

**CITY OF BROOKLYN  
CUYAHOGA COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2014**

***James G. Zupka, CPA, Inc.***  
**Certified Public Accountants**





# Dave Yost • Auditor of State

City Council  
City of Brooklyn  
7619 Memphis Avenue  
Brooklyn, Ohio 44144

We have reviewed the *Independent Auditor's Report* of the City of Brooklyn, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2014 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

September 8, 2015

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**CITY OF BROOKLYN  
CUYAHOGA COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

To the Members of City Council and  
Members of the Audit Committee  
City of Brooklyn, Ohio

The Honorable David Yost  
Auditor of State  
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brooklyn, Cuyahoga County, Ohio, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of Brooklyn, Ohio's basic financial statements, and have issued our report thereon dated June 12, 2015, wherein we noted the City restated its December 31, 2013 General Fund budgetary fund balance to correct an intrafund transfer in the Governmental funds.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Brooklyn, Ohio's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Brooklyn, Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Brooklyn, Ohio's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

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

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James G. Zupka, CPA, President  
Digitally signed by James G. Zupka, CPA,  
President  
DN: cn=James G. Zupka, CPA, President,  
o=James G. Zupka, CPA, Inc., ou=Accounting,  
email=jgzcpa@sbcglobal.net, c=US  
Date: 2015.06.30 10:26:05 -0400

James G. Zupka, CPA, Inc.  
Certified Public Accountants

June 12, 2015



**CITY OF BROOKLYN  
CUYAHOGA COUNTY, OHIO  
STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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The prior audit report, as of December 31, 2013, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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# CITY OF BROOKLYN, OHIO



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FOR THE YEAR ENDED DECEMBER 31, 2014

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# CITY OF BROOKLYN, OHIO



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# INTRODUCTORY SECTION

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# **City of Brooklyn, Ohio**

**Comprehensive Annual Financial Report  
For the Year Ended December 31, 2014**

**Prepared by: The Department of Finance  
Daniel J. Enovitch, Director of Finance**

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# City of Brooklyn, Ohio

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*The City of*  
**Brooklyn • Ohio**

**Mayor**  
Richard H. Balbier

**Council**  
Kathleen M. Pucci  
Antony E. DeMarco  
Kevin Tanski  
Ron Van Kirk  
Mary L. Balbier  
Katherine A. Gallagher  
Andy Celcherts

June 12, 2015

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 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.

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. The James G. Zupka, C.P.A., Inc.'s office rendered an opinion on the City's financial statements as of December 31, 2014, and the Independent Auditor's 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 Auditor's Report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **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 with the City charging only a nominal fee for these services. The City also 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 31st. 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 long standing 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 in 2014 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 Lamson and Sessions and Terex to a much more diversified business base today. In addition to the three main businesses (American Greetings, Key Bank and The Plain Dealer) there is Ridge Park Square Shopping Center, Cascades Crossing (Hampton Inn, Extended Stay America, TGI Friday's, Steak & Shake, Chipotle Mexican Grill, Sheetz, and the Hooley House), Key Commons (Cracker Barrel, Panera's, Carrabba's Italian Grill, Buffalo Wild Wings, 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 and numerous small trucking companies. Businesses along the Brookpark Road corridor include Best Buy, Super K Mart, 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 the 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.

The City of Brooklyn was officially notified on May 20, 2011 that American Greetings would be moving their headquarters to Westlake, Ohio. With this announcement, the City of Brooklyn, over the past three years, has worked in tandem with the State of Ohio, Cuyahoga County, Team NEO, and various developers who are interested in this site. The vision of the City of Brooklyn is to have a diversified campus. This 100 hundred acre park with 900,000 square feet under roof, and approximately 40 acres of developable acreage, is prime for multi-end users. We anticipate headquarters, research and development, business services, warehousing, and/or manufacturing sectors will be located in the park.

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.

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 while working to maintain relationships with current businesses located in Brooklyn. The City has been successful in initiating several projects directed towards economic development.

In an effort to increase financial support for economic development in the City of Brooklyn, City Council passed the creation of the economic development fund in 2012. The economic development fund is scheduled to have annual transfers from the general fund, and these monies will be used to pay for expenditures related to job retention, incentive grants, and other economic development programs. This fund is included with the general fund for GAAP reporting.

In 2014, the City of Brooklyn reviewed and approved plans for a new Senior Assisted Living and Skilled Nursing Facility. This project will be an investment of \$24 million, and 110,000 square feet, creating approximately 80 new medical-related positions. This new facility is proposed for completion in December 2016. L.A. Fitness completed its new facility located in Key Bank Plaza. This project was an investment of \$9 million on 3.26 acres (including new infrastructure), 45,000 square feet (2-story) fully equipped health facility, creating 75 new jobs. Loving Cups Kids Academy of Brooklyn has been approved by Planning for a new \$350,000 expansion, which will house headquarters, inside gymnasium, and more toddler rooms. This expansion is a 5,500 square foot addition to the existing 4,750 square foot facility.

### **Long-Term Financial Planning**

The City undertakes projects only after adequate funding sources are assured. A portion of the income tax collections is designated for the capital improvement fund to facilitate pay-as-you-go financing of capital projects.

The City has a very favorable debt profile and amortizes debt quickly. In 2014, City Council voted for an issuance of Bond Anticipation Notes (BAN's) in the amount of \$1,100,000. The BAN's provided for a new City Hall Roof, the 2013 Street Program, and a new Parking Lot for the John M. Coyne Recreation Center.

### **Major Initiatives**

The City of Brooklyn is committed to maintaining and improving the City's infrastructure, especially the City's roadways. The City of Brooklyn's 2014 Street Repair Project included repair/resurfacing to Outlook Drive, Rodoan Road South, and Bentwood Drive.



In 2014, in conjunction with Cuyahoga County, a three-year resurfacing project of Ridge Road from Memphis Avenue to I-480 concluded. The City of Brooklyn has committed monies to the improvement of Memphis Avenue which is scheduled to take place in 2016. Also in 2014 the Ohio Department of Transportation completed the upgrade of the east and west bound ramps at the I-480/Tiedeman Road Interchange.

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 that will be used as a reserve. 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, the City will be in a position to continue to increase the level of funding in the budget stabilization fund incrementally in an effort to provide resources in the post-American Greetings period.

From a management and administrative perspective, the City is continuing to gain efficiencies. Departments are continuing to operate at manageable staffing levels in an effort to reduce overall payroll and benefit costs.

Health care is consistently a large expenditure for the City and a joint health care review committee was initiated in 2010 that includes members of all collective bargaining groups as well as representatives of the administrative staff. A major objective of the health care committee is health care cost containment.

The City has implemented programs designed to lower its liabilities with respect to property and casualty insurance and workers' compensation expenses. The continued claim management is being actively pursued by the Administration for the potential benefit of workers' compensation premium reduction by the City in future years.

The City created a termination leave fund that deals with separation payments of employees outside the general fund. This fund is 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. Effective December 2011, City Council voted to reduce the payout percentage from fifty percent to thirty three percent for the cash payment of sick hours for employees retiring after working a minimum ten years of continuous service with the City of Brooklyn. This is a large cost reduction for all future retirees and is another example of the cost-cutting measures the City has been evaluating and implementing.

### **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, 2013. This was the twenty fifth (25th) 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



Daniel J. Enovitch  
Director of Finance

# City of Brooklyn, Ohio

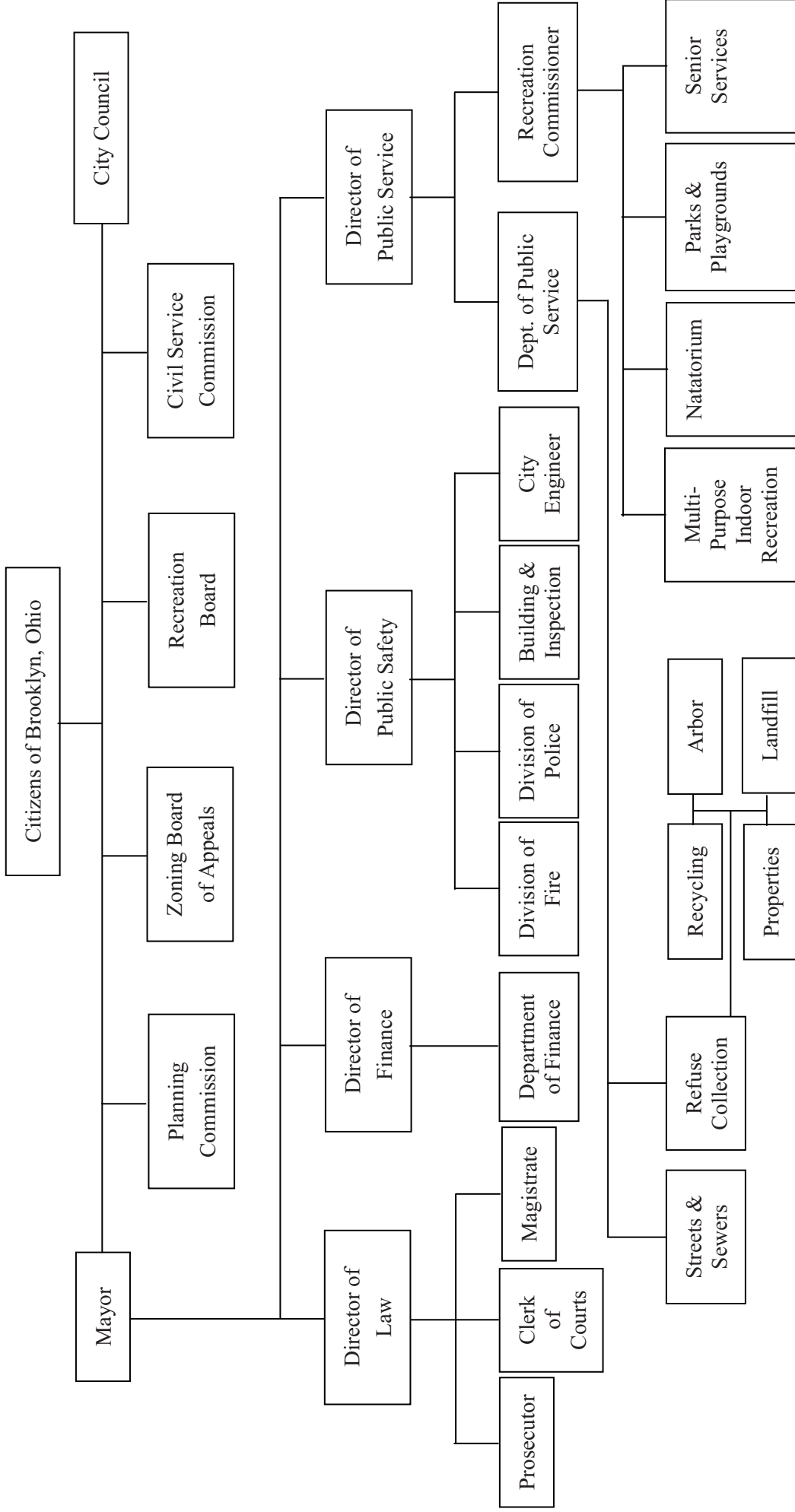
## List of Principal Officials

**December 31, 2014**

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Mayor .....	Richard H. Balbier
Council President .....	Katherine. A. Gallagher
Council-at-Large .....	Colleen B. Coyne Gallagher
Council-at-Large .....	Antony E. DeMarco
Council-at-Large .....	Kathleen M. Pucci
Council-at-Large .....	Andrew Celcherts
Council-at-Large .....	Kevin Tanski
Council-at-Large .....	Rob Van Kirk
Director of Law .....	Scott Claussen
Magistrate.....	Ronald Balbier
Prosecutor.....	Hillary Goldberg
Director of Public Safety .....	Edward Chessar
Director of Public Service.....	John M. Verba, Jr.
Director of Finance .....	Daniel J. Enovitch
Chief Building Official .....	David Kulcsar
Police Chief.....	Scott Mielke
Fire Chief .....	Joseph Zemek

# City of Brooklyn, Ohio Organization Chart





Government Finance Officers Association

**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, 2013**

Executive Director/CEO

# CITY OF BROOKLYN, OHIO



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## FINANCIAL SECTION

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**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

To the Members of City Council and  
Members of the Audit Committee  
City of Brooklyn, Ohio

The Honorable David Yost  
Auditor of State  
State of Ohio

**Report on the Financial Statements**

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, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **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, Ohio, as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As described in Note 3 to the financial statements, the City restated its December 31, 2013 General Fund budgetary fund balance to correct an intrafund transfer in the governmental funds. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting 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 assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Brooklyn, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2015, on our consideration of the City of Brooklyn, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Brooklyn, Ohio's internal control over financial reporting and compliance.



James G. Zupka, CPA, Inc.  
Certified Public Accountants

June 12, 2015

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## City of Brooklyn, Ohio

### Management's Discussion and Analysis (Unaudited)

#### **For the Year Ended December 31, 2014**

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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, 2014. 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 2014 are:

- In 2014, the City of Brooklyn continued to manage spending in order to operate all departments efficiently. Overtime hours were only used in necessary instances and there were no significant increases to staffing levels in the various departments.
- Total assets of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$42,685,309, an increase of \$3,564,257 during 2014.
- Total assets increased by \$2,145,005, which is attributed mainly to increases in cash and cash equivalents and municipal income taxes receivable offset by a decrease in capital assets.
- Total liabilities decreased by \$1,463,146, which is mainly attributed to a decrease in long-term liabilities.
- In June 2014, the City issued \$1,100,000 in bond anticipation notes to refinance notes issued for the 2013 street program, a new roof for City Hall and a new parking lot at the recreation center.

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

# City of Brooklyn, Ohio

Management's Discussion and Analysis (Unaudited)

## **For the Year Ended December 31, 2014**

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### **Reporting the City of Brooklyn as a Whole**

#### ***Statement of Net Position 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 2014?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net position and the changes in net position. The changes in net position 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, nonfinancial 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 Position* and the *Statement of Activities* are divided into the following categories:

- Assets
- Liabilities
- Deferred Inflows of Resources
- Net Position (Assets minus Liabilities and Deferred Inflows of Resources)
- Program Revenue and Expenses
- General Revenues
- Net Position 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 17. Fund financial reports provide detailed information about the City's major funds based on the constraints 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 fund and the capital improvements capital projects fund.

#### ***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 Position* and the *Statement of Activities*) and governmental funds is reconciled in the financial statements.

# City of Brooklyn, Ohio

## Management's Discussion and Analysis (Unaudited)

### For the Year Ended December 31, 2014

#### *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.

#### *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 Position* looks at the City as a whole. Table 1 provides a summary of the City's net position for 2014 compared to 2013.

Table 1  
Net Position

	Governmental Activities		Change
	2014	2013	
<b>Assets</b>			
Current and other assets	\$ 31,061,128	\$ 27,968,968	\$ 3,092,160
Capital assets, net	<u>28,536,081</u>	<u>29,483,236</u>	<u>(947,155)</u>
Total assets	<u>59,597,209</u>	<u>57,452,204</u>	<u>2,145,005</u>
<b>Liabilities</b>			
Current and other liabilities	1,597,990	1,768,183	(170,193)
Long-term liabilities:			
Due within one year	5,440,277	562,300	4,877,977
Due in more than one year	<u>8,413,935</u>	<u>14,584,865</u>	<u>(6,170,930)</u>
Total liabilities	<u>15,452,202</u>	<u>16,915,348</u>	<u>(1,463,146)</u>
<b>Deferred inflows of resources</b>	<u>1,459,698</u>	<u>1,415,804</u>	<u>43,894</u>
<b>Net position</b>			
Net investment in capital assets	22,742,395	23,035,062	(292,667)
Restricted:			
Capital projects	9	8	1
Debt service	26,026	-	26,026
Street maintenance and repair	1,205,528	1,409,048	(203,520)
State highway	361,465	357,164	4,301
Termination payments	702,628	659,593	43,035
Court computer	63,434	57,804	5,630
Police programs	438,527	211,458	227,069
Landfill	4,485,997	4,486,843	(846)
Other purposes	491,394	500,208	(8,814)
Unrestricted	<u>12,167,906</u>	<u>8,403,864</u>	<u>3,764,042</u>
Total net position	\$ <u>42,685,309</u>	\$ <u>39,121,052</u>	\$ <u>3,564,257</u>

# City of Brooklyn, Ohio

## Management's Discussion and Analysis (Unaudited)

### For the Year Ended December 31, 2014

Total assets mainly increased as a result of an increase in cash on hand and municipal income taxes receivable offset by a decrease in capital assets. The increase in cash is primarily associated with the increased income tax rate continuing to provide the City cash revenues greater than cash expenditures. Municipal income taxes receivable is up based on an estimate by the Regional Income Tax Agency. Capital assets net of accumulated depreciation are down as depreciation expense exceeded the amount of new additions during 2014.

The decrease in total liabilities is primarily due to the principal repayment of debt during 2014 as well as a reduction in the estimate of total landfill closure and post-closure costs during 2014.

Table 2 shows the changes in net position for the year ended December 31, 2014. Comparisons between the last two years are shown below:

Table 2  
Changes in Net Position

	Governmental Activities		Change
	2014	2013	
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 2,063,049	\$ 2,252,031	\$ (188,982)
Operating grants and contributions	805,635	1,341,135	(535,500)
Capital grants and contributions	<u>293,911</u>	<u>-</u>	<u>293,911</u>
Total program revenues	<u>3,162,595</u>	<u>3,593,166</u>	<u>(430,571)</u>
General revenues:			
Property taxes	1,413,557	1,425,136	(11,579)
Municipal income taxes	17,775,749	17,038,227	737,522
Local taxes	424,830	321,292	103,538
Grants and entitlements	444,220	820,078	(375,858)
Investment earnings	11,427	11,994	(567)
Other	<u>97,438</u>	<u>78,282</u>	<u>19,156</u>
Total general revenues	<u>20,167,221</u>	<u>19,695,009</u>	<u>472,212</u>
Total revenues	<u>23,329,816</u>	<u>23,288,175</u>	<u>41,641</u>
<b>Program expenses</b>			
General government	2,327,478	2,432,195	(104,717)
Security of persons and property	8,918,181	8,724,511	193,670
Transportation	2,047,997	817,588	1,230,409
Community environment	1,857,228	1,630,517	226,711
Basic utility services	1,946,956	2,345,282	(398,326)
Leisure time activities	2,438,767	2,542,635	(103,868)
Interest and fiscal charges	<u>228,952</u>	<u>246,868</u>	<u>(17,916)</u>
Total program expenses	<u>19,765,559</u>	<u>18,739,596</u>	<u>1,025,963</u>
Change in net position	3,564,257	4,548,579	(984,322)
Net position beginning of year	<u>39,121,052</u>	<u>34,572,473</u>	<u>4,548,579</u>
Net position end of year	\$ <u>42,685,309</u>	\$ <u>39,121,052</u>	\$ <u>3,564,257</u>

## City of Brooklyn, Ohio

Management's Discussion and Analysis (Unaudited)

### **For the Year Ended December 31, 2014**

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#### ***GOVERNMENTAL ACTIVITIES***

The main revenue source for the City's governmental activities is income tax. The City has an income tax rate of 2.5%. Residents receive 100% credit on income earned outside the City. Approximately 95% 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. During 2014, the City began to see a recovery from the economic impact of the Great Recession as revenues from net profit taxes began to rise. The City administration was notified in May 2011 that American Greetings, one of their largest employers, had elected to relocate to Westlake, Ohio, in the 4Q 2016. 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. This fund is included with the general fund for GAAP reporting.

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 April 1, 2014, 84% of the income tax proceeds were credited to the general fund, 15% to the capital improvements capital projects fund and 1% to the termination leave payment special revenue fund. Previously, 86% of the income tax proceeds were credited to the general fund, 10% to the capital improvements capital projects fund, 2% to the termination leave payment special revenue fund and 2% to the retrospective medical claims internal service 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 are also significant revenue generators. Brooklyn's charter authorizes up to 12 mills of property taxes. 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.

Total revenues were consistent from 2013 to 2014 as they increased only \$41,641 primarily due to an increase in income tax revenue offset by decreases in operating grants and contributions and grants and entitlements not restricted to specific programs. Income tax revenues account for 76.2% of the City's revenue. The increase in income tax revenue was due to an increase in the income tax receivable which is a result of an increase in the commercial tax base. Program revenues decreased due to lower charges for services and operating grants received compared to 2013.

Charges for services are the second most significant revenue contributor. The City's Recreation Center, houses its natatorium and ice rink and contributes the most to the charges for services followed by the building department, which issues building permits.

Property taxes are the next largest revenue contributor. The revenue in 2014 was consistent to the revenue in 2013 as the revenue only decreased by \$11,579.

Total expenses increased by \$1,025,963. Transportation showed the largest increase due to a few large road maintenance projects taking place during 2014 and is the main driver of the increase in expenses during 2014.

## City of Brooklyn, Ohio

### Management's Discussion and Analysis (Unaudited)

#### **For the Year Ended December 31, 2014**

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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., police and fire pensions and equipment.

The general government account comprises costs for the Mayor's office, City Council, law, finance, data system, civil service and the garage. The decrease in the general government expense category is due to the reclassification of the engineering department to the community development function during 2014.

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.

Community environment expense comprises costs for public lands and buildings, public service, engineering, and building. Lands and buildings department pays for gas, electric, phone service and water and sewer for all municipal operations. This expense increased compared to 2013 mainly due to additional salary costs in relation to the pay increase.

Basic utility services include trash collection snow removal, recycling and the landfill. The City has long prided itself on the level of services provided to residents. The recent fiscal challenges, however, have 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. The decrease is due to the decrease in the estimated landfill liability during 2014.

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 therefore the engineering, consulting, and legal expenditures related to the landfill increased significantly in 2011 and 2012 due to the change in this useful life estimate and the uncertainty of future landfill operations. During 2014, the estimate of the cost decreased significantly as they started the process for closing the landfill. This resulted in a new estimate and a reduction in the liability of \$695,966. The City is currently in discussions with the Ohio EPA to finalize closure and post-closure of the Brooklyn landfill.

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 were lower in 2014 than 2013 as the City spent the majority of final proceeds from the Domino Trust Fund in 2013, which were restricted to upgrading the Brooklyn Recreation Center.

In 2014, the City continued its enrollment in the Ohio Bureau of Workers' Compensation Retrospective Rating Program. The Administration continues to monitor and manage all claims to mitigate losses by the City. The continued claim management is being actively pursued by the Administration for the potential benefit of workers' compensation premium reductions by the City in future years.

