	Governmental Activities
Net Assets December 31, 2006	\$26,699,355
Restatement:	
Current and Other Liabilities:	
Intergovernmental Payable	(89,592)
Notes Payable	(240,000)
Long-Term Liabilities:	
Due In One Year	41,547
Due in More Than One Year	307,484
Restated Net Assets, December 31, 2006	<u>\$26,718,794</u>

Note 4 - Fund Deficits and Legal Compliance

A. Fund Deficits

The following funds had deficit fund balances at December 31, 2007:

Major Funds	
Police Pension	\$96,797
Fire Pension	106,582
Nonmajor Funds	
Community Development Block Grant	8,323
D.A.R.E. Grant	24,772
Biddulph Road	51,287
I - 480/Tiedeman Upgrade	95,333
Bond Retirement	21,841

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

The deficits in the police pension and fire pension special revenue funds and bond retirement debt service fund 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 deficits in the community development block grant and D.A.R.E. grant special revenue funds and Biddulph Road and I-480/Tiedeman Upgrade capital projects funds are the result of short term interfund loans in anticipation of grant monies. The deficit in the Biddulph Road capital project fund is also due in part to the short term portion of note proceeds being reclassified as a liability. Once the monies have been received and the loans repaid the deficit balance will be eliminated.

B. Compliance

The D.A.R.E. special revenue fund total final appropriations of \$46,811 were in excess of estimated resources plus carryover balances of \$25,794 by \$21,017 contrary to Section 5705.39, Revised Code.

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).
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).

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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	(\$456,337)	\$8,383	\$11,663
Net Adjustment for Revenue Accruals	859,223	0	0
Beginning Fair Value Adjustment for Investments	(3,003)	0	0
Ending Fair Value Adjustment for Investments	19,451	0	0
Beginning Adjustment for Unrecorded Cash	(30,220)	0	0
Ending Adjustment for Unrecorded Cash	79,201	0	0
Net Adjustment for Expenditure Accruals	180,904	264	81
Advance Out	(15,000)	0	0
Adjustment for Encumbrances	(164,641)	0	0
Budget Basis	<u>\$469,578</u>	<u>\$8,647</u>	<u>\$11,744</u>

Note 6 - Deposits and Investments

The City has chosen to follow State statutes and 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.

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

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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).
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

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, \$2,626,050 of the City's bank balance of \$3,344,415 was uninsured and uncollateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the deposit of the money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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 a 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.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Investments

The City has investments in an internal investment pool, in segregated accounts, with fiscal agents and with a trustee. As of December 31, 2007, the City had the following investments:

	Fair Value	Maturity	
		Less Than Six Months	More Than One Year But Less Than Two Years
Repurchase Agreements	\$37,040	\$37,040	\$0
Victory U.S. Money Market Mutual Fund	3,322,731	0	3,322,731
Federal Home Loan Bank Notes	1,501,666	1,501,666	0
Federal Home Mortgage Loan Corporation Notes	487,388	487,388	0
	\$5,348,825	\$2,026,094	\$3,322,731

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 two years 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 National Mortgage Association 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 underlying securities of the repurchase agreements, federal home loan bank bonds, 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 National Mortgage Association 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 limits its investment choices.

Concentration of Credit Risk The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2007:

Investment	Percentage of Investment
Repurchase Agreements	0.69 %
Victory U.S. Money Market Mutual Fund	62.12
Federal Home Loan Bank Notes	28.08
Federal Home Mortgage Loan Corporation	9.11

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 7 - Receivables

Receivables at December 31, 2007, consisted primarily of municipal income taxes, property taxes, 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. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes. All receivables are expected to be collected within one year except for delinquent property taxes.

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 2007 for real and public utility property taxes represents collections of the 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) are for 2007 taxes.

2007 real property taxes are levied after October 1, 2007, on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

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.

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. 2007 public utility property taxes which became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

2007 tangible personal property taxes are levied after October 1, 2006, on the values as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments are being phased out-the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all City operations for the year ended December 31, 2007, was \$6.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based as follows:

Real Estate	
Residential/Agriculture	\$328,843,750
Tangible Personal Property	
Public Utility	17,787,020
General Tangible Personal Property	52,837,854
	<hr/>
Total Valuation	<u>\$399,468,624</u>

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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, 2007 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 2007 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, effective as of January 1, 2007, 85 percent of the income tax proceeds were credited to the general fund and 15 percent of the income tax proceeds were credited to the capital improvements capital projects fund. By City ordinance, effective September 1, 1997 and ongoing, 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.

C. Intergovernmental Receivable

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Local Government	\$409,169
Homestead and Rollback	74,469
Gasoline Excise Tax	144,959
Gasoline Tax	76,929
Motor Vehicle Registration	43,868
Dare Grant	42,264
Cat Tax Reimbursement	117,494
Permissive License Tax	12,077
Public Utility Reimbursement	31,929
Estate Tax	114,273
Liquor Licenses	9,467
Prisoner Housing	600
<i>Total Governmental Activities</i>	\$1,077,498

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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. All accumulated unused vacation time is paid upon termination of employment. Employees may only carry over 40 hours of vacation time from one year to the next.

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.

Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2007, was as follows:

	Balance 12/31/06	Additions	Deletions	Balance 12/31/07
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$2,887,821	\$16,194	\$0	\$2,904,015
<i>Capital Assets, being depreciated:</i>				
Buildings	19,163,184	0	0	19,163,184
Improvements Other than Buildings	10,111,375	151,156	(12,791)	10,249,740
Machinery and Equipment	4,995,487	242,054	(84,984)	5,152,557
Vehicles	5,219,573	73,160	(528,196)	4,764,537
Infrastructure				
Roads and Sidewalks	10,698,949	621,039	0	11,319,988
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	2,021,096	35,738	0	2,056,834
<i>Total Capital Assets, being depreciated</i>	<u>59,375,511</u>	<u>1,123,147</u>	<u>(625,971)</u>	<u>59,872,687</u>
Less Accumulated Depreciation:				
Buildings	(6,055,187)	(414,367)	0	(6,469,554)
Improvements Other than Buildings	(4,646,807)	(388,951)	9,241	(5,026,517)
Machinery and Equipment	(3,109,763)	(349,902)	74,222	(3,385,443)
Vehicles	(2,977,988)	(314,799)	513,310	(2,779,477)
Infrastructure				
Roads and Sidewalks	(6,088,867)	(282,984)	0	(6,371,851)
Sanitary Sewer	(1,995,513)	(45,663)	0	(2,041,176)
Storm Sewer	(1,397,821)	(39,947)	0	(1,437,768)
Water Lines	(1,984,157)	(41,488)	0	(2,025,645)
Traffic Signals	(1,534,123)	(71,485)	0	(1,605,608)
Total Accumulated Depreciation	<u>(29,790,226)</u>	<u>(1,949,586) *</u>	<u>596,773</u>	<u>(31,143,039)</u>
Total Capital Assets, being depreciated, net	<u>29,585,285</u>	<u>(826,439)</u>	<u>(29,198)</u>	<u>28,729,648</u>
Governmental Activities Capital Assets, Net	<u>\$32,473,106</u>	<u>(\$810,245)</u>	<u>(\$29,198)</u>	<u>\$31,633,663</u>

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

* Depreciation expense was charged to governmental functions as follow:

General Government	\$169,202
Security of Persons and Property	544,107
Transportation	369,827
Community Environment	101,095
Basic Utility Services	350,384
Leisure Time Activities	414,971
Total Depreciation Expense	\$1,949,586

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 2007, the City contracted through Jackson, Dieken & Associates, Inc for various types of insurance as follows:

Company	Type	Coverage
Jackson, Dieken and Associates	Blanket Property and Content Replacement	\$32,119,448
	Earthquake Coverage	500,000
	Flood Coverage	500,000
	General Liability (per occurrence)	1,000,000
	Automobile Liability	1,000,000
	Umbrella Liability (per occurrence)	9,000,000
	Public Officials Liability	1,000,000
	Police Professional Liability	1,000,000
	Public Employee Dishonesty	100,000
	Inland Marine	3,024,651
Federal Insurance Company	Steam Boiler/Machinery	10,000,000
	Electronic Data Processing	570,715

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

The City participates in the State Workers' Compensation retrospective rating and payment system. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claims cost for injured employees in 2007. The maintenance of these benefits is accounted for in the general, street maintenance and repair and D.A.R.E funds. Incurred but not reported claims of \$341,822 have been accrued as a liability at December 31, 2007, based on an estimate by the City's third party administrator.

The claims liability of \$341,822 reported at December 31, 2007 for Workers' Compensation is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims,

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

be reported. The estimate was not affected by incremental claim adjustment expenditures and does not include other allocated or unallocated claims adjustment expenditures. Changes in claims activity for 2006 and 2007 are as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Workers' Compensation Estimate	Balance at End of Year
2006	\$72,401	\$51,188	\$90,568	\$0	\$33,021
2007	33,021	604,252	89,592	(205,859)	341,822

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.

Interfund transfers for the year ended December 31, 2007 consisted of the following:

<u>Transfer To</u>	<u>Transfer From</u>			<u>Total</u>
	<u>General</u>	<u>Capital Improvements</u>	<u>Non-Major</u>	
Governmental Activities:				
Police Pension	\$33,800	\$0	\$0	\$33,800
Fire Pension	77,315	0	0	77,315
Non-Major Funds	410,323	81,263	648,078	1,139,664
<i>Total Governmental Activities</i>	<u>\$521,438</u>	<u>\$81,263</u>	<u>\$648,078</u>	<u>\$1,250,779</u>

The transfers from Tiedeman Road, Capital Improvement and Safety Construction capital project funds to General Obligation Bond Retirement fund were to cover debt principal payments.

<u>Interfund Payable</u>	<u>Interfund Receivable</u>		<u>Total</u>
	<u>General</u>	<u>Capital Improvements</u>	
Other Governmental Funds:			
Community Development Block Grant	\$0	\$123,000	\$123,000
D.A.R.E.	20,832	0	20,832
I-480/Tiedeman Upgrade	15,000	100,000	115,000
<i>Total Governmental Activities</i>	<u>\$35,832</u>	<u>\$223,000</u>	<u>\$258,832</u>

During 2007, The City advanced \$115,000 to the I-480/Tiedeman upgrade capital projects fund from the capital improvements capital projects and the general funds for engineering studies. The City also

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

advanced \$20,832 to the D.A.R.E. special revenue fund from the general fund and \$123,000 to the community development block grant special revenue fund from the capital improvements capital projects fund due to the timing of the receipt of grant monies.

Note 12 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

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

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2007, members in state and local classifications contributed 9.5% of covered payroll, public safety members contributed 9.75%, and law enforcement members contributed 10.1%.

The City's contribution rate was 13.85 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.17 percent of covered payroll. For the period January 1 through June 30, a portion of the City's contribution equal to 5 percent of covered payroll was allocated to fund the post-employment health care plan; for the period July 1 through December 31, 2007 this amount was increased to 6 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$428,976, \$449,586 and \$443,415, respectively; 75.70 percent has been contributed for 2007 and 100 percent for 2006 and 2005. Contributions to the member-directed plan for 2007 were \$2,210 made by the City and \$1,516 made by the plan members.

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The City's contribution was 19.5 percent for police officers and 24 percent for firefighters. Contributions rates are established by State statute. For 2007, a portion of the City's contribution equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City's pension contributions to the OP&F for police and firefighters were \$297,121 and \$383,812 for the year ended December 31, 2007, \$265,338 and \$350,785 for the year ended December 31, 2006, and \$250,071 and \$327,791 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 72.28 percent has been contributed for police and 74.93 percent has been contributed for firefighters for 2007.

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, 2007, the liability of the City was \$52,245 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.

Note 13 - Postemployment Benefits

A. Ohio Public Employees Retirement System

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll (17.17 percent for public

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 5.00 percent of covered payroll from January 1 through June 30, 2007, and 6.00 percent from July 1 to December 31, 2007.

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

The City's contribution allocated to fund post-employment health care benefits for the years ended December 31, 2007, 2006, 2005 were \$282,559, \$219,906, and \$185,724 respectively; 75.70 percent has been contributed for 2007 and 100 percent for 2006 and 2005.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective date of January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

B. Police and Firemen's Disability and Pension Fund

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

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

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

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

Funding Policy – OP&F's post-employment healthcare plan was established and is administered as an Internal Revenue Code 401 (h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50 percent and 24.00 percent of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401 (h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2007, the employer contribution allocated to the healthcare plan was 6.75% of

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401 (h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$157,299 and \$150,187 for the year ended December 31, 2007, \$175,011 and \$167, 298 for the year ended December 31, 2006, \$164,940 and \$156,331 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 72.28 percent has been contributed for police and 74.93 percent has been contributed for firefighters for 2007.

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 long - term loans follows:

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Governmental Activities:			
Various Purposes General Obligation Refunding Bonds - 1999	3 - 4.45%	\$4,440,000	January 1, 2012
Fire Station Improvement Bonds	4.29%	5,255,000	December 1, 2027
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:			
Street and Sidewalk Improvements Notes - 2007	4.25%	80,000	May 23, 2008
Marquardt Improvements Notes - 2007	4.25%	400,000	May 23, 2008
Biddulph Road Improvement Notes - 2007	4.25%	170,000	May 23, 2008

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Changes in long-term obligations of the City during 2007 are as follows:

	Outstanding 12/31/2006	Additions	Reductions	Outstanding 12/31/2007	Due in One Year
Governmental Activities:					
General Obligation Refunding Bonds	\$2,202,806	\$0	\$335,000	\$1,867,806	\$355,000
Fire Station Improvement Bonds	5,025,000	0	155,000	4,870,000	160,000
Premium on Bonds	285,864	0	13,613	272,251	0
Total Fire Station Improvement Bonds	5,310,864	0	168,613	5,142,251	160,000
Total General Obligation Bonds	7,513,670	0	503,613	7,010,057	515,000
OPWC Loan	467,245	0	54,970	412,275	54,970
Honeywell Loan	311,757	0	174,622	137,135	137,135
Police Pension (Note 12)	53,235	0	990	52,245	1,033
Long-Term Notes:					
Tiedeman Road Improvements	100,000	0	100,000	0	0
Street and Sidewalk Improvements	120,000	80,000	120,000	80,000	0
Marquardt Park Improvements	440,000	400,000	440,000	400,000	0
Biddulph Road Improvements	220,000	170,000	220,000	170,000	0
<i>Total Long-Term Notes</i>	880,000	650,000	880,000	650,000	0
Capital Leases	1,032,018	2,054,515	262,813	2,823,720	319,651
Claims Payable	33,021	604,252	295,451	341,822	22,804
Landfill (Note 16)	4,485,925	119,326	0	4,605,251	0
Compensated Absences	1,739,709	186,344	46,503	1,879,550	338,665
<i>Total Governmental Activities</i>	<u>\$16,516,580</u>	<u>\$3,614,437</u>	<u>\$2,218,962</u>	<u>\$17,912,055</u>	<u>\$1,389,258</u>

General obligation bonds are the direct obligation of the City and will be paid from the debt service fund and the safety forces construction capital projects fund using property tax revenues. The Ohio Public Works Commission (OPWC) Loan 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 general and capital improvements capital projects fund. Claims payable will be paid from the general, street construction and maintenance and D.A.R.E. funds. 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.

