

CITY OF BROOK PARK, OHIO

SINGLE AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2007



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Brook Park, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2007 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 12, 2008

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**CITY OF BROOK PARK, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

Certified Public Accountants

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

Members of Council
City of Brook Park, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brook Park, Ohio, as of and for the year ended December 31, 2007, which collectively comprise the City of Brook Park, Ohio's basic financial statements and have issued our report thereon dated April 25, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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


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

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

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the audit committee, City Council, others within the entity, 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

April 25, 2008

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

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

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, 2007. 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 that 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 of 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, 2007.

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 the 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Brook Park, Ohio's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.


A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brook Park, Ohio as of and for the year ended December 31, 2007, and have issued our report thereon dated April 25, 2008. Our audit was performed for the purpose of forming our 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 management, the audit committee, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not to be and should not be used by any other than these specified parties.


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

April 25, 2008

CITY OF BROOK PARK, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2007

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	Grant Number	Expenditures Disbursements
<u>U. S. Department of Highway Administration</u>			
<i>Passed through the Ohio Department of Transportation</i>			
Federal Demonstration Fund	20.205	DOTPO07N-097	\$ 2,210,864
<i>Passed through the Ohio Department of Development</i>			
Federal Demonstration Fund	20.205	ECDD06-167	<u>165,753</u>
Total Federal Demonstration Fund			<u>2,376,617</u>
Total U. S. Department of Highway Administration			<u>2,376,617</u>
<u>U. S. Department of Homeland Security - Federal Emergency Management Agency</u>			
<i>Direct Payment to the City</i>			
Assistance to Firefighters	97.044	EMW-2006-FG-08242	<u>173,070</u>
Total U.S. Department of Homeland Security			<u>173,070</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,549,687</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

CITY OF BROOK PARK, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2007

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, 2007.

	Direct Program Expenditures
<u>Department of Highway Administration</u>	
Federal Demonstration Fund	
<i>Passed through Ohio Department of Transportation</i>	
Cash Basis	\$ 1,986,863
Accrual Adjustment	<u>224,001</u>
Accrual Basis	<u>2,210,864</u>
 <i>Passed through Ohio Department of Development</i>	
Cash Basis	165,324
Accrual Adjustment	<u>429</u>
Accrual Basis	<u>165,753</u>
Federal Demonstration Fund - Accrual Basis	<u>\$ 2,376,617</u>
 <u>Department of Homeland Security - FEMA</u>	
Firefighters Assistance Grant Program	
Cash Basis Net of Prior Year Accruals	\$ 0
Accrual Adjustment	<u>173,070</u>
Federal Demonstration Fund - Accrual Basis	<u>\$ 173,070</u>

**CITY OF BROOK PARK, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A-133 & .505
 DECEMBER 31, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

2007(i)	Type of Financial Statement Opinion	Unqualified
2007(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2007(ii)	Were there any other significant deficiencies in internal control reported at the financial statements level (GAGAS)?	No
2007(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2007(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
2007(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
2007(v)	Type of Major Programs' Compliance Opinion	Unqualified
2007(vi)	Are there any reportable findings under .510?	No
2007(vii)	Major Programs (list): Federal Demonstration Fund - CFDA #20.205	
2007(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
2007(ix)	Low Risk Auditee?	No

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

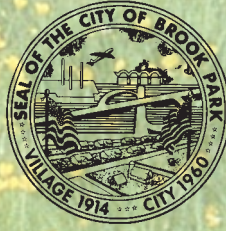
None.

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, 2007**

The prior audit report, as of December 31, 2006, included no citations, instances of noncompliance, or management letter recommendations.



"Making Brook Park a better place... one day at a time."

2007

CITY OF BROOK PARK, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007

City of Brook Park, Ohio

**Comprehensive Annual Financial Report
For the Year Ended December 31, 2007**

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

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City of Brook Park, Ohio

Comprehensive Annual Financial Report For The Year Ended December 31, 2007

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City of Brook Park, Ohio

Comprehensive Annual Financial Report For The Year Ended December 31, 2007

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City of Brook Park, Ohio

Comprehensive Annual Financial Report For The Year Ended December 31, 2007

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City of Brook Park, Ohio

Comprehensive Annual Financial Report For The Year Ended December 31, 2007

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City of Brook Park

Finance Department

Gregory M. Cingle
Finance Director

Martin S. Healy
Assistant Finance Director

April 25, 2008

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, 2007.

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, 2007, are free of material misstatement. The independent audit involved: examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the financial statements of the City for the fiscal year ended December 31, 2007, and that the financial statements are fairly presented in conformity with GAAP. The report of the independent auditor is presented as the first component of the financial section of this report.

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

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Profile of the Government

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

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

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

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

Detailed provisions for the City's budget, tax levies and appropriations are set forth in the Ohio Revised Code and City Charter. With the assistance of the City finance director, the mayor is required to submit to council an estimate of the revenues and expenditures of the City for the succeeding fiscal year. The mayor submits to council an appropriation ordinance budget for the next succeeding fiscal year based on the annual estimate. Council is required to adopt said ordinance in its original form or with those revisions as it may find proper within 90 days of the beginning of the fiscal year.

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

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

Factors Affecting Financial Condition

I. Economic Conditions and Outlook. Brook Park is experiencing many of the same difficulties that other inner-ring suburbs are facing, including:

- A decrease in overall employment levels.
- Projected reductions in future income tax collections.
- The negative impact of the subprime mortgage crisis. There are currently 81 homes in foreclosure and 32 homes are vacant. Four homeowners have averted foreclosure; 3 were refinanced and 1 was sold.

On the positive side, Governor Strickland is instituting programs that align with his administration's priorities to keep and create new jobs in Ohio. These initiatives potentially bode well for the city of Brook Park:

- Broadening the Third Frontier program to attract new investment and new jobs. This 10 year, \$1.6 billion commitment to expand Ohio's high-tech research capabilities is important locally. NASA contractor's can tap into this available pool of money in conjunction with a NASA partnership.
- Expanding and improving the job training program. The federal government's Workforce Investment Act provides funds that can and are being used locally to encourage job training. Ford is working closely with the State of Ohio's one-stop center to train/retrain idled and laid-off workers.
- A new and updated Jobs Ready Site Program will allow Brook Park to redevelop older, blighted sites that previously were exempt from the program.
- The "Promoting Energy, Jobs and Progress for Ohio" initiative will help to develop alternate sources of energy and will assist to encourage and place a renewed emphasis on manufacturing; a major benefit to assist Brook Park's manufacturing base.

Additional positive economic factors influencing the City's business base include:

- Reduced interest rates, which have been lowered by the Federal Reserve three times during the last year to spur economic activity. The Prime lending rate is hovering at 6.00 percent, down from the 2006 average rate of 8.00 percent.
- Cuyahoga County ranks 23rd out of 88 Ohio counties with an average unemployment rate of 5.9 percent. According to Ohio Jobs and Family services, jobs in goods-producing industries rose by about 1,000 – good news for industrial cities like Brook Park.

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

Industrial Market:

Industrial demand is still strong. For example:

- Cutting Systems, Inc. moved into Brook Park in 2007. Cutting Systems manufactures steel-cutting machines for industrial users and employs 17 people.
- Banner Supply, distributors of roofing supplies and other products, recently completed their expansion on Brookpark Road, adding an additional 5 new employees.
- Postle Industries, a manufacturer of welding rods and epoxy coatings for abrasion control, moved into Brook Park from Middleburg Hts. Capital investment in building improvements and machinery and equipment is estimated at \$1.4 million. As a result of Postle's move, the city gained 11 employees.
- National Office Products plans to add an additional 31,000 Sq. Ft. of space to their existing facility and will add an estimated 6 new jobs.

Office Market:

The office market continues to be a tremendous bright spot for the City with growth in back-office, administrative, IT and R&D jobs. Projected growth should continue as evidenced by:

- Eaton Corporation resigning a long-term lease agreement and completing significant renovations to their office space. The city is working with Eaton to add 10 jobs to the renovated site.
- An additional 10,000 Sq. Ft. of vacant office space in the Aerospace Technology Park was leased to National City.
- Coupled with a rising demand for space and the fact that the City and a private developer own 25 acres of targeted development land, we are in a position to consider new construction on Aerospace Parkway. This will help our long-term goal of revenue diversification.

Retail Market:

Although retail development does not provide a major source of revenue for the city, the economic impact retail brings to a community is considerable. In 2007, we saw:

- New construction of Enterprise Truck Rental's 4400 Sq. Ft. facility that resulted in 10-15 new employees.
- The expansion of two existing auto dealerships; Metro Lexus and Metro Toyota.
- Infiniti's commitment to a new dealership. The ground breaking will occur soon with an anticipated opening in 2008 on Brookpark Road.
- On the convenience retail side, Dunkin Donuts began construction of its new 2,600 Sq. Ft. facility on Snow Road.

Residential Market:

Brook Park's residential real estate is slowing, however:

- The Neeley Phase II development, started in 2006, was completed this year. A total of 47 new homes were constructed.
- Fireside Builders began their new 14 home subdivision. Three homes have already been sold.
- Additionally, the city of Brook Park is fortunate to have an estimated 60 – 70% of its residential homes mortgage-free.

- III. Major Economic Initiatives.** As usual, we continue to focus our economic development efforts on retention activity, redevelopment opportunities, infrastructure improvements and attracting private investment.

Retention Activity:

We remain focused on the events surrounding Ford Motor Company and NASA Glenn:

- In spring 2007, Ford announced the mid-2010 closure of the Casting Plant. A working group consisting of State, County, Local, UAW and other officials are strategizing ways to attract new investment to both Engine Plants #1 and #2. Sales demand for Ford vehicles will be a major factor in our success. Additionally, Ford has received two state training grants to assist with cross-training of the current workforce and has announced new investment plans for Engine Plant #1 in 2008 that will make the plant more efficient and bring back up to 500 idled workers if market conditions improve.
- NASA Glenn civil servant employment has stabilized at approximately 1,500. Contractor employment has increased by an additional 300 for a total of about 1,500 contractor employees. Accounting for the net gain in overall employment is the oversight of the new Constellation program. With responsibility for the Crew Exploration Vehicle service module (CEV) and the Crew Launch Vehicle upper stage rocket, more than 500 civil servant jobs have been assigned to just these two projects. Additionally, NASA headquarters has approved Glenn's Master Plan for future redevelopment. Beginning in 2009, a new office building will be constructed on Glenn's main campus. Completion is set for 2011 and will allow Glenn to remain competitive for the future.

Redevelopment Opportunities:

- Brookpark Rd. has now seen \$40 million in investment since the City took over the north side of Brookpark Rd. from Cleveland in 1998. A number of storefront renovation projects have now occurred, improving the visual quality of this important commercial corridor. A City fund set up with \$200,000 to spur private investment expended \$156,258 to date. This initial investment has generated over \$665,723 in visual quality upgrades and improvements.
- In partnership with Cuyahoga County and the First Suburbs Development Coalition, the City is discussing the creation of another storefront renovation program targeted to Snow Road businesses.
- The City has also finalized plans with the Greater Cleveland Regional Transit Authority to design their Red Line station reconstruction; a \$10 million project that will begin in 2009.

Infrastructure:

Major infrastructure projects were started in 2007:

- W. 150th Street, in partnership with the City of Cleveland, is undergoing major reconstruction. This project is a roadway improvement and phase I sewer system upgrade.
- The Eastland Rd./Sheldon Rd. phase I reconstruction will soon begin. When complete, Eastland Road will be improved as will the intersection at Holland Road.
- The Snow Rd./Engle intersection study should be released by summer 2008.
- The Snow Rd. underpass/grade separation project with CSX is under construction. This project is designed to eliminate train traffic delays, improve safety and eradicate train whistle noise.

Private Investment:

Momentum continues for private investment on Snow Rd., which serves as the City's convenience retail district:

- Significant renovations by UrgiCare and lease extensions by Giant Eagle supermarkets occurred during 2007.
- Dunkin Donuts is under construction and will open early 2008.

All of the above initiatives are extremely important to the City's economic development strategy, and all of the projects, when complete, will enhance the city of Brook Park's ability to attract additional investment to the major industrial, office and retail corridors of the City.

Cash Management Policies and Practices

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

Risk Management

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

Awards and Acknowledgements

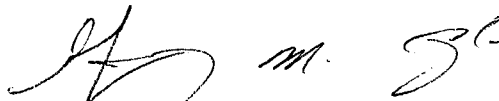
Certificate of Achievement. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended December 31, 2006. The Certificate of Achievement is a prestigious national award that recognizes 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 16 years. We believe that our current CAFR continues to meet the requirements for the Certificate of Achievement, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

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

Gregory M. Cingle, CPA, MBA
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Brook Park
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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.



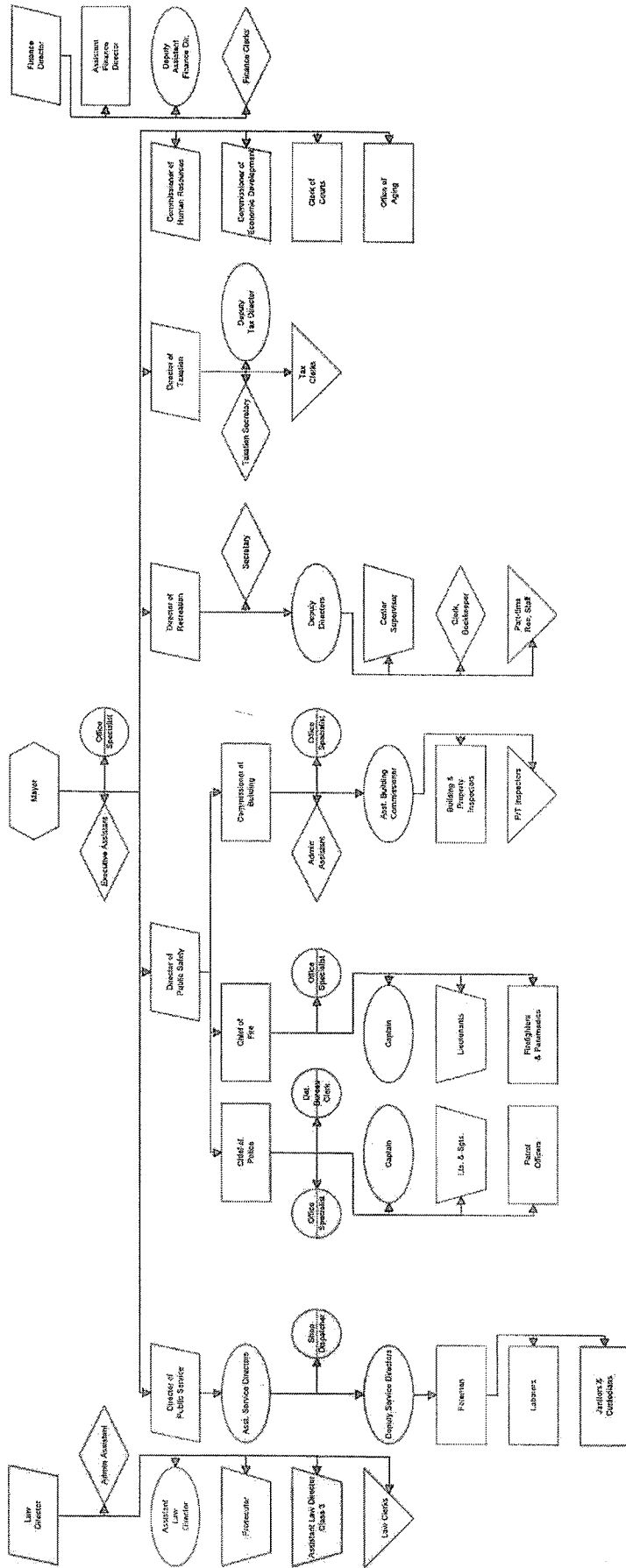
Oliver S. Cox

President

Jeffrey R. Emmer

Executive Director

City of Brook Park Administration



City of Brook Park, Ohio

Elected Officials

December 31, 2007

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

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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

INDEPENDENT AUDITOR'S REPORT

To Members of City Council
City of Brook Park, Ohio

The Honorable Mary Taylor
Auditor of State
State of Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brook Park, Ohio, as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Brook Park, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.


