



**Auditor of State  
Betty Montgomery**



CITY OF BROOKLYN  
CUYAHOGA COUNTY

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**Auditor of State  
Betty Montgomery**

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

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

To the City Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brooklyn, Cuyahoga County, Ohio (the City) as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 27, 2005, wherein we noted the City adopted Governmental Accounting Standards Board Technical Bulletin No. 2004-2, "*Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers.*" We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the City's management dated May 27, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

**Compliance and Other Matters**

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the City's management dated May 27, 2005, we reported other matters related to noncompliance we deemed immaterial.

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We intend this report solely for the information and use of the management and City Council. It is not intended for anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

May 27, 2005

**City of Brooklyn, Ohio**

*Comprehensive Annual Financial Report*

For The Year Ended December 31, 2004

Prepared by:

Gale W. Fisk  
Director of Finance





# **City of Brooklyn**

## **Comprehensive Annual Financial Report**

**December 31, 2004**

**City of Brooklyn, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2004*  
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Mayor  
Kenneth E. Patton

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

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

May 27, 2005

City Council and  
Citizens of Brooklyn:

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

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

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

## REPORTING ENTITY

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

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

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

## **City of Brooklyn**

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

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

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

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

The Mayor is also responsible for the preparation and submission of the annual estimate of receipts and expenditures, and of appropriation measures. The Mayor keeps Council advised of the City's financial condition. He also is the Chief Peace Officer. Directors of Law, Finance, Public Safety, Public Service, and the Police Chief, Fire Chief and Recreation Commissioner 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 City provides a full range of municipal services, including full-time police, fire and emergency medical services, senior citizen programs, recreation programs, street maintenance and repair, residential refuse collection and disposal, curbside recycling, building, planning and zoning, as well as other administrative functions.

## **ECONOMIC CONDITION AND OUTLOOK**

The City of Brooklyn has a longstanding reputation for encouraging growth and development of its thriving industrial and commercial base. Exceptional working relationships have been forged between the City Administration, business and industry. Thanks to a targeted economic development program, which has included expansion of the retail, commercial and industrial sectors, the City's financial condition remains excellent. The City did experience a decline of .7 percent from what would have been our base level of collections in 2003 after removing a \$700,000 payment on delinquent taxes due to an IRS ruling on business expenses for one taxpayer in 2003. The City also had a 27<sup>th</sup> pay day, a timing event that occurs every eleven years, and an increase in health care costs and workers compensation costs. These changes in revenue and expense caused the City to use some of the General Fund balance that had been built up over the last two years to balance the budget.

A Chamber of Commerce was inaugurated in Brooklyn in 2002. The Mayor understands that the bulk of the taxes paid in Brooklyn come from our businesses. In consonance with the Chamber of Commerce, he established a Business Retention and Expansion Task Force in 2003 to receive input from our businesses on their perceptions of City services and support and on their needs. Follow up with various businesses to assist them has resulted from this data. The Mayor also instituted the establishment of a Master Plan for the City. Development of the plan began in 2004 and will be completed in 2005.

The City's number one corporate entity, American Greetings, restructured two years ago to increase its effectiveness. To continue to maintain its competitive advantage, the company restructured again in the fall of 2004. About 175 positions were eliminated from their staff of 2,000+ at the Brooklyn Headquarters. This restructuring has lowered withholding payments on income tax for personnel at the site but that reduction has been offset by improved operations and profits resulting in higher taxes on corporate profits. KeyBank has also restructured and sold one of its divisions eliminating some positions from its Brooklyn operations site. Because Brooklyn is its main operating site, personnel were moved from other locations to Brooklyn reducing the overall impact. The Plain Dealer, the largest newspaper in the State, maintains a large, new distribution plant in the City.

The maintenance of our commercial properties and housing stock is key to holding our property values. Some of the larger commercial construction projects started and/or completed in 2004 include the following:

- ❖ Golden Corral Restaurant, new restaurant.
- ❖ Circuit City, new retail.
- ❖ Superior Products, office expansion.
- ❖ Zoresco, truck bodies and equipment.
- ❖ North Coast Community Homes, new group home.

The value of new construction, additions, and alterations in 2004 was \$9,509,936. This is a decrease of approximately 45 percent from 2003. The value of construction is cyclic in nature. The average value of construction over the last four years is \$16,102,143. In 2004, 828 permits (building, plumbing, electrical, and HVAC) were issued generating \$77,270 in fees. A total of 488 contractor registrations were issued in the amount of \$36,600 and 297 miscellaneous permits (demolition, signs, street opening, obstruction, etc.) were issued generating \$33,658. The Building Department substantially increased code enforcement in 2004, with an 80% increase in property maintenance inspections.

Neff and Associates continues as the City of Brooklyn's Class Two Certified Plans Examiner, examining commercial building plans as required by the Ohio Board of Building Standards. Fees totaling \$10,921 were paid directly to the firm by clients during 2004.

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

## **INFRASTRUCTURE**

The City of Brooklyn continues to execute an aggressive street maintenance program. The 2004 Street Improvement Plan consisted of concrete repairs to Autumn Lane, Delora Avenue, Idlewood Drive, Melody Lane, Brookport Drive and North Amber that cost \$311,660. Asphalt overlays were done on Plainfield, Southfield and Woodhaven. The project cost was \$93,285. Reconstruction of Ridge Road from Memphis to I-71 was completed with the assistance of Cuyahoga County. The estimated cost for the entire project is \$835,000. The City of Brooklyn's portion of the project is \$98,300. The completion of this section means that the entire length of Ridge Road through Brooklyn has been reconstructed and repaved in the last three years. The City also has a project in progress to change the overhead signals on Memphis Avenue to steel pole cross arms. The project is a combination federal, state, county and local funding at a full cost of \$670,000. Brooklyn's portion is \$85,000. In-house concrete repairs were made to Associate Avenue at a cost of \$56,152.

The third and final phase of sewer work was done in the Plainfield, Southfield and Woodhaven area at a cost of \$53,932. The completion of this final section should eliminate basement flooding problems in this section of the City. In 2004, nearly \$1.3 million in street maintenance was completed with an additional \$670,000 dedicated to signalization upgrades.

## **SERVICE INITIATIVES**

City crews processed 4,864 tons of solid waste, recyclables, and white goods. Over 16 percent of the material collected was recycled. The municipal landfill processed 4,122 tons of solid waste in 249 days of operation with a daily average of 16.56 tons. The City landfill is the lone remaining municipally owned and operated landfill in Cuyahoga County. Landfill tipping fees were \$11,855. Most municipalities pay over \$30/ton to have their solid waste discarded; Brooklyn's tipping fee to the Ohio Environmental Protection Agency (OEPA) is \$1.75/ton and \$1.00 to Cuyahoga County.

The Recycling Department processed 737 tons of recyclable material (steel, aluminum, glass, plastic and newspaper) in 2003 and generated \$2,437 in revenue. This diversion means that 44.5 days of landfill space was saved for future use. The City instituted a new method of picking up recyclables in 2003. A new recycle packer truck was purchased and collects all recyclables from the same container at the curb. The City no longer separates the material. All material is taken to Waste Management and separated and processed at their site. This new policy saves both time and manpower and has expanded the list of materials that can be accepted and made recycling easier for the residents.

## **RECREATION**

The City has long had one of the finest ice rinks in the Cleveland Metropolitan area and has hosted some of the top amateur hockey venues in the region. Brooklyn was again the host of the Greater Cleveland High School Hockey League Baron Cup Division I and II Championship Games and the Ohio High School Athletic Association Sectional, District and Regional matches during the State Ice Hockey Tournament. Other youth hockey tournaments, precision competitions, figure skating exhibitions and figure skating and hockey clinics are held at the recreation center throughout the year. During Brooklyn Home Days, the recreation center was named the John M. Coyne Recreation Center in honor of Brooklyn's previous mayor who served as mayor with distinction for 52 years.

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

## **PUBLIC SAFETY**

The Brooklyn Police Department responded to 12,103 complaints in 2004, issued 4,709 citations and 1,199 parking tickets. The majority of complaints continue to be property theft and damage to property, disorderly conduct, and motor vehicle accidents. Our jail housed 1,141 prisoners in 2004. Mayor's Court generated \$537,060 through fines and waivers for the City. The Juvenile Diversion Program is a community based program designed to sanction and assist certain juvenile misdemeanor and status/unruly offenders. For 2004, 25 juveniles participated in the program.

A major upgrade was made to the facilities and capabilities of the police department this year. A rehabilitation of the old police communications center was initiated and a new central dispatch center was constructed. This facility upgrades our radios, 911 call center capabilities, security system and emergency generator. When coupled with new computer aided dispatch software it will completely modernize the city's communications and police record keeping. The total cost of the project was \$432,688. The City received a COPS Grant from the Department of Justice that paid for \$99,350 of the project.



The Brooklyn Fire Department responded to 741 fire runs and 1,474 emergency medical calls, a total of 2,215 emergency responses in the year 2004. Nearly \$142,000 was collected for ambulance service fees. The Fire Department maintained an Insurance Services Office (ISO) rating of 3. This places the Brooklyn Fire Department in the top 10 percent of the nearly 45,000 fire departments the ISO evaluates nationwide. The department applied for and received a \$60,000 grant for Firefighter equipment to be used in 2004. Those funds were used to upgrade the protective gear for all firefighters.

By far the most important item facing our safety forces was the passage of Issue 10. This issue was an advisory vote whereby the citizens of Brooklyn expressed their support for a new fire station, a new aerial ladder truck and an increase in property taxes to fully fund police and firemen's pensions. This 1.5 mill property tax increase will provide \$382,805 annually to pay for the new fire station and aerial ladder truck and an additional \$191,402 for pensions. Issue 10 passed with 55 percent of the vote in favor. Construction on the new fire station will begin in the summer of 2005. Even with this increase in property tax, Brooklyn remains in fifth position out of eighty in Cuyahoga County for the lowest property taxes for a community.

## **SENIOR ACTIVITIES**

During 2004, the Brooklyn Senior Center had 17,674 people sign-in at the Center for a variety of programs and activities geared to making the later years healthy, active and rewarding. Two of the most popular programs offered to residents for an annual fee of \$10 are Snow Removal (900 participants) and Grass Cutting (676 participants).

Meals-on-wheels delivered 254 meals to residents recently discharged from area hospitals or nursing homes. The Home Bound Meal Program assists seniors requiring long term meal delivery. This year 4,444 meals were delivered under this program. Weekly luncheons served 3,378 meals and the newly initiated Soup and Sandwich day served 340 meals. The Senior Center also provided van transportation to 4,582 seniors for medical visits, shopping and recreation.

Health screenings for blood pressure, cholesterol, blood sugar, glaucoma, flu shots, prostate, mammograms, skin cancer and vascular conditions were conducted at the Senior Center throughout 2004. An Alzheimer and bereavement support group is also offered. Tax preparation is available during the months of February, March and April.

A diversified menu of recreational activities also plays an integral part in the Center's daily operations. Some of these activities include art classes, country line dancing, bingo, bocce ball, cards, ceramics, choral group, knitting, exercise, films, dinner dances, speakers, pool tournaments, ping pong, quilting, tole painting and bus trips. This year the Center also sponsored tours of local residential holiday lighting displays.

## **FINANCIAL INFORMATION**

### *Internal Accounting and Budgetary Control*

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

Development of the City's accounting system includes consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of

reasonable assurance recognizes that (1) the cost of a control should not exceed the benefit likely to be derived from its implementation, and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

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

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

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

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

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

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the City. This discussion follows the Independent Accountants' Report, providing an assessment of the City finances for 2004 and a discussion of current issues affecting the City.

## **CHARTER TAX RATE LIMITATION**

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

## **CASH MANAGEMENT**

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

A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least one hundred and five percent of the public funds on deposit. Trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions, hold the collateral.

## **RISK MANAGEMENT**

The City of Brooklyn has a personal service contract with the Edward H. Sutton Insurance Agency for risk management and has Jackson, Dieken & Associates as their insurance agents. In 2004, the total cost for insurance premiums and bonds was \$180,105. The City solicited bids for this service in 2003. Arch Insurance Company was the lowest and best bid and retained the contract. The contract was renewed in 2004.

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

The City pays the Ohio Bureau of Workers' Compensation System (OBWC) a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. In 2004, the City paid \$162,513 to the OBWC as part of the group rating for the Ohio Association of Public Treasurers. The City has undertaken a more active posture on claims management including monitoring the effects of lost time claims. A transitional work program has also been instituted. All of these actions are aimed at controlling Worker's Compensation costs.

## **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The Government of Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Brooklyn, Ohio, for the fifteenth consecutive year for its Comprehensive Annual Financial Report for the year ended December 31, 2003.

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

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

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the requirements and standards of the Certificate of Achievement Program. Thus, we are submitting the 2004 Comprehensive Annual Financial Report to the GFOA for award consideration.

### **INDEPENDENT AUDIT**

State statutes require the City to have an annual examination by an independent auditor. The Auditor of State for the State of Ohio was selected to render an opinion on the City's financial statements as of December 31, 2004. The Independent Accountants' Report on the basic financial statements is included in the financial section of this report.

### **ACKNOWLEDGMENTS**

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

A special note of appreciation is expressed to the Local Government Services Section of the State Auditor's Office for their assistance with this financial report. Mr. Mark Podolak created the design of our 2004 Comprehensive Annual Financial Report cover and inserts.

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

Respectfully Submitted,

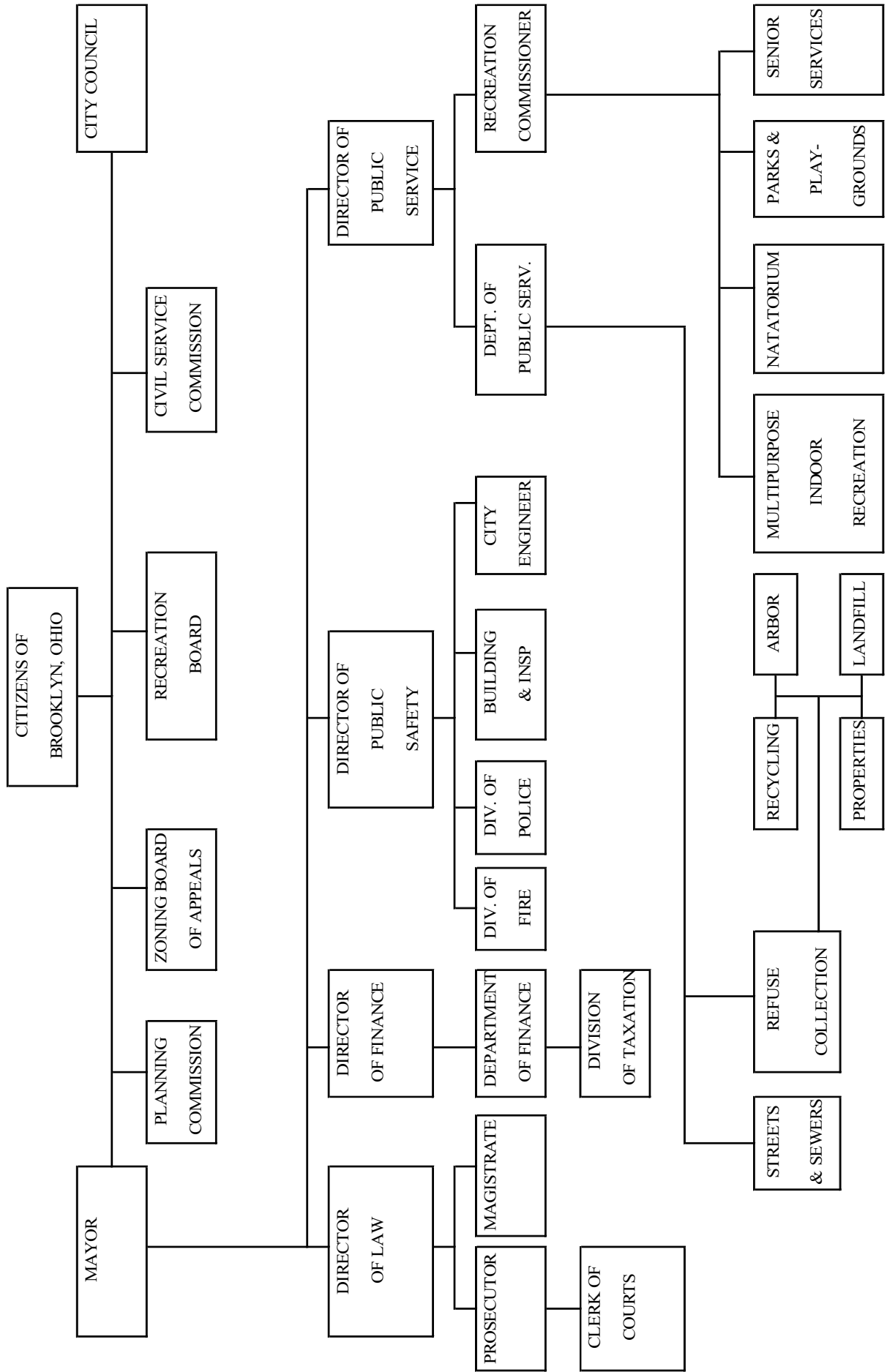


Kenneth E. Patton  
Mayor



Gale W. Fisk  
Director of Finance

CITY OF BROOKLYN, OHIO  
ORGANIZATION CHART



# CITY OF BROOKLYN, OHIO

## Principal Officials

Mayor

Kenneth E. Patton

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

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

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

Thomas O. Shaper  
Ronald Balbier  
Hillary Goldberg  
Kenneth E. Patton  
Robert A. Kappler  
Gale W. Fisk  
Alfred M. Sforzo  
Thomas J. Ockington  
Jack T. Murphy  
Paul Duchoslav

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Brooklyn,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2003

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



*Nancy L. Zjelle*

President

*Jeffrey R. Emer*

Executive Director

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brooklyn, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brooklyn, Cuyahoga County, Ohio, as of December 31, 2004, and the respective changes in financial position, thereof and the respective budgetary comparisons for the General, Police Pension and Fire Pension funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2004, the City implemented GASB Technical Bulletin No. 2004-2, "*Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers.*"

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2005, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

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

**Betty Montgomery**  
Auditor of State

May 27, 2005

**City of Brooklyn, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2004*  
*Unaudited*

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The management's discussion and analysis of the City of Brooklyn's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2004. The intent of this discussion and analyses is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for 2004 are:

- City income tax totaled \$11,188,556 in governmental activities. This is a decrease of \$932,040 from 2003. The City expected a decline nearing \$700,000 due to a one time delinquent collection in 2003.
- Total assets decreased by \$615,333, a 1.55 percent decrease from 2003.
- Total net assets decreased by \$15,984, a .07 percent decrease from 2003.
- Total capital assets increased \$246,038; .93 percent more than 2003.
- Total outstanding long term liabilities decreased \$808,419, a decrease of 6.07 percent from 2003. The decrease is attributed to the City continuing to pay off outstanding debt and having no additional borrowing this year.
- The fund balances for the City decreased by \$752,157 to \$7,815,187. Approximately 60 percent of this amount is available for spending; it is presented as unreserved fund balance on the governmental statements.