#### **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.



# City of Brooklyn, Ohio

## Management's Discussion and Analysis (Unaudited)

### **For the Year Ended December 31, 2014**

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#### ***Governmental Funds***

Information about the City's governmental funds begins on page 17. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$25,846,059 and expenditures and other financing uses of \$22,604,346.

The largest fund for the City is the general fund. At the end of the current year, total fund balance for the general fund was \$20,006,716, of which \$203,300 was nonspendable because of inventory and prepaids, \$4,485,997 was restricted for Landfill Closure and Post Closure Trust to address issues that will be required by the Environmental Protection Agency when the landfill has reached capacity, \$26,529 was committed to underground storage and future commitments, \$706,585 was assigned to purchases on order, and \$14,584,305 was unassigned for financial reporting purposes. Total fund balance of the City's general fund increased by \$2,703,382. Revenues exceeded expenditures by \$3,963,805 on a modified accrual basis. The main reason the fund balance in the general fund increased is because the City is creating a budget stabilization fund to create a reserve for when American Greetings Corporation, LLC moves to Westlake in 2016. Additionally, the City's management is constantly monitoring of the budget on a monthly basis to keep it in line with current expenditures.

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 committed fund balance with respect to the capital improvement fund from year-to-year. The fund balance in capital improvements fund at the end of 2013 was \$1,893,352. The balance increased by \$865,386 to \$2,758,738 in 2014 resulting from a decrease in capital projects during 2014 as well as an increase in income tax revenue allocation during 2014.

For all governmental funds, the end of year balances increased for the year by \$3,241,713. Total fund balances increased from \$22,284,866 to \$25,526,579. The City has a fund balance of \$21,040,582 without the restriction for landfill closure and post-closure care. The total fund balance for the City is 122.9% of the total expenditures for 2014. This well exceeds 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 Director of Finance 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.

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

# City of Brooklyn, Ohio

## Management's Discussion and Analysis (Unaudited)

### **For the Year Ended December 31, 2014**

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budgeted revenues were \$17,796,672, and \$18,240,025, respectively. Actual revenues of \$18,311,590 were \$71,565 higher than the final projections. This variance is primarily due to an increase in revenue as a result of a conservative approach of estimated revenue receipts.

During 2014, the City amended its general fund budget throughout the year. The original budgeted expenditures were \$15,117,317 and final budgeted expenditures were \$14,706,952 for the year. Actual expenditures for 2014 were \$14,416,587 on a budgetary basis. Expenditures were \$290,365 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 2014.

### **Capital Assets and Debt Administration**

#### *Capital Assets*

At December 31, 2014, capital asset balances were as follows:

Table 3  
Capital Assets (Net of Depreciation)

	<u>2014</u>	<u>2013</u>
Land	\$ 2,971,072	\$ 2,937,821
Construction in Progress	1,685,871	1,686,522
Buildings	9,841,615	10,221,125
Improvements	4,760,130	5,361,882
Machinery and Equipment	977,481	1,110,696
Vehicles	2,872,695	2,395,643
Infrastructure:		
Roads and Sidewalks	4,944,310	5,274,932
Sanitary Sewers	39,431	40,692
Storm Sewers	363,910	366,644
Water Lines	16,536	16,965
Traffic Signals	<u>63,030</u>	<u>70,314</u>
Total	\$ <u>28,536,081</u>	\$ <u>29,483,236</u>

The City takes care to maintain its equipment and infrastructure. From January 1 – March 31, 10% of City income taxes and from April 1 – December 31, 15% of the City income taxes, were distributed to the capital improvements fund to maintain City equipment and infrastructure. For 2014, this meant that, on a cash basis, \$2,385,632 of the income tax revenue went to the capital improvements fund. Total net capital assets decreased for the year due to the annual depreciation exceeding 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 (Unaudited)

### **For the Year Ended December 31, 2014**

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#### ***Debt***

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

Table 4  
Outstanding Debt at End of Year

	<u>2014</u>	<u>2013</u>
General Obligation Bonds	\$ 3,786,963	\$ 4,000,575
OPWC Loan	27,485	82,455
Police and Fire Pension	44,015	45,344
Bond Anticipation Notes	1,100,000	1,379,698
Capital Leases	<u>879,238</u>	<u>1,180,719</u>
Totals	<u>\$ 5,837,701</u>	<u>\$ 6,688,791</u>

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%. 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, 16, and 18 of the basic financial statements for additional information on debt.

The Ohio Public Works Commission (OPWC) 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 also had a various improvement bond anticipation note issued in 2014. The outstanding balance for all notes paid during 2014 was \$1,100,000. A portion of the notes will be refinanced with series 2015 notes in June 2015, resulting in part of the notes being shown as short-term obligations and a portion being shown as long-term.

#### **Current Financial Related Activities**

On September 27, 2011, Moody's affirmed the Aa2 Rating due to the City's healthy financial position and conservative financial management, and as of December 31, 2014, the rating is still in effect. The continued goal of the City Administration is to maintain healthy fund balances and to monitor all expenditures. The general fund balance increased from \$17,303,334 to \$20,006,716. Overall, fund balances increased from \$22,284,866 to \$25,526,579. As of the end of 2014, the City has a balance in the general fund that is 141.9% of annual general fund expenditures and the unassigned balance is 103.4% of general fund expenditures. 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 City pays cash for most of its capital improvement needs, but when debt is issued, the City rapidly pays down the debt issued.

Budget execution in 2014 was conducted efficiently and effectively. The administration assembled and City Council approved a general fund balanced budget.

## **City of Brooklyn, Ohio**

Management's Discussion and Analysis (Unaudited)

### **For the Year Ended December 31, 2014**

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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-five consecutive years.

#### **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, Daniel J. Enovitch, 7619 Memphis Avenue, Brooklyn, Ohio 44144, telephone (216) 351-2133 or the City website at [www.brooklynohio.gov](http://www.brooklynohio.gov).

# City of Brooklyn, Ohio

## Statement of Net Position

**December 31, 2014**

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	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 19,681,855
Cash and cash equivalents in segregated accounts	95,722
Restricted assets:	
Cash and cash equivalents in segregated accounts	1,622,693
Cash and cash equivalents with a trustee	2,863,424
Accounts receivable	95,266
Intergovernmental receivable	559,958
Municipal income taxes receivable	4,321,266
Property taxes receivable	1,525,034
Local taxes receivable	63,763
Prepaid items	52,210
Materials and supplies inventory	179,937
Nondepreciable capital assets	4,656,943
Depreciable capital assets, net	<u>23,879,138</u>
Total assets	<u>59,597,209</u>
Liabilities:	
Accounts payable	457,600
Accrued wages and benefits	411,000
Intergovernmental payable	274,956
Vacation benefits payable	105,960
Notes payable	220,000
Accrued interest payable	24,288
Unearned revenue	104,186
Long-term liabilities:	
Due within one year	5,440,277
Due in more than one year	<u>8,413,935</u>
Total liabilities	<u>15,452,202</u>
Deferred inflows of resources	
Property taxes	<u>1,459,698</u>
Net position:	
Net investment in capital assets	22,742,395
Restricted for:	
Capital projects	9
Debt service	26,026
Street construction, maintenance and repair	1,205,528
State highway	361,465
Termination payments	702,628
Court computer	63,434
Police programs	438,527
Landfill	4,485,997
Other purposes	491,394
Unrestricted	<u>12,167,906</u>
Total net position	<u>\$ 42,685,309</u>

The notes to the basic financial statements are an integral part of this statement

# City of Brooklyn, Ohio

## Statement of Activities

**For the Year Ended December 31, 2014**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
					<u>Governmental Activities</u>
<b>Governmental activities:</b>					
General government	\$ 2,327,478	\$ 601,630	\$ -	\$ 170,700	\$ (1,555,148)
Security of persons and property	8,918,181	368,812	90,997	123,211	(8,335,161)
Transportation	2,047,997	-	689,434	-	(1,358,563)
Community environment	1,857,228	516,481	16,802	-	(1,323,945)
Basic utility services	1,946,956	-	8,402	-	(1,938,554)
Leisure time activities	2,438,767	576,126	-	-	(1,862,641)
Interest and fiscal charges	<u>228,952</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(228,952)</u>
Total governmental activities	\$ <u>19,765,559</u>	\$ <u>2,063,049</u>	\$ <u>805,635</u>	\$ <u>293,911</u>	<u>(16,602,964)</u>
General revenues:					
Property taxes levied for:					
					546,204
					101,192
					344,534
					349,346
					72,281
Municipal income taxes levied for:					
					14,942,991
					180,907
					2,651,851
					424,830
					444,220
					11,427
					97,438
					<u>20,167,221</u>
Change in net position					3,564,257
Net position beginning of year					<u>39,121,052</u>
Net position end of year					\$ <u>42,685,309</u>

The notes to the basic financial statements are an integral part of this statement

# City of Brooklyn, Ohio

## Balance Sheet – Governmental Funds

**December 31, 2014**

	<u>General</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 13,724,342	\$ 2,486,087	\$ 2,916,712	\$ 19,127,141
Cash and cash equivalents in segregated accounts	95,722	-	-	95,722
<b>Restricted assets:</b>				
Cash and cash equivalents in segregated accounts	1,622,693	-	-	1,622,693
Cash and cash equivalents with a trustee	2,863,424	-	-	2,863,424
Accounts receivable	88,156	-	7,110	95,266
Intergovernmental receivable	170,270	-	389,688	559,958
Municipal income taxes receivable	3,629,863	648,190	43,213	4,321,266
Property taxes receivable	594,505	-	930,529	1,525,034
Local taxes receivable	61,182	-	2,581	63,763
Prepaid items	52,089	-	121	52,210
Materials and supplies inventory	<u>151,211</u>	<u>-</u>	<u>28,726</u>	<u>179,937</u>
<b>Total assets</b>	<b>\$ <u>23,053,457</u></b>	<b>\$ <u>3,134,277</u></b>	<b>\$ <u>4,318,680</u></b>	<b>\$ <u>30,506,414</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 321,256	\$ 117,549	\$ 18,795	\$ 457,600
Accrued wages and benefits	403,705	-	7,295	411,000
Intergovernmental payable	49,976	-	87,122	137,098
Notes payable	-	-	220,000	220,000
Accrued interest payable	-	-	1,224	1,224
Unearned revenue	<u>104,186</u>	<u>-</u>	<u>-</u>	<u>104,186</u>
<b>Total liabilities</b>	<b><u>879,123</u></b>	<b><u>117,549</u></b>	<b><u>334,436</u></b>	<b><u>1,331,108</u></b>
<b>Deferred inflows of resources:</b>				
Property taxes	569,035	-	890,663	1,459,698
Unavailable revenue	<u>1,598,583</u>	<u>257,990</u>	<u>332,456</u>	<u>2,189,029</u>
<b>Total deferred inflows of resources</b>	<b><u>2,167,618</u></b>	<b><u>257,990</u></b>	<b><u>1,223,119</u></b>	<b><u>3,648,727</u></b>
<b>Fund balances:</b>				
Nonspendable	203,300	-	28,847	232,147
Restricted	4,485,997	-	2,259,525	6,745,522
Committed	26,529	2,758,738	685,429	3,470,696
Assigned	706,585	-	-	706,585
Unassigned (deficit)	<u>14,584,305</u>	<u>-</u>	<u>(212,676)</u>	<u>14,371,629</u>
<b>Total fund balances</b>	<b><u>20,006,716</u></b>	<b><u>2,758,738</u></b>	<b><u>2,761,125</u></b>	<b><u>25,526,579</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ <u>23,053,457</u></b>	<b>\$ <u>3,134,277</u></b>	<b>\$ <u>4,318,680</u></b>	<b>\$ <u>30,506,414</u></b>

The notes to the basic financial statements are an integral part of this statement



# City of Brooklyn, Ohio

## Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

### For the Year Ended December 31, 2014

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Total governmental fund balances \$ 25,526,579

*Amounts reported for governmental activities in the statement of net position are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 28,536,081

Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds:

Delinquent property taxes	\$ 65,336	
Municipal income taxes	1,719,931	
Intergovernmental	389,647	
Charges for services	<u>14,115</u>	
Total		2,189,029

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (23,064)

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. (105,960)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

General obligation bonds	(3,610,000)	
Bond premium	(176,963)	
OPWC loan	(27,485)	
Various improvements note	(880,000)	
Police and fire pension	(44,015)	
Capital leases	(879,238)	
Landfill closure and post closure care	(6,498,264)	
Compensated absences payable	<u>(1,317,962)</u>	
Total		(13,433,927)

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 position. (3,429)

Net position of governmental activities \$ 42,685,309

The notes to the basic financial statements are an integral part of this statement

# City of Brooklyn, Ohio

## Statement of Revenue, Expenditures, and Changes in Fund Balances – Governmental Funds

**For the Year Ended December 31, 2014**

	<u>General</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Municipal income taxes	\$ 14,482,808	\$ 2,508,345	\$ 186,605	\$ 17,177,758
Property taxes	583,383	-	925,533	1,508,916
Local taxes	399,441	-	31,637	431,078
Charges for services	1,037,055	-	2,325	1,039,380
Fines, licenses and permits	911,067	-	105,819	1,016,886
Intergovernmental	503,936	268,911	1,023,568	1,796,415
Interest	11,427	-	-	11,427
Rentals	59,537	-	-	59,537
Other	73,237	1,467	3	74,707
Total revenues	<u>18,061,891</u>	<u>2,778,723</u>	<u>2,275,490</u>	<u>23,116,104</u>
Expenditures:				
Current:				
General government	1,956,030	-	150,540	2,106,570
Security of persons and property	7,044,685	-	1,150,931	8,195,616
Transportation	-	-	992,636	992,636
Community environment	1,722,777	-	2	1,722,779
Basic utility services	1,870,471	-	197,202	2,067,673
Leisure time activities	1,502,362	-	289	1,502,651
Capital outlay	-	2,267,733	-	2,267,733
Debt service:				
Principal retirement	1,481	300,000	1,366,299	1,667,780
Interest and fiscal charges	280	45,604	195,950	241,834
Bond issuance costs	-	-	8,528	8,528
Total expenditures	<u>14,098,086</u>	<u>2,613,337</u>	<u>4,062,377</u>	<u>20,773,800</u>
Excess of revenues over (under) expenditures	<u>3,963,805</u>	<u>165,386</u>	<u>(1,786,887)</u>	<u>2,342,304</u>
Other financing sources (uses):				
Notes issued	-	-	880,000	880,000
Note premium	-	-	4,559	4,559
Sale of capital assets	14,850	-	-	14,850
Transfers – in	-	700,000	1,130,546	1,830,546
Transfers – out	(1,275,273)	-	(555,273)	(1,830,546)
Total other financing sources (uses)	<u>(1,260,423)</u>	<u>700,000</u>	<u>1,459,832</u>	<u>899,409</u>
Net change in fund balances	2,703,382	865,386	(327,055)	3,241,713
Fund balances beginning of year	<u>17,303,334</u>	<u>1,893,352</u>	<u>3,088,180</u>	<u>22,284,866</u>
Fund balances end of year	\$ <u>20,006,716</u>	\$ <u>2,758,738</u>	\$ <u>2,761,125</u>	\$ <u>25,526,579</u>

The notes to the basic financial statements are an integral part of this statement

# 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, 2014

Net change in fund balances – total governmental funds	\$	3,241,713
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay differed from depreciation in the current period:		
Capital outlay	\$	1,020,532
Depreciation		<u>(1,926,409)</u>
Total		(905,877)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(41,278)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues:		
Delinquent property taxes		(95,359)
Municipal income taxes		597,991
Local taxes		(6,248)
Intergovernmental		(242,585)
Charges for services		<u>(40,087)</u>
Total		213,712
Repayment of bond, notes, loan and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		1,666,451
Some expenses, such as interest and fiscal charges and bond and note premiums, 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:		
Accrued interest on bonds		(1,459)
Amortization of bond premium		13,612
Amortization of note premium		<u>4,698</u>
Total		16,851
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:		
Compensated absences		211,182
Landfill		695,966
Vacation benefits payable		(23,129)
Police and fire pension		<u>1,329</u>
Total		885,348
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.		(632,663)
Other financing sources in the governmental funds increased long-term liabilities in the statement of net position:		
Notes proceeds		<u>(880,000)</u>
Change in net position of governmental activities	\$	<u><u>3,564,257</u></u>

The notes to the basic financial statements are an integral part of this statement

# 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, 2014**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal income taxes	\$ 14,243,318	\$ 14,598,024	\$ 14,598,068	\$ 44
Property taxes	582,942	597,459	583,383	(14,076)
Local taxes	341,990	350,507	350,516	9
Charges for services	867,667	889,275	935,618	46,343
Fines, licenses and permits	1,026,809	1,052,380	1,052,669	289
Intergovernmental	494,466	506,780	542,718	35,938
Interest	8,881	10,785	10,876	91
Rentals	-	-	2	2
Other	230,599	234,815	237,740	2,925
Total revenues	<u>17,796,672</u>	<u>18,240,025</u>	<u>18,311,590</u>	<u>71,565</u>
Expenditures:				
Current:				
General government	2,149,223	1,923,348	1,867,539	55,809
Security of persons and property	7,571,592	7,456,592	7,352,133	104,459
Community environment	1,735,280	1,797,790	1,732,240	65,550
Basic utility services	1,930,038	1,907,038	1,890,166	16,872
Leisure time activities	1,729,423	1,620,423	1,572,748	47,675
Debt service:				
Principal retirement	1,481	1,481	1,481	-
Interest and fiscal charges	280	280	280	-
Total expenditures	<u>15,117,317</u>	<u>14,706,952</u>	<u>14,416,587</u>	<u>290,365</u>
Excess of revenues over (under) expenditures	<u>2,679,355</u>	<u>3,533,073</u>	<u>3,895,003</u>	<u>361,930</u>
Other financing sources (uses):				
Transfers – out	<u>(1,927,000)</u>	<u>(2,865,273)</u>	<u>(2,865,273)</u>	<u>-</u>
Net change in fund balance	752,355	667,800	1,029,730	361,930
Prior year encumbrances appropriated	398,261	398,261	398,261	-
Fund balance beginning of year, restated	<u>12,859,373</u>	<u>12,859,373</u>	<u>12,859,373</u>	<u>-</u>
Fund balance end of year	\$ <u>14,009,989</u>	\$ <u>13,925,434</u>	\$ <u>14,287,364</u>	\$ <u>361,930</u>

The notes to the basic financial statements are an integral part of this statement

# City of Brooklyn, Ohio

## Statement of Fund Net Position – Internal Service Fund

**December 31, 2014**

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	Retrospective Medical Claims
Assets:	
Equity in pooled cash and cash equivalents	\$ <u>554,714</u>
Liabilities:	
Current liabilities:	
Intergovernmental payable	137,858
Claims payable	<u>250,377</u>
Total current liabilities	388,235
Long-term liabilities (net of current portion):	
Claims payable	<u>169,908</u>
Total liabilities	<u>558,143</u>
Net position:	
Unrestricted	\$ <u><u>(3,429)</u></u>

The notes to the basic financial statements are an integral part of this statement

# City of Brooklyn, Ohio

## Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Fund

**For the Year Ended December 31, 2014**

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	Retrospective Medical Claims
Operating revenues:	
Municipal income taxes	\$ 82,569
Intergovernmental	<u>100,093</u>
Total operating revenues	<u>182,662</u>
Operating expenses:	
Contractual services	265,494
Claims	<u>549,831</u>
Total operating expenses	<u>815,325</u>
Change in net position	(632,663)
Net position beginning of year	<u>629,234</u>
Net position end of year	\$ <u><u>(3,429)</u></u>

The notes to the basic financial statements are an integral part of this statement

# City of Brooklyn, Ohio

## Statement of Cash Flows – Internal Service Fund

**For the Year Ended December 31, 2014**

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	<u>Retrospective Medical Claims</u>
Increase (decrease) in cash and cash equivalents:	
Cash flows from operating activities:	
Cash received from municipal income taxes	\$ 82,569
Cash received from intergovernmental sources	100,093
Cash payments for goods and services	(127,636)
Cash payments for claims	<u>(183,698)</u>
Net change in cash and cash equivalents	(128,672)
Cash and cash equivalents beginning of year	<u>683,386</u>
Cash and cash equivalents end of year	\$ <u><u>554,714</u></u>
Reconciliation of operating income to net cash used for operating activities:	
Operating loss	\$ (632,663)
Adjustments:	
Increase in intergovernmental payable	137,858
Increase in claims payable	<u>366,133</u>
Net cash used for operating activities	\$ <u><u>(128,672)</u></u>

The notes to the basic financial statements are an integral part of this statement



# City of Brooklyn, Ohio

## Statement of Fiduciary Assets and Liabilities – Agency Funds

**December 31, 2014**

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Assets:

Equity in pooled cash and cash equivalents \$ 129,663

Liabilities:

Intergovernmental payable \$ 1,484

Deposits held and due to others 128,179

Total liabilities \$ 129,663

The notes to the basic financial statements are an integral part of this statement

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements

### For the Year Ended December 31, 2014

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#### **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 which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the primary government. 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 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 more significant of the City’s accounting policies are described below.

#### ***A. Basis of Presentation***

The City’s basic financial statements consist of government-wide statements, including a statement of net position 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 (continued)

### For the Year Ended December 31, 2014

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#### Note 2: Summary of Significant Accounting Policies (continued)

##### A. Basis of Presentation (continued)

**Government-wide Financial Statements** The statement of net position 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 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 position 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 and 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.

##### B. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The City reports 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 deferred outflows of resources compared to liabilities and deferred inflows of resources 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 and report all financial resources except those required to be accounted for and reported 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 and/or the general laws of Ohio.

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### Note 2: Summary of Significant Accounting Policies (continued)

##### B. Fund Accounting (continued)

**Capital Improvements Fund** The capital improvements fund accounts for and reports income tax revenues committed to various capital projects of the City.

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

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

**Internal Service Fund** The internal service fund accounts 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 position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for deposits pledged by contractors and citizens and building assessment fees collected for the Ohio Board of Building Standards.

##### C. Measurement Focus

**Government-wide Financial Statements** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the Statement of Net Position. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

**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 deferred outflows of resources and current liabilities and deferred inflows of resources 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.

