



Dave Yost • 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

**This page intentionally left blank.**



# Dave Yost • 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 the City of Brooklyn, Cuyahoga County, Ohio (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 23, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of 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 matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 23, 2011.

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

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

**Dave Yost**  
Auditor of State

June 23, 2011

# **CITY OF BROOKLYN, OHIO**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2010**

**City of Brooklyn, Ohio**

*Comprehensive Annual Financial Report*

For The Year Ended December 31, 2010

Prepared by:

Dennis G. Kennedy  
Director of Finance





# **INTRODUCTORY SECTION**

**CITY OF BROOKLYN, OHIO**

**City of Brooklyn, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2010*  
*Table of Contents*

	<i>Page</i>
<b>I. Introductory Section</b>	
Title Page .....	i
Table of Contents .....	ii
Letter of Transmittal .....	v
Organization Chart.....	xi
List of Principal Officials.....	xii
GFOA Certificate of Achievement .....	xiii
 <b>II. Financial Section</b>	
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 Basis) and Actual:	
General Fund .....	22
Police Pension Fund.....	23
Fire Pension Fund.....	24
Statement of Fund Net Assets – Internal Service Fund.....	25
Statement of Revenues, Expenses and Changes in Fund Net Assets - Internal Service Fund .....	26
Statement of Cash Flows - Internal Service Fund.....	27
Statement of Fiduciary Assets and Liabilities - Agency Funds .....	28
Notes to the Basic Financial Statements .....	29

Combining and Individual Fund Statements and Schedules:

Combining Statements - Nonmajor Funds:

Fund Descriptions .....	58
Combining Balance Sheet - Nonmajor Governmental Funds .....	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds .....	61
Combining Balance Sheet - Nonmajor Special Revenue Funds .....	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds .....	66
Combining Balance Sheet – Nonmajor Capital Projects Funds .....	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds .....	71

Combining Statements - Fiduciary Funds:

Fund Descriptions .....	72
Combining Statement of Changes in Assets and Liabilities Agency Funds .....	73

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
C.O.P.S. Fund .....	93
Public Safety Equipment Fund .....	94
Law Enforcement Fund.....	95
Mandatory Drug Law Fund .....	96
Termination Leave Payment Fund.....	97
Underground Storage Tank Fund.....	98
Groeger Trust Fund.....	99

Court Computer Fund .....	100
Juvenile Diversion Fund .....	101
P.O.P.A.S. Fund.....	102
General Obligation Bond Retirement Fund .....	103
Tiedeman Road Fund.....	104
Biddulph Road Fund.....	105
Safety Forces Construction Fund.....	106
I-480/Tiedeman Upgrade Fund.....	107
Retrospective Medical Claims Fund.....	108

### III. Statistical Section

Statistical Section Description .....	S1
Net Assets by Component - Last Eight Years.....	S2
Changes in Net Assets - Last Eight Years .....	S4
Fund Balances, Governmental Funds - Last Ten Years.....	S8
Changes in Fund Balances, Governmental Funds - Last Ten Years.....	S10
Assessed Valuation and Estimated True Values of Taxable Property - Last Ten Years .....	S12
Property Tax Rates – Direct and Overlapping Governments - Last Ten Years .....	S14
Property Tax Levies and Collections - Last Ten Years .....	S16
Principal Real Property Taxpayers – 2010 and 2001.....	S18
Income Tax Revenue Base and Collections – Last Ten Years .....	S19
Ratio of Outstanding Debt to Total Personal Income and Debt per Capita – Last Ten Years.....	S20
Ratio of General Obligation Bonded Debt to Estimated Actual Value and Bonded Debt per Capita – Last Ten Years.....	S22
Legal Debt Margin – Last Ten Years.....	S24
Computation of Direct and Overlapping Governmental Activities Debt.....	S26
Principal Employers – 2010 and 2009 .....	S27
Demographic and Economic Statistics – Last Ten Years .....	S28
Full-Time Equivalent City Government Employees by Function/Program – Last Nine Years.....	S30
Operating Indicators by Function/Program – Last Nine Years.....	S32
Capital Assets Statistics by Function/Program – Last Ten Years.....	S36

**Mayor**  
Richard H. Balbier

**The City of**  
**Brooklyn · Ohio**  
**FOUNDED 1867**

**Council**  
Kathleen M. Pucci  
Colleen Coyne Gallagher  
Joseph A. Magrey  
Antony E. DeMarco  
John D. Patta  
Kevin Tanski  
Thomas C. Murphy

June 23, 2011

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 cities reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of fiscal year-end.

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

State statutes require the City of Brooklyn (the City) to be subjected to an annual examination by the Auditor of State. The Auditor of State's office rendered an opinion on the City's financial statements as of December 31, 2010, and the Independent Accountants' Report on the basic financial statements is included in the financial section of this report.

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

## **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 11,169 residents.

Operating under the Mayor/Council form of government, the citizens of Brooklyn elect a mayor and seven council members who serve at-large. Terms for both the Mayor and Council 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 and financial matters are discussed openly at formal Finance Committee meetings held prior to every regularly scheduled meeting of Council. 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 have the ability to sign up to have their driveways plowed during the winter and are also eligible for a homebound meal delivery program; the City charges only a nominal fee for these services. The City offers a full-service recreational center that houses a functional ice rink and both indoor and outdoor swimming facilities.

City Council is required to adopt a temporary budget for the next year by no later than the close of the current year and a permanent budget prior to March 31. 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 major object code (e.g., Wages and Benefits and Other). The budget is then passed at the department and major object code level for the general fund and at the major object code level for all other funds. The Finance Director authorizes requests of department heads to move resources among the object codes of their respective department based on changing needs during the year. 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 has improved significantly in 2010 and continues to remain strong through the post-recession economic environment. The City has repositioned itself from the late 1970's and early 1980's when it had major industrial manufacturers such as Lampson and Sessions and Terex to a much more diversified business base today. In addition to the three main businesses (Keybank, American Greetings, and Arrow International, Incorporated) 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 and Wild Ginger). Brooklyn Corporate Center, a major medical building, manufacturing such as Ferrous Metals, Superior Products, and others; and trucking such as USF Holland, BTT and numerous small trucking companies. Businesses along the Brookpark Road corridor include Best Buy, Super Kmart, Golden Corral, Staples, Wal-Mart, Sam's Club, Home Depot, IHOP 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. Brooklyn's location is ideal as it provides immediate access to Hopkins International Airport and is just minutes away from downtown Cleveland. The maintenance of our commercial properties and housing stock is key to holding our property values and the overall low property tax rates enjoyed by property owners in Brooklyn has made the City an attractive location to maintain homes and businesses.

Brooklyn has a much larger business base than most communities. Property taxes in Brooklyn are split with 44.83 percent from residential properties, 50.07 percent from commercial properties and 5.10 percent from other sources. Because of the large business base for property taxes, Brooklyn has an assessed valuation per capita of \$29,437. In 2010, revenue from resident income tax collections accounted for roughly \$760,000 of the total income tax for the City, or just under five percent of total

collections. Net profits from business generate about 5.24 percent. The bulk of the income taxes paid, 89.96 percent, are paid by employees of the businesses located in the City through withholding taxes collected by the Regional Income Tax Agency (RITA).

In 2010, the City began to see the impact of the increase in the municipal income tax approved by Brooklyn voters which became effective June 1, 2009. Total tax collections in 2010 increased by approximately 26.15 percent over amounts recorded in 2009. Total municipal income tax collections in 2010 were the highest ever in the history of the City at \$15.9 million. Healthier collections in 2010 were representative of both the impact of the 0.5 percent rate increase and the improving economy as the City businesses and residents recovered from the effects of the recession that plagued the global economy in 2007-2008.

Withholding collections in 2010 grew by 24.14 percent as compared to 2009 to a level of \$14.27 million. Net profit collections processed by RITA increased by nearly 39 percent from 2009 amounts and produced over \$831,000 in tax revenue. Individual collections have increased remarkably since the conversion to RITA tax administration. In 2010, total individual tax payments exceeded \$761,000, a 58.36 percent increase over the prior period.

Income tax collections currently account for approximately 69 percent of the revenue for the City and are by far the major source of income. Intergovernmental revenues are second largest and real estate property taxes are third.

A Chamber of Commerce was inaugurated in Brooklyn in 2002. Council and the Mayor understand that the bulk of the taxes paid in Brooklyn come from our businesses. Collectively, Council and the Administration also instituted the establishment of a Master Plan for the City. Development of the plan began in 2004 and was completed in early 2006. The Master Plan was reviewed and approved by both the Planning Commission and City Council.

The addition of an Economic Development Director to the City's staff in 2007 is evidence of the commitment of City officials to continue aggressive pursuit of new business partners in Brooklyn. The City has been successful in initiating several projects directed towards economic development. A major program was culminated in 2010 that will lead to the creation of a new public roadway at the western border of the City that will benefit two of the major businesses in the City as well as a significant County administrative office. The collaborative effort will cost over \$700,000, with funding being provided by the principals involved and a reimbursable grant from the State of Ohio. No City funds will be expended on the project.

Beginning in 2009, the City initiated an austerity program geared towards reducing overall payroll (and associated fringe benefit) expenses. Through a series of layoffs, furlough days, an early retirement incentive plan and a dedicated plan to not replace vacancies, the City was able to substantially reduce its expenses related to personal services. In addition, grants received by the Police Department helped ease the strain on the general fund by providing funding for five law enforcement positions in 2010.

## **LONG-TERM FINANCIAL PLANNING**

Unreserved, undesignated fund balance in the general fund (36.67 percent of total general fund revenues) exceeds the level targeted in policy guidelines set by the Council for budgetary and planning purposes (between 5 and 15 percent of total general fund revenues). The Brooklyn City Council has established an informal benchmark of 16 percent, approximately 60 days operating funds. Over the past seven fiscal years, the City has had balances ranging between 11 and 21 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 seven years. The 2010 year-end general fund balance was \$10.62 million dollars.



The fire station has a one 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. Currently, the City has accumulated more than \$3.95 million as restricted cash in the general fund for the landfill as of the end of 2010 for the closure and post closure costs and is currently in discussions with the Ohio Environmental Protection Agency (EPA) about the capacity and closure of the landfill. In 2010, the landfill was not used due to engineering issues related to the EPA permit for the location. The City contracted with the City of Cleveland to use their waste disposal facilities in the interim.

The City has a very favorable debt profile and amortizes debt quickly; over 75 percent of outstanding debt is paid back within ten years. The City incurred no new debt in 2010 with the exception of its May 2010 note issue which was a re-finance (with decreased principal) of the previous year's issue. The City's very favorable debt profile is also maintained concurrent with one of the lowest property tax rates in Cuyahoga County.

As was the case for most communities in 2010, commercial development and expansion in Brooklyn was limited to some minor growth but, more importantly, the erosion of the business tax base was stabilized during the year.

In 2009, the City was notified by its largest taxpayer, American Greetings, that the company was exploring a variety of options relative to its possible relocation outside the City. Prior to the completion of this report, American Greetings formally notified the City of its intention to move its headquarters to Westlake, Ohio. The move is projected to be completed over a three year time frame, with the company requesting the assistance of the City to develop the property after the move in an effort to replace the economic loss that will occur subsequent to the departure of American Greetings.

## **MAJOR INITIATIVES**

The City continued in 2010 its austerity plan designed to lower the level of overall expenses and build cash reserves to fund commitments to future project expenses. Over the course of the next several years, the City will be involved in major road projects involving the major transportation arteries of the City: Tiedeman, Memphis and Ridge roads. A concerted effort geared towards limiting capital expenses to emergency necessity items will provide substantial cash reserves to deal with the City's portion of the cost of these roadway improvements.

The benefit of the tax increase approved by voters in June 2009 has helped the financial condition of the City immensely since its adoption. In conjunction with more controlled management of its payroll and benefit expenses, fund balances for the City have shown remarkable levels of improvement since 2009. The City had begun an accumulation of resources that was designed to provide a base for offering financial incentives to retain American Greetings in Brooklyn. Now that the company has indicated its decision to relocate to Westlake, those resources will be used to replace future tax revenue that will be lost subsequent to the move.

In preparation for possible future negative impact associated with the departure of American Greetings or a change in the overall economic conditions, in 2010 City Council approved the creation of a Budget Stabilization Fund within general fund that will be used as a reserve for emergency funds. Transfers into this fund began in 2011 and the uses provided for by Council are limited to emergency provisions in order to protect the integrity and purpose of the fund. It is expected that, at least for the immediate future, By Ordinance, the City will be in position to continue to increase the level of funding in the Budget Stabilization Fund within the general fund incrementally in an effort to provide resources in the post-American Greetings period.

The global economic meltdown that began in late 2007 peaked in 2009 in its impact on the City of Brooklyn. Major businesses in the City were forced to implement workforce reductions that caused a decrease in withholding taxes, the primary source of the City's general fund revenue. During 2010, City tax revenues provided evidence that the local, state and national economies had stabilized to the point where private and individual payroll levels returned to pre-recession levels.



From a management and administrative perspective, the City pursued a number of strategies aimed at increasing revenue and lowering expenses to avoid a deficit fund balance at the end of 2009. Various groups of employees were required to take unpaid furloughs during 2009 to reduce payroll costs. Layoffs – a concept perhaps never before contemplated for the City of Brooklyn – were conducted in early fall and throughout the balance of 2009 to accelerate the savings prior to December 31. These initiatives were continued throughout 2010 as well as implementation of an early retirement incentive plan that allowed for the reduction of five employees in the City Service Department with limited replacement.

In 2010, the City sought to settle and renegotiate all of its open collective bargaining agreements with City personnel. As of the date of this report, all agreements with the exception of the firefighters union have been agreed to and approved by City Council. Wage rates for these approved agreements will continue at levels in effect in 2008 with additional concessions realized in the form of reduced healthcare expense and deferrals of various financial components of the new contracts. Continuation of wage freezes is vital to the City's plan to accumulate resources to provide funding for capital projects and to offset any potential future revenue loss associated with the relocation of American Greetings.

A joint healthcare review committee was initiated in 2010 that included members of all collective bargaining groups as well as representatives of the administrative staff. Successful acceptance of changes to the employee medical insurance plans allowed for a reduction in the gross expense realized for these services effective December 2010.

The City has implemented programs designed to lower its liabilities with respect to property and casualty insurance and workers' compensation expenses. Creation of a special fund to manage the retrospective rating costs associated with workers' compensation was pursued. Funding for this program comes from an allocation of income tax proceeds. Reductions in the total workers' compensation expense have been realized in the last several years and the City anticipates its lowest costs ever in 2011.

Similarly, the City created a termination leave fund that was established to deal with separation payments of employees outside the general fund. This fund is also supplied with revenue from income tax proceeds and will be used to provide resources for anticipated termination payment liabilities as well as an accumulation of resources to manage the extra pay period that will occur in 2015.

On the revenue side, programs administered by the City were evaluated to determine if rate increases were feasible and, in some cases, entire programs were stopped or eliminated. Part-time help, normally a large support group for the City's senior and recreational programs, were drastically reduced in number, which caused resultant cutbacks in service offerings such as senior grass cutting, pool operations and garbage pulling.

Property tax proceeds were realized in 2010 in amounts consistent with original projections. Increased revenue from municipal income taxes as well as the successful use of federal grant monies associated with the police department allowed fund balances to expand significantly during 2010.

To counteract some of the impact of stagnating revenues and increasing expenses, the police department successfully obtained a number of grants for equipment, supplies, and personnel, the majority of which began in late 2009. Council approved the movement of monies to the federal grants and COPS funds to support expenses incurred for the continuation of salaries of two patrolmen, two dispatchers and one jailer in addition to \$100,000 of equipment upgrades. Use of these funds in 2010 provided some relief to the City's general fund and assisted immensely in the ability to grow the unreserved general fund balance by year end.

With respect to the City's low level of debt and in conjunction with favorable interest rates, the City issued a series of notes in May 2010 to support repayment of capital project and equipment needs originally financed in May 2009. Financing a strong portion of its 2009 capital program allowed for allocation of a larger percentage of income tax revenue to the general fund in 2009, thereby minimizing the impact on daily operations of the recent economic slowdown.

The City paid down a portion of the May 2009 notes through operational revenue and refinanced the remaining balance with the 2010 issue. As evidence of the positive impact of prudent financial management of City resources and programs, the year end 2010 fund balances grew in total by over \$5.3 million.

The City hired an economic development director in 2007 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. This function will grow in importance as the City attempts to strategically assist the County, State and representatives of American Greetings in efforts to develop the property that will be vacated by the company in 2014.

#### **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, 2009. This was the twenty first 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.

The publication of this CAFR significantly increases the accountability of the City of Brooklyn 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,

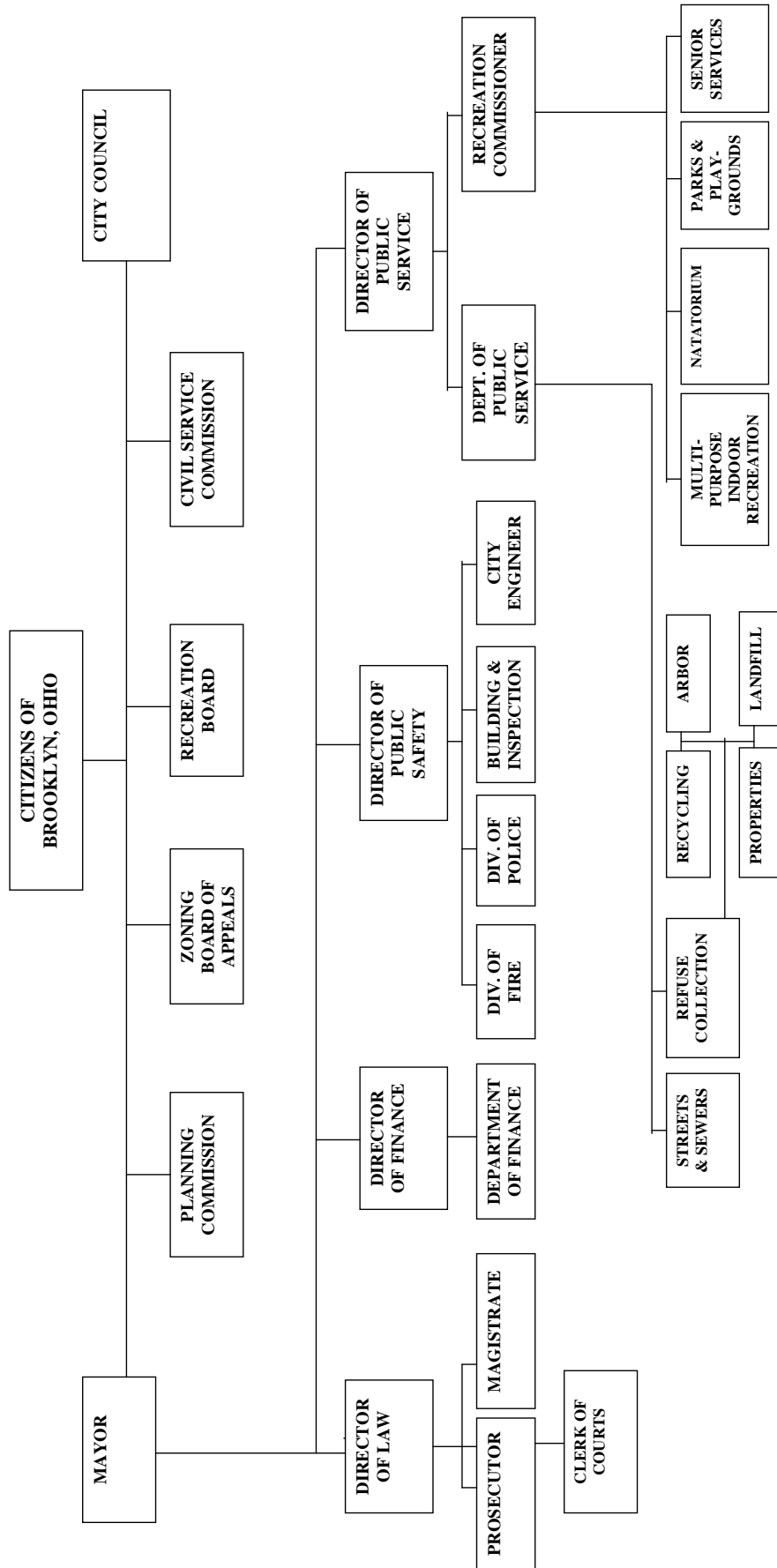


Richard H. Balbier  
Mayor



Dennis G. Kennedy, CPA  
Director of Finance

# CITY OF BROOKLYN, OHIO ORGANIZATION CHART



# CITY OF BROOKLYN, OHIO

## Principal Officials

Mayor

Richard H. Balbier

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

Kathleen M. Pucci  
Colleen B. Coyne-Gallagher  
Joseph A. Magrey  
Antony E. DeMarco  
John D. Patta  
Kevin Tanski  
Thomas C. Murphy

Director of Law  
Magistrate  
Prosecutor  
Director of Public Safety  
Director of Public Service  
Director of Finance  
Chief Building Official  
Police Chief  
Fire Chief

Scott Claussen  
Ronald Balbier  
Hillary Goldberg  
Edward Chessar  
Jerry Brown  
Dennis G. Kennedy  
Thomas J. Ockington  
Mark Tenaglia  
Joseph Zemek

# 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, 2009

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



President

Executive Director

(This page is intentionally left blank)



# ***FINANCIAL SECTION***

***CITY OF BROOKLYN, OHIO***



**This Page is Intentionally Left Blank.**





# Dave Yost • 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, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City'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, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, Police Pension Fund and the Fire Pension Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2011, 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.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements and individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. 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 section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

**Dave Yost**  
Auditor of State

June 23, 2011

**City of Brooklyn, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*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, 2010. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for 2010 are:

- As of June 1, 2009, Brooklyn voters approved a half percent increase to the City's income tax rate (from two percent to two and a half percent) with retention of 100 percent resident credit. In conjunction with this change, City Council reduced the property tax millage by one mill, which impacted property tax collections remitted in 2010.
- The City implemented a series of cost cutting or cost containment measures to keep expenses from exceeding revenues. These measures included layoffs, furloughs, reducing overtime and no wage increase from levels in effect since 2008.
- By City Ordinance, the allocation of income tax revenues to the City's funds was adjusted several times during 2010. Effective October 2010, the general fund allocation decreased from 92 percent to 88 percent of income tax revenue. Use of additional income tax proceeds early in the year combined with effective capital financing measures allowed the City to weather the economic storm associated with the recession and helped accumulate sufficient funds in general fund to support City's services.

**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 2010?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the

**City of Brooklyn, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*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.

### ***Proprietary Fund***

The City's only proprietary fund is an internal service fund which accounts for the payments, administrative costs and reserves of the State's retrospective rating workers' compensation plan.

**City of Brooklyn, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*Unaudited*

***Fiduciary Funds***

The City has only one type of fiduciary fund, agency funds. 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. The agency funds are not reflected on the government-wide statements because the resources from those funds are not available to support the City's programs.