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 2006 a re-evaluation of the landfill total yearly post-closure cost estimate and

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

landfill closure and postclosure care liability was completed and resulted in an increase in the value (See Note 17).

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 as long-term liabilities. The notes are backed by the full faith of the City of Brooklyn. The long-term notes will be paid from the debt service fund and the Biddulph Road capital projects fund.

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 \$1,867,806 as of December 31, 2007.

The City's overall legal debt margin was \$34,326,400 at December 31, 2007. The unvoted legal debt margin was \$14,352,968. Principal and interest requirements to retire the long-term obligations as of December 31, 2007, are as follows:

	General Obligation Bonds		OPWC Loan		Honeywell Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$515,000	\$300,841	\$54,970	\$0	\$137,135	\$3,028
2009	525,000	280,286	54,970	0	0	0
2010	560,000	259,158	54,970	0	0	0
2011	580,000	236,233	54,970	0	0	0
2012	595,000	212,083	54,970	0	0	0
2013-2017	1,007,806	853,700	137,425	0	0	0
2018-2022	1,305,000	600,950	0	0	0	0
2023-2027	1,650,000	255,000	0	0	0	0
Total	\$6,737,806	\$2,998,251	\$412,275	\$0	\$137,135	\$3,028

	Police Pension		Long-Term Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$1,033	\$2,210	\$650,000	\$27,625	\$1,358,138	\$333,704
2009	1,077	2,165	0	0	581,047	282,451
2010	1,123	2,119	0	0	616,093	261,277
2011	1,172	2,070	0	0	636,142	238,303
2012	1,222	2,020	0	0	651,192	214,103
2013-2017	6,943	9,267	0	0	1,152,174	862,967
2018-2022	8,569	7,641	0	0	1,313,569	608,591
2023-2027	10,574	5,636	0	0	1,660,574	260,636
2028-2032	13,049	3,161	0	0	13,049	3,161
2033-2035	7,483	478	0	0	7,483	478
Total	\$52,245	\$36,767	\$650,000	\$27,625	\$7,989,461	\$3,065,671

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Industrial Development Revenue Bonds

The City has issued industrial development revenue bonds in the aggregate outstanding principal amount of \$650,000 at December 31, 2007 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 – Note Debt

During 2007, the City paid \$240,000 of the outstanding \$1,120,000 in bond anticipation notes and reissued \$880,000. On May 23, 2008, the City paid \$230,000 against the \$880,000 and refinanced the remaining \$650,000 into a new note with a maturity date of May 14, 2009. Therefore, the \$880,000 liability outstanding at December 31, 2007 was split with \$650,000 as a long-term liability and \$230,000 presented as a fund liability in the financial statements.

<u>Types / Issues</u>	<u>Balance 12/31/2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2007</u>
Tiedeman Road Improvement	\$125,000	\$100,000	\$125,000	\$100,000
Street and Sidewalk Improvement	25,000	40,000	25,000	40,000
Marquardt Park Improvement	45,000	40,000	45,000	40,000
Biddulph Road Fund	45,000	50,000	45,000	50,000
<i>Total Governmental Funds</i>	<u>\$240,000</u>	<u>\$230,000</u>	<u>\$240,000</u>	<u>\$230,000</u>

All the notes are backed by the full faith and credit of the City of Brooklyn and mature within one year. The maturity date for all outstanding notes is May 23, 2008. The note liability is reflected in the funds which received the proceeds. All note proceeds have been fully expended. The notes will be paid out of the general obligation debt retirement fund and Biddulph road capital project fund.

By Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50 percent of anticipated revenue collections. There are limitations on the number of times a note can be renewed. All notes outstanding at year-end are bond anticipation notes. The notes will be refinanced until the projects are complete and the City determines it to be advantageous to issue bonds.

Note 16 - Capital Leases

In prior years, the City entered into lease agreements for pool improvements, two salt trucks and a fire truck. During 2007, the City entered into lease agreements for additional building improvements. 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.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2007:

Governmental Activities	
<i>Capital Assets, being depreciated:</i>	
Improvements Other than Buildings	\$697,160
Building Improvements	2,054,515
Vehicles	<u>1,109,091</u>
<i>Total Capital Assets, being depreciated</i>	<u>3,860,766</u>
Less Accumulated Depreciation:	
Improvements Other than Buildings	(171,334)
Building Improvements	(136,968)
Vehicles	<u>(277,163)</u>
<i>Total Accumulated Depreciation</i>	<u>(585,465)</u>
<i>Capital Assets, Net</i>	<u><u>\$3,275,301</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, 2007.

Year Ending December 30,	Governmental Activities
2008	\$434,740
2009	348,462
2010	347,082
2011	347,083
2012	347,083
2013-2017	<u>1,632,620</u>
Total	3,457,070
Less: Amount Representing Interest	<u>(633,350)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$2,823,720</u></u>

Note 17 - 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 2006 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 \$4,605,251 reported as landfill closure and postclosure care liability at December 31, 2007, represents the cumulative amount reported to date based on the use of 68.88 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$2,246,788 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2007. 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.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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 \$886,910 in segregated accounts and an additional \$2,614,953 with a trustee to provide a total of \$3,501,863 for the landfill closure and postclosure care costs as of December 31, 2007.

Note 18 - Jointly Governed Organizations

A. Southwest Council of Governments

The Southwest Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The 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 2007, 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. The hospital's financial statements may be obtained by contacting the Parma Community General Hospital, Parma, Ohio.

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. 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 126 communities who have been authorized by

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

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 19 - 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, 2007.

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.

Note 20 – Contractual Commitments

As of December 31, 2007, the City had the following significant contractual commitments for the new Fire Station project:

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
Great Lakes Crushing, Limited	\$960,287	\$950,287	\$10,000

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2007

Note 21 – Subsequent Events

On May 23, 2008, the City retired \$880,000 in general obligation bond anticipation notes and issued \$650,000 in new notes. The new notes have a maturity date of May 14, 2009 and an interest rate of 4.25 percent. The following table summarizes the activity.

<u>Note Issuance</u>	<u>Retired</u>	<u>Issued</u>
Tiedeman Road Improvement Notes	\$100,000	\$0
Street and Sidewalk Improvement Notes	120,000	80,000
Marquardt Park Improvement Notes	440,000	400,000
Biddulph Road Improvement Notes	<u>220,000</u>	<u>170,000</u>
<i>Total Notes</i>	<u><u>\$880,000</u></u>	<u><u>\$650,000</u></u>

**Combining Statements and
Individual Fund Schedules**

Fund Descriptions – Nonmajor Governmental 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 Run-saver monies received for reimbursements due to equipment and supply use for hazardous spills and major accidents on State highways.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue 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.

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.

Safety Forces Construction Fund – This fund accounts for note and bond proceeds expended for the construction of the new fire station as well as maintenance of the police and fire stations.

I-480 / Tiedeman Upgrade Fund – This fund accounts for federal grant monies received from the Ohio Department of Transportation plus City and County matching funds need for the improvement of Interstate 480 /Tiedeman upgrade.

City of Brooklyn, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$543,863	\$162,791	\$102,519	\$809,173
Cash and Cash Equivalents				
with Fiscal Agents	1,086	0	0	1,086
Accounts Receivable	1,935	0	0	1,935
Intergovernmental Receivable	333,725	35,019	0	368,744
Property Taxes Receivable	162,018	385,753	0	547,771
<i>Total Assets</i>	<u>\$1,042,627</u>	<u>\$583,563</u>	<u>\$102,519</u>	<u>\$1,728,709</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$5,944	\$0	\$0	\$5,944
Accrued Wages and Benefits	7,307	0	0	7,307
Retainage Payable	0	0	10,000	10,000
Intergovernmental Payable	18,551	0	0	18,551
Interfund Payable	143,832	0	115,000	258,832
Deferred Revenue	387,417	420,772	0	808,189
Accrued Interest Payable	0	4,632	1,287	5,919
Notes Payable	0	180,000	50,000	230,000
<i>Total Liabilities</i>	<u>563,051</u>	<u>605,404</u>	<u>176,287</u>	<u>1,344,742</u>
Fund Balances (Deficit)				
Reserved for Encumbrances	132,947	0	18,234	151,181
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	346,629	0	0	346,629
Debt Service Funds	0	(21,841)	0	(21,841)
Capital Projects Funds	0	0	(92,002)	(92,002)
<i>Total Fund Balances (Deficit)</i>	<u>479,576</u>	<u>(21,841)</u>	<u>(73,768)</u>	<u>383,967</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,042,627</u>	<u>\$583,563</u>	<u>\$102,519</u>	<u>\$1,728,709</u>

City of Brooklyn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Municipal Income Taxes	\$0	\$0	\$200,486	\$200,486
Property Taxes	149,721	300,246	74,059	524,026
Fines, Licenses and Permits	58,509	0	0	58,509
Intergovernmental	867,979	60,417	191,381	1,119,777
Interest	14,005	6,372	27,253	47,630
Other	0	0	56,263	56,263
<i>Total Revenues</i>	<u>1,090,214</u>	<u>367,035</u>	<u>549,442</u>	<u>2,006,691</u>
Expenditures				
Current:				
General Government	43,500	0	0	43,500
Security of Persons and Property	195,996	0	0	195,996
Transportation	747,293	0	0	747,293
Community Environment	20,018	0	0	20,018
Basic Utility Services	157,131	0	0	157,131
Capital Outlay	0	0	870,678	870,678
Debt Service:				
Principal Retirement	0	544,970	0	544,970
Principal Retirement - Current Refunding	0	180,000	50,000	230,000
Interest and Fiscal Charges	0	363,809	12,550	376,359
<i>Total Expenditures</i>	<u>1,163,938</u>	<u>1,088,779</u>	<u>933,228</u>	<u>3,185,945</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(73,724)</u>	<u>(721,744)</u>	<u>(383,786)</u>	<u>(1,179,254)</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	0	480,000	170,000	650,000
Current Refunding	0	(480,000)	(170,000)	(650,000)
Transfers In	33,371	704,341	401,952	1,139,664
Transfers Out	0	0	(648,078)	(648,078)
<i>Total Other Financing Sources (Uses)</i>	<u>33,371</u>	<u>704,341</u>	<u>(246,126)</u>	<u>491,586</u>
<i>Net Change in Fund Balances</i>	(40,353)	(17,403)	(629,912)	(687,668)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>519,929</u>	<u>(4,438)</u>	<u>556,144</u>	<u>1,071,635</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$479,576</u>	<u>(\$21,841)</u>	<u>(\$73,768)</u>	<u>\$383,967</u>

City of Brooklyn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	Street Maintenance and Repair	State Highway	Community Development Block Grant
Assets			
Equity in Pooled Cash and Cash Equivalents	\$115,114	\$110,746	\$113,591
Cash and Cash Equivalents			
with Fiscal Agents	0	0	1,086
Accounts Receivable	0	0	0
Intergovernmental Receivable	245,826	19,929	0
Property Taxes Receivable	0	0	0
<i>Total Assets</i>	<u>\$360,940</u>	<u>\$130,675</u>	<u>\$114,677</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$108	\$0	\$0
Accrued Wages and Benefits	6,201	0	0
Intergovernmental Payable	15,717	0	0
Interfund Payable	0	0	123,000
Deferred Revenue	149,801	12,143	0
<i>Total Liabilities</i>	<u>171,827</u>	<u>12,143</u>	<u>123,000</u>
Fund Balances			
Reserved for Encumbrances	754	1,571	114,050
Unreserved, Undesignated (Deficit)	188,359	116,961	(122,373)
<i>Total Fund Balances (Deficit)</i>	<u>189,113</u>	<u>118,532</u>	<u>(8,323)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$360,940</u>	<u>\$130,675</u>	<u>\$114,677</u>

Street Lighting	Motor Vehicle License Tax	Recycling and Litter	D.A.R.E	Bullet Proof Vest
\$52,716	\$22,345	\$5,781	\$0	\$7,302
0	0	0	0	0
0	0	0	0	0
13,629	12,077	0	42,264	0
162,018	0	0	0	0
<u>\$228,363</u>	<u>\$34,422</u>	<u>\$5,781</u>	<u>\$42,264</u>	<u>\$7,302</u>
\$0	\$2,732	\$0	\$0	\$0
0	0	0	1,106	0
0	0	0	2,834	0
0	0	0	20,832	0
175,647	7,562	0	42,264	0
<u>175,647</u>	<u>10,294</u>	<u>0</u>	<u>67,036</u>	<u>0</u>
0	4,976	0	0	0
52,716	19,152	5,781	(24,772)	7,302
<u>52,716</u>	<u>24,128</u>	<u>5,781</u>	<u>(24,772)</u>	<u>7,302</u>
<u>\$228,363</u>	<u>\$34,422</u>	<u>\$5,781</u>	<u>\$42,264</u>	<u>\$7,302</u>

(continued)

City of Brooklyn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2007

	Federal Grants	Public Safety Equipment	Law Enforcement	Mandatory Drug Law
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,544	\$7,269	\$22,536	\$42,909
Cash and Cash Equivalents				
with Fiscal Agents	0	0	0	0
Accounts Receivable	0	0	177	853
Intergovernmental Receivable	0	0	0	0
Property Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$1,544</u>	<u>\$7,269</u>	<u>\$22,713</u>	<u>\$43,762</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$720	\$0
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>720</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	0	0	375	0
Unreserved, Undesignated (Deficit)	1,544	7,269	21,618	43,762
<i>Total Fund Balances (Deficit)</i>	<u>1,544</u>	<u>7,269</u>	<u>21,993</u>	<u>43,762</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,544</u>	<u>\$7,269</u>	<u>\$22,713</u>	<u>\$43,762</u>

Underground Storage Tank	Groeger Trust	Court Computer	Juvenile Diversion	Total Nonmajor Special Revenue Funds
\$16,590	\$6,522	\$16,909	\$1,989	\$543,863
0	0	0	0	1,086
0	0	905	0	1,935
0	0	0	0	333,725
0	0	0	0	162,018
<u>\$16,590</u>	<u>\$6,522</u>	<u>\$17,814</u>	<u>\$1,989</u>	<u>\$1,042,627</u>
\$1,104	\$0	\$1,280	\$0	\$5,944
0	0	0	0	7,307
0	0	0	0	18,551
0	0	0	0	143,832
0	0	0	0	387,417
<u>1,104</u>	<u>0</u>	<u>1,280</u>	<u>0</u>	<u>563,051</u>
9,795	0	1,426	0	132,947
<u>5,691</u>	<u>6,522</u>	<u>15,108</u>	<u>1,989</u>	<u>346,629</u>
<u>15,486</u>	<u>6,522</u>	<u>16,534</u>	<u>1,989</u>	<u>479,576</u>
<u>\$16,590</u>	<u>\$6,522</u>	<u>\$17,814</u>	<u>\$1,989</u>	<u>\$1,042,627</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, 2007