**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 of Brooklyn as a financial whole or as an entire operating entity. The statements proceed to provide an increasingly detailed look at our specific financial condition.

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

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

### ***Statement of Net Assets and Statement of Activities***

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City do financially during 2004?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

## **Reporting the City of Brooklyn's Most Significant Funds**

### ***Fund Financial Statements***

The presentation of the City's major funds begins on page 16. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Brooklyn, the major funds are the general, police pension, fire pension, general obligation bond retirement and capital improvements funds.

### ***Governmental Funds***

Most of the City's activities are reported in the governmental funds which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods. Governmental funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Government fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the *Statement of Net Assets* and the *Statement of Activities*) and governmental funds is reconciled in the financial statements.

**City of Brooklyn, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2004*  
*Unaudited*

**The City of Brooklyn as a Whole**

The *Statement of Net Assets* looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2004 compared to 2003.

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

	Governmental Activities	
	2004	2003
Current and Other Assets	\$12,225,481	\$13,086,852
Capital Assets, Net	26,806,378	26,560,340
<b>Total Assets</b>	<b>39,031,859</b>	<b>39,647,192</b>
Current and Other Liabilities	3,693,148	3,484,078
Long-Term Liabilities		
Due Within One Year	1,100,463	1,130,243
Due in More Than One Year	11,410,634	12,189,273
<b>Total Liabilities</b>	<b>16,204,245</b>	<b>16,803,594</b>
Invested in Capital Assets, Net of Related Debt	20,264,115	19,081,359
Restricted:		
Capital Projects	1,796,796	2,014,319
Debt Service	174,909	344,880
Street Construction, Maintenance and Repair	429,095	331,950
Street Lighting	93,224	148,860
Court Computer	66,078	58,014
Police Programs	86,937	61,039
Other Purposes	77,658	73,668
Unrestricted (Deficit)	(161,198)	729,509
<b>Total Net Assets</b>	<b>\$22,827,614</b>	<b>\$22,843,598</b>

Total net assets decreased by a scant \$15,984, or .07 percent. The change that accounts for the difference in total net assets comes from a reduction in cash. Total assets declined by \$615,333 on \$39.6 million in total assets at December 31, 2003. Income tax revenue declined and the City's cash position was negatively affected. That was partially offset by an increase in Property and Other Taxes Receivable of \$549,505. These taxes are based on a 1.5 mill property tax increase for the construction of a new fire station, new aerial ladder fire truck and payment of police and firemen's pensions. The City continued to aggressively reduce long term debt. The reduction in liabilities nearly matches the decline in assets. No land was purchased, no new buildings constructed and no additional long term borrowing executed.

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Table 2 shows the changes in net assets for the years ended December 31, 2004 and 2003.

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

	Governmental Activities	
	2004	2003
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$1,519,228	\$1,603,665
Operating Grants and Contributions	1,005,721	662,406
Total Program Revenues	2,524,949	2,266,071
General Revenues:		
Property and Other Taxes	2,271,331	2,166,402
Municipal Income Taxes	11,188,556	12,120,596
Grants and Entitlements	1,015,766	1,021,200
Investment Earnings	184,372	135,906
Miscellaneous	52,852	23,490
Total General Revenues	14,712,877	15,467,594
Total Revenues	17,237,826	17,733,665
<b>Program Expenses</b>		
General Government	1,780,771	1,728,888
Security of Persons and Property	7,445,195	7,434,844
Transportation	796,490	865,328
Community Environment	1,565,039	1,600,235
Basic Utility Services	3,019,920	2,982,030
Leisure Time Activities	2,423,794	2,430,608
Interest and Fiscal Charges	222,601	229,090
Total Program Expenses	17,253,810	17,271,023
Change in Net Assets	(15,984)	462,642
Net Assets Beginning of Year	22,843,598	22,380,956
Net Assets End of Year	\$22,827,614	\$22,843,598

The overall financial strength of the City declined in 2004 by a very small amount. Total revenues declined by \$495,839 because of a decline in income taxes. Income taxes account for about 65 percent of the City's revenue which declined by \$932,040. The City received a \$700,000 payment on delinquent taxes due to an IRS ruling on business expenses for one taxpayer in 2003. The City expected the majority of this decline. Property tax and local taxes (comprised of the cable franchise fee, hotel tax and amusement tax) increased by \$104,929 to help offset that decline. An increase in operating grants and contributions of \$343,315 was also a plus. The City received funds for a communications dispatch center, fire equipment and exterior maintenance

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program for housing. Revenues for all governmental activities totaled \$17,237,826. The City knew that revenue for income tax would be below the previous year revenue and took action to cut expenses. Thus, program expenses of \$17,253,810 were \$17,213 less than the previous year and only exceed total revenues by \$15,984. Security of persons and property consumed 43 percent of total expenses as it did last year. The increase for basic police and fire protection was held to a very scant .14 percent. Basic utility services makes up another 17.5 percent of total expenses. The increase from 2003 was 1.27 percent. The third largest program is leisure time activities accounting for over 14 percent of expenses. Costs for this program were reduced from 2003. The City reviewed all aspects of this program and took specific action to reduce costs. General Government makes up another 10 percent of expenses. This program had the largest increase in expenses at \$51,883. The percentage increase is less than the pay raise for employees and only slightly above the rate of inflation. The City has long maintained an aggressive transportation program. City streets are well maintained. About 5 percent of total expenses were spent on this program in 2004. By recognizing early in the year that revenues were declining, the City took action to reduce costs and still provided all services expected without substantially exceeding declining revenues. There was no significant increase in expenses in any program area.

### **GOVERNMENTAL ACTIVITIES**

The main revenue source for the City's governmental activities is City income tax. The City has an income tax rate of two percent. Almost 98 percent of the income tax is contributed by the income taxes withheld by the City's businesses. In the third quarter of 2003, the City received a \$700,000 payment on delinquent taxes due to an IRS ruling on business expenses for one taxpayer. The City fully expected a decline in income tax revenue in 2004. The decline was larger than expected. The economy did not rebound in Ohio as economists had projected for 2004. The effective decline was actually about .7 percent once the \$700,000 is removed from the figure for 2003.

The City has long had a strong economic development program that continues to bring new businesses to the community. The number of businesses, being industrial or commercial, large or small, provides the City with a diverse income tax base that can sustain the loss of any major tax paying entity and still be able to meet the financial needs of the City. City income tax revenues were distributed to the General Fund (85 percent) and the Capital Improvement Fund (15 percent) in 2004. The Plain Dealer contributes income tax to the Tiedeman Road Fund.

General revenues from property taxes and local government funds are also significant revenue generators. Brooklyn's charter authorizes up to 12 mills of unvoted property taxes. Only 6.9 mills of that original charter amount had ever been levied. The property tax distribution at the beginning of the year had 2.3 mills allocated to the General Fund, 1.05 mills to the Firemen's Pension Fund, 1.0 mill to Bond Retirement, .8 to Police Pensions and .25 to Street Lighting. With 12 mills authorized, the City had 6.6 mills of property taxes that can be utilized to offset financial difficulties. In November citizens voted for a 1.5 mill property tax increase to pay for the construction of a new fire station, new aerial ladder fire truck and additional funding for police and firemen's pensions. Revenue generated in 2004 rose by nearly 5 percent to \$2,271,331.

Charges for Services is the third significant revenue contributor. Court fines accounted for about \$537,000 of the \$1,519,228 generated. The ice rink contributed about \$454,000. The pools added another \$116,000. Building permits added about \$108,000 this year. Recovery of costs for ambulance rescue services added another \$143,000. These are the major revenue sources for this category.

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Interest income remains low at \$184,372. Rates in effect in 2004 did not allow significant revenues to be generated.

Security of persons and property was the largest single area of expenses, as it has been historically. This program accounted for about 43 percent of expenses (\$7,445,195) and pays for basic police and fire services, D.A.R.E. and pensions. A property tax levy of 1.85 mills pays for about 85 percent of the pension costs associated with police and firemen. Issue 10 received a favorable vote in November and an additional .5 mill was authorized for police and firemen's pensions. These pensions will be 100 percent funded by property taxes in 2005.

Basic utility service makes up 17.5 percent of expenses (\$3,019,920). This program includes trash collection, snow removal and recycling. Trash is picked up from behind the home. Snow removal includes all sidewalks in the City.

The third largest program cost is leisure time activities. The program accounts for about 14 percent of total expense (\$2,423,794). The City has a recreation center with an ice rink, indoor and outdoor pools, playgrounds, two large parks and a senior center. The City has long provided excellent recreation opportunities at a very low cost to its residents. Costs for this program are thus higher than might be expected for a City of this size. The City took specific action to reduce the costs at the recreation center in 2004. In spite of pay raises and increased health care costs, a reduction of .28 percent was achieved.

General government comprises almost 10 percent (\$1,780,771) of total program expenses. Costs for the Mayor's office, City council, law, finance and lands and buildings are included here. Lands and buildings pays for gas, electric, phone service and water and sewer for all municipal operations. The City collects its own income taxes so the cost for that operation is also included. This area shows a 3 percent growth. Natural gas costs rose by 16 percent and that item alone accounted for half of the \$51,883 increase.

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

Transportation is another meaningful program. Brooklyn has always maintained its streets well and routinely spends over \$500,000 annually on transportation. That was done again this year with expenses of \$796,490. Over \$311,000 was spent on the maintenance of local streets for the 2004 Street Plan. Two other street projects were funded primarily with county and federal funds. About \$1.5 million of street improvements was made through these two projects.

### **The City's Funds**

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

### ***Governmental Funds***

Information about the City's governmental funds begins on page 16. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues of \$17,334,607 and



**City of Brooklyn, Ohio**  
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expenditures of \$20,311,015. Income tax is the City's largest revenue source. In 2003, the City experienced a major increase. Collections increased throughout the year by 1.7 percent and then, in the third quarter, the City received a \$700,000 payment on delinquent taxes due to an IRS ruling on business expenses for one taxpayer. We knew that income tax collections would return to more normal levels in 2004, but expected at least some increase from the base amount. Instead collections declined about .7 percent from what would have been our base level of collections in 2003. Income tax accounted for about 65 percent of the total revenue for the year.

The largest fund for the City is the General Fund. The year-end fund balance for the General Fund was \$5,430,421. This is a decline of \$549,090. The City had 27 pay dates in 2004 instead of the normal 26 pay dates. This accounts for about \$400,000 of the change. Health care costs increased by 15 percent, workers compensation costs increased by 23 percent and fuel and natural gas expenditures also rose dramatically. The City had built its reserves over the last two years knowing that 2004 expenditures would be elevated by the 27 pay dates. Included in the General Fund figure is a reserved fund balance for the Landfill Closure and Post Closure Trust. These monies are being accumulated to address issues that will be required by the Environmental Protection Agency in about 35 years when the landfill has reached capacity. The total set aside for this purpose is \$2,867,371. The unreserved balance for the General Fund is \$2,438,056. Expenditures in Bond Retirement exceeded revenues by \$65,690. This was the result of a decision by the City to retire long-term Bond Anticipation Notes more aggressively than required. There is still a balance of \$230,600 in this fund. In the Capital Improvements Fund, expenditures exceeded revenues by \$128,341. The fund balance in Capital Improvements at the end of 2004 was \$1,612,498. The City continues to maintain a healthy balance in this fund and to allocate the funds necessary to maintain its infrastructure. For all funds, the end of year balances declined for the year by \$752,157. As stated above, more than half of that total was known and had been planned for. Total fund balances moved from \$8,567,344 in 2003 to \$7,815,187 in 2004. The available fund balance for all funds is slightly more than 38 percent of the amount spent in total in 2004. If the reserved balance for Landfill Closure and Post closure Trust is removed from consideration, the City still has an overall fund balance of \$4,947,816 for 2004. That total is 24 percent of the total expenditures for 2004.

***General Fund Budgeting Highlights***

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

The General Fund supports most of the City's major activities such as the police, fire, building, and service departments as well as the legislative and most executive activities. For the general fund, the original budgeted revenues were \$13,410,550 and the final budgeted amount was \$12,708,950. The difference was due to a lowering of the estimate for Mayor's Court by \$90,000 and for income taxes by \$504,000. All other estimates changed by less than \$50,000. Actual revenues of \$12,937,294 were higher than the final projection. The city received a \$60,000 grant reimbursement in 2004 that had been expected in 2005 and income tax collection rose sharply in the last two weeks of the year. Collections were \$154,000 higher than projections for that period.

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After the permanent budget was adopted, the amount appropriated for the General Fund for 2004 changed by \$10,000 during the year. The original budget estimate pegged expenditures at \$14,673,989. The final budgeted amount of \$14,663,989 changed minimally. City Council was advised at the time that the budget passed that the administration intended to hold expenditures to \$14.4 million or less. At the mid year review a decline in income tax collections was noted and the administration took further actions to lessen expenditures by focusing on necessary services. Actual expenditures were \$14,073,148. Expenditures were \$590,841 less than budgeted and \$326,852 less than the administration's self imposed target. Actual expenditures were about 4 percent under budget. The actual outcomes were in consonance with the financial updates supplied to City Council throughout the year. The Department heads did an excellent job of controlling costs and staying within budget.

**Capital Assets and Debt Administration**

*Capital Assets*

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

	Governmental	
	2004	2003
Land	\$2,611,037	\$2,611,037
Buildings	8,382,663	8,607,229
Improvements Other Than Buildings	5,968,453	5,654,885
Machinery and Equipment	1,748,796	1,794,262
Vehicles	1,428,586	1,649,752
Infrastructure		
Roads and Sidewalks	4,002,300	3,381,404
Sanitary Sewers	792,176	837,839
Storm Sewers	705,213	745,160
Water Lines	545,163	586,651
Traffic Signals	621,991	692,121
Total	\$26,806,378	\$26,560,340

The City of Brooklyn takes care to maintain its equipment and infrastructure. Fifteen percent of City income taxes are distributed to the Capital Improvements Fund to ensure this outcome. For 2004, this meant that \$1,651,046 of the income tax revenue went to the Capital Improvements Fund. The City spent slightly more on capital projects than the revenues taken in during 2004. Expenditures for Roads and Sidewalks rose by 18 percent. Improvements other than Buildings also had a significant increase. In the Roads and Sidewalks category, the City spent \$311,660 on improvement of its local streets. Asphalt overlays were done on Woodhaven, Plainfield and Southfield. The third phase of the reconstruction and repaving of Ridge Road was completed. The completion of this section means that the entire length of Ridge Road through Brooklyn has been reconstructed and resurfaced in the last three years. The City paid \$98,300 on its share of the \$835,000 project. Signalization on Memphis Avenue was also improved. A family changing room was added at the pool. A new Central Dispatch Center was completed at City Hall. The total cost of this project was about \$433,000 and included new radios, a new 911 system, a new security system and dispatch console, computer aided dispatch software and a new and upgraded emergency generator. A COPS grant paid for \$99,350 of the costs on this project.

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The City replaced a rubbish truck and two police cruisers. In all other areas, the depreciation on past assets exceeded the cost of items added for this year. Total net capital assets increased by \$246,038 for the year. See note 9 of the basic financial statements for additional information on capital assets.

**Debt**

On December 31, 2004, the City of Brooklyn had \$6,009,710 in general obligation bonds, special assessment bonds, notes and OPWC loans outstanding. The City paid principal of \$1,074,982 in 2004. Table 4 summarizes bonds, notes, loans and police pension outstanding.

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

	Governmental	
	2004	2003
General Obligation Bonds	\$2,832,806	\$3,127,806
Special Assessment Bonds	0	85,000
OPWC Loan	577,185	632,155
Honeywell Loan	634,625	783,764
Police Pension	55,094	55,967
Long-Term Notes	1,910,000	2,400,000
Totals	\$6,009,710	\$7,084,692

The City has one General Obligation Bond Issue originally sold in 1992 and refinanced in 1999 for \$4,400,000. It was originally issued in 1992 for \$4,825,000 to pay for a new public library (\$2,850,000), Tiedeman Road improvements (\$1,500,000) and for the indoor and outdoor pools (\$475,000). The bonds will be paid in full in 2012. The Tiedeman Road portion of this bond is paid from property taxes and income taxes paid by the Plain Dealer and set aside annually by ordinance for this purpose. There is still \$2,832,806 outstanding on the bonds. The Special Assessments Bonds are for Street and Sidewalk construction on Northcliff Avenue at the time Ridge Park Square shopping center was constructed. The final payment of \$85,000 was made in 2004 and it has now been retired. The Ohio Publics Works Commission is a no interest loan for improvements at the Sanitary Landfill taken out in 1993 for \$1,099,400. Payments are \$27,485 semi-annually. The loan will be paid in full in 2015.

The Honeywell Tax Exempt Loan was put into effect in 1998 to pay for energy improvements to reduce usage and costs. The loan was for \$1,400,171. The monthly payment is \$15,573 and the loan will be paid in full in 2008.

The City also has three bond anticipation notes that are more than five years old. The City has chosen to keep them in notes and pay them off as if they were bonds. The first is for Tiedeman Road improvements. The balance outstanding was \$950,000 and was reissued for \$675,000 in 2004. The interest and principal paid on this note also come from property taxes and income tax paid by the Plain Dealer. The second is Street and Sidewalk improvements. This note was for \$310,000 and was reissued at \$225,000. The third note is for the improvements needed to establish Marquardt Park. This note was for \$620,000 and was reissued at \$575,000.

Two other notes for improvements to Biddulph Road and Issue II improvements totaled \$520,000 and were reissued at \$435,000. These notes were originally sold in 2001 for \$1,250,000.

**City of Brooklyn, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2004*  
*Unaudited*

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The City's overall legal ten and one-half percent debt limitation (voted and unvoted) on December 31, 2004 was \$36,068,909. The aggregate outstanding debt after issuance of bonds subject to the ten and one-half percent limitation is \$16,744,569. The difference of \$19,324,340 between the maximum issuable amount and the outstanding amount represents the aggregate principal amount of additional voted and unvoted nonexempt debt which the City may issue without exceeding the ten and one-half percent limitation. The City has a long tradition of using debt sparingly. All ratios for debt have had a positive trend for the last ten years. The ratio of Net Bonded Debt to Assessed Value has declined every year since 1993. The same is true with Net General Bonded Debt Per Capita and also with the ratio of Debt Service to General Fund Expenditures. See note 14 of the basic financial statements for additional information on debt.