**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 2010 compared to 2009.

**Table 1**  
**Net Assets**

	Governmental Activities		Change
	2010	2009	
<b>Assets</b>			
Current and Other Assets	\$19,005,161	\$14,106,037	\$4,899,124
Capital Assets, Net	30,250,051	31,690,419	(1,440,368)
<i>Total Assets</i>	<u>49,255,212</u>	<u>45,796,456</u>	<u>3,458,756</u>
<b>Liabilities</b>			
Current and Other Liabilities	3,164,122	4,116,585	(952,463)
Long-Term Liabilities			
Due Within One Year	919,705	978,574	(58,869)
Due in More Than One Year	16,855,965	18,153,675	(1,297,710)
<i>Total Liabilities</i>	<u>20,939,792</u>	<u>23,248,834</u>	<u>(2,309,042)</u>
<b>Net Assets</b>			
Invested in Capital Assets,			
Net of Related Debt	21,125,879	21,616,798	(490,919)
Restricted:			
Capital Projects	2,666,804	2,146,491	520,313
Street Construction, Maintenance and Repair	415,740	346,999	68,741
State Highway	195,863	166,341	29,522
Court Computer	49,752	30,078	19,674
Police Programs	532,946	425,525	107,421
Other Purposes	233,034	246,223	(13,189)
Unrestricted (Deficit)	3,095,402	(2,430,833)	5,526,235
<i>Total Net Assets</i>	<u>\$28,315,420</u>	<u>\$22,547,622</u>	<u>\$5,767,798</u>

Total assets increased as a result of an increase in cash on hand and income tax receivable. The increase in cash is primarily associated with the growth in income tax collections the City experienced in 2010 as a result of the higher tax rate instituted in 2009 and the stabilization of the local economy. Additionally, fiscal restraints related to operational purchases, capital equipment replenishment and labor expenses contributed to

**City of Brooklyn, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*Unaudited*

lower levels of expense in 2010. Relative to tax collections, City businesses experienced fewer retractions in 2010 and individual and net profit collections expanded from 2009 levels.

Total liabilities decreased due to the continued reduction of bond obligations and payments applied to the May 2009 note issue that was refinanced in a lower amount in May 2010. No new major projects were implemented or initiated in 2010 that required the dedication of additional debt.

Table 2 shows the changes in net assets for the year ended December 31, 2010. Comparisons between the last two years are shown below:

**Table 2**  
**Changes in Net Assets**

	Governmental Activities		Change
	2010	2009	
<b>Revenues:</b>			
Program Revenues:			
Charges for Services	\$1,838,505	\$1,830,912	\$7,593
Operating Grants and Contributions	1,482,557	1,156,949	325,608
Capital Grants and Contributions	518,592	25,503	493,089
Total Program Revenues	<u>3,839,654</u>	<u>3,013,364</u>	<u>826,290</u>
General Revenues:			
Property Taxes	1,723,692	2,506,424	(782,732)
Municipal Income Taxes	15,865,212	12,576,250	3,288,962
Local Taxes	268,085	266,960	1,125
Grants and Entitlements	1,115,478	1,115,311	167
Investment Earnings	47,982	99,672	(51,690)
Gain on Sale of Capital Assets	0	17,990	(17,990)
Other	67,456	80,245	(12,789)
Total General Revenues	<u>19,087,905</u>	<u>16,662,852</u>	<u>2,425,053</u>
Total Revenues	<u>22,927,559</u>	<u>19,676,216</u>	<u>3,251,343</u>
<b>Program Expenses</b>			
General Government	2,619,663	2,416,591	(203,072)
Security of Persons and Property	8,466,060	8,821,940	355,880
Transportation	224,314	972,791	748,477
Community Environment	959,325	4,430,941	3,471,616
Basic Utility Services	2,332,882	2,583,382	250,500
Leisure Time Activities	2,159,394	2,513,099	353,705
Interest and Fiscal Charges	398,123	439,959	41,836
Total Program Expenses	<u>17,159,761</u>	<u>22,178,703</u>	<u>5,018,942</u>
Change in Net Assets	5,767,798	(2,502,487)	8,270,285
Net Assets Beginning of Year	<u>22,547,622</u>	<u>25,050,109</u>	<u>(2,502,487)</u>
Net Assets End of Year	<u>\$28,315,420</u>	<u>\$22,547,622</u>	<u>\$5,767,798</u>

**City of Brooklyn, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*Unaudited*

---

Total revenues increased by \$3,251,343 due to a significant jump in income tax revenues as 2010 had the benefit of a full year of income tax collection based on the two and half percent rate. Income tax revenues account for 69.20 percent of the City's revenue. Income tax revenue expanded on a full accrual basis during the year, primarily as a result of the June 1, 2009 increase in the tax rate approved by Brooklyn voters from 2 percent to 2.5 percent. Higher expectations for income tax revenue associated with the incremental revenue received as a result of the 0.5 percent tax rate increase were partially offset by the lack of growth in total payroll expense of City businesses against which the rate was applied. On a full accrual basis, the actual level of income tax receivable at year end produced the expansion of total income tax revenue recorded by the City. In 2008, the City used an extremely conservative approach to estimating the receivable, as economic conditions were more volatile during that period and a large uncertainty existed with respect to the level and rate of recovery that could be expected or otherwise predicted. At the end of 2009, the economic conditions had stabilized to some degree. Capital grants increased due to grants and the one-time monies the City received from private sources related to the improvements associated with the Memphis Industrial Parkway project. Grants and Entitlements were consistent with last year's levels. Charges for Services increased slightly due to receipts in the areas of building permits, the recreation center and ambulance billings. That level of growth was not sustained after the initial wave of delinquent accounts were settled. Interest income decreased significantly, due to the steep decline in interest rates that occurred during 2009 and continued throughout 2010.

Expenses decreased by \$5,018,942. This significant decrease in expenses was mainly in community environment expenses line. In 2009, the City was notified by the Ohio Environmental Protection Agency that the landfill had much less capacity than previously estimated; therefore, the landfill estimate increased significantly causing a large increase in landfill related expenses during 2009. During 2010, community environment expenses decreased by \$3,471,616 due to landfill not being used as the City is still in discussion with the Ohio Environmental Protection Agency regarding the capacity and potential closure of the landfill. General Government expense increased over 2009 due to two factors. One was an increase in the income tax expense, associated with RITA retaining three percent of income tax receipts during the year for their operating expenses. The second factor impacting general government is an increase in termination payments executed to employees with substantial service time who elected to retire or were induced to do so in 2010. All other expense categories decreased in 2010 due to cost cutting measures by the City.

**GOVERNMENTAL ACTIVITIES**

The main revenue source for the City's governmental activities is income tax. The City has an income tax rate of two and half 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.

The City has historically placed a strong focus on economic development programs in an effort to maintain and expand the business 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. During 2010, the City continued to feel the economic impact of the recession as businesses in Brooklyn were faced with a myriad of financial challenges. In 2010 the City was faced with the possibility of the relocation of their largest employer and income tax payer, American Greetings Corporation. With the increase in the City's income tax rate, the company considered moving its operations to another community. The City administration was notified in May 2011 that the company has elected to relocate to Westlake, Ohio. The City has created a budget stabilization fund to provide resources for emergency purposes that may become necessary subsequent to the departure of American Greetings.

**City of Brooklyn, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*Unaudited*

---

Traditionally, the City has dedicated a significant portion of its tax collections to projects and programs that sustain or improve the infrastructure of the City for the benefit and advancement of residents and businesses. By City ordinance, effective October 1, 2010, 88 percent of the income tax proceeds were credited to the general fund, 8.0 percent of the income tax proceeds were credited to the capital improvements capital projects fund, 2.0 percent of the income tax proceeds were credited to the termination leave payment special revenue fund and 2.0 percent of the income tax proceeds were credited to the retrospective medical claims internal service fund. The urgency of the financial situation in 2009 required a greater portion of tax monies to be allocated and directed to operational activities; capital needs were funded with issuance of notes. Previously, 92 percent was distributed to operating needs in the general fund and 6.3 percent was distributed to the capital improvements capital projects fund. The City anticipates that it will gradually dedicate additional income tax proceeds to its capital needs as the general fund balance has improved to the point where it shall be sufficient for the next several years.

General revenues from property taxes and local government funds are also significant revenue generators. Brooklyn's charter authorizes up to 12 mills of property taxes. Only 5.4 mills of that original charter amount had been levied through 2004. With 12 mills authorized, the City had 6.6 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 6.6 mills to pay for the construction of a new fire station and additional funding for police and firemen's pensions. In 2009, the City reduced the levied property tax by 1 mill, in conjunction with the increase in income tax, as a result property taxes decreased by \$782,732 during 2010.

Charges for services are the third significant revenue contributor. The City's Recreation Center, housing its natatorium and ice rink, controlled costs in 2009 by reducing programs offered. This in turn, reduced revenues received as well but improved overall efficiency. The City contracted with Great Lakes Billing Associates in July 2008, which allowed the City to receive more timely revenues from the ambulance services. Many delinquent amounts owed for ambulance services were recovered in 2008. In 2009, subsequent to the collection of the majority of delinquent accounts, ambulance revenue returned to levels in line with what had been historically recorded.

The general government account comprises costs for the Mayor's office, City Council, law, finance and lands and buildings. Lands and buildings pays for gas, electric, phone service and water and sewer for all municipal operations. Through 2008, the City administered collection of income taxes due through in-house personnel. Effective January 1, 2009, the City entered into an agreement with the Regional Income Tax Agency to administer collection of City taxes. This agreement will eventually reduce the costs of the income tax department, although an increase was seen in 2009 as the department transitioned and the use of RITA was implemented. The additional revenue collected by RITA, particularly with respect to individual accounts, has proven to justify the transition to outsourcing of the tax administration function.

Security of persons and property was the largest single area of expenses as it has been historically. The program 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. 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. The advisory vote also approved 1.0 mills of property tax to fund the new fire station.

Transportation includes the costs of maintaining and repairing the City's streets. Maintenance of streets on a regular basis can help delay the need for major street improvement projects in the future.



**City of Brooklyn, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*Unaudited*

---

Basic utility services include trash collection, snow removal and recycling. The City has long prided itself on the level of services provided to residents. The recent fiscal challenges, however, has forced the City to temporarily compromise some of the past services offered to accommodate staff reductions that impact the logistics of maintaining prior levels. Snow removal includes all sidewalks in the City.

Leisure time activities include the operation of the City's 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. Leisure time activities expense reduction in 2010 was associated with closing of the indoor pool for first 5 months of 2010. Expenses for 2010 were monitored and consistently evaluated as staffing reductions were implemented (due to pool closing) and reductions in wages because of layoffs, and furloughs.

The decrease in the four expense categories addressed above is due to furloughs, layoffs, no wage increase for employees in 2010, and a sharp decline in overtime. Furloughs for administrative and clerical employees equated to a ten percent cut in pay. Positions were reduced through attrition and layoffs. Employees received no wage increase, as negotiated agreements with the various unions expired on December 31, 2008. As of the date of this report, all collective bargaining agreements (with the exception of the firefighters' contract) have been renegotiated with wage freezes maintained at 2008 levels. Reduced health insurance costs became effective in December 2010 and the City continues to enjoy reductions in the level of expense associated with workers' compensation. Overtime management was made a priority by the Administration and the City has continued to realize reductions in this area.

The City runs the only municipal landfill still in existence in Cuyahoga County. Thus, expenses in the community environment program are usually higher to pay for various testing and monitoring programs associated with a landfill. However, in 2010, community environment expenses decreased by \$3,471,616 compared to 2009. The decrease was associated with landfill being closed during 2010. In 2009, the Ohio EPA notified the City that the landfill was near or at maximum capacity. The estimate of closure and post-closure costs was updated to account for this and expenses increased significantly due to the change in estimate and the uncertainty of future landfill operations. The City is currently in discussions with the Ohio EPA to finalize future proceedings with the landfill once all regulatory appeals have been completed.

### **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 \$22,460,903 and expenditures of \$16,951,578. Income tax is the City's largest revenue source. Income tax accounted for about 68.47 percent of the total revenue for the year. Income tax collections increased by 25.56 percent, or \$3,130,880 from 2009.

The largest fund for the City is the general fund. The year-end fund balance for the general fund was 10,619,415. This is an increase of \$4,779,618 from the previous year. Expenditures were managed prudently

**City of Brooklyn, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*Unaudited*

---

and ended the year approximately \$703,000 under budget. Revenues exceeded expenditures by \$5,494,784. 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 when the landfill has reached capacity. Currently, the City is in discussions with the Ohio EPA about the capacity and closure of the landfill. This will be an issue that could impact the City's finances for many years to come. The total set aside for this purpose is \$3,954,812. The unreserved balance for the general fund is \$6,530,275.

The capital improvements fund has been maintained with a healthy balance, consistent with the historical direction outlined by Council and the Administration. In an effort to adequately provide for capital expenses associated with a natural disaster or other unforeseen emergency, the City carries a substantial unreserved fund balance with respect to the capital improvement fund from year-to-year. The fund balance in capital improvements fund at the end of 2009 was \$2,068,137. The balance increased by \$471,029 to \$2,539,166 in 2010 due to the City issuing notes for several street resurfacing projects, as well as to finance the purchase of vehicles and equipment, instead of spending down fund balance reserves during 2010. In 2010, the capital improvements fund continued to receive 6.3 percent of total taxes generated through September 2010 and 8.0 percent of total taxes generated during October through December, 2010.

For all funds, the end of year balances increased for the year by \$5,305,668. Total fund balances increased from \$8,735,611 to \$14,041,279. The City has a fund balance of \$10,086,467 without the reserve for landfill closure and post-closure care. That total is 59.50 percent of the total expenditures for 2010. 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 revenue and expense reports and budgetary analysis statements throughout the year. 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 \$14,617,050, and \$16,232,900, respectively. Actual revenues of \$17,377,819 were \$1,144,919 higher than the final projections. This variance is due to increases in all revenue categories, majority of which, is attributed to an increase in tax revenue collections in 2010 and State and federal grants received as the City had the matching funds to be able to accept grants.

During 2010, the City amended its general fund budget throughout the year. The original budgeted expenditures were at \$13,810,526 and final budgeted expenditures were at \$14,127,776 for the year. Actual expenditures for 2010 were \$13,424,967 on a budgetary basis. Expenditures were \$702,809 less than the final budget and reflect lower than budgeted expenditures across every department in the general fund. The actual outcomes were in agreement with the financial updates supplied to City Council throughout the year and were representative of proactive management and legislative action to control and reduce costs wherever practicable during 2010.

**City of Brooklyn, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*Unaudited*

**Capital Assets and Debt Administration**

*Capital Assets*

At December 31, 2010, capital asset balances were as follows:

**Table 3**  
 Capital Assets  
 (Net of Depreciation)

	Governmental	
	2010	2009
Land	\$2,887,821	\$2,887,821
Construction In Progress	62,391	11,519
Buildings	11,450,546	11,864,896
Improvements	5,986,428	6,558,963
Machinery and Equipment	1,465,020	1,712,860
Vehicles	1,856,984	2,069,764
Infrastructure:		
Roads and Sidewalks	4,974,717	4,815,659
Sanitary Sewers	518,198	563,861
Storm Sewers	485,793	528,094
Water Lines	296,235	337,723
Traffic Signals	265,918	339,259
Total	\$30,250,051	\$31,690,419

The City takes care to maintain its equipment and infrastructure. In 2010, 6.3 percent of City income taxes were distributed to the capital improvements fund on September 18, 2010. After September 2010, 8.0 percent of City income taxes were distributed to the capital improvements fund to maintain City equipment and infrastructure. For 2010, this meant that \$859,341 of the income tax revenue went to the capital improvements fund. Total net capital assets decreased for the year due to annual depreciation outpacing the additions to capital assets during the year. See Note 8 of the basic financial statements for additional information on capital assets.

**City of Brooklyn, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*Unaudited*

**Debt**

Table 4 summarizes the bonds, notes, loans, capital leases, and police and fire pension liability outstanding.

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

	Governmental	
	2010	2009
General Obligation Bonds	\$5,369,218	\$5,942,831
OPWC Loan	274,850	329,820
Police and Fire Pension	49,012	50,135
Bond Anticipation Notes	1,815,000	1,920,000
Capital Leases	2,020,079	2,258,699
Totals	\$9,528,159	\$10,501,485

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 \$767,806 outstanding on the bonds. The Ohio Public Works Commission is a no interest loan for improvements at the Sanitary Landfill issued in 1992 for \$1,099,400. Payments are \$27,485 semi-annually. The loan will be paid in full in 2015.

The City has previously executed and completed 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 variable rates of 3.50-5.00 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 Notes 15 and 16 of the basic financial statements for additional information on debt.

The City also has eight bond anticipation notes. The City has chosen to keep them in notes and pay them off as if they were bonds. The first is for Street and Sidewalk improvements. This note was for \$50,000 and was reissued at \$25,000. The second note is for the improvements needed to establish Marquardt Park. This note was for \$370,000 and was reissued at \$340,000. The note for improvements to Biddulph Road was \$155,000 and was reissued for \$140,000. During 2010, the City also reissued four new notes, as follows: City Street Acquisition note was for \$465,000 and was reissued at \$453,000, Communication Equipment Acquisition note was for \$253,000 and was reissued at \$246,500, Road Servicing Vehicle Acquisition note was for

**City of Brooklyn, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*Unaudited*

---

\$302,000 and reissued at \$294,000, Police Department Motor Vehicle Acquisition Note was for \$90,000 and reissued at \$87,500 and Technical Rescue Vehicle Acquisition note was for \$235,000 and was reissued at \$229,000. The outstanding balance for all notes at the end of 2009 was \$1,920,000 and at the end of 2010 was \$1,815,000.

**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. The general fund balance increased from \$5,839,797 to \$10,619,415. Overall fund balances increased from \$8,735,611 to \$14,041,279. As of the end of 2010, the City has a balance in the General Fund that is 86.24 percent of annual expenditures. The unreserved balance is 53.03 percent of expenditures. A third factor was the ability to raise more revenue if needed. The City has 12 mills of charter property tax millage with only 5.9 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 2010, \$2,694,056 in long term debt was retired. Overall, the City was in a formidable financial position at the end of 2010 and had survived the initial shock wave that accompanied the economic recession that arrived during the year. Over the long-term, the financial strength of the City has matured steadily which allowed for accommodation of changes in programs and planning necessitated by the economic slowdown in 2008.

Budget execution in 2010 was conducted efficiently and effectively. The administration assembled and City Council approved a general fund balanced budget. Original and final budgeted revenue were \$14.617 million and \$16.233 million, respectively. Actual revenue was \$17.378 million. Original and final revenue projections were 99.90 percent accurate. Original and final appropriations were \$13.811 million and \$14.128 million, respectively. Final budgeted expenditures exceeded original budgeted expenditures by \$317,250. Actual expenditures were \$13.425 million. Expenditures were \$702,809 under appropriations, a difference of about 5.2 percent.

Income tax revenues increased during 2010 on an accrual basis, due to the fluctuations in the receivable estimates over the past several years impacting the GAAP financial statements. On a cash basis collections actually increased as compared to 2009. 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 decline. As previously discussed, there is no current expectation that proceeds from income taxes will grow at traditional levels and the City is committed to an austerity program that will allow for financial survival.

In 2010, 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 twenty one consecutive years.

**City of Brooklyn, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*Unaudited*

---

**Contacting the City's Finance Department**

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

***BASIC FINANCIAL STATEMENTS***

**City of Brooklyn, Ohio**

*Statement of Net Assets*

*December 31, 2010*

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$8,274,385
Cash and Cash Equivalents:	
In Segregated Accounts	1,206,377
With a Trustee	2,831,874
Materials and Supplies Inventory	126,319
Accrued Interest Receivable	5,388
Accounts Receivable	86,617
Intergovernmental Receivable	1,101,735
Prepaid Items	35,093
Municipal Income Taxes Receivable	3,095,556
Property Taxes Receivable	2,139,281
Local Taxes Receivable	14,854
Deferred Charges	87,682
Nondepreciable Capital Assets	2,950,212
Depreciable Capital Assets, Net	<u>27,299,839</u>
<i>Total Assets</i>	<u>49,255,212</u>
<b>Liabilities</b>	
Accounts Payable	234,829
Accrued Wages and Benefits	293,805
Intergovernmental Payable	491,380
Vacation Benefits Payable	124,412
Deferred Revenue	1,766,848
Accrued Interest Payable	49,684
Notes Payable	139,000
Claims Payable	64,164
Long-Term Liabilities:	
Due Within One Year	919,705
Due In More Than One Year	<u>16,855,965</u>
<i>Total Liabilities</i>	<u>20,939,792</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	21,125,879
Restricted for:	
Capital Projects	2,666,804
Street Construction, Maintenance and Repair	415,740
State Highway	195,863
Court Computer	49,752
Police Programs	532,946
Other Purposes	233,034
Unrestricted	<u>3,095,402</u>
<i>Total Net Assets</i>	<u><u>\$28,315,420</u></u>

See accompanying notes to the basic financial statements



**City of Brooklyn, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				<b>Governmental Activities</b>
General Government	\$2,619,663	\$102,807	\$105,242	\$0
Security of Persons and Property	8,466,060	1,032,438	658,332	0
Transportation	224,314	0	670,206	518,592
Community Environment	959,325	79,481	0	0
Basic Utility Services	2,332,882	1,990	48,777	0
Leisure Time Activities	2,159,394	621,789	0	0
Interest and Fiscal Charges	398,123	0	0	0
<i>Totals</i>	<u>\$17,159,761</u>	<u>\$1,838,505</u>	<u>\$1,482,557</u>	<u>\$518,592</u>
<b>General Revenues</b>				
Property Taxes Levied for:				
General Purposes				635,942
Street Lighting				122,467
Police Pension				300,336
Fire Pension				335,327
Debt Service				291,588
Capital Outlay				38,032
Municipal Income Taxes Levied for:				
General Purposes				14,238,025
Termination Leave Payment				327,790
Retrospective Medical Claims				288,637
Capital Outlay				1,010,760
Local Taxes				268,085
Grants and Entitlements not Restricted to Specific Programs				1,115,478
Investment Earnings				47,982
Other				67,456
<i>Total General Revenues</i>				<u>19,087,905</u>
Change in Net Assets				5,767,798
<i>Net Assets Beginning of Year</i>				<u>22,547,622</u>
<i>Net Assets End of Year</i>				<u>\$28,315,420</u>

