

CITY OF BROOK PARK, OHIO

SINGLE AUDIT REPORT

DECEMBER 31, 2003



**Auditor of State
Betty Montgomery**

Honorable Mayor, Finance Director,
and Members of City Council
City of Brook Park
6161 Engle Road
Brook Park, Ohio 44142

We have reviewed the Independent Auditor's Report of the City of Brook Park, Cuyahoga County, prepared by James G. Zupka, C.P.A., Inc., for the audit period January 1, 2003 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

July 8, 2004

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CITY OF BROOK PARK, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2003

TABLE OF CONTENTS

	<u>PAGE</u>
Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	3-4
Schedule of Expenditures of Federal Awards	5
Notes to Schedule of Expenditures of Federal Awards	6
Schedule of Findings and Questioned Costs	7-8
Status of Prior Citations and Recommendations	9

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brook Park, Ohio (the City), as of and for the year ended December 31, 2003, which collectively comprise the City of Brook Park, Ohio's basic financial statements and have issued our report thereon dated May 7, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

James G. Zupka, CPA, Inc.
Certified Public Accountants
May 7, 2004

JAMES G. ZUPKA, C.P.A., INC.
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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the City of Brook Park, Ohio, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. The City of Brook Park, Ohio's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Brook Park, Ohio's management. Our responsibility is to express an opinion on the City of Brook Park, Ohio's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Brook Park, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Brook Park, Ohio's compliance with those requirements.

In our opinion, the City of Brook Park, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

Internal Control Over Compliance

The management of the City of Brook Park, Ohio, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Brook Park, Ohio's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the City of Brook Park, Ohio, as of and for the year ended December 31, 2003, and have issued our report thereon dated May 7, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Brook Park, Ohio's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the members of the City Council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

James G. Zupka, CPA, Inc.
Certified Public Accountants
May 7, 2004

CITY OF BROOK PARK, OHIO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2003

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Grant Number	Expenditures Disbursements
<u>United States Department of Highway Administration</u>			
<i>Passed through the Ohio Department of Transportation</i>			
Highway Planning and Construction - Federal Demonstration Fund	20.205	Aerospace Parkway*	
Total Highway Planning and Construction			<u>\$ 6,818,843</u>
Total United States Department of Highway Administration			<u>6,818,843</u>
<u>Federal Emergency Management Agency (FEMA)</u>			
<i>Passed through the Ohio Public Safety</i>			
Consolidated Warrant Fund	97.036	3187-EM-035-09288	
Total Consolidated Warrant Fund			<u>10,979</u>
Total Federal Emergency Management Agency			<u>10,979</u>
Total Expenditures of Federal Awards			<u>\$ 6,829,822</u> =====

* Grant Number not available.

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CITY OF BROOK PARK, OHIO
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2003

NOTE 1: **GENERAL**

The accompanying Schedule of Expenditures of Federal Awards of the City of Brook Park, Ohio, presents the activity of all federal financial assistance programs of the City. The City's reporting entity is defined in Note 1 to the City's basic financial statements. Federal financial assistance received directly from federal agencies as well as financial assistance passed through other government agencies are included on this schedule.

NOTE 2: **BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting and has been reconciled to the program's federal financial reports. The following is a reconciliation by grant from the cash basis to the accrual basis at December 31, 2003.

	<u>Direct Program Expenditures</u>
<u>Department of Highway Administration</u>	
Federal Demonstration Fund -	
Cash Basis	\$ 6,575,914
Accrual Adjustment	<u>242,929</u>
Federal Demonstration Fund - Accrual Basis	<u>\$ 6,818,843</u>
	=====
 <u>FEMA</u>	
Consolidated Warrant Fund -	
Cash Basis	\$ 10,979
Accrual Adjustment	<u>0</u>
Consolidated Warrant Fund - Accrual Basis	<u>\$ 10,979</u>
	=====

CITY OF BROOK PARK, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A-133 & .505
 DECEMBER 31, 2003

1. **SUMMARY OF AUDITOR'S RESULTS**

2003(i)	Type of Financial Statement Opinion	Unqualified
2003(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2003(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
2003(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
2003(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
2003(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
2003(v)	Type of Major Programs' Compliance Opinions	Unqualified
2003(vi)	Are there any reportable findings under .510?	No
2003(vii)	Major Programs (list):	1. Highway Planning and Construction - Aerospace Parkway
2003(viii)	Dollar Threshold: A/B Programs	Type A: \$300,000 Type B: All Others
2003(ix)	Low Risk Auditee?	No

CITY OF BROOK PARK, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
DECEMBER 31, 2003

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

None.

3. **FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

CITY OF BROOK PARK, OHIO
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2003

The prior audit report, as of December 31, 2002, included no citations.

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City of Brook Park, Ohio
Comprehensive Annual Financial Report
December 31, 2003

City of Brook Park, Ohio

Comprehensive Annual Financial Report For The Year Ended December 31, 2003

Table of Contents	Page
I. Introductory Section	
Title Page	i
Table of Contents	ii
Letter of Transmittal	vi
GFOA Certificate of Achievement	xi
Organizational Chart Departments.....	xii
City of Brook Park Elected officials.....	xiii
II. Financial Section	
Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	2
Basic Financial Statements:	
Government-wide Financial Statements:	
Statements of Net Assets.....	13
Statement of Activities.....	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	15
Reconciliation of Total Governmental Fund Balances To Net Assets of Governmental Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	17
Reconciliation of the Statement of Revenues , Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP) and Actual:	
General Fund.....	19
Economic Development Fund	20
Statement of Fund Net Assets – Proprietary Funds	21

City of Brook Park, Ohio

Comprehensive Annual Financial Report For The Year Ended December 31, 2003

Table of Contents	Page
II. Financial Section (continued)	
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	22
Statement of Cash Flows – Proprietary Funds	23
Statement of Fiduciary Net Assets – Fiduciary Funds	24
Notes to the Basic Financial Statements.....	25
Combining Statements and Individual Fund Schedules:	
Combining Statements: Non-Major Funds:	
Fund Descriptions	53
Combining Balance Sheet – Non-Major Governmental Funds.....	55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	56
Combining Balance Sheet – Non-Major Special Revenue Funds.....	57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Special Revenue Funds	59
Combining Statements – Agency Funds:	
Fund Descriptions	62
Combining Statement of Assets and Liabilities Agency Funds	63
Combining Statement of Changes in Assets and Liabilities Agency Funds	65
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual:	
Major and NonMajor Funds:	
General Fund.....	68
Economic Development Fund.....	78
Capital Improvement Fund	79
Street Maintenance Fund.....	82

City of Brook Park, Ohio

Comprehensive Annual Financial Report For The Year Ended December 31, 2003

Table of Contents Page

II. Financial Section (continued)

State Highway Fund.....	83
Permissive Tax Fund.....	84
Brook Park Road Corridor Fund.....	85
Special Recreation Fund.....	86
Law Enforcement Fund.....	87
DWI Enforcement and Education Fund.....	88
Police Pension Fund.....	89
Fire Pension Fund.....	90
Southwest General Health Center Fund.....	91
Tri-City Senior Center Fund.....	92
General Obligation Fund.....	93
Self Insured Medical Benefits.....	94

III. Statistical Section

Governmental Activities – Revenues by Source and Expenses by Function – Last Two Years.....	95
General Governmental Expenditures by Program – Last Ten Years.....	96
General Governmental Revenues by Source – Last Ten Years.....	97
Real Property Tax Levies and Collections – Last Ten Years.....	98
Tangible Personal Property Tax Levies and Collections – Last Ten Years.....	99
Assessed Valuations and Estimated True Values – Last Ten Years.....	100
Property Tax Rates – Direct and Overlapping Governments – (Per \$1,000 of Assessed Valuation) – Last Ten Years.....	101
Special Assessment Collections – Last Ten Years.....	102
Municipal Income Tax Collections by Source – GAAP Basis – Last Ten Years.....	103

City of Brook Park, Ohio

Comprehensive Annual Financial Report For The Year Ended December 31, 2003

Table of Contents	Page
III. Statistical Section (continued)	
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita – Last Ten Years.....	104
Legal Debt Margin.....	105
Computation of Direct and Overlapping Debt.....	106
Ratio of Annual Debt Service for General Bonded Debt to Total General Governmental Expenditures – Last Ten Years	107
Demographic Statistics	108
Property Value, Construction and Bank Deposits – Last Ten Years:	109
Principal Taxpayers – Real Property	110
Principal Taxpayers – Personal Property	111
Principal Taxpayers – Public Utility Property	112
Miscellaneous Statistics	113

City of Brook Park

Finance Department

Gregory M. Cingle
Finance Director

Martin S. Healy
Assistant Finance Director

June 23, 2004

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Brook Park (City) for the fiscal year ended December 31, 2003.

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

The City's financial statements have been audited by James G. Zupka, CPA, Inc., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2003, are free of material misstatement. The independent audit involved: examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the City's Financial Statements for the fiscal year ended December 31, 2003, and that the financial statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

6161 Engle Road • Brook Park, Ohio 44142

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VI

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

Profile of the Government

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

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

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

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

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

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

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

Factors Affecting Financial Condition

Economic Conditions and Outlook. National and regional economic conditions are mixed at best in early 2004. However, the City seems to be holding its own due to a variety of factors, with room for optimism.

Manufacturing activity is finally increasing, as tracked by the Institute for Supply Management. As of April 2004, economic activity had grown for 11 straight months, with new orders, production and employment growing, and inventories declining. High inventories had been a hallmark of the last few years and had led to cutbacks in production and employment in many of our business sectors. The return of Gross Domestic Product increases to the four-plus percent range is another positive sign.

Unemployment is decreasing, if slowly. Nationwide unemployment is improving from its six percent range, and metropolitan unemployment seems to be improving from its seven-plus percent range. Nevertheless, with productivity increases around five percent, it is difficult to predict how many of our recently-lost industrial jobs will come back as the economic situation improves.

We continue to benefit from low national inflation, around two percent, and interest rates remain low for the moment--the Wall Street Journal's consensus Prime Rate has been at four percent since mid-2003, a boon for businesses and homeowners alike. However, forecasters seem to agree that rates will be increased in 2004, probably around 50 basis points, reflecting Federal Reserve Board concerns that increased private-sector spending will combine with the Federal government's record-high deficit spending to push up inflation.

Two national events are sure to impact us this year: the Presidential election and the Iraq war. Ohio is a swing state in the election, so the Administration will be looking for ways to improve our economic health. The Iraq war's drain on our national resources means less Federal funding for states and localities. Since the State of Ohio is not in a position to take up any budget slack, we must hope that the economy improves quickly enough for us to continue to get by on the strength of our local revenues.

Major Economic Initiatives. As usual, the City is proactively seeking to improve our economic health through development assistance. The cooperative political atmosphere of the community over the last couple of years has helped set a positive tone for business development, and 2003 was one of our best years ever: 16 projects completed or begun in 2003 resulted in \$411 million in total investment and the creation and retention of 1,590 jobs. In 2004, we will continue these efforts.

Major Employers. Ford Motor Company has completed its \$340 million rehabilitation of Engine Plant #1, introducing a new Duratec II engine for its current and new model cars, retaining 650 workers. Because of the long lead time for these projects, we have already been looking forward to the next investment opportunity, which would involve the Iron Casting Plant. As we continue discussions with local and corporate Ford officials and with union representatives, it appears likely that Ford will soon announce a significant investment project, positively impacting 1,700 employees.

Our relationship-building with NASA Glenn has paid off as we have been selected to participate with them in a nomination for a new Headquarters facility that would bring 500 new jobs to the region. After beating out other local competition, the City's proposal is being considered as one of six possible sites nationwide by Headquarters. We are partnering with regional academia, Ohio's Congressional delegation, the State of Ohio, the Ohio Aerospace Council, the Greater Cleveland Partnership (regional chamber) and Team NEO (regional development) to secure this project for our community.

Brookpark Road Corridor. With development picking up on the Corridor (\$30 million invested since the municipal border changes in 1998), we have begun a planning process to develop architectural guidelines for storefront (private property) and streetscape (public) improvements. These guidelines will help us ensure a standard level of visual quality on the Corridor that will in turn help to facilitate continued investment.

Improvements to the Business and Development Environments. Many of our efforts revolve around improving relationships with our businesses and with the region's development community. The following demonstrate our continuing efforts to improve the overall development environment in the City:

- We recently were awarded a "Business Friendly Community" designation by the Greater Cleveland Growth Association (now Greater Cleveland Partnership) and the Greater Akron Chamber of Commerce for our "outstanding economic development activities to create a positive business climate;"
- Recent construction of the Laich and Aerospace Parkways, with roadway and utility improvements, have opened up acreage for new industrial and commercial development;
- Establishment of an Urban Settings Designation through the Ohio Environmental Protection Agency which will ease the redevelopment of any Brownfield sites;
- Creation of a Brook Park Chamber of Commerce to assist businesses with marketing and business-to-business networking.

Cash management policies and practices

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

Risk management

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

Awards and Acknowledgements

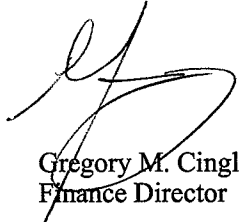
Certificate of Achievement. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended December 31, 2002. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

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

The Certificate of Achievement is valid for a period of only one year. The City has received a Certificate of Achievement for the last 13 years. 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.

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

Respectfully submitted,



m. Gc

Gregory M. Cingle
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Brook Park,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2002

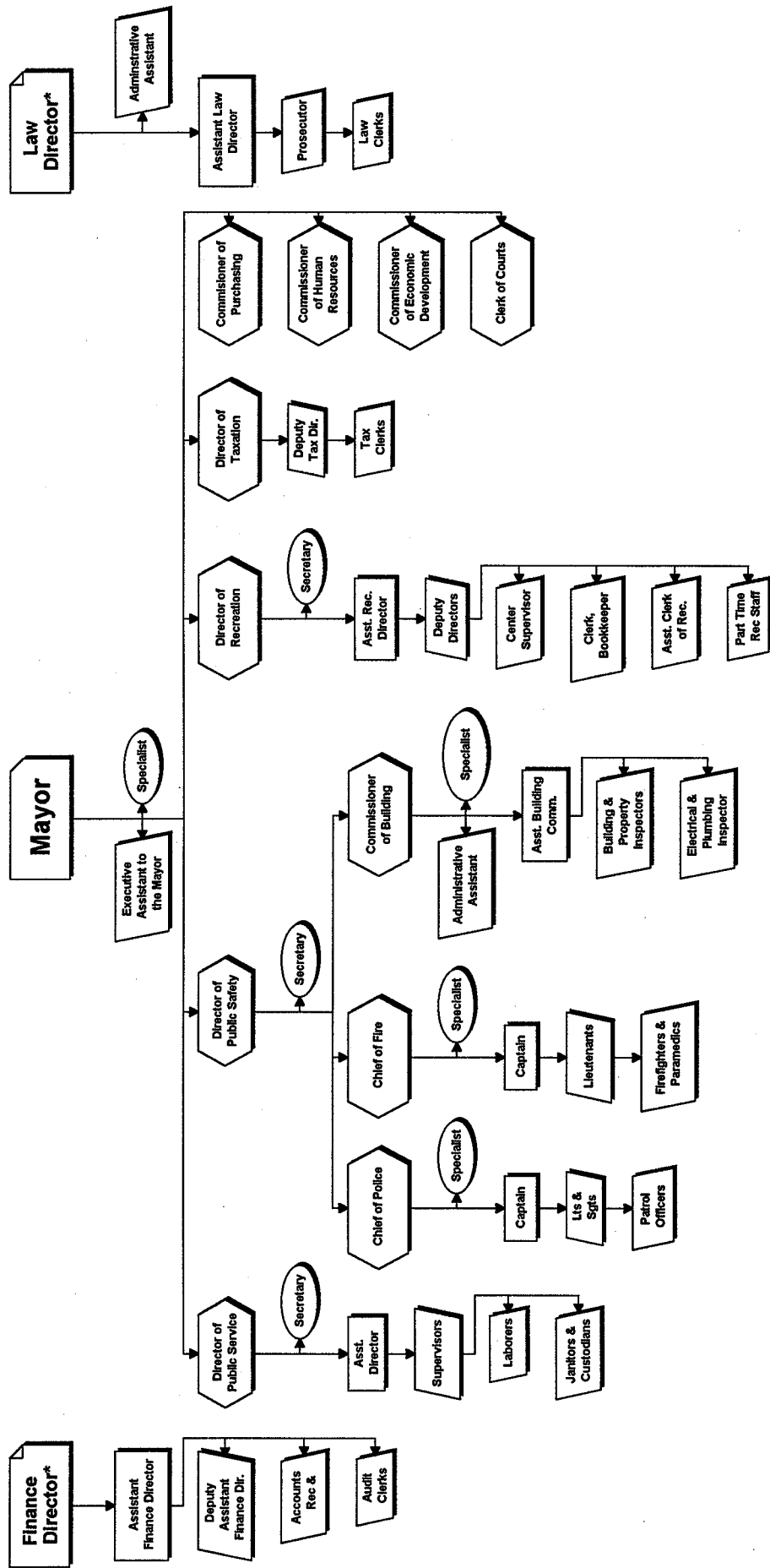
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

City of Brook Park Administration



CITY OF BROOK PARK

ELECTED OFFICIALS

December 31, 2003

ELECTED CITY OFFICIALS

HONORABLE MAYOR MARK J. ELLIOTT

CITY COUNCIL

Harold Scott Adams, President	Dennis P. Patten, Ward 1
Carl J. Burgio, At-Large	Brian P. Mooney, Ward 2
Michael D. Gammella, At-Large	James D. Wilson, Ward 3
Danny V. Colonna, At-Large	Anthony J. D'Amico, Ward 4

FINANCE DIRECTOR

Gregory M. Cingle

LAW DIRECTOR

David A. Lambros

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

Certified Public Accountants

5240 East 98th Street

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Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor,
and Members of City Council
City of Brook Park, Ohio

The Honorable Betty Montgomery
Auditor of State
State of Ohio

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the City of Brook Park, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2003, 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 an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City of Brook Park, Cuyahoga County, Ohio as of December 31, 2003, and the respective changes in financial position, where applicable, and the respective budgetary comparison for the General Fund and Economic Development Special Revenue Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2004 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Government Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

James G. Zupka, CPA, Inc.

James G. Zupka, CPA, Inc.
Certified Public Accountants
May 7, 2004

City of Brook Park
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2003
Unaudited

The discussion and analysis of the City of Brook Park's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2003. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider this information in conjunction with the additional information contained in the financial statements and the notes thereof.

