



Mary Taylor, CPA
Auditor of State

CITY OF BROOKLYN
CUYAHOGA COUNTY

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Mary Taylor, CPA

Auditor of State

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

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

To the Members of Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brooklyn, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 25, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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

We consider the following deficiency described in the accompanying schedule of findings to be significant deficiency in internal control over financial reporting: 2008-001.

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

Our consideration of the 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 the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, the significant deficiency described above is also a material weakness.

We also noted certain internal control matters that we reported to the City's management in a separate letter dated June 25, 2009.

Compliance and Other Matters

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

We did note certain noncompliance or other matters that we reported to the City's management in a separate letter dated June 25, 2009.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the City's response and, accordingly, we express no opinion on them.

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



Mary Taylor, CPA
Auditor of State

June 25, 2009

CITY OF BROOKLYN
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2008

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER	2008-001
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Statement on Auditing Standards 112 - Effects on Annual Financial Report – Material Weakness

Paragraph 18 of the *Statement on Auditing Standards 112* documents that the identification by the auditor of a material misstatement in the financial statements for the period under audit that was not initially identified by the entity’s internal control is a strong indicator of a material weakness even if management subsequently corrects the misstatement.

Sound financial reporting is the responsibility of the Finance Director and the City Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following weakness was noted and subsequent adjustments made to the financial statements and, where applicable, to the City’s accounting records:

1. The City restated prior year net assets by \$1,917,547 to include two FY2007 capital leases (net of depreciation). Other additions to net assets, amounting to \$93,293, include \$308,039 in unrecorded capital assets less depreciation of \$214,746. These adjustments affected not only the basic financial statements but also the Management’s Discussion and Analysis and the Notes to the basic financial statements.

We recommend the City adopt policies and procedures for controls over recording capital leases to help ensure the information accurately reflects the activity of the City and thereby increasing the reliability of the financial data throughout the year.

Officials’ Response:

The City agrees with the restatement of net assets relative to a correction on the classification of a capital lease in 2007. This item was not identified during the conversion process by the City or the representatives of the Local Government Services Division in the preparation of the Comprehensive Annual Financial Report. Although this adjustment is necessary for effective and complete identification of net assets, there was no material misrepresentation on the financial position of the City in 2008 on a cash basis.

City of Brooklyn, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2008

Prepared by:

Dennis G. Kennedy
Director of Finance

City of Brooklyn, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2008
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Mayor
Kenneth E. Patton

The City of
Brooklyn · Ohio
FOUNDED 1867

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

May ____, 2009

City Council and Citizens of Brooklyn:

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an annual report with the Auditor of State within 150 days of fiscal year end. This report is published to fulfill the State filing requirement for the year ended December 31, 2008. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that it has established for that purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. This report will be the twentieth consecutive Comprehensive Annual Financial Report (CAFR) the City has published and will provide the taxpayers of the City of Brooklyn with comprehensive financial data to inform them of the City of Brooklyn's financial status. Copies will be made available to major corporate taxpayers, the Brooklyn Branch of the Cuyahoga County Public Library, financial rating services and other interested parties.

The Auditor of State for the State of Ohio has issued an unqualified ("clean") opinion on the City of Brooklyn's financial statements for the year ended December 31, 2008. The independent accountant's report is located at the front of the financial section of this report.

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

CITY OF BROOKLYN

A small community adjacent to the City of Cleveland on three sides and the City of Parma on the fourth, Brooklyn is approximately six miles from downtown Cleveland. The City is uniquely situated for both commuters and industry with I-480 running east-west through the southern extremity of the City, I-77 and I-71, the major north-south highways, within 5 minutes either side of the City and Cleveland Hopkins Airport only 10 minutes away. The City consists of 2,745 acres or 4.60 square miles.

Founded by German immigrants in 1818, Brooklyn Township was set apart from Cleveland Township, which is now known as "Old Brooklyn". On August 5, 1867, Brooklyn Village became incorporated, eventually becoming a chartered home rule City on January 1, 1952. According to the latest population figures, Brooklyn has approximately 11,500 residents.



Operating under the Mayor/Council form of government, the citizens of Brooklyn elect a mayor and seven council members who serve at-large. Terms for both the Mayor and Council members are four years. As the chief executive officer for the City, the Mayor is responsible for the supervision and administration of the City's affairs and exercises control over all departments and divisions. The Mayor may introduce and make recommendations on legislation and has full veto powers. The Mayor is also responsible for the preparation and submission of the annual estimate of receipts and expenditures, and of appropriation measures. The Mayor keeps Council advised of the City's financial condition. Directors of Law, Finance, Public Safety and Public Service serve at the pleasure of the Mayor and report directly to him. Brooklyn also maintains a certified Building Department with a full-time Chief Building Official as its head. The Police Chief and Fire Chief are also at will employees.

The City provides a full range of municipal services, including full-time police, fire and emergency medical services, senior citizen programs, recreation programs, street maintenance and repair, residential refuse collection and disposal, curbside recycling, building, planning and zoning, as well as other administrative functions. In addition, Brooklyn provides some unique services not normally seen in most municipalities. Senior citizens have the ability to sign up to have their lawns mowed in summer months and their driveways plowed during the winter. The City charges only a nominal fee for each of these services.

The City Council is required to adopt a temporary budget for the next year by no later than the close of the current year and a permanent budget prior to March 31. The annual budget serves as the foundation of the City of Brooklyn's financial planning and control. The budget is prepared by fund, function (e.g., public safety), department (e.g., police) and object code (e.g. materials and supplies). The budget is then passed at the department and object code level for the general fund and at the object code level for all other funds. Department heads may move resources among the object codes of their department. Transfers between departments or funds require special approval of City Council.

ECONOMIC CONDITION AND OUTLOOK

The City of Brooklyn has a longstanding reputation for encouraging growth and development of its thriving industrial and commercial base. Exceptional working relationships have been forged between the City Administration, business and industry. Thanks to a targeted economic development program, which has included expansion of the retail, commercial and industrial sectors, the City's financial condition has remained strong through the turbulent economic environment that existed in 2008. The City has reconfigured from the 1970's when it had major industrial manufacturers such as Lampson & Sessions and Terex to a much more diversified business base today. In addition to the three main businesses (American Greetings, Key Bank and The Plain Dealer) there is Ridge Park Square Shopping Center, Cascades Crossing (Hampton Inn, Extended Stay America, TGI Friday's, Steak & Shake and Chipotle Mexican Grill), Key Commons (Cracker Barrel, Panera's, Carrabba's Italian Grill, Wild Ginger and Max & Erma's), Brooklyn Corporate Center, a major medical building, manufacturing such as Ferrous Metals, Superior Products, and Areway Manufacturing; and trucking such as USF Holland, Falcon and numerous small trucking companies. Businesses along the Brookpark Road corridor include Best Buy, Super Kmart, Golden Corral, Staples, Wal-Mart, Home Depot, IHOP, Flower Factory and Gordon Foods.

The City has a very prime location along Interstate 480. This competitive advantage allows retail outlets on Ridge and Brookpark Roads and retail services such as hotels and restaurants on Tiedeman Road to continue to enjoy solid business. Brooklyn's location is ideal as it provides immediate access to the Hopkins International airport and is just minutes way from downtown Cleveland. The maintenance of our commercial properties and housing stock is key to holding our property values and the overall low property tax rates enjoyed by property owners in Brooklyn has made the City an attractive location to maintain homes and businesses.

Brooklyn has a much larger business base than most communities. Property taxes in Brooklyn are split with 44.42 percent from residential properties, 45.81 percent from commercial properties and 9.76 percent from other sources. Because of the large business base for property taxes, Brooklyn has an

assessed valuation per capita of \$31,563. In 2008, revenue from resident income tax collections accounted for about \$262,000 of the total income tax for the City. Income taxes paid by residents have traditionally been in the annual range of \$250,000-\$310,000. Net profits from business generate about 6.96 percent. The bulk of the income taxes paid, 90.90 percent, are paid by employees of the businesses located in the City.

Although income tax collection has progressively increased over the past decade, the impact of the financial crisis experienced in 2008 has been felt. Major corporations in Brooklyn, in response to shrinking credit markets and global economic changes, have reduced staffing to various degrees. Those workforce reductions have caused a decline in the amount of employee withholding taxes paid to the City.

Additionally, net profit taxes have decreased from prior year levels due to the stress on retail, commercial and industrial sales. The City is approaching its budget preparation for 2009 and beyond with conservative consideration for little or no growth in income tax revenue. It will take some time before the economy improves significantly to a point where traditional revenue expansion may be expected. In 2009, Brooklyn voters approved an increase in the income tax rate from 2.0 to 2.5 percent effective June 1, 2009. Income tax collections currently account for about 61.72 percent of the revenue for the City and are by far the major source of income. Real estate property taxes are second at 10.24 percent. Revenue generated from charges for services is third at about 9.6 percent.

A Chamber of Commerce was inaugurated in Brooklyn in 2002. The Mayor understands that the bulk of the taxes paid in Brooklyn come from our businesses. The Mayor also instituted the establishment of a Master Plan for the City. Development of the plan began in 2004 and was completed in early 2006. The Master Plan was reviewed and approved by both the Planning Commission and City Council. The addition of an Economic Development Director to the City's staff in 2007 is evidence of the commitment of City officials to continue aggressive pursuit of new business partners in Brooklyn.

During the past five years expenditures related to public safety have increased not only in amount, but also as a percentage of total expenditures. In 2002 public safety was 37 percent of expenditures. Salaries, benefits and expenses associated with police and fire have grown faster than in other areas of municipal government, primarily due to pension contributions and increased reliance on overtime situations. Total expenses allocated for public safety expenditures in 2008 was 43.5 percent of the total program expenses for the year, a level consistent with the 42.2 percent total recorded in 2007. The City hopes to stabilize safety forces personnel costs through overtime expense management, limited staff expansions and restructured collective bargaining agreements.

Basic utility services, general government expenses, and recreation are the next three major service areas. As a percentage of the total expenses, basic utility services represents 15.2 percent, general government expenses represents 10.2 percent and recreation expenses represents 13.5 percent. Major energy conservation improvements completed in 2007 at the City's Recreation Center have resulted in an expansion of use by residents and non-resident organizations, the result of which has been an improved revenue stream for the facility.

LONG-TERM FINANCIAL PLANNING

Unreserved, undesignated fund balance in the General Fund (11.4 percent of total General Fund revenues) falls within the policy guidelines set by the Council for budgetary and planning purposes (between 5 and 15 percent of total General Fund revenues). The Brooklyn City Council has established an informal benchmark of 16 percent, approximately 60 days operating funds. Over the past six fiscal years, the City has had balances ranging between 13 and 21 percent.

The City ensures there are funding sources for all projects it undertakes. A portion of income tax collections is designated for the Capital Improvement Fund to ensure considerable pay-as-you-go financing of capital projects. The balance in the Capital Improvements Fund is equal to more than six months of capital expenditures in a normal year. It has been at that level and more every year for the last

six years. The 2008 year end fund balance was \$1.66 million dollars. The new fire station has a mill property tax designated to pay the bond payments for it. The City operates the only municipal landfill in Cuyahoga County. Monies are being accumulated to ensure closure and post closure costs are covered when the landfill reaches capacity in 30 years. Currently, the City has accumulated more than \$3.68 million as of the end of 2008 for the closure and post closure costs. The City has a very favorable debt profile and amortizes debt quickly; over 75 percent of outstanding debt is paid back within ten years.

As previously discussed, the Brooklyn voters approved an increase in the City income tax rate from 2.0 to 2.5 percent effective June 1, 2009. This expanded revenue stream is expected to generate approximately \$850,000 in new income tax proceeds in 2009 and upwards of \$2.2 million annually in years thereafter.

MAJOR INITIATIVES

Several years prior, the City began work on a long-range project to improve the traffic flow on its main corporate artery, Tiedeman Road. American Greetings, The Cleveland Plain Dealer and Key Bank all have major facilities on property contiguous to Tiedeman Road. Additionally, a large number of retail businesses accommodating visitors and employees of nearby corporations operate on Tiedeman.

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

It is hoped that the City will continue to move forward in 2009 with final engineering design of the project in an effort to relieve congestion on Tiedeman Road for residents and our business partners. There are also a number of properties located in the Tiedeman vicinity which would become increasingly viable and attractive for development if access and traffic flow is improved.

The City of Brooklyn invested over \$2 million in a comprehensive energy savings renovation plan at the recreation center. These improvements are expected to sustain the revenue generating capabilities of the center over the course of the next 15 years. In 2008, revenue generated by recreation programs conducted at the facility rebounded from lower 2007 levels. City management is continually evaluating the opportunities a building of this nature provides for residents and non-residents alike.

In response to the availability of funding provided for projects governed by various portions of the economic stimulus programs implemented by the federal government in early 2009, the City has made application for a series of grants that would support repair and reconstruction of infrastructure in Brooklyn. Additionally, Safety Forces personnel have applied for monies dedicated to the sustenance and expansion of Police personnel for the next several years.

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

As was the case for most communities in 2008, commercial development and expansion in Brooklyn was largely impacted by the global economic crisis. There were still a number of major renovations that occurred at Brooklyn businesses in 2008 and several other projects continue to move towards completion. Proposed major construction projects in 2009 include the Brooklyn Ridge Senior Living Community on Idlewood Drive, extensive renovations and improvements to Sam's Club and a 35,000 square foot addition to a Wal-Mart location on Brookpark Road.

The City hired an economic development director in 2007 to pursue acquisition of new businesses within the City and retention of our existing tax base. In addition this position will be responsible for procurement of various sources of funds to support the continuation of the City's Master Plan.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Brooklyn for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2007. This was the eighteenth consecutive year that Brooklyn has received this prestigious award. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully Submitted,

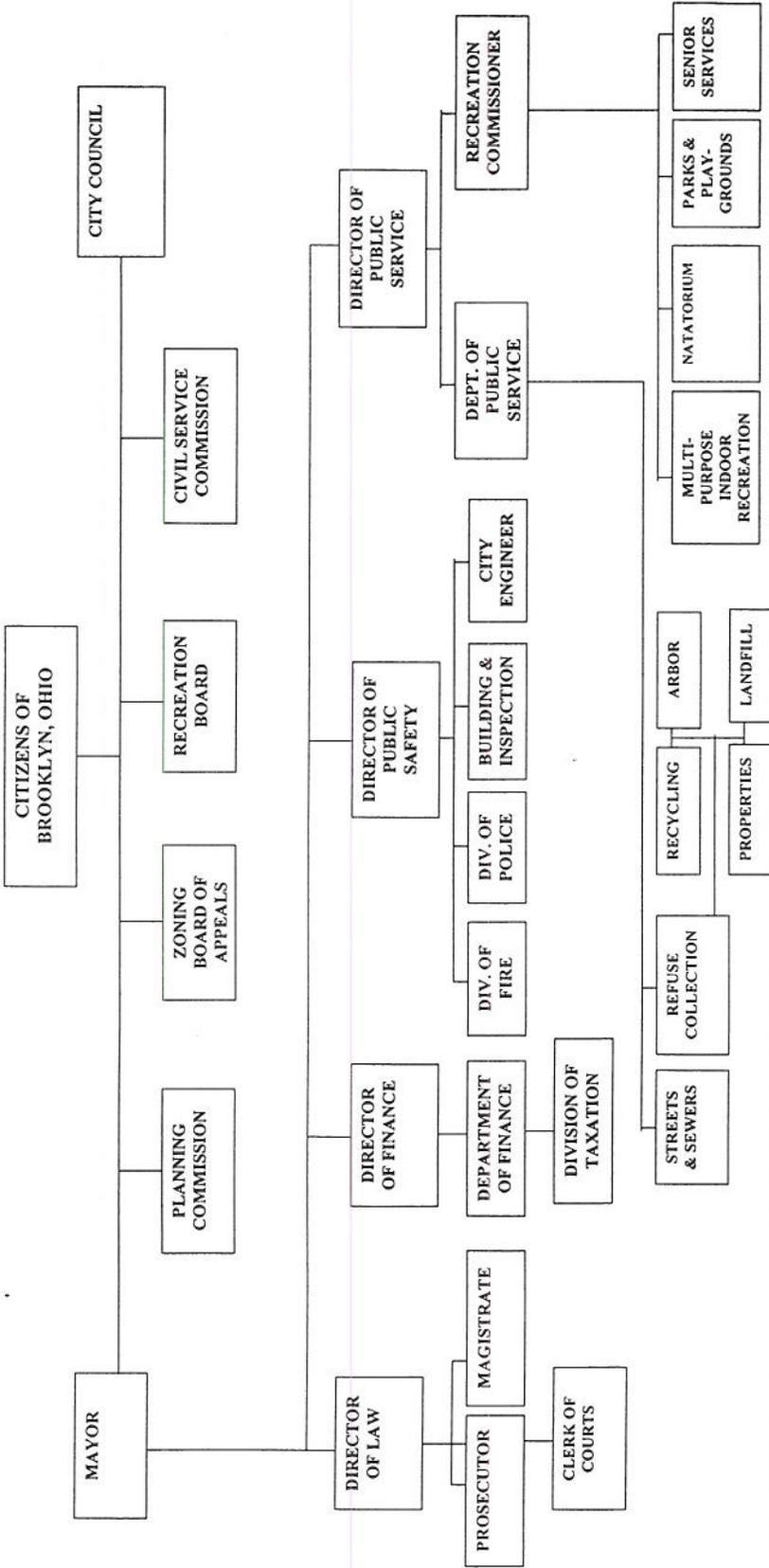


Kenneth E. Patton
Mayor



Dennis Kennedy
Director of Finance

CITY OF BROOKLYN, OHIO ORGANIZATION CHART



CITY OF BROOKLYN, OHIO

Principal Officials

Mayor

Kenneth E. Patton

Council President

Richard H. Balbier

Council-At-Large

Gregory L. Frey

Council-At-Large

Craig M. Patton

Council-At-Large

Joseph A. Magrey

Council-At-Large

Kathleen M. Pucci

Council-At-Large

Colleen B. Coyne-Gallagher

Council-At-Large

Scott D. Claussen

Director of Law

Thomas O. Shaper

Magistrate

Ronald Balbier

Prosecutor

Hillary Goldberg

Director of Public Safety

Donald Hilberg

Director of Public Service

Douglas Rehker

Director of Finance

Dennis G. Kennedy

Chief Building Official

Thomas J. Ockington

Police Chief

Mark Tenaglia

Fire Chief

Paul Duchoslav

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Brooklyn
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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 "K. L. R. +".

President

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

Executive Director



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Members of City Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brooklyn, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brooklyn, Cuyahoga County, Ohio, as of December 31, 2008, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund and Fire Pension Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3B to the basic financial statements, the City restated the December 31, 2007 capital assets for Governmental Activities.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 25, 2009

City of Brooklyn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

The management's discussion and analysis of the City of Brooklyn's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2008. The intent of this discussion and analyses is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2008 are:

- City income tax totaled \$12,244,676 in governmental activities. This is a decrease of \$228,503 from \$12,473,179 in 2007. Staff reductions at a number of major corporations in the City caused a decrease in the level of employee withholding tax remitted in 2008, particularly in the latter part of the year. Due to the timing of these workforce reductions and with consideration to severance packages associated with layoffs at larger corporations, the trend of reduced income tax collections is expected to increase throughout 2009.
- Total assets decreased by \$1,785,901 or 3.77 percent from 2007.
- Total net assets decreased by \$645,890 or 2.53 percent from 2007.
- Total capital assets decreased \$998,440 or 2.98 percent less than 2007.
- Total outstanding long term liabilities decreased \$1,113,850, a 6.22 percent change from 2007.
- The fund balances for the City decreased by \$863,847 to \$7,765,487.

Using This Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the City of Brooklyn as a Whole

Statement of Net Assets and Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City do financially during 2008?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the

City of Brooklyn, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

Reporting the City of Brooklyn's Most Significant Funds

Fund Financial Statements

The presentation of the City's major funds begins on page 18. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City, the major funds are the general, fire pension, and capital improvements.

Governmental Funds

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

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The City of Brooklyn as a Whole

The *Statement of Net Assets* looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2008 compared to 2007.

Table 1
Net Assets

	Governmental Activities		Change
	2008	2007	
Assets			
Current and Other Assets	\$13,079,322	\$13,866,783	(\$787,461)
Capital Assets, Net	32,552,769	33,551,209	(998,440)
<i>Total Assets</i>	<u>45,632,091</u>	<u>47,417,992</u>	<u>(1,785,901)</u>
Liabilities			
Current and Other Liabilities	3,980,948	4,007,110	(26,162)
Long-Term Liabilities			
Due Within One Year	1,091,093	1,389,258	(298,165)
Due in More Than One Year	15,707,112	16,522,797	(815,685)
<i>Total Liabilities</i>	<u>20,779,153</u>	<u>21,919,165</u>	<u>(1,140,012)</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	22,991,587	22,893,430	98,157
Restricted:			
Capital Projects	1,718,426	1,860,948	(142,522)
Street Construction, Maintenance and Repair	348,476	290,459	58,017
State Highway	152,741	130,675	22,066
Court Computer	17,081	16,534	547
Police Programs	109,911	100,494	9,417
Other Purposes	181,782	150,493	31,289
Unrestricted	(667,066)	55,795	(722,861)
<i>Total Net Assets</i>	<u>\$24,852,938</u>	<u>\$25,498,828</u>	<u>(\$645,890)</u>

Total net assets decreased by \$645,890 or 2.53 percent. Total assets decreased by \$1,785,901 from \$47.4 million to \$45.6 million in total assets. Total liabilities decreased by \$1,140,012. The majority of the decrease in net assets realized in 2008 was associated with a decline in the amount of capital asset additions recorded versus comparable amounts from 2007. The City deferred a number of major projects originally scheduled to be addressed in 2008 due to the unexpected severity and speed with which the economic downturn took place during the year.

Income tax receivables decreased in 2008 by \$254,659 in the General Fund, primarily due to the steep decline in the withholding taxes recorded in the last half of the year. Workforce reductions and a decline in net profit taxes caused a decrease in the amount of taxes paid to the City in 2008. Receivable amounts in the Capital Improvement Fund also decreased from 2007 levels. The level of tax proceeds traditionally dedicated to the capital projects was adjusted downward in 2008 to allow for a greater level of short-term funding of the general fund.

