

CITY OF BROOK PARK, OHIO

AUDIT REPORT

DECEMBER 31, 2006



Mary Taylor, CPA
Auditor of State

City Council
City of Brook Park
6161 Eagle Road
Brook Park, Ohio 44142

We have reviewed the *Independent Auditor's Report* of the City of Brook Park, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2006 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 12, 2007

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**CITY OF BROOK PARK, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006**

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

*Certified Public Accountants
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Garfield Hts., Ohio 44125*

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Ohio Society of Certified Public Accountants

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

Honorable Mayor, Finance Director,
and Members of Council
City of Brook Park, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brook Park, Ohio, as of and for the year ended December 31, 2006, which collectively comprise the City of Brook Park, Ohio's basic financial statements and have issued our report thereon dated May 2, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Brook Park, Ohio's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Brook Park, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Brook Park, Ohio's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Brook Park, Ohio's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Brook Park, Ohio's financial statements that is more than inconsequential will not be prevented or detected by the City of Brook Park, Ohio's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Brook Park, Ohio's internal control.

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

Compliance and Other Matters

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

This report is intended solely for the information and use of management and City Council and is not intended to be and should not be used by anyone other than these specified parties.

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

May 2, 2007

City of Brook Park, Ohio

**Comprehensive Annual Financial Report
For the Year Ended December 31, 2006**

**Issued by: Finance Department
Gregory M. Cingle, CPA, Finance Director
Martin Healy, Assistant Finance Director**

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City of Brook Park, Ohio

Comprehensive Annual Financial Report For The Year Ended December 31, 2006

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City of Brook Park, Ohio

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City of Brook Park

Finance Department

Gregory M. Cingle
Finance Director

Martin S. Healy
Assistant Finance Director

May 2, 2007

To the Honorable Mayor and Members of City Council,
And Citizens of Brook Park, Ohio:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the city of Brook Park (City) for the fiscal year ended December 31, 2006.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assure that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by James G. Zupka, CPA, Inc., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2006, are free of material misstatement. The independent audit involved: examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the financial statements of the City for the fiscal year ended December 31, 2006, and that the financial statements are fairly presented in conformity with GAAP. The report of the independent auditor is presented as the first component of the financial section of this report.

The requirements of GAAP necessitate that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

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Profile of the Government

The city of Brook Park, incorporated in 1967, is located in the Southwest portion of Cuyahoga County, 13 miles from Downtown Cleveland, with the cities of Parma to the east, Berea to the west, and Middleburg Heights to the south. Brook Park is an easily accessible suburban community which abuts Cleveland Hopkins Airport on the Northwest boundary and has ready access to Interstates 71 and 480 and the Ohio Turnpike (80). With an excellent combination of residential, commercial and industrial areas that provide tax support, the City is able to finance the building of excellent administrative, recreational and service facilities and provide a wide variety of municipal services, including police and fire services, street services, sewer services and recreation services.

The City operates under the mayor-council form of government. The mayor, designated by the charter as the chief executive officer of the City, is elected to serve a four-year term. The mayor has the power to appoint, promote, discipline, transfer, reduce or remove any employee of the City, except those elected, those who work for an elected official and those whose terms of office are set by City Charter. Legislative authority is vested in an eight-member council. The council consists of a president, three council members elected at-large and four council members elected by ward. Council members are elected to serve a two-year term. Each member of council has a right to vote, except for the president, who may vote only in the event of a tie.

The mayor is entitled to a seat on council but has no voting rights. The mayor may veto any legislation passed by council. A veto may be overridden by a two-thirds vote of all members of council. The council fixes compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriations, indebtedness, the licensing of regulated businesses and trades and other municipal purposes.

Other elected officials include the finance director and law director, each of whom serve four-year terms.

Detailed provisions for the City's budget, tax levies and appropriations are set forth in the Ohio Revised Code and City Charter. With the assistance of the City finance director, the mayor is required to submit to council, not less than thirty days before the end of each fiscal year, an estimate of the revenues and expenditures of the City for the succeeding fiscal year. The mayor submits to council an appropriation ordinance budget for the succeeding fiscal year based on the annual estimate. Council is required to adopt said ordinance in its original form or with those revisions as it may find proper within 90 days of the beginning of the fiscal year.

The City maintains budgetary control on a non-GAAP basis by fund and within each fund by department at major object levels, which include personal services, travel and education, contractual services, supplies and materials, other expenditures, capital outlay, debt service and operating transfers. For management purposes, the major object level is further defined with budgeted amounts not to exceed the aggregate appropriated by council.

Budgetary control is maintained by an encumbrance of purchase commitment amounts prior to the release of purchase orders to vendors. Requisitions for the expenditure of monies are submitted to the mayor for approval and for the preparation of a purchase order. The purchase order is forwarded to the finance director's office for certification of the availability of funds, and the estimated expenditure is encumbered against the available appropriation. Unencumbered appropriations lapse at the end of each year. The City's accounting system provides interim financial reports that detail year-to-date expenditures plus encumbrances versus the original appropriations plus or minus any additional approved appropriations. The report permits the officials of the City to ascertain the status of a department's appropriations at any time during the year.

Factors Affecting Financial Condition

Economic Conditions and Outlook. Brook Park is doing admirably well, given the confluence of factors potentially impacting the City, including:

- Ohio's population increasing at a lower rate than the national average, with only a one percent growth since 2000;
- Ohio's per-capita income lower than the national average since 1988;
- Ohio's jobs growth lower than the national average for ten years; and
- the progressive increase in the Prime lending rate from 4.00% in May 2004 to 8.25% in December 2006.

On the local front, Greater Cleveland continues to expand geographically while maintaining a relatively constant population base. This means that the same amount of people are maintaining an expanding network of public services--roads, sewers, etc.--all at an increasing cost.

On the positive side, Ohio has a new Governor, whose priorities seem to match Brook Park's interests, including a focus on:

- infrastructure renewal;
- education and workforce development; and
- reinvesting in older communities.

Positive economic factors include interest rates, which even at 8.25 percent are sufficiently moderate to facilitate business development; inflation holding around 2.5 percent; and metropolitan unemployment around five percent. These factors will help us achieve a steady, if slow, growth in economic activity in Brook Park.

Local Economic Activity. The nonresidential real estate market remains strong and Brook Park continues to be seen as a desirable location; vacancy rates continue to improve.

Industrial demand is very strong but new users typically have fewer employees than prior users. For example, S.K. Wellman had employed 250 at their building on W. 130th St. before they moved to expand in Oklahoma. The property was quickly purchased by Lake Erie Graphics, a growing company. Lake Erie will occupy half of the building, with 35 employees.

The office market offers a tremendous bright spot for the City. During 2006, about 50,000 square feet of vacant office space in the Aerospace Technology Park was absorbed, leaving little supply left. Coupled with a rising demand for space and the fact that the City and a private developer own 25 acres of targeted development land, we are in a position to consider new construction in the Park for the first time in many years. This will help our long-term goal of revenue diversification.

Although retail is a relatively minor component of our economy, destination retail uses are increasing on Brookpark Rd. In 2006, we saw the addition of a Saab dealership and the expansion of two of our existing auto dealerships, while another new dealership will be announced soon. On the convenience retail side, Tops grocery made a market decision to exit the Northeast Ohio region, leaving an empty space in our Brookgate shopping center. Aside from this, the convenience retail market was stable in 2006.

Brook Park's residential real estate, like the rest of the region, is in a relative slump, as houses sit on the market for longer durations. On a positive note, our homes in foreclosure have declined from recent levels of 30-35 back down to our typical levels of 15-20.

Homes in foreclosure are a red flag that the properties may soon be abandoned; often the City must step in and provide cosmetic maintenance so that the neighborhood is not negatively impacted.

Major Economic Initiatives. As usual, we continue to focus our economic efforts on opportunity areas, our major employers and retention.

Brookpark Rd. has now seen \$40 million in investment since the City took over the North side of Brookpark Rd. from Cleveland in 1998. A number of storefront renovation projects have now occurred, improving the visual quality of this important commercial corridor. A City fund set up with \$200,000 as a partial rebate for private investments is almost spent, having generated \$704,012 in visual quality investments. Responding to this environment, an additional auto dealer will be seeking Planning Commission approval in spring 2007 for new construction. The City has also finalized plans with the Greater Cleveland Regional Transit Authority to design their Red Line station reconstruction, a \$10 million project that will begin in 2008.

As previously mentioned, space on Aerospace Parkway is now nearly fully leased, and the City has begun discussions with a private developer over a potential new building.

We remain focused on services to Ford Motor Company and NASA Glenn. A working group consisting of State, County, UAW and other officials is strategizing continued investments at the Casting Plant and Assembly Plants. Sales demand will be a major factor in our success. We attended a presentation in Dearborn that detailed Ford's new and improved vehicles, and we are cautiously optimistic.

NASA Glenn's 2006 success in gaining control of pieces of the newly-named "Constellation" program (manned space flight to the Moon and Mars) was a relief for the City. The award will produce no short-term job increases, but were key to retaining an estimated 500 jobs that otherwise would have been lost, and solidifies the importance of Glenn in the NASA family.

Momentum has been building lately for private investment on Snow Rd., our local convenience retail district. Recent construction activity totals \$27.65 million, including significant renovations and lease extensions by Giant Eagle supermarkets and others, and the reconstruction of some of our fast food restaurants. While each project here makes a relatively small impact to our job and tax base, upgrading this district makes a big impact on the City's attractiveness as a business and residential location.

Cash Management Policies and Practices

Cash management is a vital component of the City's overall financial strategy. The Finance Director maintains an aggressive cash management program. Major considerations are timing of cash flows necessary to pay City liabilities and available interest rates. As City funds become available, they are invested immediately in short-term certificates of deposit or other securities authorized by state statutes. Interest earnings are allocated to funds based on the requirements of the Ohio Constitution and state statutes. All deposits and investments are covered by pooled collateral, with a face value equal to at least 105 percent of deposits.

Risk Management

The City has contracted with Wichert Insurance Company to negotiate property, general liability, boiler and machinery, automobile, law enforcement, public officials and umbrella insurance for the City. The City also provides a medical plan for full-time employees and their families. The plan is self-funded and administered by a third party administrator. The State of Ohio provides workers' compensation coverage for the City's employees.

Awards and Acknowledgements

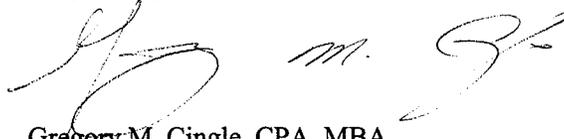
Certificate of Achievement. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended December 31, 2005. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR, whose contents conform to program standards. This report satisfied both GAAP and applicable legal requirements.

The Certificate of Achievement is valid for a period of only one year. The City has received a Certificate of Achievement for the last 15 years. We believe that our current CAFR continues to meet the requirements for the Certificate of Achievement, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgement. The Finance Department, with the efficient and dedicated service of its entire staff, prepared this CAFR. We would like to express special appreciation to the independent accounting firm of Ciuni & Panichi Inc., who contributed significantly to the preparation of this report. In addition, we would like to thank the Mayor and Members of City Council for their support, which has allowed the Finance Department to operate at the level that the residents of the city of Brook Park demand and deserve.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'G. M. Cingle', is written over a horizontal line.

Gregory M. Cingle, CPA, MBA
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Brook Park
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

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.



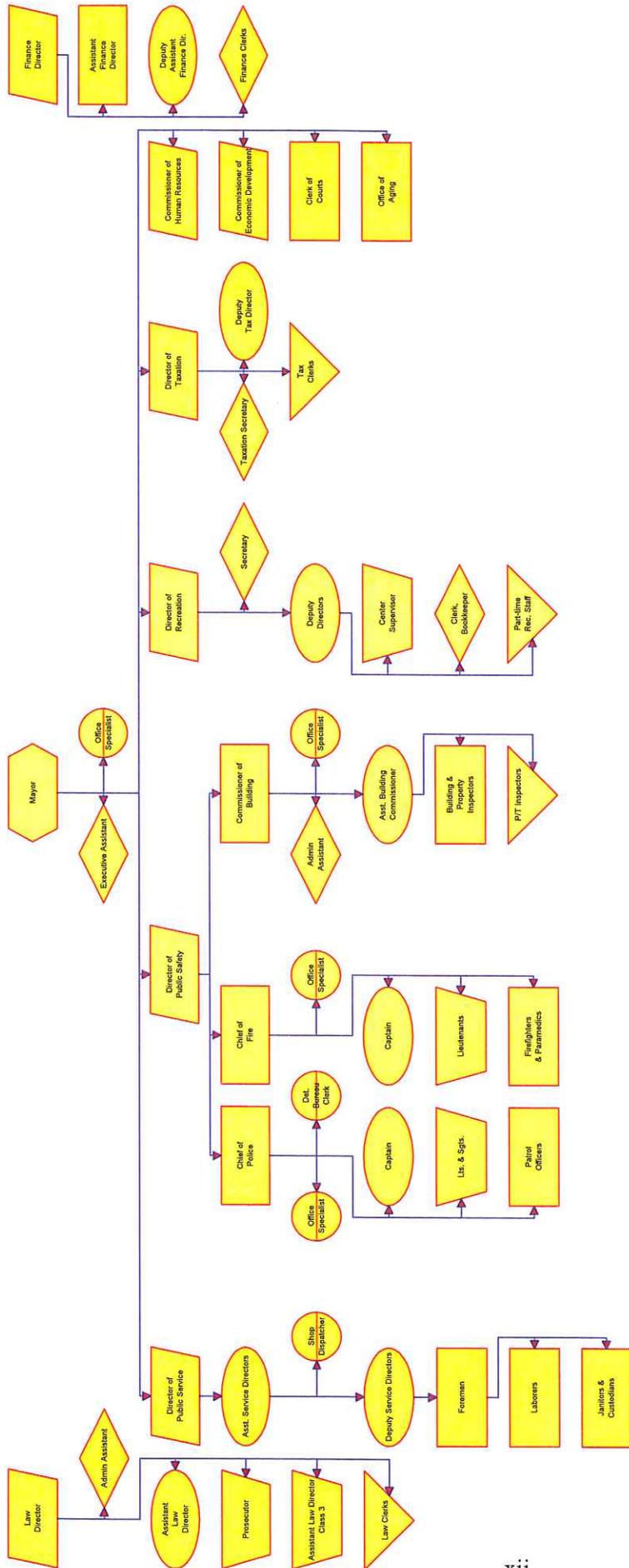
A handwritten signature in black ink, appearing to read "Ronald J. Hawn".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

City of Brook Park Administration



City of Brook Park, Ohio

Elected Officials

December 31, 2006

Mayor.....	Mark J. Elliott
Council Member – President	Michael Gammella
Council Member – At-Large.....	Carl J. Burgio
Council Member – At-Large.....	Danny V. Colonna
Council Member – At-Large.....	Richard A. Salvatore
Council Member – Ward 1	Raymond Barr
Council Member – Ward 2	Brian Mooney
Council Member – Ward 3	Jim Wilson
Council Member – Ward 4	Brian Higgins
Finance Director.....	Gregory M. Cingle
Law Director	David A. Lambros

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

Certified Public Accountants

5240 East 98th Street

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Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To Members of City Council
City of Brook Park, Ohio

The Honorable Mary Taylor
Auditor of State
State of Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brook Park, Ohio, as of and for the year ended December 31, 2006, 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 of Brook Park, Ohio'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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 that 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 Brook Park, Ohio, as of December 31, 2006, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund and the major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2007, on our consideration of the City of Brook Park, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3-14 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Brook Park, Ohio's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



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

May 2, 2007

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2006

The discussion and analysis of the City of Brook Park's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2006. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider this information in conjunction with the additional information contained in the financial statements and the notes thereof.

Financial Highlights

Key financial highlights for 2006 are:

- City income tax revenue totaled \$20,655,175.
- Total assets increased by \$3,763,683, or a 4.52 percent increase over 2005.
- Total net assets increased by \$4,245,177, or a 5.83 percent increase over 2005.
- Total capital assets increased by \$212,964, or a 0.38 percent increase over 2005.
- Total outstanding long-term liabilities decreased by \$200,595. This was a 3.32 percent decrease over 2005.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$23,401,784, a decrease of \$3,105,944 in comparison with the prior year. Approximately 95.03 percent of this total amount, \$22,239,298, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, the General Fund's unreserved fund balance was \$11,018,809, or 52.39 percent of total General Fund expenditures.

Using This Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the City as a financial whole or as an entire operating entity. The statements proceed to provide an increasingly detailed look at our specific financial condition.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and 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 and what dollars remain for future spending. The fund financial statements also look at the City's most significant funds, with all other nonmajor funds presented in total in one column.

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2006

Reporting the City of Brook Park 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 aforementioned views of the City as a whole look at all financial transactions and ask the question, "How did the City do financially during 2006?" 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, which is similar to the accounting method used by the private sector. This accounting method takes into account all of the current year's revenues and expenses regardless of when 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, i.e. changes in the City's tax base, changes in property and income tax laws, condition of capital assets, etc., should also be considered.

The Statement of Net Assets and the Statement of Activities will include the following governmental activities: police, fire, street maintenance, parks and recreation and general administration. Income taxes, property taxes and state and federal grants finance most of these activities.

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

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)
- Program Revenues and Expenses
- General Revenues
- Net Assets at the Beginning and End of Year

Reporting of the Most Significant Funds of the City of Brook Park

Fund Financial Statements

The presentation of the City's major funds begins on page 17. Fund financial statements provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds to account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City, the major funds are the General, Economic Development and Capital Improvements Funds. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2006

resources, as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds.

The City maintains 17 individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Economic Development Fund and Capital Improvements Fund; which are considered to be major funds. Data from the other governmental funds are combined into single, aggregated presentations. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this CAFR.

The City adopts an annual appropriated budget for each of its funds. A budgetary comparison statement (non-GAAP basis) has been provided for each governmental and proprietary fund to demonstrate budgetary compliance.

Proprietary Funds

Internal service funds are an accounting device used to accumulate and allocate costs internally among the various functions of a city. Because this predominately benefits governmental rather than business functions, it has been included within governmental activities in the government-wide financial statements. The City maintains one type of proprietary fund for its self insurance of health-related benefits.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Internal Service Fund.

The basic proprietary fund financial statements can be found starting on page 23.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government and are not reflected in the government-wide financial statements because resources are not available to support the City's own programs. The City has only agency funds to report within the fiduciary fund category. Agency funds are reported on a full accrual basis of accounting and only present a statement of assets and liabilities.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 27.

City of Brook Park, Ohio

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Other information

In addition to the basic financial statements and the accompanying notes, this CAFR also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the combining statements, referred to earlier in connection with nonmajor governmental funds, are presented, as well as individual detailed budgetary comparisons for all nonmajor funds. This information can be found starting on page 57.

The City as a Whole

As noted earlier, the *Statement of Net Assets* looks at the City as a whole and can prove to be a useful indicator of the City's financial position. Table 1 provides a summary of the City's net assets for 2006 as compared to 2005.

Table 1
Net Assets

	<u>2006</u>	<u>2005</u> <u>Restated</u>
Assets:		
Current and other assets	\$ 31,028,514	\$ 27,477,795
Capital assets, net	<u>56,002,386</u>	<u>55,789,422</u>
<i>Total assets</i>	<u>87,030,900</u>	<u>83,267,217</u>
Liabilities:		
Current and other liabilities	4,157,966	4,438,865
Long-term liabilities:		
Due within one year	1,910,485	1,155,737
Due in more than one year	<u>3,927,098</u>	<u>4,882,441</u>
<i>Total liabilities</i>	<u>9,995,549</u>	<u>10,477,043</u>
Net assets:		
Invested in capital assets, net of related debt	52,981,641	52,402,275
Restricted for:		
Capital projects	9,786,661	4,691,061
Debt service	436,703	434,576
Other purposes	548,690	578,019
Unrestricted	<u>13,281,656</u>	<u>14,684,243</u>
<i>Total net assets</i>	<u>\$ 77,035,351</u>	<u>\$ 72,790,174</u>

An additional portion of the City's net assets, 13.96 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net assets, \$13,281,656, may be used to meet the City's ongoing obligations to citizens and creditors.

City of Brook Park, Ohio

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Total assets increased by \$3,763,683 during the current year. These increases are due primarily to the increase in cash and cash equivalents, property taxes receivables, intergovernmental receivables and capital assets.

The following factors were responsible for this increase:

- Investment in the infrastructure of the City continued in 2006, with approximately \$1,707,000 appropriated for street improvements.
- The Westside sanitary sewer project and 2004 roads program were completed. The total amount budgeted for these projects were approximately \$2,606,044 and \$1,581,948, respectively.
- The 2005 roads program, with a budget of \$2,103,218, was near completion.
- Ford Motor Co.'s payment for outstanding personal property taxes of \$760,000 due to a settlement between Ford Motor Co. and the State of Ohio.
- Ohio Department of Development reimbursed the City \$142,153 for the Smith Road street/sewer improvement project.
- Capital projects increased due to the transfer of funds from the General and Economic Development Funds for the purpose of funding future projects.