**Current Financial Related Activities**

The City had significant fund balances from previous years. These balances have been developed and maintained to ensure the City has adequate funds to respond to any emergency that might develop. For 2004, the administration and City council knew that expenditures were going to be higher than normal in the General Fund because of the 27<sup>th</sup> pay date. Balances had been built up over the last two years to accommodate this event. Increases on the expenditures side had been anticipated. When income tax was lower than expected at mid year, action was taken. Expenditures were reduced and were held \$326,000 under the administration's self imposed target. The decline in revenue was offset by the reduction in expenditures. Balances in the General Fund declined, but were held to within \$100,000 of the level that had been published in our budget at the beginning of the year. Other reductions in fund balance were also planned and controlled. Outstanding debt is being systematically reduced. Expenditures in the capital fund were reduced once the mid year review advised of lower tax collections. Although the balance in the Capital Improvements Fund was reduced, the balance remains higher than it was five years ago. The City considers it prudent to have fund balances that are about 16 percent of annual expenditures. As stated earlier, the unrestricted balances at year end comprise 23 percent of annual expenditures. Fund balances are more than adequate to handle emergencies caused by unforeseen breakdowns or natural disasters and to provide flexibility in dealing with economic changes. The administration and City Council are aware of the need to, and the difficulty of, maintaining this financial position.

The City is ideally situated between Interstate 71 and Interstate 77 on Interstate 480, approximately ten minutes from downtown Cleveland, Ohio and approximately 10 minutes from Cleveland Hopkins International Airport. The survey done two years ago for the Business Retention and Expansion Task Force showed that this location was the number one reason for locating in this City. Brooklyn actively works to attract new businesses and has been very successful in that endeavor over the years with business enterprises such as the Plain Dealer, KeyBank and American Greetings located here. Brooklyn has a very diverse business base that continues to grow. That business base is one of the reasons the downturn in income tax revenue this year was only .7 percent.

The administration and City Council work hard at keeping the City's debt obligations at a minimum. Outstanding debt is well below the City's debt capacity and debt is being aggressively paid off. The City has a ten year capital improvement plan in place. We plan our projects and finance them so that we can pay cash for many of our facility improvements and acquisitions, and continue to pay cash for most equipment and major machinery purchases necessary to maintain our level of services. We live within our means and plan ahead knowing that responsible leadership commands that we observe and monitor the budget. We manage our assets and our annual budget. A formal financial review is published every six months and revenues and expenditures are reviewed monthly. We have expanded our services but lowered the size of our work force by three positions. Staffing is kept at a level where we maintain fiscal control and meet the needs of our residents.

**City of Brooklyn, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2004*  
*Unaudited*

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The City of Brooklyn has committed itself to financial excellence and has a history of doing just that. The City has received the Government Finance Officers Award Certificate of Achievement for Excellence for fifteen consecutive years. We have produced a Popular Annual Financial Report for the last three years and have received the Award for Outstanding Achievement for each. For the last four years, the City has also received the State Auditor's Award for its commitment to the highest standards in financial reporting. The City of Brooklyn adopted GASB 34 within the effective period established by the Governmental Accounting Standards Board. Our commitment to our residents has always been one of full disclosure of the financial position of the City.

**Contacting the City's Finance Department**

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

**City of Brooklyn, Ohio**

*Statement of Net Assets*

*December 31, 2004*

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$4,505,594
Cash and Cash Equivalents:	
In Segregated Accounts	625,950
With Fiscal Agents	1,086
With a Trustee	2,245,865
Materials and Supplies Inventory	38,093
Accrued Interest Receivable	31,765
Accounts Receivable	10,143
Intergovernmental Receivable	793,109
Prepaid Items	135,152
Municipal Income Taxes Receivable	1,241,115
Property and Other Taxes Receivable	2,597,609
Nondepreciable Capital Assets	2,611,037
Depreciable Capital Assets, Net	<u>24,195,341</u>
<i>Total Assets</i>	<u>39,031,859</u>
<b>Liabilities</b>	
Accounts Payable	135,153
Accrued Wages and Benefits	170,684
Intergovernmental Payable	652,786
Vacation Benefits Payable	218,212
Deferred Revenue	2,487,656
Accrued Interest Payable	28,657
Long-Term Liabilities:	
Due Within One Year	1,100,463
Due In More Than One Year	<u>11,410,634</u>
<i>Total Liabilities</i>	<u>16,204,245</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	20,264,115
Restricted for:	
Capital Projects	1,796,796
Debt Service	174,909
Street Construction, Maintenance and Repair	429,095
Street Lighting	93,224
Court Computer	66,078
Police Programs	86,937
Other Purposes	77,658
Unrestricted (Deficit)	<u>(161,198)</u>
<i>Total Net Assets</i>	<u><u>\$22,827,614</u></u>

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2004

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
General Government	\$1,780,771	\$29,684	\$27,316	(\$1,723,771)
Security of Persons and Property	7,445,195	722,691	256,546	(6,465,958)
Transportation	796,490	0	621,256	(175,234)
Community Environment	1,565,039	108,532	100,603	(1,355,904)
Basic Utility Services	3,019,920	6,368	0	(3,013,552)
Leisure Time Activities	2,423,794	651,953	0	(1,771,841)
Interest and Fiscal Charges	222,601	0	0	(222,601)
<i>Totals</i>	<u>\$17,253,810</u>	<u>\$1,519,228</u>	<u>\$1,005,721</u>	<u>(14,728,861)</u>
<b>General Revenues</b>				
Property and Other Taxes Levied for:				
General Purposes				1,024,867
Street Lighting				93,809
Police Pension				302,767
Fire Pension				396,573
Debt Service				375,228
Capital Outlay				78,087
Municipal Income Taxes Levied for:				
General Purposes				9,273,873
Capital Outlay				1,914,683
Grants and Entitlements not Restricted to Specific Programs				
Investment Earnings				184,372
Miscellaneous				52,852
<i>Total General Revenues</i>				<u>14,712,877</u>
Change in Net Assets				(15,984)
Net Assets Beginning of Year				<u>22,843,598</u>
<i>Net Assets End of Year</i>				<u><u>\$22,827,614</u></u>

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2004*

	General	Police Pension	Fire Pension	General Obligation Bond Retirement
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,064,420	\$21,217	\$8,794	\$230,600
Cash and Cash Equivalents:				
in Segregated Accounts	4,444	0	0	0
with Fiscal Agents	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents in Segregated Accounts	621,506	0	0	0
Cash and Cash Equivalents with a Trustee	2,245,865	0	0	0
Materials and Supplies Inventory	38,093	0	0	0
Accrued Interest Receivable	31,765	0	0	0
Accounts Receivable	10,143	0	0	0
Interfund Receivable	0	0	0	0
Intergovernmental Receivable	486,443	14,179	18,609	17,723
Prepaid Items	134,365	0	0	0
Municipal Income Taxes Receivable	1,054,948	0	0	0
Property and Other Taxes Receivable	1,262,488	389,410	482,127	370,867
<i>Total Assets</i>	<u>\$7,954,480</u>	<u>\$424,806</u>	<u>\$509,530</u>	<u>\$619,190</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$113,478	\$0	\$0	\$0
Accrued Wages and Benefits	166,490	0	0	0
Intergovernmental Payable	404,845	108,356	126,223	0
Deferred Revenue	1,839,246	403,589	500,736	388,590
Interfund Payable	0	0	0	0
<i>Total Liabilities</i>	<u>2,524,059</u>	<u>511,945</u>	<u>626,959</u>	<u>388,590</u>
<b>Fund Balances (Deficit)</b>				
Reserved for Encumbrances	124,994	0	0	0
Reserved for Landfill Closure and Postclosure Care	2,867,371	0	0	0
Unreserved, Undesignated, Reported in:				
General Fund	2,438,056	0	0	0
Special Revenue Funds	0	(87,139)	(117,429)	0
Debt Service Fund	0	0	0	230,600
Capital Projects Funds	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>5,430,421</u>	<u>(87,139)</u>	<u>(117,429)</u>	<u>230,600</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,954,480</u>	<u>\$424,806</u>	<u>\$509,530</u>	<u>\$619,190</u>

See accompanying notes to the basic financial statements



**City of Brooklyn, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
December 31, 2004*

Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$1,381,559	\$799,004	\$4,505,594
0	0	4,444
0	1,086	1,086
0	0	621,506
0	0	2,245,865
0	0	38,093
0	0	31,765
0	0	10,143
98,500	0	98,500
0	256,155	793,109
0	787	135,152
186,167	0	1,241,115
0	92,717	2,597,609
<u>\$1,666,226</u>	<u>\$1,149,749</u>	<u>\$12,323,981</u>
\$3,478	\$18,197	\$135,153
0	4,194	170,684
0	13,362	652,786
50,250	269,260	3,451,671
0	98,500	98,500
<u>53,728</u>	<u>403,513</u>	<u>4,508,794</u>
43,409	65,362	233,765
0	0	2,867,371
0	0	2,438,056
0	546,826	342,258
0	0	230,600
1,569,089	134,048	1,703,137
<u>1,612,498</u>	<u>746,236</u>	<u>7,815,187</u>
<u>\$1,666,226</u>	<u>\$1,149,749</u>	<u>\$12,323,981</u>

<b>Total Governmental Fund Balances</b>	\$7,815,187
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	26,806,378
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property and Other Taxes	71,327
Municipal Income Taxes	335,003
Intergovernmental	<u>557,685</u>
Total	964,015
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(28,657)
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.	(218,212)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(2,832,806)
OPWC Loan	(577,185)
Honeywell Loan	(634,625)
Police Pension	(55,094)
Long-Term Notes	(1,910,000)
Capital Lease Obligation Payable	(587,647)
Landfill Closure and Postclosure Care	(4,244,888)
Compensated Absences Payable	<u>(1,668,852)</u>
Total	<u>(12,511,097)</u>
<i>Net Assets of Governmental Activities</i>	<u>\$22,827,614</u>

**City of Brooklyn, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2004*

	General	Police Pension	Fire Pension	General Obligation Bond Retirement	Capital Improvements
<b>Revenues</b>					
Municipal Income Taxes	\$9,353,364	\$0	\$0	\$0	\$1,651,046
Property and Other Taxes	1,027,430	299,071	392,531	373,839	0
Charges for Services	837,834	0	0	0	0
Fines, Licenses and Permits	640,303	0	0	0	0
Intergovernmental	913,994	27,977	36,719	34,970	0
Special Assessments	0	0	0	78,625	6,375
Contributions and Donations	30,107	0	0	0	0
Interest	147,605	0	0	29,546	2,746
Miscellaneous	52,852	0	0	0	0
<i>Total Revenues</i>	<u>13,003,489</u>	<u>327,048</u>	<u>429,250</u>	<u>516,980</u>	<u>1,660,167</u>
<b>Expenditures</b>					
Current:					
General Government	1,702,734	0	0	0	0
Security of Persons and Property	5,948,771	412,953	463,231	0	0
Transportation	0	0	0	0	0
Community Environment	1,271,176	0	0	0	0
Basic Utility Services	2,477,749	0	0	0	0
Leisure Time Activities	2,023,864	0	0	0	0
Capital Outlay	0	0	0	0	1,516,301
Debt Service:					
Principal Retirement	0	873	0	2,314,970	322,398
Interest and Fiscal Charges	0	2,369	0	162,442	48,017
<i>Total Expenditures</i>	<u>13,424,294</u>	<u>416,195</u>	<u>463,231</u>	<u>2,477,412</u>	<u>1,886,716</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(420,805)</u>	<u>(89,147)</u>	<u>(33,981)</u>	<u>(1,960,432)</u>	<u>(226,549)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	3,601	0	0	0	0
Notes Issued	0	0	0	1,475,000	0
Inceptions of Capital Lease	0	0	0	0	310,650
Transfers In	0	109,000	20,000	419,742	0
Transfers Out	(131,886)	0	0	0	(212,442)
<i>Total Other Financing Sources (Uses)</i>	<u>(128,285)</u>	<u>109,000</u>	<u>20,000</u>	<u>1,894,742</u>	<u>98,208</u>
<i>Net Change in Fund Balances</i>	<u>(549,090)</u>	<u>19,853</u>	<u>(13,981)</u>	<u>(65,690)</u>	<u>(128,341)</u>
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>5,979,511</u>	<u>(106,992)</u>	<u>(103,448)</u>	<u>296,290</u>	<u>1,740,839</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$5,430,421</u>	<u>(\$87,139)</u>	<u>(\$117,429)</u>	<u>\$230,600</u>	<u>\$1,612,498</u>

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2004*

Other Governmental Funds	Total Governmental Funds		
		<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>(\$752,157)</b>
		<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
\$277,665	\$11,282,075	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	
171,547	2,264,418	Capital Asset Additions	1,925,964
0	837,834	Current Year Depreciation	<u>(1,667,059)</u>
41,091	681,394	Total	258,905
902,895	1,916,555	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.	(12,867)
0	85,000	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues	
0	30,107	Delinquent Property Taxes	6,913
4,475	184,372	Municipal Income Taxes	(93,519)
0	52,852	Intergovernmental	74,825
1,397,673	17,334,607	Special Assessments	<u>(85,000)</u>
		Total	(96,781)
10,381	1,713,115	Repayment of bond, loan, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	3,158,241
226,313	7,051,268	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(3,291)
518,645	518,645	Other financing sources in the governmental funds increased long-term liabilities in the statement of net assets.	
202,975	1,474,151	Notes Issued	(1,910,000)
158,371	2,636,120	Inceptions of Capital Lease	<u>(310,650)</u>
0	2,023,864	Total	(2,220,650)
0	1,516,301	Some expenses reported in the statement of activities, such as compensated absences and landfill costs do not require the use of current financial resources and therefore are not reported as expenditures.	
520,000	3,158,241	Compensated Absences	(41,862)
6,482	219,310	Landfill	(87,310)
1,643,167	20,311,015	Vacation Benefits Payable	<u>(218,212)</u>
(245,494)	(2,976,408)	Total	(347,384)
0	3,601	Change in Net Assets of Governmental Activities	<u>(\$15,984)</u>
435,000	1,910,000		
0	310,650		
215,328	764,070		
(419,742)	(764,070)		
230,586	2,224,251		
(14,908)	(752,157)		
761,144	8,567,344		
\$746,236	\$7,815,187		

**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, 2004*

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$9,641,727	\$9,137,300	\$9,291,143	\$153,843
Property and Other Taxes	1,072,248	1,016,150	1,027,367	11,217
Charges for Services	868,328	822,900	828,168	5,268
Fines, Licenses and Permits	688,785	652,750	655,838	3,088
Intergovernmental	927,736	879,200	916,041	36,841
Contributions and Donations	33,239	31,500	30,107	(1,393)
Interest	141,397	134,000	137,166	3,166
Other	37,090	35,150	51,464	16,314
<i>Total Revenues</i>	<u>13,410,550</u>	<u>12,708,950</u>	<u>12,937,294</u>	<u>228,344</u>
<b>Expenditures</b>				
Current:				
General Government	1,829,024	1,864,024	1,783,474	80,550
Security of Persons and Property	6,421,451	6,409,451	6,265,810	143,641
Community Environment	1,393,950	1,415,950	1,307,620	108,330
Basic Utility Services	2,691,941	2,668,941	2,604,094	64,847
Leisure Time Activities	2,337,623	2,305,623	2,112,150	193,473
<i>Total Expenditures</i>	<u>14,673,989</u>	<u>14,663,989</u>	<u>14,073,148</u>	<u>590,841</u>
<i>Excess of Revenues</i> <i>Under Expenditures</i>	<u>(1,263,439)</u>	<u>(1,955,039)</u>	<u>(1,135,854)</u>	<u>819,185</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	3,600	3,600	3,601	1
Advances In	0	0	382,320	382,320
Advances Out	0	0	(109,500)	(109,500)
Transfers In	240,000	240,000	0	(240,000)
Transfers Out	(147,000)	(157,000)	(131,886)	25,114
<i>Total Other Financing Sources (Uses)</i>	<u>96,600</u>	<u>86,600</u>	<u>144,535</u>	<u>57,935</u>
<i>Net Change in Fund Balance</i>	(1,166,839)	(1,868,439)	(991,319)	877,120
<i>Fund Balance Beginning of Year</i>	5,608,090	5,608,090	5,608,090	0
Prior Year Encumbrances Appropriated	143,474	143,474	143,474	0
<i>Fund Balance End of Year</i>	<u>\$4,584,725</u>	<u>\$3,883,125</u>	<u>\$4,760,245</u>	<u>\$877,120</u>

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Pension Fund*  
*For the Year Ended December 31, 2004*

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$269,960	\$299,116	\$299,071	(\$45)
Intergovernmental	24,819	27,500	27,977	477
<i>Total Revenues</i>	<u>294,779</u>	<u>326,616</u>	<u>327,048</u>	<u>432</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	416,330	423,088	422,192	896
Debt Service:				
Principal Retirement	0	873	873	0
Interest and Fiscal Charges	0	2,369	2,369	0
<i>Total Expenditures</i>	<u>416,330</u>	<u>426,330</u>	<u>425,434</u>	<u>896</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(121,551)	(99,714)	(98,386)	1,328
<b>Other Financing Sources</b>				
Transfers In	115,000	115,000	109,000	(6,000)
<i>Net Change in Fund Balance</i>	(6,551)	15,286	10,614	(4,672)
<i>Fund Balance Beginning of Year</i>	<u>10,603</u>	<u>10,603</u>	<u>10,603</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$4,052</u>	<u>\$25,889</u>	<u>\$21,217</u>	<u>(\$4,672)</u>

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Pension Fund*  
*For the Year Ended December 31, 2004*

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$403,633	\$393,153	\$392,531	(\$622)
Intergovernmental	39,013	38,000	36,719	(1,281)
<i>Total Revenues</i>	442,646	431,153	429,250	(1,903)
<b>Expenditures</b>				
Current:				
Security of Persons and Property	478,175	478,175	467,504	10,671
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(35,529)	(47,022)	(38,254)	8,768
<b>Other Financing Sources</b>				
Transfers In	25,000	25,000	20,000	(5,000)
<i>Net Change in Fund Balance</i>	(10,529)	(22,022)	(18,254)	3,768
<i>Fund Balance Beginning of Year</i>	27,048	27,048	27,048	0
<i>Fund Balance End of Year</i>	<u>\$16,519</u>	<u>\$5,026</u>	<u>\$8,794</u>	<u>\$3,768</u>

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2004*

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**Assets**

Equity in Pooled Cash and Cash Equivalents	\$79,492
Interfund Receivable	38

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<i>Total Assets</i>	<u><u>\$79,530</u></u>
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**Liabilities**

Interfund Payable	\$38
Deposits Held and Due to Others	79,492

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<i>Total Liabilities</i>	<u><u>\$79,530</u></u>
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See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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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 as an agency fund. The mayor is an elected official who has a fiduciary responsibility for the collection and distribution of the court fees and fines.

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

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

**Note 2 - Summary of Significant Accounting Policies**

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

***A. Basis of Presentation***

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



**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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***Government-wide Financial Statements*** The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

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

***B. Fund Accounting***

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

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

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

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

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

***General Obligation Bond Retirement Fund*** The general obligation bond retirement fund accounts for accumulation of resources to pay principal and interest on general obligation, special assessment debt and note debt.