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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brook Park, Ohio, as of December 31, 2007, and the respective changes in financial position and, cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the major Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2008, on our consideration of the City of Brook Park, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

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

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


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

April 25, 2008

City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2007

The discussion and analysis of the City of Brook Park's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2007. 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 2007 are:

- City income tax revenue totaled \$21,321,660.
- Total assets increased by \$3,016,264, or a 3.47 percent increase over 2006.
- Total net assets increased by \$2,753,080, or a 3.57 percent increase over 2006.
- Total capital assets increased by \$2,247,464, or a 4.01 percent increase over 2006.
- Total outstanding long-term liabilities decreased by \$151,850. This was a 2.60 percent decrease over 2006.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$25,173,241, an increase of \$1,771,457 in comparison with the prior year. Approximately 89.97 percent of this total amount, \$22,649,258, 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 \$9,058,619, or 39.31 percent of total General Fund expenditures.

Using This Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the City both financially and operationally. The statements proceed to provide an increasingly detailed look at our specific financial condition.

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

City of Brook Park, Ohio

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

For the Year Ended December 31, 2007

Reporting the City of Brook Park as a Whole

Statement of Net Assets and Statement of Activities

While the CAFR contains information about the funds used by the City to provide services to our citizens, the *Statement of Net Assets* and the *Statement of Activities* provide a view of the City's monetary transactions and answer the question, "How did the City do financially during 2007?" These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by the private sector. This accounting method takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net assets and the changes in those assets. The changes in net assets are important because it tells the reader whether the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information, i.e. changes in the City's tax base, changes in property and income tax laws, condition of capital assets, etc., should also be considered.

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

City of Brook Park, Ohio

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

For the Year Ended December 31, 2007

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

The City maintains 18 individual governmental funds. Information is presented separately in the *Governmental Funds Balance Sheet* and in the *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* for the General Fund, Economic Development Fund and Capital Improvements Fund; which are considered to be major funds. Data from the other governmental funds are combined into single, aggregated presentations. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this CAFR.

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

City of Brook Park, Ohio

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

For the Year Ended December 31, 2007

Other information

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

The City as a Whole

As noted earlier, the *Statement of Net Assets* looks at the City as a whole and can prove to be a useful indicator of the City's financial position. Table 1 provides a summary of the City's net assets for 2007 as compared to 2006.

Table 1
Net Assets

	<u>2007</u>	<u>2006</u>
Assets:		
Current and other assets	\$ 31,797,314	\$ 31,028,514
Capital assets, net	<u>58,249,850</u>	<u>56,002,386</u>
<i>Total assets</i>	<u>90,047,164</u>	<u>87,030,900</u>
Liabilities:		
Current and other liabilities	4,573,000	4,157,966
Long-term liabilities:		
Due within one year	1,691,415	1,910,485
Due in more than one year	<u>3,994,318</u>	<u>3,927,098</u>
<i>Total liabilities</i>	<u>10,258,733</u>	<u>9,995,549</u>
Net assets:		
Invested in capital assets, net of related debt	55,327,938	52,981,641
Restricted for:		
Capital projects	12,272,001	9,786,661
Debt service	459,559	436,703
Other purposes	2,094,496	548,690
Unrestricted	<u>9,634,437</u>	<u>13,281,656</u>
<i>Total net assets</i>	<u>\$ 79,788,431</u>	<u>\$ 77,035,351</u>

An additional portion of the City's net assets, 18.58 percent, represents resources that are subject to external restrictions on how they may be used. Unrestricted net assets, \$9,634,437, may be used to meet the City's ongoing obligations to citizens and creditors.

City of Brook Park, Ohio

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

For the Year Ended December 31, 2007

Total assets increased by \$3,016,264 during the current year. These increases are due primarily to the increase in cash and cash equivalents, intergovernmental receivables, prepaids and capital assets, offset by a decrease in property tax receivable.

The following factors were responsible for this increase:

- Investment in the infrastructure of the City continued in 2007, with approximately \$1,487,000 appropriated for street improvements.
- The 2006 roads program, with a budget of \$1,375,734, was near completion.
- The Snow Road underpass project began in 2007. The City originally funded the project with a disbursement of \$1,278,983 to CSX Corporation that will be reimbursed by the Ohio Department of Transportation (ODOT). The City will receive \$556,000 from ODOT for work performed in 2007. As a result, the City has a prepaid balance of \$722,983 at year end for the portion of the disbursement that relates to costs that will be incurred in future years.
- Ohio Department of Development reimbursed the City \$414,792 for 2006 and 2007 expenses with respect to the West 150th street/sewer improvement project.
- Capital projects increased due to the transfer of funds from the Economic Development Fund for the purpose of funding future projects.
- Property tax receivable decreased in 2007 mainly due to receipt of a one-time payment in 2006 for outstanding personal property taxes of approximately \$760,000 in regards to a settlement between Ford Motor Co. and the State of Ohio.

Total liabilities increased by \$263,184. This increase is primarily due to an increase in construction contracts related to the 2007 roads program.

The largest portion of the City's net assets (69.34 percent) reflects its investment in capital assets, i.e. land, buildings, machinery, equipment, vehicles and infrastructure, less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate those liabilities.

The City continues to make concerted efforts to maximize the return on investments of its cash and cash equivalents. Since the Federal Reserve Board decreased the Fed Funds Rate three times in 2007, the City continues to be proactive in its investment strategy. By utilizing federal government agency issues, short-term certificate of deposits and money market funds, the City achieves a balanced investment portfolio. The strategy is to maximize current returns and hedge against future declining market environments while protecting the principal of each investment.

City of Brook Park, Ohio

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

For the Year Ended December 31, 2007

Table 2 shows the changes in net assets for 2007 as compared with 2006.

Table 2
Changes in Net Assets

	<u>2007</u>	<u>2006</u>
Revenues		
Program revenues:		
Charges for services	\$ 3,136,723	\$ 3,172,207
Operating grants and contributions	246,270	220,701
Capital grants and contributions	<u>2,062,563</u>	<u>239,289</u>
<i>Total program revenues</i>	<u>5,445,556</u>	<u>3,632,197</u>
General revenues:		
Property taxes	2,261,148	4,521,976
Municipal income taxes	21,321,660	20,655,175
Grants and entitlements	2,695,712	2,453,114
Investment income	1,135,195	1,112,436
Miscellaneous income	<u>25,673</u>	<u>33,422</u>
<i>Total general revenues</i>	<u>27,439,388</u>	<u>28,776,123</u>
<i>Total revenues</i>	<u>32,884,944</u>	<u>32,408,320</u>
Program expenses:		
General government	5,183,964	4,752,217
Security of persons and property	12,258,151	11,396,843
Public health and welfare	566,718	332,619
Transportation	2,618,477	2,635,279
Leisure time activities	2,928,253	2,940,351
Community development	2,125,890	1,770,697
Public works	4,380,006	4,277,913
Interest and fiscal charges	<u>70,405</u>	<u>57,224</u>
<i>Total program expenses</i>	<u>30,131,864</u>	<u>28,163,143</u>
<i>Increase in net assets</i>	2,753,080	4,245,177
<i>Net assets at beginning of year</i>	<u>77,035,351</u>	<u>72,790,174</u>
<i>Net assets at end of year</i>	\$ <u><u>79,788,431</u></u>	\$ <u><u>77,035,351</u></u>

City of Brook Park, Ohio

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

For the Year Ended December 31, 2007

Governmental Activities

Several revenue sources fund the City's governmental activities, with City income tax being the largest contributor. The City's income tax rate is two percent on gross income and has not changed since 1991. Residents of the City who work in other communities and pay the withholding tax to those municipalities receive a 100 percent tax credit of up to two percent on their City's income tax for Brook Park. During 2007, the revenues generated from municipal income tax amounted to \$21,321,660. The increase in business income tax collections can be attributed to the automotive industry, medical industry, the settlement agreement with the City of Cleveland and State deregulation funding.

City income tax revenue of 30 percent is earmarked for specific capital improvements. These revenues are allocated by an ordinance of City Council, providing that a substantial portion of the City's income tax collections be set aside for roads, city facilities and capital needs. Of the \$32,884,944 in total revenue, income tax accounts for 64.84 percent. Property tax of \$2,261,148 accounts for 6.88 percent of total revenue. Operating grants and contributions, capital grants and contributions and general revenues from entitlements totaling \$5,004,545 account for 15.22 percent of total revenue, which constituted a 71.79 increase over the \$2,913,104 received during 2006.

With the combination of income tax, property tax, charges for services and intergovernmental funding, all expenses in the governmental activities are funded. The City monitors its sources of revenues very closely for fluctuations. For the most part, increases in expenses closely parallel inflation and growth in the demand for services. The largest program functions for the City relate to general government and security of persons and property. During 2007, 17.20 percent of program expenses related to general government, while security of persons and property accounted for 40.68 percent of program expenses.

Salaries and fringe benefits continue to make-up the largest component of program expenses (approximately 63 percent). These costs continue to increase on a yearly basis and contributed to the overall increase in expenses, \$1,968,721. In addition to increases in salaries and fringe benefits, including health insurance premiums, the Southwest General Hospital contract increased by approximately \$111,000 as a result of the previously mentioned personal property tax settlement between Ford Motor Co. and the State of Ohio. Throughout 2007, the City purchased small equipment for approximately \$250,000. These equipment purchases were individually below the City's capitalization policy of \$5,000, which factored into the overall increase in program expenses.

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 2007, the Police Department purchased five new Ford Crown Victoria Police Interceptors. The new vehicles were outfitted with state-of-the-art radio and computer equipment. As noted in prior years, the Police Department continued to make employee training a top priority. During 2007, the City was reimbursed \$47,904 from Cuyahoga County for use of the City jail and \$10,890 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 2,527 calls for assistance, of which approximately 2,092 were for EMS, with the balance attributed to fire and fire-related incidents. This constituted a decrease of .4 percent over 2006. In 2007, the Fire Department received a new rescue squad and donated an older rescue squad to Polaris Vocational School for educational purposes.

City of Brook Park, Ohio

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

For the Year Ended December 31, 2007

Program Expenses

As of December 31, 2007, the City's total cost of services was \$30,131,864, with a net cost of services totaling \$(24,686,308).

Table 3 itemizes fiscal year 2007 program expenses by specific function.

Table 3
Program Expenses

	Total Cost of Services 2007	Net Cost of Services 2007
	<u>2007</u>	<u>2007</u>
General government	\$ 5,183,964	\$ (4,644,055)
Security of persons and property	12,258,151	(11,278,687)
Public health and welfare	566,718	(549,142)
Transportation	2,618,477	(1,198,365)
Leisure time activities	2,928,253	(2,430,105)
Community development	2,125,890	(317,660)
Public works	4,380,006	(4,197,889)
Interest and fiscal charges	<u>70,405</u>	<u>(70,405)</u>
<i>Total cost of services</i>	\$ <u><u>30,131,864</u></u>	\$ <u><u>(24,686,308)</u></u>

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

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

The City's Funds

Governmental Funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$25,173,241. Of that amount, \$22,649,258 constitutes unreserved fund balances that are available for spending at the government's discretion. The remaining balance is reserved to indicate that it is not available for new spending because it has already been committed: (1) to liquidate contracts and purchases of the prior period \$(1,498,356); (2) to reflect year end inventory \$(172,841); and (3) to indicate expenses prepaid at year end \$(852,786).

City of Brook Park, Ohio

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

For the Year Ended December 31, 2007

General Fund

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance for the General Fund was \$9,713,217, of which \$9,058,619 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 39 percent of total General Fund expenditures, while total fund balance represents 42 percent of that same amount.

The said fund balance decreased by \$1,815,403 during 2007. Transfers of \$2,412,000 for police and fire pensions and to subsidize the newly created Retiree Accrued Benefit Fund caused the said fund balance to decrease.

Economic Development Fund

The Economic Development Fund accounts for parking fees and proceeds received from the sale of City owned property. These funds are earmarked for expenditures essential to the development and improvement of the City. At the end of the current fiscal year, the total fund balance for the Economic Development Fund was \$589,433, of which \$578,225 was unreserved. The said fund balance decreased by \$459,493 during 2007 mainly due to transfers to the Capital Improvements Fund.

Capital Improvements Fund

The Capital Improvements Fund accounts for fund transfers and the portion of municipal income tax designated by Council for the purpose of improving, constructing, maintaining and purchasing those items necessary to enhance the operation of the City. At the end of the current fiscal year, the total fund balance for the Capital Improvements Fund was \$12,272,001, of which \$10,441,047 was unreserved. The said fund balance increased by \$2,485,340 during 2007. This increase is mainly due to transfers from the Economic Development Fund to subsidize capital improvement projects (Snow Road underpass and the W. 150th street/sewer improvement).

City Budget

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. An annual appropriation budget is legally required to be prepared for all funds of the City other than agency funds. City Council is provided with a detailed line item budget for all departments, and after discussions at regularly held Council meetings that are open to the public, the budget is adopted at the department level by object. Within each object, appropriations can be transferred between line items with the approval of the finance director and the respective department head. Council must approve any revisions in the budget that alter object level totals or total appropriations for any department or fund. During the course of fiscal year 2007, the City amended its General Fund budget three times. The Finance Department watches all department expenditures closely to monitor compliance with allocated budgets and provides monthly reports to City Council that depict monthly and year-to-date activity.

City of Brook Park, Ohio

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

For the Year Ended December 31, 2007

For the General Fund, the budget basis revenue was \$23.6 million as compared to the original budget estimate of \$22.5 million. Final budget exceeded original budget due to higher than expected income tax collections. The final appropriations of \$26.8 million were sufficient to meet the actual expenditures for the year, \$25 million. Final appropriations exceeded original appropriations mainly due to the increased cost of fuel, fluctuations in overtime and premium adjustments for Worker's Compensation coverage. The City's ending unencumbered budgetary fund balance was \$2,143,522 higher than the final budgeted amount mainly due to conservative revenue and expenditure budgetary practices.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2007, the City had \$58 million invested in land, buildings and equipment. Table 4 shows fiscal year 2007 balances of Capital Assets, net of depreciation, as compared to 2006.