Financial Highlights

Key financial highlights for 2003 are as follows:

- ◆ The assets of the City of Brook Park exceeded its liabilities at the close of the most recent fiscal year by \$66,520,133 (net assets). Of this amount, \$11,813,195 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- ◆ Total assets increased by \$12,041,569, which represents an increase of approximately 17.72 percent over 2002. The biggest change was an increase of approximately \$9.7 million in nondepreciable capital assets.
- ◆ As of the close of the current fiscal year, the City of Brook Park's governmental funds reported combined ending fund balances of \$19,643,416, an increase of \$223,668 in comparison with the prior year. Approximately 93 percent of this total amount, \$18,177,628, is available for spending at the government's discretion (*unreserved fund balance*).
- ◆ At the end of the current fiscal year, the General Fund's unreserved fund balance was \$11,730,682, or 61 percent of total General Fund expenditures.

Using this Comprehensive Annual Financial Report (CAFR)

This discussion and analysis is intended to serve as an introduction to the City of Brook Park's basic financial statements, which are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This CAFR also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements – Reporting the City of Brook Park as a Whole

The government-wide financial statements are designed to provide readers with a broad overview of the City of Brook Park's finances.

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets presents information on all of the City of Brook Park's assets and liabilities, with the difference between the two reported as *net assets*. Over time, an increase or decrease in net assets may serve as a useful indicator of whether the financial position of the City of Brook Park is improving or deteriorating. However, in evaluating the overall position of the City, non-financial factors, such as the City's tax base, change in property and income tax laws,

City of Brook Park
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2003
Unaudited

and the condition of capital assets, should also be considered. Both the Statement of Net Assets and the Statement of Activities use the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

Fund Financial Statements - Reporting the City of Brook Park's Most Significant Funds

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The City of Brook Park, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Brook Park can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

The City of Brook Park maintains 20 individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Economic Development Fund and Capital Improvement Fund, which are considered to be major funds. Data from the other governmental funds are combined into single, aggregated presentations. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this CAFR.

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

City of Brook Park
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2003
Unaudited

Proprietary Funds

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

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

The basic proprietary fund financial statements can be found starting on page 21.

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 25.

Other information

In addition to the basic financial statements and the accompanying notes, this CAFR also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented, as well as individual detailed budgetary comparisons for all nonmajor funds. This information can be found starting on page 53.

Government-wide Financial Analysis - City of Brook Park as a Whole

As noted earlier, the Statement of Net Assets looks at the City as a whole and can prove to be a useful indicator of the City's financial position.

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

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)

City of Brook Park
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2003
Unaudited

- Program Expenses and Revenues
- General Revenues
- Net Assets Beginning and End of Year

Table 1 provides a summary of the City's net assets for 2003 as compared to 2002.

Table 1
Net Assets

	Governmental Activities	
	2003	2002
Assets		
Current and Other Assets	\$28,336,290	\$26,135,412
Capital Assets, Net	51,641,469	41,800,778
<i>Total Assets</i>	<i>\$79,977,759</i>	<i>\$67,936,190</i>
Liabilities		
Current Liabilities and Other Liabilities	\$6,925,004	\$4,868,482
Long-term Liabilities		
Due Within One Year	2,208,838	2,124,660
Due In More Than One Year	4,323,784	6,020,546
<i>Total Liabilities</i>	<i>\$13,457,626</i>	<i>\$13,013,688</i>
Net Assets		
Invested in Capital Assets,		
Net of Related Debt	\$46,861,418	\$33,551,254
Restricted for:		
Capital Projects	5,584,361	6,437,817
Debt Service	360,131	417,265
Special Revenues	1,901,028	0
Unrestricted	11,813,195	14,516,164
<i>Total Net Assets</i>	<i>\$66,520,133</i>	<i>\$54,922,500</i>

An additional portion of the City of Brook Park's net assets, 12 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net assets, \$11,813,195, may be used to meet the City's ongoing obligations to citizens and creditors.

City of Brook Park
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2003
Unaudited

The City's net assets increased by \$11,597,633 during the current fiscal year. The following factors were responsible for this increase:

- Cash and cash equivalents showed an increase of approximately \$2.5 million over 2002.
- The increase in capital assets reflects the increase in construction-in-progress due to the Aerospace Parkway project. This project began in November 2002, with a majority of the work being performed in 2003. The completion date for the project is July 9, 2004. The original contract was for \$8,210,391, of which approximately \$1,480,086 was funded by the City, with the balance being funded by a grant from the Federal Highway Administration.

The largest portion of the City's net assets (70 percent) reflects its investment in capital assets, i.e. land, buildings, machinery and equipment, vehicles, and infrastructure, less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The City has made concerted efforts to maximize the return on investments of its cash and cash equivalents and use these funds to provide liquidity for planned future capital purchases. Due to the negative fluctuations in interest rates over the past year, the investments have shifted somewhat from short-term certificate of deposits and bullet federal government agency issues to step-up certificate of deposits and longer-term callable federal government agency issues.

Table 2 provides readers with details regarding the results of activities for 2003 and 2002, along with a further understanding of what makes up the changes in net assets.

City of Brook Park
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2003
Unaudited

Table 2
Changes in Net Assets

	Governmental Activities	
	2003	2002
Program Revenues		
Charges for Services	\$5,524,450	\$5,502,704
Operating Grants, Contributions and Interest	24,221	28,330
<i>Total Program Revenues</i>	<u>\$5,548,671</u>	<u>\$5,531,034</u>
General Revenues		
Property Taxes	\$2,741,358	\$2,737,310
Income Taxes	21,656,942	20,462,203
Grants and Entitlements	8,908,485	2,259,776
Investment Earnings	257,922	298,621
Gain (Loss) on Disposal of Land	8,532	(1,692,919)
<i>Total Revenues</i>	<u>\$39,121,910</u>	<u>\$29,596,025</u>
Program Expenses		
General Government	\$10,675,655	\$7,212,678
Security of Persons and Property	9,075,363	8,159,875
Public Health Services	226,005	236,480
Transportation	510,314	2,851,957
Leisure Time Activities	2,497,528	2,430,096
Community Environment	1,538,318	1,622,207
Basic Utility Services	2,717,718	3,110,630
Interest and Fiscal Charges	283,376	349,621
<i>Total Program Expenses</i>	<u>\$27,524,277</u>	<u>\$25,973,544</u>
<i>Change in Net Assets</i>	<u><u>\$11,597,633</u></u>	<u><u>\$3,622,481</u></u>

Governmental Activities

Several revenue sources fund the City's governmental activities, with City income tax being the largest contributor. The City's income tax rate is two percent on gross income and has not changed since 1991. Residents of the City who work in another community and pay the withholding tax for that community receive a 100 percent tax credit of up to two percent on their City tax for Brook Park. During 2003, the revenues generated from this tax amounted to \$21.6 million. The increase in collections can be attributed to both business and withholding tax.

City of Brook Park
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2003
Unaudited

There were two components which contributed to the increase in business revenue:

1. The finalization of three corporate audits that resulted in significant revenue.
2. Receipt of one large estimated tax payment in the deferred receipts account due to the Airport Settlement Agreement.

The rise in withholding tax stems from two areas:

1. Trust fund receipts grew from the expanded wage base associated with the Airport Settlement Agreement.
2. Increased withholding revenue was generated by the aeronautics sector.

The City continues to enforce the delinquent letter program and the subpoena program to ensure compliance with the local tax laws. City income tax revenue of 30 percent is earmarked for specific capital improvements. These revenues are allocated by an ordinance of City Council, providing that a substantial portion of the City's income tax collections be set aside for roads, city facilities, and capital needs. Of the \$39,121,910 in total revenue, income tax accounts for 55 percent. Property tax of \$2,741,358 accounts for seven percent of total revenue. Operating grants and contributions and general revenues from grants and entitlements of \$8,932,706 account for 23 percent of total revenue, which constituted an increase of 209 percent over the \$2,288,106 received during 2002. The Federal grant obtained for the construction of Aerospace Parkway was approved in the amount of \$6,730,306. The grant amount was increased by \$296,634 because of change orders approved through Estimate No. 12 in 2003. As expected, investment earnings continued to drop as the Federal Reserve maintained its thrust on rate cuts.

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

For the most part, increases in expenses closely parallel inflation and growth in the demand for services. The largest program functions for the City relate to general government and the security of persons and property. During 2003, 39 percent and 33 percent of program expenses relate to general government and security of persons and property, respectively.

General government program expenses relate to salaries and fringe benefits, which accounts for 63 percent of total General Fund expenditures. Salaries and fringe benefits continue to increase on a yearly basis, with the cost of hospitalization increasing 12 percent from 2002 to 2003. Another contributing factor to the increase in general government expenses is the cost of insurance for the city's buildings, vehicles, equipment and liability. In 2003, insurance costs rose 40% in comparison to 2002.

City of Brook Park
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2003
Unaudited

The Police and Fire Departments are an integral component of the City's outstanding services. Currently, there are 44 full-time sworn officers in the Police Department. During 2003, the department continued to place a strong emphasis on the training of its employees to keep up with rapidly changing laws, practices and technology. In 2002, part-time jailers were hired to staff the increasing jail population due to overcrowding at the Cuyahoga County jail. The court-sanctioned self-supporting juvenile diversion program was a continued success in 2003. The City was reimbursed \$69,700 during 2003 from Cuyahoga County for the use of the City jail and \$8,992 for police officer overtime from grants and task forces.

The Fire Department consists of 40 full-time fire fighters. Again, training plays a crucial role in the day-to-day operation of the department. The department handled 2,467 calls for assistance, of which approximately 1,946 were for EMS, with the balance attributed to fire and fire-related incidents. This constituted a decrease of 3.78 percent over 2002. Significant improvements have been made to our fire service, including the purchase of a new rescue squad.

The City's Funds

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins on page 15.

As of the end of the current fiscal year, the City of Brook Park's governmental funds reported combined ending fund balances of \$19,643,416. Of that amount, \$18,177,628 constitutes unreserved fund balances, which is available for spending at the government's discretion. The residue is reserved to indicate that it is not available for new spending because it has already been committed: (1) to liquidate contracts and purchases of the prior period (\$1,257,555); (2) to reflect year end inventory (\$58,537); and (3) to reflect expenses prepaid at year end (\$149,696).

The General Fund is the chief operating fund of the City of Brook Park. At the end of the current fiscal year, the total fund balance for the General Fund was \$12,156,470, of which \$11,730,682 was unreserved. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 61 percent of total General Fund expenditures, while total fund balance represents 63 percent of that same amount.

The fund balance of the City of Brook Park's General Fund increased by \$1,348,987 during 2003. This increase is mainly due to the decrease in transfers from the General Fund. In 2002, a transfer of \$3,390,000 was made from the General Fund to the Capital Improvement Fund for future capital projects. In 2003, the General Fund did not transfer funds to the Capital Improvement Fund.

City of Brook Park
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2003
Unaudited

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. An annual appropriation budget is legally required to be prepared for all funds of the City other than agency funds. City Council is provided with a detailed line item budget for all departments, and after a discussion at a regularly held Council meeting, which is open to the public, the budget is adopted at an object level. Within each object, appropriations can be transferred between line items with the approval of the Finance Director and the respective department head. Council must approve any revisions in the budget that alter the object level totals or the total appropriations for any department or fund. During the course of fiscal year 2003, the City amended its General Fund budget three times. The Finance Department watches all the departmental budgets closely to monitor compliance with allocated budgets and provides monthly reports to City Council that depict monthly and year-to-date activity.

For the General Fund, the budget basis revenue was \$22 million as compared to the original budget estimate of \$20 million (it should be noted that the City utilizes conservative revenue budgetary practices). The original appropriations of \$19.7 million was sufficient to meet the expenditures for the year, which ended up at \$19.6 million.

The City's ending unencumbered budgetary fund balance was \$847,681 higher than the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2003, the City of Brook Park had \$51.6 million invested in land, buildings, and equipment.

Table 3 shows fiscal year 2003 balances of Capital Assets, net of depreciation, as compared to 2002:

City of Brook Park
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2003
Unaudited

Table 3
 Capital Assets at December 31

	Governmental Activities	
	2003	2002
Land	\$4,356,037	\$4,216,308
Construction in Progress	11,298,031	1,662,153
Improvements to Land	1,310,118	1,533,767
Buildings and Improvements	12,257,979	11,509,015
Vehicles	4,396,212	4,436,287
Furniture, Fixtures and Equipment	1,006,414	1,021,854
Infrastructure		
Streets	5,421,893	5,093,810
Water Lines	61,199	69,266
Sanitary Sewer System	11,533,586	11,847,326
Total Capital Assets	<u>\$51,641,469</u>	<u>\$41,389,786</u>

Net of depreciation, the balances for the above capital assets, except for construction in progress, remained practically unchanged. The construction in progress was higher by \$9.6 million due to the Aerospace Parkway project. This proves the City's aggressive stance on maintaining its assets, including infrastructure, in excellent condition. Replacement of vehicles, such as fire trucks, ambulances, rubbish trucks, etc., is planned for well in advance by the respective department heads, and scheduled maintenance is followed to provide peak performance for the maximum time frame. The older vehicles are either traded in or sold to the highest bidder on the open market.

With regards to the infrastructure, the City Engineer maintains a comprehensive listing of all the streets, bridges, culverts and sewer lines located within the City. As part of the annual road maintenance program, the Engineer evaluates the condition of each street after each winter and prepares a list of streets to be either resurfaced or crack sealed, and in the case of concrete roads, either replaced or repaired. After approval from Council, the projects are bid in the spring to get the best possible pricing from contractors. This program is paid for out of the current operating funds of the City. For additional information on capital assets, see Note 6 of the basic financial statements.

Debt

As of December 31, 2003, the City of Brook Park had \$6.5 million in outstanding debt. Table 4 summarizes the outstanding debt.

City of Brook Park
Management's Discussion and Analysis
For the Year Ended December 31, 2003
(Unaudited)

Table 4
 Outstanding Debt at Year End

	Governmental Activities	
	2003	2002
General Obligation Bonds	\$3,319,000	\$4,836,000
Capital Leases	1,461,052	1,263,712
Compensated Absences	1,752,570	1,979,081
Total	\$6,532,622	\$8,078,793

As of December 31, 2003, the City's overall legal debt margin was \$58,461,221, with an unvoted debt margin of \$30,622,544. The City of Brook Park has an aggressive debt reduction approach whereby most long-term bonds are paid off within 10 years as opposed to 15 or 20 years. As of the end of the year, the outstanding general obligation debt was \$3,319,000. Other obligations include accrued vacation pay and sick leave and capital leases. More detailed information about the City's long-term liabilities is presented in the notes to the basic financial statements.

Current Related Financial Activities

The City of Brook Park is currently in a strong financial position, but it must be stated that the City is not immune to the economic conditions that have negatively affected many public and private entities. The City of Brook Park's systems of budgeting and internal controls are well regarded, and the City is well prepared to meet the challenges of the future. In addition, management has been committed to providing its residents with full disclosure of the financial position of the City.

Contacting the City of Brook Park's Financial Management Personnel

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

City of Brook Park, Ohio

Statement of Net Assets

December 31, 2003

	<u>2003</u>
Assets:	
Cash and cash equivalents	\$ 21,960,892
Taxes receivable	4,731,773
Accounts receivable	125,317
Interest receivable	40,695
Intergovernmental receivable	1,265,141
Special assessments receivable	4,239
Material and supplies inventory	58,537
Prepays	149,696
Nondepreciable assets	15,654,069
Depreciable assets, net	<u>35,987,400</u>
Total assets	<u>79,977,759</u>
Liabilities:	
Accounts payable	509,749
Accrued wages and benefits	975,694
Due to other governments	221,670
Notes payable	2,515,000
Deferred revenue	2,378,074
Claims payable	241,612
Accrued interest payable	83,205
Long-term liabilities:	
Due within one year	2,208,838
Due in more than one year	<u>4,323,784</u>
Total liabilities	<u>13,457,626</u>
Net assets:	
Investment in capital assets	46,861,418
Restricted for:	
Capital projects	5,584,361
Debt service	360,131
Special revenues	1,901,028
Unrestricted	<u>11,813,195</u>
Total net assets	<u>\$ 66,520,133</u>

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

City of Brook Park, Ohio

Statement of Activities

For The Year Ended December 31, 2003

	<u>Expense</u>	<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Total Governmental Funds</u>
Government activities:				
General government	\$ 10,675,655	\$ 3,042,445	\$ -	\$ (7,633,210)
Security of persons and property	9,075,363	867,879	12,243	(8,195,241)
Public health and welfare	226,005	1,274	-	(224,731)
Transportation	510,314	-	-	(510,314)
Leisure time activities	2,497,528	381,847	-	(2,115,681)
Community development	1,538,318	1,231,005	11,978	(295,335)
Basic utility service	2,717,718	-	-	(2,717,718)
Interest and fiscal charges	<u>283,376</u>	<u>-</u>	<u>-</u>	<u>(283,376)</u>
Total governmental activities	\$ <u>27,524,277</u>	\$ <u>5,524,450</u>	\$ <u>24,221</u>	\$ <u>(21,975,606)</u>
General revenues:				
Property taxes and, levied for:				
General purposes				2,447,022
Other purposes				294,336
Income tax levied for:				
General purposes				16,101,029
Capital outlay				5,555,913
Grants and entitlements not restricted to specific programs				8,908,485
Investment income				257,922
Gain on disposal of land and equipment				<u>8,532</u>
Total general revenues				<u>33,573,239</u>
Change in net assets				11,597,633
Net assets at beginning of year, restated				<u>54,922,500</u>
Net assets at end of year				\$ <u>66,520,133</u>