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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

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

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

**C. Measurement Focus**

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

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

**D. Basis of Accounting**

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

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

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), interest, grants, fees and rentals.

***Deferred Revenue*** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2004, but which were levied to finance year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

***E. Budgetary Process***

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

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources by fund. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

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

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

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

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

The City utilizes a trust and a segregated account to hold monies set aside for Landfill Closure and Postclosure Care cost. The balance in the trust account is represented on the balance sheet as "Restricted Assets - Cash and Cash Equivalents with 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 2004, the City's investments were limited to non-negotiable certificates of deposit, repurchase agreements, Federal National Mortgage Association Bonds, Federal Home Loan Bank Bonds and Victory United States Government Obligations Money Market Mutual Funds. Investments are reported at fair value, except for non-negotiable certificates of deposit and repurchase agreements which are reported at cost. Fair value is based on quoted market prices or for investments in open-end mutual funds, by the fund's share price.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2004 amounted to \$147,605, which includes \$25,574 assigned from other City funds.

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

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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***G. Restricted Assets***

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

***H. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2004, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which the services are consumed.

***I. Inventory***

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

***J. Capital Assets***

The City's only capital assets are general capital assets. General capital assets are those assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of one thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

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

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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***K. Interfund Balances***

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

***L. Compensated Absences***

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

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

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

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

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

***N. Fund Balance Reserves***

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriations in future periods. Fund balance reserves have been established for encumbrances and landfill closure and postclosure care.

***O. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions on enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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

The government wide statement of net assets report \$2,724,697 of restricted net assets of which \$1,509,456 is restricted by enabling legislation.

***P. Interfund Activity***

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

***Q. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence.

***R. Estimates***

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

**Note 3 - Changes in Accounting Principles and Restatement of Fund Balances**

***Changes in Accounting Principles*** For 2004, the City has implemented GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Technical Bulletin No. 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers."

GASB Statement No. 39 state that entities for which a primary government is not financially accountable may still be reported as a component units based on the nature and significance of their relationship with the primary government.

GASB Statement No. 46 clarifies how legal enforceability should be applied for restricted net assets.

GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment benefit (OPEB) plans.

The implementation of GASB Statement No. 39 and GASB Statement No. 46 did not affect the presentation of the financial statements of the City.

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

**Restatement of Fund Balances** During 2004, it was determined that the intergovernmental payable amount was understated by the fourth quarter pension payments at December 31, 2003 based on the new guidance provide by GASB Technical Bulletin No. 2004-2.

	General	Police Pension	Fire Pension	General Obligation Bond Retirement
Fund Balance, December 31, 2003	\$6,386,354	\$10,603	\$27,048	\$296,290
Intergovernmental Payable	(406,843)	(117,595)	(130,496)	0
Restated Fund Balance, December 31, 2003	<u>\$5,979,511</u>	<u>(\$106,992)</u>	<u>(\$103,448)</u>	<u>\$296,290</u>
	Capital Improvement	Other Governmental Funds	Total	
Fund Balance, December 31, 2003	\$1,740,839	\$773,923	\$9,235,057	
Intergovernmental Payable	0	(12,779)	(667,713)	
Restated Fund Balance, December 31, 2003	<u>\$1,740,839</u>	<u>\$761,144</u>	<u>\$8,567,344</u>	

**Note 4 - Fund Deficits**

The following funds had deficit fund balances at December 31, 2004:

<b>Major Funds</b>		
Police Pension		\$87,139
Fire Pension		117,429
<b>Nonmajor Funds</b>		
Community Development Block Grant		26,623

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

The deficit in the community development block grant special revenue fund is the result of short term interfund loans in anticipation of grant monies. Once the monies have been received the deficit balance will be eliminated.



**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

**Note 5 - Budgetary Basis of Accounting**

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP basis).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.
5. Investments are reported at fair value (GAAP) rather than cost (budget).
6. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

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

	General	Police Pension	Fire Pension
GAAP Basis	(\$549,090)	\$19,853	(\$13,981)
Net Adjustment for Revenue Accruals	(43,726)	0	0
Beginning Fair Value Adjustment for Investments	(22,652)	0	0
Ending Fair Value Adjustment for Investments	10,060	0	0
Beginning Adjustment for Unrecorded Cash	(6,859)	0	0
Ending Adjustment for Unrecorded Cash	(3,018)	0	0
Advances In	382,320	0	0
Net Adjustment for Expenditure Accruals	(479,906)	(9,239)	(4,273)
Advances Out	(109,500)	0	0
Adjustment for Encumbrances	(168,948)	0	0
Budget Basis	<u>(\$991,319)</u>	<u>\$10,614</u>	<u>(\$18,254)</u>

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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**Note 6 - Deposits and Investments**

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current 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.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAROhio).

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments, and Reverse Repurchase Agreements."

**Deposits** At year-end, the carrying amount of the City's deposits was \$2,106,004 and the bank balance was \$2,507,436. Of the bank balance:

1. \$452,510 was covered by federal depository insurance.
2. \$2,054,926 was uncollateralized and uninsured. Although the securities were held by the pledging institutions in the pledging institution's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

**Investments** Investments are categorized to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. The City's investment in Victory United States Government Obligations Money Market Mutual Funds are unclassified since they are not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying and Fair Value
Repurchase Agreements	\$196,987	\$196,987
Federal National Mortgage Association Bonds	998,161	998,161
Federal Home Loan Bank Bonds	993,901	993,901
	\$2,189,049	2,189,049
Victory United States Government Obligations Money Market Mutual Funds		3,162,934
Total		\$5,351,983

The classification of cash and cash equivalents and investments on the combined balance sheet is based on criteria set forth in GASB Statement No. 9 "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting". Cash and equivalents are defined to include investments with original maturities of three months or less and funds included within the City's cash management pool.

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

A reconciliation between the classification of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$7,457,987	\$0
Repurchase Agreements	(196,987)	196,987
Federal National Mortgage Association Bonds	(998,161)	998,161
Federal Home Loan Bank Bonds	(993,901)	993,901
Victory United States Government Obligations		
Money Market Mutual Funds	(3,162,934)	3,162,934
GASB Statement No. 3	\$2,106,004	\$5,351,983

**Note 7 - Receivables**

Receivables at December 31, 2004, consisted primarily of municipal income taxes, property and other taxes, special assessments, accounts (billings for user charged services and court fines), and intergovernmental receivables arising from grants, entitlements and shared revenues.

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

**A. Property Taxes**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2004 for real and public utility property taxes represents collections of the 2003 taxes. Property tax payments received during 2004 for tangible personal property (other than public utility property) are for 2004 taxes.

2004 real property taxes are levied after October 1, 2004, on the assessed value as of January 1, 2004, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2004 real property taxes are collected in and intended to finance 2005.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2004 public utility property taxes which became a lien December 31, 2003, are levied after October 1, 2004, and are collected in 2005 with real property taxes.

2004 tangible personal property taxes are levied after October 1, 2003, on the values as of December 31, 2003. Collections are made in 2004. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent for inventory.

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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The full tax rate for all City operations for the year ended December 31, 2004, was \$6.90 per \$1,000 of assessed value. The increase from \$5.40 per \$1,000 of assessed value for the year ended December 31, 2003 is a result of an increase of 1.5 mills of inside millage for the new fire station, aerial ladder truck and police and fire pensions. The assessed values of real and tangible personal property upon which 2004 property tax receipts were based as follows:

Real Estate	
Residential/Agriculture	\$300,532,120
Tangible Personal Property	
Public Utility	18,798,000
General Tangible Personal Property	<u>67,156,690</u>
Total Valuation	<u><u>\$386,486,810</u></u>

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Brooklyn. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2004 and for which there is an enforceable legal claim. In the general fund; street lighting, police pension and fire pension special revenue funds; and general obligation bond debt service fund; the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2004 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

***B. Income Taxes***

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

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, effective July 1, 2002 through December 31, 2004 eighty-five percent of the income tax proceeds were credited to the general fund and fifteen percent of the income tax proceeds were credited to the capital improvements capital projects fund. By City Ordinance, effective September 1, 1997 through December 31, 2004, fifty percent of gross income tax receipts collected from the Plain Dealer Printing and Distributing Center were credited to the Tiedeman Road capital projects fund, with the remaining fifty percent credited to general fund and the capital improvements capital projects fund in accordance with the City ordinances above.

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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***C. Intergovernmental Receivable***

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
<b>Governmental Activities</b>	
Local Government	\$409,400
Homestead and Rollback	95,704
Gasoline Excise Tax	85,064
Gasoline Tax	80,489
Motor Vehicle Registration	37,475
Community Development Block Grant	30,443
Local Government Revenue Assistance	25,205
Permissive License Tax	16,254
Liquor Licenses	7,009
Prisoner Housing	2,900
Juvenile Diversion Grant	2,000
Other	1,166
	<u>1,166</u>
<i>Total Governmental Activities</i>	<u><u>\$793,109</u></u>

**Note 8 - Compensated Absences**

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

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

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
For the Year Ended December 31, 2004

**Note 9 - Capital Assets**

Capital asset activity for the year ended December 31, 2004, was as follows:

	Balance 12/31/03	Additions	Deletions	Balance 12/31/04
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$2,611,037	\$0	\$0	\$2,611,037
<i>Capital Assets, being depreciated:</i>				
Buildings	13,806,944	55,970	0	13,862,914
Improvements Other than Buildings	9,240,883	651,170	(7,266)	9,884,787
Machinery and Equipment	4,199,571	302,496	(30,408)	4,471,659
Vehicles	3,856,110	94,257	0	3,950,367
Infrastructure				
Roads and Sidewalks	8,784,012	822,071	0	9,606,083
Sanitary Sewer	2,696,363	0	0	2,696,363
Storm Sewer	2,023,140	0	0	2,023,140
Water Lines	2,446,344	0	0	2,446,344
Traffic Signals	2,015,477	0	0	2,015,477
<i>Total Capital Assets, being depreciated</i>	<u>49,068,844</u>	<u>1,925,964</u>	<u>(37,674)</u>	<u>50,957,134</u>
Less Accumulated Depreciation:				
Buildings	(5,199,715)	(280,536)	0	(5,480,251)
Improvements Other than Buildings	(3,585,998)	(330,397)	61	(3,916,334)
Machinery and Equipment	(2,405,309)	(342,300)	24,746	(2,722,863)
Vehicles	(2,206,358)	(315,423)	0	(2,521,781)
Infrastructure				
Roads and Sidewalks	(5,402,608)	(201,175)	0	(5,603,783)
Sanitary Sewer	(1,858,524)	(45,663)	0	(1,904,187)
Storm Sewer	(1,277,980)	(39,947)	0	(1,317,927)
Water Lines	(1,859,693)	(41,488)	0	(1,901,181)
Traffic Signals	(1,323,356)	(70,130)	0	(1,393,486)
Total Accumulated Depreciation	<u>(25,119,541)</u>	<u>(1,667,059) *</u>	<u>24,807</u>	<u>(26,761,793)</u>
Total Capital Assets, being depreciated, net	<u>23,949,303</u>	<u>258,905</u>	<u>(12,867)</u>	<u>24,195,341</u>
Governmental Activities Capital Assets, Net	<u>\$26,560,340</u>	<u>\$258,905</u>	<u>(\$12,867)</u>	<u>\$26,806,378</u>

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

General Government	\$134,931
Security of Persons and Property	382,723
Transportation	287,762
Community Environment	132,790
Basic Utility Services	312,873
Leisure Time Activities	415,980
Total Depreciation Expense	<u>\$1,667,059</u>

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

**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 2004, the City contracted through Jackson, Dieken & Associates, Inc for various types of insurance as follows:

Company	Type	Coverage
Arch Insurance Company	Blanket Property, and Contents, Replacement	\$21,694,475
	Earthquake Coverage	500,000
	General Liability	3,000,000
	Automobile Liability	1,000,000
	Umbrella Liability	9,000,000
	Public Officials Liability	1,000,000
	Police Professional Liability	1,000,000
	Inland Marine	2,728,953
	Steam Boiler/Machinery	10,000,000
	Electronic Data Processing	430,650

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

***B. Workers' Compensation***

Workers' Compensation coverage is provided by the State. The City pays the Ohio Bureau of Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. In the past, the City of Brooklyn was rated as an individual public entity. The City has now qualified for and joined the Ohio Association of Public Treasurers Group Rating Plan (GRP) allowing the City to take advantage of the more favorable group rating and premium discount available through the association.

The City participates in the Ohio Association of Public Treasurers Group Rating Plan (OAPT) for workers' compensation. The intent of the OAPT is to achieve the benefit of a reduced premium for the participants, foster safer working environments and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the OAPT. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the OAPT. Each participant pays its workers' compensation premium to the State based on the rate for the OAPT rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the OAPT. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the OAPT. Participation in the OAPT is limited to cities that can meet the OAPT's selection criteria. The firm of Integrated Consulting Services provides administrative, cost control and actuarial services to the OAPT.



**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

**Note 11 - Interfund Transfers and Balances**

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

Interfund transfers for the year ended December 31, 2004 consisted of the following:

	<b>Transfer From</b>			<b>Total</b>
	<b>General</b>	<b>Capital Improvements</b>	<b>Other Governmental</b>	
<b>Transfer To</b>				
General Obligation Bond Retirement	\$0	\$0	\$419,742	\$419,742
Other Governmental Funds				
Community Development Block Grant	0	120,000	0	120,000
Bullet Proof Vest	386	0	0	386
FEMA Fire Act	2,500	7,442	0	9,942
Police Pension	109,000	0	0	109,000
Fire Pension	20,000	0	0	20,000
Issue II	0	85,000	0	85,000
<i>Total Other Governmental Funds</i>	<u>131,886</u>	<u>212,442</u>	<u>0</u>	<u>344,328</u>
<i>Total Governmental Activities</i>	<u>\$131,886</u>	<u>\$212,442</u>	<u>\$419,742</u>	<u>\$764,070</u>

Interfund balances at December 31, 2004, consist of an advance from the capital improvements capital projects fund to the community development block grant special revenue fund of \$98,500. The advance was made to cover expenditures in anticipation of grant monies.

**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 plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

For the year ended December 31, 2004, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2004 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2004, 2003, and 2002 were \$471,524, \$415,017 and \$391,980, respectively; 69.63 percent has been contributed for 2004 and 100 percent for 2003 and 2002. Contributions to the member-directed plan for 2004 were \$2,219 made by the City and \$1,392 made by the plan members.

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

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

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund for police and firefighters were \$253,315 and \$312,550 for the year ended December 31, 2004, \$236,149 and \$315,836 for the year ended December 31, 2003, and \$232,862 and \$292,755 for the year ended December 31, 2002. The full amount has been contributed for 2003 and 2002. 74.23 percent for police and 72.66 percent for firefighters has been contributed for 2004 with the remainder being reported as a liability.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2004, the unfunded liability of the City was \$55,094 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary. The liability is reported as "long-term liabilities" in the governmental activities column on the statement of net assets.

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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**Note 13 - Postemployment Benefits**

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

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2004 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

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

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$197,497. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

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

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

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

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2004. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2004 that were used to fund postemployment benefits were \$167,080 for police and \$149,062 for firefighters. The OP&F's total health care expense for the year ended December 31, 2003, (the latest information available) was \$150,853,148 which was net of member contributions of \$17,207,506. The number of OP&F participants eligible to receive health care benefits as of December 31, 2003, was 13,662 for police and 10,474 for firefighters.

**Note 14 - Long-Term Obligations**

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

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<b>Governmental Activities:</b>			
Various Purposes General Obligation Refunding Bonds - 1999	3.03-4.45%	\$4,440,000	January 1, 2012
Street and Sidewalk Special Assessment Bonds - 1994	4.15-6.00%	645,000	December 1, 2004
Sanitary Landfill Improvement OPWC Loan - 1992	0.00%	1,099,400	January 1, 2015
Energy Conservation Honeywell Loan - 1998	5.27%	1,400,171	September 1, 2008
Police Pension - 1988	0.00%	70,770	October 6, 2035
<b>Long-Term Notes</b>			
Tiedeman Road Improvements Notes- 2004	2.25%	675,000	June 24, 2005
Street and Sidewalk Improvements Notes- 2004	2.25%	225,000	June 24, 2005
Marquardt Improvements Notes- 2004	2.25%	575,000	June 24, 2005
Issue II Improvement Notes - 2004	2.25%	90,000	June 24, 2005
Biddulph Road Improvement Notes - 2004	2.25%	345,000	June 24, 2005

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
For the Year Ended December 31, 2004

Changes in long-term obligations of the City during 2004 are as follows:

	Outstanding 12/31/03	Additions	Reductions	Outstanding 12/31/04	Due in One Year
<b>Governmental Activities:</b>					
General Obligation Refunding Bonds	\$3,127,806	\$0	\$295,000	\$2,832,806	\$310,000
Special Assessment Bonds	85,000	0	85,000	0	0
OPWC Loan	632,155	0	54,970	577,185	54,970
Honeywell Loan	783,764	0	149,139	634,625	157,191
Police Pension (Note 12)	55,967	0	873	55,094	910
Long-Term Notes:					
Tiedeman Road Improvement Notes	950,000	675,000	950,000	675,000	0
Street and Sidewalk Improvement Notes	310,000	225,000	310,000	225,000	0
Marquardt Park Improvement Notes	620,000	575,000	620,000	575,000	0
Issue II Improvement Notes	175,000	90,000	175,000	90,000	0
Biddulph Road Improvement Notes	345,000	345,000	345,000	345,000	0
<i>Total Long-Term Notes</i>	<u>2,400,000</u>	<u>1,910,000</u>	<u>2,400,000</u>	<u>1,910,000</u>	<u>0</u>
Capital Leases	450,256	310,650	173,259	587,647	215,612
Landfill (Note 16)	4,157,578	87,310	0	4,244,888	0
Compensated Absences	1,626,990	52,155	10,293	1,668,852	361,780
<i>Total Governmental Activities</i>	<u>\$13,319,516</u>	<u>\$2,360,115</u>	<u>\$3,168,534</u>	<u>\$12,511,097</u>	<u>\$1,100,463</u>

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

The police pension liability will be paid from levied taxes in the police pension special revenue fund. The landfill will be paid for using designated general fund revenues which are for landfill closure and postclosure care. During 2004 a re-evaluation of the landfill total yearly post-closure cost estimate and landfill closure and postclosure care liability was completed and resulted in a decrease in the value. (See Note 16) Compensated absences will be paid by the general fund and street construction, maintenance and repair special revenue fund.

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

**City of Brooklyn, Ohio**  
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For the Year Ended December 31, 2004

On March 18, 1999, the City issued \$4,440,000 in general obligation bonds with interest rates varying from 3.30 percent to 4.45 percent, for the purpose of advance refunding \$3,945,000 of 1992 various purpose bonds. As of December 31, 2000, the refunded various purpose improvement bonds are considered fully defeased. The balance outstanding for the bonds is \$2,832,806 as of December 31, 2004.