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### Note 2: Summary of Significant Accounting Policies (continued)

##### *C. Measurement Focus (continued)*

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

##### *D. Basis of Accounting*

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements 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, in the recording of deferred inflows of resources, 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 taxes, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), interest, grants, fees and rentals.

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### Note 2: Summary of Significant Accounting Policies (continued)

##### *D. Basis of Accounting (continued)*

**Deferred Outflows/Inflows of Resources** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The City did not have any deferred outflows of resources in 2014.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance year 2015 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental funds balance sheet. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, local taxes, intergovernmental grants and charges for services. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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

##### *E. Budgetary Process*

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of budgetary control is at the department/object level within the general fund and at the object level for all other funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control. The Director of Finance is authorized to move appropriations between line items within an object of any department.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director of Finance. 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.

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### Note 2: Summary of Significant Accounting Policies (continued)

##### *E. Budgetary Process (continued)*

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. The annual appropriation measure must be passed by April 1 of each year for the period of January 1 to December 31. The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources by fund.

##### *F. Cash and Cash Equivalents*

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

Cash and cash equivalents that are held in separate bank accounts 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 2014, the City's investments were limited to Victory Federal Money Market Mutual Fund. Investments are reported at market value, except for non-negotiable certificates of deposit which are reported at cost. Market 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 2014 amounted to \$11,427, which includes \$6,020 assigned from other City funds.

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

##### *G. Restricted Assets*

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions. Restricted assets represent amounts required to be set-aside for landfill closure and postclosure care.

##### *I. Inventory*

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



# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### Note 2: Summary of Significant Accounting Policies (continued)

##### *H. Prepaid Items*

Payments made to vendors for services that will benefit periods beyond December 31, 2014, 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.

##### *J. Capital Assets*

The City's only capital assets are general capital assets. General capital assets are those assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position 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 market values as of the date received. The City maintains a capitalization threshold of \$7,500. 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.

##### *K. Interfund Balances*

On fund financial statements, receivables and payables resulting in short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the statement of net position. At December 31, 2014, the City had no interfund balances.

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### Note 2: Summary of Significant Accounting Policies (continued)

##### **L. Compensated Absences**

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

Sick leave benefits are accrued as a liability using the vesting 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.

##### **M. Accrued Liabilities and Long-Term Obligations**

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

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

##### **N. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable:*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

***Restricted:*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### Note 2: Summary of Significant Accounting Policies (continued)

##### N. Fund Balance (continued)

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

**Committed:** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally binding) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned:** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State statute. State statute authorizes the Director of Finance to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

**Unassigned:** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. Included in the general fund unassigned fund balance is a stabilization balance in the amount of \$2,970,000. This stabilization fund was created by City ordinance in 2010 pursuant to Section 5705.13(A)(1) of the Ohio Revised Code. The stabilization balance is funded with all or part of the surplus in the general fund resulting from an excess of revenue in comparison to expenses. The amounts can only be spent by a resolution adopted by two-thirds vote of the City Council to support a general fund deficit, to prevent a reduction in public services, to fund expenses arising from a natural disaster, or to support economic development and job retention programs. In other governmental funds, the unassigned classification is used only to report a deficit balance.

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### **Note 2: Summary of Significant Accounting Policies (continued)**

##### ***N. Fund Balance (continued)***

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

##### ***O. Net Position***

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include the operations of the street lighting and donations to the Edward J. Domino Trust.

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

##### ***P. 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.

##### ***Q. 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.

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### **Note 2: Summary of Significant Accounting Policies (continued)**

##### **R. 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. There were no extraordinary or special items in 2014.

##### **S. Estimates**

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

#### **Note 3: Changes in Accounting Principles and Prior Period Adjustments**

For 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 69, *Government Combinations and Disposals of Government Operations* and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*.

GASB Statement No. 69 establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e., government combinations). The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. The implementation of this Statement did not result in any change in the City's financial statements.

GASB Statement No. 70 establishes accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees to indemnify a third-party obligation holder under specified conditions (i.e. nonexchange financial guarantees). The issuer of the guaranteed obligation can be a legally separate entity or individual, including a blended or discretely presented component unit. Guidance is provided for situations where a state or local government extends or receives a nonexchange financial guarantee. The implementation of this Statement did not result in any change in the City's financial statements.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2014. The City has not determined the impact, if any, that this Statement will have on its financial statements or disclosures.

A prior period adjustment to the City's general fund budgetary fund balance of \$595,000 was necessary to correct intrafund transfers in the governmental funds. As a result of this adjustment, the December 31, 2013 budgetary fund balance for the general fund was adjusted from \$13,454,373 to \$12,859,373.

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

#### Note 4: Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	Capital Improvements	Other Governmental Funds	Total
Nonspendable:				
Prepays	\$ 52,089	\$ -	\$ 121	\$ 52,210
Inventory	151,211	-	28,726	179,937
Total nonspendable	<u>203,300</u>	<u>-</u>	<u>28,847</u>	<u>232,147</u>
Restricted for:				
Street improvements	-	-	1,350,158	1,350,158
Street lighting	-	-	87,247	87,247
Community development	-	-	1,134	1,134
Police programs	-	-	400,593	400,593
Firefighting programs	-	-	153,372	153,372
Drug and law enforcement	-	-	200,733	200,733
Juvenile diversion program	-	-	2,966	2,966
EPA landfill	4,485,997	-	-	4,485,997
Court computer	-	-	63,313	63,313
Safety forces construction	-	-	9	9
Total restricted	<u>4,485,997</u>	<u>-</u>	<u>2,259,525</u>	<u>6,745,522</u>
Committed to:				
Termination leave payment	-	-	685,429	685,429
Capital improvements	-	2,758,738	-	2,758,738
Underground storage	4,504	-	-	4,504
Purchases on order	22,025	-	-	22,025
Total committed	<u>26,529</u>	<u>2,758,738</u>	<u>685,429</u>	<u>3,470,696</u>
Assigned to:				
Economic development	521,345	-	-	521,345
Purchases on order	185,240	-	-	185,240
Total assigned	<u>706,585</u>	<u>-</u>	<u>-</u>	<u>706,585</u>
Unassigned	<u>14,584,305</u>	<u>-</u>	<u>(212,676)</u>	<u>14,371,629</u>
Total fund balances	\$ <u>20,006,716</u>	\$ <u>2,758,738</u>	\$ <u>2,761,125</u>	\$ <u>25,526,579</u>

#### 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 Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### **Note 5: Budgetary Basis of Accounting (continued)**

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned 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 market value (GAAP) rather than cost (budget).
6. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
7. Budgetary revenues and expenditures of the underground storage tank, economic development and budget stabilization funds are reclassified to the general fund for GAAP Reporting.

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

	General Fund
GAAP basis	\$ 2,703,382
Net adjustment for revenue accruals	235,402
Beginning adjustment for unrecorded cash	1,365
Ending adjustment for unrecorded cash	(1,818)
Net adjustment for expenditure accruals	(1,914,112)
Adjustment for encumbrances	(278,624)
Perspective differences:	
Underground storage tank	180
Budget stabilization	-
Economic development	283,955
Budget basis	\$ <u>1,029,730</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.



# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### **Note 6: Deposits and Investments (continued)**

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

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

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

1. United States Treasury Notes, Bills, Bonds, Notes or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25% of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and the term of the agreement must not exceed thirty days.

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 (continued)

### For the Year Ended December 31, 2014

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#### **Note 6: Deposits and Investments (continued)**

##### *Deposits*

*Custodial credit risk* is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of City funds shall be required to pledge security for repayment of all public moneys. 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 105% of the deposits being secured.

At year-end, the carrying amount of the City's deposits was \$21,529,933 and the bank balance was \$21,628,304. Of the bank balance, \$11,850,413 was covered by federal depository insurance. The remaining uncovered balance was collateralized with securities held by the pledging institution's trust department, not in the City's name.

##### *Investments*

As of December 31, 2014, the City had investments in Victory Federal Money Market Mutual Funds with a fair value of \$2,863,424.

*Interest Risk* arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to market 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 investments 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 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 Victory Federal Money Market Mutual Fund carries a rating of AAAM by Standard and Poor's. The City has no investment policy that limits its investment choices or addresses credit risk.

*Concentration of Credit Risk* is defined by the Governmental Accounting Standards Board as 5% or more in the securities of a single issuer. The City places no limit on the amount it may invest in any one issuer.

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### Note 7: Receivables

Receivables at December 31, 2014, 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.

#### A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2014 for real and public utility property taxes represents collections of the 2013 taxes. Property tax payments received during 2014 for tangible personal property (other than public utility property) are for 2014 taxes.

2014 real property taxes are levied after October 1, 2014, on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35% of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

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% of true value. 2014 public utility property taxes which became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2014, was \$5.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2014 property tax receipts were based as follows:

<u>Description</u>	<u>Assessed Valuation</u>
Real Estate:	
Residential/Agriculture	\$ 123,066,630
Commercial Industrial/Public Utility	154,225,240
Tangible Personal Property:	
Public Utility	<u>19,480,320</u>
Total	\$ <u>296,772,190</u>

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Brooklyn and 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, 2014 and for which there is an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2014 operations is offset to deferred inflows of resources - property taxes. On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources - unavailable revenue.

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### Note 7: Receivables (continued)

##### *B. Income Taxes*

The City levies 2.5% municipal income taxes 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 100% for income tax paid to another municipality, not to exceed 2.5% 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 January 1, 2011 and through March 31, 2014, 86% of the income tax proceeds were credited to the general fund, 10% of the income tax proceeds were credited to the capital improvements capital projects fund, 2% of the income tax proceeds were credited to the termination leave payment special revenue fund and 2% of the income tax proceeds were credited to the retrospective medical claims internal service fund. Effective April 1, 2014, by City ordinance, 84% of the income tax proceeds were credited to the general fund, 15% of the income tax proceeds were credited to the capital improvements capital projects fund, and 1% of the income tax proceeds were credited to the termination leave payment special revenue fund.

##### *C. Intergovernmental Receivable*

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
<b>Governmental activities:</b>	
Homestead and rollback	\$ 68,765
Local government	135,396
Gasoline excise tax	155,632
Gasoline tax	78,490
Auto registration	65,544
Estate tax	1,353
CAT tax	45,390
Grant	5,423
Other	3,965
Total	\$ <u>559,958</u>

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

#### Note 8: Capital Assets

Capital asset activity for the year ended December 31, 2014, was as follows:

	<u>Balance</u> <u>12/31/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>12/31/14</u>
Capital assets, not being depreciated:					
Land	\$ 2,937,821	\$ 33,251	\$ -	\$ -	\$ 2,971,072
Construction in progress	<u>1,686,522</u>	<u>55,827</u>	<u>(56,478)</u>	<u>-</u>	<u>1,685,871</u>
Total capital assets, not being depreciated	<u>4,624,343</u>	<u>89,078</u>	<u>(56,478)</u>	<u>-</u>	<u>4,656,943</u>
Capital assets, being depreciated:					
Buildings	18,876,628	-	-	-	18,876,628
Improvements	14,403,059	111,314	-	-	14,514,373
Machinery and equipment	3,508,573	77,144	-	(51,586)	3,534,131
Vehicles	4,987,256	742,996	(193,654)	51,586	5,588,184
Infrastructure:					
Roads and sidewalks	15,038,177	56,478	(17,618)	-	15,077,037
Sanitary sewer	2,704,231	-	-	-	2,704,231
Storm sewer	2,102,640	-	-	-	2,102,640
Water lines	2,446,344	-	-	-	2,446,344
Traffic signals	<u>2,091,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,091,771</u>
Total capital assets, being depreciated	<u>66,158,679</u>	<u>987,932</u>	<u>(211,272)</u>	<u>-</u>	<u>66,935,339</u>
Less accumulated depreciation:					
Buildings	(8,655,503)	(379,510)	-	-	(9,035,013)
Improvements	(9,041,177)	(713,066)	-	-	(9,754,243)
Machinery and equipment	(2,397,877)	(172,675)	-	13,902	(2,556,650)
Vehicles	(2,591,613)	(262,350)	152,376	(13,902)	(2,715,489)
Infrastructure:					
Roads and sidewalks	(9,763,245)	(387,100)	17,618	-	(10,132,727)
Sanitary sewer	(2,663,539)	(1,261)	-	-	(2,664,800)
Storm sewer	(1,735,996)	(2,734)	-	-	(1,738,730)
Water lines	(2,429,379)	(429)	-	-	(2,429,808)
Traffic signals	<u>(2,021,457)</u>	<u>(7,284)</u>	<u>-</u>	<u>-</u>	<u>(2,028,741)</u>
Total accumulated depreciation	<u>(41,299,786)</u>	<u>(1,926,409)</u>	<u>169,994</u>	<u>-</u>	<u>(43,056,201)</u>
Total capital assets, being depreciated, net	<u>24,858,893</u>	<u>(938,477)</u>	<u>(41,278)</u>	<u>-</u>	<u>23,879,138</u>
Governmental activities capital assets, net	\$ <u>29,483,236</u>	\$ <u>(849,399)</u>	\$ <u>(97,756)</u>	\$ <u>-</u>	\$ <u>28,536,081</u>

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### Note 8: Capital Assets (continued)

Depreciation expense was charged to governmental functions as follow:

General Government	\$	136,125
Security of Persons and Property		388,679
Transportation		387,100
Community Environment		61,160
Basic Utility Services		274,201
Leisure Time Activities		<u>679,144</u>
Total Depreciation Expense	\$	<u>1,926,409</u>

#### 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, non-union and clerical 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 33% of accumulated, unused sick leave.

#### Note 10: Risk Management

##### A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. During 2014, the City contracted through Jackson, Dieken and Associates Insurance Company for various types of insurance as follows:

<u>Type</u>	<u>Coverage</u>
Blanket property and content replacement	\$ 42,369,340
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)	1,000,000
Police professional liability	1,000,000
Public employee dishonesty	100,000
Inland marine	4,539,955
Electronic data processing	570,715

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

#### Note 10: Risk Management (continued)

##### A. Property and Liability (continued)

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

##### B. Workers' Compensation

The City participates in the State Workers' Compensation retrospective rating 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 for up to 10 years after the claim year. The maintenance of these benefits is accounted for in the retrospective medical claims internal service fund. The City utilizes the services of Careworks Consultants, Incorporated, a third party administrator, to review and help administer the program. The City participates in tier 1 retrospective rating program, which covers individual claims up to \$200,000. A liability has been accrued for future claims payments on claims that have occurred as of December 31, 2014 of \$420,285, based on an estimate by the City's third party administrator. The claims liability reported at December 31, 2014 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 2014 and 2013 are as follows:

	Balance at <u>Beginning of Year</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>End of Year</u>
2013	\$ 34,024	\$ 127,743	\$ 107,615	\$ 54,152
2014	54,152	549,831	183,698	420,285

#### Note 11: Interfund Transfers

Transfers are used to move revenues from the fund that State 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, 2014 consisted of the following:

<u>Transfers To</u>	<u>Transfers From</u>		<u>Total</u>
	<u>General</u>	<u>Other Governmental Funds</u>	
Major Funds:			
Capital Improvements	\$ 435,000	\$ 265,000	\$ 700,000
Other Governmental Funds	<u>840,273</u>	<u>290,273</u>	<u>1,130,546</u>
Total	\$ <u>1,275,273</u>	\$ <u>555,273</u>	\$ <u>1,830,546</u>



# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### **Note 11: Interfund Transfers (continued)**

The transfer of \$290,273 from the other governmental funds to the other governmental funds and the \$265,000 transfer from the other governmental funds to the capital improvements fund were made to cover debt principal payments. The transfer of \$435,000 from general fund to the capital improvements major capital projects fund was to provide additional fund balance for street and other capital improvements. The transfer of \$840,273 from the general fund to the other governmental funds consisted of \$100,000 transfers to both the police and fire pension funds, \$290,000 to the general obligation bond retirement fund to supplement available funds for debt service payments, and \$350,273 in transfers to the other governmental funds to supplement the funds available for maintaining the programs in those funds.

#### **Note 12: Defined Benefit Pension Plans**

##### **A. Ohio Public Employees Retirement System**

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional 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% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, 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 that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling 614-222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014, member and employer contribution rates were consistent across all three plans. 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 the year ended December 31, 2014, the members in state and local classifications of all three plans were required to contribute 10.0% of their earnable salary. Public safety and law enforcement members contributed 12.0% and 13.0%, respectively. The employer contribution rate for state and local employers for 2014 was 14.0% of earnable salary. The law enforcement and public safety division employer contribution rate was 18.1% of earnable salary.



## City of Brooklyn, Ohio

### Notes to the Basic Financial Statements (continued)

#### For the Year Ended December 31, 2014

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#### **Note 12: Defined Benefit Pension Plans (continued)**

##### **A. Ohio Public Employees Retirement System (continued)**

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were \$466,297, \$478,656, and \$366,087, respectively. For 2014, 92.6% has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012. Contributions to the Member-Directed Plan for 2014 were \$2,113 made by the City and \$1,509 made by plan members.

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

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

From January 1, 2014 through July 1, 2014, plan members were required to contribute 10.75% of their annual covered salary. From July 2, 2014 through December 31, 2014, plan members were required to contribute 11.5% of their annual covered salary. Throughout 2014, employers were required to contribute 19.5% for police officers and 24.0% for firefighters. Contributions are authorized by State statute.

The City's contributions to OP&F for police and firefighters were \$489,353 and \$503,484 for the year ended December 31, 2014, \$299,655 and \$343,554 for the year ended December 31, 2013, and \$286,204 and \$335,625 for the year ended December 31, 2012, respectively. For 2014, 92.1% for police and 92.9% 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 2013 and 2012.

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, 2014, the unfunded liability of the City was \$44,015 payable in semi-annual payments through the year of 2035. This is an accounting liability of the City which will not vary.

#### **Note 13: Postemployment Benefits**

##### **A. 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.

## City of Brooklyn, Ohio

### Notes to the Basic Financial Statements (continued)

#### For the Year Ended December 31, 2014

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#### Note 13: Postemployment Benefits (continued)

##### A. *Ohio Public Employees Retirement System (continued)*

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to 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.

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 health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible benefit recipients. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 E. Town St., Columbus, OH, 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care coverage.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2014, state and local employers contributed at a rate of 14.0% of earnable salary and public safety and law enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post-Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of the post-employment health care. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remains at 2.0% for both plans, as recommended by OPERS' actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### **Note 13: Postemployment Benefits (continued)**

##### **A. Ohio Public Employees Retirement System (continued)**

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014, 2013, and 2012 were \$77,766, \$36,820, and \$149,997, respectively. For 2014, 92.6% has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.0% of the employer contributions toward the health care fund after the end of the transition period.

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

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

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 statutory survivor benefit 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 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care 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 E. Town St., Columbus, Ohio 43215-5164. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

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 to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of the covered payroll for police employer units and 24.0% of covered payroll for fire employer units. 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 administered 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.

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### **Note 13: Postemployment Benefits (continued)**

##### ***B. Ohio Police and Fire Pension Fund (continued)***

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. The portion of employer contributions allocated to health care was 0.5% of covered payroll from January 1, 2014 through December 31, 2014. 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 1150 and 401(h).

The OP&F Board of Trustees also is 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 \$12,548 and \$10,489 for the year ended December 31, 2014, \$158,640 and \$134,434 for the year ended December 31, 2013, and \$151,520 and \$131,332 for the year ended December 31, 2012, respectively. For 2014, 92.1% for police and 92.9% 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 2013 and 2012.

#### **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 2014, 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 (Ohio EPA). The \$6,498,264 reported as landfill closure and postclosure care liability at December 31, 2014, represents the entire liability amount reported to date based on the use of 100% of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all closure and postclosure care in 2014. 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 \$1,622,693 in segregated accounts and an additional \$2,863,424 with a trustee to provide a total of \$4,486,117 for the landfill closure and postclosure care costs as of December 31, 2014.

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

#### Note 15: Short-Term Obligations

Changes in the City's note activity for the year ended December 31, 2014, were as follows:

	Balance 12/31/13	Additions	Reductions	Balance 12/31/14
Various improvement	\$ <u>265,000</u>	\$ <u>220,000</u>	\$ <u>265,000</u>	\$ <u>220,000</u>

The note is backed by the full faith and credit of the City and matures within one year. The note liability is reflected in the funds which received the proceeds. All note proceeds have been fully expended. The notes mature on June 10, 2015. The note will be paid from the general obligation bond retirement debt service fund.

By Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50% of anticipated revenue collections. There are limitations on the number of times a note can be renewed.

#### 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
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
Various Improvements Note	1.00	1,375,000	June 12, 2014
Various Improvements Note	1.00	1,100,000	June 10, 2015
Police and Fire Pension - 1988	4.50	70,770	May 15, 2035

Changes in long-term obligations of the City during 2014 are as follows:

	Outstanding 12/31/13	Additions	Reductions	Outstanding 12/31/14	Due in One Year
General obligation bonds:					
Fire station improvement bonds	\$ 3,810,000	\$ -	\$ 200,000	\$ 3,610,000	\$ 210,000
Premium on bonds	<u>190,575</u>	<u>-</u>	<u>13,612</u>	<u>176,963</u>	<u>-</u>
Total general obligation bonds	<u>4,000,575</u>	<u>-</u>	<u>213,612</u>	<u>3,786,963</u>	<u>210,000</u>
Other long-term obligations:					
OPWC loan	82,455	-	54,970	27,485	27,485
Various improvement notes	1,110,000	880,000	1,110,000	880,000	-
Note premium	4,698	-	4,698	-	-
Police and fire pension	45,344	-	1,329	44,015	1,386
Capital leases	1,180,719	-	301,481	879,238	314,233
Landfill	7,194,230	-	695,966	6,498,264	4,059,164
Claims	54,152	549,831	183,698	420,285	250,377
Compensated absences	<u>1,529,144</u>	<u>212,112</u>	<u>423,294</u>	<u>1,317,962</u>	<u>577,632</u>
Total other long-term obligations	<u>11,200,742</u>	<u>1,641,943</u>	<u>2,775,436</u>	<u>10,067,249</u>	<u>5,230,277</u>
Total	\$ <u>15,201,317</u>	\$ <u>1,641,943</u>	\$ <u>2,989,048</u>	\$ <u>13,854,212</u>	\$ <u>5,440,277</u>

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

#### Note 16: Long-Term Obligations (continued)

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.