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

	<u>2007</u>	<u>2006</u>
Land	\$ 4,861,009	\$ 4,861,009
Construction in progress	3,966,473	2,402,506
Buildings and improvements	11,137,044	11,207,680
Improvements other than buildings	1,582,580	1,718,764
Machinery and equipment	1,848,342	1,507,779
Furniture and fixtures	54,045	65,127
Vehicles	3,873,292	3,674,962
Infrastructure		
Streets	18,337,549	17,597,346
Sewers	12,353,497	12,715,709
Water lines	<u>236,019</u>	<u>251,504</u>
<i>Total capital assets</i>	<u>\$ 58,249,850</u>	<u>\$ 56,002,386</u>

Net of depreciation, the balances for the above capital assets remained practically unchanged, except for construction in progress and streets. The 2007 roads program, Snow Road underpass project, quiet zones project and West 150th street/sewer improvement project began in 2007 and were still in progress at year-end. In addition, various street resurfacing projects were completed in 2007. These projects were transferred from construction in progress to streets.

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.

City of Brook Park, Ohio

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

For the Year Ended December 31, 2007

With respect to 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 city engineer evaluates the condition of each street after each winter and prepares a list of streets to be either resurfaced or crack sealed. In the case of concrete roads, the damaged portion will be either replaced or repaired. After approval from Council, the projects are bid in the spring to get the best possible pricing from contractors. For additional information on capital assets, see Note 7 of the basic financial statements.

Debt

On December 31, 2007, the City had \$5,685,733 in outstanding debt, with \$1,691,415 due within one year.

Table 5 summarizes general obligation bonds, capital leases and compensated absences.

Table 5
Outstanding Debt at Year End

	<u>2007</u>	<u>2006</u>
General obligation bonds	\$ 1,775,000	\$ 1,945,000
Capital leases	1,146,912	1,075,745
Compensated absences	<u>2,763,821</u>	<u>2,816,838</u>
<i>Total</i>	<u>\$ 5,685,733</u>	<u>\$ 5,837,583</u>

As of December 31, 2007, the City's overall legal debt margin was \$58,487,763, with an unvoted debt margin of \$30,010,047. The City has an aggressive debt reduction approach, paying off most long-term debt within 10 years. As of the end of the year, the outstanding general obligation debt was \$1,775,000. Other obligations include accrued vacation pay, sick leave and capital leases. More detailed information about the City's long-term liabilities is presented in Note 8 of the basic financial statements.

Current Financial Related Activities

Management of the City is extremely concerned with the continued reduction of employment levels at Ford Motor Co. and the general news concerning the long term existence of the Ford Motor Co. within the City. Ford's Casting Plant is scheduled to close in mid-2010 and Plant #1 is currently idled, with an expected reopening scheduled to occur in late 2008 if market conditions improve. Continued reductions in employment and/or plant closings will have a material impact on the budget and result in significant changes in the operation of the City. Management is in constant contact with Ford officials discussing current conditions and strategizing for business alternatives that will keep the Brook Park Ford Facility competitive in their corporate structure, resulting in a long-term existence in Brook Park.

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

City of Brook Park, Ohio

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

For the Year Ended December 31, 2007

Contacting the City's Finance Department

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

City of Brook Park, Ohio

Statement of Net Assets

December 31, 2007

Assets:

Cash and cash equivalents	\$ 23,223,609
Materials and supplies inventory	172,841
Accounts receivable	96,188
Interest receivable	308,106
Intergovernmental receivable	1,823,619
Prepays	852,786
Taxes receivable	5,276,797
Special assessments receivable	43,368
Nondepreciable capital assets	8,827,482
Depreciable capital assets, net	<u>49,422,368</u>
Total assets	<u>90,047,164</u>

Liabilities:

Accounts payable	310,198
Contracts payable	464,910
Accrued wages and benefits	770,969
Intergovernmental payable	460,015
Matured compensated absences	184,838
Unearned revenue	2,135,377
Claims payable	209,896
Accrued interest payable	36,797
Long-term liabilities:	
Due within one year	1,691,415
Due in more than one year	<u>3,994,318</u>
Total liabilities	<u>10,258,733</u>

Net assets:

Invested in capital assets, net of related debt	55,327,938
Restricted for:	
Capital projects	12,272,001
Debt service	459,559
Other purposes	2,094,496
Unrestricted	<u>9,634,437</u>
Total net assets	\$ <u>79,788,431</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, 2007

	<u>Expense</u>	<u>Program Revenues</u>			<u>Governmental Activities</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
General government	\$ 5,183,964	\$ 539,909	\$ -	\$ -	\$ (4,644,055)
Security of persons and property	12,258,151	949,365	30,099	-	(11,278,687)
Public health and welfare	566,718	6,996	10,580	-	(549,142)
Transportation	2,618,477	-	23,474	1,396,638	(1,198,365)
Leisure time activities	2,928,253	498,148	-	-	(2,430,105)
Community development	2,125,890	1,142,305	-	665,925	(317,660)
Public works	4,380,006	-	182,117	-	(4,197,889)
Interest and fiscal charges	<u>70,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(70,405)</u>
Total governmental activities	\$ <u>30,131,864</u>	\$ <u>3,136,723</u>	\$ <u>246,270</u>	\$ <u>2,062,563</u>	<u>(24,686,308)</u>
General revenues:					
Property and other local taxes levied for:					
General purposes					1,656,549
Other purposes					604,599
Income taxes levied for:					
General purposes					15,918,492
Capital outlay					5,403,168
Grants and entitlements not restricted to specific programs					2,695,712
Investment income					1,135,195
Miscellaneous income					<u>25,673</u>
Total general revenues					<u>27,439,388</u>
Change in net assets					2,753,080
Net assets at beginning of year					<u>77,035,351</u>
Net assets at end of year					\$ <u>79,788,431</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, 2007

	<u>General</u>	<u>Economic Development</u>	<u>Capital Improvements</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$ 8,226,990	\$ 600,306	\$ 10,909,225	\$ 3,105,068	\$ 22,841,589
Material and supplies inventory	172,841	-	-	-	172,841
Accounts receivable	95,488	-	-	700	96,188
Interest receivable	308,106	-	-	-	308,106
Intergovernmental receivable	741,354	-	570,871	511,394	1,823,619
Prepays	129,803	-	722,983	-	852,786
Special assessments receivable	-	-	-	43,368	43,368
Taxes receivable	<u>4,015,484</u>	<u>-</u>	<u>845,007</u>	<u>416,306</u>	<u>5,276,797</u>
Total assets	\$ <u>13,690,066</u>	\$ <u>600,306</u>	\$ <u>13,048,086</u>	\$ <u>4,076,836</u>	\$ <u>31,415,294</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 221,001	\$ 10,873	\$ 69,833	\$ 8,491	\$ 310,198
Contracts payable	-	-	464,910	-	464,910
Accrued wages and benefits	311,016	-	-	459,953	770,969
Intergovernmental payable	443,570	-	-	16,445	460,015
Matured compensated absences	-	-	-	184,838	184,838
Deferred revenue	<u>3,001,262</u>	<u>-</u>	<u>241,342</u>	<u>808,519</u>	<u>4,051,123</u>
Total liabilities	<u>3,976,849</u>	<u>10,873</u>	<u>776,085</u>	<u>1,478,246</u>	<u>6,242,053</u>
Fund balances:					
Reserved for encumbrances	351,954	11,208	1,107,971	27,223	1,498,356
Reserved for inventory	172,841	-	-	-	172,841
Reserved for prepaids	129,803	-	722,983	-	852,786
Unreserved:					
Undesignated, reported in:					
General fund	9,058,619	-	-	-	9,058,619
Special revenue funds	-	578,225	-	2,111,808	2,690,033
Debt service fund	-	-	-	459,559	459,559
Capital projects fund	<u>-</u>	<u>-</u>	<u>10,441,047</u>	<u>-</u>	<u>10,441,047</u>
Total fund balances	<u>9,713,217</u>	<u>589,433</u>	<u>12,272,001</u>	<u>2,598,590</u>	<u>25,173,241</u>
Total liabilities and fund balances	\$ <u>13,690,066</u>	\$ <u>600,306</u>	\$ <u>13,048,086</u>	\$ <u>4,076,836</u>	\$ <u>31,415,294</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, 2007

Total Governmental Funds balances \$ 25,173,241

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

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. 58,249,850

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

Property and other taxes	\$ 228,655
Municipal income taxes	804,472
Special assessments	43,368
Intergovernmental	<u>839,251</u>

Total 1,915,746

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental Funds, an interest expenditure is reported when due. (36,797)

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. 172,124

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

General obligation bonds	(1,775,000)
Capital leases	(1,146,912)
Compensated absences	<u>(2,763,821)</u>

Total (5,685,733)

Net Assets of Governmental Activities \$ 79,788,431

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, 2007

	<u>General</u>	<u>Economic Development</u>	<u>Capital Improvements</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 2,130,938	\$ -	\$ -	\$ 628,786	\$ 2,759,724
Municipal income taxes	16,178,994	-	5,403,168	-	21,582,162
Other local taxes	359,472	-	-	-	359,472
Intergovernmental	1,502,429	-	2,319,680	1,116,136	4,938,245
Charges for services	871,236	962,131	-	-	1,833,367
Licenses and permits	433,795	-	-	-	433,795
Fines and forfeitures	361,485	-	-	34,120	395,605
Special assessments	-	-	23,474	81,999	105,473
Investment income	922,874	-	184,831	27,490	1,135,195
Miscellaneous income	<u>238,034</u>	<u>37,556</u>	<u>87,157</u>	<u>136,882</u>	<u>499,629</u>
Total revenues	<u>22,999,257</u>	<u>999,687</u>	<u>8,018,310</u>	<u>2,025,413</u>	<u>34,042,667</u>
Expenditures:					
Current operations and maintenance:					
Security of persons and property	10,104,609	-	46,590	1,552,740	11,703,939
Public health and welfare	324,361	-	-	235,048	559,409
Leisure time activities	2,332,917	-	199,140	102,367	2,634,424
Community development	982,303	104,344	-	41,098	1,127,745
Public works	3,789,556	-	259,213	-	4,048,769
Transportation	812,505	-	111,121	883,489	1,807,115
General government	4,700,701	-	144,311	3,000	4,848,012
Capital outlay	-	-	5,964,107	-	5,964,107
Debt service:					
Principal retirement	-	-	-	170,000	170,000
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,196</u>	<u>66,196</u>
Total expenditures	<u>23,046,952</u>	<u>104,344</u>	<u>6,724,482</u>	<u>3,053,938</u>	<u>32,929,716</u>
Excess of revenues over (under) expenditures	<u>(47,695)</u>	<u>895,343</u>	<u>1,293,828</u>	<u>(1,028,525)</u>	<u>1,112,951</u>
Other financing sources (uses):					
Inception of capital lease	631,381	-	-	-	631,381
Sale of capital assets	12,911	5,164	9,050	-	27,125
Transfers – in	-	-	1,360,000	2,589,538	3,949,538
Transfers – out	<u>(2,412,000)</u>	<u>(1,360,000)</u>	<u>(177,538)</u>	<u>-</u>	<u>(3,949,538)</u>
Total other financing sources (uses)	<u>(1,767,708)</u>	<u>(1,354,836)</u>	<u>1,191,512</u>	<u>2,589,538</u>	<u>658,506</u>
Net change in fund balances	(1,815,403)	(459,493)	2,485,340	1,561,013	1,771,457
Fund balances at beginning of year	<u>11,528,620</u>	<u>1,048,926</u>	<u>9,786,661</u>	<u>1,037,577</u>	<u>23,401,784</u>
Fund balances at end of year	\$ <u><u>9,713,217</u></u>	\$ <u><u>589,433</u></u>	\$ <u><u>12,272,001</u></u>	\$ <u><u>2,598,590</u></u>	\$ <u><u>25,173,241</u></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, 2007

Net Change in Fund Balances - Total Governmental Funds \$ 1,771,457

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

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

Capital outlay	\$	4,663,281	
Depreciation		<u>(2,295,247)</u>	
			2,368,034

In the Statement of Activities, only the loss on the disposal of equipment is reported, whereas, in the Governmental Funds, the proceeds from the disposal increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the equipment. (120,570)

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		(858,048)	
Municipal income taxes		(260,502)	
Special assessments		(66,459)	
Intergovernmental		<u>27,286</u>	
			(1,157,723)

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. (631,381)

Repayment of bond principal and capital leases are expenditures in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 730,214

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		53,017	
Accrued interest on bonds		<u>(4,209)</u>	
			48,808

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. (255,759)

Change in Net Assets of Governmental Activities \$ 2,753,080

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

City of Brook Park, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget
(Non-GAAP Budgetary Basis) and Actual
General Fund
For The Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 2,881,376	\$ 2,890,938	\$ 2,890,938	\$ -
Municipal income taxes	14,953,905	16,095,981	16,095,981	-
Other local taxes	305,000	359,472	359,472	-
Intergovernmental	1,591,955	1,565,491	1,565,491	-
Charges for services	902,292	871,335	871,335	-
Licenses and permits	423,263	404,740	404,740	-
Fines and forfeitures	390,538	358,224	358,224	-
Investment income	785,397	784,342	784,342	-
Miscellaneous income	<u>253,027</u>	<u>251,925</u>	<u>251,925</u>	<u>-</u>
Total revenues	<u>22,486,753</u>	<u>23,582,448</u>	<u>23,582,448</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property	10,054,159	10,106,162	9,861,941	244,221
Public health and welfare	303,334	325,911	321,598	4,313
Leisure time activities	2,449,381	2,513,636	2,379,937	133,699
Community development	991,047	1,023,613	980,381	43,232
Public works	3,484,179	3,607,461	3,534,559	72,902
Transportation	748,672	904,382	821,229	83,153
General government	<u>5,615,114</u>	<u>5,913,770</u>	<u>4,718,294</u>	<u>1,195,476</u>
Total expenditures	<u>23,645,886</u>	<u>24,394,935</u>	<u>22,617,939</u>	<u>1,776,996</u>
Excess of revenues over (under) expenditures	<u>(1,159,133)</u>	<u>(812,487)</u>	<u>964,509</u>	<u>1,776,996</u>
Other financing sources (uses):				
Sale of capital assets	5,184	12,273	12,273	-
Transfers – out	<u>(912,000)</u>	<u>(2,412,000)</u>	<u>(2,412,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(906,816)</u>	<u>(2,399,727)</u>	<u>(2,399,727)</u>	<u>-</u>
Net change in fund balance	(2,065,949)	(3,212,214)	(1,435,218)	1,776,996
Cash fund balance at beginning of year	9,216,853	9,216,853	9,216,853	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>366,526</u>	<u>366,526</u>
Cash fund balance at end of year	\$ <u>7,150,904</u>	\$ <u>6,004,639</u>	\$ <u>8,148,161</u>	\$ <u>2,143,522</u>

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

City of Brook Park, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget
(Non-GAAP Budgetary Basis) and Actual
Economic Development Fund
For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 865,642	\$ 962,131	\$ 962,131	\$ -
Miscellaneous income	<u>-</u>	<u>37,556</u>	<u>37,556</u>	<u>-</u>
Total revenues	<u>865,642</u>	<u>999,687</u>	<u>999,687</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Community development	<u>1,103,414</u>	<u>503,414</u>	<u>125,816</u>	<u>377,598</u>
Excess of revenues over expenditures	<u>(237,772)</u>	<u>496,273</u>	<u>873,871</u>	<u>377,598</u>
Other financing sources (uses):				
Sale of capital assets	479,168	5,164	5,164	-
Transfers – out	<u>-</u>	<u>(1,360,000)</u>	<u>(1,360,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>479,168</u>	<u>(1,354,836)</u>	<u>(1,354,836)</u>	<u>-</u>
Net change in fund balance	241,396	(858,563)	(480,965)	377,598
Cash fund balance at beginning of year	1,059,190	1,059,190	1,059,190	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>22,081</u>	<u>22,081</u>
Cash fund balance at end of year	\$ <u>1,300,586</u>	\$ <u>200,627</u>	\$ <u>600,306</u>	\$ <u>399,679</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, 2007