Total liabilities decreased by \$481,494. This decrease is primarily due to a decrease in accounts payable and construction contracts payable.

The largest portion of the City's net assets (68.8 percent) reflects its investment in capital assets, i.e. land, buildings, machinery, equipment, vehicles and infrastructure, less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The City continues to make concerted efforts to maximize the return on investments of its cash and cash equivalents. Since the Federal Reserve Board raised the Fed Funds Rate four times in 2006, the City focused its investment strategy on federal government agency issues, short-term certificate of deposits and money market funds. The strategy is to maximize current returns and hedge against future declining market environments.

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2006

Table 2 shows the changes in net assets for 2006 as compared with 2005.

Table 2
Changes in Net Assets

	<u>2006</u>	<u>2005</u> <u>Restated</u>
Revenues		
Program revenues:		
Charges for services	\$ 3,172,207	\$ 3,251,965
Operating grants and contributions	220,701	68,774
Capital grants and contributions	<u>239,289</u>	<u>563,220</u>
<i>Total program revenues</i>	<u>3,632,197</u>	<u>3,883,959</u>
General revenues:		
Property taxes	4,521,976	2,954,239
Municipal income taxes	20,655,175	22,159,579
Grants and entitlements	2,453,114	2,280,824
Investment income	1,112,436	778,295
Miscellaneous income	<u>33,422</u>	<u>1,120</u>
<i>Total general revenues</i>	<u>28,776,123</u>	<u>28,174,057</u>
<i>Total revenues</i>	<u>32,408,320</u>	<u>32,058,016</u>
Program expenses:		
General government	4,752,217	5,743,052
Security of persons and property	11,396,843	11,422,459
Public health and welfare	332,619	317,628
Transportation	2,635,279	3,550,660
Leisure time activities	2,940,351	3,064,683
Community development	1,770,697	1,767,010
Public works	4,277,913	3,379,002
Interest and fiscal charges	<u>57,224</u>	<u>193,895</u>
<i>Total program expenses</i>	<u>28,163,143</u>	<u>29,438,389</u>
<i>Increase in net assets</i>	\$ <u><u>4,245,177</u></u>	\$ <u><u>2,619,627</u></u>

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2006

Governmental Activities

Several revenue sources fund the City's governmental activities, with City income tax being the largest contributor. The City's income tax rate is two percent on gross income and has not changed since 1991. Residents of the City who work in other communities and pay the withholding tax for the other communities receive a 100 percent tax credit of up to two percent on their City tax for Brook Park. During 2006, the revenues generated from municipal income tax amounted to \$20,655,175. The decrease in collections can be attributed to automotive, aeronautics and manufacturing sectors.

City income tax revenue of 30 percent is earmarked for specific capital improvements. These revenues are allocated by an ordinance of City Council, providing that a substantial portion of the City's income tax collections be set aside for roads, city facilities and capital needs. Of the \$32,408,320 in total revenue, income tax accounts for 63.73 percent. Property tax of \$4,521,976 accounts for 13.95 percent of total revenue. Operating grants and contributions, capital grants and contributions and general revenues from grants and entitlements of \$2,913,104 accounts for 8.99 percent of total revenue, which constituted a less than one percent increase over the \$2,912,818 received during 2005.

With the combination of income tax, property tax, charges for services and intergovernmental funding, all expenses in the governmental activities are funded. The City monitors its sources of revenues very closely for fluctuations.

For the most part, increases in expenses closely parallel inflation and growth in the demand for services. The largest program functions for the City relate to general government and security of persons and property. During 2006, 16.9 percent of program expenses related to general government, while security of persons and property accounted for 40.5 percent of program expenses.

Salaries and fringe benefits continue to make-up a large part of the program expenses (approximately 68 percent). These costs continue to increase on a yearly basis. However, expenses decreased overall by \$1,275,246 primarily due to the non issuance of property tax reimbursements that were expensed to eligible residents in 2005. Transportation decreased from the prior year mainly due to the completion of the following projects; Aerospace Roadway, 2003 roads and 2004 roads.

The Police and Fire Departments are an integral component of the City's outstanding services. Currently there are 44 full-time sworn officers in the Police Department. During 2006, the Police Department purchased five new Ford Crown Victoria Police Interceptors. The new vehicles were outfitted with state-of-the-art radio and computer equipment. As noted in the prior years, the Police Department continued to make employee training a top priority. During 2006, the City was reimbursed \$53,360 from Cuyahoga County for the use of the City jail and \$39,415 for police officer overtime from grants and task forces.

The Fire Department consists of 40 full-time fire fighters. Again, training plays a crucial role in the day-to-day operation of the department. The department handled 2,618 calls for assistance, of which approximately 2,230 were for EMS, with the balance attributed to fire and fire-related incidents. This constituted an increase of .73 percent over 2005. In 2006, the Fire Department ordered a new rescue squad, which is scheduled for delivery in early 2007.

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2006

Program Expenses

As of December 31, 2006, the City's total cost of services was \$28,163,143, with a net cost of services totaling \$(24,530,946).

Table 3 itemizes fiscal year 2006 program expenses by specific function.

Table 3
Program Expenses

	Total Cost of Services 2006	Net Cost of Services 2006
	<u>2006</u>	<u>2006</u>
General government	\$ 4,752,217	\$ (4,136,266)
Security of persons and property	11,396,843	(10,332,166)
Public health and welfare	332,619	(314,880)
Transportation	2,635,279	(2,513,804)
Leisure time activities	2,940,351	(2,437,736)
Community development	1,770,697	(603,092)
Public works	4,277,913	(4,135,778)
Interest and fiscal charges	<u>57,224</u>	<u>(57,224)</u>
<i>Total cost of services</i>	\$ <u><u>28,163,143</u></u>	\$ <u><u>(24,530,946)</u></u>

The above table shows the total cost of services and the net cost of services. That is, it identifies the cost of the services supported by tax revenue and unrestricted intergovernmental revenues.

As shown in the above table, most of the City's governmental activities rely on general revenues (property taxes and municipal income tax, etc.) to support program expenses.

The City's Funds

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins on page 17.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$23,401,784. Of that amount, \$22,239,298 constitutes unreserved fund balances, which are available for spending at the government's discretion. The remaining balance is reserved to indicate that it is not available for new spending because it has already been committed: (1) to liquidate contracts and

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2006

purchases of the prior period \$(881,453); (2) to reflect year end inventory \$(131,915); and (3) to indicate expenses prepaid at year end \$(149,118).

General Fund

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance for the General Fund was \$11,528,620, of which \$11,018,809 was unreserved. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 52 percent of total General Fund expenditures, while total fund balance represents 55 percent of that same amount.

The said fund balance decreased by \$482,495 during 2006. Actual revenues exceeded expenses by \$2,057,505 due to increases in property tax collections and investment income. Transfers of \$2,540,000 to fund capital improvements and police and fire pensions caused the said fund balance to decrease.

Economic Development Fund

The Economic Development Fund accounts for parking fees and proceeds received from the sale of City owned property. These funds are earmarked for expenditures essential to the development of the City. At the end of the current fiscal year, the total fund balance for the Economic Development Fund was \$1,048,926, of which \$1,014,776 was unreserved. The said fund balance decreased by \$1,471,242 during 2006 mainly due to transfers to Capital Improvements Fund.

Capital Improvements Fund

The Capital Improvements Fund accounts for the portion of municipal income tax designated by Council for the purpose of improving, constructing, maintaining and purchasing those items necessary to enhance the operation of the City. At the end of the current fiscal year, the total fund balance for the Capital Improvements Fund was \$9,786,661, of which \$9,223,506 was unreserved. The said fund balance increased by \$5,095,599 during 2006. This increase is mainly due to transfers from the General Fund and the Economic Development Fund to subsidize future capital improvement projects (Snow Road grade separation and Smith Road street/sewer improvements).

City Budget

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. The most significant budgeted fund is the General Fund. An annual appropriation budget is legally required to be prepared for all funds of the City other than agency funds. City Council is provided with a detailed line item budget for all departments, and after discussions at regularly held Council meetings, which are open to the public, the budget is adopted at the department level by object. Within each object, appropriations can be transferred between line items with the approval of the Finance Director and the respective department head. Council must approve any revisions in the budget that alter the object level totals or the total appropriations for any department or fund. During the course of fiscal year 2006, the City amended its General Fund budget three times. The Finance Department watches all the department expenditures closely to monitor compliance with allocated budgets and provides monthly reports to City Council that depict monthly and year-to-date activity.

City of Brook Park, Ohio

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For the General Fund, the budget basis revenue was \$22.4 million as compared to the original budget estimate of \$21.7 million. Final budget exceeded original budget due to higher expected investment returns and income tax collections. The final appropriations of \$25.3 million were sufficient to meet the expenditures for the year, \$23.8 million. Final appropriations exceeded original appropriations mainly due to the increased cost of fuel, fluctuations in overtime and premium adjustments for Worker's Compensation coverage. The City's ending unencumbered budgetary fund balance was \$1,764,561 higher than the final budgeted amount mainly due to conservative expenditure budgetary practices.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2006, the City had \$56 million invested in land, buildings and equipment. Table 4 shows fiscal year 2006 balances of Capital Assets, net of depreciation, as compared to 2005.

Table 4
Capital Assets at Year End
(Net of Depreciation)

	<u>2006</u>	<u>2005</u>
Land	\$ 4,861,009	\$ 4,618,615
Construction in progress	2,402,506	4,925,776
Improvements other than buildings	1,718,764	1,730,121
Buildings and improvements	11,207,680	11,593,521
Machinery and equipment	1,507,779	1,431,561
Vehicles	3,674,962	3,967,830
Furniture and fixtures	65,127	76,208
Infrastructure		
Streets	17,597,346	16,165,533
Water lines	251,504	266,990
Sewers	<u>12,715,709</u>	<u>11,013,267</u>
<i>Total capital assets</i>	<u>\$ 56,002,386</u>	<u>\$ 55,789,422</u>

Net of depreciation, the balances for the above capital assets remained practically unchanged, except for construction in progress, streets and sewers. The Westside sanitary sewer project and various street resurfacing projects were completed in 2006. These projects were transferred from construction in progress to streets and sewers.

Replacement of vehicles, such as fire trucks, ambulances, rubbish trucks, etc., is planned for well in advance by the respective department heads, and scheduled maintenance is followed to provide peak performance for the maximum time frame. The older vehicles are either traded in or sold to the highest bidder on the open market.

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For the Year Ended December 31, 2006

With regards to the infrastructure of the City, the City Engineer maintains a comprehensive listing of all the streets, bridges, culverts and sewer lines located within the City. As part of the annual road maintenance program, the Engineer evaluates the condition of each street after each winter and prepares a list of streets to be either resurfaced or crack sealed, and in the case of concrete roads, either replaced or repaired. After approval from Council, the projects are bid in the spring to get the best possible pricing from contractors. For additional information on capital assets, see Note 7 of the basic financial statements.

Debt

On December 31, 2006, the City had \$5,837,583 in outstanding debt, with \$1,910,485 due within one year.

Table 5 summarizes bonds, capital leases and compensated absences.

Table 5
Outstanding Debt at Year End

	<u>2006</u>	<u>2005</u>
General obligation bonds	\$ 1,945,000	\$ 2,110,000
Capital leases	1,075,745	1,277,147
Compensated absences	<u>2,816,838</u>	<u>2,651,031</u>
<i>Total</i>	\$ <u><u>5,837,583</u></u>	\$ <u><u>6,038,178</u></u>

As of December 31, 2006, the City's overall legal debt margin was \$60,329,257, with an unvoted debt margin of \$30,882,803. The City has an aggressive debt reduction approach, paying off most long-term bonds within 10 years. As of the end of the year, the outstanding general obligation debt was \$1,945,000. Other obligations include accrued vacation pay, sick leave and capital leases. More detailed information about the City's long-term liabilities is presented in Note 8 of the basic financial statements.

Current Financial Related Activities

The City is currently in a strong financial position, but management of the City is extremely concerned with the reduction of employment at Ford Motor Co., the City's largest employer, and general news concerning the long term existence of Ford Motor Co. within the City. Continued reductions in employment and/or plant closings will have a material impact on the budget and result in significant changes in the operation of the City. Management is in constant contact with Ford officials discussion current conditions and strategizing for business alternatives that will keep the Brook Park Ford Facility competitive in their corporate structure, resulting in a long term existence in Brook Park.

The City's systems of budgeting and internal controls are well regarded, and management is prepared to meet the challenges of the future in order to protect the financial stability of the City. In addition, management remains committed to providing its residents with full disclosure of the financial position of the City.

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2006

Contacting the City's Finance Department

The CAFR is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this CAFR or need additional financial information, please contact Finance Director Gregory M. Cingle.

City of Brook Park, Ohio

Statement of Net Assets

December 31, 2006

Assets:

Cash and cash equivalents	\$ 21,471,892
Materials and supplies inventory	131,915
Accounts receivable	78,554
Interest receivable	248,403
Intergovernmental receivable	1,457,702
Prepays	149,118
Taxes receivable	7,381,103
Special assessments receivable	109,827
Nondepreciable capital assets	7,263,515
Depreciable capital assets, net	<u>48,738,871</u>
Total assets	<u>87,030,900</u>

Liabilities:

Accounts payable	397,717
Contracts payable	22,526
Accrued wages and benefits	764,211
Intergovernmental payable	366,361
Unearned revenue	2,451,757
Claims payable	122,806
Accrued interest payable	32,588
Long-term liabilities:	
Due within one year	1,910,485
Due in more than one year	<u>3,927,098</u>
Total liabilities	<u>9,995,549</u>

Net assets:

Invested in capital assets, net of related debt	52,981,641
Restricted for:	
Capital projects	9,786,661
Debt service	436,703
Other purposes	548,690
Unrestricted	<u>13,281,656</u>
Total net assets	\$ <u>77,035,351</u>

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

City of Brook Park, Ohio

Statement of Activities

For The Year Ended December 31, 2006

	<u>Program Revenues</u>				<u>Total Governmental Funds</u>
	<u>Expense</u>	<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
General government	\$ 4,752,217	\$ 615,951	\$ -	\$ -	\$ (4,136,266)
Security of persons and property	11,396,843	1,020,166	44,511	-	(10,332,166)
Public health and welfare	332,619	6,971	10,768	-	(314,880)
Transportation	2,635,279	-	23,287	98,188	(2,513,804)
Leisure time activities	2,940,351	502,615	-	-	(2,437,736)
Community development	1,770,697	1,026,504	-	141,101	(603,092)
Public works	4,277,913	-	142,135	-	(4,135,778)
Interest and fiscal charges	57,224	-	-	-	(57,224)
Total governmental activities	<u>\$ 28,163,143</u>	<u>\$ 3,172,207</u>	<u>\$ 220,701</u>	<u>\$ 239,289</u>	<u>(24,530,946)</u>
General revenues:					
Property and other local taxes levied for:					
General purposes					4,080,957
Other purposes					441,019
Income taxes levied for:					
General purposes					15,460,478
Capital outlay					5,194,697
Grants and entitlements not restricted to specific programs					2,453,114
Investment income					1,112,436
Miscellaneous income					33,422
Total general revenues					<u>28,776,123</u>
Change in net assets					4,245,177
Net assets at beginning of year, restated					<u>72,790,174</u>
Net assets at end of year					<u>\$ 77,035,351</u>

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

City of Brook Park, Ohio

Governmental Funds Balance Sheet

December 31, 2006

	<u>General</u>	<u>Economic Development</u>	<u>Capital Improvements</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$ 9,216,853	\$ 1,059,190	\$ 9,181,284	\$ 1,473,839	\$ 20,931,166
Material and supplies inventory	131,915	-	-	-	131,915
Accounts receivable	68,591	-	-	-	68,591
Interest receivable	248,403	-	-	-	248,403
Intergovernmental receivable	792,207	-	158,839	506,656	1,457,702
Prepays	149,118	-	-	-	149,118
Special assessments receivable	-	-	-	109,827	109,827
Taxes receivable	<u>5,820,373</u>	<u>-</u>	<u>915,545</u>	<u>645,185</u>	<u>7,381,103</u>
Total assets	\$ <u>16,427,460</u>	\$ <u>1,059,190</u>	\$ <u>10,255,668</u>	\$ <u>2,735,507</u>	\$ <u>30,477,825</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 183,003	\$ 10,264	\$ 126,989	\$ 77,461	\$ 397,717
Contracts payable	-	-	22,526	-	22,526
Accrued wages and benefits	255,491	-	-	508,720	764,211
Intergovernmental payable	351,324	-	-	15,037	366,361
Unearned revenue	<u>4,109,022</u>	<u>-</u>	<u>319,492</u>	<u>1,096,712</u>	<u>5,525,226</u>
Total liabilities	<u>4,898,840</u>	<u>10,264</u>	<u>469,007</u>	<u>1,697,930</u>	<u>7,076,041</u>
Fund balances:					
Reserved for encumbrances	228,778	34,150	563,155	55,370	881,453
Reserved for inventory	131,915	-	-	-	131,915
Reserved for prepaids	149,118	-	-	-	149,118
Unreserved:					
Undesignated, reported in:					
General fund	11,018,809	-	-	-	11,018,809
Special revenue funds	-	1,014,776	-	545,504	1,560,280
Debt service fund	-	-	-	436,703	436,703
Capital projects fund	<u>-</u>	<u>-</u>	<u>9,223,506</u>	<u>-</u>	<u>9,223,506</u>
Total fund balances	<u>11,528,620</u>	<u>1,048,926</u>	<u>9,786,661</u>	<u>1,037,577</u>	<u>23,401,784</u>
Total liabilities and fund balances	\$ <u>16,427,460</u>	\$ <u>1,059,190</u>	\$ <u>10,255,668</u>	\$ <u>2,735,507</u>	\$ <u>30,477,825</u>

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

City of Brook Park, Ohio

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities

December 31, 2006

Total Governmental Funds balances \$ 23,401,784

Amounts reported for Governmental Activities in the Statement of Net Assets are different because:

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. 56,002,386

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.

Property and other taxes	\$ 1,086,703
Municipal income taxes	1,064,974
Special assessments	109,827
Intergovernmental	<u>811,965</u>

Total 3,073,469

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental Funds, an interest expenditure is reported when due. (32,588)

Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Statement of Net Assets. 427,883

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

General obligation bonds	(1,945,000)
Capital leases	(1,075,745)
Compensated absences	<u>(2,816,838)</u>

Total (5,837,583)

Net Assets of Governmental Activities \$ 77,035,351

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

City of Brook Park, Ohio

Statement of Revenues, Expenditures and Changes In Fund Balances Governmental Funds

For The Year Ended December 31, 2006

	<u>General</u>	<u>Economic Development</u>	<u>Capital Improvements</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 2,903,968	\$ -	\$ -	\$ 456,503	\$ 3,360,471
Municipal income taxes	15,453,600	-	5,194,697	-	20,648,297
Other local taxes	260,397	-	-	-	260,397
Intergovernmental	1,507,714	-	283,236	1,080,256	2,871,206
Charges for services	905,758	827,354	-	-	1,733,112
Licenses and permits	393,337	-	-	-	393,337
Fines and forfeitures	353,906	-	-	30,754	384,660
Special assessments	-	-	23,287	96,480	119,767
Investment income	951,578	-	141,806	19,052	1,112,436
Miscellaneous income	<u>329,895</u>	<u>13,281</u>	<u>141,213</u>	<u>210,131</u>	<u>694,520</u>
Total revenues	<u>23,060,153</u>	<u>840,635</u>	<u>5,784,239</u>	<u>1,893,176</u>	<u>31,578,203</u>
Expenditures:					
Current operations and maintenance:					
Security of persons and property	9,339,121	-	20,849	1,433,914	10,793,884
Public health and welfare	157,820	-	-	167,107	324,927
Leisure time activities	2,443,174	-	72,806	112,708	2,628,688
Community development	1,143,301	385,277	-	129,283	1,657,861
Public works	2,992,248	-	76,261	-	3,068,509
Transportation	419,882	-	-	1,163,074	1,582,956
General government	4,537,610	-	203,127	-	4,740,737
Capital outlay	-	-	3,660,098	-	3,660,098
Debt service:					
Principal retirement	-	-	-	165,000	165,000
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,496</u>	<u>69,496</u>
Total expenditures	<u>21,033,156</u>	<u>385,277</u>	<u>4,033,141</u>	<u>3,240,582</u>	<u>28,692,156</u>
Excess of revenues over (under) expenditures	<u>2,026,997</u>	<u>455,358</u>	<u>1,751,098</u>	<u>(1,347,406)</u>	<u>2,886,047</u>
Other financing sources (uses):					
Proceeds from inception of capital lease	-	-	164,389	21,250	185,639
Proceeds from sale of capital assets	5,508	-	28,750	-	34,258
Transfers – in	25,000	-	3,326,600	1,315,238	4,666,838
Transfers – out	<u>(2,540,000)</u>	<u>(1,926,600)</u>	<u>(175,238)</u>	<u>(25,000)</u>	<u>(4,666,838)</u>
Total other financing sources (uses)	<u>(2,509,492)</u>	<u>(1,926,600)</u>	<u>3,344,501</u>	<u>1,311,488</u>	<u>219,897</u>
Net change in fund balances	(482,495)	(1,471,242)	5,095,599	(35,918)	3,105,944
Fund balances at beginning of year, restated	<u>12,011,115</u>	<u>2,520,168</u>	<u>4,691,062</u>	<u>1,073,495</u>	<u>20,295,840</u>
Fund balances at end of year	\$ <u>11,528,620</u>	\$ <u>1,048,926</u>	\$ <u>9,786,661</u>	\$ <u>1,037,577</u>	\$ <u>23,401,784</u>

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

City of Brook Park, 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, 2006

Net Change in Fund Balances - Total Governmental Funds \$ 3,105,944

Amounts Reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlay as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital outlay	\$ 2,467,771	
Depreciation	<u>(2,185,626)</u>	
		282,145

In the Statement of Activities, only the gain on the disposal of equipment is reported, whereas, in the Governmental Funds, the proceeds from the disposal increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the equipment. (69,181)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the Funds.