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

City of Brook Park, Ohio

Governmental Funds Balance Sheet

December 31, 2003

	<u>General</u>	<u>Economic Development</u>	<u>Capital Improvements</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Cash & cash equivalents	\$ 11,105,968	\$ 1,971,152	\$ 6,589,874	\$ 1,401,736	\$ 21,068,730
Taxes receivable	3,567,478	-	646,416	517,879	4,731,773
Accounts receivable	104,142	21,175	-	-	125,317
Interest receivable	40,695	-	-	-	40,695
Intergovernmental receivable	777,304	-	87,588	400,249	1,265,141
Special assessments receivable	-	-	-	4,239	4,239
Material & supplies inventory	58,537	-	-	-	58,537
Prepays	149,696	-	-	-	149,696
Total assets	\$ <u>15,803,820</u>	\$ <u>1,992,327</u>	\$ <u>7,323,878</u>	\$ <u>2,324,103</u>	\$ <u>27,444,128</u>
Liabilities:					
Accounts payable	\$ 192,790	\$ 137,699	\$ 114,408	\$ 64,852	\$ 509,749
Accrued wages and benefits	533,968	-	-	374,859	908,827
Due to other governments	204,306	-	-	17,364	221,670
Deferred revenue	2,716,286	-	83,943	814,315	3,614,544
Accrued interest payable	-	5,813	25,109	-	30,922
Notes payable	-	915,000	1,600,000	-	2,515,000
Total liabilities	<u>3,647,350</u>	<u>1,058,512</u>	<u>1,823,460</u>	<u>1,271,390</u>	<u>7,800,712</u>
Fund balances:					
Reserve for encumbrances	217,555	166,185	846,911	26,904	1,257,555
Reserve for inventory	58,537	-	-	-	58,537
Reserve for prepaids	149,696	-	-	-	149,696
Unreserved; undesignated, reported in:					
General fund	11,730,682	-	-	-	11,730,682
Special revenue funds	-	767,630	-	617,634	1,385,264
Debt service funds	-	-	-	408,175	408,175
Capital projects fund	-	-	4,653,507	-	4,653,507
Total fund balance	<u>12,156,470</u>	<u>933,815</u>	<u>5,500,418</u>	<u>1,052,713</u>	<u>19,643,416</u>
Total liabilities and fund balances	\$ <u>15,803,820</u>	\$ <u>1,992,327</u>	\$ <u>7,323,878</u>	\$ <u>2,324,103</u>	\$ <u>27,444,128</u>

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

City of Brook Park, Ohio

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

December 31, 2003

Total Governmental Funds Balances	\$ 19,643,416
<i>Amounts Reported for Governmental Activities in the Statement of Net Assets are different because:</i>	
Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds.	\$ 51,641,469
Other Long-Term Assets are not available to pay for current-period expenditures and therefore are deferred in the Funds.	
Property and Other Taxes	\$ 163,818
Municipal Income Taxes	279,812
Special Assessments	4,239
Intergovernmental	<u>788,601</u>
	1,236,470
In the Statement of Activities, Interest is accrued on outstanding bonds, whereas in Governmental Funds, an interest expenditure is reported when due.	(52,283)
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Statement of Net Assets.	650,550
Accrued wages and benefits include contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(66,867)
Long-Term Liabilities are not due and payable in the current period and are therefore not reported in the Funds.	
General Obligation Bonds	(3,319,000)
Capital Leases	(1,461,052)
Compensated Absences	<u>(1,752,570)</u>
	<u>(6,532,622)</u>
<i>Net Assets of Governmental Activities</i>	<u>\$ 66,520,133</u>

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

City of Brook Park, Ohio

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

For The Year Ended December 31, 2003

	<u>General</u>	<u>Economic Development</u>	<u>Capital Improvements</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 1,942,116	\$ -	\$ -	\$ 439,336	\$ 2,381,452
Municipal income taxes	16,348,562	-	5,555,913	-	21,904,475
Other local taxes	281,358	-	-	-	281,358
Intergovernmental	1,404,372	-	6,675,480	825,163	8,905,015
Charges for services	799,662	915,188	-	-	1,714,850
License and permits	468,381	-	-	-	468,381
Fines and forfeitures	306,490	-	-	57,922	364,412
Special assessments	-	-	-	4,282	4,282
Investment income	233,578	-	19,814	4,530	257,922
Miscellaneous income	73,611	29,255	96,152	105,359	304,377
Reimbursements	108,724	-	431,918	-	540,642
Total revenues	<u>21,966,854</u>	<u>944,443</u>	<u>12,779,277</u>	<u>1,436,592</u>	<u>37,127,166</u>
Expenditures:					
Current operations and maintenance:					
Security of persons and property	8,284,824	-	-	1,117,275	9,402,099
Public health and welfare	65,776	-	-	160,229	226,005
Leisure time activities	2,340,115	-	9,436	133,471	2,483,022
Community development	1,127,949	1,007,831	-	6,062	2,141,842
Basic utility service	2,729,072	-	18,068	-	2,747,140
Transportation	764,578	-	923,621	1,202,167	2,890,366
General government	4,042,392	-	181,032	-	4,223,424
Capital outlay	-	-	11,736,127	-	11,736,127
Debt service:					
Principal retirement	-	-	-	1,517,000	1,517,000
Interest and fiscal charges	-	5,813	25,109	259,073	289,995
Total expenditures	<u>19,354,706</u>	<u>1,013,644</u>	<u>12,893,393</u>	<u>4,395,277</u>	<u>37,657,020</u>
Excess of revenues over (under) expenditures	<u>2,612,148</u>	<u>(69,201)</u>	<u>(114,116)</u>	<u>(2,958,685)</u>	<u>(529,854)</u>
Other financing sources (uses):					
Transfers – in	400,000	-	400,000	3,011,180	3,811,180
Transfers – out	(1,670,870)	-	(1,740,310)	(400,000)	(3,811,180)
Inception of capital lease	-	-	649,450	18,782	668,232
Proceeds from sale of capital assets	7,709	60,823	25,780	-	94,312
Total other financing sources (uses)	<u>(1,263,161)</u>	<u>60,823</u>	<u>(665,080)</u>	<u>2,629,962</u>	<u>762,544</u>
Net change in fund balances	1,348,987	(8,378)	(779,196)	(328,723)	232,690
Fund balances at beginning of year, restated	<u>10,807,483</u>	<u>942,193</u>	<u>6,279,614</u>	<u>1,381,436</u>	<u>19,410,726</u>
Fund balances at end of year	\$ <u>12,156,470</u>	\$ <u>933,815</u>	\$ <u>5,500,418</u>	\$ <u>1,052,713</u>	\$ <u>19,643,416</u>

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

City of Brook Park, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities

For The Year Ended December 31, 2003

Net Change in Fund Balances - Total Governmental Funds	\$	232,690
<i>Amounts Reported for Governmental Activities in the Statement of Activities are different because:</i>		
Governmental Funds report Capital Outlay as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital Outlay	\$	11,713,075
Depreciation		<u>(1,626,655)</u>
		10,086,420
In the Statement of Activities, only the gain on the disposal of land and equipment is reported, whereas, in the Governmental Funds, the proceeds from the disposal increase financial resources. Thus, the change in Net Assets differs from the change in Fund Balance by the cost of the land and equipment.		
		(245,729)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the Funds.		
Property and Other Taxes		78,506
Municipal Income Taxes		(247,533)
Special Assessments		(4,240)
Intergovernmental		<u>27,691</u>
		(145,576)
Other Financing Sources in the Governmental Funds that increase Long-Term Liabilities in the Statement of Net Assets. These sources were attributed to inception of capital lease.		
		(668,232)
Repayment of Bond Principal is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Assets.		
		1,987,892
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.		
Compensated Absences		226,511
Due to Other Governments		(454)
Accrued Interest on Bonds		<u>5,854</u>
		<u>231,911</u>
Internal Service Funds are used by management to charge to costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the Internal Service Fund is reported with Governmental Activities.		
		<u>118,257</u>
<i>Change in Net Assets of Governmental Activities</i>	\$	<u><u>11,597,633</u></u>

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

City of Brook Park, Ohio

Combined Statement of Revenues, Expenditures and Changes In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual

General Fund

For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 1,963,518	\$ 1,951,859	\$ 1,942,116	\$ (9,743)
Municipal income taxes	14,775,000	16,208,469	16,208,469	-
Other local taxes	305,000	293,267	293,267	-
Intergovernmental	1,420,931	1,392,223	1,392,233	10
Charges for services	851,270	827,396	827,396	-
Licenses and permits	399,500	465,204	465,204	-
Fines and forfeitures	326,775	306,294	306,294	-
Investment income	257,162	274,245	274,245	-
Miscellaneous income	173,687	223,751	223,751	-
Total revenues	<u>20,472,843</u>	<u>21,942,708</u>	<u>21,932,975</u>	<u>(9,733)</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property	8,198,203	8,361,026	8,214,850	146,176
Public health and welfare	65,776	65,776	65,776	-
Leisure time activities	2,368,341	2,460,726	2,404,895	55,831
Community development	1,113,784	1,173,829	1,139,629	34,200
Basic utility services	2,839,489	2,972,731	2,891,086	81,645
Transportation	843,466	840,182	800,734	39,448
General government	4,474,606	4,385,687	4,152,068	233,619
Total expenditures	<u>19,903,665</u>	<u>20,259,957</u>	<u>19,669,038</u>	<u>590,919</u>
Excess of revenues over (under) expenditures	<u>569,178</u>	<u>1,682,751</u>	<u>2,263,937</u>	<u>581,186</u>
Other financing sources (uses):				
Transfers – in	400,000	400,000	400,000	-
Transfers – out	(1,655,000)	(1,705,870)	(1,670,870)	35,000
Proceeds from sale of capital assets	4,400	7,710	7,710	-
Total other financing sources (uses)	<u>(1,250,600)</u>	<u>(1,298,160)</u>	<u>(1,263,160)</u>	<u>35,000</u>
Net change in fund balance	(681,422)	384,591	1,000,777	616,186
Cash fund balance, beginning of year, restated	9,873,696	9,873,696	9,873,696	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>231,495</u>	<u>231,495</u>
Cash fund balance, end of year	\$ <u>9,192,274</u>	\$ <u>10,258,287</u>	\$ <u>11,105,968</u>	\$ <u>847,681</u>

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

City of Brook Park, Ohio

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

Economic Development Fund

For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 669,484	\$ 794,013	\$ 794,013	\$ -
Miscellaneous revenue	-	129,255	129,255	-
Total revenues	<u>669,484</u>	<u>923,268</u>	<u>923,268</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Community development	306,812	456,812	363,160	93,652
Capital outlay	-	810,000	804,554	5,446
Total expenditures	<u>306,812</u>	<u>1,266,812</u>	<u>1,167,714</u>	<u>99,098</u>
Excess of revenues over (under) expenditures	<u>362,672</u>	<u>(343,544)</u>	<u>(244,446)</u>	<u>99,098</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	60,823	60,823	-
Proceeds from the sale of debt	-	915,000	915,000	-
Total other financing sources (uses)	<u>-</u>	<u>975,823</u>	<u>975,823</u>	<u>-</u>
Net change in fund balance	362,672	632,279	731,377	99,098
Cash fund balance, beginning of year	944,287	944,287	944,287	-
Current year encumbrances	-	-	295,488	295,488
Cash fund balance, end of year	\$ <u>1,306,959</u>	\$ <u>1,576,566</u>	\$ <u>1,971,152</u>	\$ <u>394,586</u>

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

City of Brook Park, Ohio

Statement of Fund Net Assets Proprietary Fund

December 31, 2003

	<u>Governmental Activities - Internal Service Fund</u>
Assets:	
Cash and cash equivalents	\$ 892,162
Liabilities:	
Claims payable	<u>241,612</u>
Net Assets:	
Unrestricted	\$ <u><u>650,550</u></u>

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

City of Brook Park, Ohio

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

For The Year Ended December 31, 2003

	Governmental Activities - Internal Service Fund
Revenues:	
Reimbursements	\$ <u>2,131,788</u>
Expenses:	
Contractual services	<u>2,013,531</u>
Change in net assets	118,257
Net Assets at beginning of year	<u>532,293</u>
Net Assets at end of year	\$ <u><u>650,550</u></u>

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

City of Brook Park, Ohio

Statement of Cash Flows Proprietary Fund

For The Year Ended December 31, 2003

	<u>Governmental Activities - Internal Service Fund</u>
Increase in cash and cash equivalents:	
Cash flows from operating activities:	
Cash payments for contractual services	\$ (2,011,180)
Cash received for reimbursements	<u>2,131,788</u>
Net increase in cash and cash equivalents	120,608
Cash and cash equivalents at beginning of year	<u>771,554</u>
Cash and cash equivalents at end of year	\$ <u><u>892,162</u></u>
Reconciliation of operating income to net cash from operating activities:	
Operating income	\$ 118,257
Adjustments to reconcile operating income to net cash from operating activities:	
Change in assets and liabilities:	
Increase in claims payable	<u>2,351</u>
Net cash provided by operating activities	\$ <u><u>120,608</u></u>

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

City of Brook Park, Ohio

Statement of Fiduciary Net Assets Fiduciary Funds

December 31, 2003

	<u>Agency</u>
Assets	
Cash and cash equivalents	\$ <u>93,750</u>
Liabilities	
Due to other governments	\$ 35,898
Due to others	20,790
Deposits held	<u>37,062</u>
Total liabilities	\$ <u>93,750</u>

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

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 1: The Reporting Entity

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

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Brook Park, this includes police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, refuse collection and general administrative services. The City's departments include a public safety department, a public service department, a street maintenance department, a sanitation system, a parks and recreation department, a planning and zoning department, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation of each of these activities and entities is directly controlled by the City Council through the budgetary process.

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

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

Jointly Governed Organizations

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

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

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 1: The Reporting Entity (continued)

The Board exercises total control over the operations of the Health Center including budgeting, appropriating, contracting and designating management. Each City's control is limited to its representation on the Board. In 2003, the City of Brook Park contributed \$142,655 of property tax levies to the Health Center.

Note 2: Summary of Significant Accounting Policies

The financial statements of the City of Brook Park have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

General Fund

The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Brook Park and/or the general laws of Ohio.

Economic Development Fund

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

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Capital Improvement Fund

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

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

Proprietary Funds

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

Internal Service Fund

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

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are agency funds.

C. Measurement Focus

Government-Wide Financial Statements

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

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

C. Measurement Focus (continued)

Fund Financial Statements

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

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

D. Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

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

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Revenues – Exchange and Non-Exchange Transactions (continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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, 2003, but which were levied to finance year 2004 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgetary Process

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

Tax Budget

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

Estimated Resources

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

On or about January 1 the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the Finance Director determines that revenue to be collected will be greater than or less than the prior estimates and the budget commission finds the revised estimates to be reasonable. The amounts reported in the budgetary statements as original represent the amounts in the first official certificate of estimated resources issued during 2003. The amounts reported in the budgetary statements as final reflect the amounts in the final amended official certificate of estimated resources issued during 2003.

Annual Estimate

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

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgetary Process (continued)

Appropriations

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

Lapsing of Appropriations

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

Budgeted Level of Expenditure

Administrative control is maintained through the establishment of detailed line-item budgets. Appropriated funds may not be expended for purposes other than those designated in the appropriation ordinance without authority from Council. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation adopted by Council. For all funds, except capital projects funds, Council appropriations are made to personal services, travel and education, contractual services, supplies and materials, capital outlay, other expenditures, debt principal and interest payments, and transfer accounts for each department. Capital projects funds are appropriated by department or project. The appropriations set by Council must remain fixed unless amended by Council ordinance. More detailed appropriation allocations may be made by the Finance Director as long as the allocations are within Council's appropriated amount.

Encumbrances

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

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

F. Pooled Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "cash and cash equivalents" on the balance sheet.

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost. For investments in open-end mutual funds, fair value is determined by the fund's share price.

The City complies with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. As a governmental entity other than an external investment pool in accordance with GASB 31, the City's investments are stated at fair value, except for interest-earning investment contracts, money market investments, and external investment pools (see Note 4).

In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of December 31, 2003:

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

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

Nonparticipating investment contracts, such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost. Money market investments, including U.S. Treasury and agency obligations that had a remaining maturity of one year or less at the time of purchase by the City, are reported at amortized cost.

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

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

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

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

F. Pooled Cash and Cash Equivalents (continued)

During the year, the City invested in STAROhio, an investment pool managed by the State Treasurer's office. STAROhio which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2003.

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

G. Inventory

Inventories are stated at cost, on the first-in, first-out basis. The cost of inventory items is recorded as expenditure in the governmental fund types and expenses in the proprietary fund types when used. Inventory consists of expendable supplies.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2003, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

I. Receivables

Receivables at December 31, 2003 consist of taxes, amounts due from other governments, accounts (billings for user charged services), special assessments, and accrued interest on investments. All are deemed collectible in full.

J. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

J. Capital Assets (continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

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

K. Interfund Balances

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

L. Compensated Absences

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

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

The entire compensated absence liability is reported on the government-wide financial statements.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

L. Compensated Absences (continued)

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The non-current portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances, inventories and prepaids.

O. Net Assets

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

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

P. Operating Revenues and Expenses

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

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 2: Summary of Significant Accounting Policies (continued)

Q. Grants and Intergovernmental Revenues

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

R. Contributions of Capital

Contributions of capital in governmental and business activities financial statements arise from outside contributions of capital assets from grants or outside contributions of resources restricted to capital acquisition and construction.

S. Interfund Activity

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

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither occurred in 2003

U. 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: Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual presented for the general and capital improvement funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 3: Budgetary Basis of Accounting (continued)

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

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

	<u>Net Change in Fund Balance</u>	
	<u>General</u>	<u>Economic Development</u>
GAAP Basis	\$ 1,348,987	\$ (8,378)
<u>Increase (Decrease) Due to:</u>		
Revenue Accruals	(33,878)	893,825
Expenditure Accruals	(82,837)	141,418
Outstanding Encumbrances	<u>(231,495)</u>	<u>(295,488)</u>
Budget Basis	\$ <u>1,000,777</u>	\$ <u>731,377</u>

Note 4: Deposits and Investments

The City's Charter specifies that investments of the City will adhere to state statutes. Under these statutes, the City Finance Director is responsible for selecting depositories and investing funds. The City, by statute, is to limit deposits and investments of City funds to insured demand deposit accounts, certificates of deposit, United States treasury bills, or obligations of other United States governmental agencies for which the principal and interest is guaranteed by the United States government, and repurchase agreements.

Protection of City cash and investments is provided by the various federal deposit insurance corporations as well as qualified securities pledged by the institutions holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105% of public funds deposited. At least quarterly the City determines that the collateral has a market value adequate to cover the deposits. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Deposits

At year end, the carrying amount of the City's deposits was \$16,835,424 and the bank balance was \$17,167,947 of the bank balance:

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 4: Deposits and Investments (continued)

1. \$300,000 was covered by the federal depository insurance.
2. \$16,867,947 was covered by collateral held by third party trustees pursuant to Section 135.181, Revised Code, in collateralized pools securing all public funds on deposit with specific depository institutions but not in the name of the City.

Investments

The City's investments are detailed below and are categorized to give an indication of the level of risk assumed by the City at year-end. The City's investments are categorized as either (1) insured or registered or for which the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name or, (3) uninsured and unregistered for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name.