	<u>Governmental Activities - Internal Service Fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 382,020
Liabilities:	
Current liabilities:	
Claims payable	<u>209,896</u>
Net assets:	
Unrestricted	\$ <u><u>172,124</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, 2007

	Governmental Activities - Internal Service Fund
Operating revenues:	
Reimbursements	\$ 2,538,869
Operating expenses:	
Contractual services	<u>2,794,628</u>
Change in net assets	(255,759)
Net assets at beginning of year	<u>427,883</u>
Net assets at end of year	\$ <u><u>172,124</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, 2007

	Governmental Activities - Internal Service Fund
Increase (decrease) in cash and cash equivalents:	
Cash flows from operating activities:	
Cash payments for contractual services	\$ (2,707,538)
Cash received from reimbursements	<u>2,548,832</u>
Net decrease in cash and cash equivalents	(158,706)
Cash and cash equivalents at beginning of year	<u>540,726</u>
Cash and cash equivalents at end of year	\$ <u><u>382,020</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (255,759)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Change in assets and liabilities:	
Decrease in accounts receivable	9,963
Increase in claims payable	<u>87,090</u>
Net cash used in operating activities	\$ <u><u>(158,706)</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, 2007

	<u>Agency</u>
Assets:	
Cash and cash equivalents	\$ <u>72,868</u>
Liabilities:	
Intergovernmental payable	\$ 6,590
Due to others	19,956
Deposits held	<u>46,322</u>
Total liabilities	\$ <u>72,868</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, 2007

Note 1: The Reporting Entity

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

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

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

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

Jointly Governed Organizations

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 1: The Reporting Entity (continued)

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

The Board exercises total control over the operations of the Health Center including budgeting, appropriating, contracting and designating management. Each City's control is limited to its representation on the Board. In 2007, the City of Brook Park contributed \$237,218 of property tax levies to the Health Center.

Note 2: Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

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 (continued)

For The Year Ended December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Capital Improvements Fund

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

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

Proprietary Funds

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

Internal Service Fund

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

Fiduciary Funds

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

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 (continued)

For The Year Ended December 31, 2007

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 (continued)

For The Year Ended December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Revenues – Exchange and Non-Exchange Transactions (continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Unearned Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2007, but which were levied to finance year 2008 operations, have been recorded as unearned revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have 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 (continued)

For The Year Ended December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgetary Process

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

Tax Budget

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

Estimated Resources

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

On or about January 1 the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the Finance Director determines that revenue to be collected will be greater than or less than the prior estimates and the budget commission finds the revised estimates to be reasonable. The amounts reported in the budgetary statements as original represent the amounts in the first official certificate of estimated resources issued during 2007. The amounts reported in the budgetary statements as final reflect the amounts in the final amended official certificate of estimated resources issued during 2007.

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 (continued)

For The Year Ended December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgetary Process (continued)

Appropriations

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

Lapsing of Appropriations

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

Budgeted Level of Expenditure

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

Encumbrances

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

F. Pooled Cash and Cash Equivalents

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

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

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

In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of December 31, 2007:

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

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

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

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

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

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

F. Pooled Cash and Cash Equivalents (continued)

During the year, the City invested in STAROhio, an investment pool managed by the State Treasurer's office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2007.

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

G. Inventory

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2007, are recorded as prepaid items using the allocation method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

I. Receivables

Receivables at December 31, 2007 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 (continued)

For The Year Ended December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

J. Capital Assets (continued)

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

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

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

K. Interfund Balances

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

L. Compensated Absences

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

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

L. Compensated Absences (continued)

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

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Fund Balance Reserves

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

O. Net Assets

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

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. As of December 31, 2007, the City did not have net assets restricted by enabling legislation.

P. Operating Revenues and Expenses

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 2: Summary of Significant Accounting Policies (continued)

Q. Grants and Intergovernmental Revenues

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

R. Interfund Activity

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither occurred in 2007.

T. Estimates

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

Note 3: Change in Accounting Principles

For fiscal year 2007, the City implemented GASB Statements No. 43, "*Financial Reporting for Postemployment Benefit Plans other than Pension Plans*" and No. 48, "*Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*". GASB Statement No. 43 applies for other postemployment benefit (OPEB) trust funds included in the financial reports of plan sponsors or employers and provides requirements for reporting OPEB funds by administrators of multiple-employer OPEB plans, when the fund used to accumulate assets and pay benefits or premiums when due is not a trust fund. GASB Statement No. 48 establishes criteria that governments will use to ascertain whether certain transactions should be regarded as sales or a collateralized borrowings. The statement also includes disclosure requirements for future revenues that are pledged and sold.

The implementation of GASB Statements No. 43 and No. 48 did not affect the presentation of the financial statements of the City.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 4: Budgetary Basis of Accounting

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

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

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

	<u>Net Change in Fund Balance</u>	
	<u>General</u>	<u>Economic Development</u>
GAAP Basis	\$ (1,815,403)	\$ (459,493)
<u>Increase (Decrease) Due to:</u>		
Revenue Accruals	30,001	-
Fair value adjustments for investments	(78,829)	-
Expenditure Accruals	795,539	609
Outstanding Encumbrances	<u>(366,526)</u>	<u>(22,081)</u>
Budget Basis	\$ <u>(1,435,218)</u>	\$ <u>(480,965)</u>

Note 5: Deposits and Investments

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 5: Deposits and Investments (continued)

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

Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies may be deposited or invested in the following securities:

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

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

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 5: Deposits and Investments (continued)

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by eligible securities pledged to and deposited either within the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred and five percent of the deposits being secured.

At year-end, the carrying amount of the City's deposits was \$10,638,483 (including \$4,030 of petty cash, \$26,547 of segregated accounts and \$11,632 held with fiscal agents) and the bank balance was \$10,724,024. Of the bank balance \$400,000 was covered by Federal depository insurance and \$10,324,024 was uninsured. And collateralized with securities held by the pledging institution's trust department, not in the City's name.

Investments

Investments are reported at fair value. As of December 31, 2007, the City had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Federal Home Loan Mortgage Corporation	\$ 1,819,719	24
Federal Home Loan Bank	4,699,636	115
Federal National Mortgage Association	5,729,175	140
STAROhio	<u>409,464</u>	<u>N/A</u>
Total portfolio	<u>\$ 12,657,994</u>	<u>279</u>

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

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 5: Deposits and Investments (continued)

Investments (continued)

of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed.

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

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2007:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
STAROhio	3.23%
Federal Home Loan Mortgage Corporation	14.38
Federal Home Loan Bank	37.13
Federal National Mortgage Association	45.26

Note 6: Receivables

Receivables at December 31, 2007 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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 6: Receivables (continued)

A. Property Tax (continued)

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

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

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

The full tax rate for all City operations for the year ended December 31, 2007, was \$4.75 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$ 472,692,140
Public Utility	11,951,610
Tangible Personal	84,910,572
Total	\$ <u>569,554,322</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 transfers, through the budgetary process. Income tax receipts for 2007 were \$21,491,537.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 6: Receivables (continued)

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Local government funds	\$ 514,076
Auto registration fees	122,418
Estate tax	23,513
Homestead and rollback	99,626
CAT tax reimbursement	61,215
Gasoline and excise tax	359,799
Public utility reimbursement	25,600
Permissive tax	3,585
Ohio Department of Transportation reimbursement	556,000
Fines and forfeitures	21,681
Miscellaneous reimbursements	<u>36,106</u>
Total	<u>\$ 1,823,619</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 2008.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 7: Capital Assets

Capital asset activity for the year ended December 31, 2007, was as follows:

	<u>Balances</u> 12/31/06	<u>Additions</u>	<u>Disposals</u>	<u>Balances</u> 12/31/07
Governmental activities				
Nondepreciable assets:				
Land	\$ 4,861,009	\$ -	\$ -	\$ 4,861,009
Construction in progress	<u>2,402,506</u>	<u>3,351,397</u>	<u>(1,787,430)</u>	<u>3,966,473</u>
Total nondepreciable assets	<u>7,263,515</u>	<u>3,351,397</u>	<u>(1,787,430)</u>	<u>8,827,482</u>
Depreciable assets:				
Buildings and improvements	17,282,776	322,733	-	17,605,509
Improvements other than buildings	2,805,351	-	(43,354)	2,761,997
Machinery and equipment	2,789,651	570,403	(44,677)	3,315,377
Furniture and fixtures	164,633	-	-	164,633
Vehicles	7,672,136	719,167	(337,434)	8,053,869
Infrastructure:				
Streets	22,456,245	1,487,011	-	23,943,256
Sewers	18,110,594	-	-	18,110,594
Water lines	<u>464,543</u>	<u>-</u>	<u>-</u>	<u>464,543</u>
Total depreciable assets	<u>71,745,929</u>	<u>3,099,314</u>	<u>(425,465)</u>	<u>74,419,778</u>
Less accumulated depreciation:				
Buildings and improvements	(6,075,096)	(393,369)	-	(6,468,465)
Improvements other than buildings	(1,086,587)	(123,865)	31,035	(1,179,417)
Machinery and equipment	(1,281,872)	(211,620)	26,457	(1,467,035)
Furniture and fixtures	(99,506)	(11,082)	-	(110,588)
Vehicles	(3,997,174)	(430,806)	247,403	(4,180,577)
Infrastructure:				
Streets	(4,858,899)	(746,808)	-	(5,605,707)
Sewers	(5,394,885)	(362,212)	-	(5,757,097)
Water lines	<u>(213,039)</u>	<u>(15,485)</u>	<u>-</u>	<u>(228,524)</u>
Total accumulated depreciation	<u>(23,007,058)</u>	<u>(2,295,247)</u>	<u>304,895</u>	<u>(24,997,410)</u>
Total depreciable assets, net	<u>48,738,871</u>	<u>804,067</u>	<u>(120,570)</u>	<u>49,422,368</u>
Governmental activities capital assets, net	\$ <u>56,002,386</u>	\$ <u>4,155,464</u>	\$ <u>(1,908,000)</u>	\$ <u>58,249,850</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 82,213
Security of persons and property	344,856
Leisure time activities	381,414
Community development	18,403
Public works	609,661
Transportation	<u>858,700</u>
Total	\$ <u>2,295,247</u>

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 8: Long-Term Debt

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

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

Changes in long-term debt activity for the year ended December 31, 2007 was as follows:

	<u>Balances 12/31/06</u>	<u>Issued</u>	<u>Retired</u>	<u>Balances 12/31/07</u>	<u>Amounts Due in One Year</u>
General obligation bonds:					
Laich street improvements	\$ 725,000	\$ -	\$ 30,000	\$ 695,000	\$ 30,000
Aerospace parkway improvements	<u>1,220,000</u>	<u>-</u>	<u>140,000</u>	<u>1,080,000</u>	<u>140,000</u>
Total general obligation bonds	<u>1,945,000</u>	<u>-</u>	<u>170,000</u>	<u>1,775,000</u>	<u>170,000</u>
Capitalized lease agreements:					
Public works and public service vehicles	-	595,412	206,589	388,823	190,462
Snow plow	49,286	-	49,286	-	-
Police sedans	195,959	-	134,124	61,835	61,834
Fire trucks	677,721	-	124,080	553,641	129,564
Copiers	852	35,969	5,641	31,180	7,186
Radio equipment	57,940	-	10,280	47,660	10,896
Telephone system	<u>93,987</u>	<u>-</u>	<u>30,214</u>	<u>63,773</u>	<u>31,348</u>
Total capital leases	<u>1,075,745</u>	<u>631,381</u>	<u>560,214</u>	<u>1,146,912</u>	<u>431,290</u>
Accrued compensated absences	<u>2,816,838</u>	<u>754,603</u>	<u>807,620</u>	<u>2,763,821</u>	<u>1,090,125</u>
Total governmental long-term liabilities	<u>\$ 5,837,583</u>	<u>\$ 1,385,984</u>	<u>\$ 1,537,834</u>	<u>\$ 5,685,733</u>	<u>\$ 1,691,415</u>

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

During 2005 the Ohio Public Works Commission (OPWC) approved a loan to the City to finance a portion of the West 150th Street Improvement project. The OPWC committed up to \$1,942,332 at a 0% interest rate for twenty years. The final payment schedule will be determined when the total loan is disbursed or the project is completed, whichever is earlier. The City has not completed the project or received any funds from OPWC in 2007.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 8: Long-Term Debt (continued)

Compensated absences are generally paid from the General Fund, Street Maintenance Special Revenue Fund, State Highway Special Revenue Fund, Community Diversion Special Revenue Fund and the Retiree Accrued Benefits Special Revenue Fund.

See Note 9 for additional information on capital leases.

The City's overall legal debt margin was \$58,487,763 at December 31, 2007. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2007 are as follows:

<u>Year</u>	<u>General Obligations Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2008	\$ 170,000	\$ 62,626	\$ 232,626
2009	175,000	58,376	233,376
2010	180,000	53,476	233,476
2011	190,000	48,076	238,076
2012	190,000	41,900	231,900
2013-2017	525,000	120,545	645,545
2018-2022	235,000	57,948	292,948
2023-2024	110,000	7,590	117,590
Total	\$ <u>1,775,000</u>	\$ <u>450,537</u>	\$ <u>2,225,537</u>

Note 9: Capital Leases

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

	<u>Governmental Activities</u>
Assets:	
Machinery and equipment	\$ 237,104
Less: accumulated depreciation	<u>(31,910)</u>
Total	\$ <u>205,194</u>
Vehicles	\$ 2,438,046
Less: accumulated depreciation	<u>(448,478)</u>
Total	\$ <u>1,989,568</u>

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 9: Capital Leases (continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2007, were as follows:

<u>Year</u>	<u>Payments</u>
2008	\$ 478,983
2009	414,107
2010	174,994
2011	174,994
2012	<u>2,403</u>
Total minimum lease payments	1,245,481
Less: amount representing interest	<u>(98,569)</u>
Present value of minimum lease payments	\$ <u>1,146,912</u>

Note 10: Compensated Absences

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

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

Note 11: Pension Plans

A. Ohio Public Employees Retirement System

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

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 11: Pension Plans (continued)

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

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

For the year ended December 31, 2007, the members of all three plans were required to contribute 9.50 percent of their annual covered salary to fund pension obligations. The City contributed 13.85 percent of covered payroll, of which 5.00 to 6.00 percent was used to fund health care coverage for retirees. The contribution rate is determined actuarially. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City of Brook Park's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$616,329, \$658,348, and \$686,857, respectively, equal to the required contributions for each year. The full amount has been contributed for all three years.