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2010*

	General	Police Pension	Fire Pension	Capital Improvements	Other Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$4,413,301	\$69,622	\$97,470	\$2,392,379	\$1,132,840
Cash and Cash Equivalents:					
in Segregated Accounts	83,439	0	0	0	0
Restricted Assets:					
Cash and Cash Equivalents in Segregated Accounts	1,122,938	0	0	0	0
Cash and Cash Equivalents with a Trustee	2,831,874	0	0	0	0
Materials and Supplies Inventory	126,319	0	0	0	0
Accrued Interest Receivable	5,388	0	0	0	0
Accounts Receivable	68,051	0	0	0	18,566
Interfund Receivable	207,025	0	0	78,200	0
Intergovernmental Receivable	540,731	44,947	50,183	0	465,874
Prepaid Items	35,093	0	0	0	0
Municipal Income Taxes Receivable	2,837,344	0	0	175,516	82,696
Property Taxes Receivable	839,040	372,013	415,355	0	512,873
Local Taxes Receivable	0	0	0	0	14,854
<i>Total Assets</i>	<u>\$13,110,543</u>	<u>\$486,582</u>	<u>\$563,008</u>	<u>\$2,646,095</u>	<u>\$2,227,703</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$163,270	\$0	\$0	\$4,000	\$67,559
Accrued Wages and Benefits	273,894	0	0	0	19,911
Intergovernmental Payable	259,548	111,180	108,882	0	11,770
Interfund Payable	0	0	0	0	285,225
Deferred Revenue	1,794,416	416,960	465,538	36,365	824,392
Accrued Interest Payable	0	0	0	7,564	3,178
Notes Payable	0	0	0	59,000	80,000
<i>Total Liabilities</i>	<u>2,491,128</u>	<u>528,140</u>	<u>574,420</u>	<u>106,929</u>	<u>1,292,035</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	134,328	0	0	74,096	12,347
Reserved for Long-Term Advances	0	0	0	78,200	0
Reserved for Landfill Closure and Postclosure Care	3,954,812	0	0	0	0
Unreserved, Undesignated, Reported in:					
General Fund	6,530,275	0	0	0	0
Special Revenue Funds (Deficit)	0	(41,558)	(11,412)	0	891,487
Debt Service Fund (Deficit)	0	0	0	0	(14,567)
Capital Projects Funds	0	0	0	2,386,870	46,401
<i>Total Fund Balances (Deficit)</i>	<u>10,619,415</u>	<u>(41,558)</u>	<u>(11,412)</u>	<u>2,539,166</u>	<u>935,668</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$13,110,543</u>	<u>\$486,582</u>	<u>\$563,008</u>	<u>\$2,646,095</u>	<u>\$2,227,703</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, 2010*

Total Governmental Funds	<b>Total Governmental Fund Balances</b>	\$14,041,279
\$8,105,612	<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
83,439	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	30,250,051
1,122,938	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
2,831,874	Property Taxes	406,626
126,319	Municipal Income Taxes	641,359
5,388	Local Taxes	10,882
86,617	Intergovernmental	711,956
285,225	Total	1,770,823
1,101,735	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.	87,682
35,093	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(38,942)
3,095,556	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.	(124,412)
2,139,281	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
14,854	General Obligation Bonds	(5,369,218)
\$19,033,931	OPWC Loan	(274,850)
	Police and Fire Pension	(49,012)
	Long-Term Notes	(1,676,000)
	Capital Lease Obligation Payable	(2,020,079)
	Landfill Closure and Postclosure Care	(6,866,674)
	Compensated Absences Payable	(1,519,837)
	Total	(17,775,670)
	An internal service fund is used by management to charge the costs of workers compensation reserve to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets.	104,609
14,041,279	<i>Net Assets of Governmental Activities</i>	\$28,315,420
\$19,033,931		

**City of Brooklyn, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2010*

	General	Police Pension	Fire Pension	Capital Improvements	Other Governmental Funds
<b>Revenues</b>					
Municipal Income Taxes	\$14,058,354	\$0	\$0	\$859,341	\$460,470
Property Taxes	660,488	311,329	347,600	0	467,241
Local Taxes	240,105	0	0	0	29,383
Charges for Services	955,357	0	0	0	1,875
Fines, Licenses and Permits	535,159	0	0	0	289,414
Intergovernmental	1,213,423	114,515	127,858	371,413	1,113,154
Contributions and Donations	257	0	0	132,029	0
Interest	38,946	0	0	0	9,036
Rentals	56,700	0	0	0	0
Other	50,303	0	0	9,762	7,391
<i>Total Revenues</i>	<u>17,809,092</u>	<u>425,844</u>	<u>475,458</u>	<u>1,372,545</u>	<u>2,377,964</u>
<b>Expenditures</b>					
Current:					
General Government	2,054,231	0	0	0	419,256
Security of Persons and Property	6,109,419	470,634	493,127	0	656,351
Transportation	0	0	0	0	627,981
Community Environment	801,511	0	0	0	0
Basic Utility Services	1,826,534	0	0	0	212,201
Leisure Time Activities	1,522,613	0	0	0	750
Capital Outlay	0	0	0	455,840	0
Debt Service:					
Principal Retirement	0	1,123	0	254,333	623,600
Interest and Fiscal Charges	0	2,119	0	132,343	287,612
<i>Total Expenditures</i>	<u>12,314,308</u>	<u>473,876</u>	<u>493,127</u>	<u>842,516</u>	<u>2,827,751</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,494,784</u>	<u>(48,032)</u>	<u>(17,669)</u>	<u>530,029</u>	<u>(449,787)</u>
<b>Other Financing Sources (Uses)</b>					
General Obligation Notes Issued	0	0	0	1,251,000	425,000
Current Refunding	0	0	0	(1,310,000)	(505,000)
Inception of Capital Lease	0	0	0	0	24,343
Transfers In	0	77,500	108,500	0	950,440
Transfers Out	(715,166)	0	0	0	(510,274)
<i>Total Other Financing Sources (Uses)</i>	<u>(715,166)</u>	<u>77,500</u>	<u>108,500</u>	<u>(59,000)</u>	<u>384,509</u>
<i>Net Change in Fund Balances</i>	4,779,618	29,468	90,831	471,029	(65,278)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>5,839,797</u>	<u>(71,026)</u>	<u>(102,243)</u>	<u>2,068,137</u>	<u>1,000,946</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$10,619,415</u>	<u>(\$41,558)</u>	<u>(\$11,412)</u>	<u>\$2,539,166</u>	<u>\$935,668</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, 2010*

Total Governmental Funds	<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$5,305,668
\$15,378,165	<b>Amounts reported for governmental activities in the statement of activities are different because</b>	
1,786,658	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.	
269,488	Capital Asset Additions	779,761
957,232	Current Year Depreciation	(2,220,129)
824,573	Total	(1,440,368)
2,940,363	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues.	
132,286	Delinquent Property Taxes	(62,966)
47,982	Municipal Income Taxes	198,410
56,700	Local Taxes	(1,403)
67,456	Intergovernmental	43,978
22,460,903	Total	178,019
2,473,487	Repayment of bond, loan, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,694,056
7,729,531	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.	
627,981	Accrued Interest on Bonds	15,496
801,511	Amortization of Deferred Charges	(5,158)
2,038,735	Amortization of Bond Premium	13,613
1,523,363	Total	23,951
455,840	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.	
879,056	Compensated Absences	410,502
422,074	Landfill	(61,249)
16,951,578	Vacation Benefits Payable	87,405
5,509,325	Total	436,658
1,676,000	Other financing sources, such as proceeds of notes and leases, in the governmental funds increase long-term liabilities in the statement of net assets.	
(1,815,000)	General Obligation Notes Issued	(1,676,000)
24,343	Inception of Capital Lease	(24,343)
1,136,440	Total	(1,700,343)
(1,225,440)	An internal service fund is used by management to charge the costs of workers compensation reserve to individual funds. Governmental expenditures and related internal service fund revenues are eliminated. The change for governmental funds is reported for the year.	270,157
(203,657)		
5,305,668		
8,735,611		
\$14,041,279	<i>Change in Net Assets of Governmental Activities</i>	\$5,767,798

**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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$11,443,541	\$12,761,100	\$13,604,135	\$843,035
Property Taxes	558,368	751,000	663,790	(87,210)
Local Taxes	201,972	190,000	240,105	50,105
Charges for Services	803,040	898,300	954,658	56,358
Fines, Licenses and Permits	490,759	591,500	583,416	(8,084)
Intergovernmental	1,021,608	928,000	1,214,492	286,492
Contributions and Donations	216	0	257	257
Interest	54,176	79,000	64,405	(14,595)
Other	43,370	34,000	52,561	18,561
<i>Total Revenues</i>	<u>14,617,050</u>	<u>16,232,900</u>	<u>17,377,819</u>	<u>1,144,919</u>
<b>Expenditures</b>				
Current:				
General Government	2,201,213	2,344,963	2,189,162	155,801
Security of Persons and Property	6,288,455	6,340,255	6,194,590	145,665
Community Environment	1,783,865	1,662,565	1,534,326	128,239
Basic Utility Services	1,839,490	2,024,490	1,954,810	69,680
Leisure Time Activities	1,697,503	1,755,503	1,552,079	203,424
<i>Total Expenditures</i>	<u>13,810,526</u>	<u>14,127,776</u>	<u>13,424,967</u>	<u>702,809</u>
<i>Excess of Revenues Over Expenditures</i>	<u>806,524</u>	<u>2,105,124</u>	<u>3,952,852</u>	<u>1,847,728</u>
<b>Other Financing Sources (Uses)</b>				
Advances Out	(100,000)	(100,000)	(100,000)	0
Transfers In	0	70,000	0	(70,000)
Transfers Out	(1,178,186)	(950,936)	(715,166)	235,770
<i>Total Other Financing Sources (Uses)</i>	<u>(1,278,186)</u>	<u>(980,936)</u>	<u>(815,166)</u>	<u>165,770</u>
<i>Net Change in Fund Balance</i>	(471,662)	1,124,188	3,137,686	2,013,498
<i>Fund Balance Beginning of Year</i>	4,683,707	4,683,707	4,683,707	0
Prior Year Encumbrances Appropriated	218,711	218,711	218,711	0
<i>Fund Balance End of Year</i>	<u>\$4,430,756</u>	<u>\$6,026,606</u>	<u>\$8,040,104</u>	<u>\$2,013,498</u>

See accompanying notes to the basic financial statements

**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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$310,771	\$343,000	\$311,329	(\$31,671)
Intergovernmental	99,529	67,500	114,515	47,015
<i>Total Revenues</i>	<u>410,300</u>	<u>410,500</u>	<u>425,844</u>	<u>15,344</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	471,758	471,758	467,108	4,650
Debt Service:				
Principal Retirement	1,123	1,123	1,123	0
Interest and Fiscal Charges	2,119	2,119	2,119	0
<i>Total Expenditures</i>	<u>475,000</u>	<u>475,000</u>	<u>470,350</u>	<u>4,650</u>
<i>Excess of Revenues Under Expenditures</i>	(64,700)	(64,500)	(44,506)	19,994
<b>Other Financing Sources</b>				
Transfers In	28,072	28,072	77,500	49,428
<i>Net Change in Fund Balance</i>	(36,628)	(36,428)	32,994	69,422
<i>Fund Balance Beginning of Year</i>	<u>36,628</u>	<u>36,628</u>	<u>36,628</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$200</u>	<u>\$69,622</u>	<u>\$69,422</u>

**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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$343,491	\$372,500	\$347,600	(\$24,900)
Intergovernmental	110,009	81,000	127,858	46,858
<i>Total Revenues</i>	453,500	453,500	475,458	21,958
<b>Expenditures</b>				
Current:				
Security of Persons and Property	525,000	525,000	505,776	19,224
<i>Excess of Revenues Under Expenditures</i>	(71,500)	(71,500)	(30,318)	41,182
<b>Other Financing Sources</b>				
Transfers In	52,213	52,213	108,500	56,287
<i>Net Change in Fund Balance</i>	(19,287)	(19,287)	78,182	97,469
<i>Fund Balance Beginning of Year</i>	19,288	19,288	19,288	0
<i>Fund Balance End of Year</i>	<u>\$1</u>	<u>\$1</u>	<u>\$97,470</u>	<u>\$97,469</u>

See accompanying notes to the basic financial statements



**City of Brooklyn, Ohio**  
*Statement of Fund Net Assets*  
*Internal Service Fund*  
*December 31, 2010*

---

---

	<u>Retrospective Medical Claims</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$168,773
<b>Liabilities</b>	
Claims Payable	<u>64,164</u>
<b>Net Assets</b>	
Unrestricted	<u><u>\$104,609</u></u>

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Internal Service Fund  
For the Year Ended December 31, 2010*

	Retrospective Medical Claims
<b>Operating Revenues</b>	
Municipal Income Taxes	\$288,637
<b>Operating Expenses</b>	
Contractual Services	91,643
Claims	15,837
<i>Total Operating Expenses</i>	107,480
<i>Income before Transfers</i>	181,157
Transfers In	89,000
<i>Change in Net Assets</i>	270,157
<i>Net Assets (Deficit) Beginning of Year</i>	(165,548)
<i>Net Assets End of Year</i>	\$104,609

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**  
*Statement of Cash Flows*  
*Internal Service Fund*  
For the Year Ended December 31, 2010

	Retrospective Medical Claims
<i><b>Increase (Decrease) in Cash and Cash Equivalents</b></i>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Municipal Income Taxes	\$288,637
Cash Payments for Goods and Services	(91,643)
Cash Payments for Claims	(123,017)
<i>Net Cash Provided by Operating Activities</i>	73,977
<b>Cash Flows from Noncapital Financing Activities</b>	
Transfers In	89,000
<i>Net Increase in Cash and Cash Equivalents</i>	162,977
<i>Cash and Cash Equivalents Beginning of Year</i>	5,796
<i>Cash and Cash Equivalents End of Year</i>	\$168,773
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
<i>Operating Income</i>	\$181,157
Decrease in Claims Payable	(107,180)
<i>Net Cash Provided by Operating Activities</i>	\$73,977
See accompanying notes to the basic financial statements	

**City of Brooklyn, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2010*

---

---

<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$103,229</u>
<b>Liabilities</b>	
Intergovernmental Payable	\$262
Deposits Held and Due to Others	<u>102,967</u>
<i>Total Liabilities</i>	<u>\$103,229</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, 2010*

---

**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 in the general fund as a Segregated Account. 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 19 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 and to its internal service fund unless these pronouncements conflict with or contradict GASB pronouncements. The more significant of the City’s accounting policies are described below.

***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, 2010*

---

***Government-wide Financial Statements*** The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to “avoid” doubling up revenues and expenses. 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. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

***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 three categories of funds: governmental, proprietary 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.

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

---

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

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

***Proprietary Fund Type*** Proprietary funds focus on the determination of operating income, changes in net asset, financial position and cash flows and are classified as either enterprise or internal service. The City only has an internal service fund.

***Internal Service Funds*** The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's only internal service fund is a retrospective medical claims fund that accounts for the payments, administrative costs and reserves of the State's retrospective rating workers' compensation plan.

***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.

***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.

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

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

---

***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 statements presented for proprietary and 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 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, 2010, but which were levied to finance year 2011 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.



**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

---

***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 and final budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original and final appropriations were enacted 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.

***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".

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 a Trustee." 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 2010, the City's investments were limited to Victory Federal Money Market Mutual Fund, and federal home loan bank notes. Investments are reported at fair value, except for non-negotiable certificates of deposit 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 2010 amounted to \$38,946, which includes \$6,276 assigned from other City funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents.

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

---

***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.

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2010, are recorded as prepaid items using the consumption method. 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.

***Inventory***

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

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings	10 - 50 years
Improvements	5 - 50 years
Machinery and Equipment	5 - 40 years
Vehicles	3 - 20 years
Infrastructure	5 - 60 years

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

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

---

***Interfund Balances***

On fund financial statements, receivables and payables resulting in short term interfund loans are classified as “interfund receivables/payables”. Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. These amounts are eliminated in the governmental activities column of the statement of net assets.

***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. Since the City's policy limits the accrual of vacation time to one year from the employee's anniversary date, the outstanding liability is recorded as “vacation benefits payable” on the statement of net assets rather than as a long-term liability.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned 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.

***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.

***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 advances and landfill closure and postclosure care.

***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. Net assets restricted for other purposes include the operations of the street lighting, underground storage tank, termination leave payment and Groeger Trust.

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

---

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

***Internal Activity***

Transfers between governmental activities are eliminated on the government-wide financial statements. 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 and after nonoperating revenues/expenses in the internal service fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

***Bond Issuance Costs***

Bond issuance costs for underwriting fees and bond insurance for the fire station improvement bonds are being amortized using the straight-line method over the life of the bonds on the government-wide statements. The straight-line method of amortization is not materially different from the effective-interest method. On the governmental financial statements, issuance costs are reported as an expenditure in the year in which the bonds are issued. Bond issuance costs are generally paid from bond proceeds.

As permitted by State statute, the City paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

***Bond Premium***

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are receipted in the year the bonds are issued.

***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.

***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.

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

---

**Note 3 - Changes in Accounting Principles**

For fiscal year 2010, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 51 “Accounting and Reporting for Intangible Assets”. GASB Statement No. 51 establishes accounting and financial reporting of such assets to reduce inconsistencies, thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the City’s financial statements.

**Note 4 - Fund Deficits**

The following funds had deficit fund balances at December 31, 2010:

<b>Major Funds</b>	
Police Pension	\$41,558
Fire Pension	11,412
<b>Nonmajor Funds</b>	
Community Development Block Grant	12,476
FEMA Fire Act	14,316
Federal Grants	31,075
C.O.P.S.	3,437
Biddulph Road	12,957
I - 480/Tiedeman Upgrade	17,150
General Obligation Bond Retirement	14,567

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

The deficits in the community development block grant, Federal grants, FEMA fire act and C.O.P.S. special revenue funds and I-480/Tiedeman Upgrade capital projects fund are the result of short term interfund loans in anticipation of grant monies.

The deficit in the Biddulph Road capital project fund is result of the issuance of short-term bond anticipation notes which are used to finance the project until bonds are issued. Once the notes are retired or bonds are issued, the deficit will be eliminated.

**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:

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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).

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 fund.

	<u>General</u>	<u>Police Pension</u>	<u>Fire Pension</u>
GAAP Basis	\$4,779,618	\$29,468	\$90,831
Net Adjustment for Revenue Accruals	(442,563)	0	0
Beginning Fair Value Adjustment for Investments	683	0	0
Ending Fair Value Adjustment for Investments	450	0	0
Beginning Adjustment for Unrecorded Cash	8,991	0	0
Ending Adjustment for Unrecorded Cash	1,166	0	0
Net Adjustment for Expenditure Accruals	(781,069)	3,526	(12,649)
Advance Out	(100,000)	0	0
Adjustment for Encumbrances	(329,590)	0	0
Budget Basis	<u>\$3,137,686</u>	<u>\$32,994</u>	<u>\$78,182</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.

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

---

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 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. Time certificates of deposit accounts including, but not limited to, passbook accounts;
6. 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,
7. The State Treasurer's investment pool (STAR Ohio).
8. 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.

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

**Deposits**

At December 31, 2010, the carrying amount of all City deposits was \$11,218,387. Based on criteria described \$8,816,512 of the City's bank balance of \$11,218,387 was uninsured and uncollateralized, while \$2,401,875 was covered by the FDIC. 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.

The City has no deposit policy for custodial credit risk beyond the requirements of 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. 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.

**Investments**

The City has investments in an internal investment pool, in segregated accounts, with fiscal agents and with a trustee. As of December 31, 2010, the City had the following investments:

	Fair Value	Maturity	
		Less Than Six Months	More Than Two Years
Victory Federal Money Market Mutual Fund	\$140,136	\$140,136	\$0
Federal Home Loan Bank Notes	999,500	0	999,500
	<u>\$1,139,636</u>	<u>\$140,136</u>	<u>\$999,500</u>

**Interest Risk** As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within 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 Bank Notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent. 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 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 or addresses credit risk.

**Concentration of Credit Risk** The City places no limit on the amount it may invest in any one issuer. The City allocated 87.70 percent of investments to Federal Home Loan Bank Notes as of December 31, 2010.



**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

---

**Note 7 - Receivables**

Receivables at December 31, 2010, consisted primarily of municipal income taxes, motor vehicle license tax, 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. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

***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 2010 for real and public utility property taxes represents collections of the 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) are for 2010 taxes.

2010 real property taxes are levied after October 1, 2010, on the assessed value as of January 1, 2010, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

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. 2010 public utility property taxes which became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

Tangible personal property tax revenue received in calendar year 2010 (other than public utility property tax) represents the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. 2010 is the last year for the collection of tangible personal property taxes from telephone companies; however, the City received no tangible personal property tax revenue from telephone company property. Single county taxpayers may pay annually or semiannually. If paid annually, the 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, 2010, was \$5.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based as follows:

Real Estate	
Residential/Agriculture	\$147,383,380
Commercial Industrial/Public Utility	164,623,650
Tangible Personal Property	
Public Utility	<u>16,770,910</u>
Total Valuation	<u><u>\$328,777,940</u></u>

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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 property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2010 and for which there is an enforceable legal claim. In the governmental funds the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2010 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.

***Income Taxes***

The City levies a two and a half 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 and a half 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 October 1, 2010, 88 percent of the income tax proceeds were credited to the general fund, 8.0 percent of the income tax proceeds were credited to the capital improvements capital projects fund, 2.0 percent of the income tax proceeds were credited to the termination leave payment special revenue fund and 2.0 percent of the income tax proceeds were credited to the retrospective medical claims internal service fund. By City ordinance, effective September 1, 2008 and ongoing, 32 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 68 percent credited to general fund and the capital improvements capital projects fund.

***Intergovernmental Receivable***

A summary of the principal items of intergovernmental receivables follows:

	Amount
<b>Governmental Activities</b>	
Local Government	\$308,085
Tangible Personal Property Tax Reimbursement	142,764
Gasoline Excise Tax	140,264
Motor Vehicle Registration	98,114
Grants	91,237
Estate Tax	87,144
Homestead and Rollback	82,575
Gasoline Tax	67,913
Other	41,584
Public Utility Reimbursement	32,123
Utility Excise Tax	9,932
	9,932
<i>Total Governmental Activities</i>	<b>\$1,101,735</b>

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2010

**Note 8 - Capital Assets**

Capital asset activity for the year ended December 31, 2010, was as follows:

	Balance 12/31/09	Additions	Deletions	Balance 12/31/10
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$2,887,821	\$0	\$0	\$2,887,821
Construction in Progress	11,519	50,872	0	62,391
<i>Total Capital Assets, not being depreciated</i>	<u>2,899,340</u>	<u>50,872</u>	<u>0</u>	<u>2,950,212</u>
<i>Capital Assets, being depreciated:</i>				
Buildings	19,163,184	0	0	19,163,184
Improvements	13,018,012	25,517	228,267	13,271,796
Machinery and Equipment	5,746,081	178,061	(282,574)	5,641,568
Vehicles	5,205,799	24,343	41,864	5,272,006
Infrastructure:				
Roads and Sidewalks	11,831,884	499,252	11,052	12,342,188
Sanitary Sewer	2,696,363	0	0	2,696,363
Storm Sewer	2,046,683	0	0	2,046,683
Water Lines	2,446,344	0	0	2,446,344
Traffic Signals	2,093,954	1,716	1,391	2,097,061
<i>Total Capital Assets, being depreciated</i>	<u>64,248,304</u>	<u>728,889</u>	<u>0</u>	<u>64,977,193</u>
Less Accumulated Depreciation:				
Buildings	(7,298,288)	(414,350)	0	(7,712,638)
Improvements	(6,459,049)	(661,277)	(165,042)	(7,285,368)
Machinery and Equipment	(4,033,221)	(327,979)	184,652	(4,176,548)
Vehicles	(3,136,035)	(262,901)	(16,086)	(3,415,022)
Infrastructure:				
Roads and Sidewalks	(7,016,225)	(347,531)	(3,715)	(7,367,471)
Sanitary Sewer	(2,132,502)	(45,663)	0	(2,178,165)
Storm Sewer	(1,518,589)	(42,301)	0	(1,560,890)
Water Lines	(2,108,621)	(41,488)	0	(2,150,109)
Traffic Signals	(1,754,695)	(76,639)	191	(1,831,143)
<i>Total Accumulated Depreciation</i>	<u>(35,457,225)</u>	<u>(2,220,129)*</u>	<u>0</u>	<u>(37,677,354)</u>
<i>Total Capital Assets, being depreciated, net</i>	<u>28,791,079</u>	<u>(1,491,240)</u>	<u>0</u>	<u>27,299,839</u>
Governmental Activities Capital Assets, Net	<u>\$31,690,419</u>	<u>(\$1,440,368)</u>	<u>\$0</u>	<u>\$30,250,051</u>

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

\* Depreciation expense was charged to governmental functions as follow:

General Government	\$157,756
Security of Persons and Property	600,280
Transportation	382,419
Community Environment	94,537
Basic Utility Services	343,630
Leisure Time Activities	641,507
Total Depreciation Expense	\$2,220,129

**Note 9 - 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. Effective December 14, 2010, employees could carry over a maximum of up to 80 hours of vacation time, upon approval of the Mayor.