<u>Description</u>	<u>Risk Category</u> 3	<u>Fair</u> <u>Value</u>
Federal National Mortgage Association	\$ 2,529,891	\$ 2,529,891
Federal National Loan Mortgage Company	2,001,934	2,001,934
Federal Farm Credit Bank	498,530	498,530
State Treasury Asset		
Reserve of Ohio *	-	188,863
 Total Investments	 \$ <u>5,030,355</u>	 \$ <u>5,219,218</u>

* Noncategorized

The classification of cash and cash equivalents and investments on the combined balance sheet is based on criteria set forth in GASB Statement No. 9 "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting". Cash and equivalents are defined to include investments with original maturities of three months or less and funds included within the City's cash management pool. Reconciliation between the classification of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	<u>Cash and</u> <u>Cash Equivalents</u>	<u>Investments</u>
GASB Statement No. 9	\$ 22,054,642	\$ -
Investments:		
U.S. Government Securities	(5,030,355)	5,030,355
STAROhio	(188,863)	188,863
 GASB Statement No. 3	 \$ <u>16,835,424</u>	 \$ <u>5,219,218</u>

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 5: Receivables

Receivables at December 31, 2003 consisted primarily of taxes, intergovernmental receivables arising from grants, entitlements or shared revenues, accounts, special assessments and interest on investments. All receivables are considered fully collectible.

A. Property Tax

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

Taxes collected on tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for *ad valorem* taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30; with the remainder payable by September 20.

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

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

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 5: Receivables (continued)

The full tax rate for all City operations for the year ended December 31, 2003, was \$4.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2003 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$ 419,960,460
Public Utility	14,367,430
Tangible Personal	<u>122,445,643</u>
Total	\$ <u><u>556,773,533</u></u>

B. Income Tax

The City levies and collects a 2 percent income tax on all income earned within the City as well as on income of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

The City, by ordinance, allocates income tax revenues and expenditures for collecting, administering, and enforcing the tax to the General and Capital Improvement Capital Projects Funds, at seventy and thirty percent, respectively. The Capital Improvement Capital Projects Fund further allocates income taxes to other capital projects funds, as operating transfers, through the budgetary process. Income tax receipts for 2003 were \$21,904,475.

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Local Government Funds	\$ 595,919
Estate Tax	16,559
Homestead and Rollback	121,159
Gasoline and Excise Tax	400,249
Public Utility Reimbursement	12,800
Permissive Tax	3,253
Liquor and Beer Permits	4,899
Miscellaneous Reimbursements	<u>110,303</u>
Total	\$ <u><u>1,265,141</u></u>

By statute, local property taxes have been reduced 10%, with additional reductions for the elderly and the disabled. The amount of these reductions will be paid to the City by the State of Ohio in the latter of part of 2003.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 6: Capital Assets

Capital asset activity for the year ended December 31, 2003, was as follows (see note 18 for explanation of restatement):

	Balances 12-31-02	Restated	Balance 12-31-02 Restated	Additions	Disposals	Balance 12-31-03
Governmental activities						
Nondepreciable assets:						
Land	\$ 4,216,308	\$ 60,000	\$ 4,276,308	\$ 139,729	\$ (60,000)	\$ 4,356,037
Construction in progress	<u>1,662,153</u>	<u>1,159,089</u>	<u>2,821,242</u>	<u>10,800,855</u>	<u>(2,324,066)</u>	<u>11,298,031</u>
Total nondepreciable assets	<u>5,878,461</u>	<u>1,219,089</u>	<u>7,097,550</u>	<u>10,940,584</u>	<u>(2,384,066)</u>	<u>15,654,068</u>
Depreciable assets:						
Buildings and improvements	16,754,551	-	16,754,551	526,809	(127,054)	17,154,306
Improvements other than buildings	2,007,426	-	2,007,426	66,530	(10,564)	2,063,392
Machinery & equipment	1,703,971	-	1,703,971	164,226	(43,018)	1,825,179
Furniture & fixtures	147,081	-	147,081	17,552	-	164,633
Vehicles	7,360,380	-	7,360,380	701,757	(374,095)	7,688,042
Infrastructure						
Streets	8,275,800	(832,000)	7,443,800	1,434,483	-	8,878,283
Sewers	15,964,800	(185,200)	15,779,600	185,200	-	15,964,800
Water lines	<u>242,000</u>	<u>-</u>	<u>242,000</u>	<u>-</u>	<u>-</u>	<u>242,000</u>
Total depreciable assets	<u>52,456,009</u>	<u>(1,017,200)</u>	<u>51,438,809</u>	<u>3,096,557</u>	<u>(554,731)</u>	<u>53,980,635</u>
Less accumulated depreciation:						
Buildings and improvements	(5,245,536)	694,091	(4,551,445)	(375,503)	30,621	(4,896,327)
Improvements other than buildings	(473,659)	(204,080)	(677,739)	(84,596)	9,061	(753,274)
Machinery & equipment	(773,322)	(75,956)	(849,278)	(109,709)	41,851	(917,136)
Furniture & fixtures	(55,876)	-	(55,876)	(10,386)	-	(66,262)
Vehicles	(2,924,093)	(222,909)	(3,147,002)	(432,297)	287,469	(3,291,830)
Infrastructure						
Streets	(3,181,990)	14,253	(3,167,737)	(288,653)	-	(3,456,390)
Sewers	(4,117,474)	3,704	(4,113,770)	(317,444)	-	(4,431,214)
Water lines	<u>(172,734)</u>	<u>-</u>	<u>(172,734)</u>	<u>(8,067)</u>	<u>-</u>	<u>(180,801)</u>
Total accumulated depreciation	<u>(16,944,684)</u>	<u>209,103</u>	<u>(16,735,581)</u>	<u>(1,626,655)</u>	<u>369,002</u>	<u>(17,993,234)</u>
Total depreciable assets, net	<u>35,511,325</u>	<u>(808,097)</u>	<u>34,703,228</u>	<u>1,469,902</u>	<u>(185,729)</u>	<u>35,987,401</u>
Governmental activities capital assets, net	\$ <u>41,389,786</u>	\$ <u>410,992</u>	\$ <u>41,800,778</u>	\$ <u>12,410,486</u>	\$ <u>(2,569,795)</u>	\$ <u>51,641,469</u>

*Depreciation expense was charged to governmental activities as follows:

General government	\$ 60,279
Security of persons and property	290,131
Leisure time activities	332,165
Community development	13,576
Basic utility services	534,322
Transportation	<u>396,182</u>
Total	\$ <u>1,626,655</u>

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 7: Notes Payable

Note activity for the year ended December 31, 2003, was as follows:

	<u>Balance</u> <u>12/31/02</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/03</u>
Street Improvements 1.25%	\$ -	\$ 915,000	\$ -	\$ 915,000
Aerospace Parkway Notes 1.60%	<u>-</u>	<u>1,600,000</u>	<u>-</u>	<u>1,600,000</u>
Total	<u>\$ -</u>	<u>\$ 2,515,000</u>	<u>\$ -</u>	<u>\$ 2,515,000</u>

All notes are backed by the full faith and credit of the City. The note liability is reflected in the fund which received the proceeds. All notes outstanding at year-end are bond anticipation notes. Typically, the notes will be refinanced until the projects are complete and the City determines it to be advantageous to issue bonds.

Note 8: Long-Term Debt

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

<u>Debt Issue</u>	<u>Original Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
General Obligation Bonds:			
International Exposition Center			
Road Improvements	1985	2%	\$ 750,000
Various Purpose Improvements	1995	4.6% - 5.4%	13,050,000

Changes in long-term debt activity for the year ended December 31, 2003 was as follows:

	<u>Balance</u> <u>12/31/02</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/03</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
General Obligation Bonds:					
International Exposition Center					
Road Improvements	\$ 126,000	\$ -	\$ 42,000	\$ 84,000	\$ 42,000
Various Purpose Improvements	<u>4,710,000</u>	<u>-</u>	<u>1,475,000</u>	<u>3,235,000</u>	<u>1,570,000</u>
Total General Obligation Bonds	<u>4,836,000</u>	<u>-</u>	<u>1,517,000</u>	<u>3,319,000</u>	<u>1,612,000</u>

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 8: Long-Term Debt (continued)

	<u>Balance</u> <u>12/31/02</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/03</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Capitalized Lease Agreements:					
Police Copier	1,277	-	1,277	-	-
Public Service Vehicles	46,255	418,177	188,925	275,507	135,636
Fire Department Rescue Vehicle	42,762	-	42,762	-	-
Police Sedans	18,821	83,390	47,474	54,737	26,950
Mayor's Office Copier	412	-	412	-	-
Police Van	10,824	-	10,824	-	-
Fire Vehicles	19,665	-	19,665	-	-
Firetrucks	1,123,696	-	104,368	1,019,328	108,981
Copier	-	9,544	1,506	8,038	2,300
Emergency Vehicle	-	<u>157,121</u>	<u>53,679</u>	<u>103,442</u>	<u>51,079</u>
Total Capital Leases	<u>1,263,712</u>	<u>668,232</u>	<u>470,892</u>	<u>1,461,052</u>	<u>324,946</u>
Accrued Compensated Absences	<u>1,979,081</u>	<u>-</u>	<u>226,511</u>	<u>1,752,570</u>	<u>271,892</u>
Total All Long-Term Debt	<u>\$ 8,078,793</u>	<u>\$ 668,232</u>	<u>\$ 2,214,403</u>	<u>\$ 6,532,622</u>	<u>\$ 2,208,838</u>

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. The International Exposition Center road improvement general obligation bonds outstanding at December 31, 2001, are to be repaid from a restricted portion of income taxes. Restricted income tax revenues are the tax withholdings on employees at the International Exposition Center, in excess of the base jobs and related withholding, adjusted annually by the change in the consumer price index. In the event that income tax revenues are not sufficient to meet annual principal and interest requirements, the City has reserved the right to levy and assess a special assessment on the property. Revenues will be received in and the debt will be repaid from the International Exposition Center debt service fund.

Compensated absences liabilities will be paid from the fund from which employees' salaries are paid. The claims payable for workers' compensation will be paid from the General Fund.

The City's overall legal debt margin was \$58,461,221 at December 31, 2003. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2003 are as follows:

	<u>General Obligations Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2004	\$ 1,612,000	\$ 175,165	\$ 1,787,165
2005	<u>1,707,000</u>	<u>90,330</u>	<u>1,797,330</u>
Totals	<u>\$ 3,319,000</u>	<u>\$ 265,495</u>	<u>\$ 3,584,495</u>

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 9: Capital Leases

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

	<u>Governmental Activities</u>
Assets:	
Machinery and Equipment	\$ 35,869
Less: Accumulated Depreciation	<u>(19,411)</u>
Total	\$ <u>16,458</u>
Vehicles	\$ 2,436,905
Less: Accumulated Depreciation	<u>(233,192)</u>
Total	\$ <u>2,203,713</u>

A computer lease with a value of \$81,963 is not included in the above amounts due to the individual assets making up the lease total do not meet the City's capitalization threshold policy.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2003, were as follows:

<u>Year</u>	<u>Payments</u>
2004	\$ 382,138
2005	382,653
2006	156,615
2007	154,895
2008	154,035
2009-2012	<u>462,107</u>
Total Minimum Lease Payments	1,692,443
Less: Amount Representing Interest	<u>(231,391)</u>
Present Value of Minimum Lease Payments	\$ <u>1,461,052</u>

Note 10: Compensated Absences

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

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

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 11: Pension Plans

A. Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

For the year ended December 31, 2003, the members of all three plans were required to contribute 8.5 percent of their annual covered salaries. The City of Brook Park's contribution rate for pension benefits for 2003 was 8.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City of Brook Park's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2003, 2002, and 2001 were \$586,385, \$604,431, and \$596,162 respectively, equal to the required contributions for each year. Contributions to the member-directed plan for 2003 were \$9,933 made by the City of Brook Park and \$6,231 made by the plan members.

B. Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10 percent of their annual covered salary, while employers are required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by state statute. The City of Brook Park's contributions to the Fund for police and firefighters were \$221,969 and \$310,900 for the year ended December 31, 2003, \$281,310 and \$399,157 for the year ended December 31, 2002, and \$275,174 and \$388,147 for the year ended December 31, 2001. The full amount has been contributed for 2002 and 2001. 73 percent for police and 72 percent for firefighters has been contributed for 2003 with the remainder being reported as a liability.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 12: Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. For local government employer units, the rate was 13.55 percent of covered payroll; 5.00 percent was the portion used to fund health care for the year. During 2003, the City's portion that was used to fund health care was \$342,910, representing 5.00 percent of covered payroll.

The postretirement health care coverage is advance-funded on an actuarially determined basis. The following assumptions and calculations were based on OPERS's latest actuarial review performed as of December 31, 2002; an entry age normal actuarial cost method of valuation is used in determining the present value of benefit liabilities; the difference between assumed and actual experience is part of the unfunded actuarial accrued liability; the investment assumption rate for 2002 was 8.00 percent; all investments are carried at market value; for actuarial valuation purposes, a smoothed market approach is used – meaning that assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets; individual pay increases are assumed to increase 4.00 percent compounded annually, with no change in the number of active employees; annual pay increases over and above the 4.00 percent base increase were assumed to range from 0.50 percent to 6.30 percent; and health care costs are assumed to increase 4.00 percent annually. The actuarially accrued postretirement health care liability for OPERS at December 31, 2002 was \$10,000,000,000. The net assets were \$18,700,000,000, leaving an unfunded actuarial accrued liability of \$8,700,000,000. The number of active participants was 364,881.

In December 2001, the Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

B. Ohio Police and Fire Pension Fund

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

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 12: Postemployment Benefits (continued)

B. Ohio Police and Fire Pension Fund (continued)

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (“OPEB”) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from the funds of OP&F shall be included in the employer’s contribution rate. The Ohio Revised Code provides the statutory authority allowing the OP&F’s Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2003. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The number of participants eligible to receive health care benefits as of December 31, 2002, the date of the last actuarial valuation available, was 13,527 for police and 10,396 for firefighters. The City’s actual contributions for 2003 that were used to fund post-employment benefits were \$146,405 for police and \$148,276 for firefighters. OP&F’s total health care expenses for the year ending December 31, 2002, the date of the last actuarial valuation available, was \$141,028,006, which was net of member contributions of \$12,623,875.

C. Other Post-Employment Benefits

The City, under local ordinance and employee bargaining contracts, provides post-retirement prescription drug coverage and life insurance for its retired employees and hospitalization for a retired employee’s spouse or surviving spouse who meet certain requirements. The cost of these benefits, provided for under the City’s existing group benefit policies, is paid solely by the City on a pay-as-you-go basis. The premiums for each type of benefit differs for those over and under age 65. The amount expended out of the general fund for each type of benefit and the number of participants in 2003 are:

<u>Benefit</u>	<u>Number of Participants</u>	<u>Amount Expended</u>
Hospitalization	4	\$ 22,209
Life	131	3,983
Prescription	2	<u>3,375</u>
		\$ <u>29,567</u>

Note 13: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the year, the City contracted with Wichert Insurance Services, Inc. to manage its insurance coverage. The coverage limits, on December 31, 2003, per occurrence for all types of coverage are as follows:

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 13: Risk Management (continued)

<u>Type of Coverage</u>	<u>Carrier</u>	<u>Coverage</u>
Property:		
Blanket building and contents	CNA Insurance	\$ 38,476,512
Boiler and machinery	CNA Insurance	5 million
Extra expense	CNA Insurance	1 million
Ordinance or Law	CNA Insurance	1 million

<u>Type of Coverage</u>	<u>Carrier</u>	<u>Coverage</u>
General Liability:		
Commercial General Liability	CNA Insurance	1 million
Employee Benefits	CNA Insurance	2 million
Employers Liability	CNA Insurance	2 million
EMT Liability	CNA Insurance	1 million
Automotive Liability	CNA Insurance	1 million
Excess Liability:		
Umbrella	CNA Insurance	5 million

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

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

The City provides two different medical plans for full time employees and their families. Both plans, the traditional plan and the select plan with a Preferred Provider Organization, are self-funded and administered by a third party administrator. All covered employees also received prescription drug coverage, vision and dental plans. Full time employees are covered by a \$25,000 term life insurance policy.

For the select plan, the preferred provider prices all claims which are then submitted to the third party administrator. The third party administrator reviews and processes the claims, which the City then pays. The City has stop loss coverage of \$200,000 in the aggregate. In 2003, the City funded the self-insurance reserve \$405.92 per month for single coverage and \$1,044.44 per month for family coverage for the traditional plan and \$360.79 per month for single coverage and \$931.60 per month for family coverage for the select plan. These rates are paid by the fund from which the employee's compensation is paid.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 13: Risk Management (continued)

The claims liability of \$241,612 as estimated by third party administrator and reported in the Internal Service Fund at December 31, 2003 is based on the requirements of the Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. Changes in the fund's claim liability amount for the years ended 2001, 2002, and 2003 are as follows:

	<u>Beginning of Year Liability</u>		<u>Current Year Claims and Changes in Estimates</u>		<u>Claim Payments</u>		<u>Balance at Year End</u>
2001	\$ 188,540	\$	1,213,216	\$	(1,189,741)	\$	212,015
2002	212,015		1,396,747		(1,369,501)		239,261
2003	239,261		1,563,168		(1,560,817)		241,612

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

Note 14: Construction and Other Significant Commitments

The City has several outstanding contracts with construction contractors. \$860,222 remains on these contracts as of December 31, 2003.

Note 15: Interfund Balances and Transfers

Interfund transfers for the year ended December 31, 2003, consisted of the following:

<u>Transfer to</u>	<u>Transfer From</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Improvement</u>	<u>Non-Major Governmental Funds</u>	
General Fund	\$ -	\$ -	\$ 400,000	\$ 400,000
Capital Improvement	400,000	-	-	400,000
Non-Major Governmental Funds	<u>1,270,870</u>	<u>1,740,310</u>	-	<u>3,011,180</u>
	<u>\$ 1,670,870</u>	<u>\$ 1,740,310</u>	<u>\$ 400,000</u>	<u>\$ 3,811,180</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 16: Contingencies/Pending Litigation

The City of Brook Park is involved in a variety of litigation. The City's management is of the opinion that the ultimate disposition of the other various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Note 17: Accountability

Fund Equity Deficit - Special Revenue Funds

There are deficits in the Police Pension, Fire Pension, Southwest General Health Center and Tri-City Senior Center Special Revenue Funds of \$141,543, \$184,192, \$776 and \$129, respectively, caused by the application of accounting principles generally accepted in the United States of America to these funds. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

Note 18: Restatement of Prior Year Fund Balances

	<u>General Fund</u>	<u>Economic Development Fund</u>	<u>Nonmajor Governmental Funds</u>
Fund Balances, December 31, 2002 as			
Previously Reported	\$ 10,129,847	\$ -	\$ 3,001,265
Fund Reclassification	677,636	-	(677,636)
Fund Reclassed as a Major Fund	<u> </u>	<u>942,193</u>	<u>(942,193)</u>
Restated Fund Balances, December 31, 2002	\$ <u>10,807,483</u>	\$ <u>942,193</u>	\$ <u>1,381,436</u>
			<u>Governmental Activities</u>
Net Assets, December 31, 2002			\$ 54,427,777
Restatement Adjustments:			
Capital Assets			410,992
Accrued Interest Payable			(36,818)
Long-Term (Deferred) Assets			<u>120,549</u>
Net Assets of Governmental Activities, December 31, 2002			\$ <u>54,922,500</u>

Capital assets have been restated due to items being duplicated in the prior year. Accrued interest payable has also been restated as it was inadvertently not recorded in the prior year. Long-term (deferred) assets have been restated for intergovernmental revenue related to homestead/rollback property taxes recorded as property tax receivable in the prior year.