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Table 2 shows the changes in net assets for the year ended December 31, 2008. Comparisons between the last two years are shown below:

Table 2
Changes in Net Assets

	Governmental Activities		Change
	2008	2007	
Revenues:			
Program Revenues:			
Charges for Services	\$1,908,882	\$1,479,853	\$429,029
Operating Grants and Contributions	1,255,389	1,206,544	48,845
Capital Grants and Contributions	217,646	191,381	26,265
Total Program Revenues	3,381,917	2,877,778	504,139
General Revenues:			
Property Taxes	2,031,763	2,535,917	(504,154)
Municipal Income Taxes	12,244,676	12,473,179	(228,503)
Permissive Motor Vehicle Taxes	31,347	0	31,347
Grants and Entitlements	1,692,125	1,442,977	249,148
Investment Earnings	324,568	445,581	(121,013)
Gain on Sale of Capital Assets	0	9,126	(9,126)
Miscellaneous	131,670	147,826	(16,156)
Total General Revenues	16,456,149	17,054,606	(598,457)
Total Revenues	19,838,066	19,932,384	(94,318)
Program Expenses			
General Government	2,096,146	1,980,326	115,820
Security of Persons and Property	8,911,641	8,930,741	(19,100)
Transportation	1,250,874	1,900,474	(649,600)
Community Environment	1,891,230	1,837,776	53,454
Basic Utility Services	3,119,482	3,342,106	(222,624)
Leisure Time Activities	2,766,229	2,689,422	76,807
Interest and Fiscal Charges	448,354	471,505	(23,151)
Total Program Expenses	20,483,956	21,152,350	(668,394)
Change in Net Assets	(645,890)	(1,219,966)	574,076
Net Assets Beginning of Year - Restated (See Note 3)	25,498,828	26,718,794	(1,219,966)
Net Assets End of Year	\$24,852,938	\$25,498,828	(\$645,890)

Table 2 shows that the impact of economic conditions experienced on a national, state and local level caused a decrease in net assets over the course of 2008 by \$645,890. Total revenues decreased by \$94,318. Income tax revenues account for 61.72 percent of the City's revenue. Income tax collections decreased by \$228,503 or 1.83 percent primarily as a result of economic changes that impacted Brooklyn businesses who were forced in many cases to reduce their workforces and implement new business models. Employment changes have caused a decrease in the amount of withholding taxes paid to the City in 2008. That trend is largely expected to continue throughout 2009 until such time that the overall economic outlook improves. Charges for Services increased by \$429,029 due to ambulance billing services being billed in a timely manner and by the reopening of the ice rink after 2007 improvements and the various programs at the Recreation Center were re-

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established to normal participation levels. Revenues from the Mayor's Court also increased by about \$95,000. Ice rink fees increased by about \$97,000 in 2008, an expected recovery from a limited revenue stream in 2007 associated with the aforementioned facility improvements and renovations. Ambulance billing increased by about \$183,000 due to timely billings performed by Great Lakes Billing. Interest income decreased by about \$121,013, due to the steep decline in interest rates that occurred during 2008.

Expenses decreased by \$668,394 or 3.16 percent. City management adopted a series of cost containment measures in 2008 that assisted in limiting expense expansion. Additionally, the City deferred a number of major projects, capital and operational, in response to the impact of revenue reductions that occurred during 2008 and are expected to continue, at least in the short-term. Security of Persons and Property remained nearly the same from 42.22 percent of total expenses to 43.50 percent. There were no major changes in the level of service between 2007 and 2008. All program levels decreased compared to 2007 levels except General Government, Community Environment and Leisure Time Activities. Transportation improvements continued to be made. Basic Utility Services make up 15.23 percent of program expenses. This expense decreased 6.66 percent. The third largest program is Leisure Time Activities accounting for 13.50 percent of expenses. Costs for this program remained similar to 2007. General Government makes up another 10.23 percent of expenses. Community Environment costs increased by \$53,454 or 2.90 percent. 2008 interest and fiscal charges decreased by \$23,151.

GOVERNMENTAL ACTIVITIES

The main revenue source for the City's governmental activities is income tax. The City has an income tax rate of two percent. Residents receive 100 percent credit on income earned outside the City. Almost 98 percent of the income tax is contributed by the City's businesses. Revenue for income tax declined from \$12,473,179 in 2007 to \$12,244,676 in 2008. This is a decrease of \$228,503. The administration had anticipated a reduction in the growth of income tax proceeds in 2008. The speed and depth of the economic crisis affecting the global and national markets was, however, not estimated at the level which actually occurred. Slowdowns in the national and state economies caused major reduction in tax withholdings and net profits as some Brooklyn businesses deferred payroll expansions and – in some cases – initiated substantial staff reductions. Brooklyn also experienced closure of a number of small to medium-sized businesses, the impact of which was felt on a withholding and net profit tax level in 2008.

The City has historically placed a strong focus on economic development programs in an effort to maintain and expand the business community. The number of businesses, being industrial or commercial, large or small, provides the City with a diverse income tax base that can sustain the loss of any major tax paying entity and still be able to meet the financial needs of the City. During 2008, the City began to feel the economic impact of the recession as businesses in Brooklyn were faced with a myriad of new financial challenges.

Traditionally, the City has dedicated a significant portion of its tax collections to projects and programs that sustain or improve the infrastructure of the City for the benefit and advancement of residents and businesses. By City ordinance, effective as of October 15, 2008, 90 percent of the income tax proceeds were distributed to the General Fund and 10 percent to the Capital Improvement Fund in 2008. The urgency of the financial situation late in 2008 required a greater portion of tax monies to be allocated and directed to operational activities. Previously, 85 percent was distributed to operating needs in the General Fund.

General revenues from property taxes and local government funds are also significant revenue generators. Brooklyn's charter authorizes up to 13 mills of property taxes. Only 5.4 mills of that original charter amount

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had been levied through 2004. With 13 mills authorized, the City had 6.6 mills of property taxes that could be utilized to offset financial needs or difficulties. In November 2004 citizens approved by advisory vote to use 1.5 mills of the 6.6 mills to pay for the construction of a new fire station and additional funding for police and firemen's pensions. Property Tax Revenue generated in 2008 decreased by \$504,154 or 19.88 percent. This reduction matched results impacting most Cuyahoga County municipalities as the downturn in the economy and foreclosures expanded during 2008.

Charges for Services are the third significant revenue contributor. The City's Recreation Center, housing its natatorium and ice rink, was closed for a fair portion of 2007 for facility improvements related to energy conservation. In 2008, both the pool and rink facilities were operational for the entire year, resulting in substantial increases in fees collected for admissions and programs. Further, the City contracted with Great Lakes Billing in July 2008, which allowed the City to receive more timely revenues from the ambulance services.

The lowering of interest rates by the Federal Reserve coupled with less investment capital contributed to the 2008 decline resulting in less income, particularly in the second half of 2008.

Security of Persons and Property was the largest single area of expenses as it has been historically. This program accounted for about 43 percent of expenses or \$8,911,641. The program pays for basic police and fire services, D.A.R.E., pensions and equipment. A property tax levy of 1.85 mills had previously paid for about 85 percent of the pension costs associated with police and firemen. The advisory vote of 2004, received a favorable vote of .5 mill in November 2004. This added .5 mill for police and firemen's pensions. The advisory vote also approved 1.0 mills of property tax to fund the new fire station. Pension contributions increased in 2008 due to wage increases and non-traditional levels of overtime required to address manpower shortages caused by injury absences. Additional subsidies were required from the General Fund to support total 2008 expenses with respect to pension contributions for safety forces personnel.

Basic Utility Service includes trash collection, snow removal and recycling. Priding itself on resident services, the City has continued a long-standing tradition of having Service Department staff picking up trash containers from behind the homes of residents. Snow removal includes all sidewalks in the City. In attempt to control expenditures, City management pursued a program of gradual workforce reduction through attrition. Several positions in the service department were not filled subsequent to the retirement of long-time staff. This effort, in conjunction with reductions in the use of part-time personnel contributed to the \$222,624 decrease.

General Government comprises costs for the Mayor's office, City Council, law, finance and lands and buildings are included here. Lands and buildings pays for gas, electric, phone service and water and sewer for all municipal operations. Through 2008, the City administered collection of income taxes due through in-house personnel. Effective January 1, 2009, the City has entered into an agreement with the Regional Income Tax Agency to administer collection of City taxes.

The third largest program expense is Leisure Time Activities. The City has a recreation center with an ice rink, indoor and outdoor pools, playgrounds, two large parks and a senior center. The City has long provided excellent recreation opportunities at a very low cost to its residents. Costs for this program are thus higher than might be expected for a City of this size. Expenses for 2008 were monitored and consistently evaluated. The results of which was an increase incurred in 2008 by a level of \$76,807.

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

The City's Funds

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

Governmental Funds

Information about the City's governmental funds begins on page 18. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues of \$19,717,571 and expenditures of \$20,581,418. Income tax is the City's largest revenue source. Income tax accounted for about 61.74 percent of the total revenue for the year. Income tax collections decreased by 5.57 percent, or \$717,829 from 2007.

The largest fund for the City is the General Fund. The year-end fund balance for the General Fund was \$5,588,034. This is a decrease of \$1,080,279 from the previous year. Expenditures were managed prudently and ended the year approximately \$469,000 under budget. However, expenditures still exceeded revenues by \$576,255. Included in the General Fund figure is a reserved fund balance for the Landfill Closure and Post Closure Trust. These monies are being accumulated to address issues that will be required by the Environmental Protection Agency in about 17 years when the landfill has reached capacity. The total set aside for this purpose is \$3,686,087. The unreserved balance for the General Fund is \$1,724,930.

The Capital Improvements Fund has been maintained with a healthy balance, consistent with the historical direction outlined by Council and the Administration. In an effort to adequately provide for capital expenses associated with a natural disaster or other unforeseen emergency, the City carries a substantial unreserved fund balance with respect to the Capital Improvement fund from year-to-year. The fund balance in Capital Improvements at the end of 2007 was \$1,780,433. The balance decreased by \$118,216 to \$1,662,217 in 2008 due to the City working on additional projects through the year. The City planned to spend some of this balance to do additional street maintenance. In 2008, the Capital Improvements Fund continued to receive 15 percent of total taxes generated through October 2008 and 10 percent of total taxes generated through December 31, 2008.

For all funds, the end of year balances decreased for the year by \$863,847. Total fund balances decreased from \$8,629,334 to \$7,765,487. The City still has an overall fund balance of \$7,765,487 at the end of 2008 or \$4,079,400 without the reserve for landfill closure and post-closure care. That total is 19.82 percent of the total expenditures for 2008. This is well above the benchmark set by Council and the Administration.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. Recommendations and requests for budget changes are referred to the Finance Committee before going to the formal Council Meeting for ordinance enactment on

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the change. The Finance Director provides the administration and City Council with revenue and expense reports and budgetary analysis statements throughout the year. This provides all parties with information on revenue and expenditure levels, trends, budgeted versus actual and recommendations on any changes in policy or execution that may be required. The Mid Year Review is intended to discuss mid course budget execution. The End of Year Review provides information on actual revenues and expenditures and helps shape the permanent budget for the next year.

As stated previously, the General Fund supports most of the City's major activities such as the police, fire, building, and service departments as well as the legislative and most executive activities. For the General Fund, the original and final budgeted revenues were \$15,247,724, and \$15,327,050, respectively. Actual revenues of \$15,261,901 were \$65,149 lower than the final projections. This variance may be attributed to declining tax revenue experienced in 2008, which is partially offset by expanded program revenues generated by recreation offerings.

During 2008, the City amended its general fund budget throughout the year. The original budgeted expenditures were at \$16,231,415 and final budgeted expenditures were at \$16,286,915 for the year. The Finance Committee of the City of the City Council holds scheduled meeting before every regular Council meeting. At various points in the year, the decrease in actual income tax collections over the estimated amount was noted and Council was advised that the general fund would probably result in a decrease by year end. Council expressed a growing interest over the course of the year in the economic instability that was affecting all levels of government. Council was also advised that expenditures were being incurred at a rate consistent with the original 2008 projections. Actual expenditures for 2008 were \$15,817,696 on a budgetary basis. Expenditures were \$469,219 less than the final budget. The actual outcomes were in agreement with the financial updates supplied to City Council throughout the year and were representative of proactive management and legislative action to control and reduce costs wherever practicable during 2008.

Capital Assets and Debt Administration

Capital Assets

Table 3
 Capital Assets
 (Net of Depreciation)

	Governmental	
	2008	2007
Land	\$2,887,821	\$2,887,821
Construction In Progress	7,520	16,194
Buildings	12,279,263	12,693,630
Improvements	7,064,564	7,140,770
Machinery and Equipment	1,575,390	1,767,114
Vehicles	1,904,289	1,985,060
Infrastructure		
Roads and Sidewalks	4,898,305	4,948,137
Sanitary Sewers	609,524	655,187
Storm Sewers	545,425	585,372
Water Lines	379,211	420,699
Traffic Signals	401,457	451,226
Total	\$32,552,769	\$33,551,210

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The City takes care to maintain its equipment and infrastructure. In 2008, fifteen percent of City income taxes were distributed to the Capital Improvements Fund until October 2008. After October 2008, ten percent of City income taxes were distributed to the Capital Improvements Fund to maintain City equipment and infrastructure. For 2008, this meant that \$1,611,888 of the income tax revenue went to the Capital Improvements Fund. Total net capital assets decreased by \$998,441 for the year. See Note 9 of the basic financial statements for additional information on capital assets.

Debt

On December 31, 2008, the City had \$7,539,961 in general obligation bonds, fire station improvement bonds, loans, police and fire pension liability and notes outstanding. The City paid \$515,000 in bond principal, \$192,105 in loan principal and \$319,651 in capital lease principal in 2008. The net change in outstanding debt was a decrease of \$1,271,402. Table 4 summarizes the bonds, notes, loans, capital leases, and police and fire pension liability outstanding.

Table 4
 Outstanding Debt at End of Year

	Governmental	
	2008	2007
General Obligation Bonds	\$6,222,806	\$6,737,806
Unamortized Premium	258,638	272,251
OPWC Loan	357,305	412,275
Honeywell Loan	0	137,135
Police and Fire Pension	51,212	52,245
Bond Anticipation Notes	650,000	880,000
Capital Leases	2,504,069	2,823,720
Totals	\$10,044,030	\$11,315,432

The general obligation refunding bonds were originally sold in 1992 and refinanced in 1999 for \$4,400,000. They were originally issued in 1992 for \$4,825,000 to pay for a new public library (\$2,850,000), Tiedeman Road improvements (\$1,500,000) and for the indoor and outdoor pools (\$475,000). The bonds will be paid in full in 2012. The Tiedeman Road portion of this bond is paid from property taxes and income taxes paid by the Plain Dealer and set aside annually by ordinance for this purpose. There is still \$1,512,806 outstanding on the bonds. The Ohio Public Works Commission is a no interest loan for improvements at the Sanitary Landfill issued in 1992 for \$1,099,400. Payments are \$27,485 semi-annually. The loan will be paid in full in 2015.

The City has previously executed and completed its long term financing plan for the new fire station. On March 9, 2006 Moody's Investors Services reviewed the City's financial operations and upgraded the City's rating to A1 from A2. The A1 rating was based on the City's strong financial operations, healthy reserves, additional revenue raising capacity and favorable debt profile. Moody's believes the City's debt profile will remain favorable, given low debt burden, rapid amortization and considerable pay-as you-go financing of capital needs. The City's debt burden is low and is rapidly paid back with over 75 percent of principal retired in the first ten years.

On April 5, 2006 the City executed a sale of \$5.255 million of Series 2006 General Obligation (Limited Tax) Fire Station Improvement Bonds at 4.29 percent. The yield on that sale was \$5.555 million. The annual payments on this bond never exceed \$382,000. The 1 mill property tax allocated to pay this bond will provide

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funding to meet or exceed that requirement. The bonds mature in 2027. See Notes 15 and 16 of the basic financial statements for additional information on debt.

The Honeywell Tax Exempt Loan was put into effect in 1998 to pay for energy improvements to reduce usage and costs. The loan was for \$1,400,171. The monthly payment is \$15,572 which includes principal and interest. In 2008, the City paid \$137,135 in principal which liquidated the loan in its entirety.

The City also has three bond anticipation notes. The City has chosen to keep them in notes and pay them off as if they were bonds. The first is for Street and Sidewalk improvements. This note was for \$120,000 and was reissued at \$80,000. The second note is for the improvements needed to establish Marquardt Park. This note was for \$440,000 and was reissued at \$400,000. The note for improvements to Biddulph Road was \$220,000 and was reissued for \$170,000. The City also retired a \$100,000 Tiedeman Road Improvement note in 2008. The outstanding balance for all three notes at the end of 2007 was \$880,000 and at the end of 2008 was \$650,000.

Current Financial Related Activities

As part of the financing process related to the replacement of the City's fire station executed in 2006, the City asked Moody's Investors Service for a rating review. Moody's visited the City and received a financial presentation and a tour of the City and its facilities. Moody's upgraded the City of Brooklyn rating to A1 from A2. Several factors for the upgrade were cited. One was a record of strong financial management. The City had developed and published a Master Plan, a 5 year capital plan, 5 year street maintenance plan and a 3 year budget. Mid-Year and End-of-Year Financial Reviews are published annually. Recognition of problems and the ability and resolve to solve them were apparent. A second factor was healthy fund balances. Fund balances prior to 2000 were very good and have been enhanced since then. The City had a benchmark for fund balances of 16 percent of annual expenditures and exceeded the standard. The economic stresses that impacted the majority of businesses in Brooklyn during 2008 did not allow for expansion in the level of fund balance as compared to 2007 levels. The General Fund balance decreased from \$6,668,313 to \$5,588,034. Overall fund balances declined from \$8,629,334 to \$7,765,487. As of the end of 2008, the City has a balance in the General Fund that is 35.67 percent of annual expenditures. The unrestricted balance is 11.01 percent of expenditures. A third factor was the ability to raise more revenue if needed. The City has 12 mills of charter property tax millage with only 6.9 mills levied. The additional 5.1 mills of already authorized millage could generate an additional \$2 million in property tax. The final factor was a very favorable debt profile. Debt burden is low. The City pays cash for most of its capital improvement needs. The City rapidly pays off outstanding debt. In 2008, \$1,271,402 in long term debt was retired. Overall, the City was in a formidable financial position at the end of 2008 and had preserved through the initial shock wave that accompanied the economic recession that arrived during the year. Over the long-term, the financial strength of the City has matured steadily which allowed for accommodation of changes in programs and planning necessitated by the economic slowdown in 2008.

Budget execution in 2008 was conducted efficiently and effectively. The administration assembled and City Council approved a General Fund balanced budget. Original and final budgeted revenue were \$15.248 million and \$15.327 million, respectively. Actual revenue was \$15.262 million. Original and final revenue projections were 99.90 percent accurate. Original and final appropriations were \$16.231 million and \$16.287 million, respectively. Final budgeted expenditures exceeded budgeted revenues by \$959,865. Actual expenditures were \$15.818 million. Expenditures were \$469,219 under appropriations, a difference of about 2.9 percent.

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Income tax revenues decreased during 2008. The total impact realized in 2008 in the area of income tax collections was a decrease of 1.83 percent resulting in a \$228,503 decrease compared to 2007. Worsening financial conditions that impacted the state and national economies affected the City's area businesses to some extent as withholding and net profit tax revenue suffered decline. As previously discussed, there is no current expectation that proceeds from income taxes will grow at traditional levels and the City is committed to an austerity program that will allow for financial survival.

In 2008, plans for finances and construction were established and executed and the City's operational capability and financial positions were enhanced. The City has committed itself to financial excellence and has a history of meeting that commitment. The City has received the Governmental Finance Officers Certificate of Achievement for Excellence in Financial Reporting for nineteen consecutive years.

Contacting the City's Finance Department

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

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BASIC FINANCIAL STATEMENTS

City of Brooklyn, Ohio*Statement of Net Assets**December 31, 2008*

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$4,308,216
Cash and Cash Equivalents:	
In Segregated Accounts	1,039,464
With Fiscal Agents	1,086
With a Trustee	2,714,185
Materials and Supplies Inventory	84,734
Accrued Interest Receivable	51,395
Accounts Receivable	84,436
Intergovernmental Receivable	1,131,148
Prepaid Items	131,705
Municipal Income Taxes Receivable	818,695
Property Taxes Receivable	2,603,389
Permissive Motor Vehicle Taxes Receivable	12,871
Deferred Charges	97,998
Nondepreciable Capital Assets	2,895,341
Depreciable Capital Assets, Net	29,657,428
<i>Total Assets</i>	<u>45,632,091</u>
Liabilities	
Accounts Payable	220,613
Accrued Wages and Benefits	364,978
Retainage Payable	10,000
Contracts Payable	30,068
Intergovernmental Payable	745,529
Vacation Benefits Payable	69,297
Matured Compensated Absences Payable	37,446
Deferred Revenue	2,391,941
Accrued Interest Payable	36,076
Notes Payable	75,000
Long-Term Liabilities:	
Due Within One Year	1,091,093
Due In More Than One Year	15,707,112
<i>Total Liabilities</i>	<u>20,779,153</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	22,991,587
Restricted for:	
Capital Projects	1,718,426
Street Construction, Maintenance and Repair	348,476
State Highway	152,741
Court Computer	17,081
Police Programs	109,911
Other Purposes	181,782
Unrestricted	(667,066)
<i>Total Net Assets</i>	<u>\$24,852,938</u>

See accompanying notes to the basic financial statements

City of Brooklyn, Ohio
Statement of Activities
For the Year Ended December 31, 2008

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$2,096,146	\$85,736	\$134,129	\$0	(\$1,876,281)
Security of Persons and Property	8,911,641	1,001,928	271,357	0	(7,638,356)
Transportation	1,250,874	0	704,662	217,646	(328,566)
Community Environment	1,891,230	97,191	104,157	0	(1,689,882)
Basic Utility Services	3,119,482	6,795	41,084	0	(3,071,603)
Leisure Time Activities	2,766,229	717,232	0	0	(2,048,997)
Interest and Fiscal Charges	448,354	0	0	0	(448,354)
Totals	<u>\$20,483,956</u>	<u>\$1,908,882</u>	<u>\$1,255,389</u>	<u>\$217,646</u>	<u>(17,102,039)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes				793,496	
Street Lighting				137,985	
Police Pension				338,390	
Fire Pension				377,815	
Debt Service				328,534	
Capital Outlay				55,543	
Municipal Income Taxes Levied for:					
General Purposes				10,458,187	
Capital Outlay				1,786,489	
Permissive Motor Vehicle Taxes				31,347	
Grants and Entitlements not Restricted to Specific Programs				1,692,125	
Investment Earnings				324,568	
Miscellaneous				131,670	
Total General Revenues				<u>16,456,149</u>	
Change in Net Assets				(645,890)	
Net Assets Beginning of Year - Restated (See Note 3)				<u>25,498,828</u>	
Net Assets End of Year				<u><u>\$24,852,938</u></u>	