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 10 - Risk Management**

*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 2010, the City contracted through Travelers Property and Casualty for various types of insurance as follows:

Company	Type	Coverage
Travelers Property and Casualty	Blanket Property and Content Replacement	\$40,289,597
	Earthquake Coverage	1,000,000
	Flood Coverage	1,000,000
	General Liability (per occurrence)	1,000,000
	Automobile Liability	1,000,000
	Umbrella Liability (per occurrence)	9,000,000
	Public Entity Management Liability (Claims-Made)	1,000,000
	Stop Gap Employers Liability	1,000,000
	Employment Practices Liability (Claims-Made)	2,000,000
	Police Professional Liability	1,000,000
	Public Employee Dishonesty	100,000
	Inland Marine	2,366,900
	Electronic Data Processing	570,715

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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.

***Workers' Compensation***

The City participates in the State Workers' Compensation retrospective rating program. 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 2010. The maintenance of these benefits is accounted for in the retrospective medical claims internal service fund. Incurred but not reported claims of \$64,164 have been accrued as a liability at December 31, 2010, based on an estimate by the City's third party administrator.

The claims liability of \$64,164 reported at December 31, 2010 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, be reported. Changes in claims activity for 2009 and 2010 are as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2009	\$227,615	\$119,924	\$176,195	\$171,344
2010	171,344	15,837	123,017	64,164

**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, 2010 consisted of the following:

	Transfer From		
Transfer To	General	Non-Major	Total
Governmental Activities:			
Police Pension	\$77,500	\$0	\$77,500
Fire Pension	108,500	0	108,500
Non-Major Funds	440,166	510,274	950,440
Internal Service Fund	89,000	0	89,000
<i>Total Governmental Activities</i>	\$715,166	\$510,274	\$1,225,440

The transfers from the Tiedeman Road and safety forces construction capital project funds to the general obligation bond retirement fund were to cover debt principal payments. The \$626,166 transferred from the general fund to the police pension and fire pension major special revenue funds and other non-major funds was to supplement the funds available for maintaining the programs in those funds.

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

During 2010, general fund transferred \$89,000 to retrospective medical claims internal service fund to cover medical claim payments.

Interfund balances at December 31, 2010 consisted of the following:

<u>Interfund Payable</u>	<u>Interfund Receivable</u>		<u>Total</u>
	General	Capital Improvements	
Other Governmental Funds:			
Community Development Block Grant	\$0	\$13,000	\$13,000
D.A.R.E.	15,000	0	15,000
FEMA Fire Act	0	45,200	45,200
Federal Grants	75,000	0	75,000
C.O.P.S.	65,000	0	65,000
Termination Leave Payment	50,000	0	50,000
Juvenile Diversion	2,025	0	2,025
I-480/Tiedeman Upgrade	0	20,000	20,000
<i>Total Governmental Activities</i>	<u>\$207,025</u>	<u>\$78,200</u>	<u>\$285,225</u>

The advance to the I-480/Tiedeman upgrade capital projects fund from the capital improvements capital projects fund was for engineering studies. The advances of \$207,025 to the special revenue funds from the general fund and to the community development block grant and FEMA fire act special revenue funds from the capital improvements capital projects fund are due to the timing of the receipt of grant monies. The advances of \$78,200 to the other governmental funds from the capital improvements capital projects fund are not expected to be repaid within one year. All other advances are expected to be repaid within one year.

**Note 12 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension 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. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension 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. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

---

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll. For the year ended December 31, 2010, members in state and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contributed 10.5 percent and 11.1 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2010, member and employer contribution rates were consistent across all three plans.

The City's contribution rate for 2010 was 14.00 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.87 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009, and 2008 were \$345,125, \$338,697, and \$371,566, respectively. For 2010, 89.55 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008. Contributions to the Member-Directed Plan for 2010 were \$2,407 made by the City and \$1,719 made by the plan members.

***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 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 publically 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 – The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters were \$307,829 and \$353,271 for the year ended December 31, 2010, \$302,337 and \$382,237 for the year ended December 31, 2009, and \$318,300 and \$390,717 for the year ended December 31, 2008, respectively. For 2010, 72.37 percent for police and 73.74 percent for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

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, 2010, the liability of the City was \$49,012 payable in semi-annual payments through the year 2035. This

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

---

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**

***Ohio Public Employees Retirement System***

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

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 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 mandate, 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). The Ohio Revised Code provides the statutory authority requiring public employers fund post-employment health care through their 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 members. In 2010, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 17.87 percent. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.



**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

---

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree 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 post-employment health care plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, 2008 were \$198,126, \$273,142, and \$371,566, respectively. For 2010, 89.55 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2008 and 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

***Ohio Police and Fire Pension Fund***

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&B 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 – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required by Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

---

health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care 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.

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$162,968 and \$138,236 for the year ended December 31, 2010, \$160,061 and \$149,571 for the year ended December 31, 2009, and \$168,512 and \$152,889 for the year ended December 31, 2008, respectively. For 2010, 72.37 percent has been contributed for police and 73.74 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

**Note 14 - 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 2009, 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 \$6,866,674 reported as landfill closure and postclosure care liability at December 31, 2010, represents the entire liability amount reported to date based on the use of 100 percent of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all closure and postclosure care in 2010. The City is currently in discussion with the Ohio EPA regarding the capacity and closure of the landfill. Actual costs may be higher or lower due to inflation, changes in technology, or changes in regulations.

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

The City had restricted \$1,122,938 in segregated accounts and an additional \$2,831,874 with a trustee to provide a total of \$3,954,812 for the landfill closure and postclosure care costs as of December 31, 2010.

**Note 15 – Short-Term Obligations**

During 2010, the City paid \$105,000 of the outstanding \$1,920,000 in bond anticipation notes and reissued \$1,815,000. On May 10, 2011, the City paid \$80,000 against the \$505,000 and refinanced the remaining \$425,000 into a new note with a maturity date of May 1, 2012. In addition, the City paid \$59,000 against the \$1,310,000 new notes issued on May 10, 2011, and refinanced the remaining \$1,251,000 into a new note with a maturity date of May 1, 2012. Therefore, the \$1,815,000 liability outstanding at December 31, 2010, was split with \$1,676,000 as a long-term liability and \$139,000 presented as a fund liability in the financial statements.

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

<b>Types / Issues</b>	Balance 12/31/2009	Additions	Reductions	Balance 12/31/2010
Street and Sidewalk Improvement	\$25,000	\$25,000	\$25,000	\$25,000
Marquardt Park Improvement	30,000	40,000	30,000	40,000
Biddulph Road Improvement	15,000	15,000	15,000	15,000
City Street Resurfacing	12,000	20,000	12,000	20,000
Road Servicing Vehicle Acquisition	8,000	12,000	8,000	12,000
Communication Equipment Acquisition	6,500	10,000	6,500	10,000
Police Department Motor Vehicle Acquisition	2,500	5,000	2,500	5,000
Technical Rescue Vehicle Acquisition	6,000	12,000	6,000	12,000
<b>Total Short-Term Notes</b>	<b>\$105,000</b>	<b>\$139,000</b>	<b>\$105,000</b>	<b>\$139,000</b>

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 10, 2011. 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 capital improvements and Biddulph road capital projects funds.

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 - 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
<b>Governmental Activities:</b>			
Various Purposes General Obligation Refunding Bonds - 1999	3.30-4.45%	\$4,440,000	December 1, 2012
Fire Station Improvement Bonds - 2006	3.50-5.00%	5,255,000	December 1, 2027
Sanitary Landfill Improvement OPWC Loan - 1992	0.00%	1,099,400	January 1, 2015
Police and Fire Pension - 1988	0.00%	70,770	May 15, 2035
Long-Term Notes:			
Marquardt Park Improvement	1.50%	300,000	May 10, 2011
Biddulph Road Improvement	1.50%	125,000	May 10, 2011
City Street Resurfacing	1.50%	433,000	May 10, 2011
Road Servicing Vehicle Acquisition	1.50%	282,000	May 10, 2011
Communication Equipment Acquisition	1.50%	236,500	May 10, 2011
Police Department Motor Vehicle Acquisition	1.50%	82,500	May 10, 2011
Technical Rescue Vehicle Acquisition	1.50%	217,000	May 10, 2011

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

Changes in long-term obligations of the City during 2010 are as follows:

	Outstanding 12/31/2009	Additions	Reductions	Outstanding 12/31/2010	Due in One Year
<b>Governmental Activities:</b>					
General Obligation Refunding Bonds	\$1,152,806	\$0	\$385,000	\$767,806	\$400,000
Fire Station Improvement Bonds	4,545,000	0	175,000	4,370,000	180,000
Premium on Bonds	245,025	0	13,613	231,412	0
Total Fire Station Improvement Bonds	4,790,025	0	188,613	4,601,412	180,000
<i>Total General Obligation Bonds</i>	5,942,831	0	573,613	5,369,218	580,000
OPWC Loan	329,820	0	54,970	274,850	54,970
Police and Fire Pension (Note 12)	50,135	0	1,123	49,012	1,172
Long-Term Notes:					
Street and Sidewalk Improvement	25,000	0	25,000	0	0
Marquardt Park Improvement	340,000	300,000	340,000	300,000	0
Biddulph Road Improvement	140,000	125,000	140,000	125,000	0
City Street Resurfacing	453,000	433,000	453,000	433,000	0
Road Servicing Vehicle Acquisition	294,000	282,000	294,000	282,000	0
Communication Equipment Acquisition	246,500	236,500	246,500	236,500	0
Police Department Motor Vehicle Acquisition	87,500	82,500	87,500	82,500	0
Technical Rescue Vehicle Acquisition	229,000	217,000	229,000	217,000	0
<i>Total Long-Term Notes</i>	1,815,000	1,676,000	1,815,000	1,676,000	0
Capital Leases	2,258,699	24,343	262,963	2,020,079	272,662
Landfill (Note 14)	6,805,425	61,249	0	6,866,674	0
Compensated Absences	1,930,339	21,253	431,755	1,519,837	10,901
<i>Total Governmental Activities</i>	<u>\$19,132,249</u>	<u>\$1,782,845</u>	<u>\$3,139,424</u>	<u>\$17,775,670</u>	<u>\$919,705</u>

General obligation bonds are the direct obligation of the City and will be paid from the debt service fund using property tax revenues. The Ohio Public Works Commission (OPWC) Loan will be paid from the debt service fund using property tax revenues.

Capital leases will be paid from the capital improvements capital projects fund. Compensated absences will be paid from the general fund and the street maintenance and repair special revenue fund which are the funds from which the employees' salaries are paid.

The police and fire pension liability will be paid from levied taxes in the police pension and fire pension special revenue funds. The landfill will be paid for using designated general fund revenues which are for landfill closure and postclosure care. During 2009 a re-evaluation of the landfill total yearly post-closure cost estimate and landfill closure and postclosure care liability was completed and resulted in an increase in the value (See Note 14).

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

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

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.

The City's overall legal debt margin was \$27,568,878 at December 31, 2010. The unvoted legal debt margin was \$11,129,981. Principal and interest requirements to retire the long-term obligations as of December 31, 2010, are as follows:

	General Obligation Bonds		OPWC Loan		Police and Fire Pension	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$580,000	\$236,233	\$54,970	\$0	\$1,172	\$2,070
2012	595,000	212,083	54,970	0	1,222	2,020
2013	152,806	186,900	54,970	0	1,274	1,968
2014	200,000	179,100	54,970	0	1,329	1,913
2015	210,000	171,100	54,970	0	1,386	1,856
2016-2020	1,195,000	710,550	0	0	7,878	8,332
2021-2025	1,500,000	408,750	0	0	9,721	6,489
2026-2030	705,000	53,250	0	0	11,996	4,214
<b>Total</b>	<b>\$5,137,806</b>	<b>\$2,157,966</b>	<b>\$274,850</b>	<b>\$0</b>	<b>\$49,012</b>	<b>\$30,273</b>

**Note 17 - Contingencies**

**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, 2010.

**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 18 - Capital Leases**

The City entered into lease agreements for pool improvements, a fire truck, additional building improvements and a police car. 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, 2010*

Capital assets acquired by leases currently being paid have been capitalized and depreciated as follows as of December 31, 2010:

**Governmental Activities**

*Capital Leases, being depreciated:*

Improvements	\$2,054,515
Equipment	15,875
Vehicles	854,343
	<u>2,924,733</u>
<i>Total Capital Leases, being depreciated</i>	<i>2,924,733</i>
Less Accumulated Depreciation:	
Improvements	(753,322)
Equipment	(15,875)
Vehicles	(176,375)
	<u>(945,572)</u>
<i>Total Accumulated Depreciation</i>	<i>(945,572)</i>
<i>Carrying Value</i>	<i>\$1,979,161</i>
	<u>\$1,979,161</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, 2010.

Year Ending December 30,	Governmental Activities
2011	\$355,715
2012	355,715
2013	347,084
2014	347,083
2015	347,082
2016-2017	591,370
	<u>2,344,049</u>
Total	2,344,049
Less: Amount Representing Interest	(323,970)
	<u>(323,970)</u>
Present Value of Net Minimum Lease Payments	<u>\$2,020,079</u>
	<u>\$2,020,079</u>

**Note 19 - Jointly Governed Organizations**

*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 2010, the City contributed \$13,000.

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

---

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.

***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.

***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 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. In 2010, the City made no contributions. 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, the Board Chairman at 31320 Solon Road, Suite 20, Solon, Ohio 44139, or at the website [www.nopecinfo.org](http://www.nopecinfo.org).

**Note 20 – Subsequent Event**

On May 10, 2011, the City retired \$1,815,000 in general obligation bond anticipation notes and issued \$1,676,000 in new notes. The new notes have a maturity date of May 08, 2012 and an interest rate of 1.25 percent. The following table summarizes the activity.

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2010*

---

Note Issuance	Retired	Issued
Street and Sidewalk Improvement Notes	\$25,000	\$0
Marquardt Park Improvement Notes	340,000	300,000
Biddulph Road Improvement Notes	140,000	125,000
City Street Resurfacing Notes	453,000	433,000
Road Servicing Vehicle Acquisition Notes	294,000	282,000
Communication Equipment Acquisition and Installment Notes	246,500	236,500
Police Department Motor Vehicle Acquisition Notes	229,000	217,000
Technical Rescue Vehicle Acquisition Notes	87,500	82,500
Total Notes	<u>\$1,815,000</u>	<u>\$1,676,000</u>



**Combining Statements and  
Individual Fund Schedules**

## *Fund Descriptions – Nonmajor Governmental Funds*

---

### *Nonmajor Special Revenue Funds*

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) which are legally restricted to expenditures for specified purposes.

***Street Maintenance and Repair Fund*** - This fund accounts for the portion of the State gasoline tax and motor vehicle registration fees restricted for maintenance and repair of 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 restricted 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.

***C.O.P.S. Fund*** - This fund accounts for revenues received from the State government and expenditures as prescribed under the C.O.P.S. program.

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

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

(continued)

*Fund Descriptions – Nonmajor Governmental Funds (continued)*

---

*Nonmajor Special Revenue Funds (continued)*

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

***Termination Leave Payment Fund*** – This fund accounts for municipal income taxes collected to support the City’s termination leave payments.

***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 on community policing programs.

***P.O.P.A.S. Fund*** – This fund accounts for fines collected for citations by the police on patrol arresting speeders unit to be used to pay the expense of having and operating the unit.

*Nonmajor Debt Service Fund*

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term principal, interest and related costs.

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

*Nonmajor Capital Projects Funds*

Capital projects funds are used to account and report financial resources to be used for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds or for assets that will be held in trust.

***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 needed for the improvement of the Interstate 480 /Tiedeman Road Upgrade.

**City of Brooklyn, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2010*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,016,116	\$52,802	\$63,922	\$1,132,840
Accounts Receivable	18,566	0	0	18,566
Intergovernmental Receivable	422,236	43,638	0	465,874
Municipal Income Taxes Receivable	59,629	0	23,067	82,696
Property Taxes Receivable	151,695	361,178	0	512,873
Local Taxes Receivable	14,854	0	0	14,854
<i>Total Assets</i>	<u>\$1,683,096</u>	<u>\$457,618</u>	<u>\$86,989</u>	<u>\$2,227,703</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$67,559	\$0	\$0	\$67,559
Accrued Wages and Benefits	19,911	0	0	19,911
Intergovernmental Payable	11,770	0	0	11,770
Interfund Payable	265,225	0	20,000	285,225
Deferred Revenue	414,797	404,816	4,779	824,392
Accrued Interest Payable	0	2,369	809	3,178
Notes Payable	0	65,000	15,000	80,000
<i>Total Liabilities</i>	<u>779,262</u>	<u>472,185</u>	<u>40,588</u>	<u>1,292,035</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	12,347	0	0	12,347
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	891,487	0	0	891,487
Debt Service Fund (Deficit)	0	(14,567)	0	(14,567)
Capital Projects Funds	0	0	46,401	46,401
<i>Total Fund Balances (Deficit)</i>	<u>903,834</u>	<u>(14,567)</u>	<u>46,401</u>	<u>935,668</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,683,096</u>	<u>\$457,618</u>	<u>\$86,989</u>	<u>\$2,227,703</u>

**City of Brooklyn, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2010*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Municipal Income Taxes	\$318,723	\$0	\$141,747	\$460,470
Property Taxes	126,949	302,260	38,032	467,241
Local Taxes	29,383	0	0	29,383
Charges for Services	1,875	0	0	1,875
Fines, Licenses and Permits	289,414	0	0	289,414
Intergovernmental	1,076,364	21,640	15,150	1,113,154
Interest	6	9,021	9	9,036
Other	3,781	3,610	0	7,391
<i>Total Revenues</i>	<u>1,846,495</u>	<u>336,531</u>	<u>194,938</u>	<u>2,377,964</u>
<b>Expenditures</b>				
Current:				
General Government	419,256	0	0	419,256
Security of Persons and Property	656,351	0	0	656,351
Transportation	627,981	0	0	627,981
Basic Utility Services	212,201	0	0	212,201
Leisure Time Activities	750	0	0	750
Debt Service:				
Principal Retirement	8,630	614,970	0	623,600
Interest and Fiscal Charges	0	287,612	0	287,612
<i>Total Expenditures</i>	<u>1,925,169</u>	<u>902,582</u>	<u>0</u>	<u>2,827,751</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(78,674)</u>	<u>(566,051)</u>	<u>194,938</u>	<u>(449,787)</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Notes Issued	0	300,000	125,000	425,000
Current Refunding	0	(365,000)	(140,000)	(505,000)
Inception of Capital Lease	24,343	0	0	24,343
Transfers In	100,000	510,274	340,166	950,440
Transfers Out	0	0	(510,274)	(510,274)
<i>Total Other Financing Sources (Uses)</i>	<u>124,343</u>	<u>445,274</u>	<u>(185,108)</u>	<u>384,509</u>
<i>Net Change in Fund Balances</i>	45,669	(120,777)	9,830	(65,278)
<i>Fund Balances Beginning of Year</i>	<u>858,165</u>	<u>106,210</u>	<u>36,571</u>	<u>1,000,946</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$903,834</u>	<u>(\$14,567)</u>	<u>\$46,401</u>	<u>\$935,668</u>

**City of Brooklyn, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2010*

	Street Maintenance and Repair	State Highway	Community Development Block Grant	Street Lighting	Motor Vehicle License Tax
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$182,026	\$185,640	\$524	\$52,507	\$37,151
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	282,146	24,145	0	18,328	0
Municipal Income Taxes Receivable	0	0	0	0	0
Property Taxes Receivable	0	0	0	151,695	0
Local Taxes Receivable	0	0	0	0	14,854
<i>Total Assets</i>	<u>\$464,172</u>	<u>\$209,785</u>	<u>\$524</u>	<u>\$222,530</u>	<u>\$52,005</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$12,938	\$13,922	\$0	\$34,496	\$0
Accrued Wages and Benefits	5,909	0	0	0	0
Intergovernmental Payable	7,329	0	0	0	0
Interfund Payable	0	0	13,000	0	0
Deferred Revenue	203,751	17,787	0	170,023	10,882
<i>Total Liabilities</i>	<u>229,927</u>	<u>31,709</u>	<u>13,000</u>	<u>204,519</u>	<u>10,882</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	0	1,378	0	0	3,760
Unreserved, Undesignated (Deficit)	234,245	176,698	(12,476)	18,011	37,363
<i>Total Fund Balances (Deficit)</i>	<u>234,245</u>	<u>178,076</u>	<u>(12,476)</u>	<u>18,011</u>	<u>41,123</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$464,172</u>	<u>\$209,785</u>	<u>\$524</u>	<u>\$222,530</u>	<u>\$52,005</u>

Recycling and Litter	D.A.R.E.	Bullet Proof Vest	FEMA Fire Act	Federal Grants	C.O.P.S.
\$810	\$23,736	\$354	\$30,884	\$6,965	\$23,549
0	0	0	0	0	0
0	0	0	0	45,786	44,631
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$810</u>	<u>\$23,736</u>	<u>\$354</u>	<u>\$30,884</u>	<u>\$52,751</u>	<u>\$68,180</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	5,769	5,656
0	0	0	0	3,057	961
0	15,000	0	45,200	75,000	65,000
0	0	0	0	0	0
<u>0</u>	<u>15,000</u>	<u>0</u>	<u>45,200</u>	<u>83,826</u>	<u>71,617</u>
	0	0	130	0	0
<u>810</u>	<u>8,736</u>	<u>354</u>	<u>(14,446)</u>	<u>(31,075)</u>	<u>(3,437)</u>
<u>810</u>	<u>8,736</u>	<u>354</u>	<u>(14,316)</u>	<u>(31,075)</u>	<u>(3,437)</u>
<u>\$810</u>	<u>\$23,736</u>	<u>\$354</u>	<u>\$30,884</u>	<u>\$52,751</u>	<u>\$68,180</u>