B. *Ohio Police and Fire Pension Fund*

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

Plan members are required to contribute 10.00 percent of their annual covered salary, while employers are required to contribute 19.50 percent for police officers and 24.00 percent for firefighters. Contributions are authorized by state statute. The City of Brook Park's contributions to OP&F for police and firefighters were \$390,851 and \$543,814 for the year ended December 31, 2007, \$355,707 and \$501,417 for the year ended December 31, 2006, and \$341,870 and \$463,633 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 77 percent for police and 75 percent for firefighters has been contributed for 2007 with the remainder being reported as a liability.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 12: Postemployment Benefits

A. *Ohio Public Employees Retirement System*

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

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

In order to qualify for post-retirement health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor recipients is available. The health care coverage provided by the Retirement System meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. The 2007 employer contribution rate was 13.85 percent of covered payroll; 5.00 percent from January 1 through June 30, 2007 and 6.00 percent from July 1 through December 31, 2007 were the portions that were used to fund health care.

Benefits are advance-funded on an actuarially determined basis. The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50 percent. An annual increase of 4.0 percent, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0 percent base increase, were assumed to range from 0.50 percent to 6.30 percent. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.50 percent to 5.00 percent for the next eight years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4.00 percent (the projected wage inflation rate).

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12.00 percent corridor.

At December 31, 2007, the number of active contributing participants in the Traditional and Combined Plans totaled 374,979. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 362,130. The City's actual contributions for 2007, which were used to fund postemployment benefits, were \$405,924. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfounded actuarially accrued liability were \$30.7 billion and \$18.7 billion, respectively.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 12: Postemployment Benefits (continued)

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

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

B. *Ohio Police and Fire Pension Fund*

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

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (“OPEB”) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from the funds of OP&F shall be included in the employer’s contribution rate. The Ohio Revised Code provides the statutory authority allowing the OP&F’s Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The total police employer contribution rate is 19.50 percent of covered payroll and the total firefighter employer contribution rate is 24.00 percent of covered payroll, of which 7.75 percent and 6.75 percent of covered payroll was applied to the postemployment health care program during 2006 and 2007, respectively. In addition, since July 1, 1992, most retirees and survivors were required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The number of participants eligible to receive health care benefits as of December 31, 2006, the date of the last actuarial valuation available, was 14,120 for police and 10,563 for firefighters. The City’s actual contributions for 2007 that were used to fund post-employment benefits were \$206,780 for police and \$212,534 for firefighters. OP&F’s total health care expenses for the year ending December 31, 2006, the date of the last actuarial valuation available, was \$120,373,722, which was net of member contributions of \$58,532,848.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 12: Postemployment Benefits (continued)

C. Other Post-Employment Benefits

The City, under local ordinance and employee bargaining contracts, provides post-retirement prescription drug coverage and life insurance for its retired employees and hospitalization for a retired employee's spouse or surviving spouse who meet certain requirements. The cost of these benefits, provided for under the City's existing group benefit policies, is paid solely by the City on a pay-as-you-go basis. The premiums for each type of benefit differs for those over and under age 65. The amount expended out of the general fund for each type of benefit and the number of participants in 2007 are:

<u>Benefit</u>	<u>Number of Participants</u>	<u>Amount Expended</u>
Hospitalization	4	\$ 11,426
Health care reimbursements	81	192,279
Life	137	<u>1,959</u>
		<u>\$ 205,664</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, 2007, per occurrence for all types of coverage are as follows:

<u>Type of Coverage</u>	<u>Carrier</u>	<u>Coverage</u>
Property:		
Blanket building and contents	St. Paul Travelers Insurance	\$ 43,179,858
Extra expense	St. Paul Travelers Insurance	1 million
General liability:		
Commercial general liability	St. Paul Travelers Insurance	5 million
Employee benefits	St. Paul Travelers Insurance	3 million
Employers liability	St. Paul Travelers Insurance	2 million
Automotive liability	St. Paul Travelers Insurance	1 million

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 13: Risk Management (continued)

<u>Type of Coverage</u>	<u>Carrier</u>	<u>Coverage</u>
Excess liability: Umbrella	St. Paul Travelers Insurance	\$ 10 million
Other coverage:		
Contractors equipment	St. Paul Travelers Insurance	1,194,286
EDP equipment	St. Paul Travelers Insurance	356,585
Employee dishonesty	St. Paul Travelers Insurance	100,000
Valuable papers	St. Paul Travelers Insurance	100,000
Accounts receivable	St. Paul Travelers Insurance	100,000
Law enforcement	St. Paul Travelers Insurance	1 million
Public officials	St. Paul Travelers Insurance	6 million

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

The City provides a medical plan for full time employees and their families. The plan is self-funded for fiscal year 2007 and administered by a third party organization. All covered employees also received prescription drug coverage, vision and dental plans. Full time employees are covered by a \$25,000 term life insurance policy.

For the plan, the preferred provider prices all claims which are then submitted to the third party administrator. The third party administrator reviews and processes the claims, which the City then pays. The City has stop loss coverage of \$200,000 in the aggregate. In 2007, the City funded the self-insurance reserve \$473 per month for single coverage and \$1,240 per month for family coverage. These rates are paid by the fund from which the employee's compensation is paid and include medical, prescription, dental and vision coverage.

The claims liability of \$209,896 as estimated by third party administrator and reported in the Self-Insurance Fund at December 31, 2007 is based on the requirements of the GASB Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. The liability represents the self-funded plan's portion of claims that remained outstanding at December 31, 2007. Changes in the fund's claim liability amount for the years ended 2005, 2006, and 2007 are as follows:

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2007

Note 13: Risk Management (continued)

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Year End</u>
2005	\$ 241,926	\$ (39,124)	\$ (199,393)	\$ 3,409
2006	3,409	1,955,154	(1,835,757)	122,806
2007	122,806	1,946,684	(1,859,594)	209,896

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

At December 31, 2007, the City's significant contractual commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
Safety Town	\$ 103,389	\$ 82,492	\$ 20,897
Snow Road underpass	9,211,404	1,596,135	7,615,269
Quiet Zone	415,742	82,364	333,378
Roads program	1,485,365	1,315,308	170,057
Snow Road ramp project	703,900	604,175	99,725
Total	\$ <u>11,919,800</u>	\$ <u>3,680,474</u>	\$ <u>8,239,326</u>

Note 15: Interfund Transfers

Interfund transfers for the year ended December 31, 2007, consisted of the following:

<u>Transfer to</u>	<u>Transfer From</u>			<u>Total</u>
	<u>General Fund</u>	<u>Economic Development Fund</u>	<u>Capital Improvement Fund</u>	
Capital Improvement	\$ -	\$ 1,360,000	\$ -	\$ 1,360,000
Non-Major Governmental Funds	<u>2,412,000</u>	<u>-</u>	<u>177,538</u>	<u>2,589,538</u>
	\$ <u>2,412,000</u>	\$ <u>1,360,000</u>	\$ <u>177,538</u>	\$ <u>3,949,538</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 (continued)

For The Year Ended December 31, 2007

Note 16: Contingencies/Pending Litigation

A. Grants

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2007.

B. Litigation

Several claims and lawsuits are pending against the City. The amount of the liability, if any, cannot be reasonably estimated at this time. However, in the opinion of management, any such claims and lawsuits will not have a material adverse effect on the overall financial position of the City at December 31, 2007.

Note 17: Accountability

Fund Equity Deficit - Special Revenue Funds

There are deficits in the Police Pension and Fire Pension Special Revenue Funds of \$176,386 and \$249,462, 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.

City of Brook Park, Ohio

Combining Statements and Individual Fund Schedules
Non-Major Governmental Funds

For The Year Ended December 31, 2007

Non-Major Special Revenue Funds

Street Maintenance Fund

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

State Highway Fund

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

Permissive Tax Fund

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

Brook Park Road Corridor Fund

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

Special Recreation Fund

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

Retiree Accrued Benefits Fund

The Retiree Accrued Benefits Fund accounts for funds allocated to pay for the accrued compensated absences paid out to employees upon retirement.

Law Enforcement Fund

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

DWI Enforcement and Education Fund

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

Federal Forfeiture Fund

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

Community Diversion Fund

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

City of Brook Park, Ohio

Combining Statements and Individual Fund Schedules
Non-Major Governmental Funds

For The Year Ended December 31, 2007

Non-Major Special Revenue Funds (continued)

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.

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, 2007

	Non-Major Special Revenue Funds	Non-Major General Obligation Fund	Total Non-Major Governmental Funds
Assets:			
Cash and cash equivalents	\$ 2,645,509	\$ 459,559	\$ 3,105,068
Accounts receivable	700	-	700
Intergovernmental receivable	511,394	-	511,394
Special assessments receivable	-	43,368	43,368
Taxes receivable	<u>416,306</u>	<u>-</u>	<u>416,306</u>
 Total assets	 <u>\$ 3,573,909</u>	 <u>\$ 502,927</u>	 <u>\$ 4,076,836</u>
Liabilities and fund balances:			
Liabilities:			
Accounts payable	\$ 8,491	\$ -	\$ 8,491
Accrued wages and benefits	459,953	-	459,953
Intergovernmental payable	16,445	-	16,445
Matured compensated absences	184,838	-	184,838
Deferred revenue	<u>765,151</u>	<u>43,368</u>	<u>808,519</u>
 Total liabilities	 <u>1,434,878</u>	 <u>43,368</u>	 <u>1,478,246</u>
Fund balances:			
Reserved for encumbrances	27,223	-	27,223
Unreserved; undesignated	<u>2,111,808</u>	<u>459,559</u>	<u>2,571,367</u>
 Total fund balances	 <u>2,139,031</u>	 <u>459,559</u>	 <u>2,598,590</u>
 Total liabilities and fund balances	 <u>\$ 3,573,909</u>	 <u>\$ 502,927</u>	 <u>\$ 4,076,836</u>

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City of Brook Park, Ohio

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

For The Year Ended December 31, 2007

	Non-Major Special Revenue Funds	Non-Major General Obligation Fund	Total Non-Major Governmental Funds
Revenues:			
Property taxes	\$ 628,786	\$ -	\$ 628,786
Intergovernmental	1,116,136	-	1,116,136
Fines and forfeitures	34,120	-	34,120
Special assessments	-	81,999	81,999
Investment income	27,490	-	27,490
Miscellaneous income	<u>136,882</u>	<u>-</u>	<u>136,882</u>
Total revenues	<u>1,943,414</u>	<u>81,999</u>	<u>2,025,413</u>
Expenditures:			
Current operations and maintenance:			
Security of persons and property	1,552,740	-	1,552,740
Public health and welfare	235,048	-	235,048
Leisure time activities	102,367	-	102,367
Community development	40,613	485	41,098
Transportation	883,489	-	883,489
General government	3,000	-	3,000
Debt service:			
Principal retirement	-	170,000	170,000
Interest and fiscal charges	<u>-</u>	<u>66,196</u>	<u>66,196</u>
Total expenditures	<u>2,817,257</u>	<u>236,681</u>	<u>3,053,938</u>
Excess of revenues over (under) expenditures	(873,843)	(154,682)	(1,028,525)
Other financing sources (uses):			
Transfers – in	<u>2,412,000</u>	<u>177,538</u>	<u>2,589,538</u>
Net change in fund balances	1,538,157	22,856	1,561,013
Fund balances at beginning of year	<u>600,874</u>	<u>436,703</u>	<u>1,037,577</u>
Fund balances at end of year	\$ <u>2,139,031</u>	\$ <u>459,559</u>	\$ <u>2,598,590</u>

City of Brook Park, Ohio

Combining Balance Sheet Non-Major Special Revenue Funds

December 31, 2007

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Permissive Tax</u>	<u>Brook Park Road Corridor</u>	<u>Special Recreation</u>	<u>Retiree Accrued Benefits</u>
Assets:						
Cash and cash equivalents	\$ 132,101	\$ 83,223	\$ 319,096	\$ 294,597	\$ 43,835	\$ 1,500,000
Accounts receivable	-	-	-	-	700	-
Intergovernmental receivable	446,050	36,166	-	-	-	-
Taxes receivable	-	-	-	-	-	-
Total assets	\$ <u>578,151</u>	\$ <u>119,389</u>	\$ <u>319,096</u>	\$ <u>294,597</u>	\$ <u>44,535</u>	\$ <u>1,500,000</u>
Liabilities and fund balances:						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 8,491	\$ -	\$ -	\$ -
Accrued wages and benefits	12,255	-	-	-	-	-
Intergovernmental payable	16,445	-	-	-	-	-
Matured compensated absences	-	-	-	-	-	184,838
Deferred revenue	<u>295,761</u>	<u>23,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>324,461</u>	<u>23,981</u>	<u>8,491</u>	<u>-</u>	<u>-</u>	<u>184,838</u>
Fund balances:						
Reserved for encumbrances	16,491	300	5,275	-	3,349	-
Unreserved; undesignated (deficit)	<u>237,199</u>	<u>95,108</u>	<u>305,330</u>	<u>294,597</u>	<u>41,186</u>	<u>1,315,162</u>
Total fund balances (deficits)	<u>253,690</u>	<u>95,408</u>	<u>310,605</u>	<u>294,597</u>	<u>44,535</u>	<u>1,315,162</u>
Total liabilities and fund balances	\$ <u>578,151</u>	\$ <u>119,389</u>	\$ <u>319,096</u>	\$ <u>294,597</u>	\$ <u>44,535</u>	\$ <u>1,500,000</u>

<u>Law Enforcement</u>	<u>DWI Enforcement and Education</u>	<u>Federal Forfeiture</u>	<u>Community Diversion</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Southwest General Health Center</u>	<u>Tri-City Senior Center</u>	<u>Total Non-Major Special Revenue Funds</u>
\$ 120,631	\$ 24,856	\$ 96,909	\$ 8,411	\$ 11,300	\$ 10,550	\$ -	\$ -	\$ 2,645,509
-	-	-	-	-	-	-	-	700
-	75	-	-	10,216	10,216	8,671	-	511,394
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,691</u>	<u>151,691</u>	<u>112,924</u>	<u>-</u>	<u>416,306</u>
\$ <u>120,631</u>	\$ <u>24,931</u>	\$ <u>96,909</u>	\$ <u>8,411</u>	\$ <u>173,207</u>	\$ <u>172,457</u>	\$ <u>121,595</u>	\$ <u>-</u>	\$ <u>3,573,909</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,491
-	-	-	-	187,686	260,012	-	-	459,953
-	-	-	-	-	-	-	-	16,445
-	-	-	-	-	-	-	-	184,838
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,907</u>	<u>161,907</u>	<u>121,595</u>	<u>-</u>	<u>765,151</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>349,593</u>	<u>421,919</u>	<u>121,595</u>	<u>-</u>	<u>1,434,878</u>
-	1,783	-	25	-	-	-	-	27,223
<u>120,631</u>	<u>23,148</u>	<u>96,909</u>	<u>8,386</u>	<u>(176,386)</u>	<u>(249,462)</u>	<u>-</u>	<u>-</u>	<u>2,111,808</u>
<u>120,631</u>	<u>24,931</u>	<u>96,909</u>	<u>8,411</u>	<u>(176,386)</u>	<u>(249,462)</u>	<u>-</u>	<u>-</u>	<u>2,139,031</u>
\$ <u>120,631</u>	\$ <u>24,931</u>	\$ <u>96,909</u>	\$ <u>8,411</u>	\$ <u>173,207</u>	\$ <u>172,457</u>	\$ <u>121,595</u>	\$ <u>-</u>	\$ <u>3,573,909</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, 2007