City of Brook Park, Ohio

Notes To The Basic Financial Statements

For The Year Ended December 31, 2003

Note 18: Restatement of Prior Year Fund Balances (continued)

The General Fund budgetary statements beginning fund balance has been restated for a fund reclassification. The General and Nonmajor Governmental Funds fund balances in the Statement of Revenues, Expenditures and Changes in Fund Balances have also been restated due to the same fund reclassification.

City of Brook Park, Ohio

Combining Statements and Individual Fund Schedules Non-Major Governmental Funds

Non-Major Special Revenue Funds

Street Maintenance Fund

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

State Highway Fund

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

Permissive Tax Fund

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

Brookpark Road Corridor Fund

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

Special Recreation Fund

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

Law Enforcement Fund

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

DWI Enforcement and Education Fund

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

Police Pension Fund

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

Fire Pension Fund

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

City of Brook Park, Ohio

Combining Statements and Individual Fund Schedules Non-Major Governmental Funds

Non-Major Special Revenue Funds (continued)

Southwest General Health Center Fund

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

Tri-City Senior Center Fund

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

Non-Major Debt Service Fund

General Obligation Debt Service Fund

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

City of Brook Park, Ohio

Combining Balance Sheet Non-Major Governmental Funds

December 31, 2003

	<u>Non-Major Special Revenue</u>	<u>Non-Major General Obligation</u>	<u>Total Non-Major Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 988,711	\$ 413,025	\$ 1,401,736
Taxes receivable	517,879	-	517,879
Intergovernmental receivable	400,249	-	400,249
Special assessments receivable	-	4,239	4,239
Total assets	\$ <u>1,906,839</u>	\$ <u>417,264</u>	\$ <u>2,324,103</u>
Liabilities:			
Accounts payable	\$ 60,002	\$ 4,850	\$ 64,852
Accrued wages and benefits	374,859	-	374,859
Due to other governments	17,364	-	17,364
Deferred revenue	<u>810,076</u>	<u>4,239</u>	<u>814,315</u>
Total liabilities	<u>1,262,301</u>	<u>9,089</u>	<u>1,271,390</u>
Fund balance:			
Reserve for encumbrances	26,904	-	26,904
Unreserved	<u>617,634</u>	<u>408,175</u>	<u>1,025,809</u>
Total fund balance	<u>644,538</u>	<u>408,175</u>	<u>1,052,713</u>
Total liabilities and fund balance	\$ <u>1,906,839</u>	\$ <u>417,264</u>	\$ <u>2,324,103</u>

City of Brook Park, Ohio

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

For The Year Ended December 31, 2003

	<u>Non-Major Special Revenue</u>	<u>Non-Major General Obligation</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Property taxes	\$ 439,336	\$ -	\$ 439,336
Intergovernmental	825,163	-	825,163
Fines & forfeitures	57,922	-	57,922
Special assessments	-	4,282	4,282
Investment income	4,530	-	4,530
Miscellaneous income	<u>105,359</u>	<u>-</u>	<u>105,359</u>
Total revenues	<u>1,432,310</u>	<u>4,282</u>	<u>1,436,592</u>
Expenditures:			
Security of persons & property	1,117,275	-	1,117,275
Public health	160,229	-	160,229
Leisure time activities	133,471	-	133,471
Community development	6,062	-	6,062
Transportation	1,202,167	-	1,202,167
Principal retirement	-	1,517,000	1,517,000
Interest and fiscal charges	<u>-</u>	<u>259,073</u>	<u>259,073</u>
Total expenditures	<u>2,619,204</u>	<u>1,776,073</u>	<u>4,395,277</u>
Excess of revenues over (under) expenditures	<u>(1,186,894)</u>	<u>(1,771,791)</u>	<u>(2,958,685)</u>
Other financing sources (uses):			
Transfers-in	1,240,000	1,771,180	3,011,180
Transfers - out	(400,000)	-	(400,000)
Inception of capital lease	<u>18,782</u>	<u>-</u>	<u>18,782</u>
Total other financing sources (uses)	<u>858,782</u>	<u>1,771,180</u>	<u>2,629,962</u>
Net change in fund balance	(328,112)	(611)	(328,723)
Fund balance at beginning of year	<u>972,650</u>	<u>408,786</u>	<u>1,381,436</u>
Fund balance at end of year	\$ <u>644,538</u>	\$ <u>408,175</u>	\$ <u>1,052,713</u>

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City of Brook Park, Ohio

Combining Balance Sheet Non-Major Special Revenue Funds

December 31, 2003

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Permissive Tax</u>	<u>Brook Park Road Corridor</u>
Assets:				
Cash and cash equivalents	\$ 43,971	\$ 26,715	\$ 204,434	\$ 521,081
Receivables:				
Taxes	-	-	-	-
Intergovernmental	<u>370,230</u>	<u>30,019</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>414,201</u>	\$ <u>56,734</u>	\$ <u>204,434</u>	\$ <u>521,081</u>
Liabilities:				
Accounts payable	\$ 930	\$ -	\$ -	\$ -
Accrued wages and benefits	40,848	3,734	-	-
Due to other governments	15,879	1,485	-	-
Deferred revenue	<u>270,282</u>	<u>21,915</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>327,939</u>	<u>27,134</u>	<u>-</u>	<u>-</u>
Fund balance:				
Reserved for encumbrances	11,571	1,058	10,535	52
Unreserved; undesignated (deficit)	<u>74,691</u>	<u>28,542</u>	<u>193,899</u>	<u>521,029</u>
Total fund balances (deficit)	<u>86,262</u>	<u>29,600</u>	<u>204,434</u>	<u>521,081</u>
Total liabilities and fund balances	\$ <u>414,201</u>	\$ <u>56,734</u>	\$ <u>204,434</u>	\$ <u>521,081</u>

<u>Special Recreation</u>	<u>Law Enforcement</u>	<u>DWI Enforcement and Education</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Southwest General Health Center</u>	<u>Tri-City Senior Center</u>	<u>Total Non-Major Special Revenue Fund</u>
\$ 79,020	\$ 36,201	\$ 21,142	\$ 1,993	\$ 2,549	\$ 44,322	\$ 7,283	\$ 988,711
-	-	-	176,550	176,550	146,756	18,023	517,879
-	-	-	-	-	-	-	400,249
<u>\$ 79,020</u>	<u>\$ 36,201</u>	<u>\$ 21,142</u>	<u>\$ 178,543</u>	<u>\$ 179,099</u>	<u>\$ 191,078</u>	<u>\$ 25,306</u>	<u>\$ 1,906,839</u>
\$ -	\$ 6,562	\$ -	\$ -	\$ -	\$ 45,098	\$ 7,412	\$ 60,002
-	-	-	143,536	186,741	-	-	374,859
-	-	-	-	-	-	-	17,364
-	-	-	176,550	176,550	146,756	18,023	810,076
<u>-</u>	<u>6,562</u>	<u>-</u>	<u>320,086</u>	<u>363,291</u>	<u>191,854</u>	<u>25,435</u>	<u>1,262,301</u>
3,688	-	-	-	-	-	-	26,904
<u>75,332</u>	<u>29,639</u>	<u>21,142</u>	<u>(141,543)</u>	<u>(184,192)</u>	<u>(776)</u>	<u>(129)</u>	<u>617,634</u>
<u>79,020</u>	<u>29,639</u>	<u>21,142</u>	<u>(141,543)</u>	<u>(184,192)</u>	<u>(776)</u>	<u>(129)</u>	<u>644,538</u>
<u>\$ 79,020</u>	<u>\$ 36,201</u>	<u>\$ 21,142</u>	<u>\$ 178,543</u>	<u>\$ 179,099</u>	<u>\$ 191,078</u>	<u>\$ 25,306</u>	<u>\$ 1,906,839</u>

City of Brook Park, Ohio

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

For The Year Ended December 31, 2003

	Street <u>Maintenance</u>	State <u>Highway</u>	Permissive <u>Tax</u>	Brook Park Road <u>Corridor</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	697,843	56,583	49,089	-
Fines and forfeitures	-	-	-	-
Investment income	1,000	517	3,013	-
Miscellaneous income	-	-	-	-
Total revenues	<u>698,843</u>	<u>57,100</u>	<u>52,102</u>	<u>-</u>
Expenditures:				
Security of persons & property	-	-	-	-
Public health	-	-	-	-
Leisure time activities	-	-	-	-
Community development	-	-	-	6,062
Transportation	<u>1,104,237</u>	<u>63,179</u>	<u>34,751</u>	<u>-</u>
Total expenditures	<u>1,104,237</u>	<u>63,179</u>	<u>34,751</u>	<u>6,062</u>
Excess of revenues over (under) expenditures	<u>(405,394)</u>	<u>(6,079)</u>	<u>17,351</u>	<u>(6,062)</u>
Other financing sources (uses):				
Transfers-in	435,000	-	-	-
Transfers - out	-	-	-	(400,000)
Inception of capital lease	-	-	-	-
Total other financing sources (uses)	<u>435,000</u>	<u>-</u>	<u>-</u>	<u>(400,000)</u>
Net change in fund balances	29,606	(6,079)	17,351	(406,062)
Fund balance (deficit) at beginning of year	<u>56,656</u>	<u>35,679</u>	<u>187,083</u>	<u>927,143</u>
Fund balance (deficit) at end of year	\$ <u><u>86,262</u></u>	\$ <u><u>29,600</u></u>	\$ <u><u>204,434</u></u>	\$ <u><u>521,081</u></u>

Special Recreation	Law Enforcement	DWI Enforcement and Education	Police Pension	Fire Pension	Southwest General Health Center	Tri-City Senior Center	Total Non-Major Special Revenue Fund
\$ -	\$ -	\$ -	\$ 147,168	\$ 147,168	\$ 128,900	\$ 16,100	\$ 439,336
-	-	-	7,324	-	12,979	1,345	825,163
-	57,662	260	-	-	-	-	57,922
-	-	-	-	-	-	-	4,530
<u>102,200</u>	<u>3,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,359</u>
<u>102,200</u>	<u>60,821</u>	<u>260</u>	<u>154,492</u>	<u>147,168</u>	<u>141,879</u>	<u>17,445</u>	<u>1,432,310</u>
-	68,747	5,660	462,156	580,712	-	-	1,117,275
-	-	-	-	-	142,655	17,574	160,229
133,471	-	-	-	-	-	-	133,471
-	-	-	-	-	-	-	6,062
-	-	-	-	-	-	-	<u>1,202,167</u>
<u>133,471</u>	<u>68,747</u>	<u>5,660</u>	<u>462,156</u>	<u>580,712</u>	<u>142,655</u>	<u>17,574</u>	<u>2,619,204</u>
<u>(31,271)</u>	<u>(7,926)</u>	<u>(5,400)</u>	<u>(307,664)</u>	<u>(433,544)</u>	<u>(776)</u>	<u>(129)</u>	<u>(1,186,894)</u>
-	-	-	330,000	475,000	-	-	1,240,000
-	-	-	-	-	-	-	(400,000)
-	<u>18,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,782</u>
-	<u>18,782</u>	<u>-</u>	<u>330,000</u>	<u>475,000</u>	<u>-</u>	<u>-</u>	<u>858,782</u>
(31,271)	10,856	(5,400)	22,336	41,456	(776)	(129)	(328,112)
<u>110,291</u>	<u>18,783</u>	<u>26,542</u>	<u>(163,879)</u>	<u>(225,648)</u>	<u>-</u>	<u>-</u>	<u>972,650</u>
\$ <u>79,020</u>	\$ <u>29,639</u>	\$ <u>21,142</u>	\$ <u>(141,543)</u>	\$ <u>(184,192)</u>	\$ <u>(776)</u>	\$ <u>(129)</u>	\$ <u>644,538</u>

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City of Brook Park, Ohio

Combining Statements

For The Year Ended December 31, 2003

Agency Funds

Cash Bonds Held Fund

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

Payroll Deduction Employees' Share Fund

The Payroll Deduction Employees' Share Fund accounts for employees' payroll deductions which are to be distributed to other agencies.

Mayor's Court Fund

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

Board of Building Standards Fund

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

City of Brook Park, Ohio

Combining Statement of Assets and Liabilities Agency Funds

December 31, 2003

	<u>Cash Bonds Held</u>	<u>Payroll Deduction Employees' Share</u>
Assets:		
Cash and Cash Equivalents	\$ <u>29,404</u>	\$ <u>29,209</u>
Liabilities:		
Due to Other Governments	\$ -	\$ 29,209
Due to Others	-	-
Deposits Held	<u>29,404</u>	<u>-</u>
Total Liabilities	\$ <u>29,404</u>	\$ <u>29,209</u>

<u>Mayor's Court</u>	<u>Board of Building Standards</u>	<u>Total</u>
\$ <u>34,440</u>	\$ <u>697</u>	\$ <u>93,750</u>
\$ 6,689	\$ -	\$ 35,898
20,790	-	20,790
<u>6,961</u>	<u>697</u>	<u>37,062</u>
\$ <u>34,440</u>	\$ <u>697</u>	\$ <u>93,750</u>

City of Brook Park, Ohio

Combining Statement of Changes in Assets and Liabilities Agency Funds

For The Year Ended December 31, 2003

	Balance December 31, <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2003</u>
Cash Bonds Held Fund				
Assets:				
Cash and Cash Equivalents	\$ <u>15,772</u>	\$ <u>13,632</u>	\$ <u>-</u>	\$ <u>29,404</u>
Liabilities:				
Deposits Held	\$ <u>15,772</u>	\$ <u>13,632</u>	\$ <u>-</u>	\$ <u>29,404</u>
Total Liabilities	\$ <u>15,772</u>	\$ <u>13,632</u>	\$ <u>-</u>	\$ <u>29,404</u>
Payroll Deduction Employees' Share Fund				
Assets:				
Cash and Cash Equivalents	\$ <u>44,674</u>	\$ <u>29,209</u>	\$ <u>44,674</u>	\$ <u>29,209</u>
Liabilities:				
Due to Other Governments	\$ <u>44,674</u>	\$ <u>29,209</u>	\$ <u>44,674</u>	\$ <u>29,209</u>
Mayor's Court Fund				
Assets:				
Cash and Cash Equivalents	\$ <u>32,982</u>	\$ <u>400,173</u>	\$ <u>398,715</u>	\$ <u>34,440</u>
Liabilities:				
Due to Other Governments	\$ 23,698	\$ 69,023	\$ 86,032	\$ 6,689
Due to Other Funds	-	278,887	258,097	20,790
Deposits Held	<u>9,284</u>	<u>52,263</u>	<u>54,586</u>	<u>6,961</u>
Total Liabilities	\$ <u>32,982</u>	\$ <u>400,173</u>	\$ <u>398,715</u>	\$ <u>34,440</u>

Continued

City of Brook Park, Ohio

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

For The Year Ended December 31, 2003

	Balance December 31, <u>2002</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2003</u>
Board of Building Standards				
Assets:				
Cash and Cash Equivalents	\$ <u>1,319</u>	\$ <u>4,645</u>	\$ <u>5,267</u>	\$ <u>697</u>
Liabilities:				
Deposits Held	\$ <u>1,319</u>	\$ <u>4,645</u>	\$ <u>5,267</u>	\$ <u>697</u>
Total – All Agency Funds				
Assets:				
Cash and Cash Equivalents	\$ <u>94,747</u>	\$ <u>447,659</u>	\$ <u>448,656</u>	\$ <u>93,750</u>
Liabilities:				
Due to Other Governments	\$ 68,372	\$ 98,232	\$ 130,706	\$ 35,898
Due to Other Funds	-	278,887	258,097	20,790
Deposits Held	<u>26,375</u>	<u>70,540</u>	<u>59,853</u>	<u>37,062</u>
Total Liabilities	\$ <u>94,747</u>	\$ <u>447,659</u>	\$ <u>448,656</u>	\$ <u>93,750</u>