	Street Maintenance and Repair	State Highway	Community Development Block Grant
Revenues			
Property Taxes	\$0	\$0	\$0
Fines, Licenses and Permits	0	0	0
Intergovernmental	635,882	51,559	0
Interest	6,951	5,604	0
<i>Total Revenues</i>	<u>642,833</u>	<u>57,163</u>	<u>0</u>
Expenditures			
Current:			
General Government	0	0	0
Security of Persons and Property	0	0	0
Transportation	658,521	41,963	0
Community Environment	0	0	2,985
Basic Utility Services	0	0	0
<i>Total Expenditures</i>	<u>658,521</u>	<u>41,963</u>	<u>2,985</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(15,688)	15,200	(2,985)
Other Financing Sources			
Transfers In	0	0	0
<i>Net Change in Fund Balances</i>	(15,688)	15,200	(2,985)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>204,801</u>	<u>103,332</u>	<u>(5,338)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$189,113</u></u>	<u><u>\$118,532</u></u>	<u><u>(\$8,323)</u></u>

Street Lighting	Motor Vehicle License Tax	Recycling and Litter	D.A.R.E	Bullet Proof Vest	FEMA Fire Act
\$149,721	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
23,022	30,787	0	0	0	113,234
0	1,435	0	0	0	0
<u>172,743</u>	<u>32,222</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>113,234</u>
0	0	0	0	0	0
0	0	0	47,538	1,196	121,615
0	46,809	0	0	0	0
0	0	0	0	0	0
157,131	0	0	0	0	0
<u>157,131</u>	<u>46,809</u>	<u>0</u>	<u>47,538</u>	<u>1,196</u>	<u>121,615</u>
15,612	(14,587)	0	(47,538)	(1,196)	(8,381)
0	0	0	0	0	8,371
15,612	(14,587)	0	(47,538)	(1,196)	(10)
37,104	38,715	5,781	22,766	8,498	10
<u>\$52,716</u>	<u>\$24,128</u>	<u>\$5,781</u>	<u>(\$24,772)</u>	<u>\$7,302</u>	<u>\$0</u>

(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, 2007

	Federal Grants	Public Safety Equipment	Law Enforcement	Mandatory Drug Law
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Fines, Licenses and Permits	0	1,798	11,154	32,302
Intergovernmental	1,495	0	0	0
Interest	0	0	0	0
<i>Total Revenues</i>	<u>1,495</u>	<u>1,798</u>	<u>11,154</u>	<u>32,302</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	2,131	7,471	4,045
Transportation	0	0	0	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>2,131</u>	<u>7,471</u>	<u>4,045</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	1,495	(333)	3,683	28,257
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	1,495	(333)	3,683	28,257
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	<u>49</u>	<u>7,602</u>	<u>18,310</u>	<u>15,505</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$1,544</u></u>	<u><u>\$7,269</u></u>	<u><u>\$21,993</u></u>	<u><u>\$43,762</u></u>

Underground Storage Tank	Groeger Trust	Court Computer	Juvenile Diversion	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$149,721
0	0	13,255	0	58,509
0	0	0	12,000	867,979
0	15	0	0	14,005
0	15	13,255	12,000	1,090,214
0	0	43,500	0	43,500
0	0	0	12,000	195,996
0	0	0	0	747,293
17,033	0	0	0	20,018
0	0	0	0	157,131
17,033	0	43,500	12,000	1,163,938
(17,033)	15	(30,245)	0	(73,724)
25,000	0	0	0	33,371
7,967	15	(30,245)	0	(40,353)
7,519	6,507	46,779	1,989	519,929
\$15,486	\$6,522	\$16,534	\$1,989	\$479,576

City of Brooklyn, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2007

	Tiedeman Road	Biddulph Road	Safety Forces Construction	I-480 / Tiedeman Upgrade	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$36,769	\$0	\$46,083	\$19,667	\$102,519
Liabilities and Fund Balances					
Liabilities					
Retainage Payable	\$0	\$0	\$10,000	\$0	\$10,000
Interfund Payable	0	0	0	115,000	115,000
Accrued Interest Payable	0	1,287	0	0	1,287
Note Payable	0	50,000	0	0	50,000
<i>Total Liabilities</i>	0	51,287	10,000	115,000	176,287
Fund Balances					
Reserved for Encumbrances	0	0	0	18,234	18,234
Unreserved, Undesignated (Deficit)	36,769	(51,287)	36,083	(113,567)	(92,002)
<i>Total Fund Balances (Deficit)</i>	36,769	(51,287)	36,083	(95,333)	(73,768)
<i>Total Liabilities and Fund Balances</i>	\$36,769	\$0	\$46,083	\$19,667	\$102,519

City of Brooklyn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2007

	Tiedeman Road	Biddulph Road	Safety Forces Construction	I- 480 / Tiedeman Upgrade	Total Nonmajor Capital Projects Funds
Revenues					
Municipal Income Taxes	\$200,486	\$0	\$0	\$0	\$200,486
Property Taxes	74,059	0	0	0	74,059
Intergovernmental	0	0	0	191,381	191,381
Interest	2,958	0	24,295	0	27,253
Other	0	56,263	0	0	56,263
<i>Total Revenues</i>	<u>277,503</u>	<u>56,263</u>	<u>24,295</u>	<u>191,381</u>	<u>549,442</u>
Expenditures					
Capital Outlay	0	0	597,912	272,766	870,678
Debt Service:					
Principal Retirement - Current Refunding	0	50,000	0	0	50,000
Interest and Fiscal Charges	0	12,550	0	0	12,550
<i>Total Expenditures</i>	<u>0</u>	<u>62,550</u>	<u>597,912</u>	<u>272,766</u>	<u>933,228</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>277,503</u>	<u>(6,287)</u>	<u>(573,617)</u>	<u>(81,385)</u>	<u>(383,786)</u>
Other Financing Sources (Uses)					
General Obligation Notes Issued	0	170,000	0	0	170,000
Current Refunding	0	(170,000)	0	0	(170,000)
Transfers In	0	0	401,952	0	401,952
Transfers Out	(268,315)	0	(379,763)	0	(648,078)
<i>Total Other Financing Sources (Uses)</i>	<u>(268,315)</u>	<u>0</u>	<u>22,189</u>	<u>0</u>	<u>(246,126)</u>
<i>Net Change in Fund Balances</i>	9,188	(6,287)	(551,428)	(81,385)	(629,912)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>27,581</u>	<u>(45,000)</u>	<u>587,511</u>	<u>(13,948)</u>	<u>556,144</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$36,769</u></u>	<u><u>(\$51,287)</u></u>	<u><u>\$36,083</u></u>	<u><u>(\$95,333)</u></u>	<u><u>(\$73,768)</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, 2007

	Required Deposits	Building Assessment Fees	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$104,162	\$153	\$104,315
Liabilities			
Intergovernmental Payable	\$0	\$153	\$153
Deposits Held and Due to Others	104,162	0	104,162
<i>Total Liabilities</i>	<u>\$104,162</u>	<u>\$153</u>	<u>\$104,315</u>

City of Brooklyn, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2007

	Balance 12/31/06	Additions	Reductions	Balance 12/31/07
<i>Required Deposits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$98,971	\$16,250	\$11,059	\$104,162
Liabilities				
Deposits Held and Due to Others	\$98,971	\$16,250	\$11,059	\$104,162
<i>Building Assessment Fees</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$308	\$1,431	\$1,586	\$153
Liabilities				
Intergovernmental Payable	\$291	\$1,431	\$1,569	\$153
Accounts Payable	17	0	17	0
<i>Total Liabilities</i>	\$308	\$1,431	\$1,586	\$153
<i>Totals - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$99,279	\$17,681	\$12,645	\$104,315
Liabilities				
Intergovernmental Payable	\$291	\$1,431	\$1,569	\$153
Accounts Payable	17	0	17	0
Deposits Held and Due to Others	98,971	16,250	11,059	104,162
<i>Total Liabilities</i>	\$99,279	\$17,681	\$12,645	\$104,315

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

(This page is intentionally left blank)

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$11,557,140	\$11,557,140	\$11,831,587	\$274,447
Property Taxes	1,180,480	1,180,480	1,102,321	(78,159)
Charges for Services	772,650	772,650	767,335	(5,315)
Fines, Licenses and Permits	819,750	819,750	573,367	(246,383)
Intergovernmental	1,165,156	1,165,156	1,290,947	125,791
Contributions and Donations	27,500	27,500	22,551	(4,949)
Interest	295,000	295,000	423,377	128,377
Other	39,225	39,225	47,379	8,154
<i>Total Revenues</i>	15,856,901	15,856,901	16,058,864	201,963
Expenditures				
Current:				
General Government:				
Income Tax:				
Personal Services	183,625	183,625	182,062	1,563
Materials and Supplies	28,494	28,494	21,249	7,245
Contractual Services	11,626	11,626	8,728	2,898
Capital Outlay	900	900	0	900
Other	800	800	519	281
Total Income Tax	225,445	225,445	212,558	12,887
Council:				
Personal Services	117,916	117,916	115,605	2,311
Materials and Supplies	9,120	9,120	8,851	269
Contractual Services	4,200	4,200	1,932	2,268
Other	1,000	1,000	0	1,000
Total Council	132,236	132,236	126,388	5,848
Mayor:				
Personal Services	292,420	292,420	291,350	1,070
Materials and Supplies	13,769	13,769	13,670	99
Contractual Services	12,400	12,400	10,322	2,078
Capital Outlay	900	900	470	430
Other	6,095	6,095	6,089	6
Total Mayor	\$325,584	\$325,584	\$321,901	\$3,683

(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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Legal:				
Personal Services	\$294,128	\$294,128	\$291,249	\$2,879
Materials and Supplies	10,030	10,030	7,586	2,444
Contractual Services	110,396	110,396	109,147	1,249
Other	600	600	170	430
Total Legal	415,154	415,154	408,152	7,002
Finance:				
Personal Services	210,832	210,832	208,711	2,121
Materials and Supplies	13,700	13,700	12,961	739
Contractual Services	43,015	43,015	38,336	4,679
Capital Outlay	1,250	1,250	1,092	158
Other	2,000	2,000	711	1,289
Total Finance	270,797	270,797	261,811	8,986
Civil Service:				
Personal Services	11,438	11,438	10,182	1,256
Materials and Supplies	1,333	1,333	12	1,321
Contractual Services	5,725	5,725	4,985	740
Other	735	735	546	189
Total Civil Service	19,231	19,231	15,725	3,506
Engineering:				
Personal Services	26,040	26,040	25,725	315
Contractual Services	97,200	97,200	86,320	10,880
Total Engineering	123,240	123,240	112,045	11,195
Data System				
Personal Services	58,743	58,743	54,031	4,712
Materials and Supplies	1,000	1,000	974	26
Contractual Services	800	800	574	226
Other	2,500	2,500	2,126	374
Total Data System	63,043	63,043	57,705	5,338
Miscellaneous:				
Materials and Supplies	2,190	2,190	1,851	339
Contractual Services	336,595	336,595	326,659	9,936
Total Miscellaneous	338,785	338,785	328,510	10,275
Total General Government	\$1,913,515	\$1,913,515	\$1,844,795	\$68,720

(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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Security of Persons and Property:				
Public Safety:				
Personal Services	\$3,691,777	\$3,691,777	\$3,602,418	\$89,359
Materials and Supplies	258,154	258,154	237,354	20,800
Contractual Services	180,979	180,979	140,495	40,484
Other	5,050	5,050	4,906	144
Total Public Safety	4,135,960	4,135,960	3,985,173	150,787
Fire Department:				
Personal Services	2,877,098	2,877,098	2,780,829	96,269
Materials and Supplies	98,335	98,335	88,463	9,872
Contractual Services	35,917	35,917	33,227	2,690
Capital Outlay	28,236	28,236	21,552	6,684
Other	2,000	2,000	1,029	971
Total Fire Department	3,041,586	3,041,586	2,925,100	116,486
Total Security of Persons and Property	7,177,546	7,177,546	6,910,273	267,273
Community Environment:				
Public Lands and Buildings:				
Personal Services	106,110	106,110	104,325	1,785
Materials and Supplies	77,130	77,130	68,857	8,273
Contractual Services	811,710	811,710	779,635	32,075
Capital Outlay	24,000	24,000	16,809	7,191
Total Public Lands and Buildings	1,018,950	1,018,950	969,626	49,324
Public Service:				
Personal Services	164,802	164,802	159,976	4,826
Materials and Supplies	1,900	1,900	636	1,264
Contractual Services	450	450	334	116
Other	1,000	1,000	115	885
Total Public Service	168,152	168,152	161,061	7,091
Building Department:				
Personal Services	230,967	230,967	229,355	1,612
Materials and Supplies	6,964	6,964	6,246	718
Contractual Services	3,750	3,750	2,115	1,635
Other	1,000	1,000	755	245
Total Building Department	\$242,681	\$242,681	\$238,471	\$4,210

(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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Recycling:				
Personal Services	\$65,576	\$65,576	\$64,683	\$893
Materials and Supplies	4,200	4,200	2,039	2,161
Contractual Services	24,984	24,984	23,004	1,980
Other	250	250	0	250
Total Recycling	95,010	95,010	89,726	5,284
Service Department				
Materials and Supplies	5,856	5,856	5,856	0
Contractual Services	7,144	7,144	6,295	849
Capital Outlay	94,809	94,809	86,608	8,201
Total Service Department	107,809	107,809	98,759	9,050
Landfill:				
Contractual Services	56,200	56,200	46,567	9,633
Total Community Environment	1,688,802	1,688,802	1,604,210	84,592
Basic Utility Services				
Garage:				
Personal Services	2,375,750	2,375,750	2,330,844	44,906
Materials and Supplies	276,476	276,476	262,783	13,693
Contractual Services	14,538	14,538	10,932	3,606
Capital Outlay	5,000	5,000	4,960	40
Other	700	700	272	428
Total Basic Utility Services	2,672,464	2,672,464	2,609,791	62,673
Leisure Time Activities:				
Recreation Center:				
Personal Services	693,535	693,535	684,402	9,133
Materials and Supplies	105,199	105,199	94,580	10,619
Contractual Services	109,495	109,495	95,694	13,801
Capital Outlay	10,500	10,500	10,153	347
Other	3,000	3,000	866	2,134
Total Recreation Center	921,729	921,729	885,695	36,034
Indoor/Outdoor Pool:				
Personal Services	531,078	531,078	523,981	7,097
Materials and Supplies	98,075	98,075	90,231	7,844
Contractual Services	35,754	35,754	30,086	5,668
Capital Outlay	7,700	7,700	6,647	1,053
Other	3,600	3,600	1,998	1,602
Total Indoor/Outdoor Pool	\$676,207	\$676,207	\$652,943	\$23,264

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Parks:				
Personal Services	\$47,780	\$47,780	\$46,402	\$1,378
Materials and Supplies	50,191	50,191	44,088	6,103
Contractual Services	37,100	37,100	32,719	4,381
Capital Outlay	13,500	13,500	8,731	4,769
Total Parks	148,571	148,571	131,940	16,631
Senior Services:				
Personal Services	353,116	353,116	341,236	11,880
Materials and Supplies	59,560	59,560	54,308	5,252
Contractual Services	33,010	33,010	27,307	5,703
Capital Outlay	2,516	2,516	1,700	816
Other	250	250	0	250
Total Senior Services	448,452	448,452	424,551	23,901
Total Leisure Time Activities	2,194,959	2,194,959	2,095,129	99,830
Total Expenditures	15,647,286	15,647,286	15,064,198	583,088
<i>Excess of Revenues Over Expenditures</i>	<i>209,615</i>	<i>209,615</i>	<i>994,666</i>	<i>785,051</i>
Other Financing Sources (Uses)				
Sale of Capital Assets	5,000	5,000	11,350	6,350
Advances Out	0	0	(15,000)	(15,000)
Transfers In	63,000	63,000	0	(63,000)
Transfers Out	(587,938)	(587,938)	(521,438)	66,500
Total Other Financing Sources (Uses)	(519,938)	(519,938)	(525,088)	(5,150)
Net Change in Fund Balance	(310,323)	(310,323)	469,578	779,901
Fund Balance Beginning of Year	5,474,963	5,474,963	5,474,963	0
Prior Year Encumbrances Appropriated	156,683	156,683	156,683	0
Fund Balance End of Year	\$5,321,323	\$5,321,323	\$6,101,224	\$779,901