The City's overall legal debt margin was \$36,068,909 at December 31, 2004. The unvoted legal debt margin was \$16,744,569. Principal and interest requirements to retire the long-term obligations as of December 31, 2004, are as follows:

	General Obligation Bonds		OPWC Loan	Honeywell Loan	
	Principal	Interest	Principal	Principal	Interest
2005	\$310,000	\$119,645	\$54,970	\$157,191	\$29,682
2006	320,000	107,710	54,970	165,677	21,195
2007	335,000	95,070	54,970	174,622	12,251
2008	355,000	141,503	54,970	137,135	3,028
2009	360,000	66,948	54,970	0	0
2010-2014	1,152,806	105,898	274,850	0	0
2015-2019	0	0	27,485	0	0
<b>Total</b>	<b>\$2,832,806</b>	<b>\$636,774</b>	<b>\$577,185</b>	<b>\$634,625</b>	<b>\$66,156</b>

	Police Pension		Long-Term Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$910	\$2,332	\$1,910,000	\$30,625	\$2,433,071	\$182,284
2006	949	2,293	0	0	541,596	131,198
2007	990	2,252	0	0	565,582	109,573
2008	1,033	2,210	0	0	548,138	146,741
2009	1,077	2,165	0	0	416,047	69,113
2010-2014	6,120	10,090	0	0	1,433,776	115,988
2015-2019	7,553	8,657	0	0	35,038	8,657
2020-2024	9,321	6,889	0	0	9,321	6,889
2025-2029	11,502	4,708	0	0	11,502	4,708
2030-2034	14,193	2,017	0	0	14,193	2,017
2035	1,446	31	0	0	1,446	31
<b>Total</b>	<b>\$55,094</b>	<b>\$43,644</b>	<b>\$1,910,000</b>	<b>\$30,625</b>	<b>\$6,009,710</b>	<b>\$777,199</b>

***Industrial Development Revenue Bonds***

The City has issued industrial development revenue bonds in the aggregate outstanding principal amount of \$865,000 at December 31, 2004 for facilities used by private corporations. The City is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded from the City's debt presentation. There has not been and is not any condition of default under the bonds or the related financing documents.

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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**Note 15 - Capital Leases**

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

Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2004:

<b>Governmental Activities</b>	
<i>Capital Assets, being depreciated:</i>	
Improvements Other than Buildings	\$681,285
Vehicles	279,091
<i>Total Capital Assets, being depreciated</i>	<u>960,376</u>
Less Accumulated Depreciation:	
Improvements Other than Buildings	(31,803)
Vehicles	(91,603)
<i>Total Accumulated Depreciation</i>	<u>(123,406)</u>
<i>Capital Assets, Net</i>	<u><u>\$836,970</u></u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2004.

Year Ending December 30,	Governmental Activities
2005	\$232,515
2006	190,250
2007	115,753
2008	83,521
Total	<u>622,039</u>
Less: Amount Representing Interest	<u>(34,392)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$587,647</u></u>

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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**Note 16 - Landfill Closure and Postclosure Care**

State and federal laws and regulations require the City to place a final cover on its Sanitary Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. During 2004 a re-evaluation of the landfill total yearly postclosure cost estimate and landfill closure and postclosure care liability was completed. The re-evaluation was approved by the Ohio Environmental Protection Agency. The \$4,244,888 reported as landfill closure and postclosure care liability at December 31, 2004, represents the cumulative amount reported to date based on the use of 66.10 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$2,131,885 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2004. The City expects to close the landfill in the year 2039. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

The City had restricted \$621,506 in segregated accounts and an additional \$2,245,865 with a trustee to provide a total of \$2,867,371 for the landfill closure and postclosure care costs as of December 31, 2004.

**Note 17 - Jointly Governed Organizations**

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

The Southwest Council of Governments helps foster cooperation between municipalities in areas effecting health, safety, welfare, education, economic conditions and regional development. The board is comprised of one member from each of the sixteen participating entities. The board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board. In 2004, the City contributed \$7,820.

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

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

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



**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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

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

***C. Northeast Ohio Public Energy Council (NOPEC)***

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 112 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Brooklyn did not contribute to NOPEC during 2004. Financial information can be obtained by contacting the Joseph Migliorini, Board Chairman at 175 South Main Street, Akron, Ohio 44308 or at the website [www.nopecinfo.org](http://www.nopecinfo.org).

**Note 18 - Contingencies**

***A. Grants***

The City received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2004.

***B. Litigation***

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

**City of Brooklyn, Ohio**  
*Notes to Basic Financial Statements*  
*For the Year Ended December 31, 2004*

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**Note 19- Subsequent Events**

On May 24, 2005, the City issued \$4,300,000 general obligation bond anticipation notes with a maturity of May 24, 2006 and an interest rate of 4.0 percent. The notes will be used for construction of a new fire station and purchase of a new aerial ladder truck.

On May 24, 2005, the City retired \$1,910,000 in general obligation bond anticipation notes and issued \$1,500,000 in new notes with a maturity date of May 24, 2006, and an interest rate of 4.0 percent. The following table summarizes the activity.

<u>Note Issuance</u>	<u>Retired</u>	<u>Issued</u>
Tiedeman Road Improvement Notes	\$675,000	\$450,000
Street and Sidewalk Improvement Notes	225,000	175,000
Marquardt Park Improvement Notes	575,000	530,000
Issue II Improvement Notes	90,000	0
Biddulph Road Improvement Notes	345,000	345,000
<i>Total Notes</i>	<u>\$1,910,000</u>	<u>\$1,500,000</u>

**Combining Statements and  
Individual Fund Schedules**

## *Fund Descriptions - Nonmajor Funds*

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### *Nonmajor Special Revenue Funds*

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

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

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

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

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

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

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

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

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

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

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

***COPS Fund*** - This fund accounts for revenues received from the State government and expenditures as prescribed under the COPS Program.

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

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

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

(continued)

***Fund Descriptions - Nonmajor Funds (continued)***

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

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

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

***Nonmajor Capital Projects Funds***

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

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

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

**City of Brooklyn, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2004*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$664,956	\$134,048	\$799,004
Cash and Cash Equivalents			
with Fiscal Agents	1,086	0	1,086
Intergovernmental Receivable	256,155	0	256,155
Prepaid Items	787	0	787
Property and Other Taxes Receivable	92,717	0	92,717
<i>Total Assets</i>	<u>\$1,015,701</u>	<u>\$134,048</u>	<u>\$1,149,749</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$18,197	\$0	\$18,197
Accrued Wages and Benefits	4,194	0	4,194
Intergovernmental Payable	13,362	0	13,362
Deferred Revenue	269,260	0	269,260
Interfund Payable	98,500	0	98,500
<i>Total Liabilities</i>	<u>403,513</u>	<u>0</u>	<u>403,513</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	65,362	0	65,362
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	546,826	0	546,826
Capital Projects Funds	0	134,048	134,048
<i>Total Fund Balances</i>	<u>612,188</u>	<u>134,048</u>	<u>746,236</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,015,701</u>	<u>\$134,048</u>	<u>\$1,149,749</u>

**City of Brooklyn, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2004*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Municipal Income Taxes	\$0	\$277,665	\$277,665
Property and Other Taxes	93,460	78,087	171,547
Fines, Licenses and Permits	41,091	0	41,091
Intergovernmental	902,895	0	902,895
Interest	2,782	1,693	4,475
<i>Total Revenues</i>	<u>1,040,228</u>	<u>357,445</u>	<u>1,397,673</u>
<b>Expenditures</b>			
Current:			
General Government	10,381	0	10,381
Security of Persons and Property	226,313	0	226,313
Transportation	518,645	0	518,645
Community Environment	202,975	0	202,975
Basic Utility Services	158,371	0	158,371
Debt Service:			
Principal Retirement	0	520,000	520,000
Interest and Fiscal Charges	0	6,482	6,482
<i>Total Expenditures</i>	<u>1,116,685</u>	<u>526,482</u>	<u>1,643,167</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	<u>(76,457)</u>	<u>(169,037)</u>	<u>(245,494)</u>
<b>Other Financing Sources (Uses)</b>			
Notes Issued	0	435,000	435,000
Transfers In	130,328	85,000	215,328
Transfers Out	0	(419,742)	(419,742)
<i>Total Other Financing Sources (Uses)</i>	<u>130,328</u>	<u>100,258</u>	<u>230,586</u>
<i>Net Change in Fund Balances</i>	53,871	(68,779)	(14,908)
<i>Fund Balances Beginning of Year</i>	<u>558,317</u>	<u>202,827</u>	<u>761,144</u>
<i>Fund Balances End of Year</i>	<u>\$612,188</u>	<u>\$134,048</u>	<u>\$746,236</u>

**City of Brooklyn, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2004*

	Street Maintenance and Repair	State Highway	Community Development Block Grant
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$155,867	\$72,978	\$70,791
Cash and Cash Equivalents			
with Fiscal Agents	0	0	1,086
Intergovernmental Receivable	187,800	15,227	30,443
Prepaid Items	0	0	0
Property and Other Taxes Receivable	0	0	0
<i>Total Assets</i>	<u>\$343,667</u>	<u>\$88,205</u>	<u>\$102,320</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$2,949	\$265	\$0
Accrued Wages and Benefits	3,723	0	0
Intergovernmental Payable	12,646	0	0
Deferred Revenue	119,606	9,698	30,443
Interfund Payable	0	0	98,500
<i>Total Liabilities</i>	<u>138,924</u>	<u>9,963</u>	<u>128,943</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	12,474	4,715	27,268
Unreserved, Undesignated (Deficit)	192,269	73,527	(53,891)
<i>Total Fund Balances (Deficit)</i>	<u>204,743</u>	<u>78,242</u>	<u>(26,623)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$343,667</u>	<u>\$88,205</u>	<u>\$102,320</u>



Street Lighting	Motor Vehicle License Tax	Recycling and Litter	D.A.R.E	Bullet Proof Vest	FEMA Fire Act
\$99,078	\$40,039	\$5,781	\$33,335	\$9,448	\$8
0	0	0	0	0	0
4,431	16,254	0	0	0	0
0	0	0	0	0	0
92,717	0	0	0	0	0
<u>\$196,226</u>	<u>\$56,293</u>	<u>\$5,781</u>	<u>\$33,335</u>	<u>\$9,448</u>	<u>\$8</u>
\$12,869	\$1,164	\$0	\$0	\$950	\$0
0	0	0	471	0	0
0	0	0	716	0	0
97,148	12,365	0	0	0	0
0	0	0	0	0	0
<u>110,017</u>	<u>13,529</u>	<u>0</u>	<u>1,187</u>	<u>950</u>	<u>0</u>
0	9,586	0	0	1,419	0
86,209	33,178	5,781	32,148	7,079	8
<u>86,209</u>	<u>42,764</u>	<u>5,781</u>	<u>32,148</u>	<u>8,498</u>	<u>8</u>
<u>\$196,226</u>	<u>\$56,293</u>	<u>\$5,781</u>	<u>\$33,335</u>	<u>\$9,448</u>	<u>\$8</u>

(continued)

**City of Brooklyn, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2004*

	Law Enforcement	Mandatory Drug Law	Underground Storage Tank
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$12,414	\$31,465	\$27,878
Cash and Cash Equivalents			
with Fiscal Agents	0	0	0
Intergovernmental Receivable	0	0	0
Prepaid Items	0	0	0
Property and Other Taxes Receivable	0	0	0
<i>Total Assets</i>	<u>\$12,414</u>	<u>\$31,465</u>	<u>\$27,878</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	0	0	0
Interfund Payable	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	0	0	0
Unreserved, Undesignated (Deficit)	12,414	31,465	27,878
<i>Total Fund Balances (Deficit)</i>	<u>12,414</u>	<u>31,465</u>	<u>27,878</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$12,414</u>	<u>\$31,465</u>	<u>\$27,878</u>

Groeger Trust	Court Computer	Juvenile Diversion	Total Nonmajor Special Revenue Funds
\$40,171	\$65,291	\$412	\$664,956
0	0	0	1,086
0	0	2,000	256,155
0	787	0	787
0	0	0	92,717
<u>\$40,171</u>	<u>\$66,078</u>	<u>\$2,412</u>	<u>\$1,015,701</u>
\$0	\$0	\$0	\$18,197
0	0	0	4,194
0	0	0	13,362
0	0	0	269,260
0	0	0	98,500
<u>0</u>	<u>0</u>	<u>0</u>	<u>403,513</u>
0	9,900	0	65,362
<u>40,171</u>	<u>56,178</u>	<u>2,412</u>	<u>546,826</u>
<u>40,171</u>	<u>66,078</u>	<u>2,412</u>	<u>612,188</u>
<u>\$40,171</u>	<u>\$66,078</u>	<u>\$2,412</u>	<u>\$1,015,701</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, 2004*

	Street Maintenance and Repair	State Highway	Community Development Block Grant	Street Lighting
<b>Revenues</b>				
Property and Other Taxes	\$0	\$0	\$0	\$93,460
Fines, Licenses and Permits	0	0	0	0
Intergovernmental	497,863	40,367	80,345	8,742
Interest	1,562	697	0	0
<i>Total Revenues</i>	<u>499,425</u>	<u>41,064</u>	<u>80,345</u>	<u>102,202</u>
<b>Expenditures</b>				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	467,943	25,795	0	0
Community Environment	0	0	202,975	0
Basic Utility Services	0	0	0	158,371
<i>Total Expenditures</i>	<u>467,943</u>	<u>25,795</u>	<u>202,975</u>	<u>158,371</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	31,482	15,269	(122,630)	(56,169)
<b>Other Financing Sources</b>				
Transfers In	0	0	120,000	0
<i>Net Change in Fund Balances</i>	31,482	15,269	(2,630)	(56,169)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>173,261</u>	<u>62,973</u>	<u>(23,993)</u>	<u>142,378</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$204,743</u></u>	<u><u>\$78,242</u></u>	<u><u>(\$26,623)</u></u>	<u><u>\$86,209</u></u>

Motor Vehicle License Tax	Recycling and Litter	D.A.R.E	Bullet Proof Vest	FEMA Fire Act	Federal Grant
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
32,448	0	40,947	9,400	76,500	4,933
361	0	0	0	0	0
<u>32,809</u>	<u>0</u>	<u>40,947</u>	<u>9,400</u>	<u>76,500</u>	<u>4,933</u>
0	0	0	0	0	0
0	0	42,285	950	62,887	4,933
24,907	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>24,907</u>	<u>0</u>	<u>42,285</u>	<u>950</u>	<u>62,887</u>	<u>4,933</u>
7,902	0	(1,338)	8,450	13,613	0
0	0	0	386	9,942	0
7,902	0	(1,338)	8,836	23,555	0
<u>34,862</u>	<u>5,781</u>	<u>33,486</u>	<u>(338)</u>	<u>(23,547)</u>	<u>0</u>
<u>\$42,764</u>	<u>\$5,781</u>	<u>\$32,148</u>	<u>\$8,498</u>	<u>\$8</u>	<u>\$0</u>

(continued)

**City of Brooklyn, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Year Ended December 31, 2004*

	COPS	Law Enforcement	Mandatory Drug Law	Underground Storage Tank
<b>Revenues</b>				
Property and Other Taxes	\$0	\$0	\$0	\$0
Fines, Licenses and Permits	0	4,671	17,975	0
Intergovernmental	99,350	0	0	0
Interest	0	0	0	0
<i>Total Revenues</i>	<u>99,350</u>	<u>4,671</u>	<u>17,975</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
General Government	0	0	0	0
Security of Persons and Property	99,350	2,999	909	0
Transportation	0	0	0	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
<i>Total Expenditures</i>	<u>99,350</u>	<u>2,999</u>	<u>909</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	1,672	17,066	0
<b>Other Financing Sources</b>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	0	1,672	17,066	0
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	<u>0</u>	<u>10,742</u>	<u>14,399</u>	<u>27,878</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$0</u></u>	<u><u>\$12,414</u></u>	<u><u>\$31,465</u></u>	<u><u>\$27,878</u></u>

Groeger Trust	Court Computer	Juvenile Diversion	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$93,460
0	18,445	0	41,091
0	0	12,000	902,895
162	0	0	2,782
162	18,445	12,000	1,040,228
0	10,381	0	10,381
0	0	12,000	226,313
0	0	0	518,645
0	0	0	202,975
0	0	0	158,371
0	10,381	12,000	1,116,685
162	8,064	0	(76,457)
0	0	0	130,328
162	8,064	0	53,871
40,009	58,014	2,412	558,317
<u>\$40,171</u>	<u>\$66,078</u>	<u>\$2,412</u>	<u>\$612,188</u>

**City of Brooklyn, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2004*

	Tiedeman Road	Issue II	Biddulph Road	Total Nonmajor Capital Projects Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$131,312	\$578	\$2,158	\$134,048
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>	\$0	\$0	\$0	\$0
<b>Fund Balances</b>				
Unreserved, Undesignated	131,312	578	2,158	134,048
<i>Total Liabilities and Fund Balances</i>	\$131,312	\$578	\$2,158	\$134,048



**City of Brooklyn, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2004*

	Tiedeman Road	Issue II	Biddulph Road	Total Nonmajor Capital Projects Funds
<b>Revenues</b>				
Municipal Income Taxes	\$277,665	\$0	\$0	\$277,665
Property and Other Taxes	78,087	0	0	78,087
Interest	1,693	0	0	1,693
<i>Total Revenues</i>	<u>357,445</u>	<u>0</u>	<u>0</u>	<u>357,445</u>
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	0	175,000	345,000	520,000
Interest and Fiscal Charges	0	2,181	4,301	6,482
<i>Total Expenditures</i>	<u>0</u>	<u>177,181</u>	<u>349,301</u>	<u>526,482</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>357,445</u>	<u>(177,181)</u>	<u>(349,301)</u>	<u>(169,037)</u>
<b>Other Financing Sources (Uses)</b>				
Notes Issued	0	90,000	345,000	435,000
Transfers In	0	85,000	0	85,000
Transfers Out	(419,742)	0	0	(419,742)
<i>Total Other Financing Sources (Uses)</i>	<u>(419,742)</u>	<u>175,000</u>	<u>345,000</u>	<u>100,258</u>
<i>Net Change in Fund Balances</i>	(62,297)	(2,181)	(4,301)	(68,779)
<i>Fund Balances</i>				
<i>Beginning of Year</i>	<u>193,609</u>	<u>2,759</u>	<u>6,459</u>	<u>202,827</u>
<i>Fund Balances End of Year</i>	<u><u>\$131,312</u></u>	<u><u>\$578</u></u>	<u><u>\$2,158</u></u>	<u><u>\$134,048</u></u>