See accompanying notes to the basic financial statements

City of Brooklyn, Ohio

Balance Sheet

Governmental Funds

December 31, 2008

	General	Fire Pension	Capital Improvements	Other Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,852,280	\$25,412	\$1,522,273	\$908,251
Cash and Cash Equivalents:				
in Segregated Accounts	67,562	0	0	0
with Fiscal Agents	0	0	0	1,086
Restricted Assets:				
Cash and Cash Equivalents in Segregated Accounts	971,902	0	0	0
Cash and Cash Equivalents with a Trustee	2,714,185	0	0	0
Materials and Supplies Inventory	84,734	0	0	0
Accrued Interest Receivable	51,395	0	0	0
Accounts Receivable	84,436	0	0	0
Interfund Receivable	17,025	0	143,000	0
Intergovernmental Receivable	637,496	50,006	0	443,646
Prepaid Items	131,705	0	0	0
Municipal Income Taxes Receivable	731,039	0	87,656	0
Property Taxes Receivable	1,224,558	422,036	0	956,795
Permissive Motor Vehicle Taxes Receivable	0	0	0	12,871
<i>Total Assets</i>	<u>\$8,568,317</u>	<u>\$497,454</u>	<u>\$1,752,929</u>	<u>\$2,322,649</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$172,031	\$0	\$39,456	\$9,126
Accrued Wages and Benefits	354,852	0	0	10,126
Retainage Payable	0	0	0	10,000
Contracts Payable	0	0	30,068	0
Intergovernmental Payable	502,168	120,374	0	122,987
Interfund Payable	0	0	0	160,025
Matured Compensated Absences Payable	37,446	0	0	0
Deferred Revenue	1,913,786	472,042	21,188	1,323,780
Accrued Interest Payable	0	0	0	1,407
Notes Payable	0	0	0	75,000
<i>Total Liabilities</i>	<u>2,980,283</u>	<u>592,416</u>	<u>90,712</u>	<u>1,712,451</u>
 Fund Balances (Deficit)				
Reserved for Encumbrances	177,017	0	132,789	77,278
Reserved for Long-Term Advances	0	0	143,000	0
Reserved for Landfill Closure and Postclosure Care	3,686,087	0	0	0
Unreserved, Undesignated, Reported in:				
General Fund	1,724,930	0	0	0
Special Revenue Funds	0	(94,962)	0	459,983
Debt Service Fund	0	0	0	79,715
Capital Projects Funds	0	0	1,386,428	(6,778)
<i>Total Fund Balances (Deficit)</i>	<u>5,588,034</u>	<u>(94,962)</u>	<u>1,662,217</u>	<u>610,198</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$8,568,317</u>	<u>\$497,454</u>	<u>\$1,752,929</u>	<u>\$2,322,649</u>

See accompanying notes to the basic financial statements

City of Brooklyn, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2008*

	Total Governmental Fund Balances	\$7,765,487
Total Governmental Funds	<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$4,308,216	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	32,552,769
67,562		
1,086		
971,902	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
2,714,185	Property Taxes	314,538
84,734	Municipal Income Taxes	121,732
51,395	Permissive Motor Vehicle Taxes	8,990
84,436	Intergovernmental	893,595
160,025	Total	1,338,855
1,131,148		
131,705	In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued.	97,998
818,695		
2,603,389		
12,871		
\$13,141,349	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(34,669)
	Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(69,297)
\$220,613		
364,978		
10,000	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
30,068	General Obligation Bonds	(6,222,806)
745,529	Bond Premium	(258,638)
160,025	OPWC Loan	(357,305)
37,446	Police and Fire Pension	(51,212)
3,730,796	Long-Term Notes	(575,000)
1,407	Capital Lease Obligation Payable	(2,504,069)
75,000	Landfill Closure and Postclosure Care	(4,701,961)
5,375,862	Claims Payable	(227,615)
	Compensated Absences Payable	(1,899,599)
387,084	Total	(16,798,205)
143,000		
3,686,087	<i>Net Assets of Governmental Activities</i>	\$24,852,938
1,724,930		
365,021		
79,715		
1,379,650		
7,765,487		
\$13,141,349		

City of Brooklyn, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	General	Fire Pension	Capital Improvements	Other Governmental Funds
Revenues				
Municipal Income Taxes	\$10,396,678	\$0	\$1,611,888	\$165,465
Property Taxes	839,290	393,773	0	894,450
Permissive Motor Vehicle Taxes	0	0	0	29,919
Charges for Services	1,079,706	0	0	0
Fines, Licenses and Permits	687,176	0	0	85,300
Intergovernmental	1,656,537	98,076	0	1,249,102
Contributions and Donations	17,273	0	0	0
Interest	306,083	0	0	18,485
Rentals	56,700	0	0	0
Other	48,470	0	80,348	2,852
<i>Total Revenues</i>	<u>15,087,913</u>	<u>491,849</u>	<u>1,692,236</u>	<u>2,445,573</u>
Expenditures				
Current:				
General Government	1,916,176	0	0	12,383
Security of Persons and Property	7,264,083	545,229	0	575,279
Transportation	0	0	208,479	641,852
Community Environment	1,676,948	0	0	6,961
Basic Utility Services	2,670,355	0	0	173,446
Leisure Time Activities	2,132,472	0	0	0
Capital Outlay	0	0	972,406	230,623
Debt Service:				
Principal Retirement	3,969	0	452,817	571,003
Principal Retirement - Current Refunding	0	0	0	75,000
Interest and Fiscal Charges	165	0	117,950	333,822
<i>Total Expenditures</i>	<u>15,664,168</u>	<u>545,229</u>	<u>1,751,652</u>	<u>2,620,369</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(576,255)</u>	<u>(53,380)</u>	<u>(59,416)</u>	<u>(174,796)</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	0	0	0	575,000
Current Refunding	0	0	0	(575,000)
Transfers In	0	65,000	0	1,116,245
Transfers Out	(504,024)	0	(58,800)	(618,421)
<i>Total Other Financing Sources (Uses)</i>	<u>(504,024)</u>	<u>65,000</u>	<u>(58,800)</u>	<u>497,824</u>
<i>Net Change in Fund Balances</i>	(1,080,279)	11,620	(118,216)	323,028
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>6,668,313</u>	<u>(106,582)</u>	<u>1,780,433</u>	<u>287,170</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$5,588,034</u></u>	<u><u>(\$94,962)</u></u>	<u><u>\$1,662,217</u></u>	<u><u>\$610,198</u></u>

See accompanying notes to the basic financial statements

City of Brooklyn, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2008*

Total Governmental Funds	Net Change in Fund Balances - Total Governmental Funds	(\$863,847)
\$12,174,031	<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
2,127,513	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	
29,919	Capital Asset Additions	1,203,029
1,079,706	Current Year Depreciation	<u>(2,201,470)</u>
772,476	Total	(998,441)
3,003,715	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues.	
17,273	Delinquent Property Taxes	(95,750)
324,568	Municipal Income Taxes	70,645
56,700	Permissive Motor Vehicle Taxes	1,428
131,670	Intergovernmental	<u>144,172</u>
19,717,571	Total	120,495
1,928,559	Repayment of bond, loan, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,677,789
8,384,591	In the statement of activities, interest accrued on outstanding bonds, bond premium and bond issuance costs are amortized over the terms of the bonds whereas in the governmental funds the expenditure is reported when bonds are issued.	
850,331	Accrued Interest on Bonds	(4,872)
1,683,909	Amortization of Deferred Charges	(5,158)
2,843,801	Amortization of Bond Premium	<u>13,613</u>
2,132,472	Total	3,583
1,203,029	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.	
1,027,789	Claims Payable	114,207
75,000	Compensated Absences	(20,049)
451,937	Landfill	(96,710)
20,581,418	Vacation Benefits Payable	<u>(7,917)</u>
(863,847)	Total	(10,469)
575,000	Other financing sources, such as proceeds of notes, in the governmental funds increase long-term liabilities in the statement of net assets.	(575,000)
(575,000)		
1,181,245		
(1,181,245)		
0		
(863,847)		
8,629,334		<u>(\$645,890)</u>
\$7,765,487		

City of Brooklyn, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$11,195,285	\$11,195,285	\$10,595,775	(\$599,510)
Property Taxes	1,080,500	1,080,500	1,106,860	26,360
Charges for Services	808,730	808,730	1,071,639	262,909
Fines, Licenses and Permits	472,459	551,785	531,139	(20,646)
Intergovernmental	1,221,350	1,221,350	1,575,840	354,490
Contributions and Donations	22,550	22,550	17,273	(5,277)
Interest	386,000	386,000	310,450	(75,550)
Other	60,850	60,850	52,925	(7,925)
<i>Total Revenues</i>	<u>15,247,724</u>	<u>15,327,050</u>	<u>15,261,901</u>	<u>(65,149)</u>
Expenditures				
Current:				
General Government	2,141,940	2,051,290	1,949,882	101,408
Security of Persons and Property	7,395,619	7,410,794	7,275,512	135,282
Community Environment	1,765,264	1,804,414	1,739,129	65,285
Basic Utility Services	2,713,239	2,730,889	2,675,938	54,951
Leisure Time Activities	2,215,353	2,289,528	2,177,235	112,293
<i>Total Expenditures</i>	<u>16,231,415</u>	<u>16,286,915</u>	<u>15,817,696</u>	<u>469,219</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(983,691)</u>	<u>(959,865)</u>	<u>(555,795)</u>	<u>404,070</u>
Other Financing Sources (Uses)				
Advances In	0	0	15,000	15,000
Advances Out	(17,025)	(17,025)	(17,025)	0
Transfers Out	(626,975)	(571,475)	(504,024)	67,451
<i>Total Other Financing Sources (Uses)</i>	<u>(644,000)</u>	<u>(588,500)</u>	<u>(506,049)</u>	<u>82,451</u>
<i>Net Change in Fund Balance</i>	<u>(1,627,691)</u>	<u>(1,548,365)</u>	<u>(1,061,844)</u>	<u>486,521</u>
<i>Fund Balance Beginning of Year</i>	6,101,224	6,101,224	6,101,224	0
Prior Year Encumbrances Appropriated	164,641	164,641	164,641	0
<i>Fund Balance End of Year</i>	<u>\$4,638,174</u>	<u>\$4,717,500</u>	<u>\$5,204,021</u>	<u>\$486,521</u>

See accompanying notes to the basic financial statements

City of Brooklyn, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$409,000	\$409,000	\$405,080	(\$3,920)
Intergovernmental	48,525	45,387	86,769	41,382
<i>Total Revenues</i>	457,525	454,387	491,849	37,462
Expenditures				
Current:				
Security of Persons and Property	539,595	543,845	543,800	45
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(82,070)	(89,458)	(51,951)	37,507
Other Financing Sources				
Transfers In	110,000	110,000	65,000	(45,000)
<i>Net Change in Fund Balance</i>	27,930	20,542	13,049	(7,493)
<i>Fund Balance Beginning of Year</i>	12,363	12,363	12,363	0
<i>Fund Balance End of Year</i>	<u>\$40,293</u>	<u>\$32,905</u>	<u>\$25,412</u>	<u>(\$7,493)</u>

See accompanying notes to the basic financial statements

City of Brooklyn, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2008

Assets

Equity in Pooled Cash and Cash Equivalents	<u><u>\$103,452</u></u>
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Liabilities

Intergovernmental Payable	\$377
Deposits Held and Due to Others	<u>103,075</u>

<i>Total Liabilities</i>	<u><u>\$103,452</u></u>
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See accompanying notes to the basic financial statements

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 1 - Description of the City and Reporting Entity

The City of Brooklyn (the “City”) is a charter municipal corporation established and operated under the laws of the State of Ohio. A charter was first adopted by the electorate at a general election held in 1951. The current charter provides for a council-mayor form of government. Elected officials include seven council members and a mayor.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. The primary government provides the following services to its citizens: a mayor's court, police and fire protection, emergency medical, recreation (including parks), planning, zoning, street maintenance and repair, refuse collection, recycling and general administrative services.

The Brooklyn Mayor’s Court has been included in the City’s financial statements in the General Fund as a Segregated Account. The mayor is an elected official who has a fiduciary responsibility for the collection and distribution of the court fees and fines.

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

The City is associated with three jointly governed organizations, the Southwest Council of Governments, the Parma Community General Hospital Association, and the Northeast Ohio Public Energy Council. These organizations are presented in Note 18 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the City that are governmental and those that are considered business-type. The City, however, has no business-type activities.

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

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

B. Fund Accounting

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

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

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

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

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

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

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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

C. Measurement Focus

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

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

D. Basis of Accounting

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 7) Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which 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.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Budgetary Process

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

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

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

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

F. Cash and Cash Equivalents

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

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

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

The City utilizes a trust and a segregated account to hold monies set aside for Landfill Closure and Postclosure Care cost. The balance in the trust account is represented on the balance sheet as "Restricted Assets - Cash and Cash Equivalents with a Trustee." The City's additional required set aside amount is represented on the balance sheet as "Restricted Assets - Cash and Cash Equivalents in Segregated Accounts."

During 2008, the City's investments were limited to repurchase agreements, Victory Federal Money Market Mutual Fund, Federal Home Loan Bank Notes, Federal Farm Credit Bank Notes, and Federal National Mortgage Association Notes. Investments are reported at fair value, except for non-negotiable certificates of deposit and repurchase agreements which are reported at cost. Fair value is based on quoted market prices or, for investments in open-end mutual funds, by the fund's share price.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2008 amounted to \$306,083, which includes \$83,279 assigned from other City funds.

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

G. Restricted Assets

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which the services are consumed.

I. Inventory

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

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

J. Capital Assets

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

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

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

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

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

K. Interfund Balances

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

L. Compensated Absences

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

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

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Fund Balance Reserves

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

O. Net Assets

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

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

P. Internal Activity

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

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

Q. Bond Issuance Costs

On the government-wide financial statements, bond issuance costs are deferred and amortized over the term of the applicable bonds using the straight-line method since the results are not significantly different

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

from the effective interest method. Within the governmental fund statements, bond issuance costs are expended when incurred.

R. Bond Premium

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

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.

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 - Changes in Accounting Principles and Restatement of Prior Year Net Assets

A. Change in Accounting Principles

For 2008, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations". GASB Statement No. 49 addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and clean ups. The implementation of this Statement did not result in any change to the City's financial statements.

B. Restatement of Prior Year Net Assets

During 2008, it was determined that capital assets were understated by \$1,917,547, as of December 31, 2007. This restatement increased net assets from \$23,581,281 to \$25,498,828.

	Governmental Activities
Net Assets	
December 31, 2007	\$23,581,281
Restatement:	
Assets:	
Depreciable Capital Assets, net	1,917,547
Restated Net Assets,	
December 31, 2007	\$25,498,828

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 4 - Fund Deficits and Legal Compliance

A. Fund Deficits

The following funds had deficit fund balances at December 31, 2008:

Major Funds	
Fire Pension	\$94,962
Nonmajor Funds	
Community Development Block Grant	12,476
Police Pension	79,384
Biddulph Road	12,429
I - 480/Tiedeman Upgrade	33,759

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

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

B. Legal Compliance

At December 31, 2008, the Bullet Proof Vest and Court Computer special revenue funds had actual receipts (beginning unencumbered fund balance plus actual receipts) less than appropriations contrary to Ohio Revised Code Section 5705.36(A)(4) which requires that the City obtain a reduced amended certificate when available resources are reduced below current appropriations. These funds also had appropriations in excess of the amended certificate of estimated resources which was certified prior to making the appropriations contrary to Ohio Revised Code Section 5705.36(A)(5).

In order to avoid future violations, the City will be closely monitoring the actual receipts, appropriations and encumbrances.

Note 5 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP basis).

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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

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

	General	Fire Pension
GAAP Basis	(\$1,080,279)	\$11,620
Net Adjustment for Revenue Accruals	5,065	0
Advances In	15,000	0
Beginning Fair Value Adjustment for Investments	19,451	0
Ending Fair Value Adjustment for Investments	47,852	0
Beginning Adjustment for Unrecorded Cash	79,201	0
Ending Adjustment for Unrecorded Cash	22,419	0
Net Adjustment for Expenditure Accruals	115,412	1,429
Advance Out	(17,025)	0
Adjustment for Encumbrances	(268,940)	0
Budget Basis	(\$1,061,844)	\$13,049

Note 6 - Deposits and Investments

The City has chosen to follow State statutes and classify monies held by the City into three categories.

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

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

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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

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

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

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest, or coupons; and,
3. Obligations of the City.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Deposits

At December 31, 2008, the carrying amount of all City deposits was \$4,158,177. Based on criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of December 31, 2008, \$3,181,125 of the City's bank balance of \$4,720,597 was uninsured and uncollateralized, while \$1,539,466 was covered by the FDIC.

Custodial credit risk is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party.

The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured. Although the securities were held by the pledging institution's trust department and all statutory requirements for the deposit of the money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments

The City has investments in an internal investment pool, in segregated accounts, with fiscal agents and with a trustee. As of December 31, 2008, the City had the following investments:

	Fair Value	Less Than Six Months	Maturity More Than One Year But Less Than Two Years	Greater Than Two Years
Victory Federal Money Market Mutual Fund	\$831,355	\$831,355	\$0	\$0
Federal Home Loan Bank Notes	1,803,493	1,237,840	565,653	0
Federal Farm Credit Bank Notes	510,026	510,026	0	0
Federal National Mortgage Association Notes	503,352	0	0	503,352
	<u>\$3,648,226</u>	<u>\$2,579,221</u>	<u>\$565,653</u>	<u>\$503,352</u>

Interest Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within two years from the date of purchase and that the City's investment portfolio be structured so that the securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. State statute limits investments in repurchase agreements to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bank Notes, the Federal Farm

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Credit Bank Notes, and the Federal National Mortgage Association Notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the City's name. The underlying securities of the repurchase agreements, federal home loan bank bonds, are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Credit Risk The Federal Home Loan Bank Notes, the Federal Farm Credit Bank Notes, and the Federal National Mortgage Association Notes carry a rating of AAA by Standard & Poor's. The Victory Federal Money Market Mutual Fund carries a rating of AAAM by Standard & Poor's. The City has no investment policy that limits its investment choices or addresses credit risk.

Concentration of Credit Risk The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2008:

<u>Investment</u>	<u>Percentage of Investment</u>
Victory Federal Money Market Mutual Fund	22.79 %
Federal Home Loan Bank Notes	49.43
Federal Farm Credit Bank Notes	13.98
Federal National Mortgage Association Notes	13.80

Note 7 - Receivables

Receivables at December 31, 2008, consisted primarily of municipal income taxes, property taxes, accounts (billings for user charged services and court fines), and intergovernmental receivables arising from grants, entitlements and shared revenues. No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes. All receivables are expected to be collected within one year except for delinquent property taxes. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) are for 2008 taxes.

2008 real property taxes are levied after October 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009.

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

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes which became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

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

The full tax rate for all City operations for the year ended December 31, 2008, was \$6.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based as follows:

Real Estate	
Residential/Agriculture	\$162,454,880
Commercial Industrial/Public Utility	167,532,300
Tangible Personal Property	
Public Utility	16,502,840
General Business	19,201,489
Total Valuation	<u><u>\$365,691,509</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Brooklyn. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2008 and for which there is an enforceable legal claim. In the general fund, street lighting, police pension and fire pension special revenue funds, and general obligation bond debt service fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2008 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

B. Income Taxes

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

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, effective as of October 15, 2008, 90 percent of the income tax proceeds were credited to the general fund and ten percent of the income tax proceeds were credited to the capital improvements capital projects fund. By City ordinance, effective September 1, 2008 and ongoing, 32 percent of gross income tax receipts collected from the Plain Dealer Printing and Distributing Center were credited to the Tiedeman Road capital

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

projects fund, with the remaining 68 percent credited to general fund and the capital improvements capital projects fund.

C. Intergovernmental Receivable

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities	
Local Government	\$308,494
Homestead and Rollback	100,858
Gasoline Excise Tax	143,356
Gasoline Tax	68,643
Motor Vehicle Registration	91,354
NOACA Grant	21,606
Tangible Personal Property Tax Reimbursement	165,805
Public Utility Reimbursement	33,369
Utility Excise Tax	20,429
Estate Tax	143,475
Federal Grant	33,759
	<hr/>
<i>Total Governmental Activities</i>	<u><u>\$1,131,148</u></u>

Note 8 - Compensated Absences

The criteria for determining vacation and sick leave liabilities are derived from negotiated agreements and State laws. Employees earn ten to thirty days of vacation per year, depending upon length of service. All accumulated unused vacation time is paid upon termination of employment. Employees may only carry over 40 hours of vacation time from one year to the next.

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

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2008, was as follows:

	Restated Balance 12/31/07	Additions	Deletions	Balance 12/31/08
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$2,887,821	\$0	\$0	\$2,887,821
Construction in Progress	16,194	193,752	(202,426)	7,520
<i>Total Capital Assets, not being depreciated</i>	<u>2,904,015</u>	<u>193,752</u>	<u>(202,426)</u>	<u>2,895,341</u>
<i>Capital Assets, being depreciated:</i>				
Buildings	19,163,184	0	0	19,163,184
Improvements	12,304,255	555,256	0	12,859,511
Machinery and Equipment	5,152,557	138,509	0	5,291,066
Vehicles	4,764,537	231,747	0	4,996,284
Infrastructure:				
Roads and Sidewalks	11,319,988	262,936	0	11,582,924
Sanitary Sewer	2,696,363	0	0	2,696,363
Storm Sewer	2,023,140	0	0	2,023,140
Water Lines	2,446,344	0	0	2,446,344
Traffic Signals	2,056,834	23,255	0	2,080,089
<i>Total Capital Assets, being depreciated</i>	<u>61,927,202</u>	<u>1,211,703</u>	<u>0</u>	<u>63,138,905</u>
Less Accumulated Depreciation:				
Buildings	(6,469,554)	(414,367)	0	(6,883,921)
Improvements	(5,163,485)	(631,462)	0	(5,794,947)
Machinery and Equipment	(3,385,443)	(330,233)	0	(3,715,676)
Vehicles	(2,779,477)	(312,518)	0	(3,091,995)
Infrastructure:				
Roads and Sidewalks	(6,371,851)	(312,768)	0	(6,684,619)
Sanitary Sewer	(2,041,176)	(45,663)	0	(2,086,839)
Storm Sewer	(1,437,768)	(39,947)	0	(1,477,715)
Water Lines	(2,025,645)	(41,488)	0	(2,067,133)
Traffic Signals	(1,605,608)	(73,024)	0	(1,678,632)
Total Accumulated Depreciation	<u>(31,280,007)</u>	<u>(2,201,470) *</u>	<u>0</u>	<u>(33,481,477)</u>
Total Capital Assets, being depreciated, net	<u>30,647,195</u>	<u>(989,767)</u>	<u>0</u>	<u>29,657,428</u>
Governmental Activities Capital Assets, Net	<u>\$33,551,210</u>	<u>(\$796,015)</u>	<u>(\$202,426)</u>	<u>\$32,552,769</u>

* Depreciation expense was charged to governmental functions as follow:

General Government	\$170,908
Security of Persons and Property	548,662
Transportation	397,979
Community Environment	102,016
Basic Utility Services	344,664
Leisure Time Activities	637,241
Total Depreciation Expense	<u>\$2,201,470</u>

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 10 - Risk Management

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. During 2008, the City contracted through Jackson, Dieken & Associates, Inc. for various types of insurance as follows:

Company	Type	Coverage
HCC Insurance Company	Blanket Property and Content Replacement	\$33,515,581
	Earthquake Coverage	500,000
	Flood Coverage	500,000
	General Liability (per occurrence)	1,000,000
	Automobile Liability	1,000,000
	Umbrella Liability (per occurrence)	9,000,000
	Public Officials Liability	1,000,000
	Police Professional Liability	1,000,000
	Public Employee Dishonesty	100,000
	Inland Marine	3,386,688
	Electronic Data Processing	570,715

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

B. Workers' Compensation

The City participates in the State Workers' Compensation retrospective rating program. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claims cost for injured employees in 2008. The maintenance of these benefits is accounted for in the general, street maintenance and repair and D.A.R.E. special revenue funds. Incurred but not reported claims of \$227,615 have been accrued as a liability at December 31, 2008, based on an estimate by the City's third party administrator.