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

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual General Fund For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 1,963,518	\$ 1,951,859	\$ 1,942,116	\$ (9,743)
Municipal income taxes	14,775,000	16,208,469	16,208,469	-
Other local taxes	305,000	293,267	293,267	-
Intergovernmental	1,420,931	1,392,223	1,392,233	10
Charges for services	851,270	827,396	827,396	-
Licenses and permits	399,500	465,204	465,204	-
Fines and forfeitures	326,775	306,294	306,294	-
Investment income	257,162	274,245	274,245	-
Miscellaneous revenue	<u>173,687</u>	<u>223,751</u>	<u>223,751</u>	<u>-</u>
Total revenues	<u>20,472,843</u>	<u>21,942,708</u>	<u>21,932,975</u>	<u>(9,733)</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Correctional facility				
Personal services	96,048	148,798	148,091	707
Travel and education	-	125	121	4
Contractual services	7,633	7,453	6,669	784
Supplies and materials	<u>27,835</u>	<u>35,790</u>	<u>34,966</u>	<u>824</u>
Total correctional facility	<u>131,516</u>	<u>192,166</u>	<u>189,847</u>	<u>2,319</u>
School guards				
Personal services	73,283	73,283	66,855	6,428
Supplies and materials	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total school guards	<u>73,783</u>	<u>73,783</u>	<u>66,855</u>	<u>6,928</u>
Fire department				
Personal services	3,033,728	3,126,456	3,094,223	32,233
Travel and education	6,566	9,546	9,543	3
Contractual services	83,163	157,443	149,104	8,339
Supplies and materials	<u>96,262</u>	<u>53,992</u>	<u>53,009</u>	<u>983</u>
Total fire department	<u>3,219,719</u>	<u>3,347,437</u>	<u>3,305,879</u>	<u>41,558</u>
Police department				
Personal services	3,108,589	3,077,504	3,064,677	12,827
Travel and education	17,955	23,388	23,065	323
Contractual services	108,680	186,377	180,603	5,774
Supplies and materials	<u>169,365</u>	<u>106,166</u>	<u>104,068</u>	<u>2,098</u>
Total police department	<u>3,404,589</u>	<u>3,393,435</u>	<u>3,372,413</u>	<u>21,022</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual General Fund (Continued) **For The Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Animal control				
Personal services	111,980	112,240	111,915	325
Travel and education	500	910	885	25
Contractual services	18,248	40,801	38,716	2,085
Supplies and materials	<u>7,665</u>	<u>7,201</u>	<u>6,693</u>	<u>508</u>
Total animal control	<u>138,393</u>	<u>161,152</u>	<u>158,209</u>	<u>2,943</u>
Safety director				
Personal services	154,491	158,266	156,695	1,571
Travel and education	1,500	1,500	1,432	68
Contractual services	3,742	3,842	2,699	1,143
Supplies and materials	<u>3,655</u>	<u>3,555</u>	<u>2,770</u>	<u>785</u>
Total safety director	<u>163,388</u>	<u>167,163</u>	<u>163,596</u>	<u>3,567</u>
Safety building				
Personal services	494,498	474,498	457,906	16,592
Travel and education	2,500	3,729	3,729	-
Contractual services	95,254	97,489	88,412	9,077
Supplies and materials	<u>17,038</u>	<u>8,574</u>	<u>7,068</u>	<u>1,506</u>
Total safety building	<u>609,290</u>	<u>584,290</u>	<u>557,115</u>	<u>27,175</u>
Safety town				
Personal services	4,172	6,035	6,035	-
Contractual services	1,960	2,385	2,383	2
Supplies and materials	<u>1,200</u>	<u>775</u>	<u>742</u>	<u>33</u>
Total safety town	<u>7,332</u>	<u>9,195</u>	<u>9,160</u>	<u>35</u>
Street lighting				
Contractual services	313,214	297,714	267,747	29,967
Supplies and materials	<u>4,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total street lighting	<u>317,714</u>	<u>297,714</u>	<u>267,747</u>	<u>29,967</u>
Traffic lights				
Contractual services	94,407	109,407	100,860	8,547
Supplies and materials	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total traffic lights	<u>109,407</u>	<u>109,407</u>	<u>100,860</u>	<u>8,547</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Disaster services				
Personal services	14,197	16,409	16,399	10
Contractual services	4,455	2,325	922	1,403
Supplies and materials	4,420	6,550	5,848	702
Total disaster services	<u>23,072</u>	<u>25,284</u>	<u>23,169</u>	<u>2,115</u>
Total security of persons and property	<u>8,198,203</u>	<u>8,361,026</u>	<u>8,214,850</u>	<u>146,176</u>
Public health and welfare				
County board of health				
Contractual services	<u>65,776</u>	<u>65,776</u>	<u>65,776</u>	<u>-</u>
Total public health and welfare	<u>65,776</u>	<u>65,776</u>	<u>65,776</u>	<u>-</u>
Leisure time activities				
Parks and recreation				
Personal services	59,100	86,338	86,338	-
Contractual services	85,260	61,695	57,447	4,248
Supplies and materials	100	31,000	29,604	1,396
Total parks and recreation	<u>144,460</u>	<u>179,033</u>	<u>173,389</u>	<u>5,644</u>
Recreation commission				
Personal services	14,168	14,168	13,895	273
Travel and education	500	500	-	500
Supplies and materials	100	100	28	72
Total recreation commission	<u>14,768</u>	<u>14,768</u>	<u>13,923</u>	<u>845</u>
Recreation center				
Personal services	874,731	921,231	917,494	3,737
Travel and education	1,040	1,441	1,317	124
Contractual services	455,542	485,716	471,112	14,604
Supplies and materials	102,542	48,964	43,983	4,981
Other expenditures	550	550	238	312
Total recreation center	<u>1,434,405</u>	<u>1,457,902</u>	<u>1,434,144</u>	<u>23,758</u>
Home day celebration				
Personal services	10,186	12,751	12,751	-
Contractual services	43,700	46,283	46,174	109
Supplies and materials	6,600	6,519	6,519	-
Total home day celebration	<u>60,486</u>	<u>65,553</u>	<u>65,444</u>	<u>109</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Parks and play grounds				
Personal services	466,414	466,414	457,616	8,798
Travel and education	48,804	50	32	18
Contractual services	100	113,726	108,131	5,595
Supplies and materials	<u>70,170</u>	<u>26,046</u>	<u>26,039</u>	<u>7</u>
Total parks and play grounds	<u>585,488</u>	<u>606,236</u>	<u>591,818</u>	<u>14,418</u>
Public recreation				
Personal services	20,572	15,389	12,761	2,628
Travel and education	100	100	-	100
Contractual services	70,500	106,495	98,606	7,889
Supplies and materials	<u>37,562</u>	<u>15,250</u>	<u>14,810</u>	<u>440</u>
Total public recreation	<u>128,734</u>	<u>137,234</u>	<u>126,177</u>	<u>11,057</u>
Total leisure time activities	<u>2,368,341</u>	<u>2,460,726</u>	<u>2,404,895</u>	<u>55,831</u>
Community development				
Planning commission				
Personal services	14,392	13,892	13,892	-
Supplies and materials	<u>-</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total planning commission	<u>14,392</u>	<u>14,392</u>	<u>13,892</u>	<u>500</u>
Community development				
Personal services	88,837	89,137	88,787	350
Travel and education	4,000	3,270	2,616	654
Contractual services	2,590	3,390	3,192	198
Supplies and materials	<u>840</u>	<u>770</u>	<u>599</u>	<u>171</u>
Total community development	<u>96,267</u>	<u>96,567</u>	<u>95,194</u>	<u>1,373</u>
Airport relations				
Personal services	146,070	146,570	146,358	212
Travel and education	2,000	2,000	730	1,270
Contractual services	26,594	26,595	16,199	10,396
Materials and supplies	2,165	3,717	835	2,882
Other expenditures	<u>2,053</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total airport relations	<u>178,882</u>	<u>178,882</u>	<u>164,122</u>	<u>14,760</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Board of zoning appeals				
Personal services	16,670	16,670	16,438	232
Building department				
Personal services	499,208	497,208	492,382	4,826
Travel and education	3,120	2,827	2,827	-
Contractual services	27,071	32,289	29,403	2,886
Supplies and materials	8,875	8,118	6,534	1,584
Other expenditures	200	7,175	6,917	258
Total building department	538,474	547,617	538,063	9,554
Tree and tree lawns				
Personal services	261,620	309,362	302,958	6,404
Travel and education	-	40	40	-
Contractual services	1,375	7,520	6,228	1,292
Supplies and materials	6,104	2,779	2,694	85
Total tree and tree lawns	269,099	319,701	311,920	7,781
Total community development	1,113,784	1,173,829	1,139,629	34,200
Basic utility services				
Service director				
Personal services	484,305	486,205	484,279	1,926
Travel and education	1,500	760	360	400
Contractual services	6,550	16,724	15,328	1,396
Supplies and materials	10,765	3,332	2,903	429
Total service director	503,120	507,021	502,870	4,151
Service building				
Personal services	117,302	117,542	116,516	1,026
Contractual services	167,042	228,731	207,776	20,955
Supplies and materials	72,841	49,150	34,190	14,960
Total service building	357,185	395,423	358,482	36,941
Sanitation department				
Personal services	786,945	786,945	775,048	11,897
Travel and education	100	100	-	100
Contractual services	3,148	111,278	96,274	15,004
Supplies and materials	542,616	464,488	464,038	450
Total sanitation department	1,332,809	1,362,811	1,335,360	27,451

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Sewers, drains, and pump stations				
Personal services	531,735	548,336	546,545	1,791
Travel and education	150	686	686	-
Contractual services	55,156	107,787	98,835	8,952
Supplies and materials	59,334	50,667	48,308	2,359
Total sewers, drains, and pump stations	646,375	707,476	694,374	13,102
Total basic utility services	2,839,489	2,972,731	2,891,086	81,645
Transportation				
Street cleaning				
Personal services	59,339	60,942	60,654	288
Travel and education	-	81	40	41
Contractual services	-	3,548	1,646	1,902
Supplies and materials	9,987	3,357	3,357	-
Total street cleaning	69,326	67,928	65,697	2,231
Traffic signs				
Personal services	60,972	57,084	51,490	5,594
Contractual services	11,179	11,512	9,954	1,558
Supplies and materials	-	1,668	1,653	15
Total traffic signs	72,151	70,264	63,097	7,167
Snow removal				
Personal services	158,195	158,195	145,782	12,413
Contractual services	1,237	98,725	96,770	1,955
Supplies and materials	542,557	445,070	429,388	15,682
Total snow removal	701,989	701,990	671,940	30,050
Total transportation	843,466	840,182	800,734	39,448
General government				
City council				
Personal services	134,386	134,386	134,386	-
Travel and education	15,000	21,250	16,634	4,616
Contractual services	22,259	23,759	16,032	7,727
Supplies and materials	8,000	6,500	3,745	2,755
Total city council	179,645	185,895	170,797	15,098

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 General Fund (Continued)
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Clerk of council				
Personal services	129,006	129,506	129,030	476
Travel and education	3,000	3,250	3,213	37
Contractual services	3,377	3,377	2,872	505
Supplies and materials	<u>576</u>	<u>326</u>	<u>157</u>	<u>169</u>
Total clerk of council	<u>135,959</u>	<u>136,459</u>	<u>135,272</u>	<u>1,187</u>
Mayor's court				
Personal services	92,879	93,379	93,123	256
Travel and education	1,500	1,596	1,566	30
Contractual services	8,562	9,262	9,076	186
Supplies and materials	<u>2,700</u>	<u>1,904</u>	<u>1,664</u>	<u>240</u>
Total mayor's court	<u>105,641</u>	<u>106,141</u>	<u>105,429</u>	<u>712</u>
Civil services commission				
Personal services	33,242	33,242	32,838	404
Travel and education	700	300	231	69
Contractual services	11,452	12,251	11,794	457
Supplies and materials	<u>10,993</u>	<u>10,593</u>	<u>9,342</u>	<u>1,251</u>
Total civil services commission	<u>56,387</u>	<u>56,386</u>	<u>54,205</u>	<u>2,181</u>
Mayor's office				
Personal services	263,081	265,582	265,015	567
Travel and education	6,000	3,650	3,644	6
Contractual services	12,358	11,147	10,609	538
Supplies and materials	<u>9,858</u>	<u>11,119</u>	<u>9,641</u>	<u>1,478</u>
Total mayor's office	<u>291,297</u>	<u>291,498</u>	<u>288,909</u>	<u>2,589</u>
Human Resources				
Personal services	83,160	83,460	83,156	304
Travel and education	2,500	1,650	1,485	165
Contractual services	8,401	12,500	10,838	1,662
Supplies and materials	<u>1,146</u>	<u>697</u>	<u>391</u>	<u>306</u>
Total human resources	<u>95,207</u>	<u>98,307</u>	<u>95,870</u>	<u>2,437</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 General Fund (Continued)
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public properties				
Personal services	297,566	277,566	271,169	6,397
Travel and education	150	150	31	119
Contractual services	48,607	50,013	39,156	10,857
Supplies and materials	<u>12,546</u>	<u>11,141</u>	<u>10,444</u>	<u>697</u>
Total public properties	<u>358,869</u>	<u>338,870</u>	<u>320,800</u>	<u>18,070</u>
Legal department				
Personal services	290,899	323,898	321,097	2,801
Travel and education	3,000	3,000	2,002	998
Contractual services	6,642	6,593	5,300	1,293
Supplies and materials	<u>700</u>	<u>750</u>	<u>667</u>	<u>83</u>
Total legal department	<u>301,241</u>	<u>334,241</u>	<u>329,066</u>	<u>5,175</u>
Finance department				
Personal services	337,829	327,829	319,459	8,370
Travel and education	5,000	5,205	5,049	156
Contractual services	82,610	81,690	81,296	394
Supplies and materials	<u>8,942</u>	<u>9,627</u>	<u>9,300</u>	<u>327</u>
Total finance department	<u>434,381</u>	<u>424,351</u>	<u>415,104</u>	<u>9,247</u>
Historical committee				
Personal services				
Travel and education				
Contractual services	9,564	1,864	1,219	645
Supplies and materials	<u>500</u>	<u>200</u>	<u>184</u>	<u>16</u>
Total historical committee	<u>10,064</u>	<u>2,064</u>	<u>1,403</u>	<u>661</u>
Purchasing commissioner				
Personal services	80,852	-	-	-
Travel and education	2,000	-	-	-
Contractual services	6,000	-	-	-
Supplies and materials	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total purchasing commissioner	<u>94,852</u>	<u>-</u>	<u>-</u>	<u>-</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 General Fund (Continued)
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Income tax department				
Personal services	178,946	178,946	170,042	8,904
Travel and education	3,367	2,807	2,480	327
Contractual services	40,628	41,748	37,156	4,592
Supplies and materials	5,799	5,589	1,806	3,783
Other expenditures	<u>175,350</u>	<u>175,000</u>	<u>145,669</u>	<u>29,331</u>
Total income tax department	<u>404,090</u>	<u>404,090</u>	<u>357,153</u>	<u>46,937</u>
Tax review board				
Personal services	<u>4,023</u>	<u>4,022</u>	<u>4,006</u>	<u>16</u>
High risk review board				
Personal services	<u>9,775</u>	<u>9,775</u>	<u>9,750</u>	<u>25</u>
Retirees				
Personal services	<u>279,745</u>	<u>182,316</u>	<u>182,133</u>	<u>183</u>
Mechanics				
Personal services	435,066	435,066	419,429	15,637
Travel and education	200	1,200	993	207
Contractual services	-	950	180	770
Supplies and materials	<u>6,001</u>	<u>6,551</u>	<u>5,859</u>	<u>692</u>
Total mechanics	<u>441,267</u>	<u>443,767</u>	<u>426,461</u>	<u>17,306</u>
Engineering				
Contractual services	<u>48,000</u>	<u>48,000</u>	<u>48,000</u>	<u>-</u>
Lands and buildings				
Contractual services	146,695	112,316	98,856	13,460
Supplies and materials	<u>28,370</u>	<u>24,078</u>	<u>21,807</u>	<u>2,271</u>
Total lands and buildings	<u>175,065</u>	<u>136,394</u>	<u>120,663</u>	<u>15,731</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other general government				
Personal services	303,621	328,749	326,050	2,699
Travel and education	500	1,050	500	550
Contractual services	455,461	532,110	441,034	91,076
Materials and supplies	18,185	18,185	16,699	1,486
Other expenditures	<u>271,331</u>	<u>303,017</u>	<u>302,764</u>	<u>253</u>
Total other general government	<u>1,049,098</u>	<u>1,183,111</u>	<u>1,087,047</u>	<u>96,064</u>
Total general government	<u>4,474,606</u>	<u>4,385,687</u>	<u>4,152,068</u>	<u>233,619</u>
Total expenditures	<u>19,903,665</u>	<u>20,259,957</u>	<u>19,669,038</u>	<u>590,919</u>
Excess of revenues over (under) expenditures	<u>569,178</u>	<u>1,682,751</u>	<u>2,263,937</u>	<u>581,186</u>
Other financing sources (uses):				
Transfers – in	400,000	400,000	400,000	-
Transfers – out	(1,655,000)	(1,705,870)	(1,670,870)	35,000
Proceeds from sale of capital assets	<u>4,400</u>	<u>7,710</u>	<u>7,710</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,250,600)</u>	<u>(1,298,160)</u>	<u>(1,263,160)</u>	<u>35,000</u>
Net change in fund balance	(681,422)	348,591	1,000,777	616,186
Cash fund balance, beginning of year, restated	9,873,696	9,873,696	9,873,696	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>231,495</u>	<u>231,495</u>
Cash fund balance, end of year	<u>\$ 9,192,274</u>	<u>\$ 10,258,287</u>	<u>\$ 11,105,968</u>	<u>\$ 847,681</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Economic Development Fund
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 669,484	\$ 794,013	\$ 794,013	\$ -
Miscellaneous income	-	129,255	129,255	-
Total revenues	<u>669,484</u>	<u>923,268</u>	<u>923,268</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Community development				
Contractual services	306,812	455,012	361,410	93,602
Supplies and materials	-	1,800	1,750	50
Capital outlay	-	810,000	804,554	5,446
Total expenditures	<u>306,812</u>	<u>1,266,812</u>	<u>1,167,714</u>	<u>99,098</u>
Excess of revenues over (under) expenditures	<u>362,672</u>	<u>(343,544)</u>	<u>(244,446)</u>	<u>99,0978</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	60,823	60,823	-
Proceeds from the sale of debt	-	915,000	915,000	-
Total other financing sources (uses)	<u>-</u>	<u>975,823</u>	<u>975,823</u>	<u>-</u>
Net change in fund balance	362,672	632,279	731,377	99,098
Cash fund balance, beginning of year	944,287	944,287	944,287	-
Current year encumbrances	-	-	295,488	295,488
Cash fund balance, end of year	<u>\$ 1,306,959</u>	<u>\$ 1,576,566</u>	<u>\$ 1,971,152</u>	<u>\$ 394,586</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual Capital Improvement Fund **For The Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal income taxes	\$ 4,925,000	\$ 5,510,942	\$ 5,510,942	\$ -
Intergovernmental	-	7,038,917	6,587,892	(451,025)
Investment income	13,952	19,814	19,814	-
Miscellaneous	450,000	96,152	96,152	-
Reimbursements received	<u>600,000</u>	<u>600,000</u>	<u>550,048</u>	<u>(49,952)</u>
Total revenues	<u>5,988,952</u>	<u>13,265,825</u>	<u>12,764,848</u>	<u>(500,977)</u>
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Parks and playgrounds				
Contractual services	1,120	15,210	15,210	-
Other expenditures	<u>-</u>	<u>762</u>	<u>762</u>	<u>-</u>
Total leisure time activities	<u>1,120</u>	<u>15,972</u>	<u>15,972</u>	<u>-</u>
Basic utility service				
Sewers and drains				
Contractual services	77,700	151,700	151,700	-
Other expenditures	<u>2,300</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total basic utility services	<u>80,000</u>	<u>151,700</u>	<u>151,700</u>	<u>-</u>
Transportation				
Street paving and repair				
Contractual services	964,054	1,052,398	974,775	77,623
Materials and supplies	<u>-</u>	<u>4,524</u>	<u>4,404</u>	<u>120</u>
Total street paving and repair	<u>964,054</u>	<u>1,056,922</u>	<u>979,179</u>	<u>77,743</u>
Traffic lights				
Contractual services	<u>32,000</u>	<u>44,350</u>	<u>44,350</u>	<u>-</u>
Total transportation	<u>996,054</u>	<u>1,101,272</u>	<u>1,023,529</u>	<u>77,743</u>
General government				
Income tax department				
Personal services	76,691	76,691	72,876	3,815
Travel and education	1,443	1,203	1,063	140
Contractual services	17,412	17,892	15,924	1,968
Materials and supplies	2,485	2,395	774	1,621
Other expenditures	<u>75,150</u>	<u>75,000</u>	<u>62,427</u>	<u>12,573</u>
Total income tax department	<u>173,181</u>	<u>173,181</u>	<u>153,064</u>	<u>20,117</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Capital Improvement Fund (Continued)
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Lands and buildings				
Contractual services	\$ 26,450	\$ 49,820	\$ 49,820	\$ -
Other expenditures	-	788	781	7
Total land and buildings	<u>26,450</u>	<u>50,608</u>	<u>50,601</u>	<u>7</u>
Total general government	<u>199,631</u>	<u>223,789</u>	<u>203,665</u>	<u>20,124</u>
Capital outlay				
Animal control	8,438	8,438	6,287	2,151
Building department	32,266	27,266	26,429	837
Community development	468	468	468	-
Council	4,000	1,900	159	1,741
Finance department	5,417	16,516	14,142	2,374
Fire department	377,753	385,438	385,130	308
Income tax department	75,850	60,850	53,019	7,831
Legal department	7,700	7,700	5,956	1,744
Land and buildings	230,075	377,638	375,715	1,923
Mayor's office	9,414	9,414	6,463	2,951
Mayor's court	3,700	3,700	390	3,310
Mechanics	20,000	20,000	18,070	1,930
Parks and playgrounds	252,695	344,343	335,896	8,447
Police law enforcement	335,097	243,184	193,855	49,329
Public properties	40,000	40,000	34,704	5,296
Public recreation	64,786	64,786	24,786	40,000
Recreation center	286,178	239,678	238,110	1,568
Safety building	33,528	14,429	9,686	4,743
Safety town	9,000	4,000	3,780	220
Safety director	18,850	14,250	13,074	1,176
Sanitation department	66,442	196,906	196,906	-
Service building	74,487	39,537	22,906	16,631
Sewers, drains and pump stations	1,148,953	98,203	74,100	24,103
Snow removal	140,000	88,450	86,962	1,488
Street lights	8,500	8,500	926	7,574
Street paving and repair	3,284,827	10,323,351	9,852,249	471,102
Traffic signs	45,000	45,000	21,418	23,582
Trees and tree lawns	30,000	30,000	26,014	3,986
Total capital outlay	<u>6,613,424</u>	<u>12,713,945</u>	<u>12,027,600</u>	<u>686,345</u>
Total expenditures	<u>7,890,229</u>	<u>14,206,678</u>	<u>13,422,466</u>	<u>784,212</u>
Excess of revenues over (under) expenditures	<u>(1,901,277)</u>	<u>(940,853)</u>	<u>(657,618)</u>	<u>283,235</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Capital Improvement Fund (Continued)
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other financing sources (uses):				
Transfers – in	\$ 400,000	\$ 400,000	\$ 400,000	\$ -
Transfers – out	(1,771,180)	(1,740,310)	(1,740,310)	-
Proceeds from sale of capital assets	-	25,780	25,780	-
Proceeds from sale of notes	<u>2,250,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	-
Total other financing sources (uses)	<u>878,820</u>	<u>285,470</u>	<u>285,470</u>	-
Net change in fund balance	(1,022,457)	(655,383)	(372,148)	283,235
Cash fund balance, beginning of year	6,026,184	6,026,184	6,026,184	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>935,838</u>	<u>935,838</u>
Cash fund balance, end of year	\$ <u>5,003,727</u>	\$ <u>5,370,801</u>	\$ <u>6,589,874</u>	\$ <u>1,219,073</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Street Maintenance Fund
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 641,865	\$ 685,155	\$ 685,155	\$ -
Investment income	<u>410</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total revenues	<u>642,275</u>	<u>686,155</u>	<u>686,155</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street paving and repair				
Personal services	1,029,429	1,045,429	1,040,054	5,375
Travel and education	11,987	100	80	20
Contractual services	200	61,258	56,848	4,410
Supplies and materials	<u>87,472</u>	<u>52,300</u>	<u>46,491</u>	<u>5,809</u>
Total expenditures	<u>1,129,088</u>	<u>1,159,087</u>	<u>1,143,473</u>	<u>15,614</u>
Excess of revenues over (under) expenditures	(486,813)	(472,932)	(457,318)	15,614
Other financing sources (uses):				
Transfers – in	<u>435,000</u>	<u>465,000</u>	<u>435,000</u>	<u>(30,000)</u>
Net change in fund balance	(51,813)	(7,932)	(22,318)	(14,386)
Cash fund balance, beginning of year	53,788	53,788	53,788	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>12,501</u>	<u>12,501</u>
Cash fund balance, end of year	\$ <u>1,975</u>	\$ <u>45,856</u>	\$ <u>43,971</u>	\$ <u>(1,885)</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 State Highway Fund
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 52,041	\$ 55,553	\$ 55,553	\$ -
Investment income	<u>410</u>	<u>517</u>	<u>517</u>	<u>-</u>
Total revenues	<u>52,451</u>	<u>56,070</u>	<u>56,070</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street paving and repair				
Personal services	60,822	64,823	64,008	815
Supplies and materials	<u>11,000</u>	<u>11,000</u>	<u>7,408</u>	<u>3,592</u>
Total expenditures	<u>71,822</u>	<u>75,823</u>	<u>71,416</u>	<u>4,407</u>
Net change in fund balance	(19,371)	(19,753)	(15,346)	4,407
Cash fund balance, beginning of year	41,003	41,003	41,003	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>1,058</u>	<u>1,058</u>
Cash fund balance, end of year	\$ <u>\$21,632</u>	\$ <u>21,250</u>	\$ <u>26,715</u>	\$ <u>5,465</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Permissive Tax Fund
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 53,900	\$ 52,948	\$ 52,948	\$ -
Investment income	<u>1,641</u>	<u>3,013</u>	<u>3,013</u>	<u>-</u>
Total revenues	<u>55,541</u>	<u>55,961</u>	<u>55,961</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street paving and repair				
Contractual services	-	27,203	17,698	9,505
Supplies and materials	<u>74,438</u>	<u>47,235</u>	<u>28,379</u>	<u>18,856</u>
Total expenditures	<u>74,438</u>	<u>74,438</u>	<u>46,077</u>	<u>28,361</u>
Net change in fund balance	(18,897)	(18,477)	9,884	28,361
Cash fund balance, beginning of year	184,015	184,015	184,015	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>10,535</u>	<u>10,535</u>
Cash fund balance, end of year	\$ <u>165,118</u>	\$ <u>165,538</u>	\$ <u>204,434</u>	\$ <u>38,896</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Brookpark Road Corridor Fund
For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Expenditures:				
Current operations and maintenance:				
Community development				
Contractual services	\$ 230,727	\$ 201,529	\$ 1,472	\$ 200,057
Supplies and materials	<u>-</u>	<u>29,198</u>	<u>7,094</u>	<u>22,104</u>
Total expenditures	<u>230,727</u>	<u>230,727</u>	<u>8,566</u>	<u>222,161</u>
Excess of revenues over (under) expenditures	(230,727)	(230,727)	(8,566)	222,161
Other financing sources (uses):				
Transfers – out	<u>(400,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Net change in fund balance	(630,727)	(630,727)	(408,566)	222,161
Cash fund balance, beginning of year	929,595	929,595	929,595	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>52</u>	<u>52</u>
Cash fund balance, end of year	\$ <u>298,868</u>	\$ <u>298,868</u>	\$ <u>521,081</u>	\$ <u>222,213</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Special Recreation Fund
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous revenue	\$ 110,000	\$ 102,217	\$ 102,217	\$ -
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Public recreation				
Travel and education	815	1,666	1,458	208
Contractual services	28,415	23,864	18,600	5,264
Supplies and materials	83,484	118,184	113,917	4,267
Other expenditures	4,500	3,500	2,594	906
Total leisure time activities	117,214	147,214	136,569	10,645
Capital outlay	13,326	4,326	3,916	410
Total expenditures	130,540	151,540	140,485	11,055
Net change in fund balance	(20,540)	(49,323)	(38,268)	11,055
Cash fund balance, beginning of year	113,600	113,600	113,600	-
Encumbrances at end of year	-	-	3,688	3,688
Cash fund balance, end of year	\$ 93,060	\$ 64,277	\$ 79,020	\$ 14,743