(continued)

**City of Brooklyn, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2010*

	Public Safety Equipment	Law Enforcement	Mandatory Drug Law	Termination Leave Payment
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$9,120	\$19,338	\$77,688	\$60,270
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	7,200	0
Municipal Income Taxes Receivable	0	0	0	59,629
Property Taxes Receivable	0	0	0	0
Local Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$9,120</u>	<u>\$19,338</u>	<u>\$84,888</u>	<u>\$119,899</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	0	0
Interfund Payable	0	0	0	50,000
Deferred Revenue	0	0	0	12,354
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>62,354</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	197	0	0
Unreserved, Undesignated (Deficit)	9,120	19,141	84,888	57,545
<i>Total Fund Balances (Deficit)</i>	<u>9,120</u>	<u>19,338</u>	<u>84,888</u>	<u>57,545</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$9,120</u>	<u>\$19,338</u>	<u>\$84,888</u>	<u>\$119,899</u>



Underground Storage Tank	Groeger Trust	Court Computer	Juvenile Diversion	P.O.P.A.S.	Total Nonmajor Special Revenue Funds
\$23,525	\$5,797	\$47,777	\$5,889	\$222,566	\$1,016,116
0	0	1,975	0	16,591	18,566
0	0	0	0	0	422,236
0	0	0	0	0	59,629
0	0	0	0	0	151,695
0	0	0	0	0	14,854
<u>\$23,525</u>	<u>\$5,797</u>	<u>\$49,752</u>	<u>\$5,889</u>	<u>\$239,157</u>	<u>\$1,683,096</u>
\$0	\$0	\$0	\$0	\$6,203	\$67,559
0	0	0	0	2,577	19,911
0	0	0	0	423	11,770
0	0	0	2,025	0	265,225
0	0	0	0	0	414,797
0	0	0	2,025	9,203	779,262
0	0	0	0	6,882	12,347
<u>23,525</u>	<u>5,797</u>	<u>49,752</u>	<u>3,864</u>	<u>223,072</u>	<u>891,487</u>
<u>23,525</u>	<u>5,797</u>	<u>49,752</u>	<u>3,864</u>	<u>229,954</u>	<u>903,834</u>
<u>\$23,525</u>	<u>\$5,797</u>	<u>\$49,752</u>	<u>\$5,889</u>	<u>\$239,157</u>	<u>\$1,683,096</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, 2010*

	Street Maintenance and Repair	State Highway	Community Development Block Grant	Street Lighting	Motor Vehicle License Tax
<b>Revenues</b>					
Municipal Income Taxes	\$0	\$0	\$0	\$0	\$0
Property Taxes	0	0	0	126,949	0
Local Taxes	0	0	0	0	29,383
Charges for Services	0	0	0	0	0
Fines, Licenses and Permits	0	0	0	0	0
Intergovernmental	592,612	48,052	0	46,696	0
Interest	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>592,612</u>	<u>48,052</u>	<u>0</u>	<u>173,645</u>	<u>29,383</u>
<b>Expenditures</b>					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	0	0	0	0
Transportation	573,695	21,915	0	0	32,371
Basic Utility Services	0	0	0	212,201	0
Leisure Time Activities	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
<i>Total Expenditures</i>	<u>573,695</u>	<u>21,915</u>	<u>0</u>	<u>212,201</u>	<u>32,371</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>18,917</u>	<u>26,137</u>	<u>0</u>	<u>(38,556)</u>	<u>(2,988)</u>
<b>Other Financing Sources</b>					
Inception of Capital Lease	0	0	0	0	0
Transfers In	0	0	0	0	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	18,917	26,137	0	(38,556)	(2,988)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>215,328</u>	<u>151,939</u>	<u>(12,476)</u>	<u>56,567</u>	<u>44,111</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$234,245</u></u>	<u><u>\$178,076</u></u>	<u><u>(\$12,476)</u></u>	<u><u>\$18,011</u></u>	<u><u>\$41,123</u></u>

Recycling and Litter	D.A.R.E.	Bullet Proof Vest	FEMA Fire Act	Federal Grants	C.O.P.S.
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	15,836	0	44,456	166,408	154,504
0	0	0	0	0	0
0	3,781	0	0	0	0
0	19,617	0	44,456	166,408	154,504
0	0	0	0	0	0
0	0	0	28,867	323,499	152,222
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	28,867	323,499	152,222
0	19,617	0	15,589	(157,091)	2,282
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	19,617	0	15,589	(157,091)	2,282
810	(10,881)	354	(29,905)	126,016	(5,719)
\$810	\$8,736	\$354	(\$14,316)	(\$31,075)	(\$3,437)

(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, 2010*

	Public Safety Equipment	Law Enforcement	Mandatory Drug Law	Termination Leave Payment
<b>Revenues</b>				
Municipal Income Taxes	\$0	\$0	\$0	\$318,723
Property Taxes	0	0	0	0
Local Taxes	0	0	0	0
Charges for Services	0	0	0	0
Fines, Licenses and Permits	0	1,802	40,415	0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>1,802</u>	<u>40,415</u>	<u>318,723</u>
<b>Expenditures</b>				
Current:				
General Government	0	0	0	410,600
Security of Persons and Property	0	0	24,343	0
Transportation	0	0	0	0
Basic Utility Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Debt Service:				
Principal Retirement	0	0	8,630	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>32,973</u>	<u>410,600</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>1,802</u>	<u>7,442</u>	<u>(91,877)</u>
<b>Other Financing Sources</b>				
Inception of Capital Lease	0	0	24,343	0
Transfers In	0	0	0	100,000
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>24,343</u>	<u>100,000</u>
<i>Net Change in Fund Balances</i>	0	1,802	31,785	8,123
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>9,120</u>	<u>17,536</u>	<u>53,103</u>	<u>49,422</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$9,120</u></u>	<u><u>\$19,338</u></u>	<u><u>\$84,888</u></u>	<u><u>\$57,545</u></u>

Underground Storage Tank	Groeger Trust	Court Computer	Juvenile Diversion	P.O.P.A.S.	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$318,723
0	0	0	0	0	126,949
0	0	0	0	0	29,383
0	0	0	1,875	0	1,875
0	0	28,330	0	218,867	289,414
0	0	0	7,800	0	1,076,364
0	6	0	0	0	6
0	0	0	0	0	3,781
0	6	28,330	9,675	218,867	1,846,495
0	0	8,656	0	0	419,256
0	0	0	9,000	118,420	656,351
0	0	0	0	0	627,981
0	0	0	0	0	212,201
0	750	0	0	0	750
0	0	0	0	0	8,630
0	750	8,656	9,000	118,420	1,925,169
0	(744)	19,674	675	100,447	(78,674)
0	0	0	0	0	24,343
0	0	0	0	0	100,000
0	0	0	0	0	124,343
0	(744)	19,674	675	100,447	45,669
23,525	6,541	30,078	3,189	129,507	858,165
\$23,525	\$5,797	\$49,752	\$3,864	\$229,954	\$903,834

**City of Brooklyn, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2010*

	Tiedeman Road	Biddulph Road	Safety Forces Construction	I-480 / Tiedeman Upgrade	Total Nonmajor Capital Projects Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$58,212	\$2,852	\$8	\$2,850	\$63,922
Municipal Income Taxes Receivable	23,067	0	0	0	23,067
<i>Total Assets</i>	<u>\$81,279</u>	<u>\$2,852</u>	<u>\$8</u>	<u>\$2,850</u>	<u>\$86,989</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Interfund Payable	\$0	\$0	\$0	\$20,000	\$20,000
Deferred Revenue	4,779	0	0	0	4,779
Accrued Interest Payable	0	809	0	0	809
Notes Payable	0	15,000	0	0	15,000
<i>Total Liabilities</i>	4,779	15,809	0	20,000	40,588
<b>Fund Balances</b>					
Unreserved, Undesignated (Deficit)	76,500	(12,957)	8	(17,150)	46,401
<i>Total Liabilities and Fund Balances</i>	<u>\$81,279</u>	<u>\$2,852</u>	<u>\$8</u>	<u>\$2,850</u>	<u>\$86,989</u>

**City of Brooklyn, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2010*

	Tiedeman Road	Biddulph Road	Safety Forces Construction	I-480 / Tiedeman Upgrade	Total Nonmajor Capital Projects Funds
<b>Revenues</b>					
Municipal Income Taxes	\$141,747	\$0	\$0	\$0	\$141,747
Property Taxes	38,032	0	0	0	38,032
Intergovernmental	0	15,150	0	0	15,150
Interest	9	0	0	0	9
<i>Total Revenues</i>	179,788	15,150	0	0	194,938
<b>Expenditures</b>					
	0	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	179,788	15,150	0	0	194,938
<b>Other Financing Sources (Uses)</b>					
General Obligation Notes Issued	0	125,000	0	0	125,000
Current Refunding	0	(140,000)	0	0	(140,000)
Transfers In	0	0	340,166	0	340,166
Transfers Out	(150,000)	0	(360,274)	0	(510,274)
<i>Total Other Financing Sources (Uses)</i>	(150,000)	(15,000)	(20,108)	0	(185,108)
<i>Net Change in Fund Balances</i>	29,788	150	(20,108)	0	9,830
<i>Fund Balances (Deficit) Beginning of Year</i>	46,712	(13,107)	20,116	(17,150)	36,571
<i>Fund Balances (Deficit) End of Year</i>	\$76,500	(\$12,957)	\$8	(\$17,150)	\$46,401

## *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 monthly 3 percent of building permit fees collected each month to the State on behalf of the Ohio Board of Building Standards.



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

	Balance 12/31/09	Additions	Reductions	Balance 12/31/10
<b><i>Required Deposits</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$99,575	\$20,950	\$17,558	\$102,967
<b>Liabilities</b>				
Deposits Held and Due to Others	\$99,575	\$20,950	\$17,558	\$102,967
<b><i>Building Assessment Fees</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$290	\$1,407	\$1,435	\$262
<b>Liabilities</b>				
Intergovernmental Payable	\$290	\$1,407	\$1,435	\$262
<b><i>Totals - All Agency Funds</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$99,865	\$22,357	\$18,993	\$103,229
<b>Liabilities</b>				
Intergovernmental Payable	\$290	\$1,407	\$1,435	\$262
Deposits Held and Due to Others	99,575	20,950	17,558	102,967
<b><i>Total Liabilities</i></b>	\$99,865	\$22,357	\$18,993	\$103,229

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

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$11,443,541	\$12,761,100	\$13,604,135	\$843,035
Property Taxes	558,368	751,000	663,790	(87,210)
Local Taxes	201,972	190,000	240,105	50,105
Charges for Services	803,040	898,300	954,658	56,358
Fines, Licenses and Permits	490,759	591,500	583,416	(8,084)
Intergovernmental	1,021,608	928,000	1,214,492	286,492
Contributions and Donations	216	0	257	257
Interest	54,176	79,000	64,405	(14,595)
Other	43,370	34,000	52,561	18,561
<i>Total Revenues</i>	<u>14,617,050</u>	<u>16,232,900</u>	<u>17,377,819</u>	<u>1,144,919</u>
<b>Expenditures</b>				
Current:				
General Government:				
Council:				
Wages and Benefits	128,170	128,170	122,504	5,666
Other	27,250	27,250	18,481	8,769
Total Council	<u>155,420</u>	<u>155,420</u>	<u>140,985</u>	<u>14,435</u>
Mayor:				
Wages and Benefits	264,725	264,725	221,327	43,398
Other	15,555	15,555	10,873	4,682
Total Mayor	<u>280,280</u>	<u>280,280</u>	<u>232,200</u>	<u>48,080</u>
Legal:				
Wages and Benefits	283,385	296,885	294,513	2,372
Other	171,674	171,674	147,024	24,650
Total Legal	<u>\$455,059</u>	<u>\$468,559</u>	<u>\$441,537</u>	<u>\$27,022</u>

(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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Finance:				
Wages and Benefits	\$291,625	\$306,625	\$299,257	\$7,368
Other	414,577	394,577	379,151	15,426
Total Finance	706,202	701,202	678,408	22,794
Civil Service:				
Wages and Benefits	11,575	11,575	11,457	118
Other	10,900	10,900	10,726	174
Total Civil Service	22,475	22,475	22,183	292
Engineering:				
Wages and Benefits	23,100	25,850	25,626	224
Other	144,061	144,061	122,875	21,186
Total Engineering	167,161	169,911	148,501	21,410
Data System:				
Other	65,900	58,400	54,449	3,951
Miscellaneous:				
Other	348,716	488,716	470,899	17,817
Total General Government	2,201,213	2,344,963	2,189,162	155,801
Security of Persons and Property:				
Public Safety:				
Wages and Benefits	3,217,660	3,247,660	3,212,688	34,972
Other	279,044	279,044	212,664	66,380
Total Public Safety	\$3,496,704	\$3,526,704	\$3,425,352	\$101,352

(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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire Department:				
Wages and Benefits	\$2,597,100	\$2,597,100	\$2,580,309	\$16,791
Other	194,651	216,451	188,929	27,522
Total Fire Department	2,791,751	2,813,551	2,769,238	44,313
Total Security of Persons and Property	6,288,455	6,340,255	6,194,590	145,665
Community Environment:				
Public Lands and Buildings:				
Wages and Benefits	97,970	29,670	18,683	10,987
Other	1,168,023	1,168,023	1,122,644	45,379
Total Public Lands and Buildings	1,265,993	1,197,693	1,141,327	56,366
Public Service:				
Wages and Benefits	88,750	95,750	92,342	3,408
Other	143,552	83,552	42,601	40,951
Total Public Service	232,302	179,302	134,943	44,359
Building Department:				
Wages and Benefits	185,770	185,770	171,840	13,930
Other	5,800	5,800	5,098	702
Total Building Department	191,570	191,570	176,938	14,632
Recycling:				
Wages and Benefits	65,000	65,000	64,820	180
Other	19,000	19,000	14,891	4,109
Total Recycling	84,000	84,000	79,711	4,289
Landfill:				
Other	10,000	10,000	1,407	8,593
Total Community Environment	\$1,783,865	\$1,662,565	\$1,534,326	\$128,239

(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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Basic Utility Services:				
Garage:				
Wages and Benefits	\$1,670,500	\$1,832,500	\$1,809,967	\$22,533
Other	168,990	191,990	144,843	47,147
Total Basic Utility Services	1,839,490	2,024,490	1,954,810	69,680
Leisure Time Activities:				
Recreation Center:				
Wages and Benefits	621,060	621,060	582,699	38,361
Other	157,196	178,196	136,397	41,799
Total Recreation Center	778,256	799,256	719,096	80,160
Indoor/Outdoor Pool:				
Wages and Benefits	400,578	400,578	337,894	62,684
Other	105,110	117,610	79,376	38,234
Total Indoor/Outdoor Pool	505,688	518,188	417,270	100,918
Parks:				
Wages and Benefits	45,400	45,400	44,193	1,207
Other	43,165	36,165	30,917	5,248
Total Parks	88,565	81,565	75,110	6,455
Senior Services:				
Wages and Benefits	235,857	259,857	258,385	1,472
Other	89,137	96,637	82,218	14,419
Total Senior Services	324,994	356,494	340,603	15,891
Total Leisure Time Activities	1,697,503	1,755,503	1,552,079	203,424
<i>Total Expenditures</i>	\$13,810,526	\$14,127,776	\$13,424,967	\$702,809

(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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Excess of Revenues Over Expenditures</i>	\$806,524	\$2,105,124	\$3,952,852	\$1,847,728
<b>Other Financing Sources (Uses)</b>				
Advances Out	(100,000)	(100,000)	(100,000)	0
Transfers In	0	70,000	0	(70,000)
Transfers Out	(1,178,186)	(950,936)	(715,166)	235,770
<i>Total Other Financing Sources (Uses)</i>	(1,278,186)	(980,936)	(815,166)	165,770
<i>Net Change in Fund Balance</i>	(471,662)	1,124,188	3,137,686	2,013,498
<i>Fund Balance Beginning of Year</i>	4,683,707	4,683,707	4,683,707	0
Prior Year Encumbrances Appropriated	218,711	218,711	218,711	0
<i>Fund Balance End of Year</i>	\$4,430,756	\$6,026,606	\$8,040,104	\$2,013,498

**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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$310,771	\$343,000	\$311,329	(\$31,671)
Intergovernmental	99,529	67,500	114,515	47,015
<i>Total Revenues</i>	<u>410,300</u>	<u>410,500</u>	<u>425,844</u>	<u>15,344</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Wages and Benefits	471,758	471,758	467,108	4,650
Debt Service:				
Principal Retirement	1,123	1,123	1,123	0
Interest and Fiscal Charges	2,119	2,119	2,119	0
Total Debt Service	<u>3,242</u>	<u>3,242</u>	<u>3,242</u>	<u>0</u>
<i>Total Expenditures</i>	<u>475,000</u>	<u>475,000</u>	<u>470,350</u>	<u>4,650</u>
<i>Excess of Revenues Under Expenditures</i>	(64,700)	(64,500)	(44,506)	19,994
<b>Other Financing Sources</b>				
Transfers In	28,072	28,072	77,500	49,428
<i>Net Change in Fund Balance</i>	(36,628)	(36,428)	32,994	69,422
<i>Fund Balance Beginning of Year</i>	<u>36,628</u>	<u>36,628</u>	<u>36,628</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$200</u>	<u>\$69,622</u>	<u>\$69,422</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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$343,491	\$372,500	\$347,600	(\$24,900)
Intergovernmental	110,009	81,000	127,858	46,858
<i>Total Revenues</i>	453,500	453,500	475,458	21,958
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire Pension:				
Wages and Benefits	525,000	525,000	505,776	19,224
<i>Excess of Revenues Under Expenditures</i>	(71,500)	(71,500)	(30,318)	41,182
<b>Other Financing Sources</b>				
Transfers In	52,213	52,213	108,500	56,287
<i>Net Change in Fund Balance</i>	(19,287)	(19,287)	78,182	97,469
<i>Fund Balance Beginning of Year</i>	19,288	19,288	19,288	0
<i>Fund Balance End of Year</i>	\$1	\$1	\$97,470	\$97,469

**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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$273,750	\$600,000	\$841,539	\$241,539
Intergovernmental	0	0	296,063	296,063
Contributions and Donations	91,250	200,000	132,029	(67,971)
Other	0	0	9,762	9,762
<i>Total Revenues</i>	<u>365,000</u>	<u>800,000</u>	<u>1,279,393</u>	<u>479,393</u>
<b>Expenditures</b>				
Capital Outlay:				
Capital Improvements:				
Other	858,959	1,469,859	607,539	862,320
Debt Service:				
Principal Retirement	151,539	254,339	254,333	6
Interest and Fiscal Charges	92,750	92,750	92,750	0
<i>Total Debt Service</i>	<u>244,289</u>	<u>347,089</u>	<u>347,083</u>	<u>6</u>
<i>Total Expenditures</i>	<u>1,103,248</u>	<u>1,816,948</u>	<u>954,622</u>	<u>862,326</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(738,248)	(1,016,948)	324,771	1,341,719
<b>Other Financing Sources</b>				
Advances In	0	0	110,000	110,000
<i>Net Change in Fund Balance</i>	(738,248)	(1,016,948)	434,771	1,451,719
<i>Fund Balance Beginning of Year</i>	1,776,264	1,776,264	1,776,264	0
Prior Year Encumbrances Appropriated	103,248	103,248	103,248	0
<i>Fund Balance End of Year</i>	<u>\$1,141,264</u>	<u>\$862,564</u>	<u>\$2,314,283</u>	<u>\$1,451,719</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$550,000	\$473,000	\$600,458	\$127,458
Interest	0	1,500	0	(1,500)
<i>Total Revenues</i>	<u>550,000</u>	<u>474,500</u>	<u>600,458</u>	<u>125,958</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Maintenance and Repair:				
Wages and Benefits	330,000	330,000	314,128	15,872
Other	263,704	283,704	265,760	17,944
<i>Total Expenditures</i>	<u>593,704</u>	<u>613,704</u>	<u>579,888</u>	<u>33,816</u>
<i>Net Change in Fund Balance</i>	(43,704)	(139,204)	20,570	159,774
<i>Fund Balance Beginning of Year</i>	140,456	140,456	140,456	0
Prior Year Encumbrances Appropriated	<u>13,704</u>	<u>13,704</u>	<u>13,704</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$110,456</u>	<u>\$14,956</u>	<u>\$174,730</u>	<u>\$159,774</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$44,000	\$44,000	\$48,686	\$4,686
<b>Expenditures</b>				
Current:				
Transportation:				
Garage:				
Wages and Benefits	5,100	5,100	5,000	100
Other	26,000	26,000	18,293	7,707
<i>Net Change in Fund Balance</i>	12,900	12,900	25,393	12,493
<i>Fund Balance Beginning of Year</i>	144,947	144,947	144,947	0
<i>Fund Balance End of Year</i>	\$157,847	\$157,847	\$170,340	\$12,493

**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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$12,478	\$12,478	\$0	(\$12,478)
<b>Expenditures</b>	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	12,478	12,478	0	(12,478)
<b>Other Financing Uses</b>				
Advances Out	(73,000)	(3,000)	(60,000)	(57,000)
<i>Net Change in Fund Balance</i>	(60,522)	9,478	(60,000)	(69,478)
<i>Fund Balance Beginning of Year</i>	60,524	60,524	60,524	0
<i>Fund Balance End of Year</i>	<u>\$2</u>	<u>\$70,002</u>	<u>\$524</u>	<u>(\$69,478)</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Property Taxes	\$138,608	\$137,000	\$126,949	(\$10,051)
Intergovernmental	44,392	25,000	46,696	21,696
<i>Total Revenues</i>	183,000	162,000	173,645	11,645
<b>Expenditures</b>				
Current:				
Basic Utility Services:				
Street Lighting:				
Other	174,704	179,704	177,900	1,804
<i>Net Change in Fund Balance</i>	8,296	(17,704)	(4,255)	13,449
<i>Fund Balance Beginning of Year</i>	54,863	54,863	54,863	0
Prior Year Encumbrances Appropriated	1,704	1,704	1,704	0
<i>Fund Balance End of Year</i>	<u>\$64,863</u>	<u>\$38,863</u>	<u>\$52,312</u>	<u>\$13,449</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Local Taxes	\$28,000	\$28,000	\$29,812	\$1,812
<b>Expenditures</b>				
Current:				
Transportation:				
Motor Vehicle License Tax:				
Other	<u>11,000</u>	<u>46,000</u>	<u>36,131</u>	<u>9,869</u>
<i>Net Change in Fund Balance</i>	17,000	(18,000)	(6,319)	11,681
<i>Fund Balance Beginning of Year</i>	<u>39,710</u>	<u>39,710</u>	<u>39,710</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$56,710</u></u>	<u><u>\$21,710</u></u>	<u><u>\$33,391</u></u>	<u><u>\$11,681</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>810</u>	<u>810</u>	<u>810</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$810</u></u>	<u><u>\$810</u></u>	<u><u>\$810</u></u>	<u><u>\$0</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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$9,200	\$22,000	\$15,836	(\$6,164)
Other	0	0	3,781	3,781
<i>Total Revenues</i>	9,200	22,000	19,617	(2,383)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Wages and Benefits	13,000	12,000	0	12,000
Other	0	1,000	50	950
<i>Total Expenditures</i>	13,000	13,000	50	12,950
<i>Net Change in Fund Balance</i>	(3,800)	9,000	19,567	10,567
<i>Fund Balance Beginning of Year</i>	4,169	4,169	4,169	0
<i>Fund Balance End of Year</i>	\$369	\$13,169	\$23,736	\$10,567