The claims liability of \$227,615 reported at December 31, 2008 for Workers' Compensation is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Changes in claims activity for 2007 and 2008 are as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Workers' Compensation Estimate	Balance at End of Year
2007	\$33,021	\$604,252	\$89,592	(\$205,859)	\$341,822
2008	341,822	64,431	178,638	0	227,615

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 11 - Interfund Transfers and Balances

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

Interfund transfers for the year ended December 31, 2008 consisted of the following:

<u>Transfer To</u>	<u>Transfer From</u>			<u>Total</u>
	<u>General</u>	<u>Capital Improvements</u>	<u>Non-Major</u>	
Governmental Activities:				
Fire Pension	\$65,000	\$0	\$0	\$65,000
Non-Major Funds	439,024	58,800	618,421	1,116,245
<i>Total Governmental Activities</i>	<u>\$504,024</u>	<u>\$58,800</u>	<u>\$618,421</u>	<u>\$1,181,245</u>

The transfers from the Tiedeman Road and Safety Forces Construction capital project funds to the General Obligation Bond Retirement fund were to cover debt principal payments. The \$504,024 transferred from the general fund to the Fire Pension major special revenue fund and other non-major funds was to supplement the funds available for maintaining the programs in those funds.

<u>Interfund Payable</u>	<u>Interfund Receivable</u>		<u>Total</u>
	<u>General</u>	<u>Capital Improvements</u>	
Other Governmental Funds:			
Community Development Block Grant	\$0	\$73,000	\$73,000
D.A.R.E.	15,000	0	15,000
Juvenile Diversion	2,025	0	2,025
I-480/Tiedeman Upgrade	0	70,000	70,000
<i>Total Governmental Activities</i>	<u>\$17,025</u>	<u>\$143,000</u>	<u>\$160,025</u>

The advance to the I-480/Tiedeman upgrade capital projects fund from the capital improvements capital projects fund was for engineering studies. The advances to the D.A.R.E. and juvenile diversion special revenue funds from the general fund and to the community development block grant special revenue fund from the capital improvements capital projects fund are due to the timing of the receipt of grant monies.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 12 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the traditional pension plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the member directed plan.

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, members in state and local classifications contributed 10.0 percent of covered payroll and public safety and law enforcement members contributed 10.1 percent.

The City's contribution rate for 2008 was 14.00 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$371,566, \$428,976 and \$449,586, respectively; 89.34 percent has been contributed for 2008 and 100 percent for 2007 and 2006. Contributions to the member-directed plan for 2008 were \$1,984 made by the City and \$1,417 made by the plan members.

B. Ohio Police and Fire Pension Fund

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The City's contribution was 19.5 percent for police officers and 24 percent for firefighters. Contributions rates are established by State statute. For 2008, a portion of the City's contributions equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City's contributions to OP&F for police and firefighters were \$318,300 and \$390,717 for the year ended December 31, 2008, \$297,121 and \$383,812 for the year ended December 31, 2007, and

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

\$265,338 and \$350,785 for the year ended December 31, 2006. 73.68 percent has been contributed for police and 74.20 percent has been contributed for firefighters for 2008. The full amount has been contributed for 2007 and 2006.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2008, the liability of the City was \$51,212 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary. The liability is reported as “long-term liabilities” in the governmental activities column on the statement of net assets.

Note 13 - Postemployment Benefits

A. Ohio Public Employees Retirement System

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, State and local government employers contributed at a rate of 14.00 percent of covered payroll (17.40 percent for public safety and law enforcement). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2008, the amount of the employer contributions which was allocated to fund post-employment health care was 7.00 percent of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, 2006 were \$371,566, \$282,559, and \$219,906 respectively; 89.34 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
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The Health Care Preservation Plan (HCPP) which was adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

B. Police and Firemen's Disability and Pension Fund

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2008, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$168,512 and \$152,889 for the year ended December 31, 2008, \$157,299 and \$150,187 for the year ended December 31, 2007, \$175,011 and \$167,298 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 73.68 percent has been contributed for police and 74.20 percent has been contributed for firefighters for 2008.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 14 - Landfill Closure and Postclosure Care

State and federal laws and regulations require the City to place a final cover on its Sanitary Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. During 2006, a re-evaluation of the landfill total yearly postclosure cost estimate and landfill closure and postclosure care liability was completed. The re-evaluation was approved by the Ohio Environmental Protection Agency. The \$4,701,961 reported as landfill closure and postclosure care liability at December 31, 2008, represents the cumulative amount reported to date based on the use of 82.32 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$2,293,980 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2008. The City expects to close the landfill in the year 2025. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

The City had restricted \$971,902 in segregated accounts and an additional \$2,714,185 with a trustee to provide a total of \$3,686,087 for the landfill closure and postclosure care costs as of December 31, 2008.

Note 15 - Long-Term Obligations

The original issue date, interest rate, original issue amount and date of maturity of each of the City’s bonds, and long - term loans follows:

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Governmental Activities:			
Various Purposes General Obligation Refunding Bonds - 1999	3.30 - 4.45%	\$4,440,000	December 1, 2012
Fire Station Improvement Bonds - 2006	3.50-5.00%	5,255,000	December 1, 2027
Sanitary Landfill Improvement OPWC Loan - 1992	0.00%	1,099,400	January 1, 2015
Energy Conservation Honeywell Loan - 1998	5.27%	1,400,171	September 1, 2008
Police and Fire Pension - 1988	0.00%	70,770	May 15, 2035
Long-Term Notes:			
Street and Sidewalk Improvement Notes - 2008	3.25%	50,000	May 14, 2009
Marquardt Park Improvement Notes - 2008	3.25%	370,000	May 14, 2009
Biddulph Road Improvement Notes - 2008	3.25%	155,000	May 14, 2009

City of Brooklyn, Ohio
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Changes in long-term obligations of the City during 2008 are as follows:

	Outstanding 12/31/2007	Additions	Reductions	Outstanding 12/31/2008	Due in One Year
Governmental Activities:					
General Obligation Refunding Bonds	\$1,867,806	\$0	\$355,000	\$1,512,806	\$360,000
Fire Station Improvement Bonds	4,870,000	0	160,000	4,710,000	165,000
Premium on Bonds	272,251	0	13,613	258,638	0
Total Fire Station Improvement Bonds	5,142,251	0	173,613	4,968,638	165,000
Total General Obligation Bonds	7,010,057	0	528,613	6,481,444	525,000
OPWC Loan	412,275	0	54,970	357,305	54,970
Honeywell Loan	137,135	0	137,135	0	0
Police and Fire Pension (Note 12)	52,245	0	1,033	51,212	1,077
Long-Term Notes:					
Street and Sidewalk Improvement	80,000	50,000	80,000	50,000	0
Marquardt Park Improvement	400,000	370,000	400,000	370,000	0
Biddulph Road Improvement	170,000	155,000	170,000	155,000	0
<i>Total Long-Term Notes</i>	650,000	575,000	650,000	575,000	0
Capital Leases	2,823,720	0	319,651	2,504,069	245,370
Claims Payable	341,822	64,431	178,638	227,615	14,593
Landfill (Note 14)	4,605,251	96,710	0	4,701,961	0
Compensated Absences	1,879,550	27,221	7,172	1,899,599	250,083
<i>Total Governmental Activities</i>	<u>\$17,912,055</u>	<u>\$763,362</u>	<u>\$1,877,212</u>	<u>\$16,798,205</u>	<u>\$1,091,093</u>

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

The Honeywell Loan will be paid by income tax revenues from the capital improvements capital projects fund. Capital leases will be paid from the general and capital improvements capital projects fund. Claims payable will be paid from the general, street construction and maintenance and D.A.R.E. funds. Compensated absences will be paid from the general fund and the street maintenance and repair special revenue fund which are the funds from which the employees' salaries are paid.

The police and fire pension liability will be paid from levied taxes in the police pension and fire pension special revenue funds. The landfill will be paid for using designated general fund revenues which are for landfill closure and postclosure care. During 2006 a re-evaluation of the landfill total yearly post-closure cost estimate and landfill closure and postclosure care liability was completed and resulted in an increase in the value (See Note 14).

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
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Bond anticipation notes that were rolled over prior to the issuance of the financial statements and have a new maturity beyond the end of the year in which the report is issued have been reported in the government wide statements as long-term liabilities. The notes are backed by the full faith of the City of Brooklyn. The long-term notes will be paid from the debt service fund and the Biddulph Road capital projects fund.

On March 18, 1999, the City issued \$4,440,000 in general obligation bonds with interest rates varying from 3.30 percent to 4.45 percent, for the purpose of advance refunding \$3,945,000 of 1992 various purpose bonds. As of December 31, 2000, the refunded various purpose improvement bonds are considered fully defeased. The balance outstanding for the bonds is \$1,512,806 as of December 31, 2008.

The City's overall legal debt margin was \$31,604,517 at December 31, 2008. The unvoted legal debt margin was \$13,319,942. Principal and interest requirements to retire the long-term obligations as of December 31, 2008, are as follows:

	General Obligation Bonds		OPWC Loan	
	Principal	Interest	Principal	Interest
2009	\$525,000	\$280,286	\$54,970	\$0
2010	560,000	259,158	54,970	0
2011	580,000	236,233	54,970	0
2012	595,000	212,083	54,970	0
2013	152,806	186,900	54,970	0
2014-2018	1,095,000	809,450	82,455	0
2019-2023	1,365,000	540,800	0	0
2024-2027	1,350,000	172,500	0	0
Total	\$6,222,806	\$2,697,410	\$357,305	\$0

	Police and Fire Pension		Long-Term Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$1,077	\$2,165	\$575,000	\$21,125	\$1,156,047	\$303,576
2010	1,123	2,119	0	0	616,093	261,277
2011	1,172	2,070	0	0	636,142	238,303
2012	1,222	2,020	0	0	651,192	214,103
2013	1,274	1,968	0	0	209,050	188,868
2014-2018	7,242	8,968	0	0	1,184,697	818,418
2019-2023	8,937	7,273	0	0	1,373,937	548,073
2024-2028	11,028	5,182	0	0	1,361,028	177,682
2029-2033	13,609	2,601	0	0	13,609	2,601
2034-2035	4,528	191	0	0	4,528	191
Total	\$51,212	\$34,557	\$575,000	\$21,125	\$7,206,323	\$2,753,092

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
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Industrial Development Revenue Bonds

The City has issued industrial development revenue bonds in the aggregate outstanding principal amount of \$570,000 at December 31, 2008 for facilities used by private corporations. The City is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded from the City's debt presentation. There has not been and is not any condition of default under the bonds or the related financing documents.

Note 16 – Note Debt

During 2008, the City paid \$230,000 of the outstanding \$880,000 in bond anticipation notes and reissued \$650,000. On May 14, 2009, the City paid \$75,000 against the \$650,000 and refinanced the remaining \$575,000 into a new note with a maturity date of May 13, 2010. Therefore, the \$650,000 liability outstanding at December 31, 2008 was split with \$575,000 as a long-term liability and \$75,000 presented as a fund liability in the financial statements.

Types / Issues	Balance 12/31/2007	Additions	Reductions	Balance 12/31/2008
Tiedeman Road Improvement	\$100,000	\$0	\$100,000	\$0
Street and Sidewalk Improvement	40,000	30,000	40,000	30,000
Marquardt Park Improvement	40,000	30,000	40,000	30,000
Biddulph Road Improvement	50,000	15,000	50,000	15,000
<i>Total Governmental Funds</i>	<u>\$230,000</u>	<u>\$75,000</u>	<u>\$230,000</u>	<u>\$75,000</u>

All the notes are backed by the full faith and credit of the City of Brooklyn and mature within one year. The maturity date for all outstanding notes is May 14, 2009. The note liability is reflected in the funds which received the proceeds. All note proceeds have been fully expended. The notes will be paid out of the general obligation debt retirement fund and Biddulph road capital projects fund.

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

Note 17 - Capital Leases

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

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Capital assets acquired by leases currently being paid have been capitalized and depreciated as follows as of December 31, 2008:

Governmental Activities	
<i>Capital Leases, being depreciated:</i>	
Improvements	\$2,735,800
Equipment	15,875
Vehicles	<u>1,004,384</u>
<i>Total Capital Leases, being depreciated</i>	<u>3,756,059</u>
Less Accumulated Depreciation:	
Improvements	(479,081)
Equipment	(12,700)
Vehicles	<u>(222,675)</u>
<i>Total Accumulated Depreciation</i>	<u>(714,456)</u>
<i>Carrying Value</i>	<u><u>\$3,041,603</u></u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2008.

Year Ending December 30,	Governmental Activities
2009	\$348,462
2010	347,082
2011	347,083
2012	347,083
2013	347,084
2014-2017	<u>1,285,537</u>
Total	3,022,331
Less: Amount Representing Interest	<u>(518,262)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$2,504,069</u></u>

Note 18 - Jointly Governed Organizations

A. Southwest Council of Governments

The Southwest Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board is comprised of one member from each of the sixteen participating entities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. In 2008, the City contributed \$7,500.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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

B. Parma Community General Hospital Association

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

Additions to the hospital have been financed by the issuance of hospital revenue bonds. The bonds are backed solely by the revenues of the hospital. The Cities have no responsibility for the payment of bonds, nor is there any ongoing financial interest or responsibility by the City to the hospital. The hospital's financial statements may be obtained by contacting the Parma Community General Hospital, Parma, Ohio.

C. Northeast Ohio Public Energy Council (NOPEC)

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 126 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting the Joseph Migliorini, Board Chairman at 175 South Main Street, Akron, Ohio 44308 or at the website www.nopecinfo.org.

Note 19 - Contingencies

A. Grants

The City received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2008.

City of Brooklyn, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

B. Litigation

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

Note 20 – Contractual Commitment

As of December 31, 2008, the City had a \$29,912 contractual commitment with T.H. Martin, Inc. for the electrical and plumbing improvements to the Brooklyn Animal Shelter project.

Note 21 – Subsequent Events

A. Note Issuance

On May 14, 2009, the City retired \$650,000 in general obligation bond anticipation notes and issued \$1,920,000 in new notes. The new notes have a maturity date of May 13, 2010 and an interest rate of 3.00 percent. The following table summarizes the activity.

Note Issuance	Retired	Issued
Street and Sidewalk Improvement Notes	\$80,000	\$50,000
Marquardt Park Improvement Notes	400,000	370,000
Biddulph Road Improvement Notes	170,000	155,000
Communication Equipment Acquisition and Installment Note	0	253,000
Road Servicing Vehicle Acquisition Note	0	302,000
Police Department Motor Vehicle Acquisition Note	0	235,000
Technical Rescue Vehicle Acquisition Note	0	90,000
City Street Resurfacing Note	0	465,000
Total Notes	<u>\$650,000</u>	<u>\$1,920,000</u>

B. Income Taxes

On May 5, 2009, the voters of the City of Brooklyn approved an increase in the municipal income tax from 2 percent to 2.5 percent effective June 1, 2009. The tax is levied on gross salaries, wages and other compensation, and net profits earned within the City, as well as incomes of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality to a maximum of the total amount assessed.

**Combining Statements and
Individual Fund Schedules**

Combining Statements and Individual Fund Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Police Pension Fund – This fund accounts for property taxes collected to pay the City’s share of police pension benefits.

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

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

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

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

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

Nonmajor Debt Service Fund

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

Nonmajor Capital Projects Funds

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

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

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

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

City of Brooklyn, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$678,907	\$140,841	\$88,503	\$908,251
Cash and Cash Equivalents				
with Fiscal Agents	1,086	0	0	1,086
Intergovernmental Receivable	366,404	43,483	33,759	443,646
Property Taxes Receivable	532,132	366,795	57,868	956,795
Permissive Motor Vehicle Taxes Receivable	12,871	0	0	12,871
<i>Total Assets</i>	<u>\$1,591,400</u>	<u>\$551,119</u>	<u>\$180,130</u>	<u>\$2,322,649</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$9,126	\$0	\$0	\$9,126
Accrued Wages and Benefits	10,126	0	0	10,126
Retainage Payable	0	0	10,000	10,000
Intergovernmental Payable	122,987	0	0	122,987
Interfund Payable	90,025	0	70,000	160,025
Deferred Revenue	821,875	410,278	91,627	1,323,780
Accrued Interest Payable	0	1,126	281	1,407
Notes Payable	0	60,000	15,000	75,000
<i>Total Liabilities</i>	<u>1,054,139</u>	<u>471,404</u>	<u>186,908</u>	<u>1,712,451</u>
Fund Balances (Deficit)				
Reserved for Encumbrances	77,278	0	0	77,278
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	459,983	0	0	459,983
Debt Service Funds	0	79,715	0	79,715
Capital Projects Funds	0	0	(6,778)	(6,778)
<i>Total Fund Balances (Deficit)</i>	<u>537,261</u>	<u>79,715</u>	<u>(6,778)</u>	<u>610,198</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,591,400</u>	<u>\$551,119</u>	<u>\$180,130</u>	<u>\$2,322,649</u>

City of Brooklyn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Municipal Income Taxes	\$0	\$0	\$165,465	\$165,465
Property Taxes	496,496	342,411	55,543	894,450
Permissive Motor Vehicle Taxes	29,919	0	0	29,919
Fines, Licenses and Permits	85,300	0	0	85,300
Intergovernmental	978,429	86,786	183,887	1,249,102
Interest	5,812	7,726	4,947	18,485
Other	0	0	2,852	2,852
<i>Total Revenues</i>	<u>1,595,956</u>	<u>436,923</u>	<u>412,694</u>	<u>2,445,573</u>
Expenditures				
Current:				
General Government	12,383	0	0	12,383
Security of Persons and Property	575,279	0	0	575,279
Transportation	641,852	0	0	641,852
Community Environment	6,961	0	0	6,961
Basic Utility Services	173,446	0	0	173,446
Capital Outlay	108,310	0	122,313	230,623
Debt Service:				
Principal Retirement	1,033	569,970	0	571,003
Principal Retirement - Current Refunding	0	60,000	15,000	75,000
Interest and Fiscal Charges	2,210	323,818	7,794	333,822
<i>Total Expenditures</i>	<u>1,521,474</u>	<u>953,788</u>	<u>145,107</u>	<u>2,620,369</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>74,482</u>	<u>(516,865)</u>	<u>267,587</u>	<u>(174,796)</u>
Other Financing Sources (Uses)				
General Obligation Notes Issued	0	420,000	155,000	575,000
Current Refunding	0	(420,000)	(155,000)	(575,000)
Transfers In	80,000	618,421	417,824	1,116,245
Transfers Out	0	0	(618,421)	(618,421)
<i>Total Other Financing Sources (Uses)</i>	<u>80,000</u>	<u>618,421</u>	<u>(200,597)</u>	<u>497,824</u>
<i>Net Change in Fund Balances</i>	154,482	101,556	66,990	323,028
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>382,779</u>	<u>(21,841)</u>	<u>(73,768)</u>	<u>287,170</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$537,261</u>	<u>\$79,715</u>	<u>(\$6,778)</u>	<u>\$610,198</u>

City of Brooklyn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008

	Street Maintenance and Repair	State Highway	Community Development Block Grant	Street Lighting
Assets				
Equity in Pooled Cash and Cash Equivalents	\$148,686	\$130,994	\$59,438	\$59,533
Cash and Cash Equivalents				
with Fiscal Agents	0	0	1,086	0
Intergovernmental Receivable	280,606	22,747	0	18,263
Property Taxes Receivable	0	0	0	154,135
Permissive Motor Vehicle Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$429,292</u>	<u>\$153,741</u>	<u>\$60,524</u>	<u>\$231,931</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$8,126	\$1,000	\$0	\$0
Accrued Wages and Benefits	9,100	0	0	0
Intergovernmental Payable	12,571	0	0	0
Interfund Payable	0	0	73,000	0
Deferred Revenue	201,378	16,324	0	172,398
<i>Total Liabilities</i>	<u>231,175</u>	<u>17,324</u>	<u>73,000</u>	<u>172,398</u>
Fund Balances				
Reserved for Encumbrances	50,320	8,511	0	52
Unreserved, Undesignated (Deficit)	147,797	127,906	(12,476)	59,481
<i>Total Fund Balances (Deficit)</i>	<u>198,117</u>	<u>136,417</u>	<u>(12,476)</u>	<u>59,533</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$429,292</u>	<u>\$153,741</u>	<u>\$60,524</u>	<u>\$231,931</u>

Motor Vehicle License Tax	Recycling and Litter	D.A.R.E.	Bullet Proof Vest	Federal Grants
\$36,131	\$5,781	\$38,008	\$5,354	\$1,544
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
12,871	0	0	0	0
<u>\$49,002</u>	<u>\$5,781</u>	<u>\$38,008</u>	<u>\$5,354</u>	<u>\$1,544</u>
\$0	\$0	\$0	\$0	\$0
0	0	1,026	0	0
0	0	3,169	0	0
0	0	15,000	0	0
8,990	0	0	0	0
<u>8,990</u>	<u>0</u>	<u>19,195</u>	<u>0</u>	<u>0</u>
10,829	0	0	0	0
29,183	5,781	18,813	5,354	1,544
<u>40,012</u>	<u>5,781</u>	<u>18,813</u>	<u>5,354</u>	<u>1,544</u>
<u>\$49,002</u>	<u>\$5,781</u>	<u>\$38,008</u>	<u>\$5,354</u>	<u>\$1,544</u>

(continued)

City of Brooklyn, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2008

	Public Safety Equipment	Law Enforcement	Mandatory Drug Law	Police Pension
Assets				
Equity in Pooled Cash and Cash Equivalents	\$7,791	\$19,535	\$49,253	\$27,328
Cash and Cash Equivalents				
with Fiscal Agents	0	0	0	0
Intergovernmental Receivable	0	0	0	44,788
Property Taxes Receivable	0	0	0	377,997
Permissive Motor Vehicle Taxes Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$7,791</u>	<u>\$19,535</u>	<u>\$49,253</u>	<u>\$450,113</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	435	0	106,712
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	422,785
<i>Total Liabilities</i>	<u>0</u>	<u>435</u>	<u>0</u>	<u>529,497</u>
Fund Balances				
Reserved for Encumbrances	860	0	0	0
Unreserved, Undesignated (Deficit)	6,931	19,100	49,253	(79,384)
<i>Total Fund Balances (Deficit)</i>	<u>7,791</u>	<u>19,100</u>	<u>49,253</u>	<u>(79,384)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,791</u>	<u>\$19,535</u>	<u>\$49,253</u>	<u>\$450,113</u>