Property and other taxes	901,108	
Municipal income taxes	6,878	
Special assessments	1,708	
Intergovernmental	<u>(79,577)</u>	
		830,117

Other financing sources in the Governmental Funds that increase long-term liabilities in the Statement of Net Assets. These sources were attributed to inception of capital lease. (185,639)

Repayment of bond principal and capital leases are expenditures in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 552,041

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.

Compensated absences	(165,807)	
Accrued interest on bonds	<u>12,272</u>	
		(153,535)

Internal service funds are used by management to charge to costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the Internal Service Fund is reported with Governmental Activities. (116,715)

Change in Net Assets of Governmental Activities \$ 4,245,177

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

City of Brook Park, Ohio

Statement of Revenues, Expenditures and Changes In Fund Balance – Budget
(Non-GAAP Budgetary Basis) and Actual
General Fund
For The Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 2,063,313	\$ 2,143,968	\$ 2,143,968	\$ -
Municipal income taxes	15,340,545	15,553,225	15,553,225	-
Other local taxes	305,000	292,699	292,699	-
Intergovernmental	1,313,218	1,489,721	1,489,721	-
Charges for services	899,456	906,126	896,876	(9,250)
Licenses and permits	408,800	422,143	422,143	-
Fines and forfeitures	362,776	345,732	345,732	-
Investment income	689,342	913,176	913,176	-
Miscellaneous income	260,756	343,085	343,085	-
Total revenues	<u>21,643,206</u>	<u>22,409,875</u>	<u>22,400,625</u>	<u>(9,250)</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property	9,559,824	9,651,854	9,418,160	233,694
Public health and welfare	184,329	184,980	152,663	32,317
Leisure time activities	2,572,651	2,644,246	2,476,269	167,977
Community development	1,237,161	1,253,901	1,150,678	103,223
Public works	3,084,106	3,184,725	3,031,205	153,520
Transportation	953,702	960,852	497,970	462,882
General government	4,886,505	4,876,183	4,553,739	322,444
Total expenditures	<u>22,478,278</u>	<u>22,756,741</u>	<u>21,280,684</u>	<u>1,476,057</u>
Excess of revenues over (under) expenditures	<u>(835,072)</u>	<u>(346,866)</u>	<u>1,119,941</u>	<u>1,466,807</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	5,867	5,228	5,228	-
Transfers – in	-	25,000	25,000	-
Transfers – out	(2,612,000)	(2,575,000)	(2,540,000)	35,000
Total other financing sources (uses)	<u>(2,606,133)</u>	<u>(2,544,772)</u>	<u>(2,509,772)</u>	<u>35,000</u>
Net change in fund balance	(3,441,205)	(2,891,638)	(1,389,831)	1,501,807
Cash fund balance at beginning of year	10,343,930	10,343,930	10,343,930	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>262,754</u>	<u>262,754</u>
Cash fund balance at end of year	<u>\$ 6,902,725</u>	<u>\$ 7,452,292</u>	<u>\$ 9,216,853</u>	<u>\$ 1,764,561</u>

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

City of Brook Park, Ohio

Statement of Revenues, Expenditures and Changes In Fund Balance – Budget
(Non-GAAP Budgetary Basis) and Actual
Economic Development Fund
For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 872,142	\$ 827,354	\$ 827,354	\$ -
Miscellaneous income	<u>6,700</u>	<u>13,281</u>	<u>13,281</u>	<u>-</u>
Total revenues	<u>878,842</u>	<u>840,635</u>	<u>840,635</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Community development	<u>672,223</u>	<u>672,223</u>	<u>478,588</u>	<u>193,635</u>
Excess of revenues over expenditures	206,619	168,412	362,047	193,635
Other financing sources (uses):				
Transfers – out	<u>(1,700,000)</u>	<u>(1,926,600)</u>	<u>(1,926,600)</u>	<u>-</u>
Net change in fund balance	(1,493,381)	(1,758,188)	(1,564,553)	193,635
Cash fund balance at beginning of year	2,579,329	2,579,329	2,579,329	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>44,414</u>	<u>44,414</u>
Cash fund balance at end of year	\$ <u>1,085,948</u>	\$ <u>821,141</u>	\$ <u>1,059,190</u>	\$ <u>238,049</u>

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

City of Brook Park, Ohio

Statement of Fund Net Assets Proprietary Fund

December 31, 2006

	Governmental Activities - Internal Service Fund
Assets:	
Current assets:	
Cash and cash equivalents	\$ 540,726
Accounts receivable	<u>9,963</u>
Total current assets	<u>550,689</u>
Liabilities:	
Current liabilities:	
Claims payable	<u>122,806</u>
Net assets:	
Unrestricted	\$ <u><u>427,883</u></u>

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

City of Brook Park, Ohio

Statement of Revenues, Expenses and Changes In Fund Net Assets Proprietary Fund

For The Year Ended December 31, 2006

	Governmental Activities - Internal Service Fund
Operating revenues:	
Reimbursements	\$ 2,199,572
Operating expenses:	
Contractual services	<u>2,316,287</u>
Change in net assets	(116,715)
Net assets at beginning of year	<u>544,598</u>
Net assets at end of year	\$ <u><u>427,883</u></u>

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

City of Brook Park, Ohio

Statement of Cash Flows Proprietary Fund

For The Year Ended December 31, 2006

	Governmental Activities - Internal Service Fund
Increase (decrease) in cash and cash equivalents:	
Cash flows from operating activities:	
Cash payments for contractual services	\$ (2,196,890)
Cash received from reimbursements	<u>2,189,609</u>
Net decrease in cash and cash equivalents	(7,281)
Cash and cash equivalents at beginning of year	<u>548,007</u>
Cash and cash equivalents at end of year	\$ <u><u>540,726</u></u>
Reconciliation of operating loss to net cash from operating activities:	
Operating loss	\$ (116,715)
Adjustments to reconcile operating loss to net cash from operating activities:	
Change in assets and liabilities:	
Increase in accounts receivable	(9,963)
Increase in claims payable	<u>119,397</u>
Net cash used in operating activities	\$ <u><u>(7,281)</u></u>

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

City of Brook Park, Ohio

Statement of Fiduciary Net Assets
Fiduciary Funds

December 31, 2006

	<u>Agency</u>
Assets:	
Cash and cash equivalents	\$ <u>62,339</u>
Liabilities:	
Intergovernmental payable	\$ 5,814
Due to others	20,002
Deposits held	<u>36,523</u>
Total liabilities	\$ <u>62,339</u>

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

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 1: The Reporting Entity

The City of Brook Park is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a mayor-council form of government, was adopted October 18, 1966.

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. For the City of Brook Park, this includes police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, refuse collection and general administrative services. The City's departments include a public safety department, a public service department, a street maintenance department, a sanitation system, a parks and recreation department, a planning and zoning department, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation of each of these activities and entities is directly controlled by the City Council through the budgetary process.

The Mayor's Court (the Court), which provides judicial services, is responsible for the levying and collecting of fines and forfeitures under state and local laws, and their subsequent distribution to various government agencies. The City budgets and appropriates funds for the operation of the Court and is ultimately responsible for any operating deficits sustained by the Court. The City's share of the fines collected by the Court, along with its share of the Court's administrative and operating costs, are recorded in the City's General Fund. Due to this relationship, the Court is not considered a component unit of the City but rather as part of the primary government unit itself. Monies held by the Court in a fiduciary capacity are recorded as an agency fund in the accompanying financial statements.

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. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The City has no component units.

Jointly Governed Organizations

Southwest General Health Center is an Ohio nonprofit corporation providing health services. The Health Center is a jointly governed organization among the communities of Berea, Brook Park, Columbia Township, Middleburg Heights, Olmsted Falls and Strongsville.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 1: The Reporting Entity (continued)

The Health Center is governed by a Board of Trustees consisting of the following: one member of the legislative body from each of the political subdivisions, one resident from each of the political subdivisions who is not a member of the legislative body, three persons who are residents of any of the participating political subdivisions, the president and the executive vice president of the corporations, and the president and the vice president of the medical staff. The legislative body of each political subdivision elect their own member to serve on the Board of Trustees of the Health Center.

The Board exercises total control over the operations of the Health Center including budgeting, appropriating, contracting and designating management. Each City's control is limited to its representation on the Board. In 2006, the City of Brook Park contributed \$126,013 of property tax levies to the Health Center.

Note 2: Summary of Significant Accounting Policies

The financial statements of the City of Brook Park have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. 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.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid doubling up revenues and expenses.

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 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.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

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. Non-Major funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

B. Fund Accounting

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

Governmental Funds

Governmental funds are those through which most governmental functions typically 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 accounts 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 Brook Park and/or the general laws of Ohio.

Economic Development Fund

The economic development fund accounts for parking fees and proceeds received from the sale of City owned property to be used for expenditures essential to the development of the City.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Capital Improvement Fund

The capital improvement fund accounts for that portion of municipal income tax designated by Council for the purpose of improving, constructing, maintaining, and purchasing those items necessary to enhance the operation of the City.

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

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The City has no enterprise funds.

Internal Service Fund

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on a self-insurance program for employee medical benefits.

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. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are agency funds. The City's agency funds account for street opening fees, mayor's court activity and building code fees.

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, except for fiduciary funds. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 2: Summary of Significant Accounting Policies (continued)

C. Measurement Focus (continued)

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 reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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 are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use 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. Available period for the City is sixty days after year-end.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Revenues – Exchange and Non-Exchange Transactions (continued)

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 6). 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 tax), fines and forfeitures, licenses and permits, interest, grants and entitlements and rentals.

Unearned Revenue

Unearned 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, 2006, but which were levied to finance year 2007 operations, have been recorded as unearned revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

Expenses/Expenditures

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

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

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgetary Process

An annual appropriated budget is legally required to be prepared for all funds of the City other than agency funds. Council passes appropriations at the department level by object. Line item appropriations may be transferred between the accounts with the approval of the Finance Director and respective department head. Council must approve any revisions in the budget that alter total fund appropriations. The following are the procedures used by the City in establishing the budgetary data reported in the basic financial statements:

Tax Budget

A tax budget of estimated revenue and expenditures for all funds other than agency funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews revenue estimates. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure.

On or about January 1 the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the Finance Director determines that revenue to be collected will be greater than or less than the prior estimates and the budget commission finds the revised estimates to be reasonable. The amounts reported in the budgetary statements as original represent the amounts in the first official certificate of estimated resources issued during 2006. The amounts reported in the budgetary statements as final reflect the amounts in the final amended official certificate of estimated resources issued during 2006.

Annual Estimate

The Mayor, with the assistance of the Finance Director, is required by Charter to submit to Council, on or before December 1 of each fiscal year, an estimate of the revenues and expenditures of each fund of the City for the next succeeding fiscal year. The annual estimate serves as the basis for appropriations (the appropriated budget) in each fund.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgetary Process (continued)

Appropriations

An appropriation ordinance (the appropriated budget) to control the level of expenditures for all funds must be legally enacted on or about January 1. Appropriations may not exceed estimated resources as established in the official Amended Certificate of Estimated Resources. Supplemental appropriations may be adopted by Council action. During the year, several supplemental appropriation measures were necessary. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriated budget for each fund that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried over for the subsequent year's expenditures and is reappropriated.

Budgeted Level of Expenditure

Administrative control is maintained through the establishment of detailed line-item budgets. Appropriated funds may not be expended for purposes other than those designated in the appropriation ordinance without authority from Council. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation adopted by Council. For all funds, Council appropriations are made at the department level by object. The appropriations set by Council must remain fixed unless amended by Council ordinance. More detailed appropriation allocations may be made by the Finance Director as long as the allocations are within Council's appropriated amount.

Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. Encumbrances outstanding at year-end are reported as reservations of fund balances for subsequent-year expenditures of governmental funds.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 2: Summary of Significant Accounting Policies (continued)

F. Pooled 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 City records. Each fund's interest in the pool is presented as "cash and cash equivalents" on the balance sheet.

Investments are reported at fair value which is based on quoted market prices.

The City complies with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. As a governmental entity other than an external investment pool in accordance with GASB 31, the City's investments are stated at fair value, except for interest-earning investment contracts, money market investments, and external investment pools (see Note 5).

In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of December 31, 2006:

The portfolio was limited to nonparticipating interest-earning investment contracts, State Treasury Asset Reserve of Ohio (STAROhio), and U.S. Government Securities.

Most of the City's investments are reported at fair value, which is the quoted market price as of the valuation date. For investments in STAROhio, fair value is determined by the pool's share price. Exceptions to the fair value requirement include money market investments.

Money market investments, including U.S. Treasury and agency obligations that had a remaining maturity of one year or less at the time of purchase by the City, are reported at amortized cost.

Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the valuation will be recognized within the General fund to the extent its cash and investments balance exceeds the cumulative value of those investments subject to GASB Statement No. 31.

The gain/loss resulting from valuation will be reported within the investment earnings account on the Statement of Activities.

The City's policy is to hold investments until market values equal or exceed cost.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 2: Summary of Significant Accounting Policies (continued)

F. Pooled Cash and Cash Equivalents (continued)

During the year, the City invested in STAROhio, an investment pool managed by the State Treasurer's office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2006.

Interest allocation is determined by the Ohio Constitution, state statutes, and local ordinances adopted under City Charter. Under these provisions, City funds required to receive interest allocations are: 1) those which receive proceeds from the sale of notes and/or bonds and 2) those which receive distributions of state gasoline tax and motor vehicle licenses fees (street maintenance and state highway special revenue funds). All remaining interest is allocated to the general fund. Legally, proprietary funds generally do not receive interest.

G. Inventory

Inventories are stated at cost, on the first-in, first-out basis. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures in the governmental fund types when purchased; however, material amounts of inventories at period-end are reported as assets of the respective fund, which are equally offset by a fund balance reserve which indicates they are unavailable for appropriation even though they are a component of reported assets. Inventory consists of expendable supplies.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2006, are recorded as prepaid items using the allocation method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

I. Receivables

Receivables at December 31, 2006 consist of taxes, amounts due from other governments, accounts (billings for user charged services), special assessments, and accrued interest on investments. All are deemed collectible in full.

J. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These 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.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 2: Summary of Significant Accounting Policies (continued)

J. Capital Assets (continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems and water and sewer lines. 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. Interest incurred during the construction of capital assets is also capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	50 years
Machinery and Equipment	10 to 15 years
Vehicles	6 to 10 years
Infrastructure	25 to 50 years

K. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets.

L. Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at fiscal year end taking into consideration any limits specified in the City's termination policy. Additionally, certain salary related payments associated with the payment of compensated absences have been accrued.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 2: Summary of Significant Accounting Policies (continued)

L. Compensated Absences (continued)

The entire compensated absence liability is reported on the government-wide financial statements. A liability for the amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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, claims and judgments, compensated absences, and contractually required pension contributions 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, capital leases and long-term loans are recognized as a liability on the 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. Fund balance reserves have been established for encumbrances, inventories and prepaids.

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 the 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. As of December 31, 2006, the City did not have net assets restricted by enabling legislation.

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are reimbursements for self-insurance programs. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 2: Summary of Significant Accounting Policies (continued)

Q. Grants and Intergovernmental Revenues

Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. Federal reimbursement-type grants are recorded as intergovernmental receivables and revenues in the period when all applicable eligibility requirements have been met and the resources are available.

R. 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 and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

S. 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. Neither occurred in 2006.

T. 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: Change in Accounting Principles and Restatement of Prior Year Fund Balances/Net Assets

For fiscal year 2006, the City implemented GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Statement No. 47, "Accounting for Termination Benefits".

GASB Statement No. 44 improves the understandability and usefulness of the information that the State and local governments present as supplementary information in the statistical section.

GASB Statement No. 46 clarifies when net assets should be restricted based on enabling legislation.

GASB Statement No. 47 provides guidance to governmental employers for measuring, recognizing, and reporting liabilities and expenses/expenditures related to all termination benefits without limitation as to the period of time during which the benefits are offered.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 3: Change in Accounting Principles and Restatement of Prior Year Fund Balances/Net Assets (continued)

Implementation of GASB Statement No. 46 and No. 47 did not affect the presentation of the financial statements of the City.

	General Fund	Nonmajor Governmental Funds
Fund Balances at December 31, 2005 as previously reported	\$ 12,195,423	\$ 1,084,878
Restatement of intergovernmental payable	<u>(184,308)</u>	<u>(11,383)</u>
Restated Fund Balances at December 31, 2005	\$ <u>12,011,115</u>	\$ <u>1,073,495</u>
		Governmental Activities
Net Assets at December 31, 2005 as previously reported		\$ 72,985,865
Restatement of intergovernmental payable		<u>(195,691)</u>
Restated Net Assets at December 31, 2005		\$ <u>72,790,174</u>

Intergovernmental payables have been restated due to additional workers compensation liabilities that should have been recorded at December 31, 2005.

Note 4: Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), 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 presented for the general and economic development 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 that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
- (d) Investment are repleoled at fair value (GAAP) rather than cost (budget).

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 4: Budgetary Basis of Accounting (continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general and economic development fund.

	<u>Net Change in Fund Balance</u>	
	<u>General</u>	<u>Economic Development</u>
GAAP Basis	\$ (482,495)	\$ (1,471,242)
<u>Increase (Decrease) Due to:</u>		
Revenue Accruals	(659,808)	-
Expenditure Accruals	15,226	(48,897)
Outstanding Encumbrances	<u>(262,754)</u>	<u>(44,414)</u>
Budget Basis	\$ <u>(1,389,831)</u>	\$ <u>(1,564,553)</u>

Note 5: 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 monies 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 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 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;

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 5: Deposits and Investments (continued)

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;
4. Investment grade obligations of state and local governments, and public authorities;
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).

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 treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

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

At year-end, the carrying amount of the City's deposits was \$13,844,301 (including \$4,030 of petty cash, \$25,816 of segregated accounts and \$9,494 held with fiscal agents) and the bank balance was \$14,237,760. Of the bank balance \$300,000 was covered by Federal depository insurance and \$13,937,760 was uninsured. Of the remaining bank balance, \$5,000,000 was collateralized with securities held by the pledging institution's agent in the City's name and \$8,937,760 was collateralized with securities held by the pledging institution's trust department, not in the City's name.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 5: Deposits and Investments (continued)

Investments

Investments are reported at fair value. As of December 31, 2006, the City had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Federal Home Loan Mortgage Corporation	\$ 4,488,539	520
Federal Home Loan Bank	501,979	46
Federal National Mortgage Association	1,003,301	67
STAROhio	<u>1,696,111</u>	<u>N/A</u>
Total portfolio	<u>\$ 7,689,930</u>	<u>633</u>

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk requiring that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The City investment policy also limits security purchases to those that mature five years unless specifically matched to a specific cash flow. To date, no investments have been purchased with a life greater than five years.

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed.

Credit Risk is addressed by the City's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that portfolio be diversified both by types of investment and issuer. All investments of the city are registered and carry a rating AAA by Standard & Poor's.

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2006:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
STAROhio	22.06%
Federal Home Loan Mortgage Corporation	58.37
Federal Home Loan Bank	6.53
Federal National Mortgage Association	13.04

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 6: Receivables

Receivables at December 31, 2006 consisted primarily of taxes, intergovernmental receivables arising from grants, entitlements or shared revenues, accounts, special assessments and interest on investments. All receivables are considered fully collectible.

A. Property Tax

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by state statute at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2000. Real property taxes are payable annually or semiannually. The first payment is due January 20, with the remainder payable by June 20.

Taxes collected on tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year.

Tangible personal property used in business (except for public utilities) is currently assessed for *ad valorem* taxation purposes at 25 percent of its true value. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30; with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Brook Park. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2006, was \$4.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$ 447,254,450
Public Utility	12,380,180
Tangible Personal	<u>129,294,459</u>
Total	\$ <u><u>588,929,089</u></u>

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 6: Receivables (continued)

B. Income Tax

The City levies and collects a 2 percent income tax on all income earned within the City as well as on income of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. The City, by ordinance, allocates income tax revenues and expenditures for collecting, administering, and enforcing the tax to the General and Capital Improvement Capital Projects Funds, at seventy and thirty percent, respectively. The Capital Improvement Capital Projects Fund further allocates income taxes to other capital projects funds, as operating transfers, through the budgetary process. Income tax receipts for 2006 were \$20,803,829.