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Law Enforcement Fund
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ 600	\$ 58,007	\$ 58,007	\$ -
Miscellaneous revenue	<u>-</u>	<u>3,159</u>	<u>3,159</u>	<u>-</u>
Total revenues	<u>600</u>	<u>61,166</u>	<u>61,166</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Contractual services	3,000	14,500	11,093	3,407
Capital outlay	<u>-</u>	<u>38,500</u>	<u>32,310</u>	<u>6,190</u>
Total expenditures	<u>(2,400)</u>	<u>53,000</u>	<u>43,403</u>	<u>9,597</u>
Net change in fund balance	(2,400)	8,166	17,763	9,597
Cash fund balance, beginning of year	<u>18,438</u>	<u>18,438</u>	<u>18,438</u>	<u>-</u>
Cash fund balance, end of year	\$ <u>16,038</u>	\$ <u>26,604</u>	\$ <u>36,201</u>	\$ <u>9,597</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 DWI Enforcement and Education Fund
For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ <u>550</u>	\$ <u>320</u>	\$ <u>320</u>	\$ <u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Travel and education	1,200	1,200	660	540
Contractual services	<u>-</u>	<u>5,200</u>	<u>5,000</u>	<u>200</u>
Total expenditures	<u>1,200</u>	<u>6,400</u>	<u>5,660</u>	<u>740</u>
Net change in fund balance	(650)	(6,080)	(5,340)	740
Cash fund balance, beginning of year	<u>26,482</u>	<u>26,482</u>	<u>26,482</u>	<u>-</u>
Cash fund balance, end of year	\$ <u><u>25,832</u></u>	\$ <u><u>20,402</u></u>	\$ <u><u>21,142</u></u>	\$ <u><u>740</u></u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Police Pension Fund
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 151,498	\$ 151,498	\$ 147,168	\$ (4,330)
Intergovernmental	<u>15,534</u>	<u>7,473</u>	<u>7,324</u>	<u>(149)</u>
Total revenues	<u>167,032</u>	<u>158,971</u>	<u>154,492</u>	<u>(4,479)</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Personal services	<u>519,259</u>	<u>503,102</u>	<u>492,339</u>	<u>10,763</u>
Excess of revenues over (under) expenditures	(352,227)	(344,131)	(337,847)	6,284
Other financing sources (uses):				
Transfers – in	<u>345,000</u>	<u>335,000</u>	<u>330,000</u>	<u>(5,000)</u>
Net change in fund balance	(7,227)	(9,131)	(7,847)	1,284
Cash fund balance, beginning of year	<u>9,840</u>	<u>9,840</u>	<u>9,840</u>	<u>-</u>
Cash fund balance, end of year	\$ <u><u>2,613</u></u>	\$ <u><u>709</u></u>	\$ <u><u>1,993</u></u>	\$ <u><u>1,284</u></u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Fire Pension Fund
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 151,498	\$ 151,498	\$ 147,168	\$ (4,330)
Intergovernmental	<u>15,535</u>	<u>84</u>	<u>-</u>	<u>(84)</u>
Total revenues	<u>167,033</u>	<u>151,582</u>	<u>147,168</u>	<u>(4,414)</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Personal services	<u>656,341</u>	<u>639,047</u>	<u>634,171</u>	<u>4,876</u>
Excess of revenues over (under) expenditures	(489,308)	(487,465)	(487,003)	462
Other financing sources (uses):				
Transfers – in	<u>475,000</u>	<u>475,000</u>	<u>475,000</u>	<u>-</u>
Net change in fund balance	(14,308)	(12,465)	(12,003)	462
Cash fund balance, beginning of year	<u>14,552</u>	<u>14,552</u>	<u>14,552</u>	<u>-</u>
Cash fund balance, end of year	\$ <u>244</u>	\$ <u>2,087</u>	\$ <u>2,549</u>	\$ <u>462</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Southwest General Health Center Fund
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 132,637	\$ 132,637	\$ 128,900	\$ (3,737)
Intergovernmental	<u>13,118</u>	<u>13,118</u>	<u>12,979</u>	<u>(139)</u>
Total revenues	<u>145,755</u>	<u>145,755</u>	<u>141,879</u>	<u>(3,876)</u>
Expenditures:				
Current operations and maintenance:				
Public health and welfare				
Contractual services	<u>145,755</u>	<u>145,755</u>	<u>97,557</u>	<u>48,198</u>
Net change in fund balance	-	-	44,322	44,322
Cash fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash fund balance, end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>44,322</u></u>	\$ <u><u>44,322</u></u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Tri-City Senior Center Fund
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 16,660	\$ 16,660	\$ 16,099	\$ (561)
Intergovernmental	<u>1,351</u>	<u>1,351</u>	<u>1,345</u>	<u>(6)</u>
Total revenues	<u>18,011</u>	<u>18,011</u>	<u>17,444</u>	<u>(567)</u>
Expenditures:				
Current operations and maintenance:				
Public health and welfare				
Contractual services	<u>18,011</u>	<u>18,011</u>	<u>10,161</u>	<u>7,850</u>
Net change in fund balance	-	-	7,283	7,283
Cash fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash fund balance, end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>7,283</u>	\$ <u>7,283</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 General Obligation Fund
For The Year Ended December 31, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 4,070	\$ 4,282	\$ 4,282	\$ -
Expenditures:				
Debt service:				
Principal retirement	1,517,000	1,517,000	1,517,000	-
Interest and fiscal charges	<u>254,222</u>	<u>254,223</u>	<u>254,223</u>	<u>-</u>
Total expenditures	<u>1,771,222</u>	<u>1,771,223</u>	<u>1,771,223</u>	<u>-</u>
Excess of revenues over (under) expenditures	(1,767,152)	(1,766,941)	(1,766,941)	-
Other financing sources (uses):				
Transfers - in	<u>1,771,180</u>	<u>1,771,180</u>	<u>1,771,180</u>	<u>-</u>
Net change in fund balance	4,028	4,239	4,239	-
Cash fund balance, beginning of year	<u>408,786</u>	<u>408,786</u>	<u>408,786</u>	<u>-</u>
Cash fund balance, end of year	\$ <u>412,814</u>	\$ <u>413,025</u>	\$ <u>413,025</u>	\$ <u>-</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Self Insured Medical Benefits Fund
For The Year Ended December 31, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Reimbursements	\$ <u>2,184,562</u>	\$ <u>2,184,562</u>	\$ <u>2,131,788</u>	\$ <u>(52,774)</u>
Expenditures:				
Contractual services	<u>2,184,562</u>	<u>2,184,562</u>	<u>2,011,180</u>	<u>173,382</u>
Net change in fund balance	-	-	120,608	120,608
Cash fund balance, beginning of year	<u>771,554</u>	<u>771,554</u>	<u>771,554</u>	<u>-</u>
Cash fund balance, end of year	\$ <u><u>771,554</u></u>	\$ <u><u>771,554</u></u>	\$ <u><u>892,162</u></u>	\$ <u><u>120,608</u></u>

City of Brook Park, Ohio

Governmental Activities Revenues by Source and Expenses by Function

Last Two Years

Table 1

	<u>2003</u>	<u>2002</u>
Program revenues:		
Charges for services	\$ 5,524,450	\$ 5,502,704
Operating grants and contributions	24,221	28,330
General revenues:		
Property taxes	2,741,358	2,737,310
Municipal taxes	21,656,942	20,462,563
Grants and entitlements not restricted to specific programs	8,908,485	2,259,776
Investment earnings	257,922	298,621
Gain on disposal of land and equipment	8,532	(1,692,919)
Total	<u>\$ 39,121,910</u>	<u>\$ 29,596,385</u>
Expenses:		
General government	\$ 10,675,655	\$ 7,212,678
Security of persons and property	9,075,363	8,159,875
Public health and welfare	226,005	236,480
Transportation	510,314	2,851,957
Leisure time activities	2,497,528	2,430,096
Community development	1,538,318	1,622,207
Basic utility service	2,717,718	3,110,630
Interest and fiscal charges	283,376	349,621
Total	<u>\$ 27,524,277</u>	<u>\$ 25,973,544</u>

Source: City of Brook Park, Finance Department

City of Brook Park, Ohio

General Governmental Expenditures By Program – All Governmental Fund Types – GAAP Basis

Last Ten Years

Table 2

<u>Fiscal Year</u>	<u>Security of Persons and Property</u>	<u>Public Health and Welfare</u>	<u>Leisure Time Activities</u>	<u>Community Development</u>	<u>Basic Utility Services</u>	<u>Transportation</u>	<u>General Government</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
1994	\$ 6,692,486	\$ 405,709	\$ 1,729,340	\$ 645,814	\$ 2,492,039	\$ 1,978,309	\$ 4,295,566	\$ 3,492,567	\$ 381,663	\$ 22,113,493
1995	7,169,950	451,500	3,013,498	578,823	2,504,798	2,353,607	4,550,197	6,738,279	903,331	28,263,983
1996	6,672,289	451,417	1,740,681	618,358	2,595,549	2,592,654	4,304,361	4,127,103	1,793,593	24,896,005
1997	7,262,073	446,249	1,874,024	632,546	2,590,499	2,248,459	5,797,821	1,900,673	1,780,793	24,533,137
1998	7,045,008	416,006	1,730,140	1,027,633	2,290,909	2,124,088	8,725,781	2,260,661	1,780,308	27,400,534
1999	7,380,513	87,907	1,864,092	5,338,407	2,151,915	2,965,659	4,680,187	1,180,151	1,771,841	27,420,672
2000	7,814,646	249,197	2,083,257	9,086,412	2,347,347	1,685,505	4,186,348	2,647,853	1,759,338	31,859,903
2001	8,148,858	230,450	2,278,621	2,907,431	2,441,957	1,599,714	6,178,149	4,817,482	1,753,862	30,356,524
2002	9,059,154	236,480	2,383,237	1,669,826	2,673,386	2,432,753	3,979,782	3,340,489	1,765,300	27,540,407
2003	9,402,099	226,005	2,483,022	2,141,842	2,747,140	2,890,366	4,223,424	11,736,127	1,806,995	37,657,020