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Permissive Tax</u>	<u>Brook Park Road Corridor</u>	<u>Special Recreation</u>	<u>Retiree Accrued Benefits</u>
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	900,490	69,922	48,670	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	3,811	2,664	16,659	-	-	-
Miscellaneous income	<u>17,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,718</u>	<u>-</u>
Total revenues	<u>921,704</u>	<u>72,586</u>	<u>65,329</u>	<u>-</u>	<u>94,718</u>	<u>-</u>
Expenditures:						
Current operations and maintenance:						
Security of persons and property	-	-	-	-	-	181,838
Public health and welfare	-	-	-	-	-	-
Leisure time activities	-	-	-	-	102,367	-
Community development	-	-	-	40,613	-	-
Transportation	835,469	3,140	44,880	-	-	-
General government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
Total expenditures	<u>835,469</u>	<u>3,140</u>	<u>44,880</u>	<u>40,613</u>	<u>102,367</u>	<u>184,838</u>
Excess of revenues over (under) expenditures	86,235	69,446	20,449	(40,613)	(7,649)	(184,838)
Other financing sources (uses):						
Transfers – in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>
Net change in fund balances	86,235	69,446	20,449	(40,613)	(7,649)	1,315,162
Fund balances (deficit) at beginning of year	<u>167,455</u>	<u>25,962</u>	<u>290,156</u>	<u>335,210</u>	<u>52,184</u>	<u>-</u>
Fund balances (deficit) at end of year	<u>\$ 253,690</u>	<u>\$ 95,408</u>	<u>\$ 310,605</u>	<u>\$ 294,597</u>	<u>\$ 44,535</u>	<u>\$ 1,315,162</u>

<u>Law Enforcement</u>	<u>DWI Enforcement and Education</u>	<u>Federal Forfeiture</u>	<u>Community Diversion</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Southwest General Health Center</u>	<u>Tri-City Senior Center</u>	<u>Total Non-Major Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 213,381	\$ 213,381	\$ 177,837	\$ 24,187	\$ 628,786
-	-	-	-	32,015	32,015	28,926	4,098	1,116,136
34,120	-	-	-	-	-	-	-	34,120
-	-	4,356	-	-	-	-	-	27,490
-	-	<u>23,886</u>	<u>875</u>	-	-	-	-	<u>136,882</u>
<u>34,120</u>	<u>-</u>	<u>28,242</u>	<u>875</u>	<u>245,396</u>	<u>245,396</u>	<u>206,763</u>	<u>28,285</u>	<u>1,943,414</u>
7,531	4,446	7,554	2,567	596,881	751,923	-	-	1,552,740
-	-	-	-	-	-	206,763	28,285	235,048
-	-	-	-	-	-	-	-	102,367
-	-	-	-	-	-	-	-	40,613
-	-	-	-	-	-	-	-	883,489
-	-	-	-	-	-	-	-	<u>3,000</u>
<u>7,531</u>	<u>4,446</u>	<u>7,554</u>	<u>2,567</u>	<u>596,881</u>	<u>751,923</u>	<u>206,763</u>	<u>28,285</u>	<u>2,817,257</u>
26,589	(4,446)	20,688	(1,692)	(351,485)	(506,527)	-	-	(873,843)
-	-	-	-	<u>373,000</u>	<u>539,000</u>	-	-	<u>2,412,000</u>
26,589	(4,446)	20,688	(1,692)	21,515	32,473	-	-	1,538,157
<u>94,042</u>	<u>29,377</u>	<u>76,221</u>	<u>10,103</u>	<u>(197,901)</u>	<u>(281,935)</u>	<u>-</u>	<u>-</u>	<u>600,874</u>
\$ <u><u>120,631</u></u>	\$ <u><u>24,931</u></u>	\$ <u><u>96,909</u></u>	\$ <u><u>8,411</u></u>	\$ <u><u>(176,386)</u></u>	\$ <u><u>(249,462)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>2,139,031</u></u>

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

City of Brook Park, Ohio

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

For The Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 2,881,376	\$ 2,890,938	\$ 2,890,938	\$ -
Municipal income taxes	14,953,905	16,095,981	16,095,981	-
Other local taxes	305,000	359,472	359,472	-
Intergovernmental	1,591,955	1,565,491	1,565,491	-
Charges for services	902,292	871,335	871,335	-
Licenses and permits	423,263	404,740	404,740	-
Fines and forfeitures	390,538	358,224	358,224	-
Investment income	785,397	784,342	784,342	-
Miscellaneous income	253,027	251,925	251,925	-
Total revenues	<u>22,486,753</u>	<u>23,582,448</u>	<u>23,582,448</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Correctional facility				
Personal services	159,772	166,114	164,906	1,208
Travel and education	160	160	160	-
Contractual services	14,354	21,468	15,737	5,731
Supplies and materials	38,307	34,443	31,301	3,142
Total correctional facility	<u>212,593</u>	<u>222,185</u>	<u>212,104</u>	<u>10,081</u>
School guards				
Personal services	86,473	86,473	86,023	450
Supplies and materials	132	132	-	132
Total school guards	<u>86,605</u>	<u>86,605</u>	<u>86,023</u>	<u>582</u>
Fire department				
Personal services	3,876,290	3,898,834	3,848,487	50,347
Travel and education	14,050	9,705	4,957	4,748
Contractual services	114,608	118,375	108,425	9,950
Supplies and materials	110,875	118,114	99,158	18,956
Total fire department	<u>4,115,823</u>	<u>4,145,028</u>	<u>4,061,027</u>	<u>84,001</u>
Police department				
Personal services	3,950,895	3,950,895	3,854,307	96,588
Travel and education	14,000	18,584	18,584	-
Contractual services	113,748	115,884	110,204	5,680
Supplies and materials	207,400	200,679	189,645	11,034
Total police department	<u>4,286,043</u>	<u>4,286,042</u>	<u>4,172,740</u>	<u>113,302</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, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Animal control				
Personal services	130,025	130,025	128,252	1,773
Travel and education	250	951	951	-
Contractual services	50,041	52,724	52,086	638
Supplies and materials	<u>14,727</u>	<u>16,342</u>	<u>14,976</u>	<u>1,366</u>
Total animal control	<u>195,043</u>	<u>200,042</u>	<u>196,265</u>	<u>3,777</u>
Safety director				
Personal services	114,517	114,518	114,492	26
Travel and education	1,000	994	746	248
Contractual services	1,914	1,914	734	1,180
Supplies and materials	<u>1,288</u>	<u>1,294</u>	<u>719</u>	<u>575</u>
Total safety director	<u>118,719</u>	<u>118,720</u>	<u>116,691</u>	<u>2,029</u>
Safety building				
Personal services	554,290	554,290	541,352	12,938
Travel and education	1,750	1,933	1,933	-
Contractual services	114,891	114,994	114,618	376
Supplies and materials	<u>7,206</u>	<u>6,920</u>	<u>4,681</u>	<u>2,239</u>
Total safety building	<u>678,137</u>	<u>678,137</u>	<u>662,584</u>	<u>15,553</u>
Safety town				
Personal services	6,600	6,600	6,420	180
Supplies and materials	<u>737</u>	<u>737</u>	<u>584</u>	<u>153</u>
Total safety town	<u>7,337</u>	<u>7,337</u>	<u>7,004</u>	<u>333</u>
Street lighting				
Contractual services	<u>280,500</u>	<u>280,501</u>	<u>274,945</u>	<u>5,556</u>
Traffic lights				
Contractual services	<u>27,399</u>	<u>35,605</u>	<u>35,392</u>	<u>213</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Disaster services				
Personal services	33,389	33,389	27,440	5,949
Contractual services	405	405	136	269
Supplies and materials	12,166	12,166	9,590	2,576
Total disaster services	<u>45,960</u>	<u>45,960</u>	<u>37,166</u>	<u>8,794</u>
Total security of persons and property	<u>10,054,159</u>	<u>10,106,162</u>	<u>9,861,941</u>	<u>244,221</u>
Public health and welfare				
County board of health				
Contractual services	<u>78,235</u>	<u>80,735</u>	<u>80,735</u>	<u>-</u>
Office of Aging				
Personal services	221,895	227,249	224,160	3,089
Contractual services	1,920	1,871	1,221	650
Supplies and materials	1,284	16,056	15,482	574
Total office of aging	<u>225,099</u>	<u>245,176</u>	<u>240,863</u>	<u>4,313</u>
Total public health and welfare	<u>303,334</u>	<u>325,911</u>	<u>321,598</u>	<u>4,313</u>
Leisure time activities				
Recreation commission				
Personal services	15,334	15,334	15,301	33
Supplies and materials	1,500	1,500	57	1,443
Total recreation commission	<u>16,834</u>	<u>16,834</u>	<u>15,358</u>	<u>1,476</u>
Parks and recreation				
Personal services	76,381	89,500	87,023	2,477
Contractual services	41,290	54,354	53,225	1,129
Materials and supplies	39,614	44,146	39,089	5,057
Total parks and recreation	<u>157,285</u>	<u>188,000</u>	<u>179,337</u>	<u>8,663</u>
Recreation center				
Personal services	907,247	907,247	856,807	50,440
Travel and education	1,130	1,130	743	387
Contractual services	551,131	576,203	565,683	10,520
Supplies and materials	76,683	71,611	65,974	5,637
Other expenditures	500	958	743	215
Total recreation center	<u>1,536,691</u>	<u>1,557,149</u>	<u>1,489,950</u>	<u>67,199</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Home day celebration				
Personal services	19,025	19,025	16,000	3,025
Contractual services	51,500	50,394	49,048	1,346
Supplies and materials	10,099	11,206	10,208	998
Total home day celebration	<u>80,624</u>	<u>80,625</u>	<u>75,256</u>	<u>5,369</u>
Parks and play grounds				
Personal services	409,274	409,274	389,935	19,339
Travel and education	250	250	143	107
Contractual services	53,828	53,052	47,535	5,517
Supplies and materials	67,656	73,523	64,844	8,679
Total parks and play grounds	<u>531,008</u>	<u>536,099</u>	<u>502,457</u>	<u>33,642</u>
Public recreation				
Personal services	15,100	15,100	3,615	11,485
Travel and education	250	212	-	212
Contractual services	78,450	75,698	73,828	1,870
Supplies and materials	33,139	43,919	40,136	3,783
Total public recreation	<u>126,939</u>	<u>134,929</u>	<u>117,579</u>	<u>17,350</u>
Total leisure time activities	<u>2,449,381</u>	<u>2,513,636</u>	<u>2,379,937</u>	<u>133,699</u>
Community development				
Planning commission				
Personal services	14,851	14,851	14,848	3
Airport relations				
Contractual services	4,000	1,637	1,637	-
Supplies and materials	504	-	-	-
Other expenditures	61	12	12	-
Total airport relations	<u>4,565</u>	<u>1,649</u>	<u>1,649</u>	<u>-</u>
Community development				
Personal services	88,301	88,301	75,827	12,474
Travel and education	2,000	2,000	726	1,274
Contractual services	4,255	4,255	2,216	2,039
Supplies and materials	849	849	404	445
Total community development	<u>95,405</u>	<u>95,405</u>	<u>79,173</u>	<u>16,232</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, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Board of zoning appeals				
Personal services	17,821	17,821	17,817	4
Building department				
Personal services	567,812	567,812	566,004	1,808
Travel and education	2,098	2,693	2,532	161
Contractual services	39,246	40,048	38,446	1,602
Supplies and materials	15,333	15,937	13,926	2,011
Other expenditures	100	100	-	100
Total building department	<u>624,589</u>	<u>626,590</u>	<u>620,908</u>	<u>5,682</u>
Tree and tree lawns				
Personal services	224,264	249,745	230,533	19,212
Travel and education	-	43	43	-
Contractual services	50	9,080	8,488	592
Supplies and materials	9,502	8,429	6,922	1,507
Total trees and tree lawns	<u>233,816</u>	<u>267,297</u>	<u>245,986</u>	<u>21,311</u>
Total community development	<u>991,047</u>	<u>1,023,613</u>	<u>980,381</u>	<u>43,232</u>
Public works				
Service director				
Personal services	504,149	504,149	503,031	1,118
Travel and education	500	500	250	250
Contractual services	7,869	8,099	7,743	356
Supplies and materials	7,213	6,983	5,240	1,743
Total service director	<u>519,731</u>	<u>519,731</u>	<u>516,264</u>	<u>3,467</u>
Service building				
Personal services	67,082	67,803	65,229	2,574
Contractual services	205,594	219,354	214,007	5,347
Supplies and materials	97,495	139,606	136,592	3,014
Total service building	<u>370,171</u>	<u>426,763</u>	<u>415,828</u>	<u>10,935</u>
Sanitation department				
Personal services	1,193,663	1,207,909	1,199,309	8,600
Travel and education	500	43	43	-
Contractual services	5,006	4,961	2,729	2,232
Supplies and materials	591,358	601,398	570,024	31,374
Total sanitation department	<u>1,790,527</u>	<u>1,814,311</u>	<u>1,772,105</u>	<u>42,206</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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Sewers, drains, and pump stations				
Personal services	645,065	684,277	682,779	1,498
Travel and education	250	250	43	207
Contractual services	75,619	79,722	72,567	7,155
Supplies and materials	82,816	82,407	74,973	7,434
Total sewers, drains, and pump stations	<u>803,750</u>	<u>846,656</u>	<u>830,362</u>	<u>16,294</u>
Total public works	<u>3,484,179</u>	<u>3,607,461</u>	<u>3,534,559</u>	<u>72,902</u>
Transportation				
Street cleaning				
Personal services	70,029	70,029	69,565	464
Travel and education	-	43	43	-
Supplies and materials	15,695	15,652	11,466	4,186
Total street cleaning	<u>85,724</u>	<u>85,724</u>	<u>81,074</u>	<u>4,650</u>
Traffic signs				
Personal services	65,262	65,262	60,064	5,198
Contractual services	50	50	-	50
Supplies and materials	3,498	3,498	1,479	2,019
Total sign department	<u>68,810</u>	<u>68,810</u>	<u>61,543</u>	<u>7,267</u>
Snow removal				
Personal services	161,420	242,130	225,489	16,641
Contractual services	692	692	375	317
Supplies and materials	432,026	507,026	452,748	54,278
Total snow removal	<u>594,138</u>	<u>749,848</u>	<u>678,612</u>	<u>71,236</u>
Total transportation	<u>748,672</u>	<u>904,382</u>	<u>821,229</u>	<u>83,153</u>
General government				
City council				
Personal services	134,736	134,736	134,736	-
Travel and education	5,000	7,650	7,570	80
Contractual services	8,283	18,990	18,158	832
Supplies and materials	4,043	3,855	2,784	1,071
Total city council	<u>152,062</u>	<u>165,231</u>	<u>163,248</u>	<u>1,983</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, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Clerk of council				
Personal services	138,911	138,917	138,914	3
Contractual services	1,212	1,212	992	220
Supplies and materials	<u>1,850</u>	<u>1,850</u>	<u>1,377</u>	<u>473</u>
Total clerk of council	<u>141,973</u>	<u>141,979</u>	<u>141,283</u>	<u>696</u>
Mayor's court				
Personal services	106,988	106,988	99,622	7,366
Travel and education	750	839	839	-
Contractual services	7,872	9,716	9,461	255
Supplies and materials	<u>1,475</u>	<u>1,626</u>	<u>1,371</u>	<u>255</u>
Total mayor's court	<u>117,085</u>	<u>119,169</u>	<u>111,293</u>	<u>7,876</u>
Civil service commission				
Personal services	34,314	36,402	34,199	2,203
Travel and education	250	250	-	250
Contractual services	5,228	5,563	2,636	2,927
Supplies and materials	<u>2,750</u>	<u>2,416</u>	<u>193</u>	<u>2,223</u>
Total civil service commission	<u>42,542</u>	<u>44,631</u>	<u>37,028</u>	<u>7,603</u>
Mayor's office				
Personal services	273,549	278,738	278,340	398
Travel and education	5,000	5,000	4,094	906
Contractual services	5,116	5,116	3,863	1,253
Supplies and materials	<u>10,470</u>	<u>10,470</u>	<u>8,747</u>	<u>1,723</u>
Total mayor's court	<u>294,135</u>	<u>299,324</u>	<u>295,044</u>	<u>4,280</u>
Human resources				
Personal services	97,016	97,019	96,992	27
Travel and education	825	889	884	5
Contractual services	6,191	14,946	14,706	240
Supplies and materials	<u>650</u>	<u>702</u>	<u>585</u>	<u>117</u>
Total human resources	<u>104,682</u>	<u>113,556</u>	<u>113,167</u>	<u>389</u>
Public properties				
Personal services	360,073	360,073	293,505	66,568
Travel and education	250	250	243	7
Contractual services	35,611	34,917	34,042	875
Supplies and materials	<u>9,053</u>	<u>9,749</u>	<u>7,408</u>	<u>2,341</u>
Total public properties	<u>404,987</u>	<u>404,989</u>	<u>335,198</u>	<u>69,791</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, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Legal department				
Personal services	339,779	339,779	330,762	9,017
Travel and education	7,455	6,870	2,405	4,465
Contractual services	1,458	1,458	1,046	412
Supplies and materials	<u>587</u>	<u>1,172</u>	<u>1,067</u>	<u>105</u>
Total legal department	<u>349,279</u>	<u>349,279</u>	<u>335,280</u>	<u>13,999</u>
Finance department				
Personal services	380,134	380,134	369,149	10,985
Travel and education	5,000	6,500	6,164	336
Contractual services	67,853	72,307	71,866	441
Supplies and materials	<u>7,974</u>	<u>10,098</u>	<u>9,448</u>	<u>650</u>
Total finance department	<u>460,961</u>	<u>469,039</u>	<u>456,627</u>	<u>12,412</u>
Tax department				
Personal services	194,607	194,607	187,804	6,803
Travel and education	1,750	2,586	2,295	291
Contractual services	64,281	69,620	65,658	3,962
Supplies and materials	1,436	3,296	3,144	152
Other expenditures	<u>263,540</u>	<u>255,500</u>	<u>162,721</u>	<u>92,779</u>
Total tax department	<u>525,614</u>	<u>525,609</u>	<u>421,622</u>	<u>103,987</u>
Tax review board				
Personal services	<u>6,271</u>	<u>6,271</u>	<u>4,179</u>	<u>2,092</u>
Retirees				
Personal services	<u>1,052,642</u>	<u>1,052,642</u>	<u>322,139</u>	<u>730,503</u>
Mechanics				
Personal services	597,251	597,251	581,505	15,746
Travel and education	662	465	86	379
Contractual services	254	428	196	232
Supplies and materials	<u>5,515</u>	<u>6,579</u>	<u>6,239</u>	<u>340</u>
Total mechanics	<u>603,682</u>	<u>604,723</u>	<u>588,026</u>	<u>16,697</u>
Engineering				
Contractual services	<u>48,000</u>	<u>48,000</u>	<u>48,000</u>	<u>-</u>