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Local government funds	\$ 559,482
Auto registration fees	127,171
Estate tax	36,135
Homestead and rollback	94,543
CAT tax reimbursement	43,968
Gasoline and excise tax	347,338
Public utility reimbursement	25,600
Permissive tax	3,587
Liquor and beer permits	4,226
Ohio Department of Development reimbursement	142,135
Fines and forfeitures	24,383
Miscellaneous reimbursements	<u>49,134</u>
Total	<u>\$ 1,457,702</u>

By statute, local property taxes have been reduced 10%, with additional reductions for the elderly and the disabled. The amount of these reductions will be paid to the City by the State of Ohio in the latter of part of 2007.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 7: Capital Assets

Capital asset activity for the year ended December 31, 2006, was as follows:

	<u>Balances</u> <u>12/31/05</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balances</u> <u>12/31/06</u>
Governmental activities				
Nondepreciable assets:				
Land	\$ 4,618,615	\$ 242,394	\$ -	\$ 4,861,009
Construction in progress	<u>4,925,776</u>	<u>1,785,920</u>	<u>(4,309,190)</u>	<u>2,402,506</u>
Total nondepreciable assets	<u>9,544,391</u>	<u>2,028,314</u>	<u>(4,309,190)</u>	<u>7,263,515</u>
Depreciable assets:				
Buildings and improvements	17,274,096	8,680	-	17,282,776
Improvements other than buildings	2,702,538	115,487	(12,674)	2,805,351
Machinery and equipment	2,558,357	294,166	(62,872)	2,789,651
Furniture and fixtures	164,633	-	-	164,633
Vehicles	7,805,757	168,530	(302,151)	7,672,136
Infrastructure:				
Streets	20,321,966	2,134,279	-	22,456,245
Sewers	16,083,089	2,027,505	-	18,110,594
Water lines	<u>464,543</u>	<u>-</u>	<u>-</u>	<u>464,543</u>
Total depreciable assets	<u>67,374,979</u>	<u>4,748,647</u>	<u>(377,697)</u>	<u>71,745,929</u>
Less accumulated depreciation:				
Buildings and improvements	(5,680,575)	(394,521)	-	(6,075,096)
Improvements other than buildings	(972,417)	(119,627)	5,457	(1,086,587)
Machinery and equipment	(1,126,796)	(194,243)	39,167	(1,281,872)
Furniture and fixtures	(88,425)	(11,081)	-	(99,506)
Vehicles	(3,837,927)	(423,139)	263,892	(3,997,174)
Infrastructure:				
Streets	(4,156,433)	(702,466)	-	(4,858,899)
Sewers	(5,069,822)	(325,063)	-	(5,394,885)
Water lines	<u>(197,553)</u>	<u>(15,486)</u>	<u>-</u>	<u>(213,039)</u>
Total accumulated depreciation	<u>(21,129,948)</u>	<u>(2,185,626)</u>	<u>308,516</u>	<u>(23,007,058)</u>
Total depreciable assets, net	<u>46,245,031</u>	<u>2,563,021</u>	<u>(69,181)</u>	<u>48,738,871</u>
Governmental activities capital assets, net	\$ <u>55,789,422</u>	\$ <u>4,591,335</u>	\$ <u>(4,378,371)</u>	\$ <u>56,002,386</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 80,337
Security of persons and property	353,756
Leisure time activities	371,191
Community development	16,973
Public works	550,910
Transportation	<u>812,459</u>
Total	\$ <u>2,185,626</u>

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 8: Long-Term Debt

The original issue date, interest rates, and original issuance amount for each of the City's bonds follows:

	<u>Original Issue</u>	<u>Interest</u>	<u>Original Issue</u>
General Obligation Bonds:			
Laich Street Improvements	2004	2% - 3.7%	\$ 775,000
Aerospace Parkway Improvements	2004	2% - 3.7%	1,480,000

Changes in long-term debt activity for the year ended December 31, 2006 was as follows:

	<u>Balances 12/31/05</u>	<u>Issued</u>	<u>Retired</u>	<u>Balances 12/31/06</u>	<u>Amounts Due in One Year</u>
General obligation bonds:					
Laich street improvements	\$ 755,000	\$ -	\$ 30,000	\$ 725,000	\$ 30,000
Aerospace parkway improvements	<u>1,355,000</u>	<u>-</u>	<u>135,000</u>	<u>1,220,000</u>	<u>140,000</u>
Total general obligation bonds	<u>2,110,000</u>	<u>-</u>	<u>165,000</u>	<u>1,945,000</u>	<u>170,000</u>
Capitalized lease agreements:					
Public service vehicles	96,744	-	47,458	49,286	49,285
Police sedans	189,763	185,639	179,443	195,959	134,124
Fire trucks	796,549	-	118,828	677,721	124,080
Copier	3,344	-	2,492	852	853
Radio equipment	67,639	-	9,699	57,940	10,280
Telephone system	<u>123,108</u>	<u>-</u>	<u>29,121</u>	<u>93,987</u>	<u>30,214</u>
Total capital leases	<u>1,277,147</u>	<u>185,639</u>	<u>387,041</u>	<u>1,075,745</u>	<u>348,836</u>
Accrued compensated absences	<u>2,651,031</u>	<u>834,277</u>	<u>668,470</u>	<u>2,816,838</u>	<u>1,391,649</u>
Total governmental long-term liabilities	<u>\$ 6,038,178</u>	<u>\$ 1,019,916</u>	<u>\$ 1,220,511</u>	<u>\$ 5,837,583</u>	<u>\$ 1,910,485</u>

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. In the event that income tax revenues are not sufficient to meet annual principal and interest requirements, the City has reserved the right to levy and assess a special assessment on the property. Revenues will be received in and the debt will be repaid from the General Obligation debt service fund.

Compensated absences liabilities will be paid from the fund from which employees' salaries are paid.

See Note 9 for additional information on capital leases.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 8: Long-Term Debt (continued)

The City's overall legal debt margin was \$60,329,257 at December 31, 2006. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2006 are as follows:

<u>Year</u>	<u>General Obligations Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2007	\$ 170,000	\$ 66,196	\$ 236,196
2008	170,000	62,626	232,626
2009	175,000	58,376	233,376
2010	180,000	53,476	233,476
2011	190,000	48,076	238,076
2012-2016	675,000	145,190	820,190
2017-2021	225,000	67,843	292,843
2022-2024	<u>160,000</u>	<u>14,950</u>	<u>174,950</u>
Total	\$ <u>1,945,000</u>	\$ <u>516,733</u>	\$ <u>2,461,733</u>

Note 9: Capital Leases

The City has entered into lease agreements as lessee for financing which relate to various equipment and vehicles. These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of their future minimum lease payments as of inception date.

	<u>Governmental Activities</u>
Assets:	
Machinery and equipment	\$ 201,062
Less: accumulated depreciation	<u>(19,593)</u>
Total	\$ <u>181,469</u>
Vehicles	\$ 1,891,178
Less: accumulated depreciation	<u>(352,065)</u>
Total	\$ <u>1,539,113</u>

A radio equipment lease with a value of \$76,790 is not included in the above amounts due to the individual assets making up the lease total do not meet the City's capitalization threshold policy.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 9: Capital Leases (continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2006, were as follows:

<u>Year</u>	<u>Payments</u>
2007	\$ 394,840
2008	265,185
2009	200,311
2010	167,786
2011	<u>167,786</u>
Total minimum lease payments	1,195,908
Less: amount representing interest	<u>(120,163)</u>
Present value of minimum lease payments	\$ <u>1,075,745</u>

Note 10: Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy credits vacation leave on the employee's anniversary date and allows the unused balance to be carried ninety days past the subsequent anniversary date. City employees are paid for earned, unused vacation leave at the time of termination of employment.

Sick leave is earned at the rate of four and six-tenths hours for every eighty hours worked. Each employee with the City is paid for five eighths of the employee's earned unused sick leave upon retirement from the City, or the full balance may be transferred to another governmental agency.

Note 11: Pension Plans

A. Ohio Public Employees Retirement System

The City of Brook Park 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% 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 Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 11: Pension Plans (continued)

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

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) 222-5601 or 800-222-7377.

For the year ended December 31, 2006, the members of all three plans were required to contribute 9.00 percent of their annual covered salary to fund pension obligations. The City contributed 13.70 percent of covered payroll, of which 4.50 percent was used to fund health care coverage for retirees. The contribution rate is determined actuarially. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City of Brook Park's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$658,348, \$686,857, and \$665,896, respectively, equal to the required contributions for each year. The full amount has been contributed for all three years. Contributions to the member-directed plan for 2006 were \$11,516 made by the City of Brook Park and \$7,565 made by the plan members.

B. *Ohio Police and Fire Pension Fund*

The City of Brook Park 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.00 percent of their annual covered salary, while employers are required to contribute 19.50 percent for police officers and 24.00 percent for firefighters. Contributions are authorized by state statute. The City of Brook Park's contributions to the Fund for police and firefighters were \$355,707 and \$501,417 for the year ended December 31, 2006, \$341,870 and \$463,633 for the year ended December 31, 2005, and \$321,946 and \$444,128 for the year ended December 31, 2004. The full amount has been contributed for 2005 and 2004. 73 percent for police and 71 percent for firefighters has been contributed for 2006 with the remainder being reported as a liability.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 12: Postemployment Benefits

A. *Ohio Public Employees Retirement System*

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

OPERS provides retirement, disability, survivor and post-retirement health care benefits to qualifying members of both the Traditional and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor recipients is available. The health care coverage provided by the Retirement System is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority requiring employers to fund post-retirement health care through their contributions to OPERS. The 2006 employer contribution rate was 13.70 percent of covered payroll; 4.5 percent was the portion that was used to fund health care.

Benefits are advance-funded using the individual entry age normal actuarial cost method. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50 percent. An annual increase of 4.0 percent, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increase, over and above the 4.0 percent base increase, were assumed to range from 0.50 percent to 6.30 percent. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.50 percent to 6.00 percent for the next nine years. In subsequent years (10 and beyond) health care costs were assumed to increase at 4 percent (the projected wage inflation rate).

All investments are carried at market value. 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, not to exceed a 12.00 percent corridor.

At December 31, 2006, the number of active contributing participants in the Traditional and Combined Plans totaled 369,214. The number of active contributing participants for both plans used in the December 31, 2005, actuarial valuation was 358,804. The City's actual contributions for 2006, which were used to fund postemployment benefits, were \$322,066. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarially accrued liability were \$31.3 billion and \$20.2 billion, respectively.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 12: Postemployment Benefits (continued)

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

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. OPERS took additional actions to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

B. *Ohio Police and Fire Pension Fund*

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

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit ("OPEB") as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from the funds of OP&F shall be included in the employer's contribution rate. The Ohio Revised Code provides the statutory authority allowing the OP&F's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The total police employer contribution rate is 19.50 percent of covered payroll and the total firefighter employer contribution rate is 24.00 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2006. 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 number of participants eligible to receive health care benefits as of December 31, 2005, the date of the last actuarial valuation available, was 13,922 for police and 10,537 for firefighters. The City's actual contributions for 2006 that were used to fund post-employment benefits were \$234,189 for police and \$239,228 for firefighters. OP&F's total health care expenses for the year ending December 31, 2005, the date of the last actuarial valuation available, was \$108,039,449, which was net of member contributions of \$55,271,881.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 12: Postemployment Benefits (continued)

C. Other Post-Employment Benefits

The City, under local ordinance and employee bargaining contracts, provides post-retirement prescription drug coverage and life insurance for its retired employees and hospitalization for a retired employee's spouse or surviving spouse who meet certain requirements. The cost of these benefits, provided for under the City's existing group benefit policies, is paid solely by the City on a pay-as-you-go basis. The premiums for each type of benefit differs for those over and under age 65. The amount expended out of the general fund for each type of benefit and the number of participants in 2006 are:

<u>Benefit</u>	<u>Number of Participants</u>	<u>Amount Expended</u>
Hospitalization	4	\$ 18,407
Life	133	<u>1,968</u>
		<u>\$ 20,375</u>

Note 13: Risk Management

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 disasters. During the year, the City contracted with Wichert Insurance Services, Inc. to manage its insurance coverage. The coverage limits, on December 31, 2006, per occurrence for all types of coverage are as follows:

<u>Type of Coverage</u>	<u>Carrier</u>	<u>Coverage</u>
Property:		
Blanket building and contents	CNA Insurance	\$ 41,922,187
Boiler and machinery	CNA Insurance	5 million
Extra expense	CNA Insurance	1 million
Ordinance or Law	CNA Insurance	1 million
General Liability:		
Commercial General Liability	CNA Insurance	5 million
Employee Benefits	CNA Insurance	5 million
Employers Liability	CNA Insurance	2 million
Automotive Liability	CNA Insurance	1 million

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 13: Risk Management (continued)

<u>Type of Coverage</u>	<u>Carrier</u>	<u>Coverage</u>
Excess Liability: Umbrella	CNA Insurance	\$ 5 million
Other Coverage:		
Contractors Equipment	CNA Insurance	1,194,286
EDP Equipment	CNA Insurance	356,585
Employee Dishonesty	CNA Insurance	100,000
Valuable Papers	CNA Insurance	100,000
Accounts Receivable	CNA Insurance	100,000
Law Enforcement	CNA Insurance	1 million
Public officials	CNA Insurance	5 million

There were no reductions in insurance coverage from the previous year, nor have settlements exceeded insurance coverage in any of the prior three fiscal years.

The City provides a medical plan for full time employees and their families. The plan is self-funded for fiscal year 2006 and administered by a third party organization. All covered employees also received prescription drug coverage, vision and dental plans. Full time employees are covered by a \$25,000 term life insurance policy. In 2005, the plan, with a Preferred Provider Organization, was not self-funded and the City paid premiums to a health-care provider for full coverage.

For the plan, the preferred provider prices all claims which are then submitted to the third party administrator. The third party administrator reviews and processes the claims, which the City then pays. The City has stop loss coverage of \$200,000 in the aggregate. In 2006, the City funded the self-insurance reserve \$384 per month for single coverage and \$986 per month for family coverage. These rates are paid by the fund from which the employee's compensation is paid.

The claims liability of \$122,806 as estimated by third party administrator and reported in the Self-Insurance Fund at December 31, 2006 is based on the requirements of the Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. The liability represents the self-funded plan's portion of claims that remained outstanding at December 31, 2006. Changes in the fund's claim liability amount for the years ended 2004, 2005, and 2006 are as follows:

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 13: Risk Management (continued)

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Year End</u>
2004	\$ 241,612	\$ 1,540,351	\$ (1,540,037)	\$ 241,926
2005	241,926	(39,124)	(199,393)	3,409
2006	3,409	1,955,154	(1,835,757)	122,806

The State of Ohio provides workers' compensation coverage. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 14: Construction and Other Significant Commitments

The City has several outstanding contracts with construction contractors. \$262,109 remains on these contracts as of December 31, 2006.

Note 15: Interfund Transfers

Interfund transfers for the year ended December 31, 2006, consisted of the following:

<u>Transfer to</u>	<u>Transfer From</u>				<u>Total</u>
	<u>General Fund</u>	<u>Economic Development Fund</u>	<u>Capital Improvement Fund</u>	<u>Non-major Governmental</u>	
General Fund	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
Capital Improvement	1,400,000	1,926,600	-	-	3,326,600
Non-Major Governmental Funds	1,140,000	-	175,238	-	1,315,238
	<u>\$ 2,540,000</u>	<u>\$ 1,926,600</u>	<u>\$ 175,238</u>	<u>\$ 25,000</u>	<u>\$ 4,666,838</u>

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 and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. In 2005, the City transferred \$25,000 to the debt service fund for special assessments that were delinquent.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2006

Note 16: Contingencies/Pending Litigation

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 the 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, 2006.

B. Litigation

Several claims and lawsuits are pending against the City. The amount of the liability, if any, cannot be reasonably estimated at this time. However, in the opinion of management, any such claims and lawsuits will not have a material adverse effect on the overall financial position of the City at December 31, 2006.

Note 17: Accountability

Fund Equity Deficit - Special Revenue Funds

There are deficits in the Police Pension and Fire Pension Special Revenue Funds of \$197,901 and \$281,935, respectively, caused by the application of accounting principles generally accepted in the United States of America to these funds. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

Note 18: Subsequent Event

In May 2007, Ford Motor Company, the City's largest employer, announced that the Cleveland Casting Plant in Brook Park will close in 2009. The plant employs 1,100 hourly and 118 salaried workers. Ford also said it will immediately close the Cleveland Engine Plant No. 1 in Brook Park for 12 to 18 months. The plant has 530 hourly and 47 salaried workers. A second engine plant at Ford's Brook Park complex, with 700 hourly and 85 salaried workers, will remain open. Currently, management is assessing the financial impact this will have on the City's revenues.

City of Brook Park, Ohio

Combining Statements and Individual Fund Schedules
Non-Major Governmental Funds

For The Year Ended December 31, 2006

Non-Major Special Revenue Funds

Street Maintenance Fund

The Street Maintenance Fund accounts for ninety-two and one half percent (92.5%) of the state gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

State Highway Fund

The State Highway Fund accounts for seven and one half percent (7.5%) of the state gasoline tax and motor vehicle registration fees designated for maintenance and repair of state highways within the City.

Permissive Tax Fund

The Permissive Tax Fund accounts for additional motor vehicle registration fees designated for maintenance and repair of streets within the City.

Brook Park Road Corridor Fund

The Brook Park Road Corridor Fund accounts for funds received from the City of Cleveland as a result of a legal settlement to be used for attorney fees, land acquisition, grants or loans to Brook Park Road businesses and other expenditures related to the overall improvement of the corridor.

Special Recreation Fund

The Special Recreation Fund accounts for operations of City sponsored recreation programs funded by participation fees and facility rentals.

Law Enforcement Fund

The Law Enforcement Fund accounts for confiscated monies from criminal offenses and designated, by state statute, for expenditures that would enhance the operation of the police department.

DWI Enforcement and Education Fund

The DWI Enforcement and Education Fund accounts for fine monies used by the law enforcement agency to pay costs related to DWI enforcement and for educating the public about laws governing the operation of a motor vehicle under the influence of alcohol.

Federal Forfeiture Fund

The Federal Forfeiture Fund accounts for confiscated monies from a Federal task force and designated for expenditures that would enhance the operation of the police department.

Community Diversion Fund

The Community Diversion Fund accounts for reimbursements received from Cuyahoga County Juvenile Court to promote and develop a community diversion program to address juvenile misdemeanor and status offenders.

Police Pension Fund

The Police Pension Fund accounts for the accumulation of property taxes levied for the payment of current employer's pension contributions.

City of Brook Park, Ohio

Combining Statements and Individual Fund Schedules
Non-Major Governmental Funds

For The Year Ended December 31, 2006

Non-Major Special Revenue Funds (continued)

Fire Pension Fund

The Fire Pension Fund accounts for the accumulation of property taxes levied for the payment of current employer's pension contributions.

Southwest General Health Center Fund

The Southwest General Health Center Fund accounts for a special property tax levied to provide resources to support a health care facility.

Tri-City Senior Center Fund

The Tri-City Senior Center Fund accounts for a special property tax levied to provide the City's contribution to the Tri-City Senior Center, a nonprofit organization serving the senior citizens of Brook Park, Berea, and Middleburg Heights.

Non-Major Debt Service Fund

General Obligation Debt Service Fund

The General Obligation Debt Service Fund accounts for the resources that are used for payment of principal and interest and fiscal charges on general obligation debt.