**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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Other	5,000	5,000	5,000	0
<i>Net Change in Fund Balance</i>	(5,000)	(5,000)	(5,000)	0
<i>Fund Balance Beginning of Year</i>	354	354	354	0
Prior Year Encumbrances Appropriated	5,000	5,000	5,000	0
<i>Fund Balance End of Year</i>	\$354	\$354	\$354	\$0

**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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$45,000	\$44,450	\$44,456	\$6
<b>Expenditures</b>				
Security of Persons and Property:				
Fire:				
Other	<u>30,793</u>	<u>30,793</u>	<u>28,997</u>	<u>1,796</u>
<i>Net Change in Fund Balance</i>	14,207	13,657	15,459	1,802
<i>Fund Balance Beginning of Year</i>	14,502	14,502	14,502	0
Prior Year Encumbrances Appropriated	<u>793</u>	<u>793</u>	<u>793</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$29,502</u></u>	<u><u>\$28,952</u></u>	<u><u>\$30,754</u></u>	<u><u>\$1,802</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$237,000	\$235,000	\$153,834	(\$81,166)
<b>Expenditures</b>				
Security of Persons and Property:				
Police:				
Wages and Benefits	195,000	252,494	223,080	29,414
Other	53,222	100,728	100,728	0
<i>Total Expenditures</i>	<u>248,222</u>	<u>353,222</u>	<u>323,808</u>	<u>29,414</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(11,222)	(118,222)	(169,974)	(51,752)
<b>Other Financing Sources</b>				
Advances In	0	0	50,000	50,000
<i>Net Change in Fund Balance</i>	(11,222)	(118,222)	(119,974)	(1,752)
<i>Fund Balance Beginning of Year</i>	73,717	73,717	73,717	0
Prior Year Encumbrances Appropriated	53,222	53,222	53,222	0
<i>Fund Balance End of Year</i>	<u>\$115,717</u>	<u>\$8,717</u>	<u>\$6,965</u>	<u>(\$1,752)</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*C.O.P.S. Fund*  
*For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$132,000	\$150,000	\$141,926	(\$8,074)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Public Safety Equipment:				
Other	<u>143,000</u>	<u>153,000</u>	<u>151,324</u>	<u>1,676</u>
<i>Net Change in Fund Balance</i>	(11,000)	(3,000)	(9,398)	(6,398)
<i>Fund Balance Beginning of Year</i>	<u>32,947</u>	<u>32,947</u>	<u>32,947</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$21,947</u></u>	<u><u>\$29,947</u></u>	<u><u>\$23,549</u></u>	<u><u>(\$6,398)</u></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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$2,200	\$500	\$0	(\$500)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Public Safety Equipment:				
Other	147	5,147	0	5,147
<i>Net Change in Fund Balance</i>	2,053	(4,647)	0	4,647
<i>Fund Balance Beginning of Year</i>	8,973	8,973	8,973	0
Prior Year Encumbrances Appropriated	147	147	147	0
<i>Fund Balance End of Year</i>	<u>\$11,173</u>	<u>\$4,473</u>	<u>\$9,120</u>	<u>\$4,647</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Fund*  
*For the Year Ended December 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$1,500	\$1,500	\$1,802	\$302
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Law Enforcement:				
Other	4,218	4,218	197	4,021
<i>Net Change in Fund Balance</i>	(2,718)	(2,718)	1,605	4,323
<i>Fund Balance Beginning of Year</i>	16,618	16,618	16,618	0
Prior Year Encumbrances Appropriated	918	918	918	0
<i>Fund Balance End of Year</i>	<u>\$14,818</u>	<u>\$14,818</u>	<u>\$19,141</u>	<u>\$4,323</u>

**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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$3,500	\$32,000	\$33,215	\$1,215
<b>Expenditures</b>				
Current:				
Debt Service:				
Principal Retirement	600	23,600	8,630	14,970
<i>Net Change in Fund Balance</i>	2,900	8,400	24,585	16,185
<i>Fund Balance Beginning of Year</i>	53,103	53,103	53,103	0
<i>Fund Balance End of Year</i>	<u>\$56,003</u>	<u>\$61,503</u>	<u>\$77,688</u>	<u>\$16,185</u>



**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Termination Leave Payment Fund*  
*For the Year Ended December 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$240,000	\$287,400	\$285,901	(\$1,499)
<b>Expenditures</b>				
Current:				
General Government:				
Wages and Benefits	340,000	420,000	415,503	4,497
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(100,000)	(132,600)	(129,602)	2,998
<b>Other Financing Sources</b>				
Advances In	0	0	50,000	50,000
Transfers In	100,000	100,000	100,000	0
<i>Total Other Financing Sources</i>	100,000	100,000	150,000	50,000
<i>Net Change in Fund Balance</i>	0	(32,600)	20,398	52,998
<i>Fund Balance Beginning of Year</i>	39,872	39,872	39,872	0
<i>Fund Balance End of Year</i>	<u>\$39,872</u>	<u>\$7,272</u>	<u>\$60,270</u>	<u>\$52,998</u>

**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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	23,525	23,525	23,525	0
<i>Fund Balance End of Year</i>	<u>\$23,525</u>	<u>\$23,525</u>	<u>\$23,525</u>	<u>\$0</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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$0	\$0	\$6	\$6
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Groeger Trust:				
Other	1,000	1,000	750	250
<i>Net Change in Fund Balance</i>	(1,000)	(1,000)	(744)	256
<i>Fund Balance Beginning of Year</i>	6,541	6,541	6,541	0
<i>Fund Balance End of Year</i>	<u>\$5,541</u>	<u>\$5,541</u>	<u>\$5,797</u>	<u>\$256</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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$15,000	\$20,000	\$29,485	\$9,485
<b>Expenditures</b>				
Current:				
General Government:				
Courts:				
Other	16,250	16,250	8,976	7,274
<i>Net Change in Fund Balance</i>	(1,250)	3,750	20,509	16,759
<i>Fund Balance Beginning of Year</i>	24,018	24,018	24,018	0
Prior Year Encumbrances Appropriated	3,250	3,250	3,250	0
<i>Fund Balance End of Year</i>	<u>\$26,018</u>	<u>\$31,018</u>	<u>\$47,777</u>	<u>\$16,759</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$1,115	\$3,000	\$1,875	(\$1,125)
Intergovernmental	<u>5,885</u>	<u>6,500</u>	<u>9,900</u>	<u>3,400</u>
<i>Total Revenues</i>	7,000	9,500	11,775	2,275
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Juvenile Diversion:				
Other	<u>8,400</u>	<u>9,200</u>	<u>9,000</u>	<u>200</u>
<i>Net Change in Fund Balance</i>	(1,400)	300	2,775	2,475
<i>Fund Balance Beginning of Year</i>	<u>3,114</u>	<u>3,114</u>	<u>3,114</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,714</u></u>	<u><u>\$3,414</u></u>	<u><u>\$5,889</u></u>	<u><u>\$2,475</u></u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*P.O.P.A.S. Fund*  
*For the Year Ended December 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$150,000	\$200,000	\$226,517	\$26,517
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Wages and Benefits	85,000	100,000	78,136	21,864
Other	45,785	85,785	53,150	32,635
<i>Total Expenditures</i>	<u>130,785</u>	<u>185,785</u>	<u>131,286</u>	<u>54,499</u>
<i>Net Change in Fund Balance</i>	19,215	14,215	95,231	81,016
<i>Fund Balance Beginning of Year</i>	103,465	103,465	103,465	0
Prior Year Encumbrances Appropriated	<u>10,785</u>	<u>10,785</u>	<u>10,785</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$133,465</u></u>	<u><u>\$128,465</u></u>	<u><u>\$209,481</u></u>	<u><u>\$81,016</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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$323,000	\$323,000	\$302,260	(\$20,740)
Intergovernmental	10,000	10,000	111,181	101,181
Interest	8,000	8,000	9,021	1,021
Other	0	0	3,610	3,610
<i>Total Revenues</i>	<u>341,000</u>	<u>341,000</u>	<u>426,072</u>	<u>85,072</u>
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	2,551,767	2,550,455	2,534,970	15,485
Interest and Fiscal Charges	327,446	328,758	327,382	1,376
<i>Total Expenditures</i>	<u>2,879,213</u>	<u>2,879,213</u>	<u>2,862,352</u>	<u>16,861</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,538,213)</u>	<u>(2,538,213)</u>	<u>(2,436,280)</u>	<u>101,933</u>
<b>Other Financing Sources</b>				
General Obligation Notes Issued	1,814,820	1,814,820	1,815,000	180
Transfers In	560,180	560,181	510,274	(49,907)
<i>Total Other Financing Sources</i>	<u>2,375,000</u>	<u>2,375,001</u>	<u>2,325,274</u>	<u>(49,727)</u>
<i>Net Change in Fund Balance</i>	(163,213)	(163,212)	(111,006)	52,206
<i>Fund Balance Beginning of Year</i>	136,323	136,323	136,323	0
Prior Year Encumbrances Appropriated	27,485	27,485	27,485	0
<i>Fund Balance End of Year</i>	<u>\$595</u>	<u>\$596</u>	<u>\$52,802</u>	<u>\$52,206</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Tiedeman Road Fund*  
*For the Year Ended December 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$110,600	\$110,600	\$140,528	\$29,928
Property Taxes	29,400	29,400	38,032	8,632
Interest	0	0	3	3
<i>Total Revenues</i>	140,000	140,000	178,563	38,563
<b>Expenditures</b>	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	140,000	140,000	178,563	38,563
<b>Other Financing Uses</b>				
Transfers Out	(150,000)	(150,000)	(150,000)	0
<i>Net Change in Fund Balance</i>	(10,000)	(10,000)	28,563	38,563
<i>Fund Balance Beginning of Year</i>	29,643	29,643	29,643	0
<i>Fund Balance End of Year</i>	\$19,643	\$19,643	\$58,206	\$38,563



**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, 2010*

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	2,852	2,852	2,852	0
<i>Fund Balance End of Year</i>	<u>\$2,852</u>	<u>\$2,852</u>	<u>\$2,852</u>	<u>\$0</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Safety Forces Construction Fund*  
*For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	362,100	362,100	340,166	(21,934)
Transfers Out	<u>(382,200)</u>	<u>(382,200)</u>	<u>(360,274)</u>	<u>21,926</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(20,100)</u>	<u>(20,100)</u>	<u>(20,108)</u>	<u>(8)</u>
<i>Net Change in Fund Balance</i>	(20,100)	(20,100)	(20,108)	(8)
<i>Fund Balance Beginning of Year</i>	<u>20,116</u>	<u>20,116</u>	<u>20,116</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$16</u></u>	<u><u>\$16</u></u>	<u><u>\$8</u></u>	<u><u>(\$8)</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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$17,150	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	17,150	0	0	0
<b>Other Financing Uses</b>				
Advance Out	(70,000)	(50,000)	(50,000)	0
<i>Net Change in Fund Balance</i>	(52,850)	(50,000)	(50,000)	0
<i>Fund Balance Beginning of Year</i>	52,850	52,850	52,850	0
<i>Fund Balance End of Year</i>	\$0	\$2,850	\$2,850	\$0

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Retrospective Medical Claims Fund*  
*For the Year Ended December 31, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$277,000	\$277,000	\$288,637	\$11,637
<b>Expenses</b>				
Contractual Services	155,826	101,500	91,643	9,857
Claims	209,174	123,500	123,017	483
<i>Total Expenses</i>	365,000	225,000	214,660	10,340
<i>Excess of Revenues Over (Under) Expenses Before Transfers</i>	(88,000)	52,000	73,977	21,977
Transfers In	88,000	88,000	89,000	1,000
<i>Net Change in Fund Equity</i>	0	140,000	162,977	22,977
<i>Fund Equity Beginning of Year</i>	5,796	5,796	5,796	0
<i>Fund Equity End of Year</i>	\$5,796	\$145,796	\$168,773	\$22,977



# **STATISTICAL SECTION**

**CITY OF BROOKLYN, OHIO**

**This Page is Intentionally Left Blank.**

## 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.

<b>Contents</b>	<b>Pages(s)</b>
<b><i>Financial Trends</i></b> .....	S2 – S11
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b><i>Revenue Capacity</i></b> .....	S10 – S19
These schedules contain information to help the reader assess the City's most significant local revenues, the property tax and the municipal income tax.	
<b><i>Debt Capacity</i></b> .....	S20 - S26
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.	
<b><i>Economic and Demographic Information</i></b> .....	S27 - S29
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b><i>Operating Information</i></b> .....	S30 - S39
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.

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental Activities				
Invested in Capital Assets	\$21,125,879	\$21,616,798	\$22,732,949	\$22,893,430
Restricted:				
Capital Projects	2,666,804	2,146,491	1,722,815	1,860,948
Debt Service	0	0	82,902	0
Street Construction, Maintenance and Repair	415,740	346,999	352,507	290,459
State Highway	195,863	166,341	152,741	130,675
Street Lighting	0	0	0	0
Court Computer	49,752	30,078	17,081	16,534
Police Programs	532,946	425,525	161,770	100,494
Other Purposes	233,034	246,223	181,782	150,493
Unrestricted (Deficit)	<u>3,095,402</u>	<u>(2,430,833)</u>	<u>(354,438)</u>	<u>55,795</u>
<i>Total Governmental Activities Net Assets</i>	<u><u>\$28,315,420</u></u>	<u><u>\$22,547,622</u></u>	<u><u>\$25,050,109</u></u>	<u><u>\$25,498,828</u></u>



2006	2005	2004	2003
\$21,907,993	\$15,357,773	\$20,264,115	\$19,081,359
2,104,553	5,687,329	1,796,796	2,014,319
0	160,808	174,909	344,880
298,241	223,557	429,095	331,950
114,162	77,558	78,242	0
0	0	0	148,860
46,779	61,576	66,078	58,014
75,024	77,307	86,937	0
170,522	145,292	92,640	134,707
2,001,520	445,379	(161,198)	729,509
<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 Eight Years*  
*(Accrual Basis of Accounting)*

	2010	2009	2008
<b>Program Revenues</b>			
Governmental Activities:			
Charges for Services:			
General Government	\$102,807	\$103,950	\$85,736
Security of Persons and Property	1,032,438	953,949	1,001,928
Community Environment	79,481	84,495	97,191
Basic Utility Services	1,990	2,601	6,795
Leisure Time Activities	621,789	685,917	717,232
Subtotal - Charges for Services	<u>1,838,505</u>	<u>1,830,912</u>	<u>1,908,882</u>
Operating Grants and Contributions:			
General Government	105,242	92,616	134,129
Security of Persons and Property	658,332	439,532	271,357
Transportation	670,206	576,481	704,662
Community Environment	0	0	104,157
Basic Utility Services	48,777	48,320	41,084
Subtotal - Operating Grants and Contributions	<u>1,482,557</u>	<u>1,156,949</u>	<u>1,255,389</u>
Capital Grants and Contributions:			
Security of Persons and Property	0	0	0
Transportation	518,592	25,503	217,646
<i>Total Governmental Activities Program Revenues</i>	<u>3,839,654</u>	<u>3,013,364</u>	<u>3,381,917</u>
<b>Expenses</b>			
Governmental Activities:			
General Government	2,619,663	2,416,591	2,079,281
Security of Persons and Property	8,466,060	8,821,940	8,812,504
Transportation	224,314	972,791	1,246,843
Community Environment	959,325	4,430,941	1,884,187
Basic Utility Services	2,332,882	2,583,382	3,090,199
Leisure Time Activities	2,159,394	2,513,099	2,743,950
Interest and Fiscal Charges	398,123	439,959	448,354
<i>Total Governmental Activities Expenses</i>	<u>17,159,761</u>	<u>22,178,703</u>	<u>20,305,318</u>
<b>Net (Expense)/Revenue</b>			
Governmental Activities	<u>(\$13,320,107)</u>	<u>(\$19,165,339)</u>	<u>(\$16,923,401)</u>

2007	2006	2005	2004	2003
\$118,104	\$70,964	\$49,926	\$29,684	\$33,508
681,396	760,677	674,340	722,691	810,495
100,064	136,206	124,325	108,532	132,797
1,763	233	338	6,368	13,456
578,526	655,500	632,046	651,953	613,409
<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>
112,470	22,059	22,886	27,316	26,647
326,059	147,644	201,212	256,546	85,474
735,436	659,244	604,328	621,256	468,008
0	4,741	33,546	100,603	82,277
32,579	0	0	0	0
<u>1,206,544</u>	<u>833,688</u>	<u>861,972</u>	<u>1,005,721</u>	<u>662,406</u>
0	0	35,093	0	0
191,381	0	0	0	0
<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>
1,980,326	1,492,020	2,022,846	1,780,771	1,728,888
8,930,741	7,010,400	8,768,021	7,445,195	7,434,844
1,900,474	252,414	1,291,187	796,490	865,328
1,837,776	1,784,567	1,741,243	1,565,039	1,600,235
3,342,106	2,854,851	3,012,207	3,019,920	2,982,030
2,689,422	2,309,476	2,305,614	2,423,794	2,430,608
471,505	494,153	234,754	222,601	229,090
<u>21,152,350</u>	<u>16,197,881</u>	<u>19,375,872</u>	<u>17,253,810</u>	<u>17,271,023</u>
<u>(\$18,274,572)</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 Eight Years*  
*(Accrual Basis of Accounting)*

	2010	2009	2008
<b>General Revenues and Other Changes in Net Assets</b>			
Governmental Activities			
Taxes:			
Property Taxes Levied For:			
General Purposes	\$635,942	\$1,139,534	\$1,037,895
Street Lighting	122,467	146,974	137,985
Police Pension	300,336	380,023	338,390
Fire Pension	335,327	424,296	377,815
Debt Service	291,588	368,955	328,534
Capital Outlay	38,032	46,642	55,543
Municipal Income Taxes levied for:			
General Purposes	14,238,025	11,518,038	10,472,331
Termination Leave Payment	327,790	99,046	0
Retrospective Medical Claims	288,637	102,987	0
Debt Service	0	0	0
Capital Outlay	1,010,760	856,179	1,790,878
Local Taxes	268,085	266,960	171,729
Grants and Entitlements not Restricted to			
Specific Programs	1,115,478	1,115,311	1,307,344
Investment Income	47,982	99,672	324,568
Gain on Sale of Capital Assets	0	17,990	0
Other	67,456	80,245	131,670
<i>Total Governmental Activities</i>	<u>19,087,905</u>	<u>16,662,852</u>	<u>16,474,682</u>
<i>Total Change in Net Assets</i>	<u>\$5,767,798</u>	<u>(\$2,502,487)</u>	<u>(\$448,719)</u>

2007	2006	2005	2004	2003
\$1,215,894	\$1,118,624	\$1,106,813	\$1,024,867	\$966,181
165,820	148,264	92,175	93,809	88,999
290,911	485,973	377,898	302,767	283,463
451,697	444,776	468,419	396,573	371,627
337,536	370,645	363,739	375,228	418,061
74,059	79,210	79,441	78,087	38,071
10,348,944	11,873,518	10,505,190	9,273,873	10,045,460
0	0	0	0	0
0	0	0	0	0
0	0	0	0	300,239
2,124,235	1,844,414	1,640,193	1,914,683	1,774,897
0	0	0	0	0
1,442,977	1,228,147	1,278,859	1,015,766	1,021,200
445,581	654,993	412,082	184,372	135,906
9,126	0	2,696	0	0
147,826	81,341	79,292	52,852	23,490
17,054,606	18,329,905	16,406,797	14,712,877	15,467,594
(\$1,219,966)	\$4,589,292	(\$591,035)	(\$15,984)	\$462,642

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

	2010	2009	2008	2007
<b>General Fund</b>				
Reserved	\$4,089,140	\$3,939,871	\$3,863,104	\$3,612,905
Unreserved	6,530,275	1,899,926	1,898,890	3,055,408
Total General Fund	10,619,415	5,839,797	5,761,994	6,668,313
<b>All Other Governmental Funds</b>				
Reserved	164,643	215,124	353,067	551,386
Unreserved, Undesignated, Reported in:				
Special Revenue funds	838,517	665,902	369,699	143,250
Debt Service fund (Deficit)	(14,567)	78,725	79,715	(21,841)
Capital Projects funds (Deficit)	2,433,271	1,936,063	1,379,650	1,288,226
Total All Other Governmental Funds	3,421,864	2,895,814	2,182,131	1,961,021
<b>Total Governmental Funds</b>	<b>\$14,041,279</b>	<b>\$8,735,611</b>	<b>\$7,944,125</b>	<b>\$8,629,334</b>

2006	2005	2004	2003	2002	2001
\$3,394,205	\$3,193,942	\$2,992,365	\$2,879,861	\$2,574,560	\$2,550,726
3,730,445	2,886,049	2,438,056	3,099,650	3,006,723	3,098,645
7,124,650	6,079,991	5,430,421	5,979,511	5,581,283	5,649,371
866,964	740,211	108,771	282,601	221,766	1,122,042
202,336	214,407	342,258	252,050	1,766,959	811,673
(4,438)	239,145	230,600	296,290	352,458	435,026
1,216,437	4,946,139	1,703,137	1,756,892	267,276	(327,810)
2,281,299	6,139,902	2,384,766	2,587,833	2,608,459	2,040,931
\$9,405,949	\$12,219,893	\$7,815,187	\$8,567,344	\$8,189,742	\$7,690,302