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$368,425	\$368,425	\$367,166	(\$1,259)
Intergovernmental	60,410	60,410	55,631	(4,779)
<i>Total Revenues</i>	<u>428,835</u>	<u>428,835</u>	<u>422,797</u>	<u>(6,038)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	457,501	457,501	444,708	12,793
Debt Service:				
Principal Retirement	990	990	990	0
Interest and Fiscal Charges	2,252	2,252	2,252	0
Total Debt Service	<u>3,242</u>	<u>3,242</u>	<u>3,242</u>	<u>0</u>
<i>Total Expenditures</i>	<u>460,743</u>	<u>460,743</u>	<u>447,950</u>	<u>12,793</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(31,908)	(31,908)	(25,153)	6,755
Other Financing Sources				
Transfers In	33,000	33,000	33,800	800
<i>Net Change in Fund Balance</i>	1,092	1,092	8,647	7,555
<i>Fund Balance Beginning of Year</i>	<u>2,426</u>	<u>2,426</u>	<u>2,426</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,518</u></u>	<u><u>\$3,518</u></u>	<u><u>\$11,073</u></u>	<u><u>\$7,555</u></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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$410,427	\$410,427	\$409,926	(\$501)
Intergovernmental	78,258	78,258	60,044	(18,214)
<i>Total Revenues</i>	488,685	488,685	469,970	(18,715)
Expenditures				
Current:				
Security of Persons and Property:				
Fire Pension:				
Personal Services	536,776	536,776	535,541	1,235
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(48,091)	(48,091)	(65,571)	(17,480)
Other Financing Sources				
Transfers In	48,000	48,000	77,315	29,315
<i>Net Change in Fund Balance</i>	(91)	(91)	11,744	11,835
<i>Fund Balance Beginning of Year</i>	619	619	619	0
<i>Fund Balance End of Year</i>	\$528	\$528	\$12,363	\$11,835

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$2,029,920	\$2,029,920	\$2,087,927	\$58,007
Interest	0	0	23,485	23,485
<i>Total Revenues</i>	<u>2,029,920</u>	<u>2,029,920</u>	<u>2,111,412</u>	<u>81,492</u>
Expenditures				
Capital Outlay:				
Capital Improvements:				
Capital Outlay	1,862,867	1,862,867	1,677,102	185,765
Debt Service:				
Principal Retirement	174,622	174,622	174,622	0
Interest and Fiscal Charges	12,251	12,251	12,251	0
Total Debt Service	<u>186,873</u>	<u>186,873</u>	<u>186,873</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,049,740</u>	<u>2,049,740</u>	<u>1,863,975</u>	<u>185,765</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(19,820)</u>	<u>(19,820)</u>	<u>247,437</u>	<u>267,257</u>
Other Financing Uses				
Advances Out	0	0	(110,500)	(110,500)
Transfers Out	(56,500)	(56,500)	(81,263)	(24,763)
<i>Total Other Financing Uses</i>	<u>(56,500)</u>	<u>(56,500)</u>	<u>(191,763)</u>	<u>(135,263)</u>
<i>Net Change in Fund Balance</i>	(76,320)	(76,320)	55,674	131,994
<i>Fund Balance Beginning of Year</i>	927,404	927,404	927,404	0
Prior Year Encumbrances Appropriated	<u>133,310</u>	<u>133,310</u>	<u>133,310</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$984,394</u></u>	<u><u>\$984,394</u></u>	<u><u>\$1,116,388</u></u>	<u><u>\$131,994</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$577,000	\$577,000	\$580,552	\$3,552
Interest	4,500	4,500	6,951	2,451
Other	500	500	0	(500)
<i>Total Revenues</i>	<u>582,000</u>	<u>582,000</u>	<u>587,503</u>	<u>5,503</u>
Expenditures				
Current:				
Transportation:				
Street Maintenance and Repair:				
Personal Services	319,693	319,693	313,078	6,615
Materials and Supplies	116,643	116,643	106,682	9,961
Contractual Services	113,328	113,328	94,955	18,373
Capital Outlay	147,568	147,568	146,209	1,359
<i>Total Expenditures</i>	<u>697,232</u>	<u>697,232</u>	<u>660,924</u>	<u>36,308</u>
<i>Net Change in Fund Balance</i>	(115,232)	(115,232)	(73,421)	41,811
<i>Fund Balance Beginning of Year</i>	142,862	142,862	142,862	0
Prior Year Encumbrances Appropriated	<u>44,811</u>	<u>44,811</u>	<u>44,811</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$72,441</u></u>	<u><u>\$72,441</u></u>	<u><u>\$114,252</u></u>	<u><u>\$41,811</u></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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$46,800	\$46,800	\$47,072	\$272
Interest	800	800	5,604	4,804
<i>Total Revenues</i>	<u>47,600</u>	<u>47,600</u>	<u>52,676</u>	<u>5,076</u>
Expenditures				
Current:				
Transportation:				
Garage:				
Personal Services	5,025	5,025	5,025	0
Materials and Supplies	33,500	33,500	30,677	2,823
Contractual Services	11,831	11,831	3,515	8,316
Capital Outlay	5,500	5,500	4,317	1,183
<i>Total Expenditures</i>	<u>55,856</u>	<u>55,856</u>	<u>43,534</u>	<u>12,322</u>
<i>Net Change in Fund Balance</i>	(8,256)	(8,256)	9,142	17,398
<i>Fund Balance Beginning of Year</i>	97,190	97,190	97,190	0
Prior Year Encumbrances Appropriated	<u>2,843</u>	<u>2,843</u>	<u>2,843</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$91,777</u></u>	<u><u>\$91,777</u></u>	<u><u>\$109,175</u></u>	<u><u>\$17,398</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$104,157	\$104,157	\$9,701	(\$94,456)
Expenditures				
Current:				
Community Environment:				
Community Development Block Grant:				
Capital Outlay	125,050	125,050	124,736	314
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(20,893)	(20,893)	(115,035)	(94,142)
Other Financing Sources				
Advances In	0	0	24,500	24,500
<i>Net Change in Fund Balance</i>	(20,893)	(20,893)	(90,535)	(69,642)
<i>Fund Balance Beginning of Year</i>	83,162	83,162	83,162	0
Prior Year Encumbrances Appropriated	8,000	8,000	8,000	0
<i>Fund Balance End of Year</i>	<u>\$70,269</u>	<u>\$70,269</u>	<u>\$627</u>	<u>(\$69,642)</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Property Taxes	\$140,454	\$140,454	\$149,721	\$9,267
Intergovernmental	17,088	17,088	23,022	5,934
<i>Total Revenues</i>	157,542	157,542	172,743	15,201
Expenditures				
Current:				
Basic Utility Services:				
Street Lighting:				
Contractual Services	175,000	175,000	157,131	17,869
<i>Net Change in Fund Balance</i>	(17,458)	(17,458)	15,612	33,070
<i>Fund Balance Beginning of Year</i>	37,104	37,104	37,104	0
<i>Fund Balance End of Year</i>	<u>\$19,646</u>	<u>\$19,646</u>	<u>\$52,716</u>	<u>\$33,070</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$32,000	\$32,000	\$30,275	(\$1,725)
Interest	800	800	1,435	635
<i>Total Revenues</i>	<u>32,800</u>	<u>32,800</u>	<u>31,710</u>	<u>(1,090)</u>
Expenditures				
Current:				
Transportation:				
Motor Vehicle License Tax:				
Materials and Supplies	49,258	49,258	47,285	1,973
Contractual Services	8,300	8,300	4,500	3,800
<i>Total Expenditures</i>	<u>57,558</u>	<u>57,558</u>	<u>51,785</u>	<u>5,773</u>
<i>Net Change in Fund Balance</i>	(24,758)	(24,758)	(20,075)	4,683
<i>Fund Balance Beginning of Year</i>	13,954	13,954	13,954	0
Prior Year Encumbrances Appropriated	<u>20,758</u>	<u>20,758</u>	<u>20,758</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9,954</u></u>	<u><u>\$9,954</u></u>	<u><u>\$14,637</u></u>	<u><u>\$4,683</u></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, 2007

	<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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$43,300	\$0	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	<u>46,811</u>	<u>46,811</u>	<u>46,626</u>	<u>185</u>
<i>Net Change in Fund Balance</i>	(3,511)	(46,811)	(46,626)	185
<i>Fund Balance Beginning of Year</i>	<u>25,794</u>	<u>25,794</u>	<u>25,794</u>	<u>0</u>
<i>Fund Balance (Deficit)End of Year</i>	<u><u>\$22,283</u></u>	<u><u>(\$21,017)</u></u>	<u><u>(\$20,832)</u></u>	<u><u>\$185</u></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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Capital Outlay	<u>7,900</u>	<u>7,900</u>	<u>1,196</u>	<u>6,704</u>
<i>Net Change in Fund Balance</i>	(7,900)	(7,900)	(1,196)	6,704
<i>Fund Balance Beginning of Year</i>	<u>8,498</u>	<u>8,498</u>	<u>8,498</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$598</u></u>	<u><u>\$598</u></u>	<u><u>\$7,302</u></u>	<u><u>\$6,704</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$113,234	\$113,234	\$113,234	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Capital Outlay	<u>119,194</u>	<u>121,615</u>	<u>121,615</u>	<u>0</u>
<i>Excess of Revenues Under</i>				
<i>Expenditures</i>	(5,960)	(8,381)	(8,381)	0
Other Financing Sources				
Transfers In	<u>5,959</u>	<u>8,415</u>	<u>8,371</u>	<u>(44)</u>
<i>Net Change in Fund Balance</i>	(1)	34	(10)	(44)
<i>Fund Balance Beginning of Year</i>	<u>10</u>	<u>10</u>	<u>10</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9</u></u>	<u><u>\$44</u></u>	<u><u>\$0</u></u>	<u><u>(\$44)</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, 2007

	<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	\$1,495	\$1,495
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	1,495	1,495
<i>Fund Balance Beginning of Year</i>	<u>49</u>	<u>49</u>	<u>49</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$49</u>	<u>\$49</u>	<u>\$1,544</u>	<u>\$1,495</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, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Licenses, Permits and Fees	\$0	\$0	\$1,798	\$1,798
Expenditures				
Current:				
Security of Persons and Property				
Public Safety Equipment:				
Capital Outlay	3,843	4,593	4,084	509
<i>Net Change in Fund Balance</i>	(3,843)	(4,593)	(2,286)	2,307
<i>Fund Balance Beginning of Year</i>	5,712	5,712	5,712	0
Prior Year Encumbrances Appropriated	3,843	3,843	3,843	0
<i>Fund Balance End of Year</i>	\$5,712	\$4,962	\$7,269	\$2,307

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$6,500	\$6,500	\$10,977	\$4,477
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Materials and Supplies	5,000	6,500	6,277	223
Enforcement and Education:				
Contractual Services	4,500	4,500	3,569	931
<i>Total Expenditures</i>	9,500	11,000	9,846	1,154
<i>Net Change in Fund Balance</i>	(3,000)	(4,500)	1,131	5,631
<i>Fund Balance Beginning of Year</i>	18,310	18,310	18,310	0
Prior Year Encumbrances Appropriated	2,000	2,000	2,000	0
<i>Fund Balance End of Year</i>	\$17,310	\$15,810	\$21,441	\$5,631

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$10,000	\$10,000	\$31,449	\$21,449
Expenditures				
Current:				
Security of Persons and Property:				
Mandatory Drug Law:				
Materials and Supplies	6,000	6,000	179	5,821
Capital Outlay	13,980	13,980	9,984	3,996
<i>Total Expenditures</i>	19,980	19,980	10,163	9,817
<i>Net Change in Fund Balance</i>	(9,980)	(9,980)	21,286	31,266
<i>Fund Balance Beginning of Year</i>	11,643	11,643	11,643	0
Prior Year Encumbrances Appropriated	9,980	9,980	9,980	0
<i>Fund Balance End of Year</i>	\$11,643	\$11,643	\$42,909	\$31,266

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, 2007

	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	31,557	31,557	27,181	4,376
<i>Excess of Revenues Under Expenditures</i>	(31,557)	(31,557)	(27,181)	4,376
Other Financing Sources				
Transfers In	25,000	25,000	25,000	0
<i>Net Change in Fund Balance</i>	(6,557)	(6,557)	(2,181)	4,376
<i>Fund Balance Beginning of Year</i>	6,192	6,192	6,192	0
Prior Year Encumbrances Appropriated	1,680	1,680	1,680	0
<i>Fund Balance End of Year</i>	<u>\$1,315</u>	<u>\$1,315</u>	<u>\$5,691</u>	<u>\$4,376</u>

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$500	\$500	\$14	(\$486)
Expenditures				
Current:				
Community Environment:				
Groeger Trust:				
Contractual Services	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	(500)	(500)	14	514
<i>Fund Balance Beginning of Year</i>	6,507	6,507	6,507	0
<i>Fund Balance End of Year</i>	<u>\$6,007</u>	<u>\$6,007</u>	<u>\$6,521</u>	<u>\$514</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines, Licenses and Permits	\$17,500	\$17,500	\$12,350	(\$5,150)
Expenditures				
Current:				
General Government:				
Courts:				
Materials and Supplies	14,500	14,500	14,367	133
Contractual Services	3,000	3,000	2,000	1,000
Capital Outlay	32,943	32,943	28,659	4,284
<i>Total Expenditures</i>	<u>50,443</u>	<u>50,443</u>	<u>45,026</u>	<u>5,417</u>
<i>Net Change in Fund Balance</i>	(32,943)	(32,943)	(32,676)	267
<i>Fund Balance Beginning of Year</i>	28,136	28,136	28,136	0
Prior Year Encumbrances Appropriated	<u>18,743</u>	<u>18,743</u>	<u>18,743</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$13,936</u></u>	<u><u>\$13,936</u></u>	<u><u>\$14,203</u></u>	<u><u>\$267</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, 2007