City of Brook Park, Ohio

Combining Balance Sheet Non-Major Governmental Funds

December 31, 2006

	Non-Major Special Revenue Funds	Non-Major General Obligation Fund	Total Non-Major Governmental Funds
Assets:			
Cash and cash equivalents	\$ 1,037,136	\$ 436,703	\$ 1,473,839
Intergovernmental receivable	506,656	-	506,656
Special assessments receivable	-	109,827	109,827
Taxes receivable	<u>645,185</u>	<u>-</u>	<u>645,185</u>
Total assets	\$ <u>2,188,977</u>	\$ <u>546,530</u>	\$ <u>2,735,507</u>
Liabilities and fund balances:			
Liabilities:			
Accounts payable	\$ 77,461	\$ -	\$ 77,461
Accrued wages and benefits	508,720	-	508,720
Intergovernmental payable	15,037	-	15,037
Unearned revenue	<u>986,885</u>	<u>109,827</u>	<u>1,096,712</u>
Total liabilities	<u>1,588,103</u>	<u>109,827</u>	<u>1,697,930</u>
Fund balances:			
Reserved for encumbrances	55,370	-	55,370
Unreserved; undesignated	<u>545,504</u>	<u>436,703</u>	<u>982,207</u>
Total fund balances	<u>600,874</u>	<u>436,703</u>	<u>1,037,577</u>
Total liabilities and fund balances	\$ <u>2,188,977</u>	\$ <u>546,530</u>	\$ <u>2,735,507</u>

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City of Brook Park, Ohio

Combining Statement of Revenues, Expenditures and Changes In Fund Balances Non-Major Governmental Funds

For The Year Ended December 31, 2006

	Non-Major Special Revenue Funds	Non-Major General Obligation Fund	Total Non-Major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Property taxes	\$ 456,503	\$ -	\$ 456,503
Intergovernmental	1,080,256	-	1,080,256
Fines and forfeitures	30,754	-	30,754
Special assessments	-	96,480	96,480
Investment income	19,052	-	19,052
Miscellaneous income	<u>210,131</u>	<u>-</u>	<u>210,131</u>
 Total revenues	 <u>1,796,696</u>	 <u>96,480</u>	 <u>1,893,176</u>
Expenditures:			
Current operations and maintenance:			
Security of persons and property	1,433,914	-	1,433,914
Public health and welfare	167,107	-	167,107
Leisure time activities	112,708	-	112,708
Community development	119,188	10,095	129,283
Transportation	1,163,074	-	1,163,074
Debt service:			
Principal retirement	-	165,000	165,000
Interest and fiscal charges	<u>-</u>	<u>69,496</u>	<u>69,496</u>
 Total expenditures	 <u>2,995,991</u>	 <u>244,591</u>	 <u>3,240,582</u>
Excess of revenues over (under) expenditures	<u>(1,199,295)</u>	<u>(148,111)</u>	<u>(1,347,406)</u>
Other financing sources (uses):			
Proceeds from the inception of capital lease	21,250	-	21,250
Transfers – in	1,140,000	175,238	1,315,238
Transfers – out	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>
 Total other financing sources (uses)	 <u>1,161,250</u>	 <u>150,238</u>	 <u>1,311,488</u>
Net change in fund balances	(38,045)	2,127	(35,918)
Fund balances at beginning of year, restated	<u>638,919</u>	<u>434,576</u>	<u>1,073,495</u>
Fund balances at end of year	\$ <u>600,874</u>	\$ <u>436,703</u>	\$ <u>1,037,577</u>

City of Brook Park, Ohio

Combining Balance Sheet Non-Major Special Revenue Funds

December 31, 2006

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Permissive Tax</u>	<u>Brook Park Road Corridor</u>	<u>Special Recreation</u>
Assets:					
Cash and cash equivalents	\$ 47,111	\$ 14,043	\$ 291,509	\$ 375,266	\$ 52,184
Intergovernmental receivable	438,921	35,588	-	-	-
Taxes receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>486,032</u>	\$ <u>49,631</u>	\$ <u>291,509</u>	\$ <u>375,266</u>	\$ <u>52,184</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 1,353	\$ 40,056	\$ -
Accrued wages and benefits	11,618	-	-	-	-
Intergovernmental payable	15,037	-	-	-	-
Unearned revenue	<u>291,922</u>	<u>23,669</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>318,577</u>	<u>23,669</u>	<u>1,353</u>	<u>40,056</u>	<u>-</u>
Fund balances:					
Reserved for encumbrances	3,085	-	2,605	48,667	539
Unreserved; undesignated (deficit)	<u>164,370</u>	<u>25,962</u>	<u>287,551</u>	<u>286,543</u>	<u>51,645</u>
Total fund balances (deficits)	<u>167,455</u>	<u>25,962</u>	<u>290,156</u>	<u>335,210</u>	<u>52,184</u>
Total liabilities and fund balances	\$ <u>486,032</u>	\$ <u>49,631</u>	\$ <u>291,509</u>	\$ <u>375,266</u>	\$ <u>52,184</u>

<u>Law Enforcement</u>	<u>DWI Enforcement and Education</u>	<u>Federal Forfeiture</u>	<u>Community Diversion</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Southwest General Health Center</u>	<u>Tri-City Senior Center</u>	<u>Total Non-Major Special Revenue Funds</u>
\$ 94,042	\$ 23,339	\$ 76,221	\$ 10,103	\$ 10,856	\$ 6,410	\$ 30,455	\$ 5,597	\$ 1,037,136
-	6,038	-	-	8,759	8,759	7,678	913	506,656
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,449</u>	<u>225,449</u>	<u>175,186</u>	<u>19,101</u>	<u>645,185</u>
\$ <u>94,042</u>	\$ <u>29,377</u>	\$ <u>76,221</u>	\$ <u>10,103</u>	\$ <u>245,064</u>	\$ <u>240,618</u>	\$ <u>213,319</u>	\$ <u>25,611</u>	\$ <u>2,188,977</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,455	\$ 5,597	\$ 77,461
-	-	-	-	208,757	288,345	-	-	508,720
-	-	-	-	-	-	-	-	15,037
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,208</u>	<u>234,208</u>	<u>182,864</u>	<u>20,014</u>	<u>986,885</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>442,965</u>	<u>522,553</u>	<u>213,319</u>	<u>25,611</u>	<u>1,588,103</u>
-	474	-	-	-	-	-	-	55,370
<u>94,042</u>	<u>28,903</u>	<u>76,221</u>	<u>10,103</u>	<u>(197,901)</u>	<u>(281,935)</u>	<u>-</u>	<u>-</u>	<u>545,504</u>
<u>94,042</u>	<u>29,377</u>	<u>76,221</u>	<u>10,103</u>	<u>(197,901)</u>	<u>(281,935)</u>	<u>-</u>	<u>-</u>	<u>600,874</u>
\$ <u>94,042</u>	\$ <u>29,377</u>	\$ <u>76,221</u>	\$ <u>10,103</u>	\$ <u>245,064</u>	\$ <u>240,618</u>	\$ <u>213,319</u>	\$ <u>25,611</u>	\$ <u>2,188,977</u>

City of Brook Park, Ohio

Combining Statement of Revenues, Expenditures and Changes In Fund Balances Non-Major Special Revenue Funds

For The Year Ended December 31, 2006

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Permissive Tax</u>	<u>Brook Park Road Corridor</u>	<u>Special Recreation</u>
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	888,879	72,071	50,484	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	2,215	569	13,705	-	-
Miscellaneous income	<u>17,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,992</u>
Total revenues	<u>908,810</u>	<u>72,640</u>	<u>64,189</u>	<u>-</u>	<u>103,992</u>
Expenditures:					
Current operations and maintenance:					
Security of persons and property	-	-	-	-	-
Public health and welfare	-	-	-	-	-
Leisure time activities	-	-	-	-	112,708
Community development	-	-	-	119,188	-
Transportation	<u>1,067,569</u>	<u>64,632</u>	<u>30,873</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,067,569</u>	<u>64,632</u>	<u>30,873</u>	<u>119,188</u>	<u>112,708</u>
Excess of revenues over (under) expenditures	<u>(158,759)</u>	<u>8,008</u>	<u>33,316</u>	<u>(119,188)</u>	<u>(8,716)</u>
Other financing sources (uses):					
Proceeds from inception of capital lease	-	-	-	-	-
Transfers – in	<u>145,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>145,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(13,759)	8,008	33,316	(119,188)	(8,716)
Fund balances (deficit) at beginning of year, restated	<u>181,214</u>	<u>17,954</u>	<u>256,840</u>	<u>454,398</u>	<u>60,900</u>
Fund balances (deficit) at end of year	\$ <u>167,455</u>	\$ <u>25,962</u>	\$ <u>290,156</u>	\$ <u>335,210</u>	\$ <u>52,184</u>

<u>Law Enforcement</u>	<u>DWI Enforcement and Education</u>	<u>Federal Forfeiture</u>	<u>Community Diversion</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Southwest General Health Center</u>	<u>Tri-City Senior Center</u>	<u>Total Non-Major Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 157,211	\$ 157,211	\$ 126,597	\$ 15,484	\$ 456,503
-	-	-	-	22,762	22,761	20,601	2,698	1,080,256
22,491	8,263	-	-	-	-	-	-	30,754
-	-	2,563	-	-	-	-	-	19,052
-	-	84,466	3,957	-	-	-	-	210,131
<u>22,491</u>	<u>8,263</u>	<u>87,029</u>	<u>3,957</u>	<u>179,973</u>	<u>179,972</u>	<u>147,198</u>	<u>18,182</u>	<u>1,796,696</u>
19,855	4,329	35,440	3,884	598,526	771,880	-	-	1,433,914
-	-	-	-	-	-	147,198	19,909	167,107
-	-	-	-	-	-	-	-	112,708
-	-	-	-	-	-	-	-	119,188
-	-	-	-	-	-	-	-	1,163,074
<u>19,855</u>	<u>4,329</u>	<u>35,440</u>	<u>3,884</u>	<u>598,526</u>	<u>771,880</u>	<u>147,198</u>	<u>19,909</u>	<u>2,995,991</u>
<u>2,636</u>	<u>3,934</u>	<u>51,589</u>	<u>73</u>	<u>(418,553)</u>	<u>(591,908)</u>	<u>-</u>	<u>(1,727)</u>	<u>(1,199,295)</u>
-	-	21,250	-	-	-	-	-	21,250
-	-	-	-	415,000	580,000	-	-	1,140,000
-	-	21,250	-	415,000	580,000	-	-	1,161,250
2,636	3,934	72,839	73	(3,553)	(11,908)	-	(1,727)	(38,045)
<u>91,406</u>	<u>25,443</u>	<u>3,382</u>	<u>10,030</u>	<u>(194,348)</u>	<u>(270,027)</u>	<u>-</u>	<u>1,727</u>	<u>638,919</u>
\$ <u>94,042</u>	\$ <u>29,377</u>	\$ <u>76,221</u>	\$ <u>10,103</u>	\$ <u>(197,901)</u>	\$ <u>(281,935)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>600,874</u>

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

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 General Fund
For The Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 2,063,313	\$ 2,143,968	\$ 2,143,968	\$ -
Municipal income taxes	15,340,545	15,553,225	15,553,225	-
Other local taxes	305,000	292,699	292,699	-
Intergovernmental	1,313,218	1,489,721	1,489,721	-
Charges for services	899,456	906,126	896,876	(9,250)
Licenses and permits	408,800	422,143	422,143	-
Fines and forfeitures	362,776	345,732	345,732	-
Investment income	689,342	913,176	913,176	-
Miscellaneous income	260,756	343,085	343,085	-
Total revenues	<u>21,643,206</u>	<u>22,409,875</u>	<u>22,400,625</u>	<u>(9,250)</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Correctional facility				
Personal services	158,347	158,347	154,917	3,430
Travel and education	285	285	122	163
Contractual services	14,049	18,730	12,889	5,841
Supplies and materials	39,188	40,282	37,732	2,550
Total correctional facility	<u>211,869</u>	<u>217,644</u>	<u>205,660</u>	<u>11,984</u>
School guards				
Personal services	76,661	76,962	76,962	-
Supplies and materials	113	140	126	14
Total school guards	<u>76,774</u>	<u>77,102</u>	<u>77,088</u>	<u>14</u>
Fire department				
Personal services	3,635,894	3,665,893	3,658,075	7,818
Travel and education	14,110	9,088	6,374	2,714
Contractual services	123,612	133,551	123,442	10,109
Supplies and materials	111,417	118,345	107,522	10,823
Total fire department	<u>3,885,033</u>	<u>3,926,877</u>	<u>3,895,413</u>	<u>31,464</u>
Police department				
Personal services	3,676,695	3,676,695	3,652,177	24,518
Travel and education	14,360	14,252	13,757	495
Contractual services	129,897	130,510	105,284	25,226
Supplies and materials	213,613	230,843	200,321	30,522
Total police department	<u>4,034,565</u>	<u>4,052,300</u>	<u>3,971,539</u>	<u>80,761</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)

For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Animal control				
Personal services	121,121	123,957	123,051	906
Travel and education	250	250	165	85
Contractual services	45,430	49,563	48,172	1,391
Supplies and materials	<u>12,127</u>	<u>15,467</u>	<u>14,465</u>	<u>1,002</u>
Total animal control	<u>178,928</u>	<u>189,237</u>	<u>185,853</u>	<u>3,384</u>
Safety director				
Personal services	174,910	174,910	120,564	54,346
Travel and education	1,000	1,000	195	805
Contractual services	2,663	2,663	1,034	1,629
Supplies and materials	<u>2,175</u>	<u>2,175</u>	<u>835</u>	<u>1,340</u>
Total safety director	<u>180,748</u>	<u>180,748</u>	<u>122,628</u>	<u>58,120</u>
Safety building				
Personal services	511,772	511,772	501,261	10,511
Travel and education	2,100	2,100	1,755	345
Contractual services	113,784	122,550	111,210	11,340
Supplies and materials	<u>9,715</u>	<u>9,165</u>	<u>6,258</u>	<u>2,907</u>
Total safety building	<u>637,371</u>	<u>645,587</u>	<u>620,484</u>	<u>25,103</u>
Safety town				
Personal services	7,000	7,000	6,580	420
Supplies and materials	<u>645</u>	<u>895</u>	<u>514</u>	<u>381</u>
Total safety town	<u>7,645</u>	<u>7,895</u>	<u>7,094</u>	<u>801</u>
Street lighting				
Contractual services	<u>294,644</u>	<u>294,644</u>	<u>280,989</u>	<u>13,655</u>
Traffic lights				
Contractual services	<u>31,518</u>	<u>32,787</u>	<u>26,271</u>	<u>6,516</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual General Fund (Continued)

For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Disaster services				
Personal services	14,394	20,697	20,697	-
Contractual services	600	600	285	315
Supplies and materials	<u>5,735</u>	<u>5,736</u>	<u>4,159</u>	<u>1,577</u>
Total disaster services	<u>20,729</u>	<u>27,033</u>	<u>25,141</u>	<u>1,892</u>
Total security of persons and property	<u>9,559,824</u>	<u>9,651,854</u>	<u>9,418,160</u>	<u>233,694</u>
Public health and welfare				
County board of health				
Contractual services	<u>74,000</u>	<u>74,000</u>	<u>71,080</u>	<u>2,920</u>
Office of Aging				
Personal services	107,916	107,866	78,691	29,175
Contractual services	1,483	2,377	2,288	89
Supplies and materials	<u>930</u>	<u>737</u>	<u>604</u>	<u>133</u>
Total office of aging	<u>110,329</u>	<u>110,980</u>	<u>81,583</u>	<u>29,397</u>
Total public health and welfare	<u>184,329</u>	<u>184,980</u>	<u>152,663</u>	<u>32,317</u>
Leisure time activities				
Recreation commission				
Personal services	14,187	14,683	14,458	225
Travel and education	50	50	-	50
Supplies and materials	<u>50</u>	<u>50</u>	<u>-</u>	<u>50</u>
Total recreation commission	<u>14,287</u>	<u>14,783</u>	<u>14,458</u>	<u>325</u>
Parks and recreation				
Personal services	100,813	106,800	74,155	32,645
Contractual services	46,728	49,171	39,620	9,551
Materials and supplies	<u>38,502</u>	<u>43,693</u>	<u>36,057</u>	<u>7,636</u>
Total parks and recreation	<u>186,043</u>	<u>199,664</u>	<u>149,832</u>	<u>49,832</u>
Recreation center				
Personal services	883,603	883,603	875,225	8,378
Travel and education	1,239	1,239	1,101	138
Contractual services	554,758	571,463	526,331	45,132
Supplies and materials	75,675	84,127	72,990	11,137
Other expenditures	<u>250</u>	<u>571</u>	<u>471</u>	<u>100</u>
Total recreation center	<u>1,515,525</u>	<u>1,541,003</u>	<u>1,476,118</u>	<u>64,885</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual General Fund (Continued)

For The Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Home day celebration				
Personal services	16,121	19,098	19,098	-
Contractual services	50,000	50,439	50,439	-
Supplies and materials	7,812	9,753	9,553	200
Total home day celebration	<u>73,933</u>	<u>79,290</u>	<u>79,090</u>	<u>200</u>
Parks and play grounds				
Personal services	527,574	527,575	519,098	8,477
Travel and education	250	114	43	71
Contractual services	65,849	67,738	51,036	16,702
Supplies and materials	66,615	81,906	64,701	17,205
Total parks and play grounds	<u>660,288</u>	<u>677,333</u>	<u>634,878</u>	<u>42,455</u>
Public recreation				
Personal services	18,424	18,424	11,923	6,501
Travel and education	250	250	9	241
Contractual services	76,820	79,288	78,162	1,126
Supplies and materials	27,081	34,211	31,799	2,412
Total public recreation	<u>122,575</u>	<u>132,173</u>	<u>121,893</u>	<u>10,280</u>
Total leisure time activities	<u>2,572,651</u>	<u>2,644,246</u>	<u>2,476,269</u>	<u>167,977</u>
Community development				
Planning commission				
Personal services	<u>13,910</u>	<u>14,397</u>	<u>14,397</u>	<u>-</u>
Airport relations				
Personal services	158,536	166,986	120,084	46,902
Travel and education	500	496	145	351
Contractual services	21,460	21,287	14,793	6,494
Supplies and materials	1,300	1,478	1,370	108
Other expenditures	1,265	1,265	59	1,206
Total airport relations	<u>183,061</u>	<u>191,512</u>	<u>136,451</u>	<u>55,061</u>
Community development				
Personal services	85,971	86,001	85,981	20
Travel and education	3,000	3,000	713	2,287
Contractual services	2,658	2,658	746	1,912
Supplies and materials	1,200	1,200	448	752
Total community development	<u>92,829</u>	<u>92,859</u>	<u>87,888</u>	<u>4,971</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 General Fund (Continued)
For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Board of zoning appeals				
Personal services	<u>16,692</u>	<u>17,276</u>	<u>15,894</u>	<u>1,382</u>
Building department				
Personal services	544,249	544,249	541,783	2,466
Travel and education	2,667	2,124	1,727	397
Contractual services	58,824	57,847	46,693	11,154
Supplies and materials	15,191	16,711	14,233	2,478
Other expenditures	<u>250</u>	<u>250</u>	<u>-</u>	<u>250</u>
Total building department	<u>621,181</u>	<u>621,181</u>	<u>604,436</u>	<u>16,745</u>
Tree and tree lawns				
Personal services	296,635	296,635	276,475	20,160
Travel and education	50	50	-	50
Contractual services	4,475	6,832	5,857	975
Supplies and materials	<u>8,328</u>	<u>13,159</u>	<u>9,280</u>	<u>3,879</u>
Total trees and tree lawns	<u>309,488</u>	<u>316,676</u>	<u>291,612</u>	<u>25,064</u>
Total community development	<u>1,237,161</u>	<u>1,253,901</u>	<u>1,150,678</u>	<u>103,223</u>
Public works				
Service director				
Personal services	481,267	481,267	478,629	2,638
Travel and education	750	721	350	371
Contractual services	8,591	8,591	7,637	954
Supplies and materials	<u>8,400</u>	<u>8,429</u>	<u>4,786</u>	<u>3,643</u>
Total service director	<u>499,008</u>	<u>499,008</u>	<u>491,402</u>	<u>7,606</u>
Service building				
Personal services	129,404	129,448	128,090	1,358
Contractual services	238,624	235,583	196,285	39,298
Supplies and materials	<u>62,729</u>	<u>121,003</u>	<u>95,844</u>	<u>25,159</u>
Total service building	<u>430,757</u>	<u>486,034</u>	<u>420,219</u>	<u>65,815</u>
Sanitation department				
Personal services	807,232	823,789	818,093	5,696
Travel and education	294	577	577	-
Contractual services	1,586	20,137	14,361	5,776
Supplies and materials	<u>574,356</u>	<u>574,073</u>	<u>563,827</u>	<u>10,246</u>
Total sanitation department	<u>1,383,468</u>	<u>1,418,576</u>	<u>1,396,858</u>	<u>21,718</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual General Fund (Continued)

For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Sewers, drains, and pump stations				
Personal services	607,427	607,427	573,969	33,458
Travel and education	200	200	173	27
Contractual services	74,037	76,097	71,340	4,757
Supplies and materials	<u>89,209</u>	<u>97,383</u>	<u>77,244</u>	<u>20,139</u>
Total sewers, drains, and pump stations	<u>770,873</u>	<u>781,107</u>	<u>722,726</u>	<u>58,381</u>
Total public works	<u>3,084,106</u>	<u>3,184,725</u>	<u>3,031,205</u>	<u>153,520</u>
Transportation				
Street cleaning				
Personal services	66,111	66,111	65,722	389
Travel and education	100	93	-	93
Supplies and materials	<u>9,596</u>	<u>16,753</u>	<u>14,934</u>	<u>1,819</u>
Total street cleaning	<u>75,807</u>	<u>82,957</u>	<u>80,656</u>	<u>2,301</u>
Traffic signs				
Personal services	70,273	70,273	67,249	3,024
Contractual services	95	95	9	86
Supplies and materials	<u>4,346</u>	<u>4,346</u>	<u>3,533</u>	<u>813</u>
Total sign department	<u>74,714</u>	<u>74,714</u>	<u>70,791</u>	<u>3,923</u>
Snow removal				
Personal services	230,300	230,300	71,139	159,161
Contractual services	2,007	2,007	317	1,690
Supplies and materials	<u>570,874</u>	<u>570,874</u>	<u>275,067</u>	<u>295,807</u>
Total snow removal	<u>803,181</u>	<u>803,181</u>	<u>346,523</u>	<u>456,658</u>
Total transportation	<u>953,702</u>	<u>960,852</u>	<u>497,970</u>	<u>462,882</u>
General government				
City council				
Personal services	134,561	134,561	134,561	-
Travel and education	6,000	5,735	2,874	2,861
Contractual services	13,219	13,399	9,338	4,061
Supplies and materials	<u>4,385</u>	<u>4,821</u>	<u>4,022</u>	<u>799</u>
Total city council	<u>158,165</u>	<u>158,516</u>	<u>150,795</u>	<u>7,721</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual General Fund (Continued)