## *Fund Descriptions - Fiduciary Funds*

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### *Fiduciary Funds*

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

### *Agency Funds*

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

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

**City of Brooklyn, Ohio**  
*Combining Statement of Assets and Liabilities*  
*Agency Funds*  
*December 31, 2004*

	Required Deposits	Building Assessment Fees	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$79,492	\$0	\$79,492
Interfund Receivable	38	0	38
<i>Total Assets</i>	<u>\$79,530</u>	<u>\$0</u>	<u>\$79,530</u>
<b>Liabilities</b>			
Interfund Payable	\$0	\$38	\$38
Deposits Held and Due to Others	79,530	(38)	79,492
<i>Total Liabilities</i>	<u>\$79,530</u>	<u>\$0</u>	<u>\$79,530</u>

**City of Brooklyn, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2004*

	Balance 12/31/03	Additions	Reductions	Balance 12/31/04
<b>Required Deposits</b>				
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$67,806	\$27,512	\$15,826	\$79,492
Interfund Receivable	0	38	0	38
<i>Total Assets</i>	<u>\$67,806</u>	<u>\$27,550</u>	<u>\$15,826</u>	<u>\$79,530</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	<u>\$67,806</u>	<u>\$27,550</u>	<u>\$15,826</u>	<u>\$79,530</u>
<b>Building Assessment Fees</b>				
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$4	\$1,767	\$1,771	\$0
<i>Total Assets</i>	<u>\$4</u>	<u>\$1,767</u>	<u>\$1,771</u>	<u>\$0</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$4	\$1,729	\$1,733	\$0
Interfund Payable	0	38	0	38
Deposits Held and Due to Others	0	0	38	(38)
<i>Total Liabilities</i>	<u>\$4</u>	<u>\$1,767</u>	<u>\$1,771</u>	<u>\$0</u>
<b>Totals - All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$67,810	\$29,279	\$17,597	\$79,492
Interfund Receivable	0	38	0	38
<i>Total Assets</i>	<u>\$67,810</u>	<u>\$29,317</u>	<u>\$17,597</u>	<u>\$79,530</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$4	\$1,729	\$1,733	\$0
Interfund Payable	0	38	0	38
Deposits Held and Due to Others	67,806	27,550	15,864	79,492
<i>Total Liabilities</i>	<u>\$67,810</u>	<u>\$29,317</u>	<u>\$17,597</u>	<u>\$79,530</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, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Municipal Income Taxes	\$9,641,727	\$9,137,300	\$9,291,143	\$153,843
Property and Other Taxes	1,072,248	1,016,150	1,027,367	11,217
Charges for Services	868,328	822,900	828,168	5,268
Fines, Licenses and Permits	688,785	652,750	655,838	3,088
Intergovernmental	927,736	879,200	916,041	36,841
Contributions and Donations	33,239	31,500	30,107	(1,393)
Interest	141,397	134,000	137,166	3,166
Other	37,090	35,150	51,464	16,314
<i>Total Revenues</i>	<u>13,410,550</u>	<u>12,708,950</u>	<u>12,937,294</u>	<u>228,344</u>
<b>Expenditures</b>				
Current:				
General Government:				
Income Tax:				
Personal Services	150,052	150,052	147,077	2,975
Materials and Supplies	28,336	30,336	28,118	2,218
Contractual Services	10,550	12,550	14,858	(2,308)
Capital Outlay	900	900	0	900
Total Income Tax	<u>189,838</u>	<u>193,838</u>	<u>190,053</u>	<u>3,785</u>
Council:				
Personal Services	119,418	119,418	114,899	4,519
Materials and Supplies	2,505	2,505	7,299	(4,794)
Contractual Services	25,750	15,750	5,402	10,348
Total Council	<u>147,673</u>	<u>137,673</u>	<u>127,600</u>	<u>10,073</u>
Mayor:				
Personal Services	273,713	270,313	259,987	10,326
Materials and Supplies	8,165	8,165	7,673	492
Contractual Services	10,500	10,500	9,786	714
Capital Outlay	2,700	2,700	0	2,700
Other	7,200	3,600	2,246	1,354
Total Mayor	<u>\$302,278</u>	<u>\$295,278</u>	<u>\$279,692</u>	<u>\$15,586</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, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Legal:				
Personal Services	\$238,205	\$238,205	\$233,214	\$4,991
Materials and Supplies	1,350	1,350	5,727	(4,377)
Contractual Services	67,410	72,410	72,784	(374)
Other	180	180	50	130
Total Legal	<u>307,145</u>	<u>312,145</u>	<u>311,775</u>	<u>370</u>
Finance:				
Personal Services	226,230	226,230	216,840	9,390
Materials and Supplies	9,050	9,050	9,061	(11)
Contractual Services	45,415	45,415	38,243	7,172
Capital Outlay	3,323	3,323	1,138	2,185
Total Finance	<u>284,018</u>	<u>284,018</u>	<u>265,282</u>	<u>18,736</u>
Civil Service:				
Personal Services	10,800	10,800	10,343	457
Materials and Supplies	1,050	1,050	481	569
Contractual Services	4,350	4,350	2,330	2,020
Total Civil Service	<u>16,200</u>	<u>16,200</u>	<u>13,154</u>	<u>3,046</u>
Engineering:				
Personal Services	116,928	125,928	121,976	3,952
Miscellaneous:				
Personal Services	11,250	11,250	18,668	(7,418)
Contractual Services	368,694	363,694	317,962	45,732
Capital Outlay	85,000	124,000	137,312	(13,312)
Total Miscellaneous	<u>464,944</u>	<u>498,944</u>	<u>473,942</u>	<u>25,002</u>
Total General Government	<u>\$1,829,024</u>	<u>\$1,864,024</u>	<u>\$1,783,474</u>	<u>\$80,550</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, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Security of Persons and Property:</b>				
<b>Public Safety:</b>				
Personal Services	\$3,420,097	\$3,428,097	\$3,398,525	\$29,572
Materials and Supplies	132,409	132,409	133,761	(1,352)
Contractual Services	184,437	184,437	161,237	23,200
Capital Outlay	5,500	5,500	5,262	238
Other	3,836	3,836	3,351	485
<b>Total Public Safety</b>	<b>3,746,279</b>	<b>3,754,279</b>	<b>3,702,136</b>	<b>52,143</b>
<b>Fire Department:</b>				
Personal Services	2,526,913	2,516,913	2,463,250	53,663
Materials and Supplies	47,468	47,468	40,219	7,249
Contractual Services	55,837	55,837	44,600	11,237
Capital Outlay	44,954	34,954	15,605	19,349
<b>Total Fire Department</b>	<b>2,675,172</b>	<b>2,655,172</b>	<b>2,563,674</b>	<b>91,498</b>
<b>Total Security of Persons and Property</b>	<b>6,421,451</b>	<b>6,409,451</b>	<b>6,265,810</b>	<b>143,641</b>
<b>Community Environment:</b>				
<b>Public Lands and Buildings:</b>				
Personal Services	99,059	97,409	94,676	2,733
Materials and Supplies	25,403	35,403	43,324	(7,921)
Contractual Services	720,633	712,633	677,101	35,532
Capital Outlay	31,500	31,500	24,468	7,032
<b>Total Public Lands and Buildings</b>	<b>876,595</b>	<b>876,945</b>	<b>839,569</b>	<b>37,376</b>
<b>Public Service:</b>				
Personal Services	160,155	160,155	153,417	6,738
Materials and Supplies	2,400	2,400	30	2,370
Contractual Services	250	250	0	250
<b>Total Public Service</b>	<b>162,805</b>	<b>162,805</b>	<b>153,447</b>	<b>9,358</b>
<b>Building Department:</b>				
Personal Services	197,145	208,795	205,508	3,287
Materials and Supplies	3,750	3,750	4,565	(815)
Contractual Services	7,500	7,500	2,194	5,306
<b>Total Building Department</b>	<b>\$208,395</b>	<b>\$220,045</b>	<b>\$212,267</b>	<b>\$7,778</b>

(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, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Recycling:				
Personal Services	\$62,810	\$62,810	\$60,202	\$2,608
Materials and Supplies	7,220	7,220	1,454	5,766
Contractual Services	26,125	36,125	39,681	(3,556)
Total Recycling	<u>96,155</u>	<u>106,155</u>	<u>101,337</u>	<u>4,818</u>
Landfill:				
Contractual Services	50,000	50,000	1,000	49,000
Total Community Environment	<u>1,393,950</u>	<u>1,415,950</u>	<u>1,307,620</u>	<u>108,330</u>
Basic Utility Services				
Garage:				
Personal Services	2,413,849	2,390,849	2,355,292	35,557
Materials and Supplies	176,536	176,536	171,247	5,289
Contractual Services	64,782	64,782	72,908	(8,126)
Capital Outlay	36,774	36,774	4,647	32,127
Total Basic Utility Services	<u>2,691,941</u>	<u>2,668,941</u>	<u>2,604,094</u>	<u>64,847</u>
Leisure Time Activities:				
Recreation Center:				
Personal Services	842,727	810,727	817,571	(6,844)
Materials and Supplies	88,047	84,047	49,142	34,905
Contractual Services	118,656	118,656	80,369	38,287
Capital Outlay	17,908	17,908	12,069	5,839
Total Recreation Center	<u>1,067,338</u>	<u>1,031,338</u>	<u>959,151</u>	<u>72,187</u>
Indoor/Outdoor Pool:				
Personal Services	490,661	490,661	451,508	39,153
Materials and Supplies	77,694	77,694	56,909	20,785
Contractual Services	88,892	88,892	51,270	37,622
Capital Outlay	7,700	7,700	9,447	(1,747)
Total Indoor/Outdoor Pool	<u>\$664,947</u>	<u>\$664,947</u>	<u>\$569,134</u>	<u>\$95,813</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, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Parks:				
Personal Services	\$66,868	\$66,868	\$68,177	(\$1,309)
Materials and Supplies	30,000	30,000	20,823	9,177
Contractual Services	52,136	52,136	37,830	14,306
Capital Outlay	17,000	17,000	17,002	(2)
Total Parks	<u>166,004</u>	<u>166,004</u>	<u>143,832</u>	<u>22,172</u>
Senior Services:				
Personal Services	346,299	350,299	350,204	95
Materials and Supplies	15,415	15,415	16,707	(1,292)
Contractual Services	75,120	75,120	69,174	5,946
Capital Outlay	1,500	1,500	3,948	(2,448)
Other	1,000	1,000	0	1,000
Total Senior Services	<u>439,334</u>	<u>443,334</u>	<u>440,033</u>	<u>3,301</u>
Total Leisure Time Activities	<u>2,337,623</u>	<u>2,305,623</u>	<u>2,112,150</u>	<u>193,473</u>
<i>Total Expenditures</i>	<u>14,673,989</u>	<u>14,663,989</u>	<u>14,073,148</u>	<u>590,841</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,263,439)</u>	<u>(1,955,039)</u>	<u>(1,135,854)</u>	<u>819,185</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	3,600	3,600	3,601	1
Advances In	0	0	382,320	382,320
Advances Out	0	0	(109,500)	(109,500)
Transfers In	240,000	240,000	0	(240,000)
Transfers Out	(147,000)	(157,000)	(131,886)	25,114
<i>Total Other Financing Sources (Uses)</i>	<u>96,600</u>	<u>86,600</u>	<u>144,535</u>	<u>57,935</u>
<i>Net Change in Fund Balance</i>	<u>(1,166,839)</u>	<u>(1,868,439)</u>	<u>(991,319)</u>	<u>877,120</u>
<i>Fund Balance Beginning of Year</i>	5,608,090	5,608,090	5,608,090	0
Prior Year Encumbrances Appropriated	<u>143,474</u>	<u>143,474</u>	<u>143,474</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$4,584,725</u>	<u>\$3,883,125</u>	<u>\$4,760,245</u>	<u>\$877,120</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, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$269,960	\$299,116	\$299,071	(\$45)
Intergovernmental	24,819	27,500	27,977	477
<i>Total Revenues</i>	<u>294,779</u>	<u>326,616</u>	<u>327,048</u>	<u>432</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	416,330	423,088	422,192	896
Debt Service:				
Principal Retirement	0	873	873	0
Interest and Fiscal Charges	0	2,369	2,369	0
Total Debt Service	<u>0</u>	<u>3,242</u>	<u>3,242</u>	<u>0</u>
<i>Total Expenditures</i>	<u>416,330</u>	<u>426,330</u>	<u>425,434</u>	<u>896</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(121,551)	(99,714)	(98,386)	1,328
<b>Other Financing Sources</b>				
Transfers In	115,000	115,000	109,000	(6,000)
<i>Net Change in Fund Balance</i>	(6,551)	15,286	10,614	(4,672)
<i>Fund Balance Beginning of Year</i>	<u>10,603</u>	<u>10,603</u>	<u>10,603</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$4,052</u>	<u>\$25,889</u>	<u>\$21,217</u>	<u>(\$4,672)</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, 2004*

	Original	Revised Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property and Other Taxes	\$403,633	\$393,153	\$392,531	(\$622)
Intergovernmental	39,013	38,000	36,719	(1,281)
<i>Total Revenues</i>	442,646	431,153	429,250	(1,903)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire Pension:				
Personal Services	478,175	478,175	467,504	10,671
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(35,529)	(47,022)	(38,254)	8,768
<b>Other Financing Sources</b>				
Transfers In	25,000	25,000	20,000	(5,000)
<i>Net Change in Fund Balance</i>	(10,529)	(22,022)	(18,254)	3,768
<i>Fund Balance Beginning of Year</i>	27,048	27,048	27,048	0
<i>Fund Balance End of Year</i>	\$16,519	\$5,026	\$8,794	\$3,768

**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, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$352,494	\$377,146	\$373,839	(\$3,307)
Intergovernmental	30,843	33,000	34,970	1,970
Special Assessments	72,207	78,625	78,625	0
Interest	31,456	31,587	29,587	(2,000)
<i>Total Revenues</i>	<u>487,000</u>	<u>520,358</u>	<u>517,021</u>	<u>(3,337)</u>
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	2,315,410	2,315,410	2,314,970	440
Interest and Fiscal Charges	162,390	162,390	162,442	(52)
<i>Total Expenditures</i>	<u>2,477,800</u>	<u>2,477,800</u>	<u>2,477,412</u>	<u>388</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(1,990,800)</u>	<u>(1,957,442)</u>	<u>(1,960,391)</u>	<u>(2,949)</u>
<b>Other Financing Sources</b>				
Notes Issued	1,475,000	1,475,000	1,475,000	0
Transfers In	419,742	419,742	419,742	0
<i>Total Other Financing Sources</i>	<u>1,894,742</u>	<u>1,894,742</u>	<u>1,894,742</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(96,058)</u>	<u>(62,700)</u>	<u>(65,649)</u>	<u>(2,949)</u>
<i>Fund Balance Beginning of Year</i>	<u>296,079</u>	<u>296,079</u>	<u>296,079</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$200,021</u>	<u>\$233,379</u>	<u>\$230,430</u>	<u>(\$2,949)</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Improvements Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$1,710,392	\$1,605,209	\$1,639,614	\$34,405
Special Assessments	6,972	6,375	6,375	0
Interest	2,746	2,746	2,746	0
<i>Total Revenues</i>	<u>1,720,110</u>	<u>1,614,330</u>	<u>1,648,735</u>	<u>34,405</u>
<b>Expenditures</b>				
Capital Outlay:				
Capital Improvements:				
Capital Outlay	2,155,656	1,705,656	1,485,042	220,614
Debt Service:				
Principal Retirement	149,139	149,139	149,139	0
Interest and Fiscal Charges	37,734	37,734	37,734	0
Total Debt Service	<u>186,873</u>	<u>186,873</u>	<u>186,873</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,342,529</u>	<u>1,892,529</u>	<u>1,671,915</u>	<u>220,614</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(622,419)</u>	<u>(278,199)</u>	<u>(23,180)</u>	<u>255,019</u>
<b>Other Financing Uses</b>				
Advances Out	0	0	(98,500)	(98,500)
Transfers Out	(154,642)	(214,642)	(212,442)	2,200
<i>Total Other Financing Uses</i>	<u>(154,642)</u>	<u>(214,642)</u>	<u>(310,942)</u>	<u>(96,300)</u>
<i>Net Change in Fund Balance</i>	(777,061)	(492,841)	(334,122)	158,719
<i>Fund Balance Beginning of Year</i>	1,433,318	1,433,318	1,433,318	0
Prior Year Encumbrances Appropriated	<u>235,476</u>	<u>235,476</u>	<u>235,476</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$891,733</u>	<u>\$1,175,953</u>	<u>\$1,334,672</u>	<u>\$158,719</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Street Maintenance and Repair Fund  
For the Year Ended December 31, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$394,446	\$480,000	\$503,277	\$23,277
Interest	1,644	2,000	1,562	(438)
Other	410	500	0	(500)
<i>Total Revenues</i>	<u>396,500</u>	<u>482,500</u>	<u>504,839</u>	<u>22,339</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Maintenance and Repair:				
Personal Services	297,150	297,150	291,184	5,966
Materials and Supplies	156,300	156,300	164,820	(8,520)
Contractual Services	29,900	29,900	23,555	6,345
Capital Outlay	21,884	21,884	18,977	2,907
<i>Total Expenditures</i>	<u>505,234</u>	<u>505,234</u>	<u>498,536</u>	<u>6,698</u>
<i>Net Change in Fund Balance</i>	(108,734)	(22,734)	6,303	29,037
<i>Fund Balance Beginning of Year</i>	132,307	132,307	132,307	0
Prior Year Encumbrances Appropriated	<u>1,834</u>	<u>1,834</u>	<u>1,834</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$25,407</u></u>	<u><u>\$111,407</u></u>	<u><u>\$140,444</u></u>	<u><u>\$29,037</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, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues</b>				
Intergovernmental	\$32,117	\$39,500	\$40,806	\$1,306
Interest	508	625	697	72
<i>Total Revenues</i>	<u>32,625</u>	<u>40,125</u>	<u>41,503</u>	<u>1,378</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Garage:				
Personal Services	5,025	5,025	0	5,025
Materials and Supplies	43,046	43,046	16,453	26,593
Contractual Services	4,900	4,900	7,142	(2,242)
Capital Outlay	9,158	9,158	7,214	1,944
<i>Total Expenditures</i>	<u>62,129</u>	<u>62,129</u>	<u>30,809</u>	<u>31,320</u>
<i>Net Change in Fund Balance</i>	(29,504)	(22,004)	10,694	32,698
<i>Fund Balance Beginning of Year</i>	53,750	53,750	53,750	0
Prior Year Encumbrances Appropriated	<u>3,554</u>	<u>3,554</u>	<u>3,554</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$27,800</u></u>	<u><u>\$35,300</u></u>	<u><u>\$67,998</u></u>	<u><u>\$32,698</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, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$20,000	\$81,350	\$80,345	(\$1,005)
<b>Expenditures</b>				
Current:				
Community Environment:				
Community Development Block Grant:				
Contractual Services	6,371	19,371	13,330	6,041
Capital Outlay	129,232	239,232	216,913	22,319
<i>Total Expenditures</i>	135,603	258,603	230,243	28,360
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(115,603)	(177,253)	(149,898)	27,355
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	98,500	98,500
Advances Out	0	0	(190,000)	(190,000)
Transfers In	120,000	120,000	120,000	0
<i>Total Other Financing Sources (Uses)</i>	120,000	120,000	28,500	(91,500)
<i>Net Change in Fund Balance</i>	4,397	(57,253)	(121,398)	(64,145)
<i>Fund Balance Beginning of Year</i>	81,404	81,404	81,404	0
Prior Year Encumbrances Appropriated	84,603	84,603	84,603	0
<i>Fund Balance End of Year</i>	\$170,404	\$108,754	\$44,609	(\$64,145)