Underground Storage Tank	Groeger Trust	Court Computer	Juvenile Diversion	P.O.P.A.S.	Total Nonmajor Special Revenue Funds
\$23,525	\$6,532	\$17,181	\$4,014	\$38,279	\$678,907
0	0	0	0	0	1,086
0	0	0	0	0	366,404
0	0	0	0	0	532,132
0	0	0	0	0	12,871
<u>\$23,525</u>	<u>\$6,532</u>	<u>\$17,181</u>	<u>\$4,014</u>	<u>\$38,279</u>	<u>\$1,591,400</u>
\$0	\$0	\$0	\$0	\$0	\$9,126
0	0	0	0	0	10,126
0	0	100	0	0	122,987
0	0	0	2,025	0	90,025
0	0	0	0	0	821,875
<u>0</u>	<u>0</u>	<u>100</u>	<u>2,025</u>	<u>0</u>	<u>1,054,139</u>
4,539	0	1,674	0	493	77,278
18,986	6,532	15,407	1,989	37,786	459,983
<u>23,525</u>	<u>6,532</u>	<u>17,081</u>	<u>1,989</u>	<u>38,279</u>	<u>537,261</u>
<u>\$23,525</u>	<u>\$6,532</u>	<u>\$17,181</u>	<u>\$4,014</u>	<u>\$38,279</u>	<u>\$1,591,400</u>

City of Brooklyn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008

	Street Maintenance and Repair	State Highway	Community Development Block Grant
Revenues			
Property Taxes	\$0	\$0	\$0
Permissive Motor Vehicle Taxes	0	0	0
Fines, Licenses and Permits	0	0	0
Intergovernmental	600,237	48,667	104,157
Interest	2,750	2,626	0
<i>Total Revenues</i>	<u>602,987</u>	<u>51,293</u>	<u>104,157</u>
Expenditures			
Current:			
General Government	0	0	0
Security of Persons and Property	0	0	0
Transportation	593,983	33,408	0
Community Environment	0	0	0
Basic Utility Services	0	0	0
Capital Outlay	0	0	108,310
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>593,983</u>	<u>33,408</u>	<u>108,310</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	9,004	17,885	(4,153)
Other Financing Sources			
Transfers In	0	0	0
<i>Net Change in Fund Balances</i>	9,004	17,885	(4,153)
<i>Fund Balances (Deficit)</i>			
<i>Beginning of Year</i>	<u>189,113</u>	<u>118,532</u>	<u>(8,323)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$198,117</u></u>	<u><u>\$136,417</u></u>	<u><u>(\$12,476)</u></u>

Street Lighting	Motor Vehicle License Tax	Recycling and Litter	D.A.R.E.	Bullet Proof Vest	Federal Grants
\$143,813	\$0	\$0	\$0	\$0	\$0
0	29,919	0	0	0	0
0	0	0	0	0	0
36,450	0	0	85,801	0	0
0	426	0	0	0	0
<u>180,263</u>	<u>30,345</u>	<u>0</u>	<u>85,801</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	52,216	1,948	0
0	14,461	0	0	0	0
0	0	0	0	0	0
173,446	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>173,446</u>	<u>14,461</u>	<u>0</u>	<u>52,216</u>	<u>1,948</u>	<u>0</u>
6,817	15,884	0	33,585	(1,948)	0
0	0	0	10,000	0	0
6,817	15,884	0	43,585	(1,948)	0
52,716	24,128	5,781	(24,772)	7,302	1,544
<u>\$59,533</u>	<u>\$40,012</u>	<u>\$5,781</u>	<u>\$18,813</u>	<u>\$5,354</u>	<u>\$1,544</u>

(continued)

City of Brooklyn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2008

	Public Safety Equipment	Law Enforcement	Mandatory Drug Law	Police Pension
Revenues				
Property Taxes	\$0	\$0	\$0	\$352,683
Permissive Motor Vehicle Taxes	0	0	0	0
Fines, Licenses and Permits	2,032	2,335	6,063	0
Intergovernmental	0	0	0	91,117
Interest	0	0	0	0
<i>Total Revenues</i>	<u>2,032</u>	<u>2,335</u>	<u>6,063</u>	<u>443,800</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	1,510	5,228	572	478,144
Transportation	0	0	0	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	1,033
Interest and Fiscal Charges	0	0	0	2,210
<i>Total Expenditures</i>	<u>1,510</u>	<u>5,228</u>	<u>572</u>	<u>481,387</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	522	(2,893)	5,491	(37,587)
Other Financing Sources				
Transfers In	0	0	0	55,000
<i>Net Change in Fund Balances</i>	522	(2,893)	5,491	17,413
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	<u>7,269</u>	<u>21,993</u>	<u>43,762</u>	<u>(96,797)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$7,791</u></u>	<u><u>\$19,100</u></u>	<u><u>\$49,253</u></u>	<u><u>(\$79,384)</u></u>

Underground Storage Tank	Groeger Trust	Court Computer	Juvenile Diversion	P.O.P.A.S.	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$496,496
0	0	0	0	0	29,919
0	0	12,930	0	61,940	85,300
0	0	0	12,000	0	978,429
0	10	0	0	0	5,812
0	10	12,930	12,000	61,940	1,595,956
0	0	12,383	0	0	12,383
0	0	0	12,000	23,661	575,279
0	0	0	0	0	641,852
6,961	0	0	0	0	6,961
0	0	0	0	0	173,446
0	0	0	0	0	108,310
0	0	0	0	0	1,033
0	0	0	0	0	2,210
6,961	0	12,383	12,000	23,661	1,521,474
(6,961)	10	547	0	38,279	74,482
15,000	0	0	0	0	80,000
8,039	10	547	0	38,279	154,482
15,486	6,522	16,534	1,989	0	382,779
<u>\$23,525</u>	<u>\$6,532</u>	<u>\$17,081</u>	<u>\$1,989</u>	<u>\$38,279</u>	<u>\$537,261</u>

City of Brooklyn, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2008

	Tiedeman Road	Biddulph Road	Safety Forces Construction	I-480 / Tiedeman Upgrade	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$19,310	\$2,852	\$30,100	\$36,241	\$88,503
Intergovernmental Receivable	0	0	0	33,759	33,759
Property Taxes Receivable	57,868	0	0	0	57,868
<i>Total Assets</i>	<u>\$77,178</u>	<u>\$2,852</u>	<u>\$30,100</u>	<u>\$70,000</u>	<u>\$180,130</u>
Liabilities and Fund Balances					
Liabilities					
Retainage Payable	\$0	\$0	\$10,000	\$0	\$10,000
Interfund Payable	0	0	0	70,000	70,000
Deferred Revenue	57,868	0	0	33,759	91,627
Accrued Interest Payable	0	281	0	0	281
Notes Payable	0	15,000	0	0	15,000
<i>Total Liabilities</i>	<u>57,868</u>	<u>15,281</u>	<u>10,000</u>	<u>103,759</u>	<u>186,908</u>
Fund Balances					
Unreserved, Undesignated (Deficit)	19,310	(12,429)	20,100	(33,759)	(6,778)
<i>Total Liabilities and Fund Balances</i>	<u>\$77,178</u>	<u>\$2,852</u>	<u>\$30,100</u>	<u>\$70,000</u>	<u>\$180,130</u>

City of Brooklyn, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2008

	Tiedeman Road	Biddulph Road	Safety Forces Construction	I- 480 / Tiedeman Upgrade	Total Nonmajor Capital Projects Funds
Revenues					
Municipal Income Taxes	\$165,465	\$0	\$0	\$0	\$165,465
Property Taxes	55,543	0	0	0	55,543
Intergovernmental	0	0	0	183,887	183,887
Interest	1,285	0	3,662	0	4,947
Other	0	2,852	0	0	2,852
<i>Total Revenues</i>	<u>222,293</u>	<u>2,852</u>	<u>3,662</u>	<u>183,887</u>	<u>412,694</u>
Expenditures					
Capital Outlay	0	0	0	122,313	122,313
Debt Service:					
Principal Retirement - Current Refunding	0	15,000	0	0	15,000
Interest and Fiscal Charges	0	7,794	0	0	7,794
<i>Total Expenditures</i>	<u>0</u>	<u>22,794</u>	<u>0</u>	<u>122,313</u>	<u>145,107</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>222,293</u>	<u>(19,942)</u>	<u>3,662</u>	<u>61,574</u>	<u>267,587</u>
Other Financing Sources (Uses)					
General Obligation Notes Issued	0	155,000	0	0	155,000
Current Refunding	0	(155,000)	0	0	(155,000)
Transfers In	0	58,800	359,024	0	417,824
Transfers Out	(239,752)	0	(378,669)	0	(618,421)
<i>Total Other Financing Sources (Uses)</i>	<u>(239,752)</u>	<u>58,800</u>	<u>(19,645)</u>	<u>0</u>	<u>(200,597)</u>
<i>Net Change in Fund Balances</i>	(17,459)	38,858	(15,983)	61,574	66,990
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>36,769</u>	<u>(51,287)</u>	<u>36,083</u>	<u>(95,333)</u>	<u>(73,768)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$19,310</u></u>	<u><u>(\$12,429)</u></u>	<u><u>\$20,100</u></u>	<u><u>(\$33,759)</u></u>	<u><u>(\$6,778)</u></u>

Fund Descriptions - Fiduciary Funds

Fiduciary Funds

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

Agency Funds

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

Building Assessment Fees Fund - This fund was established in accordance with Senate Bill 359 that states that all political subdivisions that collect fees for acceptance and approval of plans for commercial and industrial building must collect and remit monthly 3 percent of building permit fees collected each month to the State on behalf of the Ohio Board of Building Standards.

City of Brooklyn, Ohio
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2008

	Required Deposits	Building Assessment Fees	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$103,075	\$377	\$103,452
Liabilities			
Intergovernmental Payable	\$0	\$377	\$377
Deposits Held and Due to Others	103,075	0	103,075
<i>Total Liabilities</i>	\$103,075	\$377	\$103,452

City of Brooklyn, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2008

	Balance 12/31/07	Additions	Reductions	Balance 12/31/08
<i>Required Deposits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$104,162	\$6,115	\$7,202	\$103,075
Liabilities				
Deposits Held and Due to Others	\$104,162	\$6,115	\$7,202	\$103,075
<i>Building Assessment Fees</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$153	\$981	\$757	\$377
Liabilities				
Intergovernmental Payable	\$153	\$981	\$757	\$377
<i>Totals - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$104,315	\$7,096	\$7,959	\$103,452
Liabilities				
Intergovernmental Payable	\$153	\$981	\$757	\$377
Deposits Held and Due to Others	104,162	6,115	7,202	103,075
<i>Total Liabilities</i>	\$104,315	\$7,096	\$7,959	\$103,452

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

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$11,195,285	\$11,195,285	\$10,595,775	(\$599,510)
Property Taxes	1,080,500	1,080,500	1,106,860	26,360
Charges for Services	808,730	808,730	1,071,639	262,909
Fines, Licenses and Permits	472,459	551,785	531,139	(20,646)
Intergovernmental	1,221,350	1,221,350	1,575,840	354,490
Contributions and Donations	22,550	22,550	17,273	(5,277)
Interest	386,000	386,000	310,450	(75,550)
Other	60,850	60,850	52,925	(7,925)
<i>Total Revenues</i>	15,247,724	15,327,050	15,261,901	(65,149)
Expenditures				
Current:				
General Government:				
Income Tax:				
Personal Services	189,923	186,423	180,107	6,316
Materials and Supplies	23,415	23,415	20,162	3,253
Contractual Services	11,790	11,790	11,753	37
Capital Outlay	1,300	1,300	0	1,300
Other	840	840	37	803
Total Income Tax	227,268	223,768	212,059	11,709
Council:				
Personal Services	120,870	125,420	124,815	605
Materials and Supplies	12,177	10,977	6,788	4,189
Contractual Services	28,449	4,449	2,732	1,717
Other	1,050	1,050	441	609
Total Council	162,546	141,896	134,776	7,120
Mayor:				
Personal Services	341,067	336,067	329,364	6,703
Materials and Supplies	14,493	12,593	8,680	3,913
Contractual Services	11,118	12,318	11,903	415
Capital Outlay	1,025	1,025	0	1,025
Other	13,717	8,717	6,078	2,639
Total Mayor	\$381,420	\$370,720	\$356,025	\$14,695

(continued)

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Legal:				
Personal Services	\$302,748	\$304,148	\$302,248	\$1,900
Materials and Supplies	10,231	4,231	958	3,273
Contractual Services	116,154	108,154	103,692	4,462
Other	750	750	601	149
Total Legal	429,883	417,283	407,499	9,784
Finance:				
Personal Services	221,398	229,848	229,249	599
Materials and Supplies	13,974	13,174	12,375	799
Contractual Services	43,875	41,875	41,707	168
Capital Outlay	1,375	475	123	352
Other	4,815	1,015	765	250
Total Finance	285,437	286,387	284,219	2,168
Civil Service:				
Personal Services	11,905	12,105	11,591	514
Materials and Supplies	1,313	813	345	468
Contractual Services	6,251	3,751	3,112	639
Other	775	775	600	175
Total Civil Service	20,244	17,444	15,648	1,796
Engineering:				
Personal Services	26,497	27,247	27,051	196
Contractual Services	92,145	64,745	49,613	15,132
Total Engineering	118,642	91,992	76,664	15,328
Data System:				
Personal Services	96,885	84,185	81,719	2,466
Materials and Supplies	8,000	4,000	2,044	1,956
Contractual Services	1,440	10,440	125	10,315
Capital Outlay	12,000	10,000	7,307	2,693
Other	3,250	3,250	2,299	951
Total Data System	121,575	111,875	93,494	18,381
Miscellaneous:				
Materials and Supplies	25,000	25,000	24,416	584
Contractual Services	369,925	364,925	345,082	19,843
Total Miscellaneous	394,925	389,925	369,498	20,427
Total General Government	\$2,141,940	\$2,051,290	\$1,949,882	\$101,408

(continued)

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Security of Persons and Property:				
Public Safety:				
Personal Services	\$3,885,775	\$3,873,875	\$3,829,124	\$44,751
Materials and Supplies	271,592	251,592	218,555	33,037
Contractual Services	151,908	185,008	167,729	17,279
Other	5,004	5,004	3,843	1,161
Total Public Safety	4,314,279	4,315,479	4,219,251	96,228
Fire Department:				
Personal Services	2,919,884	2,905,759	2,887,362	18,397
Materials and Supplies	105,628	105,628	91,816	13,812
Contractual Services	31,298	56,398	52,096	4,302
Capital Outlay	23,480	26,480	24,987	1,493
Other	1,050	1,050	0	1,050
Total Fire Department	3,081,340	3,095,315	3,056,261	39,054
Total Security of Persons and Property	7,395,619	7,410,794	7,275,512	135,282
Community Environment:				
Public Lands and Buildings:				
Personal Services	110,057	127,007	124,276	2,731
Materials and Supplies	76,421	71,421	66,394	5,027
Contractual Services	873,949	911,949	897,636	14,313
Capital Outlay	25,970	22,970	20,398	2,572
Total Public Lands and Buildings	1,086,397	1,133,347	1,108,704	24,643
Public Service:				
Personal Services	166,946	174,196	173,430	766
Materials and Supplies	649	649	508	141
Contractual Services	341	341	341	0
Other	117	117	40	77
Total Public Service	168,053	175,303	174,319	984
Building Department:				
Personal Services	285,525	268,675	259,369	9,306
Materials and Supplies	7,608	7,608	5,634	1,974
Contractual Services	2,232	2,232	1,430	802
Other	906	906	899	7
Total Building Department	\$296,271	\$279,421	\$267,332	\$12,089

(continued)

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Recycling:				
Personal Services	\$67,442	\$69,242	\$67,641	\$1,601
Materials and Supplies	3,760	3,760	2,722	1,038
Contractual Services	25,788	25,788	21,518	4,270
Other	255	255	40	215
Total Recycling	97,245	99,045	91,921	7,124
Service Department:				
Materials and Supplies	6,088	6,088	1,406	4,682
Contractual Services	6,420	6,420	5,830	590
Capital Outlay	87,390	87,390	80,117	7,273
Total Service Department	99,898	99,898	87,353	12,545
Landfill:				
Contractual Services	17,400	17,400	9,500	7,900
Total Community Environment	1,765,264	1,804,414	1,739,129	65,285
Basic Utility Services:				
Garage:				
Personal Services	2,396,110	2,422,260	2,387,770	34,490
Materials and Supplies	297,827	293,827	276,519	17,308
Contractual Services	13,452	13,452	10,750	2,702
Capital Outlay	5,100	1,100	899	201
Other	750	250	0	250
Total Basic Utility Services	2,713,239	2,730,889	2,675,938	54,951
Leisure Time Activities:				
Recreation Center:				
Personal Services	708,104	783,679	777,044	6,635
Materials and Supplies	113,633	113,633	88,087	25,546
Contractual Services	99,986	99,986	86,002	13,984
Capital Outlay	12,576	6,576	5,434	1,142
Other	883	883	800	83
Total Recreation Center	935,182	1,004,757	957,367	47,390
Indoor/Outdoor Pool:				
Personal Services	542,154	532,904	517,646	15,258
Materials and Supplies	103,776	103,776	77,915	25,861
Contractual Services	33,066	33,316	30,237	3,079
Capital Outlay	11,188	11,188	10,956	232
Other	3,290	3,290	2,141	1,149
Total Indoor/Outdoor Pool	\$693,474	\$684,474	\$638,895	\$45,579

(continued)

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Parks:				
Personal Services	\$50,603	\$67,903	\$67,523	\$380
Materials and Supplies	54,364	53,164	43,141	10,023
Contractual Services	33,372	31,372	29,659	1,713
Capital Outlay	9,685	9,685	9,528	157
Total Parks	148,024	162,124	149,851	12,273
Senior Services:				
Personal Services	351,897	348,597	346,016	2,581
Materials and Supplies	55,827	58,627	56,972	1,655
Contractual Services	28,971	28,971	26,779	2,192
Capital Outlay	1,703	1,703	1,355	348
Other	275	275	0	275
Total Senior Services	438,673	438,173	431,122	7,051
Total Leisure Time Activities	2,215,353	2,289,528	2,177,235	112,293
Total Expenditures	16,231,415	16,286,915	15,817,696	469,219
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(983,691)	(959,865)	(555,795)	404,070
Other Financing Sources (Uses)				
Advances In	0	0	15,000	15,000
Advances Out	(17,025)	(17,025)	(17,025)	0
Transfers Out	(626,975)	(571,475)	(504,024)	67,451
Total Other Financing Sources (Uses)	(644,000)	(588,500)	(506,049)	82,451
Net Change in Fund Balance	(1,627,691)	(1,548,365)	(1,061,844)	486,521
Fund Balance Beginning of Year	6,101,224	6,101,224	6,101,224	0
Prior Year Encumbrances Appropriated	164,641	164,641	164,641	0
Fund Balance End of Year	\$4,638,174	\$4,717,500	\$5,204,021	\$486,521

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$409,000	\$409,000	\$405,080	(\$3,920)
Intergovernmental	48,525	45,387	86,769	41,382
<i>Total Revenues</i>	457,525	454,387	491,849	37,462
Expenditures				
Current:				
Security of Persons and Property:				
Fire Pension:				
Personal Services	539,595	543,845	543,800	45
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(82,070)	(89,458)	(51,951)	37,507
Other Financing Sources				
Transfers In	110,000	110,000	65,000	(45,000)
<i>Net Change in Fund Balance</i>	27,930	20,542	13,049	(7,493)
<i>Fund Balance Beginning of Year</i>	12,363	12,363	12,363	0
<i>Fund Balance End of Year</i>	\$40,293	\$32,905	\$25,412	(\$7,493)