On June 11, 2014, the City issued \$1,110,000 of bond anticipation notes at a rate of 1.0% maturing on June, 10, 2015. These notes were issued to refinance notes issued for the 2013 street program, a new roof at City Hall and for a new parking lot at the recreation center. The notes are backed by the full faith and credit of the City. Although these notes have a term of one year or less, a portion is reported as a long-term obligation as it was refinanced on June 9, 2015 with bond anticipation notes. See Note 22 for additional information.

Capital leases will be paid from the general fund and 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 2014, a re-evaluation of the landfill total yearly post-closure cost estimate and landfill closure and postclosure care liability was completed and resulted in a decrease in the value (See Note 14).

The City's overall legal debt margin was \$27,110,956 at December 31, 2014. The unvoted legal debt margin was \$12,059,394.

Principal and interest requirements to retire the long-term obligations as of December 31, 2014, are as follows:

	<u>General Obligation Bonds</u>		<u>OPWC Loan</u>	<u>Police and Fire Pension</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 210,000	\$ 171,100	\$ 27,485	\$ 1,386	\$ 1,856
2016	220,000	162,700	-	1,446	1,796
2017	225,000	153,900	-	1,508	1,734
2018	240,000	142,650	-	1,573	1,669
2019	250,000	130,650	-	1,640	1,602
2020-2024	1,430,000	477,650	-	9,320	6,890
2025-2029	1,035,000	105,000	-	11,501	4,709
2030-2034	-	-	-	14,193	2,017
2035	-	-	-	1,448	30
Total	\$ <u>3,610,000</u>	\$ <u>1,343,650</u>	\$ <u>27,485</u>	\$ <u>44,015</u>	\$ <u>22,303</u>



# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### 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 materially adverse effect on the overall financial position of the City at December 31, 2014.

##### *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 proceeding will not have a material effect, if any, on the financial condition of the City.

#### Note 18: Capital Leases

The City has entered into lease agreements as lessee for financing which relate to various capital assets. These leases are long-term agreements which meet the criteria of a capital lease in accordance with the "Fair Value Measurements" topic of the Financial Accounting Standards Board Accounting Standards Codification. These amounts represent the present value of the minimum lease payments at the inception of the lease.

Assets:	
Improvements	\$ 2,054,515
Machinery and equipment	7,725
Vehicles	<u>830,000</u>
Total	2,892,240
Less: accumulated depreciation	<u>(1,814,842)</u>
Total	\$ <u><u>1,077,398</u></u>

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

<u>Year</u>	
2015	\$ 348,845
2016	348,845
2017	<u>245,051</u>
Total minimum lease payments	942,741
Less: Amount representing interest	<u>(63,503)</u>
Present value of minimum lease payments	\$ <u><u>879,238</u></u>

Lease payments are made from the general fund and capital improvements capital projects fund. The lease payments will be paid with current, available resources that have accumulated in the fund.

# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### **Note 19: Jointly Governed Organizations**

##### ***A. Southwest Council of Governments***

The Southwest Council of Governments (the “Council”) helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Council’s Board is comprised of one member from each of the 16 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 2014, the City contributed \$15,000.

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, 11 Berea Commons, Berea, Ohio.

##### ***B. Parma Community General Hospital Association***

The Parma Community General Hospital Association (the “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 Association’s Board of Trustees other than Parma, which has six. The operations, maintenance and management of the hospital are the exclusive charge of the Association. The City’s degree of control is limited to its appointment to the Board of Trustees.

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 Association.

Because there is no ongoing equity interest, there is no requirement to disclose the investment in the jointly governed organization. There does exist, however, a residual equity interest upon the dissolution or sale of the hospital, according to terms of the original agreement among the cities. The City of Brooklyn has made no contribution to the Association during the year. The Association’s financial statements may be obtained by contacting the Parma Community General Hospital, Parma, Ohio.

##### ***C. Northeast Ohio Public Energy Council***

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of government 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 134 members in 174 communities in 10 counties 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 ensuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.



# City of Brooklyn, Ohio

## Notes to the Basic Financial Statements (continued)

### For the Year Ended December 31, 2014

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#### Note 19: Jointly Governed Organizations (continued)

##### C. Northeast Ohio Public Energy Council (continued)

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 ten-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. In 2014, the City made no contributions. Financial information can be obtained by contacting the NOPEC, 31320 Solon Road, Suite 20, Solon, Ohio 44139 or at the website [www.nopecinfo.org](http://www.nopecinfo.org).

#### Note 20: Significant Commitments

##### A. Contractual Commitments

At December 31, 2014, the City had \$35,907 in contractual commitments for various improvements within the City. Remaining commitment amounts were encumbered at year-end.

##### B. Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General	\$	208,462
Capital Improvements		1,118,576
Other Governmental Funds		<u>135,045</u>
Total	\$	<u>1,462,083</u>

#### Note 21: Accountability

Fund balances at December 31, 2014 included the following individual funds deficits:

<u>Funds</u>	<u>Deficit Fund Balance</u>
Nonmajor funds:	
General obligation bond retirement	\$ 212,676
Internal service funds:	
Retrospective medical claims	3,429

These fund deficits are the result of the recognition of liabilities in accordance with general accepted accounting principles. The general fund is liable for any deficits in these funds and provides operating transfers when cash is required, not when accruals occur.

## **City of Brooklyn, Ohio**

### **Notes to the Basic Financial Statements (continued)**

#### **For the Year Ended December 31, 2014**

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##### **Note 22: Subsequent Event**

On June 9, 2015, the City issued \$880,000 in bond anticipation notes with a maturity date of June 9, 2016. These notes were issued to retire the 2014 bond anticipation notes maturing on June 10, 2015.

## City of Brooklyn, Ohio

### Combining Statements – Nonmajor Government Funds Fund Descriptions

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#### Nonmajor Special Revenue Funds

To account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

*Street Maintenance and Repair Fund* This fund accounts for and reports 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 and reports 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 and reports grants received from the federal government restricted for administrative costs of Community Development Block Grant Program.

*Street Lighting Fund* This fund accounts for and reports restricted property taxes restricted for the payment for street lighting expenditures within the City.

*Motor Vehicle License Tax Fund* This fund accounts for and reports the additional motor vehicle registration fees restricted for maintenance and repair of streets within the City.

*D.A.R.E. Fund* This fund accounts for and reports grants restricted for educating the public regarding drug abuse and drug abuse prevention.

*Bullet Proof Vest Fund* This fund accounts for and reports federal grants restricted for expenditures as prescribed under the Bullet Proof Vest Partnership Grant Program.

*FEMA Fund* This fund accounts for and reports Federal monies restricted for restoration of areas hit by natural disasters.

*Public Safety Equipment Fund* This fund accounts for and reports fines received for reimbursements restricted for equipment and supply use for hazardous spills and major accidents on State highways.

*Federal Drug Forfeiture Fund* This fund accounts for and reports federal grants restricted for expenditures as prescribed under the drug abuse prevention and control provisions of Title 21, Section 883(e)(3) of the United States Code.

*Law Enforcement Fund* This fund accounts for and report revenues received from fines from convictions related to drug cases restricted for the education of the community.

*Mandatory Drug Law Fund* This fund accounts for and reports revenues received from drug fines and forfeited bonds restricted for drug investigations.

*Termination Leave Payment Fund* This fund accounts for and reports municipal income taxes committed to the City's termination leave payments.

## City of Brooklyn, Ohio

### Combining Statements – Nonmajor Government Funds Fund Descriptions

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#### Nonmajor Special Revenue Funds (continued)

*Police Pension Fund* This fund accounts for and reports restricted property taxes for the payment of current employer contributions for police disability and pension benefits and the accrued liability.

*Fire Pension Fund* This fund accounts for and reports restricted property taxes for the payment of current employer contributions for fire disability and pension benefits and the accrued liability.

*Domino Trust Fund* This fund accounts for and reports restricted donations to the Edward J. Domino Trust for the upgrade of the cardio-vascular unit in the Brooklyn Recreation Center and for improvements to Brooklyn Recreation and Senior Centers.

*Groeger Trust Fund* This fund accounts for and reports the interest received from investments of an independent trust restricted for the benefit of the Brooklyn Senior Center.

*Court Computer Fund* This fund accounts for and reports fines charged in all civil and/or criminal traffic convictions restricted for updating court computer systems.

*Juvenile Diversion Fund* This fund accounts for and reports Cuyahoga County grants restricted for establishing or expending on community policing programs.

*P.O.P.A.S. Fund* This fund accounts for and reports fines collected for citations by the police on patrol arresting speeders unit restricted for paying the expense of having and operating the unit.

*Underground Storage Tank Fund* This fund accounts for and reports general fund transfers committed to potential expenditures related to the City's underground storage tanks. This fund is included with the general fund for GAAP reporting.

*Budget Stabilization Fund* This fund accounts for and reports transfers from or to the general fund for the purpose of the stabilization of the budget and the effective use of the tax dollars. This fund is included with the general fund for GAAP reporting.

*Economic Development Fund* This fund accounts for and reports general fund transfers assigned to potential expenditures related to job retention and incentive grants and economic development programs. This fund is included with the general fund for GAAP reporting.

#### Nonmajor Debt Service Fund

*General Obligation Bond Retirement Fund* The general obligation bond retirement fund accounts for and reports restricted property taxes for the payment of principal and interest and fiscal charges on general obligation debt.

## City of Brooklyn, Ohio

### Combining Statements – Nonmajor Government Funds Fund Descriptions

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#### Nonmajor Capital Projects Funds

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

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

# City of Brooklyn, Ohio

## Combining Balance Sheet Nonmajor Government Funds

**December 31, 2014**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 2,908,155	\$ 8,548	\$ 9	\$ 2,916,712
Accounts receivable	7,110	-	-	7,110
Intergovernmental receivable	355,155	34,533	-	389,688
Municipal income taxes receivable	43,213	-	-	43,213
Property taxes receivable	852,986	77,543	-	930,529
Local taxes receivable	2,581	-	-	2,581
Prepaid items	121	-	-	121
Materials and supplies inventory	<u>28,726</u>	<u>-</u>	<u>-</u>	<u>28,726</u>
<b>Total assets</b>	<b>\$ <u>4,198,047</u></b>	<b>\$ <u>120,624</u></b>	<b>\$ <u>9</u></b>	<b>\$ <u>4,318,680</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 18,795	\$ -	\$ -	\$ 18,795
Accrued wages and benefits	7,295	-	-	7,295
Intergovernmental payable	87,122	-	-	87,122
Notes payable	-	220,000	-	220,000
Accrued interest payable	<u>-</u>	<u>1,224</u>	<u>-</u>	<u>1,224</u>
<b>Total liabilities</b>	<b><u>113,212</u></b>	<b><u>221,224</u></b>	<b><u>-</u></b>	<b><u>334,436</u></b>
<b>Deferred inflows of resources:</b>				
Property taxes	816,442	74,221	-	890,663
Unavailable revenue	<u>294,601</u>	<u>37,855</u>	<u>-</u>	<u>332,456</u>
<b>Total deferred inflows of resources</b>	<b><u>1,111,043</u></b>	<b><u>112,076</u></b>	<b><u>-</u></b>	<b><u>1,223,119</u></b>
<b>Fund balances:</b>				
Nonspendable	28,847	-	-	28,847
Restricted	2,259,516	-	9	2,259,525
Committed	685,429	-	-	685,429
Unassigned	<u>-</u>	<u>(212,676)</u>	<u>-</u>	<u>(212,676)</u>
<b>Total fund balances</b>	<b><u>2,973,792</u></b>	<b><u>(212,676)</u></b>	<b><u>9</u></b>	<b><u>2,761,125</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ <u>4,198,047</u></b>	<b>\$ <u>120,624</u></b>	<b>\$ <u>9</u></b>	<b>\$ <u>4,318,680</u></b>

# City of Brooklyn, Ohio

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds

**For the Year Ended December 31, 2014**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Municipal income taxes	\$ 186,605	\$ -	\$ -	\$ 186,605
Property taxes	848,402	77,131	-	925,533
Local taxes	31,637	-	-	31,637
Charges for services	2,325	-	-	2,325
Fines, licenses and permits	105,819	-	-	105,819
Intergovernmental	1,011,764	11,804	-	1,023,568
Other	<u>2</u>	<u>-</u>	<u>1</u>	<u>3</u>
Total revenues	<u>2,186,554</u>	<u>88,935</u>	<u>1</u>	<u>2,275,490</u>
Expenditures:				
Current:				
General government	150,540	-	-	150,540
Security of persons and property	1,150,931	-	-	1,150,931
Transportation	992,636	-	-	992,636
Community environment	2	-	-	2
Basic utility services	197,202	-	-	197,202
Leisure time activities	289	-	-	289
Debt service:				
Principal retirement	1,329	1,364,970	-	1,366,299
Interest and fiscal charges	1,914	194,036	-	195,950
Bond issuance costs	<u>-</u>	<u>8,528</u>	<u>-</u>	<u>8,528</u>
Total expenditures	<u>2,494,843</u>	<u>1,567,534</u>	<u>-</u>	<u>4,062,377</u>
Excess of revenues over (under) expenditures	<u>(308,289)</u>	<u>(1,478,599)</u>	<u>1</u>	<u>(1,786,887)</u>
Premium on debt issuance:				
Notes issued	-	880,000	-	880,000
Note premium	-	4,559	-	4,559
Transfers – in	260,000	580,273	290,273	1,130,546
Transfers – out	<u>-</u>	<u>(265,000)</u>	<u>(290,273)</u>	<u>(555,273)</u>
Total other financing sources (uses)	<u>260,000</u>	<u>1,199,832</u>	<u>-</u>	<u>1,459,832</u>
Net change in fund balances	(48,289)	(278,767)	1	(327,055)
Fund balances beginning of year	<u>3,022,081</u>	<u>66,091</u>	<u>8</u>	<u>3,088,180</u>
Fund balances end of year	\$ <u>2,973,792</u>	\$ <u>(212,676)</u>	\$ <u>9</u>	\$ <u>2,761,125</u>

# City of Brooklyn, Ohio

## Combining Balance Sheet Nonmajor Special Revenue Funds

**December 31, 2014**

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	<u>Street Maintenance and Repair</u>	<u>State Highway</u>	<u>Community Development Block Grant</u>	<u>Street Lighting</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 815,569	\$ 338,990	\$ 1,134	\$ 104,156
Accounts receivable	-	-	-	-
Intergovernmental receivable	277,191	22,475	-	6,834
Municipal income taxes receivable	-	-	-	-
Property taxes receivable	-	-	-	108,564
Local taxes receivable	-	-	-	-
Prepaid items	-	-	-	-
Materials and supplies inventory	<u>26,990</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<b>\$ <u>1,119,750</u></b>	<b>\$ <u>361,465</u></b>	<b>\$ <u>1,134</u></b>	<b>\$ <u>219,554</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 16,909
Accrued wages and benefits	5,978	-	-	-
Intergovernmental payable	<u>1,560</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<b><u>7,538</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>16,909</u></b>
<b>Deferred inflows of resources:</b>				
Property taxes	-	-	-	103,913
Unavailable revenue	<u>173,939</u>	<u>14,103</u>	<u>-</u>	<u>11,485</u>
<b>Total deferred inflows of resources</b>	<b><u>173,939</u></b>	<b><u>14,103</u></b>	<b><u>-</u></b>	<b><u>115,398</u></b>
<b>Fund balances:</b>				
Nonspendable	26,990	-	-	-
Restricted	911,283	347,362	1,134	87,247
Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<b><u>938,273</u></b>	<b><u>347,362</u></b>	<b><u>1,134</u></b>	<b><u>87,247</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ <u>1,119,750</u></b>	<b>\$ <u>361,465</u></b>	<b>\$ <u>1,134</u></b>	<b>\$ <u>219,554</u></b>



<u>Motor Vehicle License Tax</u>	<u>D.A.R.E.</u>	<u>Bullet Proof Vest</u>	<u>FEMA</u>	<u>Public Safety Equipment</u>	<u>Federal Drug Forfeiture</u>	<u>Law Enforcement</u>
\$ 88,932	\$ 20	\$ 355	\$ 9,810	\$ 7,283	\$ 51,616	\$ 21,393
-	-	-	-	-	-	100
-	-	-	-	-	2,673	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,581	-	-	-	-	-	-
-	-	-	-	-	-	-
1,736	-	-	-	-	-	-
<u>93,249</u>	<u>20</u>	<u>355</u>	<u>9,810</u>	<u>7,283</u>	<u>54,289</u>	<u>21,493</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,736	-	-	-	-	-	-
91,513	20	355	9,810	7,283	54,289	21,493
-	-	-	-	-	-	-
<u>93,249</u>	<u>20</u>	<u>355</u>	<u>9,810</u>	<u>7,283</u>	<u>54,289</u>	<u>21,493</u>
<u>\$ 93,249</u>	<u>\$ 20</u>	<u>\$ 355</u>	<u>\$ 9,810</u>	<u>\$ 7,283</u>	<u>\$ 54,289</u>	<u>\$ 21,493</u>

Continued

# City of Brooklyn, Ohio

## Combining Balance Sheet Nonmajor Special Revenue Funds (continued)

**December 31, 2014**

	<u>Mandatory Drug Law</u>	<u>Termination Leave Payment</u>	<u>Police Pension</u>	<u>Fire Pension</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 124,951	\$ 659,680	\$ 234,937	\$ 184,203
Accounts receivable	-	-	-	-
Intergovernmental receivable	-	-	22,099	23,883
Municipal income taxes receivable	-	43,213	-	-
Property taxes receivable	-	-	369,626	374,796
Local taxes receivable	-	-	-	-
Prepaid items	-	-	-	-
Materials and supplies inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 \$ <u>124,951</u>	 \$ <u>702,893</u>	 \$ <u>626,662</u>	 \$ <u>582,882</u>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Intergovernmental payable	<u>-</u>	<u>265</u>	<u>44,637</u>	<u>40,641</u>
 Total liabilities	 <u>-</u>	 <u>265</u>	 <u>44,637</u>	 <u>40,641</u>
<b>Deferred inflows of resources:</b>				
Property taxes	-	-	353,790	358,739
Unavailable revenue	<u>-</u>	<u>17,199</u>	<u>37,935</u>	<u>39,940</u>
 Total deferred inflows of resources	 <u>-</u>	 <u>17,199</u>	 <u>391,725</u>	 <u>398,679</u>
<b>Fund balances:</b>				
Nonspendable	-	-	-	-
Restricted	124,951	-	190,300	143,562
Committed	<u>-</u>	<u>685,429</u>	<u>-</u>	<u>-</u>
 Total fund balances	 <u>124,951</u>	 <u>685,429</u>	 <u>190,300</u>	 <u>143,562</u>
 Total liabilities, deferred inflows of resources and fund balances	 \$ <u>124,951</u>	 \$ <u>702,893</u>	 \$ <u>626,662</u>	 \$ <u>582,882</u>

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<u>Domino Trust</u>	<u>Groeger Trust</u>	<u>Court Computer</u>	<u>Juvenile Diversion</u>	<u>P.O.P.A.S.</u>	<u>Total</u>
\$ -	\$ -	\$ 62,138	\$ 2,966	\$ 200,022	\$ 2,908,155
-	-	1,175	-	5,835	7,110
-	-	-	-	-	355,155
-	-	-	-	-	43,213
-	-	-	-	-	852,986
-	-	-	-	-	2,581
-	-	121	-	-	121
-	-	-	-	-	28,726
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>63,434</u>	\$ <u>2,966</u>	\$ <u>205,857</u>	\$ <u>4,198,047</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,886	\$ 18,795
-	-	-	-	1,317	7,295
-	-	-	-	19	87,122
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,222</u>	<u>113,212</u>
-	-	-	-	-	816,442
-	-	-	-	-	294,601
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,111,043</u>
-	-	121	-	-	28,847
-	-	63,313	2,966	202,635	2,259,516
-	-	-	-	-	685,429
<u>-</u>	<u>-</u>	<u>63,434</u>	<u>2,966</u>	<u>202,635</u>	<u>2,973,792</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>63,434</u>	\$ <u>2,966</u>	\$ <u>205,857</u>	\$ <u>4,198,047</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, 2014**

	Street Maintenance and Repair	State Highway	Community Development Block Grant	Street Lighting
<b>Revenues:</b>				
Municipal income taxes	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	107,978
Local taxes	-	-	-	-
Charges for services	-	-	-	-
Fines, licenses, and permits	-	-	-	-
Intergovernmental	806,627	65,400	-	16,526
Other	-	-	-	-
Total revenues	<u>806,627</u>	<u>65,400</u>	<u>-</u>	<u>124,504</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	943,630	45,873	-	-
Community environment	-	-	2	-
Basic utility services	-	-	-	197,202
Leisure time activities	-	-	-	-
<b>Debt service:</b>				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>943,630</u>	<u>45,873</u>	<u>2</u>	<u>197,202</u>
Excess of revenues over (under) expenditures	(137,003)	19,527	(2)	(72,698)
<b>Other financing sources:</b>				
Transfers – in	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Net change in fund balances	(137,003)	19,527	(2)	(12,698)
Fund balances beginning of year	<u>1,075,276</u>	<u>327,835</u>	<u>1,136</u>	<u>99,945</u>
Fund balances end of year	\$ <u><u>938,273</u></u>	\$ <u><u>347,362</u></u>	\$ <u><u>1,134</u></u>	\$ <u><u>87,247</u></u>

<u>Motor Vehicle License Tax</u>	<u>D.A.R.E.</u>	<u>Bullet Proof Vest</u>	<u>FEMA</u>	<u>Public Safety Equipment</u>	<u>Federal Drug Forfeiture</u>	<u>Law Enforcement</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
31,637	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	15,492	1,575
-	20	-	-	-	-	-
-	-	1	-	1	-	-
<u>31,637</u>	<u>20</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>15,492</u>	<u>1,575</u>
-	-	-	-	-	-	-
-	8,861	-	22,558	-	26,718	-
3,133	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,133</u>	<u>8,861</u>	<u>-</u>	<u>22,558</u>	<u>-</u>	<u>26,718</u>	<u>-</u>
28,504	(8,841)	1	(22,558)	1	(11,226)	1,575
-	-	-	-	-	-	-
28,504	(8,841)	1	(22,558)	1	(11,226)	1,575
<u>64,745</u>	<u>8,861</u>	<u>354</u>	<u>32,368</u>	<u>7,282</u>	<u>65,515</u>	<u>19,918</u>
\$ <u>93,249</u>	\$ <u>20</u>	\$ <u>355</u>	\$ <u>9,810</u>	\$ <u>7,283</u>	\$ <u>54,289</u>	\$ <u>21,493</u>

Continued

# City of Brooklyn, Ohio

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Funds

**For the Year Ended December 31, 2014**

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	<u>Mandatory Drug Law</u>	<u>Termination Leave Payments</u>	<u>Police Pension</u>	<u>Fire Pension</u>
Revenues:				
Municipal income taxes	\$ -	\$ 186,605	\$ -	\$ -
Property taxes	-	-	367,640	372,784
Local taxes	-	-	-	-
Charges for services	-	-	-	-
Fines, licenses, and permits	149	-	-	-
Intergovernmental	-	-	56,270	57,055
Other	-	-	-	-
Total revenues	<u>149</u>	<u>186,605</u>	<u>423,910</u>	<u>429,839</u>
Expenditures:				
Current:				
General government	-	137,872	-	-
Security of persons and proper	-	-	494,108	508,581
Transportation	-	-	-	-
Community environment	-	-	-	-
Basic utility services	-	-	-	-
Leisure time activities	-	-	-	-
Debt service:				
Principal retirement	-	-	665	664
Interest and fiscal charges	-	-	957	957
Total expenditures	<u>-</u>	<u>137,872</u>	<u>495,730</u>	<u>510,202</u>
Excess of revenues over (under) expenditures	149	48,733	(71,820)	(80,363)
Other financing sources:				
Transfers – in	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Net change in fund balances	149	48,733	28,180	19,637
Fund balances beginning of year	<u>124,802</u>	<u>636,696</u>	<u>162,120</u>	<u>123,925</u>
Fund balances end of year	\$ <u><u>124,951</u></u>	\$ <u><u>685,429</u></u>	\$ <u><u>190,300</u></u>	\$ <u><u>143,562</u></u>

<u>Domino Trust</u>	<u>Groeger Trust</u>	<u>Court Computer</u>	<u>Juvenile Diversion</u>	<u>P.O.P.A.S.</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,605
-	-	-	-	-	848,402
-	-	-	-	-	31,637
-	-	-	2,325	-	2,325
-	-	18,298	-	70,305	105,819
-	-	-	9,866	-	1,011,764
-	-	-	-	-	2
<u>-</u>	<u>-</u>	<u>18,298</u>	<u>12,191</u>	<u>70,305</u>	<u>2,186,554</u>
-	-	12,668	-	-	150,540
-	-	-	10,977	79,128	1,150,931
-	-	-	-	-	992,636
-	-	-	-	-	2
-	-	-	-	-	197,202
286	3	-	-	-	289
-	-	-	-	-	1,329
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,914</u>
<u>286</u>	<u>3</u>	<u>12,668</u>	<u>10,977</u>	<u>79,128</u>	<u>2,494,843</u>
(286)	(3)	5,630	1,214	(8,823)	(308,289)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,000</u>
(286)	(3)	5,630	1,214	(8,823)	(48,289)
<u>286</u>	<u>3</u>	<u>57,804</u>	<u>1,752</u>	<u>211,458</u>	<u>3,022,081</u>
\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>63,434</u></u>	\$ <u><u>2,966</u></u>	\$ <u><u>202,635</u></u>	\$ <u><u>2,973,792</u></u>

# City of Brooklyn, Ohio

## Fund Descriptions Fiduciary Funds

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### Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. 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

*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% of building permit fees collected each month to the State on behalf of the Ohio Board of Building Standards.