	<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	\$12,000	\$12,000	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Juvenile Diversion:				
Materials and Supplies	800	800	0	800
Contractual Services	12,000	12,000	12,000	0
<i>Total Expenditures</i>	<u>12,800</u>	<u>12,800</u>	<u>12,000</u>	<u>800</u>
<i>Net Change in Fund Balance</i>	(800)	(800)	0	800
<i>Fund Balance Beginning of Year</i>	<u>1,989</u>	<u>1,989</u>	<u>1,989</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,189</u></u>	<u><u>\$1,189</u></u>	<u><u>\$1,989</u></u>	<u><u>\$800</u></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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$351,360	\$351,360	\$300,246	(\$51,114)
Intergovernmental	61,883	61,883	60,417	(1,466)
Interest	0	0	6,594	6,594
<i>Total Revenues</i>	413,243	413,243	367,257	(45,986)
Expenditures				
Debt Service:				
Principal Retirement	1,403,582	1,403,582	1,399,970	3,612
Interest and Fiscal Charges	356,172	356,172	359,177	(3,005)
<i>Total Expenditures</i>	1,759,754	1,759,754	1,759,147	607
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(1,346,511)	(1,346,511)	(1,391,890)	(45,379)
Other Financing Sources				
General Obligation Notes Issued	660,000	660,000	660,000	0
Transfers In	648,690	648,690	704,341	55,651
<i>Total Other Financing Sources</i>	1,308,690	1,308,690	1,364,341	55,651
<i>Net Change in Fund Balance</i>	(37,821)	(37,821)	(27,549)	10,272
<i>Fund Balance Beginning of Year</i>	190,340	190,340	190,340	0
<i>Fund Balance End of Year</i>	\$152,519	\$152,519	\$162,791	\$10,272

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$210,363	\$210,363	\$200,486	(\$9,877)
Property Taxes	79,037	79,037	74,059	(4,978)
Interest	3,200	3,200	2,660	(540)
<i>Total Revenues</i>	292,600	292,600	277,205	(15,395)
Expenditures	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	292,600	292,600	277,205	(15,395)
Other Financing Uses				
Transfers Out	(268,563)	(268,563)	(268,315)	248
<i>Net Change in Fund Balance</i>	24,037	24,037	8,890	(15,147)
<i>Fund Balance Beginning of Year</i>	27,581	27,581	27,581	0
<i>Fund Balance End of Year</i>	\$51,618	\$51,618	\$36,471	(\$15,147)

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, 2007

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$56,500	\$56,500	\$56,263	(\$237)
Expenditures				
Debt Service:				
Principal Retirement	265,000	265,000	265,000	0
Interest and Fiscal Charges	11,263	11,263	11,263	0
<i>Total Expenditures</i>	<i>276,263</i>	<i>276,263</i>	<i>276,263</i>	<i>0</i>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(219,763)	(219,763)	(220,000)	(237)
Other Financing Sources				
General Obligation Notes Issued	220,500	220,500	220,000	(500)
<i>Net Change in Fund Balance</i>	<i>737</i>	<i>737</i>	<i>0</i>	<i>(737)</i>
<i>Fund Balance Beginning of Year</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i>\$737</i>	<i>\$737</i>	<i>\$0</i>	<i>(\$737)</i>

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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$14,780	\$14,780	\$24,295	\$9,515
Expenditures				
Capital Outlay				
Safety Construction				
Contractual Services	1,019,978	1,039,343	1,016,686	22,657
Capital Outlay	331,721	338,336	330,640	7,696
<i>Total Expenditures</i>	<u>1,351,699</u>	<u>1,377,679</u>	<u>1,347,326</u>	<u>30,353</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(1,336,919)</u>	<u>(1,362,899)</u>	<u>(1,323,031)</u>	<u>39,868</u>
Other Financing Sources (Uses)				
Transfers In	382,000	408,000	401,952	(6,048)
Transfers Out	<u>(380,500)</u>	<u>(380,500)</u>	<u>(379,763)</u>	<u>737</u>
<i>Total Other Financing Sources (Uses)</i>	<u>1,500</u>	<u>27,500</u>	<u>22,189</u>	<u>(5,311)</u>
<i>Net Change in Fund Balance</i>	(1,335,419)	(1,335,399)	(1,300,842)	34,557
<i>Fund Balance Beginning of Year</i>	76,176	76,176	76,176	0
Prior Year Encumbrances Appropriated	<u>1,260,749</u>	<u>1,260,749</u>	<u>1,260,749</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,506</u></u>	<u><u>\$1,526</u></u>	<u><u>\$36,083</u></u>	<u><u>\$34,557</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
I-480 / Tiedeman Upgrade Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$206,000	\$206,000	\$191,381	(\$14,619)
Expenditures				
Capital Outlay:				
I-480/ Tiedeman Roadway:				
Contractual Services	307,000	307,000	291,000	16,000
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(101,000)	(101,000)	(99,619)	1,381
Other Financing Sources				
Advance In	101,000	101,000	101,000	0
<i>Net Change in Fund Balance</i>	0	0	1,381	1,381
<i>Fund Balance Beginning of Year</i>	52	52	52	0
<i>Fund Balance End of Year</i>	<u>\$52</u>	<u>\$52</u>	<u>\$1,433</u>	<u>\$1,381</u>



STATISTICAL SECTION

CITY OF BROOKLYN, OHIO

Statistical Section

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

Contents	Pages(s)
<i>Financial Trends</i>	S3 – S9
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	S10 – S17
These schedules contain information to help the reader assess the City's most significant local revenues, the property tax and the municipal income tax.	
<i>Debt Capacity</i>	S18 - S24
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	S25 - S27
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<i>Operating Information</i>	S28 - S35
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

(This Page Intentionally Left Blank)

City of Brooklyn, Ohio
Net Assets By Component
Last Five Years
(Accrual Basis of Accounting)

	2007	2006	2005	2004	2003
Governmental Activities					
Invested in Capital Assets	\$20,975,883	\$21,907,993	\$15,357,773	\$20,264,115	\$19,081,359
Restricted:					
Capital Projects	1,860,948	2,104,553	5,687,329	1,796,796	2,014,319
Debt Service	0	0	160,808	174,909	344,880
Street Construction, Maintenance and Repair	290,459	298,241	223,557	429,095	331,950
State Highway	130,675	114,162	77,558	78,242	0
Street Lighting	0	0	0	0	148,860
Court Computer	16,534	46,779	61,576	66,078	58,014
Police Programs	100,494	75,024	77,307	86,937	0
Other Purposes	150,493	170,522	145,292	92,640	134,707
Unrestricted	55,795	2,001,520	445,379	(161,198)	729,509
<i>Total Governmental Activities Net Assets</i>	<u>\$23,581,281</u>	<u>\$26,718,794</u>	<u>\$22,236,579</u>	<u>\$22,827,614</u>	<u>\$22,843,598</u>

City of Brooklyn, Ohio
Changes in Net Assets
Last Five Years
(Accrual Basis of Accounting)

	2007	2006	2005	2004	2003
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$118,104	\$70,964	\$49,926	\$29,684	\$33,508
Security of Persons and Property	681,396	760,677	674,340	722,691	810,495
Community Environment	100,064	136,206	124,325	108,532	132,797
Basic Utility Services	1,763	233	338	6,368	13,456
Leisure Time Activities	578,526	655,500	632,046	651,953	613,409
Subtotal - Charges for Services	<u>1,479,853</u>	<u>1,623,580</u>	<u>1,480,975</u>	<u>1,519,228</u>	<u>1,603,665</u>
Operating Grants and Contributions:					
General Government	112,470	22,059	22,886	27,316	26,647
Security of Persons and Property	326,059	147,644	201,212	256,546	85,474
Transportation	735,436	659,244	604,328	621,256	468,008
Community Environment	0	4,741	33,546	100,603	82,277
Basic Utility Services	32,579	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>1,206,544</u>	<u>833,688</u>	<u>861,972</u>	<u>1,005,721</u>	<u>662,406</u>
Capital Grants and Contributions:					
Transportation	191,381	0	0	0	0
Security of Persons and Property	0	0	35,093	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>2,877,778</u>	<u>2,457,268</u>	<u>2,378,040</u>	<u>2,524,949</u>	<u>2,266,071</u>
Expenses					
Governmental Activities:					
General Government	\$2,618,931	\$1,492,020	\$2,022,846	\$1,780,771	\$1,728,888
Security of Persons and Property	10,066,623	7,010,400	8,768,021	7,445,195	7,434,844
Transportation	1,898,354	252,414	1,291,187	796,490	865,328
Community Environment	2,085,037	1,784,567	1,741,243	1,565,039	1,600,235
Basic Utility Services	3,347,481	2,854,851	3,012,207	3,019,920	2,982,030
Leisure Time Activities	2,581,966	2,309,476	2,305,614	2,423,794	2,430,608
Interest and Fiscal Charges	471,505	494,153	234,754	222,601	229,090
<i>Total Governmental Activities Expenses</i>	<u>23,069,897</u>	<u>16,197,881</u>	<u>19,375,872</u>	<u>17,253,810</u>	<u>17,271,023</u>
Net (Expense)/Revenue					
Governmental Activities	<u>(\$20,192,119)</u>	<u>(\$13,740,613)</u>	<u>(\$16,997,832)</u>	<u>(\$14,728,861)</u>	<u>(\$15,004,952)</u>

(continued)

City of Brooklyn, Ohio
Changes in Net Assets (continued)
Last Five Years
(Accrual Basis of Accounting)

	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Taxes:					
Property and Other Local Taxes Levied For:					
General Purposes	\$1,215,894	\$1,118,624	\$1,106,813	\$1,024,867	\$966,181
Street Lighting	165,820	148,264	92,175	93,809	88,999
Police Pension	290,911	485,973	377,898	302,767	283,463
Fire Pension	451,697	444,776	468,419	396,573	371,627
Debt Service	337,536	370,645	363,739	375,228	418,061
Capital Outlay	74,059	79,210	79,441	78,087	38,071
Municipal Income Taxes levied for:					
General Purposes	10,348,944	11,873,518	10,505,190	9,273,873	10,045,460
Debt Service	0	0	0	0	300,239
Capital Outlay	2,124,235	1,844,414	1,640,193	1,914,683	1,774,897
Grants and Entitlements not Restricted to					
Specific Programs	1,442,977	1,228,147	1,278,859	1,015,766	1,021,200
Investment Income	445,581	654,993	412,082	184,372	135,906
Gain on Sale of Capital Assets	9,126	0	2,696	0	0
Miscellaneous	147,826	81,341	79,292	52,852	23,490
<i>Total Governmental Activities</i>	<u>\$17,054,606</u>	<u>\$18,329,905</u>	<u>\$16,406,797</u>	<u>\$14,712,877</u>	<u>\$15,467,594</u>
<i>Total Change in Net Assets</i>	<u>(\$3,137,513)</u>	<u>\$4,589,292</u>	<u>(\$591,035)</u>	<u>(\$15,984)</u>	<u>\$462,642</u>

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund				
Reserved	\$3,612,905	\$3,394,205	\$3,193,942	\$2,992,365
Unreserved	<u>3,055,408</u>	<u>3,730,445</u>	<u>2,886,049</u>	<u>2,438,056</u>
Total General Fund	<u>6,668,313</u>	<u>7,124,650</u>	<u>6,079,991</u>	<u>5,430,421</u>
All Other Governmental Funds				
Reserved	551,386	866,964	740,211	108,771
Unreserved, Undesignated, Reported in:				
Special Revenue funds	143,250	202,336	214,407	342,258
Debt Service funds	(21,841)	(4,438)	239,145	230,600
Capital Projects funds	<u>1,288,226</u>	<u>1,216,437</u>	<u>4,946,139</u>	<u>1,703,137</u>
Total All Other Governmental Funds (Deficit)	<u>1,961,021</u>	<u>2,281,299</u>	<u>6,139,902</u>	<u>2,384,766</u>
Total Governmental Funds	<u><u>\$8,629,334</u></u>	<u><u>\$9,405,949</u></u>	<u><u>\$12,219,893</u></u>	<u><u>\$7,815,187</u></u>

2003	2002	2001	2000	1999	1998
\$2,879,861	\$2,574,560	\$2,550,726	\$2,494,334	\$2,384,235	\$2,138,309
3,099,650	3,006,723	3,098,645	2,495,992	1,660,423	1,766,709
5,979,511	5,581,283	5,649,371	4,990,326	4,044,658	3,905,018
282,601	221,766	1,122,042	422,250	980,231	611,286
252,050	1,766,959	811,673	791,664	925,961	1,037,176
296,290	352,458	435,026	478,677	24,547	21,823
1,756,892	267,276	(327,810)	(660,392)	(365,628)	(815,945)
2,587,833	2,608,459	2,040,931	1,032,199	1,565,111	854,340
\$8,567,344	\$8,189,742	\$7,690,302	\$6,022,525	\$5,609,769	\$4,759,358

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

	2007	2006	2005	2004	2003
Revenues					
Property and Other Taxes	\$2,393,975	\$2,436,189	\$2,502,769	\$2,264,418	\$2,150,305
Municipal Income Taxes	12,891,860	13,477,404	12,251,146	11,282,075	11,774,432
Charges for Services	771,638	825,376	802,328	837,834	822,895
Fees, Licenses and Permits	651,515	781,275	678,647	681,394	780,770
Intergovernmental	2,647,967	2,045,099	2,113,217	1,916,555	1,669,861
Special Assessments	0	0	0	85,000	75,000
Contributions and Donations	22,551	24,850	25,677	30,107	30,381
Interest	445,581	654,993	412,082	184,372	135,906
Rentals	56,700	16,929	0	0	0
Miscellaneous	147,826	81,341	79,292	52,852	23,490
<i>Total Revenues</i>	<u>20,029,613</u>	<u>20,343,456</u>	<u>18,865,158</u>	<u>17,334,607</u>	<u>17,463,040</u>
Expenditures					
Current:					
General Government	1,777,101	2,007,973	1,658,777	1,713,115	1,543,745
Security of Persons and Property	8,122,257	7,739,321	7,379,730	7,051,268	6,773,741
Transportation	747,293	535,888	713,054	518,645	587,379
Community Environment	1,599,877	1,639,827	1,409,089	1,474,151	1,364,005
Basic Utilities Services	2,901,785	2,490,055	2,612,506	2,636,120	2,526,614
Leisure Time Activity	2,071,857	1,917,722	1,970,298	2,023,864	1,955,914
Capital Outlay	3,964,960	5,893,082	2,501,641	1,516,301	1,388,901
Debt Service:					
Principal Retirement	983,395	955,504	1,150,667	3,158,241	3,344,804
Principal Retirement - Current Refunding	230,000	0	0	0	0
Interest and Fiscal Charges	473,568	529,353	213,261	219,310	245,970
Bond Issuance Costs	0	113,472	0	0	0
<i>Total Expenditures</i>	<u>22,872,093</u>	<u>23,822,197</u>	<u>19,609,023</u>	<u>20,311,015</u>	<u>19,731,073</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,842,480)</u>	<u>(3,478,741)</u>	<u>(743,865)</u>	<u>(2,976,408)</u>	<u>(2,268,033)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	11,350	30,320	2,696	3,601	0
Bond Premium	0	299,477	0	0	0
Bonds Issued	0	5,255,000	0	0	0
Refunding Bonds Issued	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0
General Obligation Notes Issued	650,000	880,000	5,800,000	1,910,000	2,400,000
Loan Issued	0	0	0	0	0
Current Refunding	(650,000)	(5,800,000)	(1,500,000)	0	0
Inception of Capital Lease	2,054,515	0	845,875	310,650	245,635
Transfers In	1,250,779	903,321	769,054	764,070	477,475
Transfers Out	(1,250,779)	(903,321)	(769,054)	(764,070)	(477,475)
<i>Total Other Financing Sources (Uses)</i>	<u>2,065,865</u>	<u>664,797</u>	<u>5,148,571</u>	<u>2,224,251</u>	<u>2,645,635</u>
<i>Net Change in Fund Balances</i>	<u>(\$776,615)</u>	<u>(\$2,813,944)</u>	<u>\$4,404,706</u>	<u>(\$752,157)</u>	<u>\$377,602</u>
Debt Service as a Percentage of Noncapital Expenditures	7.8%	10.5%	8.7%	21.9%	24.3%