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$1,931,657	\$1,698,760	\$1,698,760	\$0
Other	21,925	80,348	80,348	0
<i>Total Revenues</i>	<u>1,953,582</u>	<u>1,779,108</u>	<u>1,779,108</u>	<u>0</u>
Expenditures				
Capital Outlay:				
Capital Improvements:				
Capital Outlay	2,048,350	2,038,350	1,368,529	669,821
Transportation	408,208	408,208	408,208	0
Total Capital Improvements	<u>2,456,558</u>	<u>2,446,558</u>	<u>1,776,737</u>	<u>669,821</u>
Debt Service:				
Principal Retirement	137,135	137,135	137,135	0
Interest and Fiscal Charges	3,028	3,028	3,028	0
Total Debt Service	<u>140,163</u>	<u>140,163</u>	<u>140,163</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,596,721</u>	<u>2,586,721</u>	<u>1,916,900</u>	<u>669,821</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(643,139)</u>	<u>(807,613)</u>	<u>(137,792)</u>	<u>669,821</u>
Other Financing Sources (Uses)				
Advances In	0	0	80,000	80,000
Transfers Out	(48,800)	(58,800)	(58,800)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(48,800)</u>	<u>(58,800)</u>	<u>21,200</u>	<u>80,000</u>
<i>Net Change in Fund Balance</i>	(691,939)	(866,413)	(116,592)	749,821
<i>Fund Balance Beginning of Year</i>	1,116,388	1,116,388	1,116,388	0
Prior Year Encumbrances Appropriated	<u>320,164</u>	<u>320,164</u>	<u>320,164</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$744,613</u></u>	<u><u>\$570,139</u></u>	<u><u>\$1,319,960</u></u>	<u><u>\$749,821</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$587,200	\$613,984	\$617,034	\$3,050
Interest	5,800	5,800	2,750	(3,050)
<i>Total Revenues</i>	<u>593,000</u>	<u>619,784</u>	<u>619,784</u>	<u>0</u>
Expenditures				
Current:				
Transportation:				
Street Maintenance and Repair:				
Personal Services	323,829	335,754	333,422	2,332
Materials and Supplies	104,658	101,658	90,856	10,802
Contractual Services	110,595	146,595	135,690	10,905
Capital Outlay	149,543	104,618	84,690	19,928
<i>Total Expenditures</i>	<u>688,625</u>	<u>688,625</u>	<u>644,658</u>	<u>43,967</u>
<i>Net Change in Fund Balance</i>	(95,625)	(68,841)	(24,874)	43,967
<i>Fund Balance Beginning of Year</i>	114,252	114,252	114,252	0
Prior Year Encumbrances Appropriated	<u>862</u>	<u>862</u>	<u>862</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$19,489</u>	<u>\$46,273</u>	<u>\$90,240</u>	<u>\$43,967</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$45,600	\$47,656	\$50,030	\$2,374
Interest	5,000	5,000	2,626	(2,374)
<i>Total Revenues</i>	<u>50,600</u>	<u>52,656</u>	<u>52,656</u>	<u>0</u>
Expenditures				
Current:				
Transportation:				
Garage:				
Personal Services	5,126	5,126	5,126	0
Materials and Supplies	34,170	34,170	31,408	2,762
Contractual Services	12,068	12,068	4,394	7,674
Capital Outlay	7,181	7,181	991	6,190
<i>Total Expenditures</i>	<u>58,545</u>	<u>58,545</u>	<u>41,919</u>	<u>16,626</u>
<i>Net Change in Fund Balance</i>	(7,945)	(5,889)	10,737	16,626
<i>Fund Balance Beginning of Year</i>	109,175	109,175	109,175	0
Prior Year Encumbrances Appropriated	<u>1,571</u>	<u>1,571</u>	<u>1,571</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$102,801</u></u>	<u><u>\$104,857</u></u>	<u><u>\$121,483</u></u>	<u><u>\$16,626</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$20,000	\$104,157	\$104,157	\$0
Expenditures				
Current:				
Community Environment:				
Community Development Block Grant:				
Capital Outlay	116,550	116,550	108,310	8,240
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(96,550)	(12,393)	(4,153)	8,240
Other Financing Uses				
Advances Out	0	0	(50,000)	(50,000)
<i>Net Change in Fund Balance</i>	(96,550)	(12,393)	(54,153)	(41,760)
<i>Fund Balance Beginning of Year</i>	627	627	627	0
Prior Year Encumbrances Appropriated	114,050	114,050	114,050	0
<i>Fund Balance End of Year</i>	<u>\$18,127</u>	<u>\$102,284</u>	<u>\$60,524</u>	<u>(\$41,760)</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$145,324	\$169,763	\$160,078	(\$9,685)
Intergovernmental	10,500	10,500	20,185	9,685
<i>Total Revenues</i>	155,824	180,263	180,263	0
Expenditures				
Current:				
Basic Utility Services:				
Street Lighting:				
Contractual Services	178,500	178,500	173,498	5,002
<i>Net Change in Fund Balance</i>	(22,676)	1,763	6,765	5,002
<i>Fund Balance Beginning of Year</i>	52,716	52,716	52,716	0
<i>Fund Balance End of Year</i>	<u>\$30,040</u>	<u>\$54,479</u>	<u>\$59,481</u>	<u>\$5,002</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Tax Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Permissive Motor Vehicle Taxes	\$32,000	\$30,553	\$30,553	\$0
Interest	1,200	426	426	0
<i>Total Revenues</i>	<u>33,200</u>	<u>30,979</u>	<u>30,979</u>	<u>0</u>
Expenditures				
Current:				
Transportation:				
Motor Vehicle License Tax:				
Materials and Supplies	37,953	37,953	28,022	9,931
Contractual Services	5,000	5,000	0	5,000
<i>Total Expenditures</i>	<u>42,953</u>	<u>42,953</u>	<u>28,022</u>	<u>14,931</u>
<i>Net Change in Fund Balance</i>	(9,753)	(11,974)	2,957	14,931
<i>Fund Balance Beginning of Year</i>	14,637	14,637	14,637	0
Prior Year Encumbrances Appropriated	<u>7,708</u>	<u>7,708</u>	<u>7,708</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$12,592</u></u>	<u><u>\$10,371</u></u>	<u><u>\$25,302</u></u>	<u><u>\$14,931</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recycling and Litter Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Community Environment:				
Recycling and Litter:				
Capital Outlay	<u>3,060</u>	<u>3,060</u>	<u>0</u>	<u>3,060</u>
<i>Net Change in Fund Balance</i>	(3,060)	(3,060)	0	3,060
<i>Fund Balance Beginning of Year</i>	<u>5,781</u>	<u>5,781</u>	<u>5,781</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,721</u></u>	<u><u>\$2,721</u></u>	<u><u>\$5,781</u></u>	<u><u>\$3,060</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
D.A.R.E. Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$76,000	\$90,800	\$85,801	(\$4,999)
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	48,437	52,837	51,961	876
<i>Excess of Revenues Over Expenditures</i>	<u>27,563</u>	<u>37,963</u>	<u>33,840</u>	<u>(4,123)</u>
Other Financing Sources				
Advances In	0	0	15,000	15,000
Transfers In	5,000	5,000	10,000	5,000
<i>Total Other Financing Sources</i>	<u>5,000</u>	<u>5,000</u>	<u>25,000</u>	<u>20,000</u>
<i>Net Change in Fund Balance</i>	32,563	42,963	58,840	15,877
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(20,832)</u>	<u>(20,832)</u>	<u>(20,832)</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$11,731</u>	<u>\$22,131</u>	<u>\$38,008</u>	<u>\$15,877</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bullet Proof Vest Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues	\$1,000	\$1,000	\$0	(\$1,000)
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Capital Outlay	<u>8,058</u>	<u>8,058</u>	<u>1,948</u>	<u>6,110</u>
<i>Net Change in Fund Balance</i>	(7,058)	(7,058)	(1,948)	5,110
<i>Fund Balance Beginning of Year</i>	<u>7,302</u>	<u>7,302</u>	<u>7,302</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$244</u></u>	<u><u>\$244</u></u>	<u><u>\$5,354</u></u>	<u><u>\$5,110</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Grants Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$0	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>1,544</u>	<u>1,544</u>	<u>1,544</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,544</u></u>	<u><u>\$1,544</u></u>	<u><u>\$1,544</u></u>	<u><u>\$0</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Safety Equipment Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$0	\$0	\$2,032	\$2,032
Expenditures				
Current:				
Security of Persons and Property:				
Public Safety Equipment:				
Capital Outlay	4,338	4,338	2,370	1,968
<i>Net Change in Fund Balance</i>	(4,338)	(4,338)	(338)	4,000
<i>Fund Balance Beginning of Year</i>	7,269	7,269	7,269	0
<i>Fund Balance End of Year</i>	\$2,931	\$2,931	\$6,931	\$4,000

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$6,500	\$2,512	\$2,512	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Materials and Supplies	6,630	6,630	3,785	2,845
Enforcement and Education:				
Contractual Services	5,685	5,685	2,163	3,522
<i>Total Expenditures</i>	12,315	12,315	5,948	6,367
<i>Net Change in Fund Balance</i>	(5,815)	(9,803)	(3,436)	6,367
<i>Fund Balance Beginning of Year</i>	21,441	21,441	21,441	0
Prior Year Encumbrances Appropriated	1,095	1,095	1,095	0
<i>Fund Balance End of Year</i>	\$16,721	\$12,733	\$19,100	\$6,367

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mandatory Drug Law Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
Revenues				
Fines, Licenses and Permits	\$10,000	\$6,916	\$6,916	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Mandatory Drug Law:				
Materials and Supplies	6,120	6,120	572	5,548
Capital Outlay	10,293	10,293	0	10,293
<i>Total Expenditures</i>	16,413	16,413	572	15,841
<i>Net Change in Fund Balance</i>	(6,413)	(9,497)	6,344	15,841
<i>Fund Balance Beginning of Year</i>	42,909	42,909	42,909	0
<i>Fund Balance End of Year</i>	\$36,496	\$33,412	\$49,253	\$15,841

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$361,095	\$398,551	\$362,810	(\$35,741)
Intergovernmental	42,000	42,000	80,990	38,990
<i>Total Revenues</i>	<u>403,095</u>	<u>440,551</u>	<u>443,800</u>	<u>3,249</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	459,804	481,304	479,302	2,002
Debt Service:				
Principal Retirement	1,033	1,033	1,033	0
Interest and Fiscal Charges	2,210	2,210	2,210	0
Total Debt Service	<u>3,243</u>	<u>3,243</u>	<u>3,243</u>	<u>0</u>
<i>Total Expenditures</i>	<u>463,047</u>	<u>484,547</u>	<u>482,545</u>	<u>2,002</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(59,952)	(43,996)	(38,745)	5,251
Other Financing Sources				
Transfers In	65,000	65,000	55,000	(10,000)
<i>Net Change in Fund Balance</i>	5,048	21,004	16,255	(4,749)
<i>Fund Balance Beginning of Year</i>	<u>11,073</u>	<u>11,073</u>	<u>11,073</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$16,121</u></u>	<u><u>\$32,077</u></u>	<u><u>\$27,328</u></u>	<u><u>(\$4,749)</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Underground Storage Tank Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Community Environment:				
Underground Storage Tank:				
Contractual Services	28,399	28,399	12,604	15,795
<i>Excess of Revenues Under Expenditures</i>	(28,399)	(28,399)	(12,604)	15,795
Other Financing Sources				
Transfers In	25,000	15,000	15,000	0
<i>Net Change in Fund Balance</i>	(3,399)	(13,399)	2,396	15,795
<i>Fund Balance Beginning of Year</i>	5,691	5,691	5,691	0
Prior Year Encumbrances Appropriated	10,899	10,899	10,899	0
<i>Fund Balance End of Year</i>	<u>\$13,191</u>	<u>\$3,191</u>	<u>\$18,986</u>	<u>\$15,795</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Groeger Trust Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$500	\$500	\$10	(\$490)
Expenditures				
Current:				
Community Environment:				
Groeger Trust:				
Contractual Services	6,500	6,500	0	6,500
<i>Net Change in Fund Balance</i>	(6,000)	(6,000)	10	6,010
<i>Fund Balance Beginning of Year</i>	6,522	6,522	6,522	0
<i>Fund Balance End of Year</i>	\$522	\$522	\$6,532	\$6,010

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Computer Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$19,000	\$19,000	\$13,835	(\$5,165)
Expenditures				
Current:				
General Government:				
Courts:				
Materials and Supplies	10,605	10,605	9,709	896
Contractual Services	3,000	3,000	150	2,850
Capital Outlay	22,101	22,101	5,478	16,623
<i>Total Expenditures</i>	35,706	35,706	15,337	20,369
<i>Net Change in Fund Balance</i>	(16,706)	(16,706)	(1,502)	15,204
<i>Fund Balance Beginning of Year</i>	14,203	14,203	14,203	0
Prior Year Encumbrances Appropriated	2,706	2,706	2,706	0
<i>Fund Balance End of Year</i>	\$203	\$203	\$15,407	\$15,204

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Juvenile Diversion Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$12,000	\$12,000	\$12,000	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Juvenile Diversion:				
Materials and Supplies	750	750	0	750
Contractual Services	12,000	12,000	12,000	0
<i>Total Expenditures</i>	<u>12,750</u>	<u>12,750</u>	<u>12,000</u>	<u>750</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(750)	(750)	0	750
Other Financing Sources				
Advances In	0	0	2,025	2,025
<i>Net Change in Fund Balance</i>	(750)	(750)	2,025	2,775
<i>Fund Balance Beginning of Year</i>	<u>1,989</u>	<u>1,989</u>	<u>1,989</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,239</u>	<u>\$1,239</u>	<u>\$4,014</u>	<u>\$2,775</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
P.O.P.A.S. Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$43,000	\$43,000	\$61,940	\$18,940
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Capital Outlay	42,000	42,000	24,154	17,846
<i>Net Change in Fund Balance</i>	1,000	1,000	37,786	36,786
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$37,786</u>	<u>\$36,786</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$350,000	\$350,000	\$352,243	\$2,243
Intergovernmental	82,507	78,644	76,954	(1,690)
Interest	4,700	4,700	7,726	3,026
<i>Total Revenues</i>	437,207	433,344	436,923	3,579
Expenditures				
Debt Service:				
Principal Retirement	1,452,886	1,452,886	1,449,970	2,916
Interest and Fiscal Charges	336,124	336,124	336,124	0
<i>Total Expenditures</i>	1,789,010	1,789,010	1,786,094	2,916
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(1,351,803)	(1,355,666)	(1,349,171)	6,495
Other Financing Sources				
General Obligation Notes Issued	652,000	652,000	650,000	(2,000)
Transfers In	676,800	676,800	677,221	421
<i>Total Other Financing Sources</i>	1,328,800	1,328,800	1,327,221	(1,579)
<i>Net Change in Fund Balance</i>	(23,003)	(26,866)	(21,950)	4,916
<i>Fund Balance Beginning of Year</i>	162,791	162,791	162,791	0
<i>Fund Balance End of Year</i>	\$139,788	\$135,925	\$140,841	\$4,916

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Tiedeman Road Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$200,000	\$150,750	\$165,465	\$14,715
Property Taxes	94,000	69,000	55,543	(13,457)
Interest	2,200	3,250	1,533	(1,717)
<i>Total Revenues</i>	296,200	223,000	222,541	(459)
Expenditures	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	296,200	223,000	222,541	(459)
Other Financing Uses				
Transfers Out	(240,000)	(240,000)	(239,752)	248
<i>Net Change in Fund Balance</i>	56,200	(17,000)	(17,211)	(211)
<i>Fund Balance Beginning of Year</i>	36,471	36,471	36,471	0
<i>Fund Balance End of Year</i>	\$92,671	\$19,471	\$19,260	(\$211)

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Biddulph Road Fund
For the Year Ended December 31, 2008

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$2,000	\$2,852	\$2,852	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	2,000	2,852	2,852	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$2,000	\$2,852	\$2,852	\$0

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Safety Forces Construction Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$25,000	\$25,000	\$3,662	(\$21,338)
Other	19,000	19,000	0	(19,000)
<i>Total Revenues</i>	44,000	44,000	3,662	(40,338)
Expenditures	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	44,000	44,000	3,662	(40,338)
Other Financing Sources (Uses)				
Transfers In	343,000	316,900	359,024	42,124
Transfers Out	(392,000)	(392,000)	(378,669)	13,331
<i>Total Other Financing Sources (Uses)</i>	(49,000)	(75,100)	(19,645)	55,455
<i>Net Change in Fund Balance</i>	(5,000)	(31,100)	(15,983)	15,117
<i>Fund Balance Beginning of Year</i>	36,083	36,083	36,083	0
Prior Year Encumbrances Appropriated	10,000	10,000	10,000	0
<i>Fund Balance End of Year</i>	<u>\$41,083</u>	<u>\$14,983</u>	<u>\$30,100</u>	<u>\$15,117</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
I-480 / Tiedeman Upgrade Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$450,000	\$184,000	\$183,887	(\$113)
Expenditures				
Capital Outlay:				
I-480/ Tiedeman Roadway:				
Contractual Services	368,234	188,234	122,313	65,921
<i>Excess of Revenues Over (Under) Expenditures</i>	81,766	(4,234)	61,574	65,808
Other Financing Uses				
Advance Out	0	0	(45,000)	(45,000)
<i>Net Change in Fund Balance</i>	81,766	(4,234)	16,574	20,808
<i>Fund Balance Beginning of Year</i>	1,433	1,433	1,433	0
Prior Year Encumbrances Appropriated	18,234	18,234	18,234	0
<i>Fund Balance End of Year</i>	<u>\$101,433</u>	<u>\$15,433</u>	<u>\$36,241</u>	<u>\$20,808</u>

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Statistical Section

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

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

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

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

	2008	2007	2006	2005	2004	2003
Governmental Activities						
Invested in Capital Assets	\$22,991,587	\$22,893,430	\$21,907,993	\$15,357,773	\$20,264,115	\$19,081,359
Restricted:						
Capital Projects	1,718,426	1,860,948	2,104,553	5,687,329	1,796,796	2,014,319
Debt Service	0	0	0	160,808	174,909	344,880
Street Construction,						
Maintenance and Repair	348,476	290,459	298,241	223,557	429,095	331,950
State Highway	152,741	130,675	114,162	77,558	78,242	0
Street Lighting	0	0	0	0	0	148,860
Court Computer	17,081	16,534	46,779	61,576	66,078	58,014
Police Programs	109,911	100,494	75,024	77,307	86,937	0
Other Purposes	181,782	150,493	170,522	145,292	92,640	134,707
Unrestricted	(667,066)	55,795	2,001,520	445,379	(161,198)	729,509
<i>Total Governmental Activities Net Assets</i>	<u>\$24,852,938</u>	<u>\$25,498,828</u>	<u>\$26,718,794</u>	<u>\$22,236,579</u>	<u>\$22,827,614</u>	<u>\$22,843,598</u>

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

	2008	2007	2006	2005	2004	2003
Program Revenues						
Governmental Activities:						
Charges for Services:						
General Government	\$85,736	\$118,104	\$70,964	\$49,926	\$29,684	\$33,508
Security of Persons and Property	1,001,928	681,396	760,677	674,340	722,691	810,495
Community Environment	97,191	100,064	136,206	124,325	108,532	132,797
Basic Utility Services	6,795	1,763	233	338	6,368	13,456
Leisure Time Activities	717,232	578,526	655,500	632,046	651,953	613,409
Subtotal - Charges for Services	<u>1,908,882</u>	<u>1,479,853</u>	<u>1,623,580</u>	<u>1,480,975</u>	<u>1,519,228</u>	<u>1,603,665</u>
Operating Grants and Contributions:						
General Government	134,129	112,470	22,059	22,886	27,316	26,647
Security of Persons and Property	271,357	326,059	147,644	201,212	256,546	85,474
Transportation	704,662	735,436	659,244	604,328	621,256	468,008
Community Environment	104,157	0	4,741	33,546	100,603	82,277
Basic Utility Services	41,084	32,579	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>1,255,389</u>	<u>1,206,544</u>	<u>833,688</u>	<u>861,972</u>	<u>1,005,721</u>	<u>662,406</u>
Capital Grants and Contributions:						
Transportation	217,646	191,381	0	0	0	0
Security of Persons and Property	0	0	0	35,093	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>3,381,917</u>	<u>2,877,778</u>	<u>2,457,268</u>	<u>2,378,040</u>	<u>2,524,949</u>	<u>2,266,071</u>
Expenses						
Governmental Activities:						
General Government	\$2,096,146	\$1,980,326	\$1,492,020	\$2,022,846	\$1,780,771	\$1,728,888
Security of Persons and Property	8,911,641	8,930,741	7,010,400	8,768,021	7,445,195	7,434,844
Transportation	1,250,874	1,900,474	252,414	1,291,187	796,490	865,328
Community Environment	1,891,230	1,837,776	1,784,567	1,741,243	1,565,039	1,600,235
Basic Utility Services	3,119,482	3,342,106	2,854,851	3,012,207	3,019,920	2,982,030
Leisure Time Activities	2,766,229	2,689,422	2,309,476	2,305,614	2,423,794	2,430,608
Interest and Fiscal Charges	448,354	471,505	494,153	234,754	222,601	229,090
<i>Total Governmental Activities Expenses</i>	<u>20,483,956</u>	<u>21,152,350</u>	<u>16,197,881</u>	<u>19,375,872</u>	<u>17,253,810</u>	<u>17,271,023</u>
Net (Expense)/Revenue						
Governmental Activities	<u>(\$17,102,039)</u>	<u>(\$18,274,572)</u>	<u>(\$13,740,613)</u>	<u>(\$16,997,832)</u>	<u>(\$14,728,861)</u>	<u>(\$15,004,952)</u>

(continued)

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

	2008	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets						
Governmental Activities						
Taxes:						
Property and Other Local Taxes Levied For:						
General Purposes	\$793,496	\$1,215,894	\$1,118,624	\$1,106,813	\$1,024,867	\$966,181
Street Lighting	137,985	165,820	148,264	92,175	93,809	88,999
Police Pension	338,390	290,911	485,973	377,898	302,767	283,463
Fire Pension	377,815	451,697	444,776	468,419	396,573	371,627
Debt Service	328,534	337,536	370,645	363,739	375,228	418,061
Capital Outlay	55,543	74,059	79,210	79,441	78,087	38,071
Municipal Income Taxes levied for:						
General Purposes	10,458,187	10,348,944	11,873,518	10,505,190	9,273,873	10,045,460
Debt Service	0	0	0	0	0	300,239
Capital Outlay	1,786,489	2,124,235	1,844,414	1,640,193	1,914,683	1,774,897
Permissive Motor Vehicle Taxes	31,347	0	0	0	0	0
Grants and Entitlements not Restricted to						
Specific Programs	1,692,125	1,442,977	1,228,147	1,278,859	1,015,766	1,021,200
Investment Income	324,568	445,581	654,993	412,082	184,372	135,906
Gain on Sale of Capital Assets	0	9,126	0	2,696	0	0
Miscellaneous	131,670	147,826	81,341	79,292	52,852	23,490
<i>Total Governmental Activities</i>	<u>\$16,456,149</u>	<u>\$17,054,606</u>	<u>\$18,329,905</u>	<u>\$16,406,797</u>	<u>\$14,712,877</u>	<u>\$15,467,594</u>
<i>Total Change in Net Assets</i>	<u>(\$645,890)</u>	<u>(\$1,219,966)</u>	<u>\$4,589,292</u>	<u>(\$591,035)</u>	<u>(\$15,984)</u>	<u>\$462,642</u>

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

	2008	2007	2006	2005
General Fund				
Reserved	\$3,863,104	\$3,612,905	\$3,394,205	\$3,193,942
Unreserved	1,724,930	3,055,408	3,730,445	2,886,049
Total General Fund	<u>5,588,034</u>	<u>6,668,313</u>	<u>7,124,650</u>	<u>6,079,991</u>
All Other Governmental Funds				
Reserved	353,067	551,386	866,964	740,211
Unreserved, Undesignated, Reported in:				
Special Revenue funds	365,021	143,250	202,336	214,407
Debt Service funds	79,715	(21,841)	(4,438)	239,145
Capital Projects funds	1,379,650	1,288,226	1,216,437	4,946,139
Total All Other Governmental Funds	<u>2,177,453</u>	<u>1,961,021</u>	<u>2,281,299</u>	<u>6,139,902</u>
Total Governmental Funds	<u><u>\$7,765,487</u></u>	<u><u>\$8,629,334</u></u>	<u><u>\$9,405,949</u></u>	<u><u>\$12,219,893</u></u>

2004	2003	2002	2001	2000	1999
\$2,992,365	\$2,879,861	\$2,574,560	\$2,550,726	\$2,494,334	\$2,384,235
2,438,056	3,099,650	3,006,723	3,098,645	2,495,992	1,660,423
5,430,421	5,979,511	5,581,283	5,649,371	4,990,326	4,044,658
108,771	282,601	221,766	1,122,042	422,250	980,231
342,258	252,050	1,766,959	811,673	791,664	925,961
230,600	296,290	352,458	435,026	478,677	24,547
1,703,137	1,756,892	267,276	(327,810)	(660,392)	(365,628)
2,384,766	2,587,833	2,608,459	2,040,931	1,032,199	1,565,111
\$7,815,187	\$8,567,344	\$8,189,742	\$7,690,302	\$6,022,525	\$5,609,769