*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.



# City of Brooklyn, Ohio

## Combining Statement of Changes in Assets and Liabilities Agency Funds

**For the Year Ended December 31, 2014**

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	<u>Balance 12/31/13</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/14</u>
<b>Building assessment fees</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>2,325</u>	\$ <u>12,745</u>	\$ <u>13,586</u>	\$ <u>1,484</u>
Liabilities:				
Intergovernmental payable	\$ <u>2,325</u>	\$ <u>12,745</u>	\$ <u>13,586</u>	\$ <u>1,484</u>
<b>Required deposits</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>146,118</u>	\$ <u>14,252</u>	\$ <u>32,191</u>	\$ <u>128,179</u>
Liabilities:				
Deposits held and due to others	\$ <u>146,118</u>	\$ <u>14,252</u>	\$ <u>32,191</u>	\$ <u>128,179</u>
<b>Total agency funds</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ <u>148,443</u>	\$ <u>26,997</u>	\$ <u>45,777</u>	\$ <u>129,663</u>
Liabilities:				
Intergovernmental payable	\$ 2,325	\$ 12,745	\$ 13,586	\$ 1,484
Deposits held and due to others	<u>146,118</u>	<u>14,252</u>	<u>32,191</u>	<u>128,179</u>
Total liabilities	\$ <u>148,443</u>	\$ <u>26,997</u>	\$ <u>45,777</u>	\$ <u>129,663</u>

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

# City of Brooklyn, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Fund

**For the Year Ended December 31, 2014**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal income taxes	\$ 14,243,318	\$ 14,598,024	\$ 14,598,068	\$ 44
Property taxes	582,942	597,459	583,383	(14,076)
Local taxes	341,990	350,507	350,516	9
Charges for services	867,667	889,275	935,618	46,343
Fines, licenses and permits	1,026,809	1,052,380	1,052,669	289
Intergovernmental	494,466	506,780	542,718	35,938
Interest	8,881	10,785	10,876	91
Rentals	-	-	2	2
Miscellaneous	<u>230,599</u>	<u>234,815</u>	<u>237,740</u>	<u>2,925</u>
Total revenues	<u>17,796,672</u>	<u>18,240,025</u>	<u>18,311,590</u>	<u>71,565</u>
Expenditures:				
Current:				
General government:				
Council:				
Wages and benefits	133,910	135,135	135,127	8
Other	<u>9,750</u>	<u>9,750</u>	<u>9,209</u>	<u>541</u>
Total council	<u>143,660</u>	<u>144,885</u>	<u>144,336</u>	<u>549</u>
Mayor:				
Wages and benefits	233,960	229,460	229,453	7
Other	<u>14,173</u>	<u>14,173</u>	<u>13,544</u>	<u>629</u>
Total mayor	<u>248,133</u>	<u>243,633</u>	<u>242,997</u>	<u>636</u>
Legal:				
Wages and benefits	325,000	313,800	312,671	1,129
Other	<u>218,975</u>	<u>212,975</u>	<u>185,583</u>	<u>27,392</u>
Total legal	<u>543,975</u>	<u>526,775</u>	<u>498,254</u>	<u>28,521</u>
Finance:				
Wages and benefits	295,201	287,201	286,620	581
Other	<u>282,663</u>	<u>279,663</u>	<u>279,080</u>	<u>583</u>
Total finance	<u>577,864</u>	<u>566,864</u>	<u>565,700</u>	<u>1,164</u>
Civil service:				
Wages and benefits	10,725	11,200	11,183	17
Other	<u>11,987</u>	<u>13,987</u>	<u>13,497</u>	<u>490</u>
Total civil service	<u>22,712</u>	<u>25,187</u>	<u>24,680</u>	<u>507</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, 2014**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Data system:				
Other	<u>66,468</u>	<u>80,368</u>	<u>79,071</u>	<u>1,297</u>
Service Garage:				
Other	<u>100,000</u>	<u>3,000</u>	<u>2,670</u>	<u>330</u>
Miscellaneous:				
Other	<u>446,411</u>	<u>332,636</u>	<u>309,831</u>	<u>22,805</u>
Total general government	<u>2,149,223</u>	<u>1,923,348</u>	<u>1,867,539</u>	<u>55,809</u>
Security of persons and property:				
Public safety:				
Wages and benefits	4,055,127	3,812,627	3,811,575	1,052
Other	<u>404,741</u>	<u>486,741</u>	<u>420,424</u>	<u>66,317</u>
Total public safety	<u>4,459,868</u>	<u>4,299,368</u>	<u>4,231,999</u>	<u>67,369</u>
Fire department:				
Wages and benefits	2,768,227	2,773,727	2,773,524	203
Other	<u>343,497</u>	<u>383,497</u>	<u>346,610</u>	<u>36,887</u>
Total fire department	<u>3,111,724</u>	<u>3,157,224</u>	<u>3,120,134</u>	<u>37,090</u>
Total security of persons and property	<u>7,571,592</u>	<u>7,456,592</u>	<u>7,352,133</u>	<u>104,459</u>
Community environment:				
Public lands and buildings:				
Wages and benefits	53,504	52,504	52,374	130
Other	<u>1,159,114</u>	<u>1,262,114</u>	<u>1,206,122</u>	<u>55,992</u>
Total public lands and buildings	<u>1,212,618</u>	<u>1,314,618</u>	<u>1,258,496</u>	<u>56,122</u>
Public service:				
Wages and benefits	157,434	139,934	139,465	469
Other	<u>10,348</u>	<u>29,848</u>	<u>29,803</u>	<u>45</u>
Total public service	<u>167,782</u>	<u>169,782</u>	<u>169,268</u>	<u>514</u>
Building department:				
Wages and benefits	238,344	200,344	199,837	507
Other	<u>6,376</u>	<u>5,376</u>	<u>5,176</u>	<u>200</u>
Total building department	<u>244,720</u>	<u>205,720</u>	<u>205,013</u>	<u>707</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, 2014**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Engineering:				
Wages and benefits	26,097	26,107	26,104	3
Other	<u>84,063</u>	<u>81,563</u>	<u>73,359</u>	<u>8,204</u>
Total building department	<u>110,160</u>	<u>107,670</u>	<u>99,463</u>	<u>8,207</u>
Total community environment	<u>1,735,280</u>	<u>1,797,790</u>	<u>1,732,240</u>	<u>65,550</u>
Basic utility services:				
Garage:				
Wages and benefits	1,734,512	1,681,512	1,680,986	526
Other	<u>195,526</u>	<u>225,526</u>	<u>209,180</u>	<u>16,346</u>
Total basic utility services	<u>1,930,038</u>	<u>1,907,038</u>	<u>1,890,166</u>	<u>16,872</u>
Leisure time activities:				
Recreation center:				
Wages and benefits	723,995	584,995	582,419	2,576
Other	<u>180,021</u>	<u>208,021</u>	<u>184,039</u>	<u>23,982</u>
Total recreation center	<u>904,016</u>	<u>793,016</u>	<u>766,458</u>	<u>26,558</u>
Indoor/outdoor pool:				
Wages and benefits	359,711	354,211	353,874	337
Other	<u>110,249</u>	<u>130,249</u>	<u>115,260</u>	<u>14,989</u>
Total indoor/outdoor pool	<u>469,960</u>	<u>484,460</u>	<u>469,134</u>	<u>15,326</u>
Parks:				
Wages and benefits	27,079	38,979	38,955	24
Other	<u>36,125</u>	<u>38,725</u>	<u>37,536</u>	<u>1,189</u>
Total parks	<u>63,204</u>	<u>77,704</u>	<u>76,491</u>	<u>1,213</u>
Senior services:				
Wages and benefits	210,810	196,810	196,669	141
Other	<u>81,433</u>	<u>68,433</u>	<u>63,996</u>	<u>4,437</u>
Total senior services	<u>292,243</u>	<u>265,243</u>	<u>260,665</u>	<u>4,578</u>
Total leisure time activities	<u>1,729,423</u>	<u>1,620,423</u>	<u>1,572,748</u>	<u>47,675</u>
Debt service:				
Principal	1,481	1,481	1,481	-
Interest and fiscal charges	<u>280</u>	<u>280</u>	<u>280</u>	<u>-</u>
Total debt service	<u>1,761</u>	<u>1,761</u>	<u>1,761</u>	<u>-</u>
Total expenditures	<u>15,117,317</u>	<u>14,706,952</u>	<u>14,416,587</u>	<u>290,365</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, 2014**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Excess of revenues over (under) expenditures	<u>2,679,355</u>	<u>3,533,073</u>	<u>3,895,003</u>	<u>361,930</u>
Other financing sources (uses):				
Transfers – out	<u>(1,927,000)</u>	<u>(2,865,273)</u>	<u>(2,865,273)</u>	<u>-</u>
Net change in fund balance	752,355	667,800	1,029,730	361,930
Prior year encumbrances appropriated	398,261	398,261	398,261	-
Fund balance beginning of year, restated	<u>12,859,373</u>	<u>12,859,373</u>	<u>12,859,373</u>	<u>-</u>
Fund balance end of year	\$ <u>14,009,989</u>	\$ <u>13,925,434</u>	\$ <u>14,287,364</u>	\$ <u>361,930</u>

## City of Brooklyn, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Capital Improvement Fund

**For the Year Ended December 31, 2014**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal income taxes	\$ 2,239,718	\$ 2,385,625	\$ 2,385,632	\$ 7
Intergovernmental	275,932	293,908	293,911	3
Other	-	-	1,467	1,467
Total revenues	<u>2,515,650</u>	<u>2,679,533</u>	<u>2,681,010</u>	<u>1,477</u>
Expenditures:				
Capital outlay:				
Capital improvements:				
Other	<u>2,928,447</u>	<u>3,916,947</u>	<u>3,614,297</u>	<u>302,650</u>
Debt service:				
Principal retirement	300,000	300,000	300,000	-
Interest and fiscal charges	<u>47,084</u>	<u>47,084</u>	<u>47,084</u>	<u>-</u>
Total debt service	<u>347,084</u>	<u>347,084</u>	<u>347,084</u>	<u>-</u>
Total expenditures	<u>3,275,531</u>	<u>4,264,031</u>	<u>3,961,381</u>	<u>302,650</u>
Excess of revenues over (under) expenditures	(759,881)	(1,584,498)	(1,280,371)	304,127
Other Financing Sources (uses):				
Transfers – in	<u>435,000</u>	<u>435,000</u>	<u>435,000</u>	<u>-</u>
Net change in fund balance	(324,881)	(1,149,498)	(845,371)	304,127
Prior year encumbrances appropriated	589,447	589,447	589,447	-
Fund balance beginning of year	<u>1,519,757</u>	<u>1,519,757</u>	<u>1,519,757</u>	<u>-</u>
Fund balance end of year	\$ <u>1,784,323</u>	\$ <u>959,706</u>	\$ <u>1,263,833</u>	\$ <u>304,127</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, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ <u>560,000</u>	\$ <u>793,725</u>	\$ <u>793,753</u>	\$ <u>28</u>
Expenditures:				
Current:				
Transportation:				
Street maintenance and repair:				
Wages and benefits	260,250	178,250	177,927	323
Other	<u>1,012,975</u>	<u>1,012,475</u>	<u>941,323</u>	<u>71,152</u>
Total street maintenance and repair	<u>1,273,225</u>	<u>1,190,725</u>	<u>1,119,250</u>	<u>71,475</u>
Net change in fund balance	(713,225)	(397,000)	(325,497)	71,503
Prior year encumbrances appropriated	67,515	67,515	67,515	-
Fund balance beginning of year	<u>959,928</u>	<u>959,928</u>	<u>959,928</u>	<u>-</u>
Fund balance end of year	\$ <u><u>314,218</u></u>	\$ <u><u>630,443</u></u>	\$ <u><u>701,946</u></u>	\$ <u><u>71,503</u></u>



# City of Brooklyn, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – State Highway Fund

**For the Year Ended December 31, 2014**

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	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ <u>42,001</u>	\$ <u>64,275</u>	\$ <u>64,358</u>	\$ <u>83</u>
Expenditures:				
Current:				
Transportation:				
Garage:				
Other	<u>208,977</u>	<u>74,477</u>	<u>46,373</u>	<u>28,104</u>
Net change in fund balance	(166,976)	(10,202)	17,985	28,187
Prior year encumbrances appropriated	8,977	8,977	8,977	-
Fund balance beginning of year	<u>311,528</u>	<u>311,528</u>	<u>311,528</u>	<u>-</u>
Fund balance end of year	\$ <u><u>153,529</u></u>	\$ <u><u>310,303</u></u>	\$ <u><u>338,490</u></u>	\$ <u><u>28,187</u></u>

**City of Brooklyn, Ohio**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual – Community Development Block Grant Fund**

**For the Year Ended December 31, 2014**

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	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures:				
Current:				
Community environment:				
Community development block grant:				
Other	\$ <u>2</u>	\$ <u>2</u>	\$ <u>2</u>	\$ <u>-</u>
Net change in fund balance	(2)	(2)	(2)	-
Fund balance beginning of year	<u>1,136</u>	<u>1,136</u>	<u>1,136</u>	<u>-</u>
Fund balance end of year	\$ <u><u>1,134</u></u>	\$ <u><u>1,134</u></u>	\$ <u><u>1,134</u></u>	\$ <u><u>-</u></u>

## City of Brooklyn, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Street Lighting Fund

**For the Year Ended December 31, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 103,012	\$ 109,102	\$ 118,042	\$ 8,940
Intergovernmental	<u>6,090</u>	<u>6,450</u>	<u>6,462</u>	<u>12</u>
Total revenues	<u>109,102</u>	<u>115,552</u>	<u>124,504</u>	<u>8,952</u>
Expenditures:				
Current:				
Basic utility service:				
Street lighting:				
Other	<u>240,625</u>	<u>220,625</u>	<u>212,827</u>	<u>7,798</u>
Excess of revenues over (under) expenditures	(131,523)	(105,073)	(88,323)	16,750
Other financing sources (uses):				
Transfers – in	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net change in fund balance	(71,523)	(45,073)	(28,323)	16,750
Prior year encumbrances appropriated	5,233	5,233	5,233	-
Fund balance beginning of year	<u>110,337</u>	<u>110,337</u>	<u>110,337</u>	<u>-</u>
Fund balance end of year	\$ <u>44,047</u>	\$ <u>70,497</u>	\$ <u>87,247</u>	\$ <u>16,750</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, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Local taxes	\$ <u>26,000</u>	\$ <u>33,350</u>	\$ <u>33,356</u>	\$ <u>6</u>
Expenditures:				
Current:				
Transportation:				
Motor vehicle license tax:				
Other	<u>63,000</u>	<u>4,869</u>	<u>4,869</u>	<u>-</u>
Net change in fund balance	(37,000)	28,481	28,487	6
Prior year encumbrances appropriated	1,329	1,329	1,329	-
Fund balance beginning of year	<u>59,116</u>	<u>59,116</u>	<u>59,116</u>	<u>-</u>
Fund balance end of year	\$ <u><u>23,445</u></u>	\$ <u><u>88,926</u></u>	\$ <u><u>88,932</u></u>	\$ <u><u>6</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, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          20</u>	\$ <u>          20</u>
Expenditures:				
Current:				
Security of persons and property:				
Police:				
Wages and benefits	-	8,861	8,861	-
Other	<u>8,861</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>
Total expenditures	<u>8,861</u>	<u>8,861</u>	<u>8,861</u>	<u>          -</u>
Net change in fund balance	(8,861)	(8,861)	(8,841)	20
Fund balance beginning of year	<u>8,861</u>	<u>8,861</u>	<u>8,861</u>	<u>          -</u>
Fund balance end of year	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          20</u>	\$ <u>          20</u>

# City of Brooklyn, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Bullet Proof Vest Fund

**For the Year Ended December 31, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Other	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1</u>	\$ <u>1</u>
Net change in fund balance	-	-	1	1
Fund balance beginning of year	<u>354</u>	<u>354</u>	<u>354</u>	<u>-</u>
Fund balance end of year	\$ <u><u>354</u></u>	\$ <u><u>354</u></u>	\$ <u><u>355</u></u>	\$ <u><u>1</u></u>

# City of Brooklyn, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – FEMA Fund

**For the Year Ended December 31, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ <u>2,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Expenditures:				
Current:				
Security of persons and property:				
FEMA:				
Other	<u>34,368</u>	<u>22,558</u>	<u>22,558</u>	<u>-</u>
Net change in fund balance	(32,368)	(22,558)	(22,558)	-
Fund balance beginning of year	<u>32,368</u>	<u>32,368</u>	<u>32,368</u>	<u>-</u>
Fund balance end of year	\$ <u><u>-</u></u>	\$ <u><u>9,810</u></u>	\$ <u><u>9,810</u></u>	\$ <u><u>-</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, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Other	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1</u>	\$ <u>1</u>
Expenditures:				
Current:				
Security of persons and property:				
Public safety equipment:				
Other	<u>7,282</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(7,282)	-	1	1
Fund balance beginning of year	<u>7,282</u>	<u>7,282</u>	<u>7,282</u>	<u>-</u>
Fund balance end of year	\$ <u><u>-</u></u>	\$ <u><u>7,282</u></u>	\$ <u><u>7,283</u></u>	\$ <u><u>1</u></u>



# City of Brooklyn, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Federal Drug Forfeiture Fund

**For the Year Ended December 31, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, licenses and permits	\$ <u>10,000</u>	\$ <u>12,800</u>	\$ <u>12,819</u>	\$ <u>19</u>
Expenditures:				
Current:				
Security of persons and property:				
Public safety equipment:				
Other	<u>66,202</u>	<u>35,819</u>	<u>29,335</u>	<u>6,484</u>
Net change in fund balance	(56,202)	(23,019)	(16,516)	6,503
Prior year encumbrances appropriated	6,202	6,202	6,202	-
Fund balance beginning of year	<u>59,313</u>	<u>59,313</u>	<u>59,313</u>	<u>-</u>
Fund balance end of year	\$ <u><u>9,313</u></u>	\$ <u><u>42,496</u></u>	\$ <u><u>48,999</u></u>	\$ <u><u>6,503</u></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, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, licenses, and permits	\$ <u>600</u>	\$ <u>1,575</u>	\$ <u>1,589</u>	\$ <u>14</u>
Expenditures:				
Current:				
Security of persons and property:				
Law enforcement:				
Other	<u>8,874</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(8,274)	1,575	1,589	14
Fund balance beginning of year	<u>19,804</u>	<u>19,804</u>	<u>19,804</u>	<u>-</u>
Fund balance end of year	\$ <u><u>11,530</u></u>	\$ <u><u>21,379</u></u>	\$ <u><u>21,393</u></u>	\$ <u><u>14</u></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, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Fines, licenses and permits	\$ <u>5,000</u>	\$ <u>150</u>	\$ <u>149</u>	\$ <u>(1)</u>
Expenditures:				
Current:				
Security of persons and property:				
Mandatory drug law:				
Other	<u>120,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(115,000)	150	149	(1)
Fund balance beginning of year	<u>124,802</u>	<u>124,802</u>	<u>124,802</u>	<u>-</u>
Fund balance end of year	\$ <u><u>9,802</u></u>	\$ <u><u>124,952</u></u>	\$ <u><u>124,951</u></u>	\$ <u><u>(1)</u></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, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal income taxes	\$ <u>167,710</u>	\$ <u>214,085</u>	\$ <u>214,088</u>	\$ <u>3</u>
Expenditures:				
Current:				
General government:				
Wages and benefits	<u>150,000</u>	<u>138,000</u>	<u>137,607</u>	<u>393</u>
Net change in fund balance	17,710	76,085	76,481	396
Fund balance beginning of year	<u>583,199</u>	<u>583,199</u>	<u>583,199</u>	<u>-</u>
Fund balance end of year	\$ <u><u>600,909</u></u>	\$ <u><u>659,284</u></u>	\$ <u><u>659,680</u></u>	\$ <u><u>396</u></u>