**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, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Property and Other Taxes	\$91,134	\$96,260	\$93,460	(\$2,800)
Intergovernmental	4,734	5,000	8,742	3,742
<i>Total Revenues</i>	<u>95,868</u>	<u>101,260</u>	<u>102,202</u>	<u>942</u>
<b>Expenditures</b>				
Current:				
Basic Utility Services:				
Street Lighting:				
Contractual Services	156,500	156,500	157,543	(1,043)
Other	5,000	5,000	0	5,000
<i>Total Expenditures</i>	<u>161,500</u>	<u>161,500</u>	<u>157,543</u>	<u>3,957</u>
<i>Net Change in Fund Balance</i>	(65,632)	(60,240)	(55,341)	4,899
<i>Fund Balance Beginning of Year</i>	152,919	152,919	152,919	0
Prior Year Encumbrances Appropriated	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$88,787</u></u>	<u><u>\$94,179</u></u>	<u><u>\$99,078</u></u>	<u><u>\$4,899</u></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, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$30,000	\$30,000	\$35,506	\$5,506
Interest	250	250	361	111
<i>Total Revenues</i>	<u>30,250</u>	<u>30,250</u>	<u>35,867</u>	<u>5,617</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Motor Vehicle License Tax:				
Materials and Supplies	37,900	37,900	30,493	7,407
Contractual Services	4,000	4,000	4,000	0
Capital Outlay	1,000	1,000	0	1,000
<i>Total Expenditures</i>	<u>42,900</u>	<u>42,900</u>	<u>34,493</u>	<u>8,407</u>
<i>Net Change in Fund Balance</i>	(12,650)	(12,650)	1,374	14,024
<i>Fund Balance Beginning of Year</i>	<u>27,915</u>	<u>27,915</u>	<u>27,915</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$15,265</u>	<u>\$15,265</u>	<u>\$29,289</u>	<u>\$14,024</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Recycling and Litter Fund  
For the Year Ended December 31, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	5,781	5,781	5,781	0
<i>Fund Balance End of Year</i>	\$5,781	\$5,781	\$5,781	\$0

**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, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$37,000	\$40,947	\$40,947	\$0
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	<u>42,379</u>	<u>43,379</u>	<u>43,205</u>	<u>174</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(5,379)	(2,432)	(2,258)	174
<b>Other Financing Sources</b>				
Transfers In	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>(1,000)</u>
<i>Net Change in Fund Balance</i>	(4,379)	(1,432)	(2,258)	(826)
<i>Fund Balance Beginning of Year</i>	<u>35,593</u>	<u>35,593</u>	<u>35,593</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$31,214</u></u>	<u><u>\$34,161</u></u>	<u><u>\$33,335</u></u>	<u><u>(\$826)</u></u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Bullet Proof Vest Fund*  
*For the Year Ended December 31, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$9,400	\$9,400	\$9,400	\$0
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Capital Outlay	<u>8,000</u>	<u>8,000</u>	<u>2,369</u>	<u>5,631</u>
<i>Excess of Revenues Over Expenditures</i>	<u>1,400</u>	<u>1,400</u>	<u>7,031</u>	<u>5,631</u>
<b>Other Financing Sources (Uses)</b>				
Advances Out	0	0	(3,000)	(3,000)
Transfers In	<u>386</u>	<u>386</u>	<u>386</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>386</u>	<u>386</u>	<u>(2,614)</u>	<u>(3,000)</u>
<i>Net Change in Fund Balance</i>	1,786	1,786	4,417	2,631
<i>Fund Balance Beginning of Year</i>	<u>2,662</u>	<u>2,662</u>	<u>2,662</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,448</u></u>	<u><u>\$4,448</u></u>	<u><u>\$7,079</u></u>	<u><u>\$2,631</u></u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*FEMA Fire Act Fund*  
*For the Year Ended December 31, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive
				(Negative)
<b>Revenues</b>				
Intergovernmental	\$54,500	\$54,500	\$76,500	\$22,000
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Capital Outlay	<u>63,273</u>	<u>63,273</u>	<u>62,887</u>	<u>386</u>
<i>Excess of Revenues Over</i>				
<i>(Under) Expenditures</i>	<u>(8,773)</u>	<u>(8,773)</u>	<u>13,613</u>	<u>22,386</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	60,000	60,000
Advances Out	0	0	(86,820)	(86,820)
Transfers In	<u>5,500</u>	<u>5,500</u>	<u>9,942</u>	<u>4,442</u>
<i>Total Other Financing Sources (Uses)</i>	<u>5,500</u>	<u>5,500</u>	<u>(16,878)</u>	<u>(22,378)</u>
<i>Net Change in Fund Balance</i>	(3,273)	(3,273)	(3,265)	8
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>3,273</u>	<u>3,273</u>	<u>3,273</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$8</u>	<u>\$8</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Federal Grant Fund*  
*For the Year Ended December 31, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$15,000	\$15,000	\$4,933	(\$10,067)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Contractual Services	7,500	7,500	4,933	2,567
Capital Outlay	7,500	7,500	0	7,500
<i>Total Expenditures</i>	<u>15,000</u>	<u>15,000</u>	<u>4,933</u>	<u>10,067</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>



**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**COPS Fund**  
*For the Year Ended December 31, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$49,350	\$49,350	\$99,350	\$50,000
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Capital Outlay	99,350	99,350	99,350	0
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(50,000)</u>	<u>(50,000)</u>	<u>0</u>	<u>50,000</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	49,500	49,500
Advances Out	0	0	(99,500)	(99,500)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(50,000)</u>	<u>(50,000)</u>
<i>Net Change in Fund Balance</i>	(50,000)	(50,000)	(50,000)	0
<i>Fund Balance Beginning of Year</i>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$1,500	\$1,819	\$4,671	\$2,852
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Materials and Supplies	3,000	3,000	2,999	1
Enforcement and Education:				
Contractual Services	4,500	4,500	0	4,500
<i>Total Expenditures</i>	7,500	7,500	2,999	4,501
<i>Net Change in Fund Balance</i>	(6,000)	(5,681)	1,672	7,353
<i>Fund Balance Beginning of Year</i>	10,742	10,742	10,742	0
<i>Fund Balance End of Year</i>	\$4,742	\$5,061	\$12,414	\$7,353

**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, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$15,000	\$19,461	\$17,975	(\$1,486)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Mandatory Drug Law:				
Materials and Supplies	6,000	6,000	909	5,091
Capital Outlay	4,000	4,000	0	4,000
<i>Total Expenditures</i>	10,000	10,000	909	9,091
<i>Net Change in Fund Balance</i>	5,000	9,461	17,066	7,605
<i>Fund Balance Beginning of Year</i>	14,399	14,399	14,399	0
<i>Fund Balance End of Year</i>	\$19,399	\$23,860	\$31,465	\$7,605

**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, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Community Environment:				
Underground Storage Tank:				
Contractual Services	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>15,000</u>
<i>Net Change in Fund Balance</i>	(15,000)	(15,000)	0	15,000
<i>Fund Balance Beginning of Year</i>	<u>27,878</u>	<u>27,878</u>	<u>27,878</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$12,878</u></u>	<u><u>\$12,878</u></u>	<u><u>\$27,878</u></u>	<u><u>\$15,000</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, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Interest	\$800	\$150	\$162	\$12
<b>Expenditures</b>				
Current:				
Community Environment:				
Groeger Trust:				
Contractual Services	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
<i>Net Change in Fund Balance</i>	(200)	(850)	162	1,012
<i>Fund Balance Beginning of Year</i>	<u>40,144</u>	<u>40,144</u>	<u>40,144</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$39,944</u></u>	<u><u>\$39,294</u></u>	<u><u>\$40,306</u></u>	<u><u>\$1,012</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, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Fines, Licenses and Permits	<u>\$22,000</u>	<u>\$17,000</u>	<u>\$18,445</u>	<u>\$1,445</u>
<b>Expenditures</b>				
Current:				
General Government:				
Courts:				
Materials and Supplies	12,292	12,292	4,010	8,282
Contractual Services	2,000	2,000	0	2,000
Capital Outlay	<u>15,475</u>	<u>15,475</u>	<u>16,447</u>	<u>(972)</u>
<i>Total Expenditures</i>	<u>29,767</u>	<u>29,767</u>	<u>20,457</u>	<u>9,310</u>
<i>Net Change in Fund Balance</i>	(7,767)	(12,767)	(2,012)	10,755
<i>Fund Balance Beginning of Year</i>	55,336	55,336	55,336	0
Prior Year Encumbrances Appropriated	<u>2,067</u>	<u>2,067</u>	<u>2,067</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$49,636</u></u>	<u><u>\$44,636</u></u>	<u><u>\$55,391</u></u>	<u><u>\$10,755</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, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$9,000	\$9,000	\$10,000	\$1,000
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Juvenile Diversion:				
Materials and Supplies	400	1,500	0	1,500
Contractual Services	12,000	12,000	12,000	0
<i>Total Expenditures</i>	<u>12,400</u>	<u>13,500</u>	<u>12,000</u>	<u>1,500</u>
<i>Excess of Revenues Under Expenditures</i>	(3,400)	(4,500)	(2,000)	2,500
<b>Other Financing Uses</b>				
Advances Out	<u>0</u>	<u>0</u>	<u>(3,000)</u>	<u>(3,000)</u>
<i>Net Change in Fund Balance</i>	(3,400)	(4,500)	(5,000)	(500)
<i>Fund Balance Beginning of Year</i>	<u>5,412</u>	<u>5,412</u>	<u>5,412</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,012</u></u>	<u><u>\$912</u></u>	<u><u>\$412</u></u>	<u><u>(\$500)</u></u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Tiedeman Road Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$265,000	\$265,000	\$277,665	\$12,665
Property and Other Local Taxes	81,087	81,087	78,087	(3,000)
Interest	56,413	1,600	1,693	93
<i>Total Revenues</i>	402,500	347,687	357,445	9,758
<b>Expenditures</b>	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	402,500	347,687	357,445	9,758
<b>Other Financing Uses</b>				
Transfers Out	(419,742)	(419,742)	(419,742)	0
<i>Net Change in Fund Balance</i>	(17,242)	(72,055)	(62,297)	9,758
<i>Fund Balance Beginning of Year</i>	193,609	193,609	193,609	0
<i>Fund Balance End of Year</i>	<u>\$176,367</u>	<u>\$121,554</u>	<u>\$131,312</u>	<u>\$9,758</u>



**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Issue II Fund*  
*For the Year Ended December 31, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	175,019	175,019	175,000	19
Interest and Fiscal Charges	2,181	2,181	2,181	0
<i>Total Expenditures</i>	<u>177,200</u>	<u>177,200</u>	<u>177,181</u>	<u>19</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(177,200)</u>	<u>(177,200)</u>	<u>(177,181)</u>	<u>19</u>
<b>Other Financing Sources</b>				
Notes Issued	90,514	90,000	90,000	0
Transfers In	85,486	85,000	85,000	0
<i>Total Other Financing Sources</i>	<u>176,000</u>	<u>175,000</u>	<u>175,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,200)</u>	<u>(2,200)</u>	<u>(2,181)</u>	<u>19</u>
<i>Fund Balance Beginning of Year</i>	<u>2,759</u>	<u>2,759</u>	<u>2,759</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,559</u></u>	<u><u>\$559</u></u>	<u><u>\$578</u></u>	<u><u>\$19</u></u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Biddulph Road Fund*  
*For the Year Ended December 31, 2004*

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	345,024	345,024	345,000	24
Interest and Fiscal Charges	4,301	4,301	4,301	0
<i>Total Expenditures</i>	349,325	349,325	349,301	24
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(349,325)	(349,325)	(349,301)	24
<b>Other Financing Sources</b>				
Notes Issued	345,000	345,000	345,000	0
<i>Net Change in Fund Balance</i>	(4,325)	(4,325)	(4,301)	24
<i>Fund Balance Beginning of Year</i>	6,459	6,459	6,459	0
<i>Fund Balance End of Year</i>	\$2,134	\$2,134	\$2,158	\$24

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

	<u>2004</u>	<u>2003</u>
<b>Program Revenues</b>		
Charges for Services	\$1,519,228	\$1,603,665
Operating Grants and Contributions	1,005,721	662,406
<b>General Revenues</b>		
Property and Other Local Taxes	2,271,331	2,166,402
Municipal Income Taxes	11,188,556	12,120,596
Intergovernmental	1,015,766	1,021,200
Interest	184,372	135,906
Miscellaneous	52,852	23,490
Total	<u>\$17,237,826</u>	<u>\$17,733,665</u>
<b>Expenses</b>		
General Government	\$1,780,771	\$1,728,888
Security of Persons and Property	7,445,195	7,434,844
Transportation	796,490	865,328
Community Environment	1,565,039	1,600,235
Basic Utility Services	3,019,920	2,982,030
Leisure Time Activities	2,423,794	2,430,608
Interest and Fiscal Charges	222,601	229,090
Total	<u>\$17,253,810</u>	<u>\$17,271,023</u>

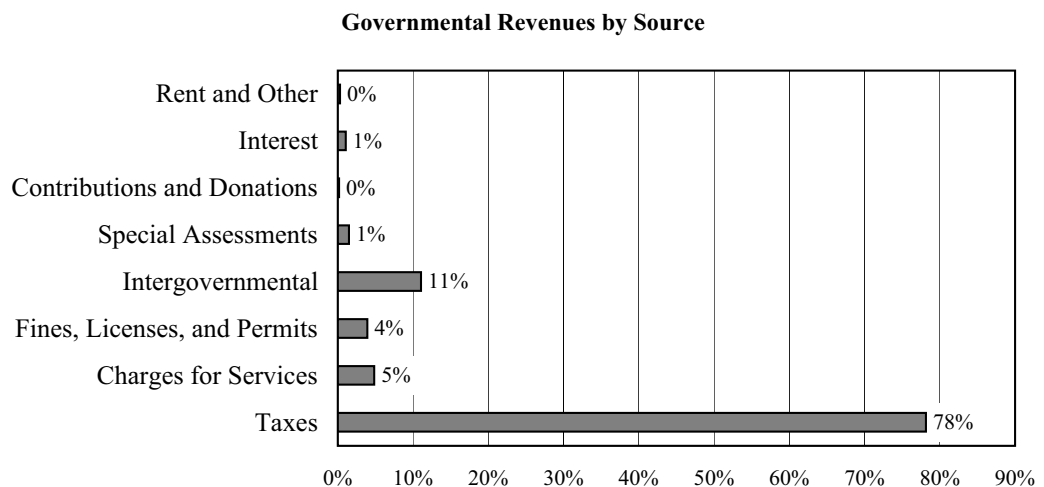
Source: City financial records  
(1) Full Accrual Basis

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

	2004	2003	2002	2001
<b>Revenues</b>				
Taxes	\$13,546,493	\$13,924,737	\$12,945,935	\$13,032,655
Charges for Services	837,834	822,895	880,019	836,209
Fines, Licenses and Permits	681,394	780,770	913,412	945,521
Intergovernmental	1,916,555	1,669,861	2,441,584	3,007,322
Special Assessments	85,000	75,000	97,278	96,027
Contributions and Donations	30,107	30,381	36,812	37,002
Interest	184,372	135,906	169,578	254,194
Rent and Miscellaneous	52,852	23,490	423,591	383,072
<b>Total</b>	<b>\$17,334,607</b>	<b>\$17,463,040</b>	<b>\$17,908,209</b>	<b>\$18,592,002</b>
<b>Expenditures</b>				
Current:				
General Government	\$1,713,115	\$1,543,745	\$1,237,345	\$1,078,961
Security of Persons and Property	7,051,268	6,773,741	6,882,432	6,272,853
Transportation	518,645	587,379	441,473	483,164
Community Environment	1,474,151	1,364,005	1,329,200	1,359,695
Basic Utility Services	2,636,120	2,526,614	2,545,154	2,522,773
Leisure Time Activities	2,023,864	1,955,914	1,904,760	1,640,474
Capital Outlay	1,516,301	1,388,901	2,554,573	2,679,727
Debt Service	3,377,551	3,590,774	929,611	906,452
<b>Total</b>	<b>\$20,311,015</b>	<b>\$19,731,073</b>	<b>\$17,824,548</b>	<b>\$16,944,099</b>

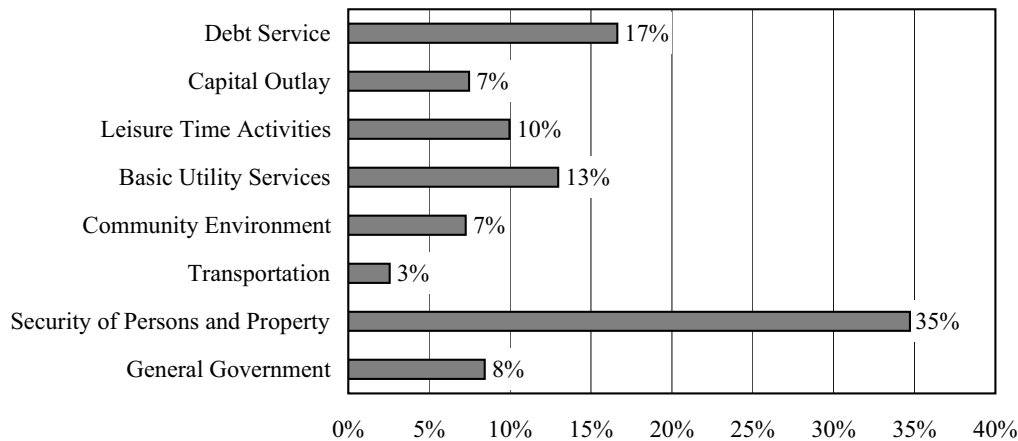
Source: City financial records

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



2000	1999	1998	1997	1996	1995
\$12,745,796	\$12,800,765	\$12,183,979	\$11,206,690	\$10,967,033	\$10,765,851
918,360	854,820	864,833	895,669	863,650	763,567
777,777	639,315	582,282	560,823	433,209	283,555
1,963,558	1,607,493	1,731,872	1,701,222	4,730,074	1,275,379
97,163	98,085	103,077	94,497	98,008	80,446
0	0	0	0	0	0
432,953	326,242	314,734	240,032	241,120	263,674
113,735	331,237	676,373	131,656	119,661	97,890
<u>\$17,049,342</u>	<u>\$16,657,957</u>	<u>\$16,457,150</u>	<u>\$14,830,589</u>	<u>\$17,452,755</u>	<u>\$13,530,362</u>
\$1,170,328	\$1,257,501	\$952,117	\$1,028,763	\$970,462	\$1,034,797
5,961,771	5,369,536	4,927,882	4,758,297	4,542,288	4,303,794
435,153	514,698	415,122	406,540	632,545	529,286
1,695,579	1,582,706	1,329,777	841,787	741,506	748,439
2,408,694	1,807,094	1,868,029	1,788,096	1,698,003	1,669,986
1,673,426	1,724,163	1,673,353	1,787,422	1,660,200	1,530,327
2,445,106	2,790,950	4,134,110	1,536,538	5,902,001	1,504,175
846,529	850,589	848,282	870,347	971,142	1,048,111
<u>\$16,636,586</u>	<u>\$15,897,237</u>	<u>\$16,148,672</u>	<u>\$13,017,790</u>	<u>\$17,118,147</u>	<u>\$12,368,915</u>