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

	2008	2007	2006	2005	2004
Revenues					
Municipal Income Taxes	\$12,174,031	\$12,891,860	\$13,477,404	\$12,251,146	\$11,282,075
Property Taxes	2,127,513	2,393,975	2,436,189	2,502,769	2,264,418
Permissive Motor Vehicle Taxes	29,919	0	0	0	0
Charges for Services	1,079,706	771,638	825,376	802,328	837,834
Fees, Licenses and Permits	772,476	651,515	781,275	678,647	681,394
Intergovernmental	3,003,715	2,647,967	2,045,099	2,113,217	1,916,555
Special Assessments	0	0	0	0	85,000
Contributions and Donations	17,273	22,551	24,850	25,677	30,107
Interest	324,568	445,581	654,993	412,082	184,372
Rentals	56,700	56,700	16,929	0	0
Miscellaneous	131,670	147,826	81,341	79,292	52,852
<i>Total Revenues</i>	<u>19,717,571</u>	<u>20,029,613</u>	<u>20,343,456</u>	<u>18,865,158</u>	<u>17,334,607</u>
Expenditures					
Current:					
General Government	1,928,559	1,777,101	2,007,973	1,658,777	1,713,115
Security of Persons and Property	8,384,591	8,122,257	7,739,321	7,379,730	7,051,268
Transportation	850,331	747,293	535,888	713,054	518,645
Community Environment	1,683,909	1,599,877	1,639,827	1,409,089	1,474,151
Basic Utilities Services	2,843,801	2,901,785	2,490,055	2,612,506	2,636,120
Leisure Time Activities	2,132,472	2,071,857	1,917,722	1,970,298	2,023,864
Capital Outlay	1,203,029	3,964,960	5,893,082	2,501,641	1,516,301
Debt Service:					
Principal Retirement	1,027,789	983,395	955,504	1,150,667	3,158,241
Principal Retirement - Current Refunding	75,000	230,000	0	0	0
Interest and Fiscal Charges	451,937	473,568	529,353	213,261	219,310
Bond Issuance Costs	0	0	113,472	0	0
<i>Total Expenditures</i>	<u>20,581,418</u>	<u>22,872,093</u>	<u>23,822,197</u>	<u>19,609,023</u>	<u>20,311,015</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(863,847)</u>	<u>(2,842,480)</u>	<u>(3,478,741)</u>	<u>(743,865)</u>	<u>(2,976,408)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	11,350	30,320	2,696	3,601
Bond Premium	0	0	299,477	0	0
Bonds Issued	0	0	5,255,000	0	0
Refunding Bonds Issued	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0
General Obligation Notes Issued	575,000	650,000	880,000	5,800,000	1,910,000
Current Refunding	(575,000)	(650,000)	(5,800,000)	(1,500,000)	0
Inception of Capital Lease	0	2,054,515	0	845,875	310,650
Transfers In	1,181,245	1,250,779	903,321	769,054	764,070
Transfers Out	(1,181,245)	(1,250,779)	(903,321)	(769,054)	(764,070)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>2,065,865</u>	<u>664,797</u>	<u>5,148,571</u>	<u>2,224,251</u>
<i>Net Change in Fund Balances</i>	<u>(\$863,847)</u>	<u>(\$776,615)</u>	<u>(\$2,813,944)</u>	<u>\$4,404,706</u>	<u>(\$752,157)</u>
Debt Service as a Percentage of Noncapital Expenditures	8.0%	7.8%	10.5%	8.7%	21.9%

2003	2002	2001	2000	1999
\$11,774,432	\$10,782,083	\$10,913,483	\$10,805,058	\$10,829,840
2,150,305	2,163,852	2,119,172	1,940,738	1,970,925
0	0	0	0	0
822,895	880,019	836,209	918,360	854,820
780,770	913,412	945,521	777,777	639,315
1,669,861	2,441,584	3,007,322	1,963,558	1,607,493
75,000	97,278	96,027	97,163	98,085
30,381	36,812	37,002	0	0
135,906	169,578	254,194	432,953	326,242
0	277,502	50,502	59,502	55,452
23,490	146,089	332,570	54,233	275,785
<u>17,463,040</u>	<u>17,908,209</u>	<u>18,592,002</u>	<u>17,049,342</u>	<u>16,657,957</u>
1,543,745	1,237,345	1,078,961	1,170,328	1,257,501
6,773,741	6,882,432	6,272,853	5,961,771	5,369,536
587,379	441,473	483,164	435,153	514,698
1,364,005	1,329,200	1,359,695	1,695,579	1,582,706
2,526,614	2,545,154	2,522,773	2,408,694	1,807,094
1,955,914	1,904,760	1,640,474	1,673,426	1,724,163
1,388,901	2,554,573	2,679,727	2,445,106	2,790,950
3,344,804	601,985	518,114	496,559	420,337
0	0	0	0	0
245,970	327,626	388,338	349,970	340,561
0	0	0	89,691	0
<u>19,731,073</u>	<u>17,824,548</u>	<u>16,944,099</u>	<u>16,726,277</u>	<u>15,807,546</u>
<u>(2,268,033)</u>	<u>83,661</u>	<u>1,647,903</u>	<u>323,065</u>	<u>850,411</u>
0	11,688	19,874	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	4,397,806
0	0	0	0	(4,308,115)
2,400,000	0	0	0	0
0	0	0	0	0
245,635	404,091	0	0	0
477,475	431,695	479,765	1,230,450	1,762,704
(477,475)	(431,695)	(479,765)	(1,230,450)	(1,762,704)
<u>2,645,635</u>	<u>415,779</u>	<u>19,874</u>	<u>-</u>	<u>89,691</u>
<u>\$377,602</u>	<u>\$499,440</u>	<u>\$1,667,777</u>	<u>\$323,065</u>	<u>\$940,102</u>
24.3%	6.5%	6.8%	7.0%	6.2%

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

Year	Real Property			Tangible Personal Property	
	Assessed Value			Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
2008	\$162,454,880	\$167,532,300	\$942,820,514	\$16,502,840	\$18,753,227
2007	162,295,170	166,548,580	939,553,570	17,787,020	20,212,523
2006	148,042,060	152,992,920	860,099,942	17,752,200	20,172,955
2005	147,931,850	152,600,270	858,663,200	18,798,000	21,361,364
2004	147,673,370	149,627,960	849,432,371	19,429,120	22,078,545
2003	137,296,000	149,030,280	818,075,086	19,451,050	22,103,466
2002	137,290,460	146,525,220	810,901,942	20,934,340	23,789,022
2001	137,292,840	140,944,840	794,964,800	29,854,130	33,925,148
2000	124,540,400	125,617,720	714,737,486	30,822,470	35,025,534
1999	124,180,240	115,633,850	685,183,114	32,734,320	37,198,091

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

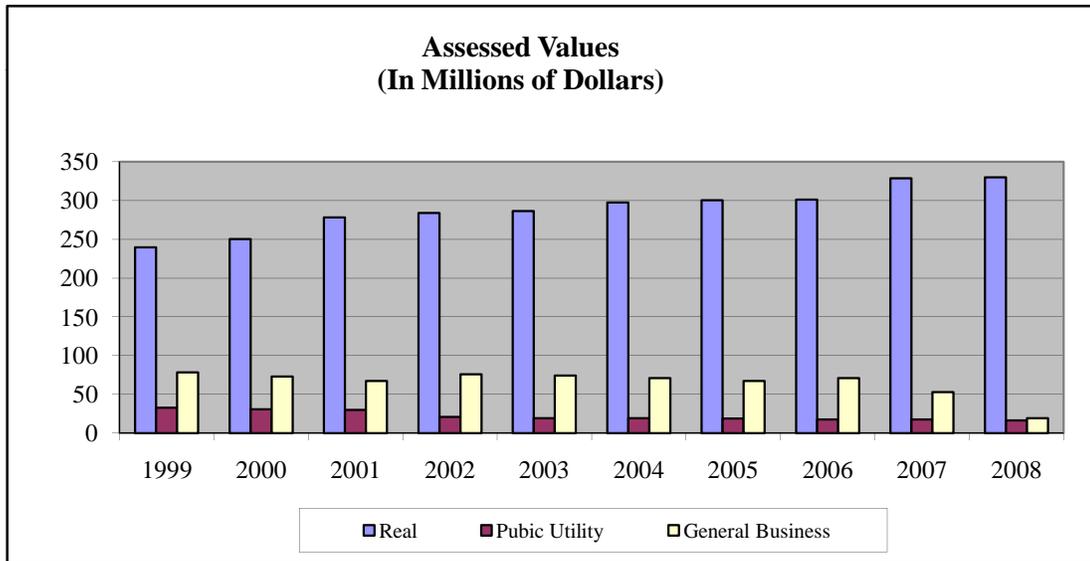
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

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

Source: Ohio Department of Taxation

Tangible Personal Property

General Business		Total			Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$19,201,489	\$307,223,824	\$365,691,509	\$1,268,797,566	29 %	\$6.90
52,837,854	422,702,832	399,468,624	1,382,468,926	29	6.90
70,888,141	378,070,085	389,675,321	1,258,342,983	31	6.90
67,156,690	268,626,760	386,486,810	1,148,651,324	34	6.90
71,086,443	284,345,772	387,816,893	1,155,856,689	34	5.40
74,455,744	297,822,976	380,233,074	1,138,001,528	33	5.40
75,714,966	302,859,864	380,464,986	1,137,550,829	33	5.40
67,099,234	268,396,936	375,191,044	1,097,286,883	34	5.40
72,851,158	291,404,632	353,831,748	1,041,167,652	34	5.40
78,470,390	313,881,560	351,018,800	1,036,262,765	34	5.40



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

	2008	2007	2006	2005
Inside Millage				
Operating	\$2.30000	\$2.30000	\$2.30000	\$2.30000
Fire Pension	0.90000	0.90000	0.90000	0.90000
Police Pension	0.70000	0.70000	0.70000	0.70000
<i>Total Inside Millage</i>	<u>3.90000</u>	<u>3.90000</u>	<u>3.90000</u>	<u>3.90000</u>
Charter Millage				
1976 Charter/Bond Retirement	1.00000	1.00000	1.00000	1.00000
1976 Charter/Street Lighting	0.42000	0.42000	0.40000	0.25000
1976 Charter/Current Expense	1.00000	1.00000	1.00000	1.00000
1976 Charter/Fire Pension	0.25000	0.25000	0.30000	0.40000
1976 Charter/Police Pension	0.33000	0.33000	0.30000	0.35000
<i>Total Charter Millage</i>	<u>3.00000</u>	<u>3.00000</u>	<u>3.00000</u>	<u>3.00000</u>
Total Charter Millage	<u>\$6.90000</u>	<u>\$6.90000</u>	<u>\$6.90000</u>	<u>\$6.90000</u>
Overlapping Rates by Taxing District				
Brooklyn City School District				
Residential/Agricultural Real	\$32.9276	\$26.0149	\$26.0281	\$26.0273
Commerical/Industrial and Public Utility Real	33.1222	26.2242	26.5609	26.4834
General Business and Public Utility Personal	46.4000	39.5000	39.5000	39.5000
Cuyahoga County Commissioners				
Residential/Agricultural Real	12.6607	11.8689	11.7227	10.9754
Commerical/Industrial and Public Utility Real	12.8153	12.4536	12.5762	11.9846
General Business and Public Utility Personal	13.3200	13.5200	13.5200	13.5200
Special Taxing Districts (1)				
Residential/Agricultural Real	8.6597	7.9675	8.2900	8.2880
Commerical/Industrial and Public Utility Real	8.8972	8.2518	8.5685	8.5067
General Business and Public Utility Personal	9.6800	9.1800	9.1800	9.1800

Source: Cuyahoga County Auditor

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

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

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

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

The City has 13 mills (including inside millage) of charter millage authorized; through 2008 only 6.9 mills has been levied. The 6.9 mills includes 3.9 mills of inside millage.

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

2004	2003	2002	2001	2000	1999
\$2.30000	\$2.30000	\$2.30000	\$2.30000	\$2.30000	\$2.30000
0.90000	0.90000	0.90000	0.90000	0.90000	0.90000
0.70000	0.70000	0.70000	0.70000	0.70000	0.70000
3.90000	3.90000	3.90000	3.90000	3.90000	3.90000
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.25000	0.25000	0.30000	0.50000	0.50000	0.50000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.15000	0.15000	0.10000	0.00000	0.00000	0.00000
0.10000	0.10000	0.10000	0.00000	0.00000	0.00000
1.50000	1.50000	1.50000	1.50000	1.50000	1.50000
\$5.40000	\$5.40000	\$5.40000	\$5.40000	\$5.40000	\$5.40000
\$26.0257	\$29.9529	\$29.9498	\$29.9425	\$26.5751	\$26.5702
26.5447	30.1638	30.1644	30.1654	28.6978	29.1181
39.5000	43.4000	43.4000	43.4000	40.0000	40.0000
10.9899	12.4609	11.3815	11.3967	11.4114	11.4230
12.0433	12.8764	12.0023	11.9298	12.3736	12.4065
13.5200	14.6500	14.6500	14.6500	13.7500	13.7500
6.7784	4.5323	4.5354	4.5422	4.8242	4.5610
7.1811	4.5497	4.5320	4.5253	4.8923	4.7811
8.2800	5.3500	5.3500	5.3500	5.3500	5.3500

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

Collection Year	Current Tax Levy (2)	Current Tax Collections (2)	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections
2008	\$2,534,870	\$2,464,233	97.21 %	\$101,223
2007	2,352,293	2,218,073	94.29	43,686
2006	2,188,363	2,129,842	97.33	25,608
2005	2,197,399	2,126,897	96.79	48,156
2004	1,721,897	1,674,028	97.22	60,099
2003	1,658,287	1,590,902	95.94	30,891
2002	1,645,513	1,587,957	96.50	67,587
2001	1,664,679	1,636,000	98.28	27,767
2000	1,515,926	1,489,947	98.29	28,823
1999	1,490,848	1,469,088	98.54	48,664

Source: Cuyahoga County, Ohio; County Auditor

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

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

<u>Total Tax Collections (1)</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes (3)</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
\$2,565,456	101.21 %	\$74,963	2.96 %
2,261,759	96.15	98,172	4.17
2,155,450	98.50	68,335	3.12
2,175,053	98.98	57,043	2.60
1,734,127	100.71	71,327	4.14
1,621,793	97.80	83,637	5.04
1,655,544	100.61	48,317	2.94
1,663,767	99.95	36,853	2.21
1,518,770	100.19	25,810	1.70
1,517,752	101.80	50,560	3.39

City of Brooklyn, Ohio
Principal Real Property Taxpayers
 2008 and 1999

<i>2008</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Plain Dealer Publishing Company	\$21,461,020	6.50 %
Cleveland Electric Illuminating	9,750,820	2.95
Ridge Park Square LLC	9,170,130	2.78
American Greetings Corporation	8,800,940	2.67
Tiedeman Development LLC	8,638,320	2.62
American Transmission System	6,198,100	1.88
Troy CMBS Property LLC	5,578,480	1.69
Westedge Residential, LLC	5,164,410	1.57
Terraces at Northridge LTD	4,466,000	1.35
Northcliff Shopping	4,356,180	1.32
Total	\$83,584,400	25.33 %
Total Real Property Assessed Valuation	\$329,987,180	

<i>1999</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Plain Dealer Publishing Company	\$25,968,600	10.83 %
Ameritrust	8,255,790	3.44
American Greetings Corporation	6,219,500	2.59
Ridge Park Square LLC	5,626,990	2.35
Westbrook Apartments	5,027,400	2.10
Troy CMBS Property LLC	4,621,160	1.93
Terraces at Northridge LTD	3,617,990	1.51
Milton Cohen, Trustee	2,613,350	1.09
Weston Property Investments	2,389,280	1.00
Northcliff Shopping Center	2,324,780	0.97
Total	\$66,664,840	27.80 %
Total Real Property Assessed Valuation	\$239,814,090	

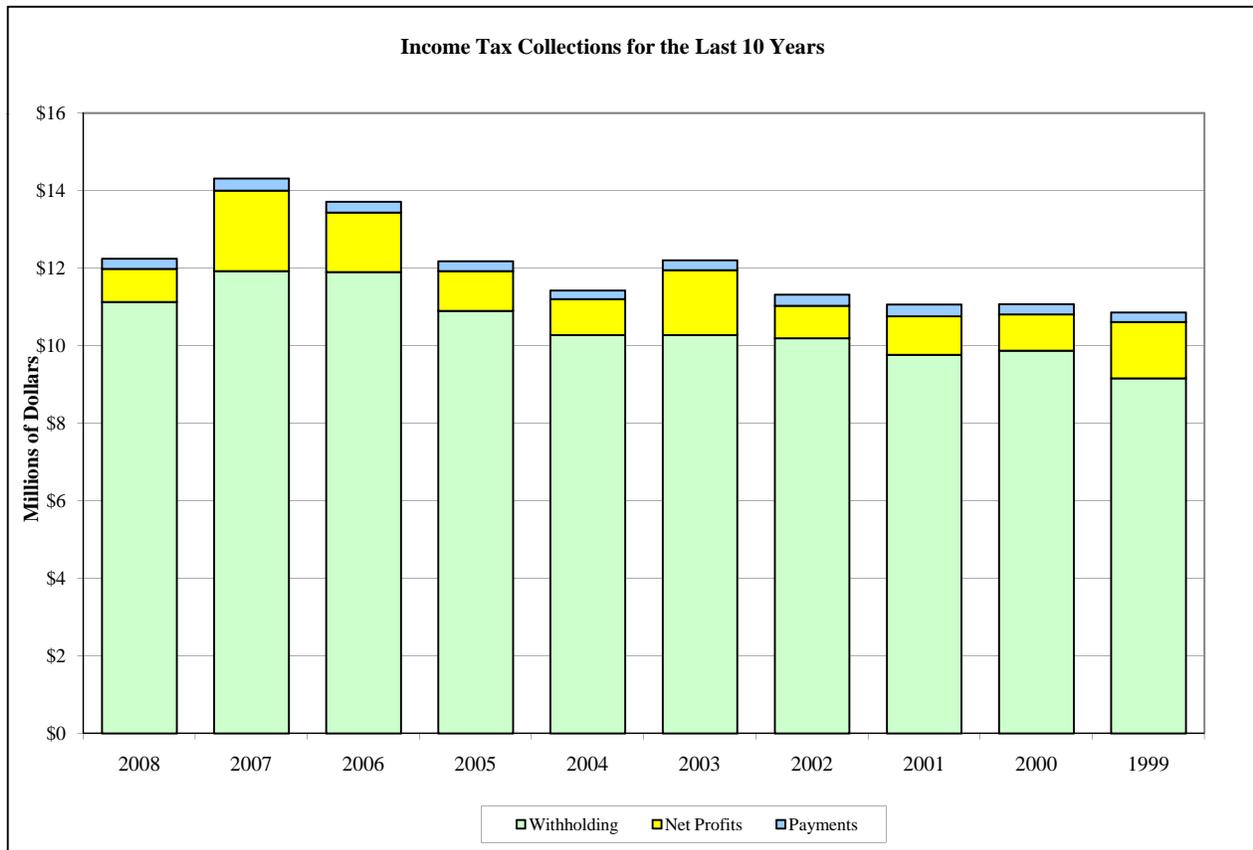
Source: Cuyahoga County Auditor

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

Tax Year (1)	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individual Payments	Percentage of Taxes from Individual Payments
2008	2.00%	\$12,244,676	\$11,130,410	90.90%	\$852,229	6.96%	\$262,036	2.14%
2007	2.00	12,473,179	11,928,400	95.63	2,070,648	16.60	310,489	2.49
2006	2.00	13,717,932	11,896,241	86.72	1,535,556	11.19	286,135	2.09
2005	2.00	12,145,383	10,900,207	89.75	1,022,100	8.42	255,146	2.10
2004	2.00	11,188,556	10,271,627	91.80	929,723	8.31	224,559	2.01
2003	2.00	12,120,596	10,278,308	84.80	1,669,103	13.77	258,849	2.14
2002	2.00	10,782,083	10,191,039	94.52	841,865	7.81	281,931	2.61
2001	2.00	10,913,483	9,769,003	89.51	989,183	9.06	305,689	2.80
2000	2.00	10,805,058	9,873,255	91.38	937,314	8.67	258,231	2.39
1999	2.00	10,829,840	9,161,740	84.60	1,450,159	13.39	242,334	2.24

(1) 2003 through 2008 are on an Accrual Basis and 1999 through 2002 are on a Modified Accrual Basis

Source: City Income Tax Department Records



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

Year	Governmental Activities			
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Capital Leases
2008	\$6,481,444	\$0	\$357,305	\$2,504,609
2007	7,010,057	0	412,275	2,823,720
2006	7,513,670	0	467,245	1,032,018
2005	2,522,806	0	522,215	1,215,926
2004	2,832,806	0	577,185	587,647
2003	3,127,806	85,000	632,155	450,256
2002	3,417,806	160,000	687,125	337,119
2001	3,687,806	235,000	742,095	0
2000	3,952,806	305,000	797,065	0
1999	4,207,806	370,000	852,035	0

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

Honeywell Loan	Long-Term Notes	Total Debt	Percentage of Personal Income	Per Capita
\$0	\$575,000	\$9,918,358	4.05%	\$856
137,135	650,000	11,033,187	4.51	952
311,757	880,000	10,204,690	4.17	881
477,434	5,800,000	10,538,381	4.31	910
634,625	1,910,000	6,542,263	2.67	565
783,764	2,400,000	7,478,981	3.06	646
925,263	0	5,527,313	2.26	477
1,059,504	0	5,724,405	2.34	494
1,186,879	0	6,241,750	2.55	533
1,307,729	0	6,737,570	N/A	576

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

Year	Population (1)		Estimated Actual Values of Taxable Property (2)	Bonded Debt
2008	11,586	b	\$1,268,797,566	\$6,481,444
2007	11,586	b	1,382,468,926	7,010,057
2006	11,586	b	1,258,342,983	7,513,670
2005	11,586	b	1,148,651,324	2,522,806
2004	11,586	b	1,155,856,689	2,832,806
2003	11,586	b	1,138,001,528	3,127,806
2002	11,586	b	1,137,550,829	3,417,806
2001	11,586	b	1,097,286,883	3,687,806
2000	11,586	a	1,041,167,652	3,952,806
1999	11,706	a	1,036,262,765	4,207,806

Sources:

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

(a) 1990 Federal Census

(b) 2000 Federal Census

(2) Cuyahoga County Auditor

<u>Ratio of Bonded Debt to Estimated Actual Values of Taxable Property</u>	<u>Bonded Debt Per Capita</u>
0.51%	\$559.42
0.51	605.05
0.60	648.51
0.22	217.75
0.25	244.50
0.27	269.96
0.30	294.99
0.34	318.30
0.38	341.17
0.41	359.46