For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Clerk of council				
Personal services	132,672	132,692	132,690	2
Contractual services	1,462	1,462	982	480
Supplies and materials	<u>3,145</u>	<u>3,145</u>	<u>1,427</u>	<u>1,718</u>
Total clerk of council	<u>137,279</u>	<u>137,299</u>	<u>135,099</u>	<u>2,200</u>
Mayor's court				
Personal services	101,287	101,287	91,516	9,771
Travel and education	1,250	1,250	694	556
Contractual services	6,982	7,732	7,143	589
Supplies and materials	<u>2,567</u>	<u>2,067</u>	<u>1,559</u>	<u>508</u>
Total mayor's court	<u>112,086</u>	<u>112,336</u>	<u>100,912</u>	<u>11,424</u>
Civil service commission				
Personal services	34,303	41,923	39,510	2,413
Travel and education	250	250	156	94
Contractual services	13,773	13,873	4,982	8,891
Supplies and materials	<u>13,543</u>	<u>13,543</u>	<u>8,120</u>	<u>5,423</u>
Total civil service commission	<u>61,869</u>	<u>69,589</u>	<u>52,768</u>	<u>16,821</u>
Mayor's office				
Personal services	272,976	272,976	264,404	8,572
Travel and education	6,000	5,009	3,399	1,610
Contractual services	5,450	5,475	5,418	57
Supplies and materials	<u>11,691</u>	<u>12,658</u>	<u>10,523</u>	<u>2,135</u>
Total mayor's court	<u>296,117</u>	<u>296,118</u>	<u>283,744</u>	<u>12,374</u>
Human resources				
Personal services	92,607	92,617	92,611	6
Travel and education	855	819	729	90
Contractual services	9,146	9,046	5,957	3,089
Supplies and materials	<u>800</u>	<u>936</u>	<u>326</u>	<u>610</u>
Total human resources	<u>103,408</u>	<u>103,418</u>	<u>99,623</u>	<u>3,795</u>
Public properties				
Personal services	339,407	339,407	295,122	44,285
Travel and education	250	250	203	47
Contractual services	38,260	39,888	33,968	5,920
Supplies and materials	<u>10,523</u>	<u>10,053</u>	<u>8,572</u>	<u>1,481</u>
Total public properties	<u>388,440</u>	<u>389,598</u>	<u>337,865</u>	<u>51,733</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)

For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Legal department				
Personal services	350,441	350,441	329,039	21,402
Travel and education	4,770	7,364	7,355	9
Contractual services	1,531	1,669	1,431	238
Supplies and materials	<u>747</u>	<u>515</u>	<u>406</u>	<u>109</u>
Total legal department	<u>357,489</u>	<u>359,989</u>	<u>338,231</u>	<u>21,758</u>
Finance department				
Personal services	363,842	363,862	363,849	13
Travel and education	6,204	6,204	4,994	1,210
Contractual services	61,370	65,939	63,117	2,822
Supplies and materials	<u>9,791</u>	<u>9,576</u>	<u>6,833</u>	<u>2,743</u>
Total finance department	<u>441,207</u>	<u>445,581</u>	<u>438,793</u>	<u>6,788</u>
Tax department				
Personal services	186,198	186,198	177,813	8,385
Travel and education	2,688	2,268	1,405	863
Contractual services	38,985	39,386	38,603	783
Supplies and materials	2,065	2,065	1,365	700
Other expenditures	<u>175,365</u>	<u>175,384</u>	<u>173,143</u>	<u>2,241</u>
Total tax department	<u>405,301</u>	<u>405,301</u>	<u>392,329</u>	<u>12,972</u>
Tax review board				
Personal services	<u>5,873</u>	<u>6,079</u>	<u>4,052</u>	<u>2,027</u>
High risk review board				
Personal services	<u>489</u>	<u>489</u>	<u>487</u>	<u>2</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 General Fund (Continued)
For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Retirees				
Personal services	408,447	408,447	375,748	32,699
Mechanics				
Personal services	496,345	504,946	502,721	2,225
Travel and education	1,250	1,468	1,468	-
Contractual services	18	140	136	4
Supplies and materials	5,155	5,990	5,092	898
Total mechanics	<u>502,768</u>	<u>512,544</u>	<u>509,417</u>	<u>3,127</u>
Engineering				
Contractual services	48,000	48,000	48,000	-
Lands and buildings				
Contractual services	116,256	121,350	110,484	10,866
Supplies and materials	25,948	25,396	19,897	5,499
Total lands and buildings	<u>142,204</u>	<u>146,746</u>	<u>130,381</u>	<u>16,365</u>
Other general government				
Personal services	522,647	568,494	546,142	22,352
Contractual services	449,148	384,074	288,475	95,599
Materials and supplies	10,168	18,168	17,856	312
Other expenditures	335,400	305,397	303,022	2,375
Total other general government	<u>1,317,363</u>	<u>1,276,133</u>	<u>1,155,495</u>	<u>120,638</u>
Total general government	<u>4,886,505</u>	<u>4,876,183</u>	<u>4,553,739</u>	<u>322,444</u>
Total expenditures	<u>22,478,278</u>	<u>22,756,741</u>	<u>21,280,684</u>	<u>1,476,057</u>
Excess of revenues over (under) expenditures	<u>(835,072)</u>	<u>(346,866)</u>	<u>1,119,941</u>	<u>1,466,807</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)

For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other financing sources (uses):				
Proceeds from the sale of capital assets	5,867	5,228	5,228	-
Transfers – in	-	25,000	25,000	-
Transfers – out	<u>(2,612,000)</u>	<u>(2,575,000)</u>	<u>(2,540,000)</u>	<u>35,000</u>
Total other financing sources (uses)	<u>(2,606,133)</u>	<u>(2,544,772)</u>	<u>(2,509,772)</u>	<u>35,000</u>
Net change in fund balance	(3,441,205)	(2,891,638)	(1,389,831)	1,501,807
Cash fund balance at beginning of year	10,343,930	10,343,930	10,343,930	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>262,754</u>	<u>262,754</u>
Cash fund balance at end of year	\$ <u>6,902,725</u>	\$ <u>7,452,292</u>	\$ <u>9,216,853</u>	\$ <u>1,764,561</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Economic Development Fund
For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 872,142	\$ 827,354	\$ 827,354	\$ -
Miscellaneous income	<u>6,700</u>	<u>13,281</u>	<u>13,281</u>	<u>-</u>
Total revenues	<u>878,842</u>	<u>840,635</u>	<u>840,635</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Community development				
Contractual services	<u>672,223</u>	<u>672,223</u>	<u>478,588</u>	<u>193,635</u>
Excess of revenues over (under) expenditures	206,619	168,412	362,047	193,635
Other financing sources (uses):				
Transfers – out	<u>(1,700,000)</u>	<u>(1,926,600)</u>	<u>(1,926,600)</u>	<u>-</u>
Net change in fund balance	(1,493,381)	(1,758,188)	(1,564,553)	193,635
Cash fund balance at beginning of year	2,579,329	2,579,329	2,579,329	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>44,414</u>	<u>44,414</u>
Cash fund balance at end of year	\$ <u>1,085,948</u>	\$ <u>821,141</u>	\$ <u>1,059,190</u>	\$ <u>238,049</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Capital Improvement Fund
For The Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal income taxes	\$ 5,159,455	\$ 5,250,604	\$ 5,250,604	\$ -
Intergovernmental	3,144,334	3,146,833	141,101	(3,005,732)
Special assessments	-	23,287	23,287	-
Investment income	107,073	141,806	141,806	-
Miscellaneous income	<u>576,513</u>	<u>613,856</u>	<u>124,509</u>	<u>(489,347)</u>
Total revenues	<u>8,987,375</u>	<u>9,176,386</u>	<u>5,681,307</u>	<u>(3,495,079)</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Safety town				
Contractual services	<u>-</u>	<u>10,000</u>	<u>9,298</u>	<u>702</u>
Leisure time activities				
Parks and playgrounds				
Contractual services	171,958	201,072	140,612	60,460
Recreation center				
Contractual services	<u>4,200</u>	<u>4,200</u>	<u>1,598</u>	<u>2,602</u>
Total leisure time activities	<u>176,158</u>	<u>205,272</u>	<u>142,210</u>	<u>63,062</u>
Public works				
Sewers and drains				
Contractual services	<u>551,410</u>	<u>574,014</u>	<u>423,829</u>	<u>150,185</u>
Transportation				
Street paving and repair				
Contractual services	162,193	163,760	163,260	500
Other expenditures	<u>5,750</u>	<u>3,745</u>	<u>3,495</u>	<u>250</u>
Total street paving and repair	<u>167,943</u>	<u>167,505</u>	<u>166,755</u>	<u>750</u>
Street Lighting				
Contractual services	<u>1,942</u>	<u>1,953</u>	<u>-</u>	<u>1,953</u>
Traffic lights				
Contractual services	<u>2,150</u>	<u>2,150</u>	<u>2,150</u>	<u>-</u>
Total transportation	<u>172,035</u>	<u>171,608</u>	<u>168,905</u>	<u>2,703</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Capital Improvement Fund (Continued)
For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General government				
Income tax department				
Personal services	79,799	79,799	76,205	3,594
Travel and education	1,152	972	602	370
Contractual services	16,708	16,880	15,301	1,579
Materials and supplies	885	885	478	407
Other expenditures	<u>75,156</u>	<u>75,164</u>	<u>74,096</u>	<u>1,068</u>
Total income tax department	<u>173,700</u>	<u>173,700</u>	<u>166,682</u>	<u>7,018</u>
Lands and Buildings				
Contractual services	890	6,890	6,890	-
Other expenditures	<u>1,000</u>	<u>1,000</u>	<u>916</u>	<u>84</u>
Total land and buildings	<u>1,890</u>	<u>7,890</u>	<u>7,806</u>	<u>84</u>
Total general government	<u>175,590</u>	<u>181,590</u>	<u>174,488</u>	<u>7,102</u>
Capital outlay:				
Animal control	5,120	5,120	298	4,822
Building department	24,626	39,626	38,432	1,194
Community development	1,979,015	1,979,015	67,603	1,911,412
Finance department	5,867	5,867	813	5,054
Fire department	410,402	339,311	302,907	36,404
Human resources	6,000	6,000	5,631	369
Income tax department	44,381	44,381	42,836	1,545
Legal department	10,800	10,800	7,728	3,072
Land and buildings	355,079	394,344	378,417	15,927
Mayor's office	35,322	35,322	31,525	3,797
Mechanics	-	10,000	8,282	1,718
Office of aging	7,250	7,250	6,159	1,091
Parks and playgrounds	150,834	105,835	92,039	13,796
Police law enforcement	419,929	419,929	409,310	10,619
Public properties	4,750	4,750	640	4,110
Recreation center	104,619	104,618	100,520	4,098
Safety building	13,751	13,751	13,751	-
Safety director	15,445	15,445	9,022	6,423
Sanitation department	29,600	29,600	23,163	6,437
Service building	28,114	28,113	27,187	926
Sewers, drains and pump stations	4,225,404	4,198,884	195,219	4,003,665
Snow removal	129,072	129,072	101,008	28,064
Street lights	65,426	65,415	24,956	40,459

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Capital Improvement Fund (Continued)
For The Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Capital outlay: (continued)				
Street paving and repair	1,928,394	2,206,871	2,123,012	83,859
Traffic signs	11,993	11,993	7,339	4,654
Trees and tree lawns	20,000	20,000	12,403	7,597
Total capital outlay	<u>10,031,193</u>	<u>10,231,312</u>	<u>4,030,200</u>	<u>6,201,112</u>
Total expenditures	<u>11,106,386</u>	<u>11,373,796</u>	<u>4,948,930</u>	<u>6,424,866</u>
Excess of revenues over (under) expenditures	<u>(2,119,011)</u>	<u>(2,197,410)</u>	<u>732,377</u>	<u>2,929,787</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	28,750	28,750	-
Transfer – in	3,100,000	3,326,600	3,326,600	-
Transfers – out	<u>(175,238)</u>	<u>(175,238)</u>	<u>(175,238)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,924,762</u>	<u>3,180,112</u>	<u>3,180,112</u>	<u>-</u>
Net change in fund balance	805,751	982,702	3,912,489	2,929,787
Cash balance at beginning of year	4,568,885	4,568,885	4,568,885	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>699,910</u>	<u>699,910</u>
Cash balance at end of year	\$ <u>5,374,636</u>	\$ <u>5,551,587</u>	\$ <u>9,181,284</u>	\$ <u>3,629,697</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Street Maintenance Fund
For The Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 885,431	\$ 895,944	\$ 895,944	\$ -
Investment income	1,104	2,215	2,215	-
Miscellaneous income	-	17,716	17,716	-
Total revenues	<u>886,535</u>	<u>915,875</u>	<u>915,875</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street paving and repair				
Personal services	1,008,722	998,722	972,955	25,767
Travel and education	250	480	480	-
Contractual services	10,856	11,892	8,349	3,543
Supplies and materials	<u>97,186</u>	<u>105,919</u>	<u>94,499</u>	<u>11,420</u>
Total expenditures	<u>1,117,014</u>	<u>1,117,013</u>	<u>1,076,283</u>	<u>40,730</u>
Excess of revenues over (under) expenditures	(230,479)	(201,138)	(160,408)	40,730
Other financing sources (uses):				
Transfers – in	<u>180,000</u>	<u>180,000</u>	<u>145,000</u>	<u>(35,000)</u>
Net change in fund balance	(50,479)	(21,138)	(15,408)	5,730
Cash fund balance at beginning of year	59,433	59,433	59,433	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>3,086</u>	<u>3,086</u>
Cash fund balance at end of year	<u>\$ 8,954</u>	<u>\$ 38,295</u>	<u>\$ 47,111</u>	<u>\$ 8,816</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 State Highway Fund
For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 71,792	\$ 72,644	\$ 72,644	\$ -
Investment income	<u>155</u>	<u>569</u>	<u>569</u>	<u>-</u>
Total revenues	<u>71,947</u>	<u>73,213</u>	<u>73,213</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street paving and repair				
Personal services	67,842	67,842	65,696	2,146
Supplies and materials	<u>1,642</u>	<u>1,642</u>	<u>1,114</u>	<u>528</u>
Total expenditures	<u>69,484</u>	<u>69,484</u>	<u>66,810</u>	<u>2,674</u>
Net change in fund balance	2,463	3,729	6,403	2,674
Cash fund balance at beginning of year	<u>7,640</u>	<u>7,640</u>	<u>7,640</u>	<u>-</u>
Cash fund balance at end of year	\$ <u>10,103</u>	\$ <u>11,369</u>	\$ <u>14,043</u>	\$ <u>2,674</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Permissive Tax Fund
For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 50,693	\$ 50,484	\$ 50,484	\$ -
Investment income	<u>11,920</u>	<u>13,705</u>	<u>13,705</u>	<u>-</u>
Total revenues	<u>62,613</u>	<u>64,189</u>	<u>64,189</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street paving and repair				
Supplies and materials	<u>50,917</u>	<u>50,917</u>	<u>35,077</u>	<u>15,840</u>
Net change in fund balance	11,696	13,272	29,112	15,840
Cash fund balance at beginning of year	258,439	258,439	258,439	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>3,958</u>	<u>3,958</u>
Cash fund balance at end of year	\$ <u>270,135</u>	\$ <u>271,711</u>	\$ <u>291,509</u>	\$ <u>19,798</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Brook Park Road Corridor Fund
For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current operations and maintenance:				
Community development				
Contractual services	\$ <u>70,097</u>	\$ <u>270,097</u>	\$ <u>159,189</u>	\$ <u>110,908</u>
Net change in fund balance	(70,097)	(270,097)	(159,189)	110,908
Cash fund balance at beginning of year	454,455	454,455	454,455	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>80,000</u>
Cash fund balance at end of year	\$ <u><u>384,358</u></u>	\$ <u><u>184,358</u></u>	\$ <u><u>375,266</u></u>	\$ <u><u>190,908</u></u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Special Recreation Fund
For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous income	\$ <u>103,898</u>	\$ <u>103,992</u>	\$ <u>103,992</u>	\$ <u>-</u>
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Public recreation				
Travel and education	2,126	2,576	2,366	210
Contractual services	12,320	12,938	10,857	2,081
Supplies and materials	14,913	17,578	16,553	1,025
Other expenditures	<u>93,015</u>	<u>89,281</u>	<u>83,471</u>	<u>5,810</u>
Total expenditures	<u>122,374</u>	<u>122,373</u>	<u>113,247</u>	<u>9,126</u>
Net change in fund balance	(18,476)	(18,381)	(9,255)	9,126
Cash fund balance at beginning of year	60,900	60,900	60,900	-
Encumbrances at end of year	<u>-</u>	<u>-</u>	<u>539</u>	<u>539</u>
Cash fund balance at end of year	\$ <u><u>42,424</u></u>	\$ <u><u>42,519</u></u>	\$ <u><u>52,184</u></u>	\$ <u><u>9,665</u></u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Law Enforcement Fund
For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and forfeitures	\$ <u>14,677</u>	\$ <u>22,598</u>	\$ <u>22,598</u>	\$ <u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Travel and education	2,000	1,490	-	1,490
Contractual services	<u>11,790</u>	<u>28,100</u>	<u>19,855</u>	<u>8,245</u>
Total expenditures	<u>13,790</u>	<u>29,590</u>	<u>19,855</u>	<u>9,735</u>
Net change in fund balance	887	(6,992)	2,743	9,735
Cash fund balance at beginning of year	<u>91,299</u>	<u>91,299</u>	<u>91,299</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>92,186</u></u>	\$ <u><u>84,307</u></u>	\$ <u><u>94,042</u></u>	\$ <u><u>9,735</u></u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 DWI Enforcement and Education Fund
For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ <u>2,155</u>	\$ <u>2,400</u>	\$ <u>2,400</u>	\$ <u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Contractual services	-	10,000	4,217	5,783
Other expenditures	<u>1,975</u>	<u>1,975</u>	<u>586</u>	<u>1,389</u>
Total expenditures	<u>1,975</u>	<u>11,975</u>	<u>4,803</u>	<u>7,172</u>
Net change in fund balance	180	(9,575)	(2,403)	7,172
Cash fund balance at beginning of year	25,268	25,268	25,268	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>474</u>	<u>474</u>
Cash fund balance at end of year	\$ <u>25,448</u>	\$ <u>15,693</u>	\$ <u>23,339</u>	\$ <u>7,646</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Federal Forfeiture Fund
For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment income	\$ 1,000	\$ 2,563	\$ 2,563	\$ -
Miscellaneous revenue	<u>152</u>	<u>84,466</u>	<u>84,466</u>	<u>-</u>
Total revenues	<u>1,152</u>	<u>87,029</u>	<u>87,029</u>	<u>-</u>
Expenditures:				
Security of persons and property				
Police Department				
Capital outlay	<u>-</u>	<u>20,000</u>	<u>14,190</u>	<u>5,810</u>
Net change in fund balance	1,152	67,029	72,839	5,810
Cash fund balance at beginning of year	<u>3,382</u>	<u>3,382</u>	<u>3,382</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>4,534</u></u>	\$ <u><u>70,411</u></u>	\$ <u><u>76,221</u></u>	\$ <u><u>5,810</u></u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Community Diversion Fund
For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous revenue	\$ <u>12,000</u>	\$ <u>3,957</u>	\$ <u>3,957</u>	\$ <u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Personal services	3,562	3,562	3,063	499
Travel and education	2,338	2,288	-	2,288
Contractual services	2,000	2,050	125	1,925
Materials and supplies	<u>2,127</u>	<u>2,127</u>	<u>696</u>	<u>1,431</u>
Total expenditures	<u>10,027</u>	<u>10,027</u>	<u>3,884</u>	<u>6,143</u>
Net change in fund balance	1,973	(6,070)	73	6,143
Cash fund balance at beginning of year	<u>10,030</u>	<u>10,030</u>	<u>10,030</u>	<u>-</u>
Cash fund balance at end of year	\$ <u>12,003</u>	\$ <u>3,960</u>	\$ <u>10,103</u>	\$ <u>6,143</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Police Pension Fund