**Governmental Expenditures by Function**



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

Collection Year	Total Tax Levy (2)	Current Tax Collections (2)	Ratio of Current Taxes Collected to Total Tax Levy	Delinquent Tax Collections
2004	\$1,721,897	\$1,674,028	97.22 %	\$60,099
2003	1,658,287	1,590,902	95.94	30,891
2002	1,645,513	1,587,957	96.50	67,587
2001	1,664,679	1,636,000	98.28	27,767
2000	1,515,926	1,489,947	98.29	28,823
1999	1,490,848	1,469,088	98.54	48,664
1998	1,456,512	1,435,508	98.56	21,910
1997	1,424,790	1,336,244	93.79	12,556
1996	1,413,607	1,362,146	96.36	9,654
1995	1,396,635	1,378,207	98.68	12,000

Source: Cuyahoga County, Ohio; County Auditor

- (1) Information for Real and Public Utility Only
- (2) State Reimbursements of Rollback and Homestead Exemptions are included
- (3) Penalties and interest are included, since by Ohio law they become part of tax obligation as assessment occurs

<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes (3)</u>	<u>Ratio of Delinquent to Total Tax Levy</u>
\$1,734,127	100.71 %	\$71,327	4.14 %
1,621,793	97.80	83,637	5.04
1,655,544	100.61	48,317	2.94
1,663,767	99.95	36,853	2.21
1,518,770	100.19	25,810	1.70
1,517,752	101.80	50,560	3.39
1,457,418	100.06	74,433	5.11
1,348,800	94.67	41,543	2.92
1,371,800	97.04	70,328	4.98
1,390,207	99.54	45,659	3.27

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

Year	Real Property		Public Utility Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2004	\$300,532,120	\$858,633,200	\$18,798,000	\$21,361,364	\$67,156,690	\$291,985,609
2003	297,301,330	849,432,371	19,429,120	22,078,545	71,086,443	309,071,491
2002	286,326,280	818,075,086	19,451,050	22,103,466	74,455,744	297,822,976
2001	283,815,680	810,901,942	20,934,340	23,789,022	75,714,966	302,859,864
2000	278,237,680	794,964,800	29,854,130	33,925,147	67,099,234	268,396,936
1999	250,158,120	714,737,486	32,288,580	36,691,568	72,851,158	291,404,632
1998	239,814,090	685,183,114	32,734,230	37,197,989	78,470,390	313,881,560
1997	235,266,210	672,189,171	33,266,860	37,803,250	81,459,237	325,836,948
1996	229,560,670	655,887,629	33,152,460	37,673,250	79,736,096	318,944,384
1995	224,075,970	640,217,057	34,815,390	39,562,943	74,590,629	298,362,516

Source: Cuyahoga County, Ohio; County Auditor

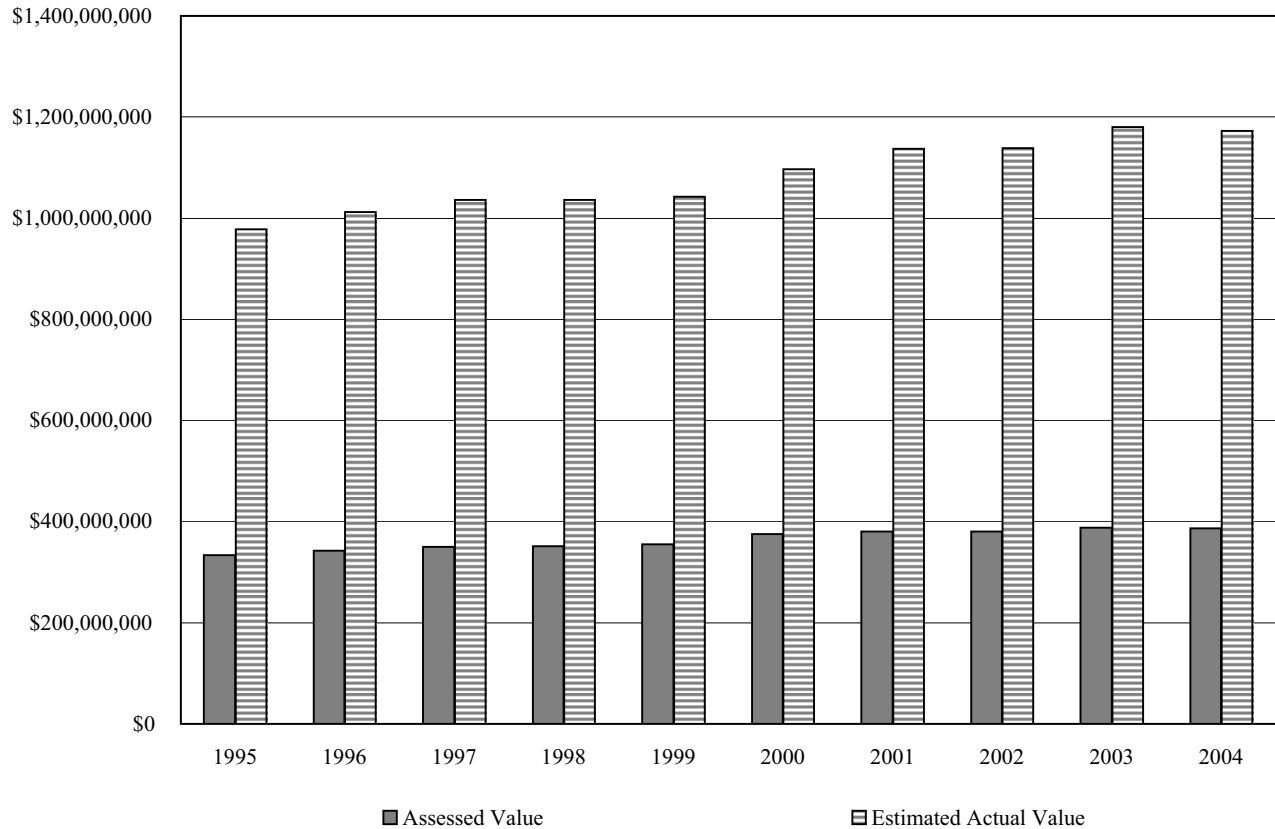
Estimated actual value is calculated by dividing the assessed value by the assessment percentage. The percentages for 2004 were 35 percent for real property, 88 percent for public utility tangible and 25 percent of actual value for capital assets and 23 percent for inventory for tangible personal.



Totals

Assessed Value	Estimated Actual Value	Ratio
\$386,486,810	\$1,171,980,173	33 %
387,816,893	1,180,582,407	33
380,233,074	1,138,001,528	33
380,464,986	1,137,550,828	33
375,191,044	1,097,286,883	34
355,297,858	1,042,833,686	34
351,018,710	1,036,262,663	34
349,992,307	1,035,829,369	34
342,449,226	1,012,505,263	34
333,481,989	978,142,516	34

Assessed Valuation and Estimated Actual Value of Taxable Property



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

Year	City of Brooklyn				Brooklyn City School District	Polaris Joint Vocational School District	Cuyahoga County	Total Direct and Overlapping Governments
	General Fund	Special Revenue Funds	Debt Service Fund	Total City				
2004	\$2.30	\$3.60	\$1.00	\$6.90	\$39.50	\$2.40	\$20.30	\$69.10
2003	2.30	2.10	1.00	5.40	39.50	2.40	19.40	66.70
2002	2.30	2.10	1.00	5.40	43.40	2.40	17.60	68.80
2001	2.30	2.10	1.00	5.40	43.40	2.40	17.60	68.80
2000	2.30	2.10	1.00	5.40	40.00	2.40	16.70	64.50
1999	2.30	2.10	1.00	5.40	40.00	2.40	16.70	64.50
1998	2.30	2.10	1.00	5.40	39.80	2.40	18.00	65.60
1997	2.30	2.10	1.00	5.40	39.90	2.40	18.00	65.70
1996	2.30	2.10	1.00	5.40	40.20	2.40	18.00	66.00
1995	2.30	2.10	1.00	5.40	41.10	2.40	18.20	67.10

Source: Cuyahoga County, Ohio; County Auditor

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

Collection Year	Total Billed	Amount Collected (1)	Percent Collected
2004	\$96,832	\$85,000	87.78 %
2003	98,178	75,000	76.39
2002	97,759	97,278	99.51
2001	99,255	96,027	96.75
2000	99,171	97,163	97.98
1999	98,076	98,085	100.01
1998	96,864	103,077	106.41
1997	90,410	94,497	104.52
1996	83,122	98,008	117.91
1995	87,688	80,446	91.74

Source: Cuyahoga County, Ohio; County Auditor

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

Collections represent amounts for bonded debt only.

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

Year	Population (1)	Assessed Value (2)	Gross General Bonded Debt	Debt Service Monies Available
2004	11,586	\$386,486,810	\$2,832,806	\$230,600
2003	11,586	387,816,893	3,127,806	296,290
2002	11,700	380,223,074	3,417,806	352,458
2001	11,700	380,464,986	3,687,806	435,026
2000	11,586	375,191,044	3,952,806	478,677
1999	11,774	355,297,858	4,207,806	24,547
1998	11,774	351,018,710	3,945,000	21,823
1997	11,774	349,992,307	4,115,000	21,267
1996	11,774	342,449,226	4,275,000	6,685
1995	11,706	333,481,989	4,425,000	8,432

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

Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net General Bonded Debt Per Capita
\$2,602,206	0.67 %	\$225
2,831,516	0.73	244
3,065,348	0.81	262
3,252,780	0.85	278
3,474,129	0.93	300
4,183,259	1.18	355
3,923,177	1.12	333
4,093,733	1.17	348
4,268,315	1.25	363
4,416,568	1.32	377

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

Year	Debt Service Expenditures			Total Governmental Expenditures	Ratio of Debt Service to Total Governmental Expenditures
	Principal	Interest and Fiscal Charges	Total Debt Service		
2004	\$295,000	\$130,855	\$425,855	\$20,311,015	2.10 %
2003	290,000	141,586	431,586	19,731,073	2.19
2002	270,000	151,305	421,305	17,824,548	2.36
2001	265,000	160,580	425,580	16,944,099	2.51
2000	255,000	169,505	424,505	16,636,586	2.55
1999	190,000	131,832	321,832	15,897,237	2.02
1998	170,000	255,174	425,174	16,148,672	2.63
1997	160,000	255,175	415,175	13,017,790	3.19
1996	150,000	274,085	424,085	17,118,147	2.48
1995	145,000	282,930	427,930	12,368,915	3.46

Source: Cuyahoga County, Ohio; County Auditor

**City of Brooklyn, Ohio**

*Computation of Direct and Overlapping General Obligation Bonded Debt*

*December 31, 2004*

	<u>General Tax Supported Debt Outstanding</u>	<u>Overlapping Percentage Applicable to Brooklyn (1)</u>	<u>Amount Applicable to Brooklyn</u>
<u>Direct:</u>			
City of Brooklyn	<u>\$2,832,806</u>	100%	<u>\$2,832,806</u>
<u>Overlapping:</u>			
Cuyahoga County	251,154,636	1.26	3,164,548
Regional Transit Authority	<u>147,025,000</u>	1.26	<u>1,852,515</u>
Total Overlapping	<u>398,179,636</u>		<u>5,017,063</u>
Total	<u><u>\$401,012,442</u></u>		<u><u>\$7,849,869</u></u>

Source: Cuyahoga County, Ohio; County Auditor

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

**City of Brooklyn, Ohio**  
*Computation of Legal Debt Margin*  
*December 31, 2004*

Assessed Valuation		<u>\$386,486,810</u>
Overall Debt Limitation		
10.5% of Assessed Valuation		40,581,115
Gross Indebtedness (Total Voted and Unvoted Debt)		
Refunding Bonds	2,832,806	
Honeywell Loan	634,625	
Bond Anticipation Notes	1,910,000	
OPWC Loans	<u>577,185</u>	
Total	<u>5,954,616</u>	
Exemptions:		
Honeywell Loan	634,625	
OPWC Loans	<u>577,185</u>	
Total	<u>1,211,810</u>	
Debt Within 10.5% Limitation	4,742,806	
Less: Amount Available in Debt Service Fund	<u>230,600</u>	
Net Debt Within 10.5% Limitation		<u>4,512,206</u>
Overall Debt Margin Within 10.5% Limitation		<u>\$36,068,909</u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation		\$21,256,775
Gross indebtedness authorized by Council	5,954,616	
Less: Debt Outside Limitation:		
Honeywell Loan	634,625	
OPWC Loans	<u>577,185</u>	
Total	<u>1,211,810</u>	
Debt Within 5.5% Limitation	4,742,806	
Less: Amount Available in Debt Service Fund	<u>230,600</u>	
Net Debt Within 5.5% Limitation		<u>4,512,206</u>
Legal Debt Margin Within 5.5% Limitation		<u>\$16,744,569</u>

Source: Cuyahoga County Auditor and City Financial Records



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

Year	Number of Building Permits (1)	Dollar Value of Building Permits Issued (1)	Bank Deposits (2) (In Thousands)	Estimated Property Value (3)
2004	828	\$9,509,936	\$101,838,959	\$1,171,980,173
2003	865	17,451,060	97,238,973	1,180,582,407
2002	870	18,156,149	95,761,917	1,138,001,528
2001	895	19,291,426	63,893,769	1,137,550,828
2000	761	13,307,375	61,942,764	1,097,286,883
1999	854	34,309,721	57,816,942	1,042,833,686
1998	705	10,725,085	58,904,596	1,036,262,663
1997	824	21,213,356	53,941,971 (A)	1,035,829,369
1996	810	23,476,122	27,068,211	1,012,505,263
1995	687	8,580,906	22,458,573	978,142,516

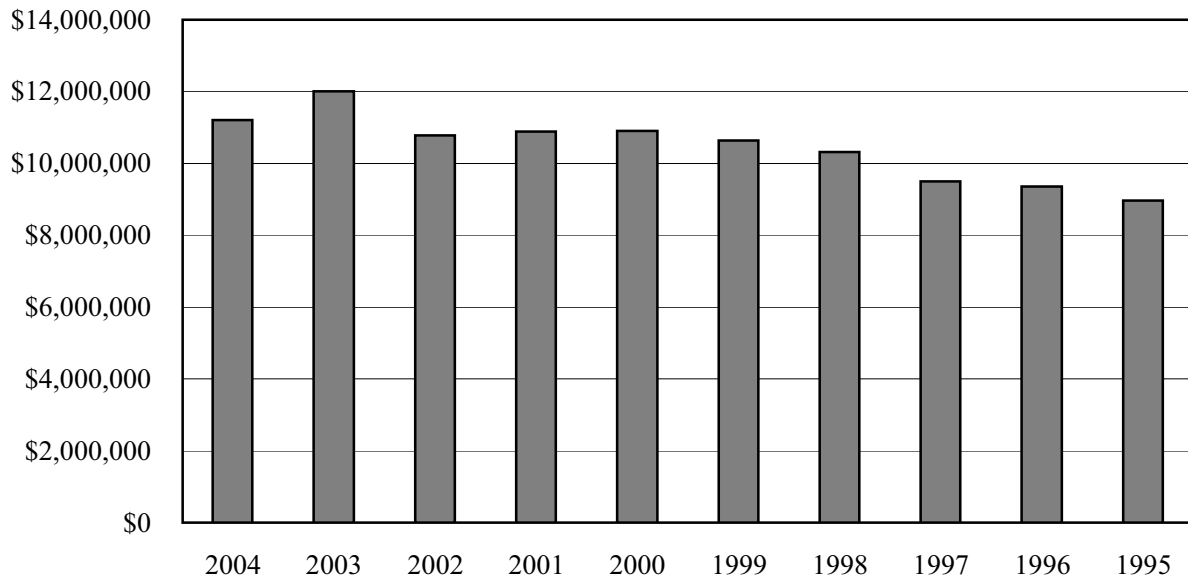
Source: (1) Brooklyn Building Department  
(2) Federal Reserve Bank of Cleveland  
(3) Cuyahoga County Auditor's Office

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

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

Collection Year	Municipal Income Tax Revenue
2004	\$11,208,422
2003	12,005,385
2002	10,772,246
2001	10,895,066
2000	10,902,091
1999	10,646,288
1998	10,325,818
1997	9,492,680
1996	9,355,857
1995	8,970,318

Source: City Financial Records (Budget Basis)



**City of Brooklyn, Ohio**  
*Ten Largest Municipal Income Tax Withholding Accounts*  
*December 31, 2004*

Taxpayer	Municipal Income Tax Withholding
American Greetings Corporation	\$2,472,885
Keybank National Association	1,560,332
Plain Dealer Publishing Company	496,483
Arrow International, Incorporated	393,827
Wal-Mart/Sams Club	216,023
USF Holland, Incorporated	215,910
City of Brooklyn	188,291
Eaton Corporation	176,839
Hugo Boss Cleveland	169,820
McDonald Investments, Incorporated	163,083
Total	\$6,053,493

Source: City Financial Records

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

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Cuyahoga County (3)</u>
2004	11,586	1,365	6.6 %
2003	11,586	1,351	6.2
2002	11,700	1,372	6.6
2001	11,700	1,401	4.6
2000	11,586	1,390	4.5
1999	11,774	1,417	4.5
1998	11,774	1,349	4.5
1997	11,774	1,383	4.5
1996	11,774	1,301	5.0
1995	11,706	1,301	4.7

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



**City of Brooklyn, Ohio**  
*Miscellaneous Statistics (continued)*  
 December 31, 2004

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

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

Cable Television:             Wide Open West  
 Adelphia

Hospitals:                     Parma Community General Hospital  
 MetroHealth Center  
 Kaiser Permanente

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

Libraries:                     Cuyahoga County Public Library  
 Brooklyn Branch

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



**Auditor of State  
Betty Montgomery**

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**CITY OF BROOKLYN**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 21, 2005**