2002	2001	2000	1999	1998
\$2,163,852	\$2,119,172	\$1,940,738	\$1,970,925	\$1,892,557
10,782,083	10,913,483	10,805,058	10,829,840	10,291,422
880,019	836,209	918,360	854,820	864,833
913,412	945,521	777,777	639,315	582,282
2,441,584	3,007,322	1,963,558	1,607,493	1,731,872
97,278	96,027	97,163	98,085	103,077
36,812	37,002	0	0	0
169,578	254,194	432,953	326,242	314,734
277,502	50,502	59,502	55,452	55,002
146,089	332,570	54,233	275,785	621,371
<u>17,908,209</u>	<u>18,592,002</u>	<u>17,049,342</u>	<u>16,657,957</u>	<u>16,457,150</u>
1,237,345	1,078,961	1,170,328	1,257,501	952,117
6,882,432	6,272,853	5,961,771	5,369,536	4,927,882
441,473	483,164	435,153	514,698	415,122
1,329,200	1,359,695	1,695,579	1,582,706	1,329,777
2,545,154	2,522,773	2,408,694	1,807,094	1,868,029
1,904,760	1,640,474	1,673,426	1,724,163	1,673,353
2,554,573	2,679,727	2,445,106	2,790,950	4,134,110
601,985	518,114	496,559	420,337	361,806
0	0	0	0	0
327,626	388,338	349,970	340,561	486,476
0	0	89,691	0	0
<u>17,824,548</u>	<u>16,944,099</u>	<u>16,726,277</u>	<u>15,807,546</u>	<u>16,148,672</u>
<u>83,661</u>	<u>1,647,903</u>	<u>323,065</u>	<u>850,411</u>	<u>308,478</u>
11,688	19,874	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	4,397,806	0
0	0	0	(4,308,115)	0
0	0	0	0	2,011
0	0	0	0	1,400,171
0	0	0	0	0
404,091	0	0	0	0
431,695	479,765	1,230,450	1,762,704	3,211,277
(431,695)	(479,765)	(1,230,450)	(1,762,704)	(3,211,277)
<u>415,779</u>	<u>19874</u>	<u>-</u>	<u>89,691</u>	<u>1,402,182</u>
<u>\$499,440</u>	<u>\$1,667,777</u>	<u>\$323,065</u>	<u>\$940,102</u>	<u>\$1,710,660</u>
6.5%	6.8%	7.0%	6.2%	7.6%

City of Brooklyn, Ohio
Assessed Valuation and Estimated True Values of Taxable Property
Last Ten Years

Year	Real Property			Tangible Personal Property	
	Assessed Value			Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
2007	\$162,295,170	\$166,548,580	\$939,553,571	\$17,787,020	\$20,212,523
2006	148,042,060	152,992,920	860,099,942	17,752,200	20,172,955
2005	147,931,850	152,600,270	858,663,200	18,798,000	21,361,364
2004	147,673,370	149,627,960	849,432,371	19,429,120	22,078,545
2003	137,296,000	149,030,280	818,075,086	19,451,050	22,103,466
2002	137,290,460	146,525,220	810,901,942	20,934,340	23,789,022
2001	137,292,840	140,944,840	794,964,800	29,854,130	33,925,148
2000	124,540,400	125,617,720	714,737,486	30,822,470	35,025,534
1999	124,180,240	115,633,850	685,183,114	32,734,320	37,198,091
1998	123,688,500	111,577,710	672,189,171	33,266,860	37,803,250

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

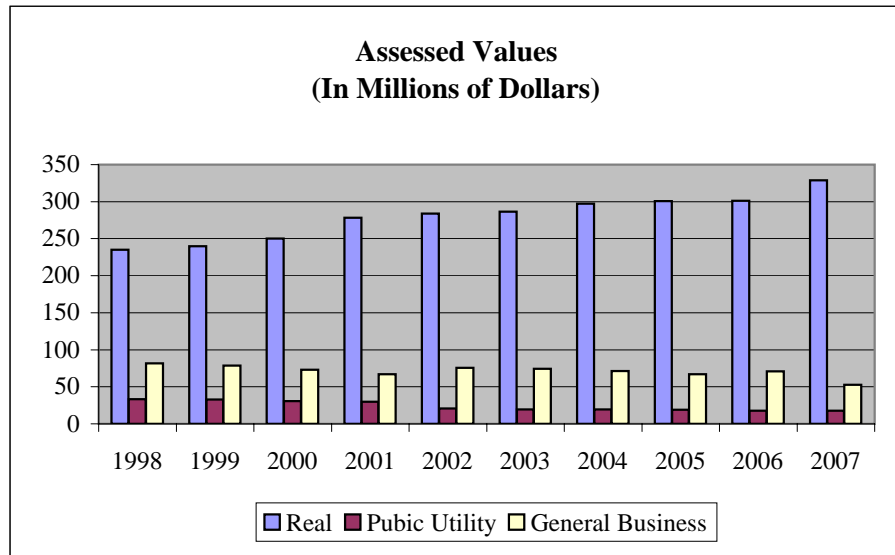
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

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

Source: Ohio Department of Taxation

Tangible Personal Property

General Business		Total			Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$52,837,854	\$422,702,832	\$399,468,624	\$1,382,468,926	29 %	\$6.90
70,888,141	378,070,085	389,675,321	1,258,342,983	31	6.90
67,156,690	268,626,760	386,486,810	1,148,651,324	34	6.90
71,086,443	284,345,772	387,816,893	1,155,856,689	34	5.40
74,455,744	297,822,976	380,233,074	1,138,001,528	33	5.40
75,714,966	302,859,864	380,464,986	1,137,550,829	33	5.40
67,099,234	268,396,936	375,191,044	1,097,286,883	34	5.40
72,851,158	291,404,632	353,831,748	1,041,167,652	34	5.40
78,470,390	313,881,560	351,018,800	1,036,262,765	34	5.40
81,459,237	325,836,948	349,992,307	1,035,829,369	34	5.40



City of Brooklyn, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Amounts Represent Mills)
Last Ten Years

	2007	2006	2005	2004
Inside Millage				
Operating	\$2.30000	\$2.30000	\$2.30000	\$2.30000
Fire Pension	0.90000	0.90000	0.90000	0.90000
Police Pension	0.70000	0.70000	0.70000	0.70000
<i>Total Inside Millage</i>	<u>3.90000</u>	<u>3.90000</u>	<u>3.90000</u>	<u>3.90000</u>
Charter Millage				
1976 Charter/Bond Retirement	1.00000	1.00000	1.00000	1.00000
1976 Charter/Street Lighting	0.42000	0.40000	0.25000	0.25000
1976 Charter/Debt Service	1.00000	1.00000	1.00000	0.00000
1976 Charter/Fire Pension	0.25000	0.30000	0.40000	0.15000
1976 Charter/Police Pension	0.33000	0.30000	0.35000	0.10000
<i>Total Charter Millage</i>	<u>3.00000</u>	<u>3.00000</u>	<u>3.00000</u>	<u>1.50000</u>
Total Charter Millage	<u><u>\$6.90000</u></u>	<u><u>\$6.90000</u></u>	<u><u>\$6.90000</u></u>	<u><u>\$5.40000</u></u>
Overlapping Rates by Taxing District				
Brooklyn City School District				
Residential/Agricultural Real	\$26.0149	\$26.0281	\$26.0273	\$26.0257
Commerical/Industrial and Public Utility Real	26.2242	26.5609	26.4834	26.5447
General Business and Public Utility Personal	39.5000	39.5000	39.5000	39.5000
Cuyahoga County Commissioners				
Residential/Agricultural Real	11.8689	11.7227	10.9754	10.9899
Commerical/Industrial and Public Utility Real	12.4536	12.5762	11.9846	12.0433
General Business and Public Utility Personal	13.5200	13.5200	13.5200	13.5200
Special Taxing Districts (1)				
Residential/Agricultural Real	7.9675	8.2900	8.2880	6.7784
Commerical/Industrial and Public Utility Real	8.2518	8.5685	8.5067	7.1811
General Business and Public Utility Personal	9.1800	9.1800	9.1800	8.2800

Source: Cuyahoga County Auditor

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

The City's basic property tax rate may be increased only by a majority vote of the City's residents.

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

Real property tax rates are reduced so that inflationary increases in value do not generate additional revenue.

The City has 13 mills (including inside millage) of charter millage authorized; through 2007 only 6.9 mills has been levied. The 6.9 mills includes 3.9 mills of inside millage.

- (1) Metro Parks, Port Authority, County Library, Community College, and Polaris Joint Vocational School District. 1997 - 2003 include the Metro Parks, County Library, and Polaris Joint Vocational School District. 2004 - 2006 Port Authority and Community College added.

2003	2002	2001	2000	1999	1998
\$2.30000	\$2.30000	\$2.30000	\$2.30000	\$2.30000	\$2.30000
0.90000	0.90000	0.90000	0.90000	0.90000	0.80000
0.70000	0.70000	0.70000	0.70000	0.70000	0.80000
3.90000	3.90000	3.90000	3.90000	3.90000	3.90000
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.25000	0.30000	0.50000	0.50000	0.50000	0.50000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.15000	0.10000	0.00000	0.00000	0.00000	0.00000
0.10000	0.10000	0.00000	0.00000	0.00000	0.00000
1.50000	1.50000	1.50000	1.50000	1.50000	1.50000
\$5.40000	\$5.40000	\$5.40000	\$5.40000	\$5.40000	\$5.40000

\$29.9529	\$29.9498	\$29.9425	\$26.5751	\$26.5702	\$26.3672
30.1638	30.1644	30.1654	28.6978	29.1181	29.0762
43.4000	43.4000	43.4000	40.0000	40.0000	39.8000

12.4609	11.3815	11.3967	11.4114	11.4230	9.6597
12.8764	12.0023	11.9298	12.3736	12.4065	11.7001
14.6500	14.6500	14.6500	13.7500	13.7500	15.0500

4.5323	4.5354	4.5422	4.8242	4.5610	2.5659
4.5497	4.5320	4.5253	4.8923	4.7811	2.7781
5.3500	5.3500	5.3500	5.3500	5.3500	2.9500

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

Collection Year	Current Tax Levy (2)	Current Tax Collections (2)	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections
2007	\$2,352,293	\$2,218,073	94.29 %	\$43,686
2006	2,188,363	2,129,842	97.33	25,608
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
2,002	1,645,513	1,587,957	96.50	67,587
2,001	1,664,679	1,636,000	98.28	27,767
2,000	1,515,926	1,489,947	98.29	28,823
1,999	1,490,848	1,469,088	98.54	48,664
1,998	1,456,512	1,435,508	98.56	21,910

Source: Cuyahoga County, Ohio; County Auditor

- (1) Information for Real and Public Utility only.
- (2) State reimbursement of rollback and homestead exemptions are included.
- (3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

Note: The County does not maintain delinquency information by tax year.

<u>Total Tax Collections (1)</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes (3)</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
\$2,261,759	96.15 %	\$98,172	4.17 %
2,155,450	98.50	68,335	3.12
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

City of Brooklyn, Ohio
Principal Real Property Taxpayers
 2007 and 1998

<i>2007</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Plain Dealer Publishing Company	\$21,461,020	6.53 %
Cleveland Electric Illuminating	9,520,220	2.90
Tiedeman Development LLC	8,638,320	2.63
American Greetings Corporation	8,800,940	2.68
Ridge Park Square LLC	9,642,110	2.93
American Transmission System	6,308,510	1.92
Troy CMBS Property LLC	5,578,480	1.70
Westbrook Apartments	5,164,410	1.57
Terraces at Northridge LTD	4,466,000	1.36
Northcliff Shopping	4,356,180	1.32
Total	\$83,936,190	25.52 %
Total Real Property Assessed Valuation	\$328,843,750	

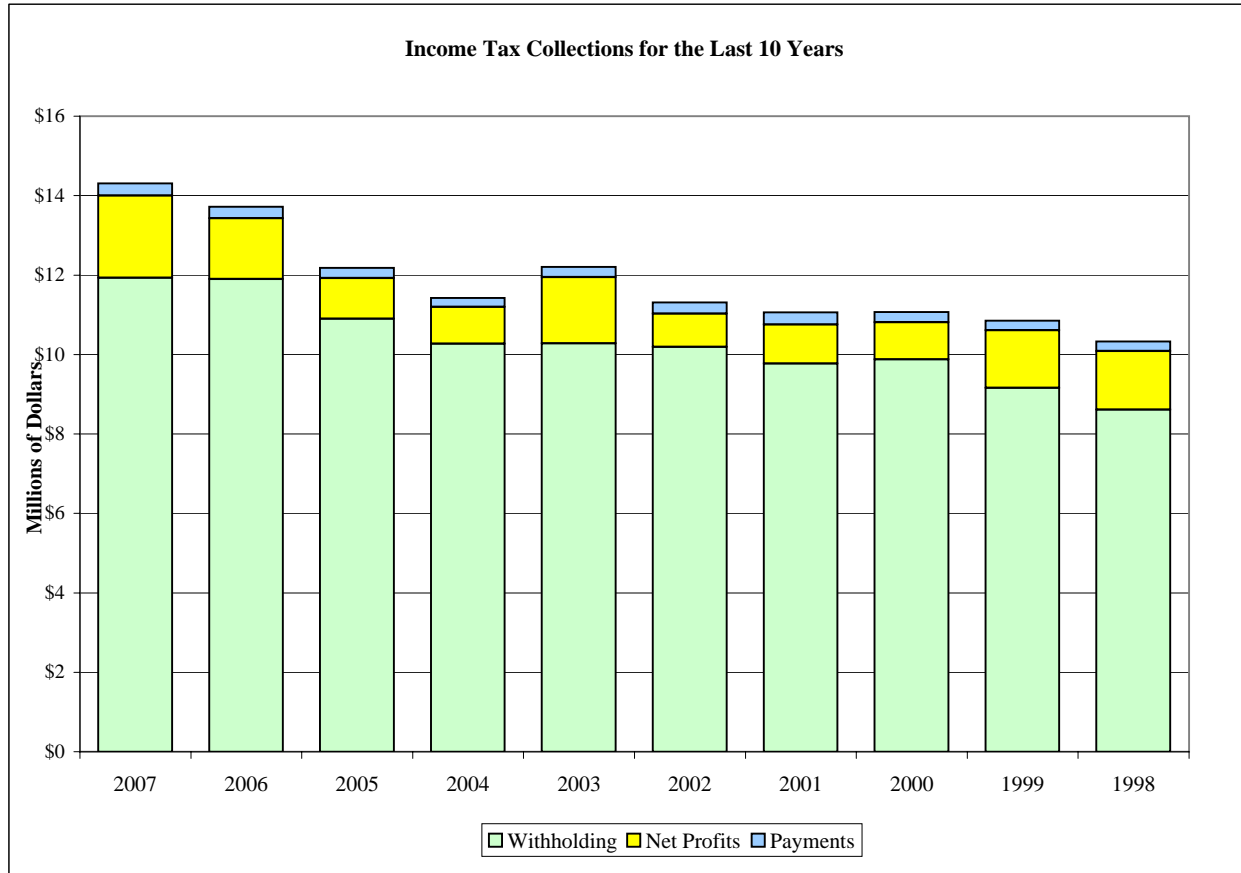
<i>1998</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Plain Dealer Publishing Company	\$23,332,250	9.92 %
American Greetings Corporation	6,585,150	2.80
Ridge Park Square LLC	7,162,140	3.04
Westbrook Apartments	5,105,100	2.17
Troy CMBS Property LLC	4,621,160	1.96
Deaconess Hospital of Cleveland	2,982,050	1.27
Key Corporation	2,977,170	1.27
Milton Cohen, Trustee	2,613,350	1.11
Wares Delaware Corporation (Wal-Mart)	2,467,260	1.05
Weston	2,389,280	1.02
Total	\$60,234,910	25.60 %
Total Real Property Assessed Valuation	\$235,266,210	