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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Lands and buildings				
Contractual services	113,572	113,714	110,891	2,823
Supplies and materials	<u>22,877</u>	<u>22,734</u>	<u>17,907</u>	<u>4,827</u>
Total lands and buildings	<u>136,449</u>	<u>136,448</u>	<u>128,798</u>	<u>7,650</u>
Other general government				
Personal services	504,557	572,372	534,795	37,577
Travel and education	-	4,410	4,410	-
Contractual services	317,029	500,339	395,551	104,788
Materials and supplies	17,338	17,338	16,123	1,215
Other expenditures	<u>335,826</u>	<u>338,421</u>	<u>266,483</u>	<u>71,938</u>
Total other general government	<u>1,174,750</u>	<u>1,432,880</u>	<u>1,217,362</u>	<u>215,518</u>
Total general government	<u>5,615,114</u>	<u>5,913,770</u>	<u>4,718,294</u>	<u>1,195,476</u>
Total expenditures	<u>23,645,886</u>	<u>24,394,935</u>	<u>22,617,939</u>	<u>1,776,996</u>
Excess of revenues over (under) expenditures	<u>(1,159,133)</u>	<u>(812,487)</u>	<u>964,509</u>	<u>1,776,996</u>
Other financing sources (uses):				
Sale of capital assets	5,184	12,273	12,273	-
Transfers – out	<u>(912,000)</u>	<u>(2,412,000)</u>	<u>(2,412,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(906,816)</u>	<u>(2,399,727)</u>	<u>(2,399,727)</u>	<u>-</u>
Net change in fund balance	(2,065,949)	(3,212,214)	(1,435,218)	1,776,996
Cash fund balance at beginning of year	9,216,853	9,216,853	9,216,853	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>366,526</u>	<u>366,526</u>
Cash fund balance at end of year	\$ <u>7,150,904</u>	\$ <u>6,004,639</u>	\$ <u>8,148,161</u>	\$ <u>2,143,522</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, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 865,642	\$ 962,131	\$ 962,131	\$ -
Miscellaneous income	<u>-</u>	<u>37,556</u>	<u>37,556</u>	<u>-</u>
Total revenues	<u>865,642</u>	<u>999,687</u>	<u>999,687</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Community development				
Contractual services	<u>1,103,414</u>	<u>503,414</u>	<u>125,816</u>	<u>377,598</u>
Excess of revenues over (under) expenditures	<u>(237,772)</u>	<u>496,273</u>	<u>873,871</u>	<u>377,598</u>
Other financing sources (uses):				
Sale of capital assets	479,168	5,164	5,164	-
Transfers – out	<u>-</u>	<u>(1,360,000)</u>	<u>(1,360,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>479,168</u>	<u>(1,354,836)</u>	<u>(1,354,836)</u>	<u>-</u>
Net change in fund balance	241,396	(858,563)	(480,965)	377,598
Cash fund balance at beginning of year	1,059,190	1,059,190	1,059,190	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>22,081</u>	<u>22,081</u>
Cash fund balance at end of year	\$ <u>1,300,586</u>	\$ <u>200,627</u>	\$ <u>600,306</u>	\$ <u>399,679</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Capital Improvements Fund
For The Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal income taxes	\$ 4,906,095	\$ 5,395,556	\$ 5,395,556	\$ -
Intergovernmental	12,078,032	2,207,850	1,905,815	(302,035)
Special assessments	22,600	23,474	23,474	-
Investment income	138,137	167,951	167,951	-
Miscellaneous income	<u>772,645</u>	<u>88,990</u>	<u>88,990</u>	<u>-</u>
Total revenues	<u>17,917,509</u>	<u>7,883,821</u>	<u>7,581,786</u>	<u>(302,035)</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Safety town				
Contractual services	<u>9,298</u>	<u>44,482</u>	<u>32,406</u>	<u>12,076</u>
Leisure time activities				
Parks and playgrounds				
Contractual services	<u>864,920</u>	<u>1,248,566</u>	<u>376,165</u>	<u>872,401</u>
Public works				
Sewers and drains				
Contractual services	452,580	598,968	342,957	256,011
Other expenditures	<u>2,000</u>	<u>3,018</u>	<u>2,026</u>	<u>992</u>
Total public works	<u>454,580</u>	<u>601,986</u>	<u>344,983</u>	<u>257,003</u>
Transportation				
Street paving and repair				
Contractual services	126,012	177,011	167,368	9,643
Other expenditures	<u>3,000</u>	<u>4,068</u>	<u>4,068</u>	<u>-</u>
Total transportation	<u>129,012</u>	<u>181,079</u>	<u>171,436</u>	<u>9,643</u>
General government				
Income tax department				
Personal services				
Personal services	83,403	83,403	80,488	2,915
Travel and education	750	1,108	984	124
Contractual services	18,935	21,266	18,524	2,742
Materials and supplies	615	1,373	1,208	165
Other expenditures	<u>112,946</u>	<u>109,500</u>	<u>69,737</u>	<u>39,763</u>
Total income tax department	<u>216,649</u>	<u>216,650</u>	<u>170,941</u>	<u>45,709</u>

Continued

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Capital Improvements Fund (continued)
For The Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Lands and Buildings				
Contractual services	1,546	1,546	-	1,546
Total general government	<u>218,195</u>	<u>218,196</u>	<u>170,941</u>	<u>47,255</u>
Capital outlay:				
Animal control	109	609	505	104
Building department	40,019	40,019	37,548	2,471
Civil service	1,000	1,000	87	913
Community development	11,016,175	5,139,934	3,639,461	1,500,473
Finance department	5,060	5,060	2,063	2,997
Fire department	463,049	652,749	630,913	21,836
Income tax department	111,848	111,848	109,120	2,728
Legal department	12,809	12,809	9,066	3,743
Land and buildings	135,538	135,538	132,529	3,009
Mayor's court	2,000	2,000	-	2,000
Mayor's office	7,540	11,740	8,392	3,348
Mechanics	30,000	30,000	12,563	17,437
Office of aging	5,600	5,600	5,337	263
Parks and playgrounds	239,309	229,665	146,659	83,006
Police law enforcement	465,832	426,232	314,418	111,814
Public properties	7,000	7,000	3,451	3,549
Public recreation	5,000	5,000	3,528	1,472
Recreation center	131,528	121,528	72,741	48,787
Safety building	282,708	110,424	110,400	24
Safety director	5,900	8,900	8,243	657
Sanitation department	15,000	15,000	-	15,000
Service building	83,732	83,732	83,310	422
Sewers, drains and pump stations	4,604,206	1,012,564	281,044	731,520
Snow removal	144,815	144,815	131,403	13,412
Street lights	46,648	46,648	29,118	17,530
Street paving and repair	2,211,591	2,078,724	1,770,752	307,972
Traffic lights	1,700	1,700	1,700	-
Traffic signs	23,000	23,000	12,698	10,302
Trees and tree lawns	48,718	38,718	25,656	13,062
Total capital outlay	<u>20,147,434</u>	<u>10,502,556</u>	<u>7,582,705</u>	<u>2,919,851</u>
Total expenditures	<u>21,823,439</u>	<u>12,796,865</u>	<u>8,678,636</u>	<u>4,118,229</u>
Excess of revenues over (under) expenditures	<u>(3,905,930)</u>	<u>(4,913,044)</u>	<u>(1,096,850)</u>	<u>3,816,194</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, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	9,050	9,050	-
Transfer – in	-	1,360,000	1,360,000	-
Transfers – out	<u>(177,538)</u>	<u>(177,538)</u>	<u>(177,538)</u>	<u>-</u>
Total other financing sources (uses)	<u>(177,538)</u>	<u>1,191,512</u>	<u>1,191,512</u>	<u>-</u>
Net change in fund balance	(4,083,468)	(3,721,532)	94,662	3,816,194
Cash balance at beginning of year	9,181,284	9,181,284	9,181,284	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>1,616,399</u>	<u>1,616,399</u>
Cash balance at end of year	\$ <u>5,097,816</u>	\$ <u>5,459,752</u>	\$ <u>10,892,345</u>	\$ <u>5,432,593</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, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 906,330	\$ 897,200	\$ 897,200	\$ -
Investment income	2,769	3,463	3,463	-
Miscellaneous income	<u>15,275</u>	<u>17,403</u>	<u>17,403</u>	-
Total revenues	<u>924,374</u>	<u>918,066</u>	<u>918,066</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street paving and repair				
Personal services	785,524	785,524	729,639	55,885
Travel and education	500	86	86	-
Contractual services	8,387	2,605	1,123	1,482
Supplies and materials	<u>99,196</u>	<u>125,392</u>	<u>119,067</u>	<u>6,325</u>
Total expenditures	<u>893,607</u>	<u>913,607</u>	<u>849,915</u>	<u>63,692</u>
Net change in fund balance	30,767	4,459	68,151	63,692
Cash fund balance at beginning of year	47,111	47,111	47,111	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>16,491</u>	<u>16,491</u>
Cash fund balance at end of year	\$ <u>77,878</u>	\$ <u>51,570</u>	\$ <u>131,753</u>	\$ <u>80,183</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, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 73,487	\$ 69,655	\$ 69,656	\$ 1
Investment income	<u>2,268</u>	<u>2,421</u>	<u>2,421</u>	<u>-</u>
Total revenues	<u>75,755</u>	<u>72,076</u>	<u>72,077</u>	<u>1</u>
 Expenditures:				
Current operations and maintenance:				
Transportation				
Street paving and repair				
Personal services	100	100	-	100
Supplies and materials	<u>2,864</u>	<u>10,364</u>	<u>3,440</u>	<u>6,924</u>
Total expenditures	<u>2,964</u>	<u>10,464</u>	<u>3,440</u>	<u>7,024</u>
Net change in fund balance	72,791	61,612	68,637	7,025
Cash fund balance at beginning of year	14,043	14,043	14,043	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>300</u>	<u>300</u>
Cash fund balance at end of year	\$ <u><u>86,834</u></u>	\$ <u><u>75,655</u></u>	\$ <u><u>82,980</u></u>	\$ <u><u>7,325</u></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, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 50,500	\$ 48,670	\$ 48,670	\$ -
Investment income	<u>13,712</u>	<u>15,138</u>	<u>15,138</u>	<u>-</u>
Total revenues	<u>64,212</u>	<u>63,808</u>	<u>63,808</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street paving and repair				
Supplies and materials	<u>49,818</u>	<u>49,818</u>	<u>43,017</u>	<u>6,801</u>
Net change in fund balance	14,394	13,990	20,791	6,801
Cash fund balance at beginning of year	291,509	291,509	291,509	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>5,275</u>	<u>5,275</u>
Cash fund balance at end of year	\$ <u>305,903</u>	\$ <u>305,499</u>	\$ <u>317,575</u>	\$ <u>12,076</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Brook Park Road Corridor Fund
For The Year Ended December 31, 2007