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

	2010	2009	2008	2007	2006
<b>Revenues</b>					
Municipal Income Taxes	\$15,378,165	\$12,247,285	\$12,102,414	\$12,891,860	\$13,477,404
Property Taxes	1,786,658	2,351,370	2,371,912	2,393,975	2,436,189
Local Taxes	269,488	263,665	170,301	0	0
Charges for Services	957,232	1,054,257	1,079,706	771,638	825,376
Fees, Licenses and Permits	824,573	719,955	772,476	651,515	781,275
Intergovernmental	2,940,363	2,444,270	2,690,551	2,647,967	2,045,099
Special Assessments	0	0	0	0	0
Contributions and Donations	132,286	2,404	17,273	22,551	24,850
Interest	47,982	99,672	324,568	445,581	654,993
Rentals	56,700	56,700	56,700	56,700	16,929
Other	67,456	76,276	131,670	147,826	81,341
<i>Total Revenues</i>	<u>22,460,903</u>	<u>19,315,854</u>	<u>19,717,571</u>	<u>20,029,613</u>	<u>20,343,456</u>
<b>Expenditures</b>					
Current:					
General Government	2,473,487	2,246,485	1,945,424	1,777,101	2,007,973
Security of Persons and Property	7,729,531	7,892,278	8,483,728	8,122,257	7,739,321
Transportation	627,981	598,620	854,362	747,293	535,888
Community Environment	801,511	2,233,166	1,690,952	1,599,877	1,639,827
Basic Utilities Services	2,038,735	2,212,848	2,873,084	2,901,785	2,490,055
Leisure Time Activities	1,523,363	1,827,384	2,159,751	2,071,857	1,917,722
Capital Outlay	455,840	1,271,760	1,203,029	3,964,960	5,893,082
Debt Service:					
Principal Retirement	879,056	798,932	1,027,789	983,395	955,504
Principal Retirement - Current Refunding	0	0	75,000	230,000	0
Interest and Fiscal Charges	422,074	428,645	451,937	473,568	529,353
Bond Issuance Costs	0	0	0	0	113,472
<i>Total Expenditures</i>	<u>16,951,578</u>	<u>19,510,118</u>	<u>20,765,056</u>	<u>22,872,093</u>	<u>23,822,197</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,509,325</u>	<u>(194,264)</u>	<u>(1,047,485)</u>	<u>(2,842,480)</u>	<u>(3,478,741)</u>
<b>Other Financing Sources (Uses)</b>					
Bond Premium	0	0	0	0	299,477
Bonds Issued	0	0	0	0	5,255,000
General Obligation Notes Issued	1,676,000	1,815,000	575,000	650,000	880,000
Current Refunding	(1,815,000)	(575,000)	(575,000)	(650,000)	(5,800,000)
Sale of Capital Assets	0	18,750	0	11,350	30,320
Inception of Capital Lease	24,343	0	0	2,054,515	0
Transfers In	1,136,440	1,054,192	1,181,245	1,250,779	903,321
Transfers Out	(1,225,440)	(1,327,192)	(1,181,245)	(1,250,779)	(903,321)
<i>Total Other Financing Sources (Uses)</i>	<u>(203,657)</u>	<u>985,750</u>	<u>0</u>	<u>2,065,865</u>	<u>664,797</u>
<i>Net Change in Fund Balances</i>	<u>\$5,305,668</u>	<u>\$791,486</u>	<u>(\$1,047,485)</u>	<u>(\$776,615)</u>	<u>(\$2,813,944)</u>
Debt Service as a Percentage of Noncapital Expenditures	8.0%	6.8%	7.9%	7.8%	10.5%



2005	2004	2003	2002	2001
\$12,251,146	\$11,282,075	\$11,774,432	\$10,782,083	\$10,913,483
2,502,769	2,264,418	2,150,305	2,163,852	2,119,172
0	0	0	0	0
802,328	837,834	822,895	880,019	836,209
678,647	681,394	780,770	913,412	945,521
2,113,217	1,916,555	1,669,861	2,441,584	3,007,322
0	85,000	75,000	97,278	96,027
25,677	30,107	30,381	36,812	37,002
412,082	184,372	135,906	169,578	254,194
0	0	0	277,502	50,502
79,292	52,852	23,490	146,089	332,570
<u>18,865,158</u>	<u>17,334,607</u>	<u>17,463,040</u>	<u>17,908,209</u>	<u>18,592,002</u>
1,658,777	1,713,115	1,543,745	1,237,345	1,078,961
7,379,730	7,051,268	6,773,741	6,882,432	6,272,853
713,054	518,645	587,379	441,473	483,164
1,409,089	1,474,151	1,364,005	1,329,200	1,359,695
2,612,506	2,636,120	2,526,614	2,545,154	2,522,773
1,970,298	2,023,864	1,955,914	1,904,760	1,640,474
2,501,641	1,516,301	1,388,901	2,554,573	2,679,727
1,150,667	3,158,241	3,344,804	601,985	518,114
0	0	0	0	0
213,261	219,310	245,970	327,626	388,338
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>19,609,023</u>	<u>20,311,015</u>	<u>19,731,073</u>	<u>17,824,548</u>	<u>16,944,099</u>
<u>(743,865)</u>	<u>(2,976,408)</u>	<u>(2,268,033)</u>	<u>83,661</u>	<u>1,647,903</u>
0	0	0	0	0
0	0	0	0	0
5,800,000	1,910,000	2,400,000	0	0
(1,500,000)	0	0	0	0
2,696	3,601	0	11,688	19,874
845,875	310,650	245,635	404,091	0
769,054	764,070	477,475	431,695	479,765
<u>(769,054)</u>	<u>(764,070)</u>	<u>(477,475)</u>	<u>(431,695)</u>	<u>(479,765)</u>
<u>5,148,571</u>	<u>2,224,251</u>	<u>2,645,635</u>	<u>415,779</u>	<u>19,874</u>
<u>\$4,404,706</u>	<u>(\$752,157)</u>	<u>\$377,602</u>	<u>\$499,440</u>	<u>\$1,667,777</u>
8.7%	21.9%	24.3%	6.5%	6.8%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2010	\$147,383,380	\$164,623,650	\$891,448,657	\$16,770,910	\$19,057,852
2009	147,578,400	166,211,610	896,542,886	16,902,930	19,207,875
2008	162,454,880	167,532,300	942,820,514	16,502,840	18,753,227
2007	162,295,170	166,548,580	939,553,570	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

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

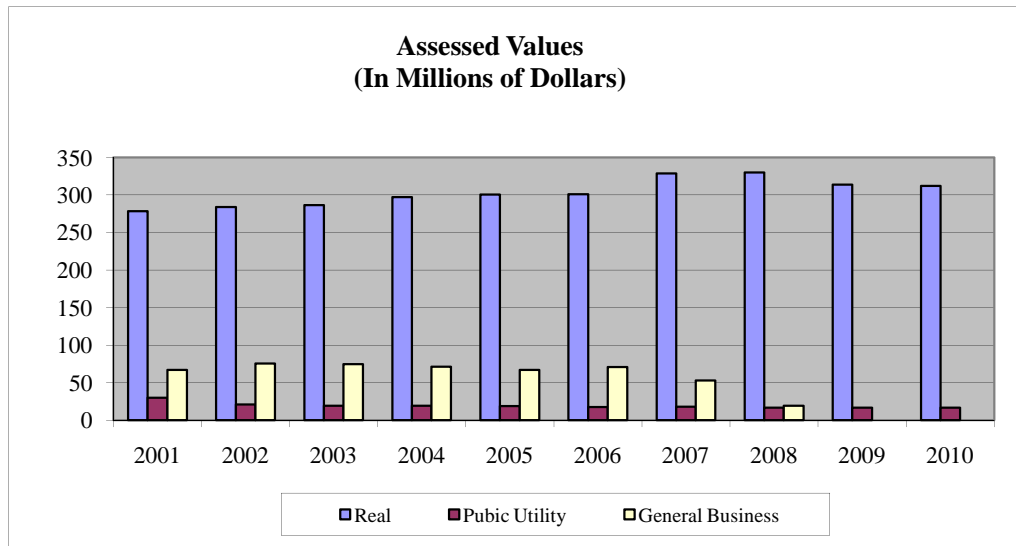
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General 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 was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010). During 2010, the County did not include an assessed value for general business tangible personal property.

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

**Source:** Office of the County Auditor, Cuyahoga County, Ohio

**Tangible Personal Property**

General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Tax Rate
\$0	\$0	\$328,777,940	\$910,506,509	36 %	\$5.90
0	0	330,692,940	915,750,761	36	5.90
19,201,489	307,223,824	365,691,509	1,268,797,566	29	6.90
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



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

	2010	2009	2008	2007
<b>Inside Millage</b>				
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>
<b>Charter Millage</b>				
1976 Charter/Bond Retirement	1.00000	1.00000	1.00000	1.00000
1976 Charter/Street Lighting	0.42000	0.42000	0.42000	0.42000
1976 Charter/Current Expense	0.00000	0.00000	1.00000	1.00000
1976 Charter/Fire Pension	0.25000	0.25000	0.25000	0.25000
1976 Charter/Police Pension	0.33000	0.33000	0.33000	0.33000
<i>Total Charter Millage</i>	<u>2.00000</u>	<u>2.00000</u>	<u>3.00000</u>	<u>3.00000</u>
<b>Total Millage</b>	<u><u>\$5.90000</u></u>	<u><u>\$5.90000</u></u>	<u><u>\$6.90000</u></u>	<u><u>\$6.90000</u></u>
<b>Overlapping Rates by Taxing District</b>				
Brooklyn City School District				
Residential/Agricultural Real	\$35.2990	\$35.0838	\$32.9276	\$26.0149
Commercial/Industrial and Public Utility Real	34.2130	33.8602	33.1222	26.2242
General Business and Public Utility Personal	47.2000	47.0000	46.4000	39.5000
Cuyahoga County Commissioners				
Residential/Agricultural Real	13.1866	13.1789	12.6607	11.8689
Commercial/Industrial and Public Utility Real	12.8413	12.8457	12.8153	12.4536
General Business and Public Utility Personal	13.3200	13.3200	13.3200	13.5200
Special Taxing Districts (1)				
Residential/Agricultural Real	9.6720	9.1880	8.6597	7.9675
Commercial/Industrial and Public Utility Real	9.3581	8.9194	8.8972	8.2518
General Business and Public Utility Personal	9.9800	9.6800	9.6800	9.1800

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 12 mills (including inside millage) of charter millage authorized; through 2010 only 5.9 mills has been levied. The 5.9 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.

2006	2005	2004	2003	2002	2001
\$2.30000	\$2.30000	\$2.30000	\$2.30000	\$2.30000	\$2.30000
0.90000	0.90000	0.90000	0.90000	0.90000	0.90000
0.70000	0.70000	0.70000	0.70000	0.70000	0.70000
3.90000	3.90000	3.90000	3.90000	3.90000	3.90000
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.40000	0.25000	0.25000	0.25000	0.30000	0.50000
1.00000	1.00000	0.00000	0.00000	0.00000	0.00000
0.30000	0.40000	0.15000	0.15000	0.10000	0.00000
0.30000	0.35000	0.10000	0.10000	0.10000	0.00000
3.00000	3.00000	1.50000	1.50000	1.50000	1.50000
\$6.90000	\$6.90000	\$5.40000	\$5.40000	\$5.40000	\$5.40000

\$26.0281	\$26.0273	\$26.0257	\$29.9529	\$29.9498	\$29.9425
26.5609	26.4834	26.5447	30.1638	30.1644	30.1654
39.5000	39.5000	39.5000	43.4000	43.4000	43.4000

11.7227	10.9754	10.9899	12.4609	11.3815	11.3967
12.5762	11.9846	12.0433	12.8764	12.0023	11.9298
13.5200	13.5200	13.5200	14.6500	14.6500	14.6500

8.2900	8.2880	6.7784	4.5323	4.5354	4.5422
8.5685	8.5067	7.1811	4.5497	4.5320	4.5253
9.1800	9.1800	8.2800	5.3500	5.3500	5.3500

**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
2010	\$1,953,844	\$1,884,608	96.46 %	\$57,067
2009	2,409,896	2,294,076	95.19	52,834
2008	2,402,660	2,334,188	97.15	84,929
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	38,450
2004	1,721,897	1,674,028	97.22	60,099
2003	1,658,287	1,590,902	95.94	30,891
2002	1,645,513	1,587,957	96.50	67,587
2001	1,664,679	1,636,000	98.28	27,767

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>
\$1,941,675	99.38 %	\$39,502	2.02 %
2,346,910	97.39	77,109	3.20
2,419,117	100.68	72,798	3.03
2,261,759	96.15	98,172	4.17
2,155,450	98.50	47,654	2.18
2,165,347	98.54	44,522	2.03
1,734,127	100.71	50,073	2.91
1,621,793	97.80	62,151	3.75
1,655,544	100.61	43,807	2.66
1,663,767	99.95	36,853	2.21

**City of Brooklyn, Ohio**  
*Principal Real Property Taxpayers*  
 2010 and 2001

<i>2010</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Plain Dealer Publishing Company	\$21,461,020	6.88 %
Cleveland Electric Illuminating	10,606,330	3.40
Ridge Park Square LLC	9,196,560	2.95
American Greetings Corporation	8,800,940	2.82
Tiedeman Development LLC	8,206,420	2.63
American Transmission System	5,609,800	1.80
Troy CMBS Property LLC	5,578,480	1.79
Westedge Residential, LLC	5,162,450	1.65
Northcliff Shopping	4,508,640	1.45
Terraces at Northridge LTD	4,466,000	1.42
<b>Total</b>	<b>\$83,596,640</b>	<b>26.79 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$312,007,030</b>	

<i>2001</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Plain Dealer Publishing Company	\$26,577,150	9.55 %
Cleveland Electric Illuminating	9,874,990	3.55
American Transmission System	8,681,560	3.12
Ridge Park Square LLC	7,855,760	2.82
American Greetings Corporation	6,858,600	2.47
Westbrook Apartments	4,975,180	1.79
Troy CMBS Property LLC	4,788,210	1.72
Terraces at Northridge LTD	4,202,840	1.51
Memphis Property Corporation	4,017,830	1.44
Biddulph Ridge Extension LLC	3,978,100	1.43
<b>Total</b>	<b>\$81,810,220</b>	<b>29.40 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$278,237,680</b>	

Source: Cuyahoga County Auditor

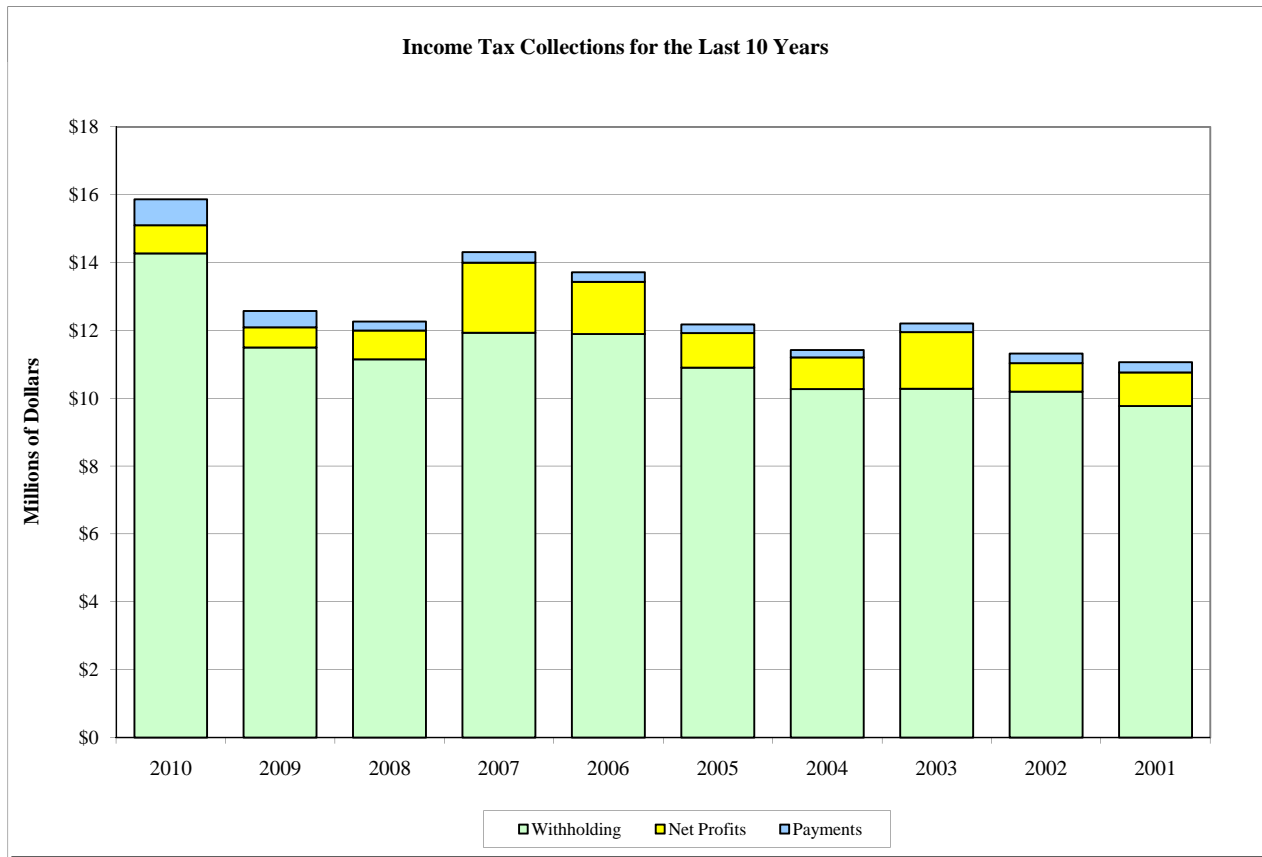


**City of Brooklyn, Ohio**  
*Income Tax Revenue Base and Collections*  
*Last Ten Years*

Tax Year (1)	Tax Rate (2)	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
2010	2.50%	\$15,865,212	\$14,271,733	89.96%	\$831,687	5.24%	\$761,792	4.80%
2009	2.50	12,576,250	11,496,947	91.42	598,243	4.75	481,060	3.83
2008	2.00	12,263,209	11,147,257	90.90	853,519	6.96	262,433	2.14
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

- (1) 2003 through 2010 are on an Accrual Basis and 2001 and 2002 are on a Modified Accrual Basis
- (2) Effective June 1, 2009 City of Brooklyn Electors voted to increase the City income tax by .50 percent to generate proceeds to be used for the governmental expenses.
- (3) The City is statutorily prohibited from presenting individual taxpayer information.

Source: City Income Tax Department Records for years 2000 through 2008  
Regional Income Tax Agency Records for year 2009, 2010



**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 and Fire Pension
2010	\$5,369,218	\$0	\$274,850	\$2,020,079	\$49,012
2009	5,942,831	0	329,820	2,258,699	50,135
2008	6,481,444	0	357,305	2,504,069	51,212
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

Note: Population and Personal Income data are presented on page S28

Honeywell Loan	Long-Term Notes	Total Debt	Percentage of Personal Income	Per Capita
\$0	\$1,676,000	\$9,389,159	3.96%	\$841
0	1,815,000	10,396,485	4.25	897
0	575,000	9,969,030	4.07	860
137,135	650,000	11,085,432	4.53	957
311,757	880,000	10,257,925	4.19	885
477,434	5,800,000	10,592,565	4.33	914
634,625	1,910,000	6,597,357	2.70	569
783,764	2,400,000	7,534,948	3.08	650
925,263	0	5,584,117	2.28	482
1,059,504	0	5,782,011	2.36	499

**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
2010	11,169	\$910,506,509	\$5,369,218
2009	11,586	915,750,761	5,942,831
2008	11,586	1,268,797,566	6,481,444
2007	11,586	1,382,468,926	7,010,057
2006	11,586	1,258,342,983	7,513,670
2005	11,586	1,148,651,324	2,522,806
2004	11,586	1,155,856,689	2,832,806
2003	11,586	1,138,001,528	3,127,806
2002	11,586	1,137,550,829	3,417,806
2001	11,586	1,097,286,883	3,687,806

Sources:

(1) 2001-2009: 2000 U. S. Bureau of Census, Census of Population.

2010: 2010 U.S. Bureau of Census, Census Population

(2) Cuyahoga County Auditor

Ratio of Bonded Debt to Estimated Actual Values of Taxable Property	Bonded Debt Per Capita
0.59%	\$480.73
0.65	512.93
0.51	559.42
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

**City of Brooklyn, Ohio**

*Legal Debt Margin*

*Last Ten Years*

	2010	2009	2008	2007
Total Assessed Property Value	<u>\$328,777,940</u>	<u>\$330,692,940</u>	<u>\$365,691,509</u>	<u>\$399,468,624</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$5,137,806	\$5,697,806	\$6,222,806	\$6,737,806
Special Assessment Bonds	0	0	0	0
Bond Anticipation Notes	1,815,000	1,920,000	650,000	880,000
Honeywell Loan	0	0	0	137,135
OPWC Loans	<u>274,850</u>	<u>329,820</u>	<u>357,305</u>	<u>412,275</u>
Total Gross Indebtedness	7,227,656	7,947,626	7,230,111	8,167,216
Less:				
Special Assessment Bonds	0	0	0	0
Honeywell Loan	0	0	0	(137,135)
OPWC Loans	(274,850)	(329,820)	(357,305)	(412,275)
General Obligation Bond Retirement Fund Balance	<u>0</u>	<u>(106,210)</u>	<u>(79,715)</u>	<u>0</u>
Total Net Debt Applicable to Debt Limit	<u>6,952,806</u>	<u>7,511,596</u>	<u>6,793,091</u>	<u>7,617,806</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>34,521,684</u>	<u>34,722,759</u>	<u>38,397,608</u>	<u>41,944,206</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$27,568,878</u>	<u>\$27,211,163</u>	<u>\$31,604,517</u>	<u>\$34,326,400</u>
Legal Debt Margin as a Percentage of the Debt Limit	79.86%	78.37%	82.31%	81.84%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$18,082,787</u>	<u>\$18,188,112</u>	<u>\$20,113,033</u>	<u>\$21,970,774</u>
Total Gross Indebtedness	7,227,656	7,947,626	7,230,111	8,167,216
Less:				
Special Assessment Bonds	0	0	0	0
Honeywell Loan	0	0	0	(137,135)
OPWC Loans	(274,850)	(329,820)	(357,305)	(412,275)
General Obligation Bond Retirement Fund Balance	<u>0</u>	<u>(106,210)</u>	<u>(79,715)</u>	<u>0</u>
Net Debt Within 5 ½ % Limitations	<u>6,952,806</u>	<u>7,511,596</u>	<u>6,793,091</u>	<u>7,617,806</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$11,129,981</u>	<u>\$10,676,516</u>	<u>\$13,319,942</u>	<u>\$14,352,968</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	61.55%	58.70%	66.23%	65.33%