# 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, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 350,694	\$ 371,464	\$ 401,906	\$ 30,442
Intergovernmental	<u>20,770</u>	<u>22,000</u>	<u>22,004</u>	<u>4</u>
Total revenues	<u>371,464</u>	<u>393,464</u>	<u>423,910</u>	<u>30,446</u>
Expenditures:				
Current:				
Security of persons and property:				
Police:				
Other	<u>500,000</u>	<u>488,000</u>	<u>487,810</u>	<u>190</u>
Excess of revenues over (under) expenditures	(128,536)	(94,536)	(63,900)	30,636
Other financing sources (uses):				
Transfers – in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	(28,536)	5,464	36,100	30,636
Fund balance beginning of year	<u>198,837</u>	<u>198,837</u>	<u>198,837</u>	<u>-</u>
Fund balance end of year	\$ <u><u>170,301</u></u>	\$ <u><u>204,301</u></u>	\$ <u><u>234,937</u></u>	\$ <u><u>30,636</u></u>

# City of Brooklyn, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Fire Pension Fund

**For the Year Ended December 31, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 355,605	\$ 376,659	\$ 407,529	\$ 30,870
Intergovernmental	<u>21,054</u>	<u>22,300</u>	<u>22,310</u>	<u>10</u>
Total revenues	<u>376,659</u>	<u>398,959</u>	<u>429,839</u>	<u>30,880</u>
Expenditures:				
Current:				
Security of persons and property:				
Fire:				
Other	<u>525,000</u>	<u>522,000</u>	<u>521,931</u>	<u>69</u>
Excess of revenues over (under) expenditures	(148,341)	(123,041)	(92,092)	30,949
Other financing sources (uses):				
Transfers – in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	(48,341)	(23,041)	7,908	30,949
Fund balance beginning of year	<u>176,295</u>	<u>176,295</u>	<u>176,295</u>	<u>-</u>
Fund balance end of year	\$ <u><u>127,954</u></u>	\$ <u><u>153,254</u></u>	\$ <u><u>184,203</u></u>	\$ <u><u>30,949</u></u>

**City of Brooklyn, Ohio**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual – Domino Trust Fund**

**For the Year Ended December 31, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures:				
Current:				
Leisure time activities:				
Domino trust:				
Other	\$ <u>          -</u>	\$ <u>          286</u>	\$ <u>          286</u>	\$ <u>          -</u>
Net change in fund balance	-	(286)	(286)	-
Fund balance beginning of year	<u>          286</u>	<u>          286</u>	<u>          286</u>	<u>          -</u>
Fund balance end of year	\$ <u><u>          286</u></u>	\$ <u><u>          -</u></u>	\$ <u><u>          -</u></u>	\$ <u><u>          -</u></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, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures				
Current:				
Leisure time activities:				
Groeger trust:				
Other	\$ <u>3</u>	\$ <u>3</u>	\$ <u>3</u>	\$ <u>-</u>
Net change in fund balance	(3)	(3)	(3)	-
Fund balance beginning of year	<u>3</u>	<u>3</u>	<u>3</u>	<u>-</u>
Fund balance end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>



# City of Brooklyn, Ohio

## Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Court Computer Fund

**For the Year Ended December 31, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, licenses and permits	\$ <u>9,000</u>	\$ <u>18,450</u>	\$ <u>18,453</u>	\$ <u>3</u>
Expenditures:				
Current:				
General government:				
Courts:				
Other	<u>51,198</u>	<u>15,921</u>	<u>15,423</u>	<u>498</u>
Net change in fund balance	(42,198)	2,529	3,030	501
Prior year encumbrances appropriated	197	197	197	-
Fund balance beginning of year	<u>58,911</u>	<u>58,911</u>	<u>58,911</u>	<u>-</u>
Fund balance end of year	\$ <u><u>16,910</u></u>	\$ <u><u>61,637</u></u>	\$ <u><u>62,138</u></u>	\$ <u><u>501</u></u>

## City of Brooklyn, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Juvenile Diversion Fund

**For the Year Ended December 31, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 1,324	\$ 2,325	\$ 2,325	\$ -
Intergovernmental	<u>6,176</u>	<u>10,850</u>	<u>10,866</u>	<u>16</u>
Total revenues	<u>7,500</u>	<u>13,175</u>	<u>13,191</u>	<u>16</u>
Expenditures:				
Current:				
Security of persons and property:				
Juvenile diversion:				
Other	<u>8,175</u>	<u>13,175</u>	<u>10,977</u>	<u>2,198</u>
Net change in fund balance	(675)	-	2,214	2,214
Prior year encumbrances appropriated	675	675	675	-
Fund balance beginning of year	<u>77</u>	<u>77</u>	<u>77</u>	<u>-</u>
Fund balance end of year	\$ <u><u>77</u></u>	\$ <u><u>752</u></u>	\$ <u><u>2,966</u></u>	\$ <u><u>2,214</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, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, licenses and permits	\$ <u>45,000</u>	\$ <u>67,725</u>	\$ <u>67,735</u>	\$ <u>10</u>
Expenditures:				
Current:				
Security of persons and property:				
Police:				
Wages and benefits	35,000	30,000	25,555	4,445
Other	<u>140,000</u>	<u>68,500</u>	<u>68,077</u>	<u>423</u>
Total expenditures	175,000	98,500	93,632	4,868
Net change in fund balance	(130,000)	(30,775)	(25,897)	4,878
Fund balance beginning of year	<u>208,280</u>	<u>208,280</u>	<u>208,280</u>	<u>-</u>
Fund balance end of year	\$ <u><u>78,280</u></u>	\$ <u><u>177,505</u></u>	\$ <u><u>182,383</u></u>	\$ <u><u>4,878</u></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, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures:				
Current:				
Community environment:				
Underground storage tank:				
Other	\$ <u>4,684</u>	\$ <u>1,237</u>	\$ <u>180</u>	\$ <u>1,057</u>
Net change in fund balance	(4,684)	(1,237)	(180)	1,057
Prior year encumbrances appropriated	1,237	1,237	1,237	-
Fund balance beginning of year	<u>3,447</u>	<u>3,447</u>	<u>3,447</u>	<u>-</u>
Fund balance end of year	\$ <u><u>-</u></u>	\$ <u><u>3,447</u></u>	\$ <u><u>4,504</u></u>	\$ <u><u>1,057</u></u>

Note: The above fund is combined with the General Fund for GASB 54 financial reporting purposes.

## City of Brooklyn, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Budget Stabilization Fund

**For the Year Ended December 31, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Other financing sources (uses):				
Transfers – in	\$ <u>500,000</u>	\$ <u>875,000</u>	\$ <u>875,000</u>	\$ <u>-</u>
Net change in fund balance	500,000	875,000	875,000	-
Fund balance beginning of year	<u>2,095,000</u>	<u>2,095,000</u>	<u>2,095,000</u>	<u>-</u>
Fund balance end of year	\$ <u><u>2,595,000</u></u>	\$ <u><u>2,970,000</u></u>	\$ <u><u>2,970,000</u></u>	\$ <u><u>-</u></u>

Note: The above fund is combined with the General Fund for GASB 54 financial reporting purposes.

## City of Brooklyn, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Economic Development Fund

**For the Year Ended December 31, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Other	\$ <u>        -</u>	\$ <u>      100</u>	\$ <u>      100</u>	\$ <u>        -</u>
Expenditures:				
Current:				
Other	<u>    200,000</u>	<u>    138,500</u>	<u>    138,500</u>	<u>          -</u>
Excess of revenues under (under) expenditures	(200,000)	(138,400)	(138,400)	-
Other financing sources (uses):				
Transfers – in	<u>    150,000</u>	<u>    715,000</u>	<u>    715,000</u>	<u>          -</u>
Net change in fund balance	(50,000)	576,600	576,600	-
Fund balance beginning of year	<u>    90,300</u>	<u>    90,300</u>	<u>    90,300</u>	<u>          -</u>
Fund balance end of year	\$ <u>    40,300</u>	\$ <u>   666,900</u>	\$ <u>   666,900</u>	\$ <u>          -</u>

Note: The above fund is combined with the General Fund for GASB 54 financial reporting purposes.

# 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, 2014**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 77,329	\$ 77,930	\$ 84,319	\$ 6,389
Intergovernmental	<u>4,565</u>	<u>4,600</u>	<u>4,616</u>	<u>16</u>
Total revenues	<u>81,894</u>	<u>82,530</u>	<u>88,935</u>	<u>6,405</u>
Expenditures:				
Debt service:				
Principal retirement	1,629,970	1,629,970	1,629,970	-
Interest and fiscal charges	192,812	192,812	192,812	-
Issuance costs	<u>1,318</u>	<u>8,528</u>	<u>8,528</u>	<u>-</u>
Total expenditures	<u>1,824,100</u>	<u>1,831,310</u>	<u>1,831,310</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(1,742,206)</u>	<u>(1,748,780)</u>	<u>(1,742,375)</u>	<u>6,405</u>
Other financing sources (uses):				
Proceeds from the sale of notes	1,096,037	1,104,559	1,104,559	-
Transfers – in	<u>582,000</u>	<u>580,273</u>	<u>580,273</u>	<u>-</u>
Total other financing sources (uses)	<u>1,678,037</u>	<u>1,684,832</u>	<u>1,684,832</u>	<u>-</u>
Net change in fund balance	(64,169)	(63,948)	(57,543)	6,405
Fund balance beginning of year	<u>66,091</u>	<u>66,091</u>	<u>66,091</u>	<u>-</u>
Fund balance end of year	\$ <u><u>1,922</u></u>	\$ <u><u>2,143</u></u>	\$ <u><u>8,548</u></u>	\$ <u><u>6,405</u></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, 2014**

---

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
Revenues:				
Other	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          1</u>	\$ <u>          1</u>
Other financing sources (uses):				
Transfers – in	292,000	290,273	290,273	-
Transfers – out	<u>(292,000)</u>	<u>(290,273)</u>	<u>290,273</u>	<u>          -</u>
Total other financing sources (uses)	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>
Net change in fund balance	-	-	1	1
Fund balance beginning of year	<u>          8</u>	<u>          8</u>	<u>          8</u>	<u>          -</u>
Fund balance end of year	\$ <u>          8</u>	\$ <u>          8</u>	\$ <u>          9</u>	\$ <u>          1</u>



## City of Brooklyn, Ohio

### Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – Retrospective Medical Claims Fund

**For the Year Ended December 31, 2014**

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	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal income taxes	\$ -	\$ 82,550	\$ 82,569	\$ 19
Intergovernmental	<u>-</u>	<u>100,000</u>	<u>100,093</u>	<u>93</u>
Total revenues	<u>-</u>	<u>182,550</u>	<u>182,662</u>	<u>112</u>
Expenses:				
Contractual services	115,800	127,637	127,636	1
Claims	<u>179,700</u>	<u>183,698</u>	<u>183,698</u>	<u>-</u>
Total expenses	<u>295,500</u>	<u>311,335</u>	<u>311,334</u>	<u>1</u>
Net change in fund equity	(295,500)	(128,785)	(128,672)	113
Fund equity beginning of year	<u>683,386</u>	<u>683,386</u>	<u>683,386</u>	<u>-</u>
Fund equity end of year	\$ <u><u>387,886</u></u>	\$ <u><u>554,601</u></u>	\$ <u><u>554,714</u></u>	\$ <u><u>113</u></u>

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# CITY OF BROOKLYN, OHIO



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## STATISTICAL SECTION

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# City of Brooklyn, Ohio

## Statistical Section

**December 31, 2014**

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

### *Contents*

***Financial Trends.*** .....S2 – S7

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

***Revenue Capacity.*** .....S8 – S12

These schedules contain information to help the reader assess the City’s most significant local revenues, the property tax and the municipal income tax.

***Debt Capacity.*** .....S13 – S16

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.

***Economic and Demographic Information.*** .....S17 – S18

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.

***Operating Information.*** .....S19 – S24

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.

# City of Brooklyn, Ohio

## Net Position by Component

### Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets	\$ 15,357,773	\$ 21,907,993	\$ 22,893,430	\$ 22,732,949	\$ 21,616,798	\$ 21,125,879	\$ 21,324,188	\$ 23,908,767	\$ 23,035,062	\$ 22,742,395
Restricted:										
Capital projects	5,687,329	2,104,553	1,860,948	1,722,815	2,146,491	2,666,804	924,712	447,019	8	9
Debt service	160,808	-	-	82,902	-	-	16,177	46,618	-	26,026
Street construction, maintenance and repair	223,557	298,241	290,459	352,507	346,999	415,740	531,517	869,775	1,409,048	1,205,528
State highway	77,558	114,162	130,675	152,741	166,341	195,863	230,903	282,201	357,164	361,465
Termination payments	-	-	-	-	-	-	-	-	659,593	702,628
Court computer	61,576	46,779	16,534	17,081	30,078	49,752	59,723	62,672	57,804	63,434
Police programs	77,307	75,024	100,494	161,770	425,525	532,946	441,248	527,641	211,458	438,527
Landfill	3,109,403	3,297,895	3,501,863	3,686,087	3,833,085	3,954,812	4,141,873	4,319,476	4,486,857	4,485,997
Other purposes	145,292	170,522	150,493	181,782	246,223	233,034	193,850	210,306	500,208	491,394
Unrestricted(deficit)	(2,664,024)	(1,296,375)	(3,446,068)	(4,040,525)	(6,263,918)	(799,210)	3,830,394	5,310,835	8,403,850	12,167,906
Total governmental activities net position	\$ 22,236,579	\$ 26,718,794	\$ 25,498,828	\$ 25,050,109	\$ 22,547,622	\$ 28,375,620	\$ 31,694,585	\$ 35,985,310	\$ 39,121,052	\$ 42,685,309

# City of Brooklyn, Ohio

## Changes in Net Position

### Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Program revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 49,926	\$ 70,964	\$ 118,104	\$ 85,736	\$ 103,950	\$ 102,807	\$ 138,097	\$ 200,637	\$ 312,433	\$ 601,630
Security of persons and property	674,340	760,677	681,396	1,001,928	953,949	1,032,438	820,180	809,040	1,195,021	368,812
Community environment	124,325	136,206	100,064	97,191	84,495	79,481	209,212	-	214,894	516,481
Basic utility services	338	233	1,763	6,795	2,601	1,990	2,760	2,056	287,527	-
Leisure time activities	632,046	655,500	578,526	717,232	685,917	621,789	661,434	680,775	242,156	576,126
Subtotal-charges for services	<u>1,480,975</u>	<u>1,623,580</u>	<u>1,479,853</u>	<u>1,908,882</u>	<u>1,830,912</u>	<u>1,838,505</u>	<u>1,831,683</u>	<u>1,692,508</u>	<u>2,252,031</u>	<u>2,063,049</u>
Operating grants and contributions:										
General government	22,886	22,059	112,470	134,129	92,616	105,242	52,059	42,710	-	-
Security of persons and property	201,212	147,644	326,059	271,357	439,532	658,332	321,250	245,393	167,552	90,997
Transportation	604,328	659,244	735,436	704,662	576,481	670,206	634,485	819,917	1,000,736	689,434
Community environment	33,546	4,741	-	104,157	-	-	-	75,632	150,000	16,802
Basic utility services	-	-	32,579	41,084	48,320	48,777	21,051	16,852	22,847	8,402
Leisure time activities	-	-	-	-	-	-	77,286	-	-	-
Subtotal-operating grants and contributions	<u>861,972</u>	<u>833,688</u>	<u>1,206,544</u>	<u>1,255,389</u>	<u>1,156,949</u>	<u>1,482,557</u>	<u>1,106,131</u>	<u>1,200,504</u>	<u>1,341,135</u>	<u>805,635</u>
Capital grants and contributions:										
General government	-	-	-	-	-	-	-	-	-	170,700
Security of persons and property	35,093	-	-	-	-	-	-	-	-	123,211
Transportation	-	-	191,381	217,646	25,503	518,592	434,258	118,367	-	-
Total governmental activities program revenues	<u>2,378,040</u>	<u>2,457,268</u>	<u>2,877,778</u>	<u>3,381,917</u>	<u>3,013,364</u>	<u>3,839,654</u>	<u>3,372,072</u>	<u>3,011,379</u>	<u>3,593,166</u>	<u>3,162,595</u>
Expenses:										
Governmental activities:										
General government	2,022,846	1,492,020	1,980,326	2,079,281	2,416,591	2,619,663	2,304,429	2,159,779	2,432,195	2,327,478
Security of persons and property	8,768,021	7,010,400	8,930,741	8,812,504	8,821,940	8,466,060	8,342,890	8,363,930	8,724,511	8,918,181
Transportation	1,291,187	252,414	1,900,474	1,246,843	972,791	224,314	851,242	963,461	817,588	2,047,997
Community environment	1,741,243	1,784,567	1,837,776	1,884,187	4,430,941	959,325	1,707,686	1,554,439	1,630,517	1,857,228
Basic utility services	3,012,207	2,854,851	3,342,106	3,090,199	2,583,382	2,332,882	2,219,956	2,159,415	2,345,282	1,946,956
Leisure time activities	2,305,614	2,309,476	2,689,422	2,743,950	2,513,099	2,159,394	2,403,861	2,207,282	2,542,635	2,438,767
Interest and fiscal charges	234,754	494,153	471,505	448,354	439,959	398,123	314,400	385,123	246,868	228,952
Total governmental activities expenses	<u>19,375,872</u>	<u>16,197,881</u>	<u>21,152,350</u>	<u>20,305,318</u>	<u>22,178,703</u>	<u>17,159,761</u>	<u>18,144,464</u>	<u>17,793,429</u>	<u>18,739,596</u>	<u>19,765,559</u>
Net (expense) revenue governmental activities	<u>\$ (16,997,832)</u>	<u>\$ (13,740,613)</u>	<u>\$ (18,274,572)</u>	<u>\$ (16,923,401)</u>	<u>\$ (19,165,339)</u>	<u>\$ (13,320,107)</u>	<u>\$ (14,772,392)</u>	<u>\$ (14,782,050)</u>	<u>\$ (15,146,430)</u>	<u>\$ (16,602,964)</u>

(continued)

# City of Brooklyn, Ohio

## Changes in Net Position (continued)

### Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes levied for:										
General purposes	\$ 1,106,813	\$ 1,118,624	\$ 1,215,894	\$ 1,037,895	\$ 1,139,534	\$ 635,942	\$ 642,734	\$ 589,697	\$ 558,932	\$ 546,204
Street lighting	92,175	148,264	165,820	137,985	146,974	122,467	124,163	117,165	93,822	101,192
Police pension	377,898	485,973	290,911	338,390	380,023	300,336	307,511	294,198	369,960	344,534
Fire pension	468,419	444,776	451,697	377,815	424,296	335,327	343,337	314,100	369,167	349,346
Debt service	363,739	370,645	337,536	328,534	368,955	291,588	298,553	279,037	33,255	72,281
Capital outlay	79,441	79,210	74,059	55,543	46,642	38,032	38,584	30,284	-	-
Municipal income taxes levied for:										
General purposes	10,505,190	11,873,518	10,348,944	10,472,331	11,518,038	14,238,025	12,463,632	13,857,423	14,718,569	14,942,991
Termination leave payment	-	-	-	-	99,046	327,790	296,719	322,180	342,295	180,907
Retrospective medical claims	-	-	-	-	102,987	348,837	296,148	322,180	265,899	-
Capital outlay	1,640,193	1,844,414	2,124,235	1,790,878	856,179	1,010,760	1,730,787	1,711,161	1,711,464	2,651,851
Local taxes	-	-	-	171,729	266,960	268,085	300,522	343,503	321,292	424,830
Grants and entitlements not restricted										
specific programs	1,278,859	1,228,147	1,442,977	1,307,344	1,115,311	1,115,478	1,058,307	538,085	820,078	444,220
Investment income	412,082	654,993	445,581	324,568	99,672	47,982	31,083	22,604	11,994	11,427
Gain on sale of capital assets	2,696	-	9,126	-	17,990	-	43,705	-	-	-
Other	79,292	81,341	147,826	131,670	80,245	67,456	115,572	113,708	78,282	97,438
Total general revenues	16,406,797	18,329,905	17,054,606	16,474,682	16,662,852	19,148,105	18,091,357	18,855,325	19,695,009	20,167,221
Special item:										
Sale of Brooklyn Library	-	-	-	-	-	-	-	217,450	-	-
Total general revenues and special item	16,406,797	18,329,905	17,054,606	16,474,682	16,662,852	19,148,105	18,091,357	19,072,775	19,695,009	20,167,221
Total change in net position	\$ (591,035)	\$ 4,589,292	\$ (1,219,966)	\$ (448,719)	\$ (2,502,487)	\$ 5,827,998	\$ 3,318,965	\$ 4,290,725	\$ 4,548,579	\$ 3,564,257



# City of Brooklyn, Ohio

## Fund Balances – Governmental Funds

### Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund:										
Reserved	\$ 3,193,942	\$ 3,394,205	\$ 3,612,905	\$ 3,863,104	\$ 3,939,871	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,886,049	3,730,445	3,055,408	1,898,890	1,899,926	-	-	-	-	-
Nonspendable	-	-	-	-	-	161,412	178,280	201,253	184,956	203,300
Restricted	-	-	-	-	-	3,954,812	4,141,873	4,319,476	4,486,857	4,485,997
Committed	-	-	-	-	-	23,525	8,346	93,526	141,877	26,529
Assigned	-	-	-	-	-	134,328	1,835,737	1,437,919	2,105,895	706,585
Unassigned	-	-	-	-	-	6,368,863	7,339,376	7,829,763	10,383,749	14,584,305
Total general fund	<u>6,079,991</u>	<u>7,124,650</u>	<u>6,668,313</u>	<u>5,761,994</u>	<u>5,839,797</u>	<u>10,642,940</u>	<u>13,503,612</u>	<u>13,881,937</u>	<u>17,303,334</u>	<u>20,006,716</u>
All other governmental funds:										
Reserved	740,211	866,964	551,386	353,067	215,124	-	-	-	-	-
Unreserved, undesignated, reported in:										
Special revenue funds	214,407	202,336	143,250	369,699	665,902	-	-	-	-	-
Debt service fund (deficit)	239,145	(4,438)	(21,841)	79,715	78,725	-	-	-	-	-
Capital projects funds	4,946,139	1,216,437	1,288,226	1,379,650	1,936,063	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	28,847
Restricted	-	-	-	-	-	792,665	1,234,979	1,714,149	2,451,484	2,259,525
Committed	-	-	-	-	-	2,673,211	1,233,360	2,653,602	2,530,048	3,444,167
Unassigned(deficit)	-	-	-	-	-	(67,537)	(578,809)	(115,338)	-	(212,676)
Total all other governmental funds	<u>6,139,902</u>	<u>2,281,299</u>	<u>1,961,021</u>	<u>2,182,131</u>	<u>2,895,814</u>	<u>3,398,339</u>	<u>1,889,530</u>	<u>4,252,413</u>	<u>4,981,532</u>	<u>5,519,863</u>
Total governmental funds	<u>\$ 12,219,893</u>	<u>\$ 9,405,949</u>	<u>\$ 8,629,334</u>	<u>\$ 7,944,125</u>	<u>\$ 8,735,611</u>	<u>\$ 14,041,279</u>	<u>\$ 15,393,142</u>	<u>\$ 18,134,350</u>	<u>\$ 22,284,866</u>	<u>\$ 25,526,579</u>

Note: During 2011, the City implemented GASB 54.