Source: Cuyahoga County Auditor

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

Tax Year (1)	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individual Payments	Percentage of Taxes from Individual Payments
2007	2.00%	\$12,473,179	\$11,928,400	95.63%	\$2,070,648	16.60%	\$310,489	2.49%
2006	2.00	13,717,932	11,896,241	86.72	1,535,556	11.19	286,135	2.09
2005	2.00	12,145,383	10,900,207	89.75	1,022,100	8.42	255,146	2.10
2004	2.00	11,188,556	10,271,627	91.80	929,723	8.31	224,559	2.01
2003	2.00	12,120,596	10,278,308	84.80	1,669,103	13.77	258,849	2.14
2002	2.00	10,782,083	10,191,039	94.52	841,865	7.81	281,931	2.61
2001	2.00	10,913,483	9,769,003	89.51	989,183	9.06	305,689	2.80
2000	2.00	10,805,058	9,873,255	91.38	937,314	8.67	258,231	2.39
1999	2.00	10,829,840	9,161,740	84.60	1,450,159	13.39	242,334	2.24
1998	2.00	10,291,422	8,609,054	83.65	1,476,900	14.35	239,864	2.33

(1) 2003 through 2007 are on an Accrual Basis and 1998 through 2002 are on a Modified Accrual Basis



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

Year	Governmental Activities				
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Capital Leases	Police Pension
2007	\$7,010,057	\$0	\$412,275	\$2,823,720	\$52,245
2006	7,513,670	0	467,245	1,032,018	53,235
2005	2,522,806	0	522,215	1,215,926	54,184
2004	2,832,806	0	577,185	587,647	55,094
2003	3,127,806	85,000	632,155	450,256	55,967
2002	3,417,806	160,000	687,125	337,119	56,804
2001	3,687,806	235,000	742,095	0	57,606
2000	3,952,806	305,000	797,065	0	58,375
1999	4,207,806	370,000	852,035	0	59,114
1998	3,945,000	430,000	907,005	0	59,821

Note: Population and Personal Income data are presented on page S26

Honeywell Loan	Long-Term Notes	Landfill	Total Debt	Percentage of Personal Income	Per Capita
\$137,135	\$650,000	\$4,605,251	\$15,690,683	6.41%	\$1,354
311,757	880,000	4,485,925	14,743,850	6.02	1,273
477,434	5,800,000	4,359,500	14,952,065	6.11	1,291
634,625	1,910,000	4,244,888	10,842,245	4.43	936
783,764	2,400,000	4,157,578	11,692,526	4.78	1,009
925,263	0	4,092,105	9,676,222	3.95	835
1,059,504	0	5,442,805	11,224,816	4.59	969
1,186,879	0	6,935,497	13,235,622	5.41	1,142
1,307,729	0	6,240,393	13,037,077	N/A	1,114
1,372,456	0	5,920,864	12,635,146	N/A	1,079

City of Brooklyn, Ohio
*Ratio of General Obligation Bonded Debt to Estimated Actual
Value and Bonded Debt Per Capita
Last Ten Years*

Year	Population (1)		Estimated Actual Values of Taxable Property (2)	Bonded Debt
2007	11,586	b	\$1,382,468,926	\$7,010,057
2006	11,586	b	1,258,342,983	7,513,670
2005	11,586	b	1,148,651,324	2,522,806
2004	11,586	b	1,155,856,689	2,832,806
2003	11,586	b	1,138,001,528	3,127,806
2002	11,586	b	1,137,550,829	3,417,806
2001	11,586	b	1,097,286,883	3,687,806
2000	11,586	a	1,041,167,652	3,952,806
1999	11,706	a	1,036,262,765	4,207,806
1998	11,706	a	1,035,829,369	3,945,000

Sources:

(1) U. S. Bureau of Census, Census of Population.

(a) 1990 Federal Census

(b) 2000 Federal Census

(2) Cuyahoga County Auditor

Ratio of Bonded Debt to Estimated Actual Values of Taxable Property	Bonded Debt Per Capita
0.51%	\$605.05
0.60	648.51
0.22	217.75
0.25	244.50
0.27	269.96
0.30	294.99
0.34	318.30
0.38	341.17
0.41	359.46
0.38	337.01

City of Brooklyn, Ohio

Legal Debt Margin

Last Ten Years

	2007	2006	2005	2004
Total Assessed Property Value	<u>\$399,468,624</u>	<u>\$389,675,321</u>	<u>\$386,486,810</u>	<u>\$387,816,893</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$6,737,806	\$7,227,806	\$2,522,806	\$2,832,806
Special Assessment Bonds	0	0	0	0
Bond Anticipation Notes	880,000	1,120,000	5,800,000	1,910,000
Honeywell Loan	137,135	311,757	477,434	634,625
OPWC Loans	<u>412,275</u>	<u>467,245</u>	<u>522,215</u>	<u>577,185</u>
Total Gross Indebtedness	8,167,216	9,126,808	9,322,455	5,954,616
Less:				
General Obligation Bonds	0	0	0	0
Special Assessment Bonds	0	0	0	0
Honeywell Loan	(137,135)	(311,757)	(477,434)	(634,625)
OPWC Loans	(412,275)	(467,245)	(522,215)	(577,185)
General Obligation Bond Retirement Fund Balance	<u>0</u>	<u>(190,562)</u>	<u>(239,145)</u>	<u>(230,600)</u>
Total Net Debt Applicable to Debt Limit	<u>7,617,806</u>	<u>8,157,244</u>	<u>8,083,661</u>	<u>4,512,206</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>41,944,206</u>	<u>40,915,909</u>	<u>40,581,115</u>	<u>40,720,774</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$34,326,400</u>	<u>\$32,758,665</u>	<u>\$32,497,454</u>	<u>\$36,208,568</u>
Legal Debt Margin as a Percentage of the Debt Limit	81.84%	80.06%	80.08%	88.92%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$21,970,774</u>	<u>\$21,432,143</u>	<u>\$21,256,775</u>	<u>\$21,329,929</u>
Total Gross Indebtedness	8,167,216	9,126,808	9,322,455	5,954,616
Less:				
Special Assessment Bonds	0	0	0	0
Honeywell Loan	(137,135)	(311,757)	(477,434)	(634,625)
OPWC Loans	(412,275)	(467,245)	(522,215)	(577,185)
General Obligation Bond Retirement Fund Balance	<u>0</u>	<u>(190,562)</u>	<u>(239,145)</u>	<u>(230,600)</u>
Net Debt Within 5 ½ % Limitations	<u>7,617,806</u>	<u>8,157,244</u>	<u>8,083,661</u>	<u>4,512,206</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$14,352,968</u>	<u>\$13,274,899</u>	<u>\$13,173,114</u>	<u>\$16,817,723</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	65.33%	61.94%	61.97%	78.85%

Source: City Financial Records

2003	2002	2001	2000	1999	1998
<u>\$380,233,074</u>	<u>\$380,464,986</u>	<u>\$375,191,044</u>	<u>\$353,831,748</u>	<u>\$351,018,800</u>	<u>\$349,992,307</u>
\$3,127,806	\$3,417,806	\$3,687,806	\$3,952,806	\$4,207,806	\$3,945,000
85,000	160,000	235,000	305,000	370,000	430,000
2,400,000	0	0	0	0	0
783,764	925,263	1,059,504	1,186,879	1,307,729	1,372,456
632,155	687,125	742,095	797,065	852,035	907,005
<u>7,028,725</u>	<u>5,190,194</u>	<u>5,724,405</u>	<u>6,241,750</u>	<u>6,737,570</u>	<u>6,654,461</u>
0	0	0	0	0	0
(85,000)	(160,000)	(235,000)	(305,000)	(370,000)	(430,000)
(783,764)	(925,263)	(1,059,504)	(1,186,879)	(1,307,729)	(1,372,456)
(632,155)	(687,125)	(742,095)	(797,065)	(852,035)	(907,005)
<u>(296,290)</u>	<u>(352,458)</u>	<u>(435,026)</u>	<u>(478,677)</u>	<u>(24,547)</u>	<u>(21,823)</u>
<u>5,231,516</u>	<u>3,065,348</u>	<u>3,252,780</u>	<u>3,474,129</u>	<u>4,183,259</u>	<u>3,923,177</u>
<u>39,924,473</u>	<u>39,948,824</u>	<u>39,395,060</u>	<u>37,152,334</u>	<u>36,856,974</u>	<u>36,749,192</u>
<u>\$34,692,957</u>	<u>\$36,883,476</u>	<u>\$36,142,280</u>	<u>\$33,678,205</u>	<u>\$32,673,715</u>	<u>\$32,826,015</u>
86.90%	92.33%	91.74%	90.65%	88.65%	89.32%
<u>\$20,912,819</u>	<u>\$20,925,574</u>	<u>\$20,635,507</u>	<u>\$19,460,746</u>	<u>\$19,306,034</u>	<u>\$19,249,577</u>
7,028,725	5,190,194	5,724,405	6,241,750	6,737,570	6,654,461
(85,000)	(160,000)	(235,000)	(305,000)	(370,000)	(430,000)
(783,764)	(925,263)	(1,059,504)	(1,186,879)	(1,307,729)	(1,372,456)
(632,155)	(687,125)	(742,095)	(797,065)	(852,035)	(907,005)
<u>(296,290)</u>	<u>(352,458)</u>	<u>(435,026)</u>	<u>(478,677)</u>	<u>(24,547)</u>	<u>(21,823)</u>
<u>5,231,516</u>	<u>3,065,348</u>	<u>3,252,780</u>	<u>3,474,129</u>	<u>4,183,259</u>	<u>3,923,177</u>
<u>\$15,681,303</u>	<u>\$17,860,226</u>	<u>\$17,382,727</u>	<u>\$15,986,617</u>	<u>\$15,122,775</u>	<u>\$15,326,400</u>
74.98%	85.35%	84.24%	82.15%	78.33%	79.62%

City of Brooklyn, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2007

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Brooklyn
Direct Debt:			
City of Brooklyn			
General Obligation Bonds	\$7,010,057	100.00 %	\$7,010,057
OPWC Loans	412,275	100.00	412,275
Capital Leases	2,823,720	100.00	2,823,720
Police Pension	52,245	100.00	52,245
Honeywell Loan	137,135	100.00	137,135
Long-Term Notes	650,000	100.00	650,000
Landfill	4,605,251	100.00	4,605,251
<i>Total Direct Debt</i>	<u>15,690,683</u>		<u>15,690,683</u>
Overlapping Debt:			
Payable from Property Taxes:			
Cuyahoga County Bonds	188,814,000	1.93	3,644,110
Regional Transit Authority Bonds	149,463,059	1.93	2,884,637
Payable from Other Sources:			
Cuyahoga County Capital Leases	4,268,000	1.93	82,372
Cuyahoga County Loans	7,293,000	1.93	140,755
Regional Transit Authority Loan	4,088,320	1.93	78,905
<i>Total Overlapping Debt</i>	<u>353,926,379</u>		<u>6,830,779</u>
<i>Total Direct and Overlapping Debt</i>	<u>\$369,617,062</u>		<u>\$22,521,462</u>

Source: Cuyahoga County, Ohio; County Auditor

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

City of Brooklyn, Ohio
Principal Employers
Current Year and Nine Years Ago

2007

Employer	Employees	Percentage of Total City Employment
Keybank National Association	2,230	11.38%
American Greetings Corporation	2,230	11.38
Wal-Mart/Sam's Club	850	4.34
Arrow International, Incorporated	690	3.52
AGCM, Inc.	140	0.71
Plain Dealer Publishing Company	540	2.76
USF Holland, Incorporated	190	0.97
City of Brooklyn (1)	385	1.96
Hugo Boss	360	1.84
Brooklyn Board of Education	295	1.50
Total	7,910	40.36%
Total Employment within the City	19,600	

1998

Employer	Employees	Percentage of Total City Employment
American Greetings Corporation	2,928	12.85%
Arrow International, Incorporated	1,310	5.75
Keybank National Association	2,774	12.17
Plain Dealer Publishing Company	570	2.50
Wal-Mart/Sam's Club	1,062	4.66
Cenveo	405	1.78
Eaton Corporation	207	0.91
USF Holland, Incorporated	254	1.11
Mr. Gasket, Incorporated	399	1.75
Brooklyn Board of Education	326	1.43
Total	10,235	30.09%
Total City Employees	22,793	

Source: Number of employees obtained from the W2's
from our Tax Department

(1) Includes seasonal employees

City of Brooklyn, Ohio
Demographic and Economic Statistics
Last Eight Years

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2007	11,586	\$244,777,422	\$21,127	\$46,696	41.8
2006	11,586	244,777,422	21,127	46,696	41.8
2005	11,586	244,777,422	21,127	46,696	41.8
2004	11,586	244,777,422	21,127	46,696	41.8
2003	11,586	244,777,422	21,127	46,696	41.8
2002	11,586	244,777,422	21,127	46,696	41.8
2001	11,586	244,777,422	21,127	46,696	41.8
2000	11,586	244,777,422	21,127	46,696	41.8

(1) Source 2000 U. S. Census

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

(3) Cuyahoga County Planning Commission

(4) Source: Cuyahoga County Auditor

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

Information prior to 2000 is not available.