Source: City Financial Records

2006	2005	2004	2003	2002	2001
<u>\$389,675,321</u>	<u>\$386,486,810</u>	<u>\$387,816,893</u>	<u>\$380,233,074</u>	<u>\$380,464,986</u>	<u>\$375,191,044</u>
\$7,227,806	\$2,522,806	\$2,832,806	\$3,127,806	\$3,417,806	\$3,687,806
0	0	0	85,000	160,000	235,000
1,120,000	5,800,000	1,910,000	2,400,000	0	0
311,757	477,434	634,625	783,764	925,263	1,059,504
467,245	522,215	577,185	632,155	687,125	742,095
<u>9,126,808</u>	<u>9,322,455</u>	<u>5,954,616</u>	<u>7,028,725</u>	<u>5,190,194</u>	<u>5,724,405</u>
0	0	0	(85,000)	(160,000)	(235,000)
(311,757)	(477,434)	(634,625)	(783,764)	(925,263)	(1,059,504)
(467,245)	(522,215)	(577,185)	(632,155)	(687,125)	(742,095)
<u>(190,562)</u>	<u>(239,145)</u>	<u>(230,600)</u>	<u>(296,290)</u>	<u>(352,458)</u>	<u>(435,026)</u>
<u>8,157,244</u>	<u>8,083,661</u>	<u>4,512,206</u>	<u>5,231,516</u>	<u>3,065,348</u>	<u>3,252,780</u>
<u>40,915,909</u>	<u>40,581,115</u>	<u>40,720,774</u>	<u>39,924,473</u>	<u>39,948,824</u>	<u>39,395,060</u>
<u>\$32,758,665</u>	<u>\$32,497,454</u>	<u>\$36,208,568</u>	<u>\$34,692,957</u>	<u>\$36,883,476</u>	<u>\$36,142,280</u>
80.06%	80.08%	88.92%	86.90%	92.33%	91.74%
<u>\$21,432,143</u>	<u>\$21,256,775</u>	<u>\$21,329,929</u>	<u>\$20,912,819</u>	<u>\$20,925,574</u>	<u>\$20,635,507</u>
9,126,808	9,322,455	5,954,616	7,028,725	5,190,194	5,724,405
0	0	0	(85,000)	(160,000)	(235,000)
(311,757)	(477,434)	(634,625)	(783,764)	(925,263)	(1,059,504)
(467,245)	(522,215)	(577,185)	(632,155)	(687,125)	(742,095)
<u>(190,562)</u>	<u>(239,145)</u>	<u>(230,600)</u>	<u>(296,290)</u>	<u>(352,458)</u>	<u>(435,026)</u>
<u>8,157,244</u>	<u>8,083,661</u>	<u>4,512,206</u>	<u>5,231,516</u>	<u>3,065,348</u>	<u>3,252,780</u>
<u>\$13,274,899</u>	<u>\$13,173,114</u>	<u>\$16,817,723</u>	<u>\$15,681,303</u>	<u>\$17,860,226</u>	<u>\$17,382,727</u>
61.94%	61.97%	78.85%	74.98%	85.35%	84.24%

**City of Brooklyn, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2010*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Brooklyn
<b>Direct Debt:</b>			
<b>City of Brooklyn</b>			
General Obligation Bonds	\$5,369,218	100.00 %	\$5,369,218
OPWC Loans	274,850	100.00	274,850
Capital Leases	2,020,079	100.00	2,020,079
Bond Anticipation Notes	<u>1,815,000</u>	100.00	<u>1,815,000</u>
<i>Total Direct Debt</i>	<u>9,479,147</u>		<u>9,479,147</u>
<b>Overlapping Debt:</b>			
Payable from Property Taxes:			
Cuyahoga County Bonds	141,947,000	1.10	1,561,417
Regional Transit Authority Bonds	157,545,585	1.10	1,733,001
Payable from Other Sources:			
Cuyahoga County Capital Leases	20,863,000	1.10	229,493
Cuyahoga County Loans	4,103,000	1.10	45,133
Regional Transit Authority Loans	2,459,509	1.10	27,055
Regional Transit Authority Capital Lease	<u>20,869,675</u>	1.10	<u>229,566</u>
<i>Total Overlapping Debt</i>	<u>347,787,769</u>		<u>3,825,665</u>
<i>Total Direct and Overlapping Debt</i>	<u><u>\$357,266,916</u></u>		<u><u>\$13,304,812</u></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*

<b>2010</b>		
Employer	Employees	Percentage of Total City Employment
Keybank National Association	2,541	18.15%
American Greetings Corporation	1,932	13.80
Arrow International, Incorporated	594	4.24
Plain Dealer Publishing Company	482	3.44
Wal-Mart Associates, Incorporated	400	2.86
City of Brooklyn (1)	304	2.17
Hugo Boss	301	2.15
AGCM, Incorporated	280	2.00
Brooklyn Board of Education	274	1.96
Prestolite Wire LLC	186	1.32
<b>Total</b>	<b>7,294</b>	<b>52.09%</b>
<b>Total Employment within the City</b>	<b>14,003</b>	

<b>2009 (2)</b>		
Employer	Employees	Percentage of Total City Employment
Keybank National Association	2,537	24.69%
American Greetings Corporation	2,040	19.85
Arrow International, Incorporated	629	6.12
Plain Dealer Publishing Company	482	4.69
Hugo Boss	421	4.10
Wal-Mart/Sam's Club	410	3.99
City of Brooklyn (1)	309	3.01
AGCM, Inc.	299	2.90
Brooklyn Board of Education	274	2.67
USF Holland, Incorporated	143	1.39
<b>Total</b>	<b>7,544</b>	<b>73.41%</b>
<b>Total Employment within the City</b>	<b>10,277</b>	

Source: Regional Income Tax Agency records for year 2010

(1) Includes seasonal employees

(2) 2009 information is the latest available

n/a - Information not available

**City of Brooklyn, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

---



---

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2010	11,169	\$236,939,166	\$21,214	\$39,859	42.9
2009	11,586	244,777,422	21,127	46,696	41.8
2008	11,586	244,777,422	21,127	46,696	41.8
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

(1) Source: for 2010 year: 2010 U.S. Census; 2001-2009: 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

<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>
1,463	9.4%	\$98,964	\$328,777,940
1,506	9.0	102,941	330,692,940
1,413	6.8	113,529	365,691,509
1,507	6.3	119,433	399,468,624
1,452	6.1	125,194	389,675,321
1,380	5.9	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

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

Function/Program	2010	2009	2008	2007
<b>General Government</b>				
Council	7.00	7.00	7.00	7.00
Mayor	1.00	1.00	1.00	1.00
Administration	2.50	2.00	2.00	2.00
Law	1.50	1.50	1.50	1.50
Finance	4.00	3.00	3.00	3.00
Tax	0.00	2.00	2.00	3.00
Public Building	1.50	2.00	3.00	2.00
Public Service	2.00	1.00	2.00	2.00
Engineer	1.00	1.00	1.00	1.00
Civil Service	3.00	3.00	3.00	3.00
Court	2.00	2.00	2.00	2.00
Data System	0.00	0.00	1.00	1.00
<b>Security of Persons and Property</b>				
Police	32.00	32.00	27.00	32.00
Dispatchers	6.00	7.00	7.00	7.00
Jailers	1.00	1.00	1.00	1.00
Fire	26.00	29.00	29.00	29.00
Fire Secretary	0.00	0.00	1.00	1.00
Safety Director	0.50	1.00	1.00	1.00
<b>Leisure Time Activities</b>				
Recreation	5.00	5.00	6.00	6.00
Pool	2.00	2.00	2.00	2.00
Senior Service	4.00	4.00	4.00	4.00
<b>Community Development</b>				
Building	0.00	2.00	3.00	3.00
<b>Transportation</b>				
Recycling	1.00	1.00	1.00	1.00
Service	20.00	22.00	28.00	29.00
Street Maintenance and Repair	3.00	4.00	4.00	4.00
<b>Totals:</b>	<u>126.00</u>	<u>135.50</u>	<u>142.50</u>	<u>148.50</u>

Source: City of Brooklyn payroll department (based on payroll record sheets)

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.

2006	2005	2004	2003	2002
7.00	7.00	7.00	7.00	7.00
1.00	1.00	1.00	1.00	1.00
3.00	3.00	3.00	3.00	3.00
1.50	1.50	1.50	1.50	1.50
3.00	3.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00	3.00
2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00
1.00	0.00	0.00	0.00	0.00
3.00	3.00	3.00	3.00	3.00
2.00	2.00	2.00	2.00	2.00
1.00	0.00	0.00	0.00	0.00
32.00	32.00	32.00	32.00	32.00
7.00	7.00	7.00	7.00	7.00
1.00	1.00	1.00	1.00	1.00
29.00	29.00	29.00	29.00	29.00
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
5.00	5.00	8.00	8.00	8.00
3.00	3.00	3.00	3.00	3.00
4.00	4.00	4.00	4.00	4.00
3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00
29.00	29.00	31.00	31.00	31.00
4.00	4.00	4.00	4.00	4.00
<u>149.50</u>	<u>147.50</u>	<u>152.50</u>	<u>152.50</u>	<u>152.50</u>

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

Function/Program	2010	2009	2008	2007
<b>General Government</b>				
<i>Council and Clerk</i>				
Number of Ordinances Passed	74	76	88	51
Number of Resolutions Passed	11	20	31	19
Number of Planning Commission docket items	31	18	18	24
Zoning Board of Appeals docket items	13	14	10	17
<i>Finance Department</i>				
Number of checks/ vouchers issued	2,590	2,446	2,797	3,081
Amount of checks written	\$7,651,560	\$8,169,432	\$9,060,087	\$10,220,358
Interest earnings for fiscal year (cash basis)	\$73,435	\$241,233	\$321,456	\$464,337
Number of Receipts issued	921	1,003	891	949
Agency Ratings - Moody's Financial Services	A1	A1	A1	A1
Health Insurance Costs vs. General Fund Expenditures %	10.64%	9.71%	9.65%	9.15%
General Fund Receipts (cash basis in thousands)	\$17,320	\$14,392	\$15,262	\$16,059
General Fund Expenditures (cash basis in thousands)	\$13,884	\$15,020	\$15,818	\$15,064
General Fund Cash Balances (in thousands)	\$4,086	\$861	\$1,920	\$2,893
<i>Income Tax Department</i>				
Number of Individual Returns	n/a	n/a	4,157	4,657
Number of Business Returns	n/a	n/a	996	1,676
Number of business withholding accounts	n/a	n/a	823	1,048
Amount of Refunds Issued	\$97,044	\$100,676	\$185,543	\$176,052
Number of 1099's Issued	n/a	n/a	356	411
<i>Mayor's Court</i>				
Number of Felony Citations	0	0	0	185
Number of Criminal Citations	627	564	567	645
Number of Traffic Citations	5,841	6,419	3,695	3,005
Number of Juvenile Citations	55	65	51	49
Number of Parking Citations	700	823	1,122	1,101
Total Revenue	\$488,556	\$665,838	\$547,338	\$456,144
<i>Civil Service</i>				
Number of police entry tests administered	0	0	0	1
Number of fire entry tests administered	0	0	0	0
Number of police promotional tests administered	0	0	1	0
Number of fire promotional tests administered	1	0	0	0
Number of civil service examinations	0	0	0	0
Number of school tests	0	0	0	0
Number of Police Officers hired	0	0	3	2
Number of Fire/Medics hired	0	0	0	1
Number of promotions in police	0	0	0	2
<i>Building Department Indicators</i>				
New Construction Permits Issued	0	0	5	7
Estimated Value of Construction	\$8,378,986	\$5,801,180	\$7,136,267	\$9,139,960
Number of electrical/plumbing/remodeling permits issued	952	618	744	745
Amount of Revenue generated from permits	\$70,070	\$68,201	\$75,561	\$75,561
Number of contract registrations issued (A)	411	425	492	483
Annual Apartment/Rooming House License Fees (B)	\$8,650	\$9,300	\$8,200	\$7,250
Revenue generated from above (A, B)	\$40,675	\$41,175	\$45,100	\$43,475

Source: City of Brooklyn Departments

(1) Information prior to 2002 is not available

Note: In 2009, the City began using the Regional Income Tax Agency to collect income taxes

n/a: Information not available

2006	2005	2004	2003	2002
71	55	73	77	61
19	19	22	20	17
35	22	20	34	33
36	22	23	34	33
3,100	3,044	2,967	3,034	3,167
\$12,064,205	\$8,473,798	\$8,100,991	\$7,551,707	\$12,784,695
\$510,298	\$251,240	\$139,729	\$135,353	\$153,207
1,086	1,072	1,154	1,271	n/a
A1	A2	A2	A2	A2
9.08%	8.96%	8.28%	7.42%	7.25%
\$15,112	\$14,128	\$12,856	\$13,519	\$13,235
\$14,817	\$14,063	\$14,092	\$13,287	\$12,690
\$2,363	\$1,957	\$1,835	\$2,826	\$2,867
4,849	4,779	4,743	4,698	4,702
1,816	1,811	1,807	1,786	1,792
1,106	1,094	1,111	1,109	1,112
\$257,208	\$231,328	\$207,298	\$196,270	\$539,135
461	411	481	516	492
153	161	136	206	183
616	502	547	612	567
3,677	4,044	4,001	4,031	4,744
80	70	55	39	76
1,994	862	990	1,023	1,070
\$667,447	\$608,812	\$646,182	\$694,052	\$714,495
1	2	0	1	0
0	1	0	1	0
0	0	1	0	1
0	2	0	0	0
0	0	2	0	0
0	5	2	1	0
2	1	0	1	2
1	0	0	0	3
2	1	1	0	1
488	556	558	561	544
\$13,531,809	\$7,296,831	\$6,491,267	\$9,034,092	\$14,852,158
1,185	1,175	1,124	1,159	1,107
\$118,706	\$68,896	\$97,973	\$106,429	\$190,912
471	515	488	563	645
\$5,550	\$0	\$0	\$0	\$0
\$35,325	\$38,650	\$36,600	\$42,225	\$48,375

(continued)

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

Function/Program	2010	2009	2008	2007
<b>Security of Persons and Property</b>				
<i>Police</i>				
Total Calls for Services	50,059	40,039	34,558	29,365
Number of traffic citations issued	5,841	6,382	3,695	3,005
Number of parking citations issued	343	823	1,122	1,101
Number of criminal arrests	627	564	567	873
Number of accident reports completed	653	494	957	934
Animal Warden service calls responded to per annual report	616	306	374	n/a
Police Dept. Auxiliary hours worked	994	983	1,778	n/a
DUI Arrests	51	37	52	n/a
Prisoners	1,361	1,315	1,211	1,311
Motor Vehicle Accidents	653	494	957	934
Property damage accidents	381	n/a	n/a	n/a
Fatalities from Motor Vehicle Accidents	1	1	1	n/a
Community Diversion Program Youths	32	45	58	31
Community Diversion Program - community service hours	396	492	572	355
<i>Fire</i>				
EMS Calls	1,462	1,525	1,554	1,486
Ambulance Billing Collections (net)	\$326,009	\$313,020	\$322,823	\$150,750
Fire Calls	606	611	604	690
Fires with Loss	11	12	15	16
Fires with Losses exceeding \$10,000	6	3	4	5
Fire Losses \$	\$128,500	\$296,500	\$205,100	\$109,200
Fire Safety Inspections	346	343	359	363
Number of times Mutual Aid given to Fire and EMS	27	21	7	5
Number of times Mutual Aid received for Fire and EMS	12	6	30	12
<b>Leisure Time Activities</b>				
<i>Recreation</i>				
Skating Rink Receipts	\$431,420	\$484,384	\$487,315	\$390,057
Recreation Swimming pool receipts	102,236	95,762	123,700	108,027
Senior Center Fees	88,133	105,771	102,747	76,562
Total Recreation Department receipts	<u>\$621,789</u>	<u>\$685,917</u>	<u>\$713,762</u>	<u>\$574,646</u>
<b>Basic Utility Services</b>				
Refuse disposal per year (in tons) August through July	3,921	3,743	3,836	3,873
Refuse disposal costs per year August through July	\$102,491	\$20,701	\$19,179	\$19,365
Percentage of waste recycled	16.00%	17.00%	18.41%	19.00%
Annual recycling tonnage (excluding leaf and compost items)	628	636	866	934
Recycle Disposal Fees To Waste Management	15,760	20,545	17,150	n/a
<b>Transportation</b>				
Street Improvements - asphalt overlay (linear feet)	3,250	2,675	0	6,758
Rejuvenating Spray on Streets (Miles)	1.08	0.00	0.00	1.28
Crackseal Coating Program (Miles)	1.88	0.00	0.69	n/a
Paint Striping (annual cost)	\$47,423	\$43,500	\$47,325	\$51,662
Sewer and Sanitary calls for service	332	286	360	435
Sewer Crew (hours)	447	359	490	n/a
Sewer jet, Vac-all, other services (hours)	586	395	252	284
Number of Trees Planted per year	17	21	92	145
Tons of snow melting salt purchased (Nov-Mar)	1,836	2,316	2,596	3,102
Cost of salt purchased	\$91,350	\$128,491	\$112,473	\$102,273

Source: City of Brooklyn Departments

(1) Information prior to 2002 is not available

Note: In 2009, the City began using the Regional Income Tax Agency to collect income taxes

n/a: Information not available



2006	2005	2004	2003	2002
18,228	11,662	12,222	11,859	12,315
3,677	4,044	4,001	4,031	4,744
1,994	862	990	1,023	1,070
616	502	547	612	567
584	613	676	602	646
638	444	16	8	6
1,687	2,070	5,662	4,444	4,073
48	66	82	44	29
1,494	1,354	1,141	1,290	1,422
584	613	676	602	646
454	438	532	468	524
1	0	0	1	0
34	24	24	25	n/a
326	260	392	545	n/a
1,416	1,467	1,474	1,552	1,443
\$118,795	\$133,095	\$141,793	\$163,455	\$157,700
692	778	741	771	797
20	24	20	22	11
4	5	5	2	0
\$124,000	\$239,600	\$186,000	\$61,300	\$21,800
366	340	333	474	382
4	3	1	2	3
17	6	13	10	4
\$447,500	\$425,022	\$454,410	\$408,530	\$460,705
122,532	121,913	116,161	125,529	137,618
81,071	80,190	77,036	74,830	72,120
<u>\$651,103</u>	<u>\$627,125</u>	<u>\$647,607</u>	<u>\$608,889</u>	<u>\$670,443</u>
4,764	4,890	4,864	4,862	4,193
\$17,903	\$15,252	\$13,376	\$12,366	\$11,530
15.97%	16.15%	15.15%	15.22%	16.21%
761	792	737	740	680
n/a	n/a	n/a	n/a	n/a
4,000	n/a	n/a	n/a	n/a
0.75	n/a	n/a	n/a	n/a
1.30	n/a	n/a	n/a	n/a
\$44,761	\$35,800	\$38,250	\$37,050	\$36,185
463	329	286	343	332
356	399	203	221	217
83	0	0	0	0
140	150-160	150-160	150-160	150-160
1,826	4,664	2,582	6,161	969
\$60,199	\$146,678	\$78,617	\$183,276	\$27,568

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

Function/Program	2010	2009	2008	2007
<b>General Government</b>				
City Hall and Police Station (square footage occupied)	38,167	38,167	38,167	38,167
Historical Museum (square feet)	8,083	8,083	8,083	8,083
Records Storage - 4476 Ridge Road (square feet)	4,869	4,869	4,869	4,869
City Service Garage (square feet)	31,280	31,280	31,280	31,280
City Service Garage - Salt Storage Building (square feet)	3,630	3,630	3,630	3,630
City Service Garage - Sod Storage (square feet)	525	525	525	525
Administrative Vehicles	8	8	8	7
Inspection Vehicles	3	3	3	2
<b>Police</b>				
Stations	1	1	1	1
Vehicles	20	19	23	19
Motorcycles	4	4	4	4
<b>Fire</b>				
Stations	1	1	1	1
Square Footage of Building	24,323	24,323	24,323	24,323
Vehicles	2	2	3	3
Aerial Ladder Truck	1	1	1	1
Pumpers	3	3	3	3
Ambulances	3	3	2	2
<b>Recreation</b>				
Ice Rink and Indoor Pool (Square Footage Occupied)	84,734	84,734	84,734	84,734
Outdoor Swimming Pool (square feet)	2,494	2,494	2,494	2,494
Outdoor Wading Pool (square feet)	479	479	479	479
Community/Senior Center (square feet)	15,717	15,717	15,717	15,717
Number of Parks	2	2	2	2
Number of Pools	3	3	3	3
Number of Ice Rinks	1	1	1	1
Number of Tennis Courts	4	4	4	4
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	4	4	4	4
Number of Common Areas	2	2	2	2
Number of Picnic Pavillions	3	3	3	3
Number of Playgrounds	3	3	3	3
Number of Playgrounds with Learning Center	1	1	1	1
Number of Basketball Courts	2	2	2	2
Number of Volleyball Courts	0	0	0	1
Number of Bocci Ball Courts	2	2	2	2
Number of Horseshoe Pits	2	2	2	2
Number of Soccer Fields	1	1	1	1
Number of Nature Trails	2	2	2	2

Source: City of Brooklyn Departments

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

2006	2005	2004	2003	2002	2001
38,167	38,167	38,167	38,167	38,167	38,167
8,083	8,083	8,083	8,083	8,083	8,083
4,869	4,869	4,869	4,869	4,869	4,869
31,280	31,280	31,280	31,280	31,280	31,280
3,630	3,630	3,630	3,630	3,630	3,630
525	525	525	525	525	525
7	7	7	7	7	6
2	2	2	2	2	2
1	1	1	1	1	1
16	16	16	16	16	15
4	4	4	4	4	4
1	1	1	1	1	1
24,323	(a)	(a)	(a)	(a)	(a)
2	2	2	2	2	2
1	1	1	1	1	1
3	3	3	3	3	3
3	3	3	3	3	3
84,734	84,734	84,734	84,734	84,734	84,734
2,494	2,494	2,494	2,494	2,494	2,494
479	479	479	479	479	479
15,717	15,717	15,717	15,717	15,717	15,717
2	2	2	2	2	2
3	3	3	3	3	3
1	1	1	1	1	1
4	4	4	4	4	4
1	1	1	1	1	1
4	4	4	4	4	4
2	2	2	2	2	2
3	3	3	3	3	3
3	3	3	3	3	3
1	1	1	1	1	1
2	2	2	2	2	2
1	1	1	1	1	1
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
2	2	2	2	2	2

(continued)

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

Function/Program	2010	2009	2008	2007
<b>Other Public Works</b>				
Streets (miles)	87.1	87.1	87.1	87.1
Average age of roadways	48	47	46	45
Light Trucks	20	20	14	13
Service Department Large Vehicles/Trucks	8	8	7	7
Garbage Packers	3	3	5	4
Bucket Truck	1	1	1	1
Street Sweepers	2	2	2	2
Bombardiers - Sidewalk Snow Plows	12	12	12	12
Heavy Equipment - Landfill	3	3	6	8
Recycle Truck	1	1	0	0
<b>Wastewater</b>				
Sanitary Sewers (linear feet)	147,917	147,917	147,917	147,917
Average age of sanitary sewers	48	47	46	45
Storm Sewers (miles)	106,342	106,342	106,342	106,342
Average age of storm sewers	52	51	50	49
<b>Water Department</b>				
Water Lines (linear feet)	174,725	174,725	174,725	174,725
Average age of water lines	52	51	50	49

Source: City of Brooklyn Departments

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

2006	2005	2004	2003	2002	2001
87.1	87.1	87.1	87.1	87.1	87.1
44	43	42	41	40	39
12	12	11	11	10	9
7	7	7	7	7	7
4	4	4	3	3	3
1	1	1	1	1	1
2	1	1	1	1	1
12	12	12	12	12	12
8	8	8	8	7	7
0	0	0	1	1	1
147,917	147,917	147,917	147,917	147,917	147,917
44	43	42	41	40	39
106,342	106,342	106,342	106,342	106,342	106,342
48	47	46	45	44	43
174,725	174,725	174,725	174,725	174,725	174,725
48	47	46	45	44	43

(This Page Intentionally Left Blank)



**The City of**  
**Brooklyn • Ohio**

**FOUNDED 1867**

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

**RICHARD BALBIER, MAYOR**

**This Page is Intentionally Left Blank.**





# Dave Yost • 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 12, 2011