City of Brooklyn, Ohio

Legal Debt Margin

Last Ten Years

	2008	2007	2006	2005
Total Assessed Property Value	<u>\$365,691,509</u>	<u>\$399,468,624</u>	<u>\$389,675,321</u>	<u>\$386,486,810</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$6,222,806	\$6,737,806	\$7,227,806	\$2,522,806
Special Assessment Bonds	0	0	0	0
Bond Anticipation Notes	650,000	880,000	1,120,000	5,800,000
Honeywell Loan	0	137,135	311,757	477,434
OPWC Loans	<u>357,305</u>	<u>412,275</u>	<u>467,245</u>	<u>522,215</u>
Total Gross Indebtedness	7,230,111	8,167,216	9,126,808	9,322,455
Less:				
General Obligation Bonds	0	0	0	0
Special Assessment Bonds	0	0	0	0
Honeywell Loan	0	(137,135)	(311,757)	(477,434)
OPWC Loans	(357,305)	(412,275)	(467,245)	(522,215)
General Obligation Bond Retirement Fund Balance	<u>(79,715)</u>	<u>0</u>	<u>(190,562)</u>	<u>(239,145)</u>
Total Net Debt Applicable to Debt Limit	<u>6,793,091</u>	<u>7,617,806</u>	<u>8,157,244</u>	<u>8,083,661</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>38,397,608</u>	<u>41,944,206</u>	<u>40,915,909</u>	<u>40,581,115</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$31,604,517</u>	<u>\$34,326,400</u>	<u>\$32,758,665</u>	<u>\$32,497,454</u>
Legal Debt Margin as a Percentage of the Debt Limit	82.31%	81.84%	80.06%	80.08%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$20,113,033</u>	<u>\$21,970,774</u>	<u>\$21,432,143</u>	<u>\$21,256,775</u>
Total Gross Indebtedness	7,230,111	8,167,216	9,126,808	9,322,455
Less:				
Special Assessment Bonds	0	0	0	0
Honeywell Loan	0	(137,135)	(311,757)	(477,434)
OPWC Loans	(357,305)	(412,275)	(467,245)	(522,215)
General Obligation Bond Retirement Fund Balance	<u>(79,715)</u>	<u>0</u>	<u>(190,562)</u>	<u>(239,145)</u>
Net Debt Within 5 ½ % Limitations	<u>6,793,091</u>	<u>7,617,806</u>	<u>8,157,244</u>	<u>8,083,661</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$13,319,942</u>	<u>\$14,352,968</u>	<u>\$13,274,899</u>	<u>\$13,173,114</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	66.23%	65.33%	61.94%	61.97%

Source: City Financial Records

2004	2003	2002	2001	2000	1999
<u>\$387,816,893</u>	<u>\$380,233,074</u>	<u>\$380,464,986</u>	<u>\$375,191,044</u>	<u>\$353,831,748</u>	<u>\$351,018,800</u>
\$2,832,806	\$3,127,806	\$3,417,806	\$3,687,806	\$3,952,806	\$4,207,806
0	85,000	160,000	235,000	305,000	370,000
1,910,000	2,400,000	0	0	0	0
634,625	783,764	925,263	1,059,504	1,186,879	1,307,729
577,185	632,155	687,125	742,095	797,065	852,035
5,954,616	7,028,725	5,190,194	5,724,405	6,241,750	6,737,570
0	0	0	0	0	0
0	(85,000)	(160,000)	(235,000)	(305,000)	(370,000)
(634,625)	(783,764)	(925,263)	(1,059,504)	(1,186,879)	(1,307,729)
(577,185)	(632,155)	(687,125)	(742,095)	(797,065)	(852,035)
(230,600)	(296,290)	(352,458)	(435,026)	(478,677)	(24,547)
4,512,206	5,231,516	3,065,348	3,252,780	3,474,129	4,183,259
40,720,774	39,924,473	39,948,824	39,395,060	37,152,334	36,856,974
<u>\$36,208,568</u>	<u>\$34,692,957</u>	<u>\$36,883,476</u>	<u>\$36,142,280</u>	<u>\$33,678,205</u>	<u>\$32,673,715</u>
88.92%	86.90%	92.33%	91.74%	90.65%	88.65%
<u>\$21,329,929</u>	<u>\$20,912,819</u>	<u>\$20,925,574</u>	<u>\$20,635,507</u>	<u>\$19,460,746</u>	<u>\$19,306,034</u>
5,954,616	7,028,725	5,190,194	5,724,405	6,241,750	6,737,570
0	(85,000)	(160,000)	(235,000)	(305,000)	(370,000)
(634,625)	(783,764)	(925,263)	(1,059,504)	(1,186,879)	(1,307,729)
(577,185)	(632,155)	(687,125)	(742,095)	(797,065)	(852,035)
(230,600)	(296,290)	(352,458)	(435,026)	(478,677)	(24,547)
4,512,206	5,231,516	3,065,348	3,252,780	3,474,129	4,183,259
<u>\$16,817,723</u>	<u>\$15,681,303</u>	<u>\$17,860,226</u>	<u>\$17,382,727</u>	<u>\$15,986,617</u>	<u>\$15,122,775</u>
78.85%	74.98%	85.35%	84.24%	82.15%	78.33%

City of Brooklyn, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2008

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Brooklyn
Direct Debt:			
City of Brooklyn			
General Obligation Bonds	\$6,481,444	100.00 %	\$6,481,444
OPWC Loans	357,305	100.00	357,305
Capital Leases	2,504,069	100.00	2,504,069
Long-Term Notes	<u>575,000</u>	100.00	<u>575,000</u>
<i>Total Direct Debt</i>	<u>9,917,818</u>		<u>9,917,818</u>
Overlapping Debt:			
Payable from Property Taxes:			
Cuyahoga County Bonds	173,500,000	1.15	1,995,250
Regional Transit Authority Bonds	140,763,731	1.15	1,618,783
Payable from Other Sources:			
Cuyahoga County Capital Leases	2,269,000	1.15	26,094
Cuyahoga County Loans	6,551,000	1.15	75,337
Regional Transit Authority Loan	3,575,318	1.15	41,116
Regional Transit Authority Capital Lease	<u>23,684,005</u>	1.15	272,366
<i>Total Overlapping Debt</i>	<u>350,343,054</u>		<u>3,756,579</u>
<i>Total Direct and Overlapping Debt</i>	<u><u>\$360,260,872</u></u>		<u><u>\$13,674,397</u></u>

Source: Cuyahoga County, Ohio; County Auditor

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

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

2008		
Employer	Employees	Percentage of Total City Employment
American Greetings Corporation	2,314	23.64%
Keybank National Association	2,189	22.36
Arrow International, Incorporated	683	6.98
Plain Dealer Publishing Company	425	4.34
Wal-Mart/Sam's Club	402	4.11
Hugo Boss	389	3.97
AGCM, Inc.	312	3.19
City of Brooklyn (1)	242	2.47
Brooklyn Board of Education	180	1.83
USF Holland, Incorporated	160	1.63
Total	<u>7,296</u>	<u>74.52%</u>
Total Employment within the City	<u>9,790</u>	

1999		
Employer	Employees	Percentage of Total City Employment
American Greetings Corporation	2,895	12.70%
Ameritemps, Inc.	1,546	6.78
Wal-Mart/Sam's Club	1,059	4.65
K-Mart Corporation	853	3.74
Priority Home Health Care, Inc.	539	2.37
Home Depot USA, Inc.	458	2.01
Hugo Boss Cleveland	408	1.79
City of Brooklyn	387	1.70
Mr. Gasket, Incorporated	383	1.68
Key Bank USA, Ohio	363	1.59
Total	<u>8,891</u>	<u>39.01%</u>
Total Employment within the City	<u>22,793</u>	

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

(1) Includes seasonal employees

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2008	11,586	\$244,777,422	\$21,127	\$46,696	41.8
2007	11,586	244,777,422	21,127	46,696	41.8
2006	11,586	244,777,422	21,127	46,696	41.8
2005	11,586	244,777,422	21,127	46,696	41.8
2004	11,586	244,777,422	21,127	46,696	41.8
2003	11,586	244,777,422	21,127	46,696	41.8
2002	11,586	244,777,422	21,127	46,696	41.8
2001	11,586	244,777,422	21,127	46,696	41.8
2000	11,586	244,777,422	21,127	46,696	41.8

(1) Source 2000 U. S. Census

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

(3) Cuyahoga County Planning Commission

(4) Source: Cuyahoga County Auditor

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

Information prior to 2000 is not available.

<u>School Enrollment (2)</u>	<u>Cuyahoga County Unemployment Rate (3)</u>	<u>Average Sales Price of Residential Property (4)</u>	<u>Total Assessed Property Value (4)</u>
1,413	6.8%	\$113,529	\$365,691,509
1,507	6.1	119,433	399,468,624
1,452	5.5	125,194	389,675,321
1,380	6.2	129,631	386,486,810
1,359	6.6	122,369	387,816,893
1,351	6.2	127,680	380,233,074
1,362	6.6	115,034	380,464,986
1,377	4.6	123,143	375,191,044
1,401	4.5	110,600	353,831,748

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

Function/Program	2008	2007	2006	2005	2004	2003	2002
General Government							
Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Mayor	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	2.00	2.00	3.00	3.00	3.00	3.00	3.00
Law	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Finance	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Tax	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Building	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Public Service	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Engineer	1.00	1.00	1.00	0.00	0.00	0.00	0.00
Civil Service	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Court	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Data System	1.00	1.00	1.00	0.00	0.00	0.00	0.00
Security of Persons and Property							
Police	27.00	32.00	32.00	32.00	32.00	32.00	32.00
Dispatchers	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Jailers	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire	29.00	29.00	29.00	29.00	29.00	29.00	29.00
Fire Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Safety Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Leisure Time Activities							
Recreation	6.00	6.00	5.00	5.00	8.00	8.00	8.00
Pool	2.00	2.00	3.00	3.00	3.00	3.00	3.00
Senior Service	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Community Development							
Building	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Transportation							
Recycling	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Service	28.00	29.00	29.00	29.00	31.00	31.00	31.00
Street Maintenance and Repair	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Totals:	142.50	148.50	149.50	147.50	152.50	152.50	152.50

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

(1) Information prior to 2002 is not available.

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

Function/Program	2008	2007	2006	2005	2004	2003	2002
General Government							
<i>Council and Clerk</i>							
Number of Ordinances Passed	88	51	71	55	73	77	61
Number of Resolutions Passed	31	19	19	19	22	20	17
Number of Planning Commission docket items	18	24	35	22	20	34	33
Zoning Board of Appeals docket items	10	17	36	22	23	34	33
<i>Finance Department</i>							
Number of checks/ vouchers issued	2,797	3,081	3,100	3,044	2,967	3,034	3,167
Amount of checks written	\$9,060,087	\$10,220,358	\$12,064,205	\$8,473,798	\$8,100,991	\$7,551,707	\$12,784,695
Interest earnings for fiscal year (cash basis)	\$321,456	\$464,337	\$510,298	\$251,240	\$139,729	\$135,353	\$153,207
Number of Receipts issued	891	949	1,086	1,072	1,154	1,271	n/a
Agency Ratings - Moody's Financial Services	A1	A1	A1	A2	A2	A2	A2
Health Insurance Costs vs General Fund Expenditures %	9.65%	9.15%	9.08%	8.96%	8.28%	7.42%	7.25%
General Fund Receipts (cash basis in thousands)	\$15,262	\$16,059	\$15,112	\$14,128	\$12,856	\$13,519	\$13,235
General Fund Expenditures (cash basis in thousands)	\$15,818	\$15,064	\$14,817	\$14,063	\$14,092	\$13,287	\$12,690
General Fund Cash Balances (in thousands)	\$1,920	\$2,893	\$2,363	\$1,957	\$1,835	\$2,826	\$2,867
<i>Income Tax Department</i>							
Number of Individual Returns	4,157	4,657	4,849	4,779	4,743	4,698	4,702
Number of Business Returns	996	1,676	1,816	1,811	1,807	1,786	1,792
Number of business withholding accounts	823	1,048	1,106	1,094	1,111	1,109	1,112
Amount of Refunds Issued	\$185,543	\$176,052	\$257,208	\$231,328	\$207,298	\$196,270	\$539,135
Number of 1099's Issued	356	411	461	411	481	516	492
<i>Mayor's Court</i>							
Number of Felony Citations	0	185	153	161	136	206	183
Number of Criminal Citations	567	645	616	502	547	612	567
Number of Traffic Citations	3,695	3,005	3,677	4,044	4,001	4,031	4,744
Number of Juvenile Citations	51	49	80	70	55	39	76
Number of Parking Citations	1,122	1,101	1,994	862	990	1,023	1,070
Total Revenue	\$547,338	\$456,144	\$667,447	\$608,812	\$646,182	\$694,052	\$714,495
<i>Civil Service</i>							
Number of police entry tests administered	0	1	1	2	0	1	0
Number of fire entry tests administered	0	0	0	1	0	1	0
Number of police promotional tests administered	1	0	0	0	1	0	1
Number of fire promotional tests administered	0	0	0	2	0	0	0
Number of civil service examinations	0	0	0	0	2	0	0
Number of school tests	0	0	0	5	2	1	0
Number of Police Officers hired	3	2	2	1	0	1	2
Number of Fire/Medics hired	0	1	1	0	0	0	3
Number of promotions in police	0	2	2	1	1	0	1

(continued)

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

Function/Program	2008	2007	2006	2005	2004	2003	2002
Building Department Indicators							
New Construction Permits Issued	5	7	488	556	558	561	544
Estimated Value of Construction	\$7,136,267	\$9,139,960	\$13,531,809	\$7,296,831	\$6,491,267	\$9,034,092	\$14,852,158
Number of electrical/plumbing/remodeling permits issued	744	745	1,185	1,175	1,124	1,159	1,107
Amount of Revenue generated from permits	\$75,561	\$75,561	\$118,706	\$68,896	\$97,973	\$106,429	\$190,912
Number of contract registrations issued (A)	492	483	471	515	488	563	645
Annual Apartment/Rooming House License Fees (B)	\$8,200	\$7,250	\$5,550	\$0	\$0	\$0	\$0
Revenue generated from above (A, B)	\$45,100	\$43,475	\$35,325	\$38,650	\$36,600	\$42,225	\$48,375
Security of Persons and Property							
Police							
Total Calls for Services	34,558	29,365	18,228	11,662	12,222	11,859	12,315
Number of traffic citations issued	3,695	3,005	3,677	4,044	4,001	4,031	4,744
Number of parking citations issued	1,122	1,101	1,994	862	990	1,023	1,070
Number of criminal arrests	567	873	616	502	547	612	567
Number of accident reports completed	957	934	584	613	676	602	646
Animal Warden service calls responded to per annual report	374	n/a	638	444	16	8	6
Police Dept. Auxiliary hours worked	1,778	n/a	1,687	2,070	5,662	4,444	4,073
DUI Arrests	52	n/a	48	66	82	44	29
Prisoners	1,211	1,311	1,494	1,354	1,141	1,290	1,422
Motor Vehicle Accidents	957	934	584	613	676	602	646
Property damage accidents	n/a	n/a	454	438	532	468	524
Fatalities from Motor Vehicle Accidents	1	n/a	1	0	0	1	0
Community Diversion Program Youths	58	31	34	24	24	25	n/a
Community Diversion Program - community service hours	572	355	326	260	392	545	n/a
Fire							
EMS Calls	1,554	1,486	1,416	1,467	1,474	1,552	1,443
Ambulance Billing Collections (net)	\$322,823	\$150,750	\$118,795	\$133,095	\$141,793	\$163,455	\$157,700
Fire Calls	604	690	692	778	741	771	797
Fires with Loss	15	16	20	24	20	22	11
Fires with Losses exceeding \$10,000	4	5	4	5	5	2	0
Fire Losses \$	\$205,100	\$109,200	\$124,000	\$239,600	\$186,000	\$61,300	\$21,800
Fire Safety Inspections	359	363	366	340	333	474	382
Number of times Mutual Aid given to Fire and EMS	7	5	4	3	1	2	3
Number of times Mutual Aid received for Fire and EMS	30	12	17	6	13	10	4

(continued)

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

Function/Program	2008	2007	2006	2005	2004	2003	2002
Leisure Time Activities							
<i>Recreation</i>							
Skating Rink Receipts	\$487,315	\$390,057	\$447,500	\$425,022	\$454,410	\$408,530	\$460,705
Recreation Swimming pool receipts	123,700	108,027	122,532	121,913	116,161	125,529	137,618
Senior Center Fees	102,747	76,562	81,071	80,190	77,036	74,830	72,120
Total Recreation Department receipts	\$713,762	\$574,646	\$651,103	\$627,125	\$647,607	\$608,889	\$670,443
Basic Utility Services							
Refuse disposal per year (in tons) August through July	3,836	3,873	4,764	4,890	4,864	4,862	4,193
Refuse disposal costs per year August through July	\$19,179	\$19,365	\$17,903	\$15,252	\$13,376	\$12,366	\$11,530
Percentage of waste recycled	18.41%	19.00%	15.97%	16.15%	15.15%	15.22%	16.21%
Annual recycling tonnage (excluding leaf and compost items)	866	934	761	792	737	740	680
Recycle Disposal Fees To Waste Management	17,150	n/a	n/a	n/a	n/a	n/a	n/a
Transportation							
Street Improvements - asphalt overlay (linear feet)	0	6,758	4,000	n/a	n/a	n/a	n/a
Rejuvenating Spray on Streets (Miles)	0.00	1.28	0.75	n/a	n/a	n/a	n/a
Crackseal Coating Program (Miles)	0.69	n/a	1.30	n/a	n/a	n/a	n/a
Paint Striping (annual cost)	\$47,325	\$51,662	\$44,761	\$35,800	\$38,250	\$37,050	\$36,185
Sewer and Sanitary calls for service	360	435	463	329	286	343	332
Sewer Crew (hours)	490	n/a	356	399	203	221	217
Sewer jet, Vac-all, other services (hours)	252.0	284.0	82.5	0.0	0.0	0.0	0.0
Number of Trees Planted per year	92	145	140	150-160	150-160	150-160	150-160
Tons of snow melting salt purchased (Nov-Mar)	2,596	3,102	1,826	4,664	2,582	6,161	969
Cost of salt purchased	\$112,473	\$102,273	\$60,199	\$146,678	\$78,617	\$183,276	\$27,568

(1) Information prior to 2002 is not available

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

Function/Program	2008	2007	2006	2005	2004
General Government					
City Hall and Police Station (square footage occupied)	38,167	38,167	38,167	38,167	38,167
Historical Museum (square feet)	8,083	8,083	8,083	8,083	8,083
Records Storage - 4476 Ridge Road (square feet)	4,869	4,869	4,869	4,869	4,869
City Service Garage (square feet)	31,280	31,280	31,280	31,280	31,280
City Service Garage - Salt Storage Building (square feet)	3,630	3,630	3,630	3,630	3,630
City Service Garage - Sod Storage (square feet)	525	525	525	525	525
Administrative Vehicles	8	7	7	7	7
Inspection Vehicles	3	2	2	2	2
Police					
Stations	1	1	1	1	1
Vehicles	23	19	16	16	16
Motorcycles	4	4	4	4	4
Fire					
Stations	1	1	1	1	1
Square Footage of Building	24,323	24,323	24,323	(a)	(a)
Vehicles	3	3	2	2	2
Aerial Ladder Truck	1	1	1	1	1
Pumpers	3	3	3	3	3
Ambulances	2	2	3	3	3
Recreation					
Ice Rink and Indoor Pool (Square Footage Occupied)	84,734	84,734	84,734	84,734	84,734
Outdoor Swimming Pool (square feet)	2,494	2,494	2,494	2,494	2,494
Outdoor Wading Pool (square feet)	479	479	479	479	479
Community/Senior Center (square feet)	15,717	15,717	15,717	15,717	15,717
Number of Parks	2	2	2	2	2
Number of Pools	3	3	3	3	3
Number of Ice Rinks	1	1	1	1	1
Number of Tennis Courts	4	4	4	4	4
Number of Skateboarding Areas	1	1	1	1	1
Number of Baseball Diamonds	4	4	4	4	4
Number of Common Areas	2	2	2	2	2
Number of Picnic Pavillions	3	3	3	3	3
Number of Playgrounds	3	3	3	3	3
Number of Playgrounds with Learning Center	1	1	1	1	1
Number of Basketball Courts	2	2	2	2	2
Number of Volleyball Courts	0	1	1	1	1
Number of Bocci Ball Courts	2	2	2	2	2
Number of Horseshoe Pits	2	2	2	2	2
Number of Soccer Fields	1	1	1	1	1
Number of Nature Trails	2	2	2	2	2

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

2003	2002	2001	2000	1999
38,167	38,167	38,167	38,167	38,167
8,083	8,083	8,083	8,083	8,083
4,869	4,869	4,869	4,869	4,869
31,280	31,280	31,280	31,280	31,280
3,630	3,630	3,630	3,630	3,630
525	525	525	525	525
7	7	6	5	3
2	2	2	2	2
1	1	1	1	1
16	16	15	15	14
4	4	4	4	4
1	1	1	1	1
(a)	(a)	(a)	(a)	(a)
2	2	2	2	2
1	1	1	1	1
3	3	3	3	3
3	3	3	3	3
84,734	84,734	84,734	84,734	84,734
2,494	2,494	2,494	2,494	2,494
479	479	479	479	479
15,717	15,717	15,717	15,717	15,717
2	2	2	2	2
3	3	3	3	3
1	1	1	1	1
4	4	4	4	4
1	1	1	1	1
4	4	4	4	4
2	2	2	2	2
3	3	3	3	3
3	3	3	3	3
1	1	1	1	1
2	2	2	2	2
1	1	1	1	1
2	2	2	2	2
2	2	2	2	2
1	1	1	1	1
2	2	2	2	2

(continued)

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

Function/Program	2008	2007	2006	2005	2004
Other Public Works					
Streets (miles)	87.1	87.1	87.1	87.1	87.1
Average age of roadways	46	45	44	43	42
Light Trucks	14	13	12	12	11
Service Department Large Vehicles/Trucks	7	7	7	7	7
Garbage Packers	5	4	4	4	4
Bucket Truck	1	1	1	1	1
Street Sweepers	2	2	2	1	1
Bombadiers - Sidewalk Snow Plows	12	12	12	12	12
Heavy Equipment - Landfill	8	8	8	8	8
Recycle Truck	0	0	0	0	0
Wastewater					
Sanitary Sewers (linear feet)	147,917	147,917	147,917	147,917	147,917
Average age of sanitary sewers	46	45	44	43	42
Storm Sewers (miles)	106,342	106,342	106,342	106,342	106,342
Average age of storm sewers	50	49	48	47	46
Water Department					
Water Lines (linear feet)	174,725	174,725	174,725	174,725	174,725
Average age of water lines	50	49	48	47	46

2003	2002	2001	2000	1999
87.1	87.1	87.1	87.1	87.1
41	40	39	38	37
11	10	9	8	8
7	7	7	7	7
3	3	3	3	3
1	1	1	1	1
1	1	1	1	0
12	12	12	12	12
8	7	7	7	6
1	1	1	1	1
147,917	147,917	147,917	147,917	147,917
41	40	39	38	37
106,342	106,342	106,342	106,342	106,342
45	44	43	42	41
174,725	174,725	174,725	174,725	174,725
45	44	43	42	41

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Mary Taylor, CPA
Auditor of State

CITY OF BROOKLYN

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 24, 2009**