City of Brook Park, Ohio

General Governmental Revenues By Source – All Governmental Fund Types – GAAP Basis

Last Ten Years

Table 3

Fiscal Year	Property Taxes	Income Taxes	Other Local Taxes	Inter Governmental	Charges for Services	Licenses and Permits	Fines and Forfeitures	Special Assessments	Investment Income	Other	Total
1994	\$ 2,746,512	\$ 17,367,967	\$ 282,508	\$ 1,844,190	\$ 280,548	\$ 227,554	\$ 261,460	\$ 72,397	\$ 180,787	\$ 305,712	\$ 23,569,635
1995	3,015,963	18,413,142	307,509	1,919,306	250,862	242,175	295,877	4,561	676,799	616,503	25,742,697
1996	3,154,163	16,572,422	336,336	2,252,131	258,796	277,327	171,234	38,197	509,858	866,575	24,437,039
1997	2,733,477	15,240,112	358,883	2,296,365	324,719	276,414	204,388	4,316	455,250	193,196	22,087,120
1998	2,500,251	16,199,230	398,698	2,342,767	567,046	423,115	318,339	4,002	524,987	410,584	23,689,019
1999	2,419,819	18,160,744	471,405	2,508,214	792,883	411,274	263,719	5,273	846,565	2,569,900	28,449,796
2000	2,449,696	19,903,518	485,140	2,477,455	1,554,955	388,490	319,222	3,618	881,096	485,082	28,948,272
2001	2,502,658	18,570,711	447,917	2,443,476	1,659,130	547,312	357,076	4,317	615,732	325,499	27,473,828
2002	2,446,419	20,521,265	346,705	2,261,918	2,121,999	413,044	311,830	4,282	298,621	609,329	29,335,412
2003	2,381,452	21,904,475	281,358	8,905,015	1,714,850	468,381	364,412	4,282	257,922	845,019	37,127,166

City of Brook Park, Ohio

Real Property Tax Levies and Collections

Last Ten Years

Table 4

<u>Collection Year</u>	<u>Percentage of Current Collections Current (1) Tax Levy</u>	<u>Percentage of Total Collections Current (1) Collections</u>	<u>To Current Levy</u>	<u>Prior Year Collections</u>	<u>Total Collections</u>	<u>To Current Levy</u>
1994	\$ 1,588,306	\$ 1,535,868	97%	\$ 15,013	\$ 1,550,881	98%
1995	1,774,662	1,717,469	97%	20,226	1,737,695	98%
1996	1,754,351	1,725,468	98%	13,948	1,739,416	99%
1997	1,758,508	1,741,889	99%	66,982	1,808,871	103%
1998	1,843,108	1,784,451	97%	40,309	1,824,760	99%
1999	1,690,292	1,660,990	98%	97,942	1,758,932	104%
2000	1,859,481	1,828,985	98%	57,773	1,886,758	101%
2001	2,132,394	2,051,067	96%	49,844	2,100,911	98%
2002	2,054,015	1,985,572	97%	110,757	2,096,329	102%
2003	2,069,493	1,971,073	95%	44,834	2,015,907	97%

Source: Cuyahoga County Auditor

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

City of Brook Park, Ohio

Tangible Personal Property Tax Levies And Collections

Last Ten Years

Table 5

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Collections</u>	<u>Percentage of Current Collections To Current Levy</u>	<u>Prior Year Collections</u>	<u>Total Collections</u>	<u>Percentage of Total Collections To Current Levy</u>
1994	\$ 1,015,921	\$ 1,013,010	100%	\$ 12,568	\$ 1,025,578	101%
1995	1,091,318	1,090,055	100%	140,096	1,230,151	113%
1996	1,179,689	1,176,862	100%	55,354	1,232,216	104%
1997	1,058,648	1,053,557	100%	28,236	1,081,793	102%
1998	967,652	961,428	99%	66,519	1,027,947	106%
1999	774,814	765,819	99%	49,791	815,610	105%
2000	762,706	753,188	99%	8,763	761,951	100%
2001	635,316	630,494	99%	21,605	652,099	103%
2002	588,172	578,030	98%	5,691	583,721	99%
2003	566,213	556,638	98%	11,138	567,776	100%

Source: Cuyahoga County Auditor

City of Brook Park, Ohio

Assessed Valuations and Estimated True Values

Last Ten Years

Table 6

<u>Collection Year</u>	<u>Residential/ Agricultural Real Property</u>	<u>Other Real Property</u>	<u>Public Utility Tangible</u>	<u>Tangible Personal Property</u>	<u>Total</u>	<u>Estimated True Value Real Property</u>
1994	\$ 181,419,250	\$ 120,160,930	\$ 22,681,330	\$ 155,523,094	\$ 479,784,604	\$ 861,657,657
1995	212,644,360	124,118,070	22,589,110	184,712,954	544,064,494	962,178,371
1996	213,911,360	123,347,310	21,062,580	198,421,460	556,742,710	963,596,200
1997	214,626,670	123,180,780	20,955,230	214,501,234	573,263,914	965,164,143
1998	237,651,020	120,981,070	20,039,900	192,481,495	571,153,485	1,024,663,114
1999	237,845,240	119,285,820	19,966,380	175,936,785	553,034,225	1,020,374,457
2000	238,021,220	132,374,750	18,632,750	172,180,824	561,209,544	1,058,274,200
2001	266,452,600	167,037,360	18,890,960	159,067,518	611,448,438	1,238,542,743
2002	265,952,730	154,479,690	14,372,580	132,327,007	567,132,007	1,201,235,486
2003	265,876,430	154,084,030	14,367,430	122,445,643	556,773,533	1,199,887,029

Sources: Cuyahoga County Auditor

City of Brook Park, Ohio

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

Last Ten Years

Table 7

Collection Year	City of Brook Park				Berea City School District	Southwest Vocational School	Cuyahoga County Commissioners	Special (2) Taxing Districts	Total Tax Levy
	General Fund	Special Funds (1)	Debt Service	Total Levy					
1994	\$ 3.25	\$ 1.65	\$ 0.60	\$ 5.50	\$ 57.00	\$ 2.50	\$ 12.32	\$ 5.48	\$ 82.80
1995	3.72	1.65	0.13	5.50	57.00	2.50	12.32	5.48	82.80
1996	3.72	1.65	0.13	5.50	57.00	2.50	12.32	5.48	82.80
1997	3.72	1.65	0.13	5.50	57.00	2.50	12.32	5.48	82.80
1998	3.69	0.65	0.16	4.50	57.90	2.40	12.12	5.88	82.80
1999	3.69	0.65	0.16	4.50	58.00	2.40	10.82	5.88	81.60
2000	3.69	0.95	0.16	4.80	63.90	2.40	10.82	5.88	87.80
2001	3.85	0.95	0.00	4.80	63.80	2.40	11.72	5.88	88.60
2002	3.85	0.95	0.00	4.80	63.80	2.40	11.72	5.88	88.60
2003	3.85	0.95	0.00	4.80	69.80	2.40	11.72	5.88	94.60

Source: Cuyahoga County Auditor

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

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

City of Brook Park, Ohio

Special Assessment Collections

Last Ten Years

Table 8

<u>Fiscal Year</u>	<u>Special Assessment Current Tax Levy</u>	<u>Total Amount Collected</u>	<u>Total Amount Delinquent</u>	<u>Percentage Collected</u>
1994	\$ 75,692	\$ 67,085	\$ 8,607	89%
1995	4,690	4,969	-	106%
1996	4,726	4,282	488	91%
1997	5,211	4,409	3,424	85%
1998	4,282	4,051	4,032	95%
1999	4,282	5,401	5,995	126%
2000	4,282	4,282	2,768	100%
2001	6,334	6,253	3,108	99%
2002	4,282	5,247	582	122%
2003	4,282	4,282	-	100%

Source: Cuyahoga County Auditor

City of Brook Park, Ohio

Municipal Income Tax Collections By Source – GAAP Basis

Last Ten Years

Table 9

<u>Withheld Year</u>	<u>Individual Tax</u>	<u>Business Direct Tax</u>	<u>Municipal Direct Tax</u>	<u>Income Tax Collections</u>
1994	\$ 14,935,197	\$ 1,086,980	\$ 1,345,790	\$ 17,367,967
1995	15,038,287	1,064,861	2,309,994	18,413,142
1996	13,404,663	955,222	2,212,537	16,572,422
1997	13,127,632	972,900	1,139,580	15,240,112
1998	14,001,050	914,183	1,283,997	16,199,230
1999	15,899,371	957,531	1,303,842	18,160,744
2000	17,549,260	985,249	1,369,009	19,903,518
2001	16,435,339	1,023,869	1,111,503	18,570,711
2002	18,655,101	830,330	1,035,834	20,521,265
2003	19,684,382	778,618	1,441,475	21,904,475

City of Brook Park, Ohio

Ratio Of Net General Bonded Debt To Assessed Value And Net Bonded Debt Per Capita

Last Ten Years

Table 10

Ratio of Net Bonded Debt Net General <u>Year</u>	Net General Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Bonded Debt to Assessed Value	Debt per Capita
1994	\$ -	\$ 479,785	22,821	0.00%	\$ 0.00
1995	12,538,663	544,065	22,821	2.30%	549.44
1996	11,500,775	556,743	22,821	2.06%	503.96
1997	10,558,959	573,264	22,821	1.84%	462.69
1998	9,492,284	571,153	22,821	1.66%	415.95
1999	8,302,721	553,034	22,821	1.50%	363.82
2000	7,019,728	561,210	21,218	1.25%	330.84
2001	5,700,453	611,448	21,218	0.93%	268.66
2002	4,427,214	567,132	21,218	0.78%	209.00
2003	5,425,825	556,773	21,218	0.97%	255.72

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

City of Brook Park, Ohio

Legal Debt Margin

December 31, 2003

Table 11

Total Assessed Valuation		\$ <u>556,773,533</u>
Overall Debt Limitation – 10.5% of Assessed Valuation		\$ <u>58,461,221</u>
Gross Indebtedness	\$ 3,319,000	
Less:Debt Outside Limitation	<u>3,319,000</u>	
Debt Within 10.5% Limitation	-	
Less:Amount Available in Debt Service Funds	<u>408,175</u>	
Net Debt Within 10.5% Limitation		\$ <u>-</u>
Legal Debt Margin Within 10.5% Limitation		\$ <u>58,461,221</u>

Unvoted Debt Limitation – 5.5% of Assessed Valuation		\$ <u>30,622,544</u>
Gross Indebtedness Authorized by Council	\$ 3,319,000	
Less:Debt Outside Limitation	<u>3,319,000</u>	
Debt Within 5.5% Limitation	-	
Less:Amount Available in Debt Service Funds	<u>408,175</u>	
Net Debt Within 5.5% Limitation		\$ <u>-</u>
Legal Debt Margin Within 5.5% Limitation		\$ <u>30,622,544</u>

City of Brook Park, Ohio

Computation of Direct and Overlapping Debt

December 31, 2003

Table 12

<u>Jurisdiction</u>	<u>Net Debt Outstanding (1)</u>	(2) <u>Percentage Applicable To City of Brook Park</u>	<u>Amount Applicable to City of Brook Park</u>
City of Brook Park	\$ 5,425,825	\$ 100%	\$ 5,425,825
Berea City School District%	9,505,000	36.83%	3,500,692
Cuyahoga County%	183,239,636	1.87%	3,426,581
Regional Transit Authority	136,310,000	1.87%	<u>2,548,997</u>
Total			\$ <u><u>14,902,095</u></u>

Source: Cuyahoga County Auditor

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

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

City of Brook Park, Ohio

Ratio of Annual Debt Service for General Bonded Debt to Total General Governmental Expenditures -
GAAP Basis

Last Ten Years

Table 13

<u>Debt Service On General Obligation Year</u>	<u>General (1) Governmental Bonded Debt</u>	<u>Expenditures:</u>	<u>Ratio</u>
1994	\$ 42,000	\$ 22,113,493	.19
1995	42,000	28,263,983	.15
1996	1,057,000	24,896,005	4.25
1997	1,107,000	24,533,137	4.51
1998	1,162,000	27,400,534	4.24
1999	1,222,000	27,420,672	4.46
2000	1,292,000	31,859,903	4.05
2001	1,357,000	30,356,524	4.47
2002	1,437,000	27,540,407	5.22
2003	1,517,000	37,657,020	4.03

Sources:

(1) Includes general, special revenue, debt service and capital projects fund types

City of Brook Park, Ohio

Demographic Statistics

December 31, 2003

Table 14

<u>Year</u>	(1) <u>Population</u>	School (2) <u>Enrollment</u>
1994	22,821	7,883
1995	22,821	8,241
1996	22,821	8,040
1997	22,821	7,901
1998	22,821	7,927
1999	22,821	7,980
2000	21,218	7,891
2001	21,218	7,820
2002	21,218	7,653
2003	21,218	7,505

Sources:

(1) U.S. Bureau of Census

(2) Berea City School District

City of Brook Park, Ohio

Property Value, Construction And Bank Deposits

Last Ten Years

Table 15

<u>Year</u>	<u>Estimated True Value Real Property</u>	<u>Residential Construction Value (1)</u>	<u>Commercial Construction Value (1)</u>	<u>Industrial Construction Value (1)</u>	<u>Domestic Bank Deposits In County (2)</u>
1994	\$ 518,340,714	\$ 5,454,767	\$ 1,233,774	\$ 2,878,700	\$ 20,885,453
1995	607,555,314	3,585,574	414,700	1,656,385	22,694,304
1996	611,175,314	2,193,343	410,000	1,629,857	27,068,211
1997	613,219,057	2,076,143	1,673,514	178,000	53,941,971
1998	679,002,914	914,885	1,200,371	252,343	58,904,596
1999	679,557,829	535,620	2,581,750	2,406,830	57,816,942
2000	680,060,629	790,690	4,186,780	2,207,890	61,942,764
2001	761,293,143	1,016,542	275,600	2,366,628	63,893,769
2002	759,864,943	873,029	646,314	(79,320)	95,761,917
2003	759,646,943	778,370	465,880	2,510,500	97,911,285

(1) Cuyahoga County Auditor

(2) Federal Reserve Bank of Cleveland shown in thousands of dollars

City of Brook Park, Ohio

Principal Taxpayers – Real Property (Excluding Public Utilities)

December 31, 2003

Table 16

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Real Property</u>	<u>Percentage of Total Assessed Valuation</u>
Ford Motor Co.	\$ 27,760,310	6.6%	5.0%
MWP Company	7,590,200	1.8%	1.4%
Tech Park Limited Partnership	7,222,140	1.7%	1.3%
Cleveland Electric Illuminating Co.	6,673,840	1.6%	1.2%
The Ohio Bell Telephone Co.	4,016,820	1.0%	0.7%
Ch/Equity	2,936,610	0.7%	0.5%
Foseco, Inc.	2,291,630	0.5%	0.4%
Eastland Properties Association Limited Partnership	1,785,020	0.4%	0.3%
Fairfield Inn by Marriott	1,765,580	0.4%	0.3%
Sandelman Sanford & Susan Trs.	<u>1,710,250</u>	<u>0.4%</u>	<u>0.3%</u>
	\$ <u>63,752,400</u>	<u>15.2%</u>	<u>11.5%</u>
Total Real Property Assessed Valuation	\$ <u>419,960,460</u>		

Source: Cuyahoga County Auditor
(1) Excludes Public Utilities

City of Brook Park, Ohio

Principal Taxpayers – Personal Property (Excluding Public Utilities)

December 31, 2003

Table 17

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Personal Property</u>	<u>Percentage of Total Assessed Valuation</u>
Ford Motor Company	\$ 54,761,150	44.7%	9.8%
Marc Glassman, Inc.	10,798,910	8.8%	1.9%
Engelhard Corp.	3,262,790	2.7%	0.6%
GSS Inc.	2,616,140	2.1%	0.4%
Foseco, Inc.	2,320,670	1.9%	0.4%
IBM Credit Corp.	2,289,450	1.9%	0.4%
Hawk Corp.	1,984,660	1.6%	0.4%
Metro Imports, Inc.	1,859,830	1.5%	0.3%
Sams East, Inc.	1,755,690	1.4%	0.3%
Varbros LLC.	<u>1,644,440</u>	<u>1.3%</u>	<u>0.3%</u>
	\$ <u>83,293,730</u>	<u>68%</u>	<u>15%</u>
Total Personal Property Assessed Valuation	\$ <u>122,445,643</u>		

Source: Cuyahoga County Auditor

City of Brook Park, Ohio

Principal Taxpayers – Public Utility Property

December 31, 2003

Table 18

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Public Utility Property</u>	<u>Percentage of Total Assessed Valuation</u>
Cleveland Electric Illuminating Company	\$ 6,651,580	46.3%	1.2%
The Ohio Bell Telephone Company	3,398,290	23.7%	0.6%
The East Ohio Gas Company	<u>696,990</u>	<u>4.9%</u>	<u>0.1%</u>
	\$ <u>10,746,860</u>	<u>74.8%</u>	<u>1.9%</u>
Total Public Utility Property Assessed Valuation	\$ <u>14,367,430</u>		

Source: Cuyahoga County Auditor

City of Brook Park, Ohio

Miscellaneous Statistics

December 31, 2003

Table 19

Date of Incorporation	January 4, 1961		
Effective Date of Charter	January 1, 1967	Education: Berea City School District:	
Form of Government	Mayor/Council	Elementary Schools (including Berea Children's Home)	7
		Middle Schools	2
Area:	8.8 sq. miles	High Schools	2
Miles to Streets:		Vocational Schools	1
State Routes	12.5 miles	Per Pupil Cost	\$9,527
County Routes	13.5 miles	Number of Teachers	497
City Streets	46.0 miles	2003 Student Enrollment	7,505
Number of Street Lights	2,565		
Fire Protection:		Recreation and Culture:	
Number of Stations	3	Number of Parks	7
Number of Firemen and officers	40	Number of Playgrounds	8
		Swimming Pools	2
Police Protection:		Diving Tanks	1
Number of Stations	1	Recreation Centers	1
Number of Policemen and officers	42	Public Libraries	1
City Employees:		Number of Traffic Lights	49
Number of Full Time Employees	205		
Number of Part Time Employees	104	Public Transportation: Cuyahoga Regional Transit Authority	
Municipal Water Department	Served by the City of Cleveland		



**Auditor of State
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CITY OF BROOK PARK

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 27, 2004**