# City of Brooklyn, Ohio

## Changes in Fund Balances – Governmental Funds

### Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues:</b>										
Municipal income taxes	\$ 12,251,146	\$ 13,477,404	\$ 12,891,860	\$ 12,102,414	\$ 12,247,285	\$ 15,378,165	\$ 14,603,931	\$ 15,216,780	\$ 16,852,938	\$ 17,177,758
Property taxes	2,502,769	2,436,189	2,393,975	2,371,912	2,351,370	1,786,658	1,804,935	1,647,181	1,598,314	1,508,916
Local taxes	-	-	-	170,301	263,665	269,488	298,257	342,430	329,264	431,078
Charges for services	802,328	825,376	771,638	1,079,706	1,054,257	957,232	1,024,204	1,064,828	1,225,959	1,039,380
Fines, licenses and permits	678,647	781,275	651,515	772,476	719,955	824,573	750,068	568,145	908,909	1,016,886
Intergovernmental	2,113,217	2,045,099	2,647,967	2,690,551	2,444,270	2,940,363	2,564,402	1,963,016	1,866,164	1,796,415
Contributions and donations	25,677	24,850	22,551	17,273	2,404	132,286	197,257	-	-	-
Interest	412,082	654,993	445,581	324,568	99,672	47,982	31,083	22,604	11,994	11,427
Rentals	-	16,929	56,700	56,700	56,700	56,700	57,411	59,535	62,961	59,537
Other	79,292	81,341	147,826	131,670	76,276	67,456	115,572	113,708	78,282	74,707
<b>Total revenues</b>	<b>18,865,158</b>	<b>20,343,456</b>	<b>20,029,613</b>	<b>19,717,571</b>	<b>19,315,854</b>	<b>22,460,903</b>	<b>21,447,120</b>	<b>20,998,227</b>	<b>22,934,785</b>	<b>23,116,104</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	1,658,777	2,007,973	1,777,101	1,945,424	2,246,485	2,473,487	2,103,845	2,008,179	2,148,769	2,106,570
Security of persons and property	7,379,730	7,739,321	8,122,257	8,483,728	7,892,278	7,729,531	7,537,790	7,628,890	7,953,414	8,195,616
Transportation	713,054	535,888	747,293	854,362	598,620	627,981	520,129	467,538	399,653	992,636
Community environment	1,409,089	1,639,827	1,599,877	1,690,952	2,233,166	801,511	1,529,276	1,353,477	1,422,809	1,722,779
Basic utilities services	2,612,506	2,490,055	2,901,785	2,873,084	2,212,848	2,038,735	1,843,794	1,816,695	2,019,923	2,067,673
Leisure time activities	1,970,298	1,917,722	2,071,857	2,159,751	1,827,384	1,523,363	1,675,711	1,549,473	1,624,696	1,502,651
Capital outlay	2,501,641	5,893,082	3,964,960	1,203,029	1,271,760	455,840	1,972,515	2,445,492	3,531,163	2,267,733
Debt service:										
Principal retirement	1,150,667	955,504	983,395	1,027,789	798,932	879,056	2,612,289	894,126	540,539	1,667,780
Principal retirement – current refunding	-	-	230,000	75,000	-	-	-	-	-	-
Interest and fiscal charges	213,261	529,353	473,568	451,937	428,645	422,074	343,613	318,324	255,373	241,834
Bond issuance costs	-	113,472	-	-	-	-	-	-	3,055	8,528
<b>Total expenditures</b>	<b>19,609,023</b>	<b>23,822,197</b>	<b>22,872,093</b>	<b>20,765,056</b>	<b>19,510,118</b>	<b>16,951,578</b>	<b>20,138,962</b>	<b>18,482,194</b>	<b>19,899,394</b>	<b>20,773,800</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(743,865)</b>	<b>(3,478,741)</b>	<b>(2,842,480)</b>	<b>(1,047,485)</b>	<b>(194,264)</b>	<b>5,509,325</b>	<b>1,308,158</b>	<b>2,516,033</b>	<b>3,035,391</b>	<b>2,342,304</b>

(continued)

# City of Brooklyn, Ohio

## Changes in Fund Balances – Governmental Funds (continued)

### Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other financing sources (uses):										
Bond premium	-	299,477	-	-	-	-	-	-	-	-
Bonds issued	-	5,255,000	-	-	-	-	-	-	-	-
Notes issued	5,800,000	880,000	650,000	575,000	1,815,000	1,676,000	-	-	1,110,000	880,000
Note premium	-	-	-	-	-	-	-	-	5,125	4,559
Current refunding	(1,500,000)	(5,800,000)	(650,000)	(575,000)	(575,000)	(1,815,000)	-	-	-	-
Inception of capital lease	845,875	-	2,054,515	-	-	24,343	-	7,725	-	-
Sale of capital assets	2,696	30,320	11,350	-	18,750	-	43,705	-	-	14,850
Transfers – in	769,054	903,321	1,250,779	1,181,245	1,054,192	1,136,440	1,168,018	3,938,711	1,641,275	1,830,546
Transfers – out	(769,054)	(903,321)	(1,250,779)	(1,181,245)	(1,327,192)	(1,225,440)	(1,168,018)	(3,938,711)	(1,641,275)	(1,830,546)
Total other financing sources (uses)	5,148,571	664,797	2,065,865	-	985,750	(203,657)	43,705	7,725	1,115,125	899,409
Special item:										
Sale of Brooklyn Library	-	-	-	-	-	-	-	217,450	-	-
Net change in fund balances	\$ 4,404,706	\$ (2,813,944)	\$ (776,615)	\$ (1,047,485)	\$ 791,486	\$ 5,305,668	\$ 1,351,863	\$ 2,741,208	\$ 4,150,516	\$ 3,241,713
Debt service as a percentage of noncapital Expenditures	8.70%	10.50%	7.80%	7.90%	6.80%	8.00%	16.40%	7.50%	4.70%	9.67%

# City of Brooklyn, Ohio

## Assessed Valuation and Estimated True Values of Taxable Property

### Last Ten Years

Tax Year	Real Property		Tangible Personal Property						Total		
	Assessed Value		Public Utility		General Business		Assessed Value		Estimated Actual Value		Tax Rate
	Residential/Agricultural	Commercial Industrial/PU	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio		
2014	\$ 122,670,500	\$ 156,245,850	\$ 22,114,890	\$ 25,130,557	\$ -	\$ -	\$ 301,031,240	\$ 822,037,414	37%	\$ 5.90	
2013	123,066,630	154,225,240	19,480,320	22,136,727	-	-	296,772,190	814,399,213	36	5.90	
2012	123,298,120	150,481,690	18,145,400	20,619,773	-	-	291,925,210	802,847,802	36	5.90	
2011	147,141,060	169,170,360	17,001,890	19,320,330	-	-	291,925,210	923,067,244	36	5.90	
2010	147,383,380	164,623,650	16,770,910	19,057,852	-	-	291,925,210	910,506,509	36	5.90	
2009	147,578,400	166,211,610	16,902,930	19,207,875	-	-	330,692,940	915,750,761	36	6.90	
2008	162,454,880	167,532,300	16,502,840	18,753,227	19,201,489	307,223,824	365,691,509	1,268,797,566	29	6.90	
2007	162,295,170	166,548,580	17,787,020	20,212,523	52,837,854	422,702,832	399,468,624	1,382,468,926	29	6.90	
2006	148,042,060	152,992,920	17,752,200	20,172,955	70,888,141	378,070,085	389,675,321	1,258,342,983	31	6.90	
2005	147,931,850	152,600,270	18,798,000	21,361,364	67,156,690	268,626,760	386,486,810	1,148,651,324	34	5.40	

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% of estimated true value. The assessed value of public utility personal property ranges from 25% of true value for railroad property to 88% for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25% for machinery and equipment and 23% for inventories. General business tangible personal property tax was phased out beginning in 2006.

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

**Source:** Office of the County Fiscal Officer, Cuyahoga County, Ohio

# City of Brooklyn, Ohio

## Property Tax Rates - Direct and Overlapping Governments (Amounts Represent Mills)

### Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Inside millage										
Operating	\$ 2.3000	\$ 2.3000	\$ 2.3000	\$ 2.3000	\$ 2.3000	\$ 2.3000	\$ 2.3000	\$ 2.3000	\$ 2.3000	\$ 2.3000
Fire pension	0.9000	0.9000	0.9000	0.9000	0.9000	0.9000	0.9000	0.9000	0.9000	0.9000
Police pension	0.7000	0.7000	0.7000	0.7000	0.7000	0.7000	0.7000	0.7000	0.7000	0.7000
Total inside millage	3.9000	3.9000	3.9000	3.9000	3.9000	3.9000	3.9000	3.9000	3.9000	3.9000
Charter millage										
1976 Charter/bond retirement	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1976 Charter/street lighting	0.2500	0.4000	0.4200	0.4200	0.4200	0.4200	0.4200	0.4200	0.4200	0.4200
1976 Charter/current expense	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1976 Charter/fire pension	0.4000	0.3000	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
1976 Charter/police pension	0.3500	0.3000	0.3300	0.3300	0.3300	0.3300	0.3300	0.3300	0.3300	0.3300
Total charter millage	3.0000	3.0000	3.0000	3.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
Total millage	\$ 6.9000	\$ 6.9000	\$ 6.9000	\$ 6.9000	\$ 5.9000	\$ 5.9000	\$ 5.9000	\$ 5.9000	\$ 5.9000	\$ 5.9000
Overlapping rates by taxing district										
Brooklyn City School District										
Residential/agricultural real	26.0273	26.0281	26.0149	32.9276	35.0838	35.2990	35.3261	40.1574	60.1000	60.2000
Commercial/industrial and public utility real	26.4834	26.5609	26.2242	33.1222	33.8602	34.2130	34.3551	37.4639	51.5968	51.7532
General business and public utility personal	39.5000	39.5000	39.5000	46.4000	47.0000	47.2000	47.2000	48.7000	48.9944	49.0034
Cuyahoga County Commissioners										
Residential/agricultural real	10.9754	11.7227	11.8689	12.6607	13.1789	13.1866	13.1182	13.2200	14.0500	14.0500
Commercial/industrial and public utility real	11.9846	12.5762	12.4536	12.8153	12.8457	12.8413	12.7845	12.9968	14.0500	14.0500
General business and public utility personal	13.5200	13.5200	13.5200	13.3200	13.3200	v13.3200	13.2200	13.2200	13.9495	14.0195
Special taxing districts (1)										
Residential/agricultural real	8.2880	8.2900	7.9675	8.6597	9.1880	9.6720	9.6903	9.8920	16.7800	11.7800
Commercial/industrial and public utility real	8.5067	8.5685	8.2518	8.8972	8.9194	9.3581	9.4061	9.5936	16.6950	11.6962
General business and public utility personal	9.1800	9.1800	9.1800	9.6800	9.6800	9.9800	9.9800	9.9800	16.4244	11.5146

Source: Cuyahoga County Fiscal Officer

Note: The rates presented are for the related tax 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 2014 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.

# City of Brooklyn, Ohio

## Property Tax Levies and Collections

### 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	Total Tax Collections (1)	Percent of Total Tax Collections to Current Tax Levy	Accumulated Outstanding Delinquent Taxes (3)	Percentage of Delinquent Taxes to Total Tax Levy
2014	\$ 1,738,190	\$ 1,563,160	89.93%	\$ 69,582	\$ 1,632,742	93.93%	\$ 65,336	3.76%
2013	1,760,952	1,541,482	87.54	186,994	1,728,476	98.16	160,694	9.13
2012	1,953,233	1,748,685	89.53	62,870	1,811,555	92.75	167,712	8.59
2011	1,945,297	1,876,656	96.47	49,092	1,925,748	99.00	60,500	3.11
2010	1,953,844	1,884,608	96.46	57,067	1,941,675	99.38	39,502	2.02
2009	2,409,896	2,294,076	95.19	52,834	2,346,910	97.39	77,109	3.20
2008	2,402,660	2,334,188	97.15	84,929	2,419,117	100.68	72,798	3.03
2007	2,352,293	2,218,073	94.29	43,686	2,261,759	96.15	98,172	4.17
2006	2,188,363	2,129,842	97.33	25,608	2,155,450	98.50	47,654	2.18
2005	2,197,399	2,126,897	96.79	38,450	2,165,347	98.54	44,522	2.03

Source: Cuyahoga County, Ohio; Fiscal Officer

- (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's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

# City of Brooklyn, Ohio

## Principal Real Property Taxpayers

### 2014 and 2007

Taxpayer	2014	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Plain Dealer Publishing Company	\$ 16,800,000	6.02 %
Ameritrust Co National Association	14,279,660	5.12
Cleveland Electric Illuminating	13,248,640	4.75
American Transmission System	8,167,430	2.92
Ridge Park Square LLC	8,137,200	2.92
American Greetings Corporation	7,664,750	2.75
Westedge Residential, LLC	7,000,010	2.51
Menards, Inc.	5,387,070	1.93
Terraces at Northridge LTD	4,819,400	1.73
Northcliff Shopping	3,923,400	1.41
Total	89,427,560	32.06 %
Total Real Property Assessed Valuation	\$ 278,916,350	

Taxpayer	2007	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Plain Dealer Publishing Company	\$ 21,461,200	6.53 %
Ridge Park Square LLC	9,642,110	2.93
Cleveland Electric Illuminating	9,520,220	2.90
American Greetings Corporation	8,800,940	2.68
Tiedeman Development LLC	8,638,320	2.63
American Transmission System	6,308,510	1.92
Troy CMBS Property LLC	5,578,480	1.70
Westbrook Apartments	5,164,410	1.57
Terraces at Northridge LTD	4,466,000	1.36
Northcliff Shopping	4,356,180	1.32
Total	83,936,370	25.54 %
Total Real Property Assessed Valuation	\$ 328,843,750	

Note: Information prior to 2007 is not available.

# City of Brooklyn, Ohio

## Income Tax Revenue Base and Collections

### Last Ten Years

Tax Year	Tax Rate (2)	Total Tax Revenue (1)	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
2014	2.50%	\$ 17,775,749	\$ 15,473,964	87.05%	\$ 1,329,210	7.48%	\$ 972,575	5.47%
2013	2.50	17,038,227	15,531,858	91.16	1,444,673	8.48	61,696	0.36
2012	2.50	16,212,944	14,267,050	88.00	1,014,801	6.26	931,093	5.74
2011	2.50	14,790,033	13,026,141	88.07	861,775	5.83	902,117	6.10
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

(1) Revenue is reported on the full accrual basis.

(2) Effective June 1, 2009 City of Brooklyn Electors voted to increase the City income tax by 0.50% 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 2005 through 2008  
Regional Income Tax Agency Records for year 2009 through 2014



# City of Brooklyn, Ohio

## Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita

### Last Ten Years

Year	General Obligation Bonds	OPWC Loans	Capital Leases	Police and Fire Pension	Honeywell Loan	Long-Term Notes	Total Debt	Percentage of Personal Income	Per Capita
2014	\$ 3,786,963	\$ 27,485	\$ 879,238	\$ 44,015	\$ -	\$ 880,000	\$ 5,617,701	2.37%	\$ 503
2013	4,000,575	82,455	1,180,719	45,344	-	1,110,000	6,419,093	2.71	575
2012	4,209,187	137,425	1,470,014	46,618	-	-	5,863,244	2.47	525
2011	4,775,606	192,395	1,747,417	47,840	-	-	6,763,258	2.85	606
2010	5,369,218	274,850	2,020,079	49,012	-	1,676,000	9,389,159	3.96	841
2009	5,942,831	329,820	2,258,699	50,135	-	1,815,000	10,396,485	4.25	897
2008	6,481,444	357,305	2,504,069	51,212	-	575,000	9,969,030	4.07	860
2007	7,010,057	412,275	2,823,720	52,245	137,135	650,000	11,085,432	4.53	957
2006	7,513,670	467,245	1,032,018	53,235	311,757	880,000	10,257,925	4.19	885
2005	2,522,806	522,215	1,215,926	54,184	477,434	5,800,000	10,592,565	4.33	914

Note: Population and Personal Income data are presented on page S18

## City of Brooklyn, Ohio

### Ratio of General Obligation Bonded Debt to Estimated Actual Value and Bonded Debt Per Capita

#### Last Ten Years

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<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Values of Taxable Property (2)</u>	<u>Bonded Debt</u>	<u>Ratio of Bonded Debt to Estimated Actual Values of Taxable Property</u>	<u>Bonded Debt Per Capita</u>
2014	11,169	\$ 822,037,414	\$ 3,786,963	0.46%	\$ 339.06
2013	11,169	814,399,213	4,000,575	0.49	358.19
2012	11,169	802,847,801	4,209,187	0.52	376.86
2011	11,169	923,067,244	4,775,606	0.52	427.58
2010	11,169	910,506,509	5,369,218	0.59	480.73
2009	11,586	915,750,761	5,942,831	0.65	512.93
2008	11,586	1,268,797,566	6,481,444	0.51	559.42
2007	11,586	1,382,468,926	7,010,057	0.51	605.05
2006	11,586	1,258,342,983	7,513,670	0.6	648.51
2005	11,586	1,148,651,324	2,522,806	0.22	217.75

Sources:

(1) 2005-2009: 2000 U. S. Bureau of Census, Census of Population.

2010-2014: 2010 U.S. Bureau of Census, Census Population

(2) Cuyahoga County Fiscal Officer

# City of Brooklyn, Ohio

## Legal Debt Margin

### Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total assessed property value	\$ 386,486,810	\$ 389,675,321	\$ 399,468,624	\$ 365,691,509	\$ 330,692,940	\$ 328,777,940	\$ 333,313,310	\$ 291,925,210	\$ 296,772,190	\$ 301,031,240
General bonded debt outstanding:										
General obligation bonds	\$ 2,522,806	\$ 7,227,806	\$ 6,737,806	\$ 6,222,806	\$ 5,697,806	\$ 5,137,806	\$ 4,557,806	\$ 4,005,000	\$ 3,810,000	\$ 3,610,000
Bond anticipation notes	5,800,000	1,120,000	880,000	650,000	1,920,000	1,815,000	1,676,000	-	1,375,000	1,100,000
Honeywell loan	477,434	311,757	137,135	-	-	-	-	-	-	-
OPWC loans	522,215	467,245	412,275	357,305	329,820	274,850	192,395	137,425	82,455	27,485
Total gross indebtedness	9,322,455	9,126,808	8,167,216	7,230,111	7,947,626	7,227,656	6,426,201	4,142,425	5,267,455	4,737,485
Less:										
Honeywell loan	(477,434)	(311,757)	(137,135)	-	-	(274,850)	(192,395)	(137,425)	(82,455)	(27,485)
OPWC loans	(522,215)	(467,245)	(412,275)	(357,305)	(329,820)	(274,850)	(192,395)	(47,248)	(66,091)	(212,676)
General obligation bond retirement fund balance	(239,145)	(190,562)	-	(79,715)	(106,210)	-	-	(47,248)	(66,091)	(212,676)
Total net debt applicable to debt limit	8,083,661	8,157,244	7,617,806	6,793,091	7,511,596	6,952,806	6,233,806	3,957,752	5,118,909	4,497,324
Overall legal debt limit (10 1/2 % of assessed valuation)	40,581,115	40,915,909	41,944,206	38,397,608	34,722,759	34,521,684	34,997,898	30,652,147	31,161,080	31,608,280
Legal debt margin within 10 1/2 % limitations	\$ 32,497,454	\$ 32,758,665	\$ 34,326,400	\$ 31,604,517	\$ 27,211,163	\$ 27,568,878	\$ 28,764,092	\$ 26,694,395	\$ 26,042,171	\$ 27,110,956
Legal debt margin as a percentage of the debt limit	80.08%	80.06%	81.84%	82.31%	78.37%	79.86%	82.19%	87.09%	83.57%	85.77%
Unvoted debt limitation 5 1/2 % of assessed valuation	\$ 21,256,775	\$ 21,432,143	\$ 21,970,774	\$ 20,113,033	\$ 18,188,112	\$ 18,082,787	\$ 18,332,232	\$ 16,055,887	\$ 16,322,470	\$ 16,556,718
Total gross indebtedness	9,322,455	9,126,808	8,167,216	7,230,111	7,947,626	7,227,656	6,426,201	4,142,425	5,267,455	4,737,485
Less:										
Honeywell loan	(477,434)	(311,757)	(137,135)	-	-	(274,850)	(192,395)	(137,425)	(82,455)	(27,485)
OPWC loans	(522,215)	(467,245)	(412,275)	(357,305)	(329,820)	(274,850)	(192,395)	(47,248)	(66,091)	(212,676)
General obligation bond retirement fund balance	(239,145)	(190,562)	-	(79,715)	(106,210)	-	-	(47,248)	(66,091)	(212,676)
Net debt within 5 1/2 % limitations	8,083,661	8,157,244	7,617,806	6,793,091	7,511,596	6,952,806	6,233,806	3,957,752	5,118,909	4,497,324
Unvoted legal debt margin within 5 1/2 % limitations	\$ 13,173,114	\$ 13,274,899	\$ 14,352,968	\$ 13,319,942	\$ 10,676,516	\$ 11,129,981	\$ 12,098,426	\$ 12,098,135	\$ 11,203,561	\$ 12,059,394
Unvoted legal debt margin as a percentage of the unvoted debt limitation	61.97%	61.94%	65.33%	66.23%	58.70%	61.55%	66.00%	75.35%	68.64%	72.84%