For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 159,010	\$ 157,211	\$ 157,211	\$ -
Intergovernmental	<u>17,668</u>	<u>22,762</u>	<u>22,762</u>	<u>-</u>
Total revenues	<u>176,678</u>	<u>179,973</u>	<u>179,973</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Personal services	<u>602,485</u>	<u>592,485</u>	<u>586,819</u>	<u>5,666</u>
Excess of revenues over (under) expenditures	(425,807)	(412,512)	(406,846)	5,666
Other financing sources (uses):				
Transfers – in	<u>425,000</u>	<u>415,000</u>	<u>415,000</u>	<u>-</u>
Net change in fund balance	(807)	2,488	8,154	5,666
Cash fund balance at beginning of year	<u>2,702</u>	<u>2,702</u>	<u>2,702</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>1,895</u></u>	\$ <u><u>5,190</u></u>	\$ <u><u>10,856</u></u>	\$ <u><u>5,666</u></u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Fire Pension Fund
For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 159,010	\$ 157,211	\$ 157,211	\$ -
Intergovernmental	<u>17,668</u>	<u>22,761</u>	<u>22,761</u>	<u>-</u>
Total revenues	<u>176,678</u>	<u>179,972</u>	<u>179,972</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Personal services	<u>747,150</u>	<u>757,150</u>	<u>755,180</u>	<u>1,970</u>
Excess of revenues over (under) expenditures	(570,472)	(577,178)	(575,208)	1,970
Other financing sources (uses):				
Transfers – in	<u>570,000</u>	<u>580,000</u>	<u>580,000</u>	<u>-</u>
Net change in fund balance	(472)	2,822	4,792	1,970
Cash fund balance at beginning of year	<u>1,618</u>	<u>1,618</u>	<u>1,618</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>1,146</u></u>	\$ <u><u>4,440</u></u>	\$ <u><u>6,410</u></u>	\$ <u><u>1,970</u></u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Southwest General Health Center Fund
For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 132,421	\$ 126,597	\$ 126,597	\$ -
Intergovernmental	<u>13,097</u>	<u>20,601</u>	<u>20,601</u>	<u>-</u>
Total revenues	<u>145,518</u>	<u>147,198</u>	<u>147,198</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Public health and welfare				
Contractual services	<u>154,787</u>	<u>154,787</u>	<u>126,013</u>	<u>28,774</u>
Net change in fund balance	(9,269)	(7,589)	21,185	28,774
Cash fund balance at beginning of year	<u>9,270</u>	<u>9,270</u>	<u>9,270</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>1</u></u>	\$ <u><u>1,681</u></u>	\$ <u><u>30,455</u></u>	\$ <u><u>28,774</u></u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Tri-City Senior Center Fund
For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 16,575	\$ 15,484	\$ 15,484	\$ -
Intergovernmental	<u>1,441</u>	<u>2,698</u>	<u>2,698</u>	<u>-</u>
Total revenues	<u>18,016</u>	<u>18,182</u>	<u>18,182</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Public health and welfare				
Contractual services	<u>19,743</u>	<u>19,744</u>	<u>14,312</u>	<u>5,432</u>
Net change in fund balance	(1,727)	(1,562)	3,870	5,432
Cash fund balance at beginning of year	<u>1,727</u>	<u>1,727</u>	<u>1,727</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>165</u></u>	\$ <u><u>5,597</u></u>	\$ <u><u>5,432</u></u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 General Obligation Fund
For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 25,345	\$ 96,480	\$ 96,480	\$ -
Expenditures:				
Current operations and maintenance:				
General government				
Other expenditures	250	10,095	10,095	-
Debt service:				
Principal retirement	165,000	165,000	165,000	-
Interest and fiscal charges	<u>69,496</u>	<u>69,496</u>	<u>69,496</u>	<u>-</u>
Total expenditures	<u>234,746</u>	<u>244,591</u>	<u>244,591</u>	<u>-</u>
Excess of revenues over (under) expenditures	(209,401)	(148,111)	(148,111)	-
Other financing sources (uses):				
Transfers – in	212,238	175,238	175,238	-
Transfers – out	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>212,238</u>	<u>150,238</u>	<u>150,238</u>	<u>-</u>
Net change in fund balance	2,837	2,127	2,127	-
Cash fund balance at beginning of year	<u>434,576</u>	<u>434,576</u>	<u>434,576</u>	<u>-</u>
Cash Fund balance at end of year	\$ <u>437,413</u>	\$ <u>436,703</u>	\$ <u>436,703</u>	\$ <u>-</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Self Insured Medical Benefits Fund
For The Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Reimbursements	\$ 2,196,890	\$ 2,189,609	\$ 2,189,609	\$ -
Expenditures:				
Contractual services	<u>2,196,890</u>	<u>2,196,890</u>	<u>2,196,890</u>	<u>-</u>
Net change in fund balance	-	(7,281)	(7,281)	-
Cash fund balance at beginning of year	<u>548,007</u>	<u>548,007</u>	<u>548,007</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>548,007</u></u>	\$ <u><u>540,726</u></u>	\$ <u><u>540,726</u></u>	\$ <u><u>-</u></u>

City of Brook Park, Ohio

Combining Statements

Agency Funds

Agency Funds

Cash Bonds Held Fund

The Cash Bonds Held Fund accounts for deposits to insure the proper repair of street openings.

Mayor's Court Fund

The Mayor's Court Fund accounts for the collection and distribution of court fines and forfeitures.

Board of Building Standards Fund

The Board of Building Standards Fund Accounts for the collection and distribution of State required building code fees.

City of Brook Park

Combining Statement of Assets and Liabilities Agency Funds

December 31, 2006

	<u>Cash Bonds Held</u>	<u>Mayor's Court</u>	<u>Board of Building Standards</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ <u>25,954</u>	\$ <u>35,310</u>	\$ <u>1,075</u>	\$ <u>62,339</u>
Liabilities:				
Intergovernmental payable	\$ -	\$ 5,814	\$ -	\$ 5,814
Due to others	-	20,002	-	20,002
Deposits held	<u>25,954</u>	<u>9,494</u>	<u>1,075</u>	<u>36,523</u>
Total liabilities	\$ <u>25,954</u>	\$ <u>35,310</u>	\$ <u>1,075</u>	\$ <u>62,339</u>

City of Brook Park, Ohio

Combining Statements of Changes in Assets and Liabilities Agency Funds (Continued)

For The Year Ended December 31, 2006

	<u>Balance</u> <u>12/31/05</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/06</u>
Cash Bonds Held Fund				
Assets:				
Cash and cash equivalents	\$ <u>33,479</u>	\$ <u>8,107</u>	\$ <u>15,632</u>	\$ <u>25,954</u>
Liabilities:				
Intergovernmental payable	\$ 12,000	\$ -	\$ 12,000	\$ -
Deposits held	<u>21,479</u>	<u>8,107</u>	<u>3,632</u>	<u>25,954</u>
Total liabilities	\$ <u>33,479</u>	\$ <u>8,107</u>	\$ <u>15,632</u>	\$ <u>25,954</u>
Mayor's Court Fund				
Assets:				
Cash and cash equivalents	\$ <u>31,800</u>	\$ <u>494,576</u>	\$ <u>491,066</u>	\$ <u>35,310</u>
Liabilities:				
Intergovernmental payable	\$ 16,831	\$ 429,522	\$ 440,539	\$ 5,814
Due to others	2,935	20,002	2,935	20,002
Deposits held	<u>12,034</u>	<u>45,052</u>	<u>47,592</u>	<u>9,494</u>
Total liabilities	\$ <u>31,800</u>	\$ <u>494,576</u>	\$ <u>491,066</u>	\$ <u>35,310</u>
Board of Building Standards				
Assets:				
Cash and cash equivalents	\$ <u>568</u>	\$ <u>1,685</u>	\$ <u>1,178</u>	\$ <u>1,075</u>
Liabilities:				
Deposits held	\$ <u>568</u>	\$ <u>1,685</u>	\$ <u>1,178</u>	\$ <u>1,075</u>
Total – All Agency Funds				
Assets:				
Cash and cash equivalents	\$ <u>65,847</u>	\$ <u>504,368</u>	\$ <u>507,876</u>	\$ <u>62,339</u>
Liabilities:				
Intergovernmental payable	\$ 28,831	\$ 429,522	\$ 452,539	\$ 5,814
Due to others	2,935	20,002	2,935	20,002
Deposits held	<u>34,081</u>	<u>54,844</u>	<u>52,402</u>	<u>36,523</u>
Total liabilities	\$ <u>65,847</u>	\$ <u>504,368</u>	\$ <u>507,876</u>	\$ <u>62,339</u>

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City of Brook Park, Ohio

Statistical Section

This part of City of Brook Park's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	102-106
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	107-112
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	113-116
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	117-118
Operating Information These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	119-122

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Brook Park, Ohio

Net Assets by Component – Last Four Fiscal Years
Accrual Basis of Accounting

December 31, 2006

Table 1

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities:				
Invested in capital assets, net of related debt	\$ 46,861,418	\$ 47,583,487	\$ 52,402,275	\$ 52,981,641
Restricted for:				
Debt services	360,131	459,283	434,576	436,703
Capital projects	5,584,361	7,874,313	4,691,061	9,786,661
Other purposes	-	794,726	578,019	548,690
Special revenues	1,901,028	-	-	-
Unreserved	<u>11,813,192</u>	<u>13,458,738</u>	<u>14,684,243</u>	<u>13,281,656</u>
Total net assets – governmental activities	\$ <u>66,520,130</u>	\$ <u>70,170,547</u>	\$ <u>72,790,174</u>	\$ <u>77,035,351</u>

Note: Prior year data has been reclassified in order in order to reflect the restatement of net assets/fund balances.

City of Brook Park, Ohio

Changes in Net Assets – Last Four Fiscal Years Accrual Basis of Accounting

December 31, 2006

Table 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses				
Governmental activities				
General government	\$ 10,675,655	\$ 7,379,928	\$ 5,743,052	\$ 4,752,217
Security of persons and property	9,075,363	9,776,933	11,422,459	11,396,843
Public health and welfare	226,005	253,214	317,628	332,619
Transportation	510,314	3,311,938	3,550,660	2,635,279
Leisure time activities	2,497,528	3,634,961	3,064,683	2,940,351
Community development	1,538,318	2,119,789	1,767,010	1,770,697
Public works	2,717,718	2,532,212	3,379,002	4,277,913
Interest and fiscal charges	<u>283,376</u>	<u>214,990</u>	<u>193,895</u>	<u>57,224</u>
Total governmental activities expenses	<u>27,524,277</u>	<u>29,223,965</u>	<u>29,438,389</u>	<u>28,163,143</u>
Program revenues				
Charges for services	5,524,450	3,783,868	3,251,965	3,172,207
Operating grants and contributions	24,221	37,002	68,774	220,701
Capital grants and contributions	-	660,991	563,220	239,289
General revenues				
Property taxes	2,741,358	2,866,014	2,954,239	4,521,976
Municipal taxes	21,656,942	21,964,703	22,159,579	20,655,175
Grants and entitlements				
not restricted to specific programs	8,908,485	3,266,535	2,280,824	2,453,114
Investment earnings	257,922	289,315	778,295	1,112,436
Gain on disposal of capital assets	<u>8,532</u>	<u>5,954</u>	<u>1,120</u>	<u>33,422</u>
Total primary governmental revenues	<u>39,121,910</u>	<u>32,874,382</u>	<u>32,058,016</u>	<u>32,408,320</u>
Total primary government net expenses	\$ <u>11,597,633</u>	\$ <u>3,640,417</u>	\$ <u>2,619,627</u>	\$ <u>4,245,177</u>

Note: Prior year data has been reclassified in order in order to reflect the restatement of net assets/fund balances.

City of Brook Park, Ohio

Fund Balances, Governmental Funds – Last Ten Fiscal Years Modified Accrual Basis of Accounting

December 31, 2006

Table 3

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General fund										
Reserved	\$ 514,692	\$ 245,063	\$ 296,045	\$ 277,702	\$ 274,381	\$ 323,115	\$ 425,788	\$ 495,738	\$ 489,431	\$ 509,811
Unreserved	<u>2,348,831</u>	<u>5,687,003</u>	<u>5,516,969</u>	<u>6,174,192</u>	<u>11,675,657</u>	<u>9,806,732</u>	<u>11,730,682</u>	<u>11,023,224</u>	<u>11,521,684</u>	<u>11,018,809</u>
Total general fund	<u>2,863,523</u>	<u>5,932,066</u>	<u>5,813,014</u>	<u>6,451,894</u>	<u>11,950,038</u>	<u>10,129,847</u>	<u>12,156,470</u>	<u>11,518,962</u>	<u>12,011,115</u>	<u>11,528,620</u>
All other governmental funds										
Reserved	664,816	169,262	496,476	1,879,557	1,378,840	469,732	1,040,000	1,815,210	763,151	652,675
Unreserved, undesignated, Reported in:										
Special revenue funds	474,871	5,741,826	5,199,477	993,310	1,770,579	2,970,745	1,385,264	3,007,938	3,049,015	1,560,280
Debt service funds	411,041	357,716	367,279	400,272	-	-	408,175	417,283	434,576	436,703
Capital projects funds	<u>164,577</u>	<u>581,373</u>	<u>2,283,505</u>	<u>2,477,849</u>	<u>2,241,266</u>	<u>5,840,404</u>	<u>4,653,507</u>	<u>6,119,652</u>	<u>4,037,983</u>	<u>9,223,506</u>
Total all other governmental funds	<u>1,715,305</u>	<u>6,850,177</u>	<u>8,346,737</u>	<u>5,750,988</u>	<u>5,390,685</u>	<u>9,280,881</u>	<u>7,486,946</u>	<u>11,360,083</u>	<u>8,284,725</u>	<u>11,873,164</u>
Total governmental funds	\$ <u>4,578,828</u>	\$ <u>12,782,243</u>	\$ <u>14,159,751</u>	\$ <u>12,202,882</u>	\$ <u>17,340,723</u>	\$ <u>19,410,728</u>	\$ <u>19,643,416</u>	\$ <u>22,879,045</u>	\$ <u>20,295,840</u>	\$ <u>23,401,784</u>

Note: Prior year data has been reclassified in order in order to reflect the restatement of net assets/fund balances.

City of Brook Park, Ohio

Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years Modified Basis of Accounting

December 31, 2006

Table 4

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues										
Property taxes	\$ 2,733,477	\$ 2,500,251	\$ 2,419,819	\$ 2,449,696	\$ 2,502,658	\$ 2,446,419	\$ 2,381,452	\$ 2,493,335	\$ 2,601,395	\$ 3,360,471
Income taxes	15,240,112	16,199,230	18,160,744	19,903,518	18,570,711	20,521,265	21,904,475	21,880,786	21,465,211	20,648,297
Other local taxes	358,883	398,698	471,405	485,140	447,917	346,705	281,358	349,222	349,022	260,397
Intergovernmental	2,296,365	2,342,767	2,508,214	2,477,455	2,800,180	2,261,918	8,905,015	3,867,885	2,784,225	2,871,206
Charges for services	324,719	567,046	792,883	1,554,955	1,659,130	2,121,999	1,714,850	1,689,473	1,726,212	1,733,112
Licenses and permits	276,414	423,115	411,274	388,490	547,312	413,044	468,381	397,508	396,603	393,337
Fines and forfeitures	204,388	318,339	263,719	319,222	357,076	311,830	364,412	444,678	398,155	384,660
Special assessments	4,316	4,002	5,273	3,618	4,317	4,282	4,282	4,280	19,637	119,767
Investment income	455,250	524,987	846,565	881,096	615,732	298,621	257,922	289,315	778,295	1,112,436
Other	193,196	410,584	2,569,900	485,082	325,499	609,329	845,019	1,252,209	690,124	694,520
Total revenues	22,087,120	23,689,019	28,449,796	28,948,272	27,830,532	29,335,412	37,127,166	32,668,691	31,208,879	31,578,203
Expenditures										
Current:										
Security of persons and property	7,286,288	7,057,633	7,400,094	7,852,209	8,148,858	9,059,154	9,402,099	9,672,735	10,289,356	10,793,884
Public health and welfare	446,249	416,006	87,907	249,197	230,450	236,480	226,005	239,884	314,991	324,927
Leisure time activities	1,874,024	1,730,140	1,864,092	2,083,257	2,278,621	2,383,237	2,483,022	2,519,902	2,536,300	2,628,688
Community development	632,546	1,027,633	5,338,407	9,086,412	2,907,431	1,669,826	2,141,842	1,474,557	1,535,699	1,657,861
Public works	2,590,499	2,290,909	2,151,915	2,347,347	2,441,957	2,673,386	2,747,140	2,915,119	2,929,810	3,068,509
Transportation	2,248,459	2,124,088	2,965,659	1,685,505	1,599,714	2,432,753	2,890,366	2,523,547	2,633,551	1,582,956
General government	5,797,821	8,725,781	4,680,187	4,186,348	6,178,149	3,979,782	4,223,424	4,382,641	6,231,592	4,740,737
Capital outlay	1,900,673	2,260,661	1,180,151	2,647,853	4,817,482	3,340,489	11,736,127	7,738,958	5,690,763	3,660,098
Debt service	1,780,793	1,780,308	1,771,841	1,759,338	1,753,862	1,765,300	1,806,995	1,812,920	2,029,807	234,496
Total expenditures	24,557,352	27,413,159	27,440,253	31,897,466	30,356,524	27,540,407	37,657,020	33,280,263	34,191,869	28,692,156
Excess of revenues over (under) expenditures	(2,470,232)	(3,724,140)	1,009,543	(2,949,194)	(2,525,992)	1,795,005	(529,854)	(611,572)	(2,982,990)	2,886,047

City of Brook Park, Ohio

Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years (continued) Modified Basis of Accounting

December 31, 2006

Table 4

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Other financing sources (uses)										
Notes issued	-	-	-	-	-	-	-	2,255,000	-	-
Capital leases	-	21,424	357,581	365,965	1,317,372	-	668,230	354,053	373,287	185,639
Cleveland Airport agreement	-	8,750,000	-	-	6,128,582	-	-	-	-	-
Sale of capital assets	21,953	751,403	10,384	626,360	34,703	275,000	94,312	15,004	26,498	34,258
Transfers in	4,843,752	12,055,840	8,245,804	9,447,473	6,760,137	6,667,075	3,811,180	4,753,525	4,737,090	4,666,838
Transfers out	<u>(4,843,292)</u>	<u>(9,651,112)</u>	<u>(8,245,804)</u>	<u>(9,447,473)</u>	<u>(6,576,961)</u>	<u>(6,667,075)</u>	<u>(3,811,180)</u>	<u>(4,753,525)</u>	<u>(4,737,090)</u>	<u>(4,666,838)</u>
Total other financing sources (uses)	<u>22,413</u>	<u>11,927,555</u>	<u>367,965</u>	<u>992,325</u>	<u>7,663,833</u>	<u>275,000</u>	<u>762,542</u>	<u>2,624,057</u>	<u>399,785</u>	<u>219,897</u>
Net change in fund balances	\$ <u>(2,447,819)</u>	\$ <u>8,203,415</u>	\$ <u>1,377,508</u>	\$ <u>(1,956,869)</u>	\$ <u>5,137,841</u>	\$ <u>2,070,005</u>	\$ <u>232,688</u>	\$ <u>3,235,629</u>	\$ <u>(2,583,205)</u>	\$ <u>3,105,944</u>
Debt Service as a percentage of noncapital expenditures	7.86%	7.08%	6.75%	6.01%	6.87%	7.29%	6.97%	7.10%	7.17%	1.07

Note: Prior year data has been reclassified in order in order to reflect the restatement of net assets/fund balances.