<u>School Enrollment (2)</u>	<u>Cuyahoga County Unemployment Rate (3)</u>	<u>Average Sales Price of Residential Property (4)</u>	<u>Total Assessed Property Value (4)</u>
1,507	6.1%	\$119,433	\$399,468,624
1,452	5.5	125,194	389,675,321
1,380	6.2	129,631	386,486,810
1,359	6.6	122,369	387,816,893
1,351	6.2	127,680	380,233,074
1,362	6.6	115,034	380,464,986
1,377	4.6	123,143	375,191,044
1,401	4.5	110,600	353,831,748

City of Brooklyn, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Six Years (1)

Function/Program	2007	2006	2005	2004	2003	2002
General Government						
Council	7.00	7.00	7.00	7.00	7.00	7.00
Mayor	1.00	1.00	1.00	1.00	1.00	1.00
Administration	2.00	3.00	3.00	3.00	3.00	3.00
Law	1.50	1.50	1.50	1.50	1.50	1.50
Finance	3.00	3.00	3.00	3.00	3.00	3.00
Tax	3.00	3.00	3.00	3.00	3.00	3.00
Public Building	2.00	2.00	2.00	2.00	2.00	2.00
Public Service	2.00	2.00	2.00	2.00	2.00	2.00
Engineer	1.00	1.00	0.00	0.00	0.00	0.00
Civil Service	3.00	3.00	3.00	3.00	3.00	3.00
Court	2.00	2.00	2.00	2.00	2.00	2.00
Data System	1.00	1.00	0.00	0.00	0.00	0.00
Security of Persons and Property						
Police	32.00	32.00	32.00	32.00	32.00	32.00
Dispatchers	7.00	7.00	7.00	7.00	7.00	7.00
Jailers	1.00	1.00	1.00	1.00	1.00	1.00
Fire	29.00	29.00	29.00	29.00	29.00	29.00
Fire Secretary	1.00	1.00	1.00	1.00	1.00	1.00
Safety Director	1.00	1.00	1.00	1.00	1.00	1.00
Leisure Time Activities						
Recreation	6.00	5.00	5.00	8.00	8.00	8.00
Pool	2.00	3.00	3.00	3.00	3.00	3.00
Senior Service	4.00	4.00	4.00	4.00	4.00	4.00
Community Development						
Building	3.00	3.00	3.00	3.00	3.00	3.00
Transportation						
Recycling	1.00	1.00	1.00	1.00	1.00	1.00
Service	29.00	29.00	29.00	31.00	31.00	31.00
Street Maintenance and Repair	4.00	4.00	4.00	4.00	4.00	4.00
Totals:	<u>148.50</u>	<u>149.50</u>	<u>147.50</u>	<u>152.50</u>	<u>152.50</u>	<u>152.50</u>

Method: Using 1.0 for each full-time employee and 0.50 for each part-time employee. Seasonal employees are not included.

(1) Information prior to 2002 is not available.

City of Brooklyn, Ohio
Operating Indicators by Function/Program
Last Six Years (1)

Function/Program	2007	2006	2005	2004	2003	2002
General Government						
<i>Council and Clerk</i>						
Number of Ordinances Passed	51	71	55	73	77	61
Number of Resolutions Passed	19	19	19	22	20	17
Number of Planning Commission docket items	24	35	22	20	34	33
Zoning Board of Appeals docket items	17	36	22	23	34	33
<i>Finance Department</i>						
Number of checks/ vouchers issued	3,081	3,100	3,044	2,967	3,034	3,167
Amount of checks written	\$10,220,358	\$12,064,205	\$8,473,798	\$8,100,991	\$7,551,707	\$12,784,695
Interest earnings for fiscal year (cash basis)	\$464,337	\$510,298	\$251,240	\$139,729	\$135,353	\$153,207
Number of Receipts issued	949	1,086	1,072	1,154	1,271	n/a
Agency Ratings - Moody's Financial Services	A1	A1	A2	A2	A2	A2
Health Insurance Costs vs General Fund Expenditures %	9.15%	9.08%	8.96%	8.28%	7.42%	7.25%
General Fund Receipts (cash basis in thousands)	\$16,059	\$15,112	\$14,128	\$12,856	\$13,519	\$13,235
General Fund Expenditures (cash basis in thousands)	\$15,064	\$14,817	\$14,063	\$14,092	\$13,287	\$12,690
General Fund Cash Balances (in thousands)	\$2,893	\$2,363	\$1,957	\$1,835	\$2,826	\$2,867
<i>Income Tax Department</i>						
Number of Individual Returns	4,657	4,849	4,779	4,743	4,698	4,702
Number of Business Returns	1,676	1,816	1,811	1,807	1,786	1,792
Number of business withholding accounts	1,048	1,106	1,094	1,111	1,109	1,112
Amount of Refunds Issued	\$176,052	\$257,208	\$231,328	\$207,298	\$196,270	\$539,135
Number of 1099's Issued	411	461	411	481	516	492
<i>Mayor's Court</i>						
Number of Felony Citations	185	153	161	136	206	183
Number of Criminal Citations	645	616	502	547	612	567
Number of Traffic Citations	3,005	3,677	4,044	4,001	4,031	4,744
Number of Juvenile Citations	49	80	70	55	39	76
Number of Parking Citations	1,101	1,994	862	990	1,023	1,070
Total Revenue	\$456,144	\$667,447	\$608,812	\$646,182	\$694,052	\$714,495
<i>Civil Service</i>						
Number of police entry tests administered	1	2	0	1	0	1
Number of fire entry tests administered	0	1	0	1	0	1
Number of police promotional tests administered	0	0	1	0	1	0
Number of fire promotional tests administered	0	2	0	0	0	0
Number of civil service examinations	0	0	2	0	0	0
Number of school tests	0	5	2	1	0	3
Number of Police Officers hired	2	1	0	1	2	4
Number of Fire/Medics hired	1	0	0	0	3	2
Number of promotions in police	2	1	1	0	1	0

(continued)

City of Brooklyn, Ohio
Operating Indicators by Function/Program (continued)
Last Six Years (1)

Function/Program	2007	2006	2005	2004	2003	2002
<i>Building Department Indicators</i>						
New Construction Permits Issued	7	488	556	558	561	544
Estimated Value of Construction	\$9,139,960	\$13,531,809	\$7,296,831	\$6,491,267	\$9,034,092	\$14,852,158
Number of electrical/plumbing/remodeling permits issued	745	1,185	1,175	1,124	1,159	1,107
Amount of Revenue generated from permits	\$75,561	\$118,706	\$68,896	\$97,973	\$106,429	\$190,912
Number of contract registrations issued (A)	483	471	515	488	563	645
Annual Apartment/Rooming House License Fees (B)	\$7,250	\$5,550	\$0	\$0	\$0	\$0
Revenue generated from above (A, B)	\$43,475	\$35,325	\$38,650	\$36,600	\$42,225	\$48,375
<i>Security of Persons and Property</i>						
<i>Police</i>						
Total Calls for Services	29,365	18,228	11,662	12,222	11,859	12,315
Number of traffic citations issued	3,005	3,677	4,044	4,001	4,031	4,744
Number of parking citations issued	1,101	1,994	862	990	1,023	1,070
Number of criminal arrests	873	616	502	547	612	567
Number of accident reports completed	934	584	613	676	602	646
Animal Warden service calls responded to per annual report	n/a	638	444	16	8	6
Police Dept. Auxiliary hours worked	n/a	1,687	2,070	5,662	4,444	4,073
DUI Arrests	n/a	48	66	82	44	29
Prisoners	1,311	1,494	1,354	1,141	1,290	1,422
Motor Vehicle Accidents	934	584	613	676	602	646
Property damage accidents	n/a	454	438	532	468	524
Fatalities from Motor Vehicle Accidents	n/a	1	0	0	1	0
Community Diversion Program Youths	31	34	24	24	25	n/a
Community Diversion Program - community service hours	355	326	260	392	545	n/a
<i>Fire</i>						
EMS Calls	1,486	1,416	1,467	1,474	1,552	1,443
Ambulance Billing Collections (net)	\$150,750	\$118,795	\$133,095	\$141,793	\$163,455	\$157,700
Fire Calls	690	692	778	741	771	797
Fires with Loss	16	20	24	20	22	11
Fires with Losses exceeding \$10,000	5	4	5	5	2	0
Fire Losses \$	\$109,200	\$124,000	\$239,600	\$186,000	\$61,300	\$21,800
Fire Safety Inspections	363	366	340	333	474	382
Number of times Mutual Aid given to Fire and EMS	5	4	3	1	2	3
Number of times Mutual Aid received for Fire and EMS	12	17	6	13	10	4

(continued)

City of Brooklyn, Ohio
Operating Indicators by Function/Program (continued)
Last Six Years (1)

Function/Program	2007	2006	2005	2004	2003	2002
Leisure Time Activities						
<i>Recreation</i>						
Skating Rink Receipts	\$390,057	\$447,500	\$425,022	\$454,410	\$408,530	\$460,705
Recreation Swimming pool receipts	108,027	122,532	121,913	116,161	125,529	137,618
Senior Center Fees	76,562	81,071	80,190	77,036	74,830	72,120
Total Recreation Department receipts	\$574,646	\$651,103	\$627,125	\$647,607	\$608,889	\$670,443
Basic Utility Services						
Refuse disposal per year (in tons) August through July	3,873	4,764	4,890	4,864	4,862	4,193
Refuse disposal costs per year August through July	\$19,365	\$17,903	\$15,252	\$13,376	\$12,366	\$11,530
Percentage of waste recycled	19.00%	15.97%	16.15%	15.15%	15.22%	16.21%
Annual recycling tonnage (excluding leaf and compost items)	934	761	792	737	740	680
Transportation						
Street Improvements - asphalt overlay (linear feet)	6,758	4,000	n/a	n/a	n/a	n/a
Rejuvenating Spray on Streets (Miles)	1.28	0.75	n/a	n/a	n/a	n/a
Crackseal Coating Program (Miles)	n/a	1.30	n/a	n/a	n/a	n/a
Paint Striping (annual cost)	\$51,662	\$44,761	\$35,800	\$38,250	\$37,050	\$36,185
Sewer and Sanitary calls for service	435	463	329	286	343	332
Sewer Crew (hours)	n/a	356	399	203	221	217
Sewer jet, Vac-all, other services (hours)	284.0	82.5	0.0	0.0	0.0	0.0
Number of Trees Planted per year	145	140	150-160	150-160	150-160	150-160
Tons of snow melting salt purchased (Nov-Mar)	3,102	1,826	4,664	2,582	6,161	969
Cost of salt purchased	\$102,273	\$60,199	\$146,678	\$78,617	\$183,276	\$27,568

(1) Information prior to 2002 is not available

City of Brooklyn, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2007	2006	2005	2004	2003
General Government					
City Hall and Police Station (square footage occupied)	38,167	38,167	38,167	38,167	38,167
Historical Museum (square feet)	8,083	8,083	8,083	8,083	8,083
Records Storage - 4476 Ridge Road (square feet)	4,869	4,869	4,869	4,869	4,869
City Service Garage (square feet)	31,280	31,280	31,280	31,280	31,280
City Service Garage - Salt Storage Building (square feet)	3,630	3,630	3,630	3,630	3,630
City Service Garage - Sod Storage (square feet)	525	525	525	525	525
Administrative Vehicles	7	7	7	7	7
Inspection Vehicles	2	2	2	2	2
Police					
Stations	1	1	1	1	1
Vehicles	19	16	16	16	16
Motorcycles	4	4	4	4	4
Fire					
Stations	1	1	1	1	1
Square Footage of Building	24,323	24,323	(a)	(a)	(a)
Vehicles	3	2	2	2	2
Aerial Ladder Truck	1	1	1	1	1
Pumpers	3	3	3	3	3
Ambulances	2	3	3	3	3
Recreation					
Ice Rink and Indoor Pool (Square Footage Occupied)	84,734	84,734	84,734	84,734	84,734
Outdoor Swimming Pool (square feet)	2,494	2,494	2,494	2,494	2,494
Outdoor Wading Pool (square feet)	479	479	479	479	479
Community/Senior Center (square feet)	15,717	15,717	15,717	15,717	15,717
Number of Parks	2	2	2	2	2
Number of Pools	3	3	3	3	3
Number of Ice Rinks	1	1	1	1	1
Number of Tennis Courts	4	4	4	4	4
Number of Skateboarding Areas	1	1	1	1	1
Number of Baseball Diamonds	4	4	4	4	4
Number of Common Areas	2	2	2	2	2
Number of Picnic Pavillions	3	3	3	3	3
Number of Playgrounds	3	3	3	3	3
Number of Playgrounds with Learning Center	1	1	1	1	1
Number of Basketball Courts	2	2	2	2	2
Number of Volleyball Courts	1	1	1	1	1
Number of Bocci Ball Courts	2	2	2	2	2
Number of Horseshoe Pits	2	2	2	2	2
Number of Soccer Fields	1	1	1	1	1
Number of Nature Trails	2	2	2	2	2

(a) Prior to 2006, the one fire station is included with City Hall

2002	2001	2000	1999	1998
38,167	38,167	38,167	38,167	38,167
8,083	8,083	8,083	8,083	8,083
4,869	4,869	4,869	4,869	4,869
31,280	31,280	31,280	31,280	31,280
3,630	3,630	3,630	3,630	3,630
525	525	525	525	525
7	6	5	3	3
2	2	2	2	2
1	1	1	1	1
16	15	15	14	14
4	4	4	4	4
1	1	1	1	1
(a)	(a)	(a)	(a)	(a)
2	2	2	2	2
1	1	1	1	1
3	3	3	3	3
3	3	3	3	3
84,734	84,734	84,734	84,734	84,734
2,494	2,494	2,494	2,494	2,494
479	479	479	479	479
15,717	15,717	15,717	15,717	15,717
2	2	2	2	2
3	3	3	3	3
1	1	1	1	1
4	4	4	4	4
1	1	1	1	1
4	4	4	4	4
2	2	2	2	2
3	3	3	3	3
3	3	3	3	3
1	1	1	1	1
2	2	2	2	2
1	1	1	1	1
2	2	2	2	2
2	2	2	2	2
1	1	1	1	1
2	2	2	2	2

(continued)

City of Brooklyn, Ohio
Capital Assets Statistics by Function/Program (continued)
Last Ten Years

Function/Program	2007	2006	2005	2004	2003
Other Public Works					
Streets (miles)	87.1	87.1	87.1	87.1	87.1
Average age of roadways	45	44	43	42	41
Light Trucks	13	12	12	11	11
Service Department Large Vehicles/Trucks	7	7	7	7	7
Garbage Packers	4	4	4	4	3
Bucket Truck	1	1	1	1	1
Street Sweepers	2	2	1	1	1
Bombadiers - Sidewalk Snow Plows	12	12	12	12	12
Heavy Equipment - Landfill	8	8	8	8	8
Recycle Truck	0	0	0	0	1
Wastewater					
Sanitary Sewers (linear feet)	147,917	147,917	147,917	147,917	147,917
Average age of sanitary sewers	45	44	43	42	41
Storm Sewers (miles)	106,342	106,342	106,342	106,342	106,342
Average age of storm sewers	49	48	47	46	45
Water Department					
Water Lines (linear feet)	174,725	174,725	174,725	174,725	174,725
Average age of water lines	49	48	47	46	45

2002	2001	2000	1999	1998
87.1	87.1	87.1	87.1	87.1
40	39	38	37	36
10	9	8	8	8
7	7	7	7	7
3	3	3	3	3
1	1	1	1	1
1	1	1	0	0
12	12	12	12	12
7	7	7	6	6
1	1	1	1	1
147,917	147,917	147,917	147,917	147,917
40	39	38	37	36
106,342	106,342	106,342	106,342	106,342
44	43	42	41	40
174,725	174,725	174,725	174,725	174,725
44	43	42	41	40

(This Page Intentionally Left Blank)



The City of
Brooklyn • Ohio
FOUNDED 1867

7619 MEMPHIS AVENUE • BROOKLYN, OHIO 44144
216.351.2133 • WWW.BROOKLYNOHIO.GOV

KENNETH E. PATTON, MAYOR



Mary Taylor, CPA
Auditor of State

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 15, 2008**