Source: City Financial Records

# City of Brooklyn, Ohio

## Computation of Direct and Overlapping Governmental Activities Debt

**December 31, 2014**

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City(1)</u>	<u>Amount Applicable to City of Brooklyn</u>
Direct debt:			
City of Brooklyn			
General obligation bonds	\$ 3,786,963	100.00 %	\$ 3,786,963
OPWC loans	27,485	100.00	27,485
Capital leases	879,238	100.00	879,238
Bond anticipation notes	<u>880,000</u>	100.00	<u>880,000</u>
Total direct debt	<u>5,573,686</u>		<u>5,573,686</u>
Overlapping debt:			
Brooklyn City School District	25,994,984	100.00	25,994,984
Cuyahoga County	262,275,000	1.09	2,846,850
Regional Transit Authority	<u>102,840,000</u>	1.09	<u>1,116,271</u>
Total overlapping debt	<u>391,109,984</u>		<u>29,958,105</u>
Total direct and overlapping debt	\$ <u>396,683,670</u>		\$ <u>35,531,791</u>

Source: Cuyahoga County, Ohio; County Fiscal Officer

(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

### 2014 and 2009

Employer	2014	
	Employees	Percentage of Total City Employment
Keybank National Association	3,211	24.7 %
American Greetings Corporation	2,070	15.9
Wal-Mart Associates, Incorporated	761	5.8
Arrow International, Incorporated	593	4.6
Plain Dealer Publishing Company	501	3.8
Donald Martens and Sons Ambulance	491	3.8
City of Brooklyn (1)	338	2.6
Brooklyn Board of Education	288	2.2
Riser Foods Company	288	2.2
Vendors Exchange International	241	1.9
Total	<u>8,782</u>	<u>67.5 %</u>
Total Employment Within the City	<u>13,020</u>	

Employer	2009 (2)	
	Employees	Percentage of Total City Employment
Keybank National Association	2,537	24.7 %
American Greetings Corporation	2,040	19.8
Arrow International, Incorporated	629	6.1
Plain Dealer Publishing Company	482	4.7
Hugo Boss	421	4.1
Wal-Mart/Sam's Club	410	4.0
City of Brooklyn (1)	309	3.0
AGCM, Incorporated	299	2.9
Brooklyn City School District	274	2.7
USF Holland, Incorporated	143	1.4
Total	<u>7,544</u>	<u>73.4 %</u>
Total Employment Within the City	<u>10,277</u>	

Source: Regional Income Tax Agency

(1) Includes seasonal employees

(2) 2009 information is the latest available

# City of Brooklyn, Ohio

## Demographic and Economic Statistics

### Last Ten Years

Year	Population (1)	Total Personal Income(5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2014	11,169	\$ 236,939,166	\$ 21,214	\$ 39,859	42.9	1,396	6.40%	\$ 88,133	\$ 301,031,240
2013	11,169	236,939,166	21,214	39,859	42.9	1,483	7.20	80,689	296,772,190
2012	11,169	236,939,166	21,214	39,859	42.9	1,483	6.60	80,689	291,925,210
2011	11,169	236,939,166	21,214	39,859	42.9	1,456	7.10	97,498	333,313,310
2010	11,169	236,939,166	21,214	39,859	42.9	1,463	9.40	98,964	328,777,940
2009	11,586	244,777,422	21,127	46,696	41.8	1,506	9.00	102,941	330,692,940
2008	11,586	244,777,422	21,127	46,696	41.8	1,413	6.80	113,529	365,691,509
2007	11,586	244,777,422	21,127	46,696	41.8	1,507	6.30	119,433	399,468,624
2006	11,586	244,777,422	21,127	46,696	41.8	1,452	6.10	125,194	389,675,321
2005	11,586	244,777,422	21,127	46,696	41.8	1,380	5.90	129,631	386,486,810

(1) Source: for 2010 - 2013 years: 2010 U.S. Census; 2005 - 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 Fiscal Officer

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

# City of Brooklyn, Ohio

## Full-Time Equivalent City Government Employees by Function/Program

### Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government:										
Council	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Mayor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administration	3.0	3.0	2.0	2.0	2.0	2.5	2.5	1.5	1.5	1.5
Law	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Finance	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0
Tax	3.0	3.0	3.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0
Public building	2.0	2.0	2.0	3.0	2.0	1.5	1.5	1.5	1.5	2.5
Public service	2.0	2.0	2.0	2.0	1.0	2.0	2.0	2.0	2.0	2.0
Engineer	0.0	1.0	1.0	1.0	1.0	1.0	0.5	0.5	0.5	0.5
Civil service	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Court	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Data system	0.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Security of persons and property:										
Police	32.0	32.0	32.0	27.0	32.0	32.0	30.0	30.0	30.0	32.0
Dispatchers	7.0	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0
Jailers	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fire	29.0	29.0	29.0	29.0	29.0	26.0	24.0	25.0	26.0	25.0
Fire secretary	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Safety director	1.0	1.0	1.0	1.0	1.0	0.5	0.5	0.5	0.5	0.5
Leisure time activities:										
Recreation	5.0	5.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0
Pool	3.0	3.0	2.0	2.0	2.0	2.0	2.0	0.0	0.0	0.0
Senior service	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0
Community development:										
Building	3.0	3.0	3.0	3.0	2.0	0.0	0.0	0.0	0.0	0.0
Transportation										
Recycling	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0
Service	29.0	29.0	29.0	28.0	22.0	20.0	19.0	18.0	19.0	20.0
Street maintenance and repair	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	2.0	2.0
Totals	147.5	149.5	148.5	142.5	135.5	126.0	118.5	115.5	116.5	119.5

Source: City of Brooklyn payroll department (based on payroll record sheets)  
 Method: Using 1.0 for each full-time employee and 0.5 for each part-time employee at December 31. Seasonal employees are not included.

# City of Brooklyn, Ohio

## Operating Indicators by Function/Program

### Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government:										
Council and clerk:										
Number of ordinances passed	55	71	51	88	76	74	78	86	75	74
Number of resolutions passed	19	19	20	31	20	11	15	18	11	10
Number of planning commission docket items	22	35	24	18	18	31	21	14	40	32
Zoning board of appeals docket items	22	36	17	10	14	13	20	22	7	18
Finance Department:										
Number of checks/vouchers issued	3,044	3,100	3,081	2,797	2,446	2,590	2,733	2,694	2,849	2,883
Amount of checks written	\$ 8,473,798	\$ 12,064,205	\$ 10,220,358	\$ 9,060,087	\$ 8,169,432	\$ 7,651,560	\$ 8,645,301	\$ 9,159,844	\$ 11,210,170	\$ 10,657,588
Interest earnings for fiscal year (cash basis)	\$ 251,240	\$ 510,298	\$ 464,337	\$ 321,456	\$ 241,233	\$ 73,435	\$ 23,631	\$ 18,523	\$ 11,265	\$ 10,876
Number of receipts issued	1,072	1,086	949	891	1,003	921	825	903	999	949
Agency ratings - Moody's Financial Services	A2	A1	A1	A1	A1	A1	A1	A1	A1	A1
Health insurance costs vs. general fund expenditures	8.96%	9.08%	9.15%	9.65%	9.71%	10.64%	9.40%	8.89%	9.77%	8.83%
General fund receipts (cash basis in thousands)	\$ 14,128	\$ 15,112	\$ 16,059	\$ 15,262	\$ 14,392	\$ 17,320	\$ 16,963	\$ 16,814	\$ 17,799	\$ 18,286
General fund expenditures (cash basis in thousands)	\$ 14,063	\$ 14,817	\$ 15,064	\$ 15,818	\$ 15,020	\$ 13,884	\$ 14,472	\$ 17,412	\$ 13,875	\$ 16,975
General fund cash balances (in thousands)	\$ 1,957	\$ 2,363	\$ 2,893	\$ 1,920	\$ 861	\$ 4,086	\$ 6,726	\$ 6,023	\$ 13,454	\$ 9,801
Income tax department:										
Number of individual returns	4,779	4,849	4,657	4,157	n/a	n/a	n/a	n/a	n/a	n/a
Number of business returns	1,811	1,816	1,676	996	n/a	n/a	n/a	n/a	n/a	n/a
Number of business withholding accounts	1,094	1,106	1,048	823	n/a	n/a	n/a	n/a	n/a	n/a
Amount of refunds issued	\$ 231,328	\$ 257,208	\$ 176,052	\$ 185,543	\$ 100,676	\$ 97,044	n/a	n/a	n/a	n/a
Number of 1099's issued	411	461	411	356	n/a	n/a	n/a	n/a	n/a	n/a
Mayor's Court:										
Number of felony citations	161	153	185	-	-	-	-	-	-	-
Number of criminal citations	502	616	645	567	564	627	569	668	668	657
Number of traffic citations	4,044	3,677	3,005	3,695	6,419	5,841	3,641	2,770	3,191	3,896
Number of juvenile citations	70	80	49	51	65	55	46	38	45	47
Number of parking citations	862	1,994	1,101	1,122	823	700	840	275	579	985
Total revenue	\$ 608,812	\$ 667,447	\$ 456,144	\$ 547,338	\$ 665,838	\$ 488,556	\$ 317,802	\$ 269,595	\$ 370,096	\$ 509,363
Civil Service:										
Number of police entry tests administered	2	1	1	-	-	-	1	1	-	1
Number of fire entry tests administered	1	-	-	-	-	-	1	-	1	-
Number of police promotional tests administered	-	-	-	1	-	-	-	-	-	-
Number of fire promotional tests administered	2	-	-	-	-	1	-	-	-	1
Number of civil service examinations	-	-	-	-	-	-	-	-	-	-
Number of school tests	5	-	-	-	-	-	-	1	-	4
Number of Police Officers hired	1	2	2	3	-	-	-	2	3	6

(continued)



# City of Brooklyn, Ohio

## Operating Indicators by Function/Program (continued)

### Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Civil Service: (continued)										
Number of fire/medics hired	-	1	1	-	-	-	-	1	-	1
Number of promotions in police	1	2	2	-	-	-	-	3	-	-
Building Department indicators:										
New construction permits issued	556	488	7	5	-	-	2	-	1	1
Estimated value of construction	\$ 7,296,831	\$ 13,531,809	\$ 9,139,960	\$ 7,136,267	\$ 5,801,180	\$ 8,378,986	\$ 24,128,027	\$ 11,704,170	\$ 36,822,678	\$ 34,860,219
Number of electrical/plumbing/remodeling permits issued	1,175	1,185	745	744	618	952	621	624	632	636
Amount of revenue generated from permits	\$ 68,896	\$ 118,706	\$ 75,561	\$ 75,561	\$ 68,201	\$ 70,070	\$ 163,218	\$ 49,731	\$ 239,752	\$ 441,637
Number of contract registrations issued (A)	515	471	483	492	425	411	338	437	555	516
Annual apartment/rooming house license fees (B)	\$ -	\$ 5,550	\$ 7,250	\$ 8,200	\$ 9,300	\$ 8,650	\$ 8,900	\$ 33,750	\$ 19,500	\$ 21,800
Revenue generated from above (A, B)	\$ 38,650	\$ 35,325	\$ 43,475	\$ 45,100	\$ 41,175	\$ 40,675	\$ 34,825	\$ 99,525	\$ 70,200	\$ 74,400
Security of persons and property:										
Police:										
Total calls for services	11,662	18,228	29,365	34,558	40,039	50,059	19,388	26,748	22,243	27,384
Number of traffic citations issued	4,044	3,677	3,005	3,695	6,382	5,841	3,582	2,770	3,191	3,896
Number of parking citations issued	862	1,994	1,101	1,122	823	343	840	615	579	818
Number of criminal arrests	502	616	873	567	564	627	569	668	799	766
Number of accident reports completed	613	584	934	957	494	653	307	503	481	701
Animal warden service calls responded to per annual report	444	638	n/a	374	306	616	529	800	652	600
Police Dept. auxiliary hours worked	2,070	1,687	n/a	1,778	983	994	798	1,169	-	1,271
DUI arrests	66	48	n/a	52	37	51	59	65	83	70
Prisoners	1,354	1,494	1,311	1,211	1,315	1,361	1,177	1,244	1,424	1,476
Motor vehicle accidents	613	584	934	957	494	653	307	503	481	701
Property damage accidents	438	454	n/a	n/a	n/a	381	n/a	n/a	481	701
Fatalities from motor vehicle accidents	-	1	n/a	1	1	1	-	-	-	-
Community diversion program youths	24	34	31	58	45	32	30	26	17	70
Community diversion program – community service hours	260	326	355	572	492	396	404	444	340	646
Fire:										
Ems calls	1,467	1,416	1,486	1,554	1,525	1,462	1,560	1,702	1,655	1,657
Ambulance billing collections (net)	\$ 133,095	\$ 118,795	\$ 150,750	\$ 322,823	\$ 313,020	\$ 326,009	\$ 305,718	\$ 365,103	\$ 380,535	\$ 341,993
Fire calls	778	692	690	604	611	606	647	722	573	674
Fires with loss	24	20	16	15	12	11	14	22	19	19
Fires with losses exceeding \$10,000	5	4	5	4	3	6	14	6	7	9
Fire losses	\$ 239,600	\$ 124,000	\$ 109,200	\$ 205,100	\$ 296,500	\$ 128,500	\$ 156,200	\$ 321,150	\$ 899,175	\$ 1,165,000
Fire safety inspections	340	366	363	359	343	346	247	744	553	756
Number of times mutual aid given to fire and EMS	3	4	5	7	21	27	22	24	24	36
Number of times mutual aid received for fire and EMS	6	17	12	30	6	12	44	57	64	80

(continued)

# City of Brooklyn, Ohio

## Operating Indicators by Function/Program (continued)

### Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Leisure time activities:										
Recreation:										
Skating rink receipts	\$ 425,022	\$ 447,500	\$ 390,057	\$ 487,315	\$ 484,384	\$ 431,420	\$ 455,303	\$ 436,100	\$ 417,527	\$ 362,955
Recreation swimming pool receipts	121,913	122,532	108,027	123,700	95,762	102,236	143,067	159,572	178,764	172,852
Senior center fees	80,190	81,071	76,562	102,747	105,771	88,133	88,991	85,103	72,223	63,048
Total recreation department receipts	\$ <u>627,125</u>	\$ <u>651,103</u>	\$ <u>574,646</u>	\$ <u>713,762</u>	\$ <u>685,917</u>	\$ <u>621,789</u>	\$ <u>687,361</u>	\$ <u>680,775</u>	\$ <u>668,514</u>	\$ <u>598,855</u>
Basic utility services:										
Refuse disposal per year (in tons) August through July	4,890	4,764	3,873	3,836	3,743	3,921	3,273	3,229	3,085	3,251
Refuse disposal costs per year August through July	\$ 15,252	\$ 17,903	\$ 19,365	\$ 19,179	\$ 20,701	\$ 102,491	\$ 125,588	\$ 123,622	\$ 130,444	\$ 137,493
Percentage of waste recycled	16.15%	15.97%	19.00%	18.41%	17.00%	16.00%	21.00%	20.49%	19.28%	17.40%
Annual recycling tonnage (excluding leaf and compost items)	792	761	934	866	636	628	701	662	595	566
Transportation:										
Street improvements - asphalt overlay (linear feet)	n/a	4,000	6,758	-	2,675	3,250	3,925	3,540	3,920	8,140
Rejuvenating spray on streets (miles)	n/a	0.75	1.28	-	-	1.08	0.74	-	-	-
Crackseal coating program (miles)	n/a	1.3	n/a	0.69	-	1.88	-	-	-	-
Paint striping (annual cost)	\$ 35,800	\$ 44,761	\$ 51,662	\$ 47,325	\$ 43,500	\$ 47,423	\$ 49,803	\$ 16,386	\$ 13,241	\$ 15,089
Sewer and sanitary calls for service	329	463	435	360	286	332	298	246	318	327
Sewer crew (hours)	399	356	n/a	490	359	447	402	398	485	n/a
Sewer jet, Vac-All, other services (hours)	-	83	284	252	395	586	543	473	1,168	922
Number of trees planted per year	150-160	140	145	92	21	17	-	1	85	90
Tons of snow melting salt purchased (Nov-Mar)	4,664	1,826	3,102	2,596	2,316	1,836	2,020	1,779	3,839	3,558
Cost of salt purchased	\$ 146,678	\$ 60,199	\$ 102,273	\$ 112,473	\$ 128,491	\$ 91,350	\$ 102,975	\$ 88,345	\$ 179,544	\$ 177,408

Source: City of Brooklyn Departments  
 Note: In 2009, the City began using the Regional Income Tax Agency to collect income taxes n/a: Information not available

# City of Brooklyn, Ohio

## Capital Assets Statistics by Function/Program

### Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government:										
City Hall and Police Station (square footage occupied)	38,167	38,167	38,167	38,167	38,167	38,167	38,167	38,167	38,167	38,167
Historical Museum (square feet)	8,083	8,083	8,083	8,083	8,083	8,083	8,083	8,083	8,083	8,083
Records storage - 4476 Ridge Road (square feet)	4,869	4,869	4,869	4,869	4,869	4,869	N/A	N/A	N/A	N/A
City Service Garage (square feet)	31,280	31,280	31,280	31,280	31,280	31,280	31,280	31,280	31,280	31,280
City Service Garage - Salt Storage Building (square feet)	3,630	3,630	3,630	3,630	3,630	3,630	3,630	3,630	3,630	3,630
City Service Garage - Sod Storage (square feet)	525	525	525	525	525	525	525	525	525	525
Administrative vehicles	7	7	7	8	8	8	8	8	8	8
Inspection vehicles	2	2	2	3	3	3	2	2	2	1
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	16	16	19	23	19	20	15	18	19	19
Motorcycles	4	4	4	4	4	4	4	2	2	2
Fire:										
Stations	1	1	1	1	1	1	1	1	1	1
Square footage of building	24,323	24,323	24,323	24,323	24,323	24,323	24,323	24,323	24,323	24,323
Vehicles	2	2	3	3	2	2	3	3	2	2
Aerial ladder truck	1	1	1	1	1	1	1	1	1	1
Pumpers	3	3	3	3	3	3	3	2	2	1
Ambulances	3	3	2	2	3	3	3	3	2	2
Recreation:										
Ice rink and indoor pool (square footage occupied)	84,734	84,734	84,734	84,734	84,734	84,734	84,734	84,734	84,734	84,734
Outdoor swimming pool (square feet)	2,494	2,494	2,494	2,494	2,494	2,494	2,494	2,494	2,494	2,494
Outdoor wading pool (square feet)	479	479	479	479	479	479	479	479	479	479
Community/senior center (square feet)	15,717	15,717	15,717	15,717	15,717	15,717	15,717	15,717	15,717	15,717
Number of parks	2	2	2	2	2	2	4	4	4	4
Number of pools	3	3	3	3	3	3	4	4	4	4
Number of ice rinks	1	1	1	1	1	1	1	1	1	1
Number of tennis courts	4	4	4	4	4	4	4	4	4	4
Number of skateboarding areas	1	1	1	1	1	1	1	1	1	1
Number of baseball diamonds	4	4	4	4	4	4	5	5	5	5
Number of common areas	2	2	2	2	2	2	2	2	2	2
Number of picnic pavilions	3	3	3	3	3	3	4	4	4	4
Number of playgrounds	3	3	3	3	3	3	5	5	5	5
Number of playgrounds with learning center	1	1	1	1	1	1	1	1	1	1
Number of basketball courts	2	2	2	2	2	2	2	2	2	2
Number of volleyball courts	1	1	1	-	-	-	1	1	1	1
Number of bocci ball courts	2	2	2	2	2	2	2	2	2	2
Number of horseshoe pits	2	2	2	2	2	2	2	2	2	1

(continued)

# City of Brooklyn, Ohio

## Capital Assets Statistics by Function/Program (continued)

### Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Recreation: (continued)										
Number of soccer fields	1	1	1	1	1	1	1	1	1	1
Number of nature trails	2	2	2	2	2	2	2	2	2	2
Other public works:										
Streets (miles)	87.1	87.1	87.1	87.1	87.1	87.1	87.1	87.1	87.1	87.1
Average age of roadways	43	44	45	46	47	48	49	50	51	52
Light trucks	12	12	13	14	20	20	11	10	10	10
Service Department large vehicles/trucks	7	7	7	7	8	8	5	5	5	8
Garbage packers	4	4	4	5	3	3	3	4	4	5
Bucket truck	1	1	1	1	1	1	1	1	1	1
Street sweepers	1	2	2	2	2	2	2	2	2	2
Bombardiers – sidewalk snow plows	12	12	12	12	12	12	12	12	12	12
Heavy equipment – landfill	8	8	8	6	3	3	2	2	2	2
Recycle truck	-	-	-	-	1	1	1	1	1	1
Wastewater:										
Sanitary sewers (linear feet)	147,917	147,917	147,917	147,917	147,917	147,917	147,917	147,917	147,917	147,917
Average age of sanitary sewers	43	44	45	46	47	48	48	50	50	52
Storm sewers (miles)	106,342	106,342	106,342	106,342	106,342	106,342	106,342	106,342	106,342	106,342
Average age of storm sewers	47	48	49	50	51	52	52	54	55	56
Water Department:										
Water lines (linear feet)	174,725	174,725	174,725	174,725	174,725	174,725	174,725	174,725	174,725	174,725
Average age of water lines	47	48	49	50	51	52	52	54	55	56

Source: City of Brooklyn Departments  
(a) Prior to 2006, the one fire station is included with City Hall



The City of  
**Brooklyn • Ohio**  
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**RICHARD BALBIER, MAYOR**

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# 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  
SEPTEMBER 22, 2015**