City of Brook Park, Ohio

Assessed Valuations and Estimated True Values

Last Ten Years

Table 5

<u>Collection Year</u>	<u>Residential/ Agricultural Real Property</u>	<u>Other Real Property</u>	<u>Public Utility Tangible</u>	<u>Tangible Personal Property</u>	<u>Total</u>	<u>Estimated True Value Real Property</u>
1997	\$ 214,626,670	\$ 123,180,780	\$ 20,955,230	\$ 214,501,234	\$ 573,263,914	\$ 965,164,143
1998	237,651,020	120,981,070	20,039,900	192,481,495	571,153,485	1,024,663,114
1999	237,845,240	119,285,820	19,966,380	175,936,785	553,034,225	1,020,374,457
2000	238,021,220	132,374,750	18,632,750	172,180,824	561,209,544	1,058,274,200
2001	266,452,600	167,037,360	18,890,960	159,067,518	611,448,438	1,238,542,743
2002	265,952,730	154,479,690	14,372,580	132,327,007	567,132,007	1,201,235,486
2003	265,876,430	154,084,030	14,367,430	122,445,643	556,773,533	1,199,887,029
2004	288,926,640	144,414,500	13,492,460	118,219,380	565,052,980	1,238,117,543
2005	289,201,130	151,477,000	13,754,000	125,239,739	579,671,869	1,259,080,371
2006	290,141,140	157,113,310	12,380,180	129,294,459	588,929,089	1,280,280,628

Sources: Cuyahoga County Auditor

City of Brook Park, Ohio

Property Tax Rates – Direct and Overlapping Governments (Per \$1,000 of Assessed Valuation)

Last Ten Years

Table 6

Collection Year	City of Brook Park				Berea City School District	Southwest Vocational School	Cuyahoga County Commissioners	Special (2) Taxing Districts	Total Tax Levy
	General Fund	Special Funds (1)	Debt Service	Total Levy					
1997	3.72	1.65	0.13	5.50	57.00	2.50	12.32	5.48	82.80
1998	3.69	0.65	0.16	4.50	57.90	2.40	12.12	5.88	82.80
1999	3.69	0.65	0.16	4.50	58.00	2.40	10.82	5.88	81.60
2000	3.69	0.95	0.16	4.80	63.90	2.40	10.82	5.88	87.80
2001	3.85	0.95	0.00	4.80	63.80	2.40	11.72	5.88	88.60
2002	3.85	0.95	0.00	4.80	63.80	2.40	11.72	5.88	88.60
2003	3.85	0.95	0.00	4.80	69.80	2.40	11.72	5.88	94.60
2004	3.85	0.95	0.00	4.80	69.80	2.40	13.52	5.88	96.40
2005	3.85	0.95	0.00	4.80	69.80	2.40	13.52	6.78	97.30
2006	3.85	0.95	0.00	4.80	74.90	2.40	13.42	6.78	102.30

Source: Cuyahoga County Auditor

(1) – Southwest General Hospital, Police & Firemen Pension Fund, and Tri City Senior Center

(2) – Metroparks, Port Authority, County Library, Community College

City of Brook Park, Ohio

Real Property Tax Levies And Collections

Last Ten Years

Table 7a

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Collections</u>	<u>Percentage of Current Collections To Current Levy</u>	<u>Prior Year Collections</u>	<u>Total Collections(1)</u>	<u>Percentage of Total Collections To Current Levy</u>
1997	\$ 1,758,508	\$ 1,741,889	99%	\$ 66,982	\$ 1,808,871	103%
1998	1,843,108	1,784,451	97%	40,309	1,824,760	99%
1999	1,690,292	1,660,990	98%	97,942	1,758,932	104%
2000	1,859,481	1,828,985	98%	57,773	1,886,758	101%
2001	2,132,394	2,051,067	96%	49,844	2,100,911	99%
2002	2,054,015	1,985,572	97%	110,757	2,096,329	102%
2003	2,069,493	1,971,073	95%	44,834	2,015,907	97%
2004	2,103,008	2,002,323	95%	60,839	2,063,162	98%
2005	2,199,007	2,065,256	94%	61,074	2,126,330	97%
2006	2,169,941	2,111,420	97%	131,737	2,243,157	103%

Source: Cuyahoga County Auditor

(1) State reimbursement of rollback and homestead exemptions is included

Note: The County does not identify delinquent collections by the year for which the tax was levied.

City of Brook Park, Ohio

Tangible Personal Property Tax Levies And Collections

Last Ten Years

Table 7b

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Collections</u>	<u>Percentage of Current Collections To Current Levy</u>	<u>Prior Year Collections</u>	<u>Total Collections</u>	<u>Percentage of Total Collections To Current Levy</u>
1997	\$ 1,058,648	\$ 1,053,557	100%	\$ 28,236	\$ 1,081,793	102%
1998	967,652	961,428	99%	66,519	1,027,947	106%
1999	774,814	765,819	99%	49,791	815,610	105%
2000	762,706	753,188	99%	8,763	761,951	100%
2001	635,316	630,494	99%	21,605	652,099	103%
2002	588,172	578,030	98%	5,691	583,721	99%
2003	566,213	556,638	98%	11,138	567,776	100%
2004	603,316	589,946	98%	14,775	604,721	100%
2005	622,546	617,509	99%	33,698	651,207	105%
2006	407,294	405,424	100%	14,539	419,963	103%

Source: Cuyahoga County Auditor

City of Brook Park, Ohio

Principal Taxpayers - Real Estate Tax (1)

2006 and 2002

Table 8

<u>Name of Taxpayer</u>	December 31, 2006	
	Assessed Value (1)	Percent of Total Assessed Value
Ford Motor Company	\$ 20,594,130	3.50%
MWP Company	9,857,350	1.67%
Tech Park Limited Partnership	8,218,500	1.40%
Brookgate Associates, LLC	4,611,060	0.78%
CP- Cleveland ADC, LLC	3,739,300	0.63%
CP-Snow Prop, LLC	3,686,270	0.63%
Laich, Walter	2,876,370	0.49%
Foseco Metallurgical Inc.	2,291,630	0.39%
KW Real Estate	2,135,250	0.36%
Sandelman Sandford Trs.	2,135,010	0.36%
Total	\$ <u>60,144,870</u>	<u>10.21%</u>

<u>Name of Taxpayer</u>	December 31, 2002	
	Assessed Value (2)	Percent of Total Assessed Value
Ford Motor Company	\$ 30,069,700	5.03%
City of Cleveland	11,545,420	2.04%
Tech Park Limited Partnership	9,674,950	1.71%
MWP Company	7,353,470	1.30%
Eastland Properties Association Limited Partnership	3,668,280	0.65%
Deborah Salzberg Succ. Trs.	3,017,670	0.53%
Foseco, Inc.	2,291,630	0.41%
Fairfield Inn by Marriott	1,765,580	0.31%
AAA Apartments	1,715,600	0.30%
Sandelman Sanford & Susan Trs.	1,710,240	0.30%
Total	\$ <u>72,812,540</u>	<u>12.58%</u>

Source: Cuyahoga County Auditor
 (1) Excludes Public Utilities

City of Brook Park, Ohio

Municipal Income Tax Collections By Source Modified Accrual Basis of Accounting

Last Ten Years

Table 9

<u>Withheld Year</u>	<u>Individual Tax</u>	<u>Business Direct Tax</u>	<u>Municipal Direct Tax</u>	<u>Income Tax Collections</u>
1997	\$ 13,127,632	\$ 972,900	\$ 1,139,580	\$ 15,240,112
1998	14,001,050	914,183	1,283,997	16,199,230
1999	15,899,371	957,531	1,303,842	18,160,744
2000	17,549,260	985,249	1,369,009	19,903,518
2001	16,435,339	1,023,869	1,111,503	18,570,711
2002	18,655,101	830,330	1,035,834	20,521,265
2003	19,684,382	778,618	1,441,475	21,904,475
2004	19,904,248	686,738	1,289,800	21,880,786
2005	19,356,185	733,870	1,375,156	21,465,211
2006	18,530,174	726,347	1,391,776	20,648,297

Source: City Financial Records

City of Brook Park, Ohio

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

Last Ten Years

Table 10

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Lease Purchase Agreements			
2006	\$ 1,945,000	\$ 1,075,745	\$ 3,020,745	0.70%	\$ 142
2005	2,110,000	1,277,147	3,387,147	0.78%	160
2004	3,962,000	1,446,808	5,408,808	1.25%	255
2003	3,319,000	1,461,052	4,780,052	1.10%	225
2002	4,836,000	1,263,712	6,099,712	1.41%	287
2001	6,273,000	1,546,089	7,819,089	1.81%	369
2000	7,630,000	569,255	8,199,255	1.89%	386
1999	8,922,000	480,767	9,402,767	NA	412
1998	10,144,000	433,751	10,577,751	NA	464
1997	11,306,000	724,635	12,030,635	NA	527

Source: City Financial Records
 Population and Personal Income data are presented on Table 15
 NA – Information not available.

City of Brook Park, Ohio

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

Last Ten Years

Table 11

<u>Year</u>	<u>Net General Bonded Debt (1)</u>	<u>Assessed Value (2)</u>	<u>Population (3)</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Debt per Capita</u>
1997	\$ 10,558,959	\$ 573,264	22,821	1.84%	\$ 462.69
1998	9,492,284	571,153	22,821	1.66%	415.95
1999	8,302,721	553,034	22,821	1.50%	363.82
2000	7,019,728	561,210	21,218	1.25%	330.84
2001	5,700,453	611,448	21,218	0.93%	268.66
2002	4,427,214	567,132	21,218	0.78%	208.65
2003	5,425,825	556,773	21,218	0.97%	255.72
2004	3,544,717	565,053	21,218	0.63%	167.06
2005	1,675,424	579,672	21,218	0.29%	78.96
2006	1,508,297	588,929	21,218	0.26%	71.09

- (1) Net general bonded debt equals the amount of general obligation bonds payable from property taxes minus the debt service fund balance available to pay general obligation debt
- (2) Shown in thousands of dollars
- (3) Source: U.S. Census Bureau

City of Brook Park, Ohio

Computation of Direct and Overlapping Debt

December 31, 2006

Table 12

<u>Jurisdiction</u>	<u>Net Debt Outstanding (1)</u>	(2) <u>Percentage Applicable to City of Brook Park</u>	<u>Amount Applicable to City of Brook Park</u>
City of Brook Park	\$ 1,508,297	100.00%	\$ 1,508,297
Berea City School District	10,425,000	37.51%	3,910,418
Cuyahoga County	214,338,691	1.72%	3,686,625
Regional Transit Authority	<u>156,500,000</u>	1.72%	<u>2,691,800</u>
Total	\$ <u>382,771,988</u>		\$ <u>11,797,140</u>

Source: Cuyahoga County Auditor

(1) Net debt outstanding equals the amount of general obligation bonds payable from property taxes minus the available debt service fund balance.

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

City of Brook Park, Ohio

Legal Debt Margin

Last Ten Fiscal Years

Table 13

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Assessed valuation	\$ <u>573,263,914</u>	\$ <u>553,034,225</u>	\$ <u>561,209,544</u>	\$ <u>561,209,544</u>	\$ <u>611,448,438</u>	\$ <u>567,132,007</u>	\$ <u>556,773,533</u>	\$ <u>565,052,980</u>	\$ <u>579,671,869</u>	\$ <u>588,929,089</u>
Overall debt limit – 10.5% of assessed value	\$ <u>60,192,711</u>	\$ <u>58,068,594</u>	\$ <u>58,927,002</u>	\$ <u>58,927,002</u>	\$ <u>64,202,086</u>	\$ <u>59,548,861</u>	\$ <u>58,461,221</u>	\$ <u>59,330,563</u>	\$ <u>60,865,546</u>	\$ <u>61,837,554</u>
Gross indebtedness	<u>12,346,000</u>	<u>11,044,000</u>	<u>9,622,000</u>	<u>7,630,000</u>	<u>6,273,000</u>	<u>4,836,000</u>	<u>3,319,000</u>	<u>3,962,000</u>	<u>2,110,000</u>	<u>1,945,000</u>
Less: debt outside limitation	<u>(11,306,000)</u>	<u>(10,144,000)</u>	<u>(8,922,000)</u>	<u>(7,630,000)</u>	<u>(6,273,000)</u>	<u>(4,836,000)</u>	<u>(3,319,000)</u>	-	-	-
Less: amount available in debt service fund	<u>(411,041)</u>	<u>(357,716)</u>	<u>(367,279)</u>	<u>(400,272)</u>	<u>(404,547)</u>	<u>(408,786)</u>	<u>(408,175)</u>	<u>(417,283)</u>	<u>(434,576)</u>	<u>(436,703)</u>
Net debt within 10.5% limit	<u>628,959</u>	<u>542,284</u>	<u>332,721</u>	-	-	-	-	<u>3,544,717</u>	<u>1,675,424</u>	<u>1,508,297</u>
Legal Debt Margin	\$ <u>59,563,752</u>	\$ <u>57,526,310</u>	\$ <u>58,594,281</u>	\$ <u>58,927,002</u>	\$ <u>64,202,086</u>	\$ <u>59,548,861</u>	\$ <u>58,461,221</u>	\$ <u>55,785,846</u>	\$ <u>59,190,122</u>	\$ <u>60,329,257</u>
Debt Limit – .5.5% of assessed unvoted value	\$ <u>31,529,515</u>	\$ <u>30,416,882</u>	\$ <u>30,866,525</u>	\$ <u>30,866,525</u>	\$ <u>33,629,664</u>	\$ <u>31,192,260</u>	\$ <u>30,622,544</u>	\$ <u>31,077,914</u>	\$ <u>31,881,953</u>	\$ <u>32,391,100</u>
Gross indebtedness authorized by council:	<u>12,346,000</u>	<u>11,044,000</u>	<u>9,622,000</u>	<u>7,630,000</u>	<u>6,273,000</u>	<u>4,836,000</u>	<u>3,319,000</u>	<u>3,962,000</u>	<u>2,110,000</u>	<u>1,945,000</u>
Less: debt outside limitation	<u>(11,306,000)</u>	<u>(10,144,000)</u>	<u>(8,922,000)</u>	<u>(7,630,000)</u>	<u>(6,273,000)</u>	<u>(4,836,000)</u>	<u>(3,319,000)</u>	-	-	-
less: amount available in debt service fund	<u>(411,041)</u>	<u>(357,716)</u>	<u>(367,279)</u>	<u>(400,272)</u>	<u>(404,547)</u>	<u>(408,786)</u>	<u>(408,175)</u>	<u>(417,283)</u>	<u>(434,576)</u>	<u>(436,703)</u>
Net debt within 5.5% limit	<u>628,959</u>	<u>542,284</u>	<u>332,721</u>	-	-	-	-	<u>3,544,717</u>	<u>1,675,424</u>	<u>1,508,297</u>
Unvoted debt margin	\$ <u>30,900,556</u>	\$ <u>29,874,598</u>	\$ <u>30,533,804</u>	\$ <u>30,866,525</u>	\$ <u>3,629,664</u>	\$ <u>31,192,260</u>	\$ <u>30,622,544</u>	\$ <u>27,533,197</u>	\$ <u>30,206,529</u>	\$ <u>30,882,803</u>

Source: Cuyahoga County Auditor and City Financial Records

City of Brook Park, Ohio

Principal Employers

Current Year and Five Years Ago

Table 14

2006

Ford Motor Company
Department of the Interior
Foseco Metallurgical Inc.
National City Corporation
Brook Park, City of
Berea City School District
Marc Glassman Inc.
Zin Technologies
BFS Retail/Commercial LLC
Analex Corp.

2002

Ford Motor Company
NASA Marshall Space Flight Center
Foseco Metallurgical Inc.
Brook Park, City of
Analex Corp.
Berea City School District
QSS Group Inc.
S.K. Wellman Corp.
Ohio Aerospace Institute
Marc Glassman Inc.

Source: City Income Tax Department

City of Brook Park, Ohio

Demographic and Economic Statistics

Last Ten Years

Table 15

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (4)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>School Enrollment (2)</u>	<u>Cuyahoga County Unemployment Rate (3)</u>
2006	21,218	\$ 433,080,598	\$ 20,411	\$ 46,333	39.8	7,526	5.4%
2005	21,218	433,080,598	20,411	46,333	39.8	7,511	6.5
2004	21,218	433,080,598	20,411	46,333	39.8	7,801	6.5
2003	21,218	433,080,598	20,411	46,333	39.8	7,505	6.7
2002	21,218	433,080,598	20,411	46,333	39.8	7,653	6.5
2001	21,218	433,080,598	20,411	46,333	39.8	7,820	4.6
2000	21,218	433,080,598	20,411	46,333	39.8	7,891	4.4
1999	22,821	N/A	N/A	N/A	N/A	7,980	4.5
1998	22,821	N/A	N/A	N/A	N/A	7,927	4.4
1997	22,821	N/A	N/A	N/A	N/A	7,901	4.8

(1) Source: U. S. Census

(a) Years 2000 through 2006 - 2000 Federal Census

(b) Years 1997 through 1999 - 1990 Federal Census

(2) Source: Ohio Department of Education Website

(3) Source: Ohio Bureau of Employment Services, U.S. Department of Labor, Bureau of Labor Statistics for Cleveland

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

N/A – Information not available

City of Brook Park, Ohio

Full Time Equivalent City Government Employees by Function/Program

Last Five Years

Table 16

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Function/program:					
General government:					
Council	2	2	2	2	2
Finance	5	5	5	5	5
Tax	5	5	5	6	6
Law	2	2	2	2	2
Mayor's office	3	3	3	3	3
Human resources	1	1	1	1	1
Civil service	1	1	1	1	1
Clerk of courts	1	1	1	1	1
Security of persons and property:					
Safety department	11	11	11	12	12
Animal warden	2	2	2	2	2
Police	44	45	45	45	42
Police administration	2	-	-	-	-
Property maintenance	4	5	5	5	4
Fire	40	40	40	40	40
Fire administration	1	-	-	-	-
Public health and welfare:					
Office of aging	1	1	-	-	-
Leisure time activities:					
Recreation	9	9	9	9	8
Community development:					
Building	6	6	6	6	6
Economic development	1	3	3	3	2
Transportation:					
Service	59	58	60	61	61
Basic utility services:					
Service	5	5	6	6	6
Service dispatch	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Totals	<u>206</u>	<u>206</u>	<u>208</u>	<u>211</u>	<u>205</u>

Source: City Payroll Records

(1) Information prior to 2002 is not available

City of Brook Park, Ohio

Operating Indicators by Function/Program

Last Five Years

Table 17

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Function/program					
General government					
<i>Council and clerk</i>					
Number of ordinances passed	83	93	105	97	103
Number of resolutions passed	30	37	30	33	43
<i>Finance department</i>					
Number of checks/ vouchers issued (excluding payroll)	6,446	6,378	6,550	6,594	N/A
Number of purchase orders issued	2,079	2,167	2,353	N/A	N/A
Number of W-2 forms issued	382	402	402	419	420
City W-2 wages (in millions)	13	13	13	13	13
Agency ratings – Fitch	AA-3	AA-3	AA-3	AA-3	AA-3
<i>Income tax department (2)</i>					
Number of individual returns	8,587	8,824	9,040	9,360	9,522
Number of business returns	1,582	1,538	1,529	1,586	1,478
Number of business withholding accounts	1,470	1,554	1,539	1,552	1,455
<i>Civil service</i>					
Number of exams given	4	-	1	7	2
Building department indicators					
Number of permits issued	1,570	904	1,188	1,076	986
Security of persons and property					
Police					
Number of traffic citations issued	3,337	4,038	3,808	3,111	N/A
Number of parking citations issued	1,773	1,375	1,860	1,491	N/A
Number of criminal arrests	208	212	190	252	N/A
Animal warden service calls responded to per annual report	81	64	83	111	N/A

City of Brook Park, Ohio

Operating Indicators by Function/Program (continued)

Last Five Years

Table 17

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Security of persons and property					
Fire					
EMS calls	2,230	2,240	2,172	1,946	2,038
Fire and fire-related calls	388	359	395	521	526
Hydrants tested	1,204	1,204	1,204	1,204	1,201
Leisure time activities					
Recreation					
Number of memberships	7,576	7,220	7,031	6,815	6,680
Community development					
Parking fees collected due to Economic Development Dept.	\$ 827,354	\$ 855,840	\$ 855,278	\$ 923,268	\$1,570,473
Public works					
Refuse disposal per year (in tons)	13,020	13,470	10,848	10,870	21,479
Refuse disposal costs per year	\$ 436,085	\$ 417,180	\$ 424,033	\$ 409,506	\$ 362,539
Percentage of waste recycled	4.25%	4.60%	6.25%	6.67%	2.23%
Transportation					
Snowfall in inches	34.60	108.40	95.80	98.60	69.80
Cost of salt purchased	\$ 151,524	\$ 464,333	\$ 264,719	\$ 407,933	\$ 151,150
Asphalt used in road maintenance (tons)	240	387	512	280	325
Concrete used in road maintenance (yards)	300	300	365	324	420
Number of trees removed	157	248	200	200	200
Number of trees planted	110	125	150	190	150
Senior citizen driveway plowing participants	1320	1,367	1,264	1,222	1,171

(1)Information prior to 2002 is not available

(2)Information does not include amended returns, voids, etc.

N/A- Information is not available

City of Brook Park, Ohio

Capital Assets Statistics by Function/Program

Last Five Years

Table 18

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Function/program					
General government					
City Hall square footage	16,880	16,880	16,880	16,880	16,880
Other departmental vehicles	14	11	11	11	11
Security of persons and property					
Police					
Stations	1	1	1	1	1
Square footage of Police (and Fire) building	16,072	16,072	16,072	16,072	16,072
Number of vehicles	45	52	45	46	47
Number of street lights	2,565	2,565	2,565	2,565	2,565
Number of traffic lights	49	49	49	49	49
Fire					
Stations	3	3	3	3	3
Square footage of station	SEE ABOVE – POLICE STATION				
Square footage of station – Ruple	3,807	3,807	3,807	3,807	3,807
Square footage of station – W. 130th	924	924	924	924	924
Number of vehicles	14	16	15	14	13
Leisure time activities					
Recreation					
Number of Parks	7	7	7	7	7
Number of Pools	2	2	2	2	2
Number of Diving Tanks	1	1	1	1	1
Square Footage of Recreation Center	105,300	105,300	105,300	105,300	105,300
Public works					
Streets (miles)	46	46	46	46	46
Service vehicles	74	70	70	76	70

(1) Information prior to 2002 is not available



Mary Taylor, CPA
Auditor of State

CITY OF BROOK PARK

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 26, 2007**