	<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	\$ <u>176,250</u>	\$ <u>176,250</u>	\$ <u>80,669</u>	\$ <u>95,581</u>
Net change in fund balance	(176,250)	(176,250)	(80,669)	95,581
Cash fund balance at beginning of year	<u>375,266</u>	<u>375,266</u>	<u>375,266</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>199,016</u></u>	\$ <u><u>199,016</u></u>	\$ <u><u>294,597</u></u>	\$ <u><u>95,581</u></u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Special Recreation Fund
For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous income	\$ <u>104,000</u>	\$ <u>94,018</u>	\$ <u>94,018</u>	\$ <u>-</u>
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Public recreation				
Travel and education	1,605	1,605	793	812
Contractual services	9,736	9,787	9,239	548
Supplies and materials	17,671	21,620	15,470	6,150
Other expenditures	<u>87,077</u>	<u>83,077</u>	<u>80,214</u>	<u>2,863</u>
Total expenditures	<u>116,089</u>	<u>116,089</u>	<u>105,716</u>	<u>10,373</u>
Net change in fund balance	(12,089)	(22,071)	(11,698)	10,373
Cash fund balance at beginning of year	52,184	52,184	52,184	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>3,349</u>	<u>3,349</u>
Cash fund balance at end of year	\$ <u><u>40,095</u></u>	\$ <u><u>30,113</u></u>	\$ <u><u>43,835</u></u>	\$ <u><u>13,722</u></u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Retiree Accrued Benefits Fund
For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other financing sources (uses):				
Transfers – in	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -
Net change in fund balance	-	1,500,000	1,500,000	-
Cash fund balance at beginning of year	-	-	-	-
Cash fund balance at end of year	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -

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, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ <u>18,638</u>	\$ <u>34,120</u>	\$ <u>34,120</u>	\$ <u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Travel and education	-	6,020	3,555	2,465
Contractual services	<u>25,000</u>	<u>22,520</u>	<u>3,976</u>	<u>18,544</u>
Total expenditures	<u>25,000</u>	<u>28,540</u>	<u>7,531</u>	<u>21,009</u>
Net change in fund balance	(6,362)	5,580	26,589	21,009
Cash fund balance at beginning of year	<u>94,042</u>	<u>94,042</u>	<u>94,042</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>87,680</u></u>	\$ <u><u>99,622</u></u>	\$ <u><u>120,631</u></u>	\$ <u><u>21,009</u></u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 DWI Enforcement and Education Fund
For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ <u>2,450</u>	\$ <u>2,350</u>	\$ <u>2,350</u>	\$ <u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Contractual services	10,000	12,000	2,013	9,987
Other expenditures	<u>591</u>	<u>974</u>	<u>603</u>	<u>371</u>
Total expenditures	<u>10,591</u>	<u>12,974</u>	<u>2,616</u>	<u>10,358</u>
Net change in fund balance	(8,141)	(10,624)	(266)	10,358
Cash fund balance at beginning of year	23,339	23,339	23,339	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>1,783</u>	<u>1,783</u>
Cash fund balance at end of year	\$ <u>15,198</u>	\$ <u>12,715</u>	\$ <u>24,856</u>	\$ <u>12,141</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Federal Forfeiture Fund
For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment income	\$ 3,582	\$ 3,958	\$ 3,958	\$ -
Miscellaneous revenue	<u>29,250</u>	<u>23,886</u>	<u>23,886</u>	<u>-</u>
Total revenues	<u>32,832</u>	<u>27,844</u>	<u>27,844</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Capital outlay	<u>25,000</u>	<u>25,000</u>	<u>7,554</u>	<u>17,446</u>
Net change in fund balance	7,832	2,844	20,290	17,446
Cash fund balance at beginning of year	<u>76,221</u>	<u>76,221</u>	<u>76,221</u>	<u>-</u>
Cash fund balance at end of year	\$ <u>84,053</u>	\$ <u>79,065</u>	\$ <u>96,511</u>	\$ <u>17,466</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Community Diversion Fund
For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous revenue	\$ -	\$ 875	\$ 875	\$ -
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Personal services	3,597	3,597	2,221	1,376
Travel and education	-	466	266	200
Contractual services	426	226	51	175
Materials and supplies	<u>500</u>	<u>234</u>	<u>54</u>	<u>180</u>
Total expenditures	<u>4,523</u>	<u>4,523</u>	<u>2,592</u>	<u>1,931</u>
Net change in fund balance	(4,523)	(3,648)	(1,717)	1,931
Cash fund balance at beginning of year	10,103	10,103	10,103	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>25</u>	<u>25</u>
Cash fund balance at end of year	\$ <u>5,580</u>	\$ <u>6,455</u>	\$ <u>8,411</u>	\$ <u>1,956</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, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 214,876	\$ 213,381	\$ 213,381	\$ -
Intergovernmental	<u>31,257</u>	<u>32,015</u>	<u>32,015</u>	<u>-</u>
Total revenues	<u>246,133</u>	<u>245,396</u>	<u>245,396</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Personal services	<u>619,180</u>	<u>619,180</u>	<u>617,952</u>	<u>1,228</u>
Excess of revenues over (under) expenditures	(373,047)	(373,784)	(372,556)	1,228
Other financing sources (uses):				
Transfers – in	<u>373,000</u>	<u>373,000</u>	<u>373,000</u>	<u>-</u>
Net change in fund balance	(47)	(784)	444	1,228
Cash fund balance at beginning of year	<u>10,856</u>	<u>10,856</u>	<u>10,856</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>10,809</u></u>	\$ <u><u>10,072</u></u>	\$ <u><u>11,300</u></u>	\$ <u><u>1,228</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, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 214,876	\$ 213,381	\$ 213,381	\$ -
Intergovernmental	<u>31,257</u>	<u>32,015</u>	<u>32,015</u>	<u>-</u>
Total revenues	<u>246,133</u>	<u>245,396</u>	<u>245,396</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Personal services	<u>781,082</u>	<u>781,082</u>	<u>780,256</u>	<u>826</u>
Excess of revenues over (under) expenditures	(534,949)	(535,686)	(534,860)	826
Other financing sources (uses):				
Transfers – in	<u>539,000</u>	<u>539,000</u>	<u>539,000</u>	<u>-</u>
Net change in fund balance	4,051	3,314	4,140	826
Cash fund balance at beginning of year	<u>6,410</u>	<u>6,410</u>	<u>6,410</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>10,461</u></u>	\$ <u><u>9,724</u></u>	\$ <u><u>10,550</u></u>	\$ <u><u>826</u></u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 Southwest General Health Center Fund
For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ 175,881	\$ 177,837	\$ 177,837	\$ -
Intergovernmental	<u>29,096</u>	<u>28,926</u>	<u>28,926</u>	<u>-</u>
Total revenues	<u>204,977</u>	<u>206,763</u>	<u>206,763</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Public health and welfare				
Contractual services	<u>235,432</u>	<u>237,218</u>	<u>237,218</u>	<u>-</u>
Net change in fund balance	(30,455)	(30,455)	(30,455)	-
Cash fund balance at beginning of year	<u>30,455</u>	<u>30,455</u>	<u>30,455</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</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, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ 23,091	\$ 24,187	\$ 24,187	\$ -
Intergovernmental	<u>4,115</u>	<u>4,098</u>	<u>4,098</u>	<u>-</u>
Total revenues	<u>27,206</u>	<u>28,285</u>	<u>28,285</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Public health and welfare				
Contractual services	<u>32,803</u>	<u>33,882</u>	<u>33,882</u>	<u>-</u>
Net change in fund balance	(5,597)	(5,597)	(5,597)	-
Cash fund balance at beginning of year	<u>5,597</u>	<u>5,597</u>	<u>5,597</u>	<u>-</u>
Cash fund balance at end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 General Obligation Fund
For The Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Special assessments	\$ <u>58,400</u>	\$ <u>81,999</u>	\$ <u>81,999</u>	\$ <u>-</u>
Expenditures:				
Current operations and maintenance:				
General government				
Other expenditures	100	850	485	365
Debt service:				
Principal retirement	170,000	170,000	170,000	-
Interest and fiscal charges	<u>66,196</u>	<u>66,196</u>	<u>66,196</u>	<u>-</u>
Total expenditures	<u>236,296</u>	<u>237,046</u>	<u>236,681</u>	<u>365</u>
Excess of revenues over (under) expenditures	(177,896)	(155,047)	(154,682)	365
Other financing sources (uses):				
Transfers – in	<u>177,538</u>	<u>177,538</u>	<u>177,538</u>	<u>-</u>
Net change in fund balance	(358)	22,491	22,856	365
Cash fund balance at beginning of year	<u>436,703</u>	<u>436,703</u>	<u>436,703</u>	<u>-</u>
Cash Fund balance at end of year	\$ <u><u>436,345</u></u>	\$ <u><u>459,194</u></u>	\$ <u><u>459,559</u></u>	\$ <u><u>365</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, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Reimbursements	\$ 2,405,381	\$ 2,548,832	\$ 2,548,832	\$ -
Expenditures:				
Contractual services	<u>2,405,381</u>	<u>2,770,817</u>	<u>2,708,598</u>	<u>62,219</u>
Net change in fund balance	-	(221,985)	(159,766)	62,219
Cash fund balance at beginning of year	540,726	540,726	540,726	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>1,060</u>	<u>1,060</u>
Cash fund balance at end of year	\$ <u>540,726</u>	\$ <u>318,741</u>	\$ <u>382,020</u>	\$ <u>63,279</u>

City of Brook Park, Ohio

Combining Statements

Agency Funds

Agency Funds

Cash Bonds Held Fund

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

Mayor's Court Fund

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

Board of Building Standards Fund

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

Payroll Deduction Employees' Share Fund

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

City of Brook Park

Combining Statement of Assets and Liabilities Agency Funds

December 31, 2007

	<u>Cash Bonds Held</u>	<u>Mayor's Court</u>	<u>Board of Building Standards</u>	<u>Payroll Deduction Employees' Share</u>	<u>Total</u>
Assets:					
Cash and cash equivalents	\$ <u>32,419</u>	\$ <u>38,179</u>	\$ <u>1,212</u>	\$ <u>1,058</u>	\$ <u>72,868</u>
Liabilities:					
Intergovernmental payable	\$ -	\$ 6,590	\$ -	\$ -	\$ 6,590
Due to others	-	19,956	-	-	19,956
Deposits held	<u>32,419</u>	<u>11,633</u>	<u>1,212</u>	<u>1,058</u>	<u>46,322</u>
Total liabilities	\$ <u>32,419</u>	\$ <u>38,179</u>	\$ <u>1,212</u>	\$ <u>1,058</u>	\$ <u>72,868</u>

City of Brook Park, Ohio

Combining Statement of Changes in Assets and Liabilities Agency Funds

For The Year Ended December 31, 2007

	<u>Balance</u> <u>12/31/06</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/07</u>
Cash Bonds Held				
Assets:				
Cash and cash equivalents	\$ <u>25,954</u>	\$ <u>19,705</u>	\$ <u>13,240</u>	\$ <u>32,419</u>
Liabilities:				
Deposits held	\$ <u>25,954</u>	\$ <u>19,705</u>	\$ <u>13,240</u>	\$ <u>32,419</u>
Mayor's Court				
Assets:				
Cash and cash equivalents	\$ <u>35,310</u>	\$ <u>472,818</u>	\$ <u>469,949</u>	\$ <u>38,179</u>
Liabilities:				
Intergovernmental payable	\$ 5,814	\$ 112,969	\$ 112,193	\$ 6,590
Due to others	20,002	319,930	319,976	19,956
Deposits held	<u>9,494</u>	<u>39,919</u>	<u>37,780</u>	<u>11,633</u>
Total liabilities	\$ <u>35,310</u>	\$ <u>472,818</u>	\$ <u>469,949</u>	\$ <u>38,179</u>
Board of Building Standards				
Assets:				
Cash and cash equivalents	\$ <u>1,075</u>	\$ <u>1,793</u>	\$ <u>1,656</u>	\$ <u>1,212</u>
Liabilities:				
Deposits held	\$ <u>1,075</u>	\$ <u>1,793</u>	\$ <u>1,656</u>	\$ <u>1,212</u>
Payroll Deduction Employees' Share				
Assets:				
Cash and cash equivalents	\$ <u>-</u>	\$ <u>33,094</u>	\$ <u>32,036</u>	\$ <u>1,058</u>
Liabilities:				
Deposits held	\$ <u>-</u>	\$ <u>33,094</u>	\$ <u>32,036</u>	\$ <u>1,058</u>
Total – All Agency Funds				
Assets:				
Cash and cash equivalents	\$ <u>62,339</u>	\$ <u>527,410</u>	\$ <u>516,881</u>	\$ <u>72,868</u>
Liabilities:				
Intergovernmental payable	\$ 5,814	\$ 112,969	\$ 112,193	\$ 6,590
Due to others	20,002	319,930	319,976	19,956
Deposits held	<u>36,523</u>	<u>94,511</u>	<u>84,712</u>	<u>46,322</u>
Total liabilities	\$ <u>62,339</u>	\$ <u>527,410</u>	\$ <u>516,881</u>	\$ <u>72,868</u>

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City of Brook Park, Ohio

Statistical Section

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

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

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

City of Brook Park, Ohio

Net Assets by Component
Accrual Basis of Accounting

Last Five Fiscal Years

Table 1

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities:					
Invested in capital assets, net of related debt	\$ 46,861,418	\$ 7,583,487	\$ 52,402,275	\$ 52,981,641	\$ 55,327,938
Restricted for:					
Capital projects	5,584,361	7,874,313	4,691,061	9,786,661	12,272,001
Debt services	360,131	459,283	434,576	436,703	459,559
Other purposes	-	794,726	578,019	548,690	2,094,496
Special revenues	1,901,028	-	-	-	-
Unreserved	<u>11,813,192</u>	<u>13,458,738</u>	<u>14,684,243</u>	<u>13,281,656</u>	<u>9,634,437</u>
Total net assets – governmental activities	\$ <u>66,520,130</u>	\$ <u>70,170,547</u>	\$ <u>72,790,174</u>	\$ <u>77,035,351</u>	\$ <u>79,788,431</u>

City of Brook Park, Ohio

Changes in Net Assets Accrual Basis of Accounting

Last Five Fiscal Years

Table 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Expenses:					
General government	\$ 10,675,655	\$ 7,379,928	\$ 5,743,052	\$ 4,752,217	\$ 5,183,964
Security of persons and property	9,075,363	9,776,933	11,422,459	11,396,843	12,258,151
Public health and welfare	226,005	253,214	317,628	332,619	566,718
Transportation	510,314	3,311,938	3,550,660	2,635,279	2,618,477
Leisure time activities	2,497,528	3,634,961	3,064,683	2,940,351	2,928,253
Community development	1,538,318	2,119,789	1,767,010	1,770,697	2,125,890
Public works	2,717,718	2,532,212	3,379,002	4,277,913	4,380,006
Interest and fiscal charges	283,376	214,990	193,895	57,224	70,405
Total primary government expenses	<u>27,524,277</u>	<u>29,223,965</u>	<u>29,438,389</u>	<u>28,163,143</u>	<u>30,131,864</u>
Program revenues:					
Charges for services					
General government	3,042,445	1,265,925	833,257	615,951	539,909
Security of persons and property	867,879	1,036,569	954,234	1,020,166	949,365
Public health and welfare	1,274	1,292	1,342	6,971	6,996
Leisure time activities	381,847	386,834	472,138	502,615	498,148
Community development	1,231,005	1,093,248	990,994	1,026,504	1,142,305
Total charges for services	<u>5,524,450</u>	<u>3,783,868</u>	<u>3,251,965</u>	<u>3,172,207</u>	<u>3,136,723</u>
Operating grants and contributions					
Security of persons and property	12,243	37,002	54,307	44,511	30,099
Public health and welfare	-	-	14,467	10,768	10,580
Transportation	-	-	-	23,287	23,474
Community development	11,978	-	-	-	-
Public works	-	-	-	142,135	182,117
Total operating grants and contributions	<u>24,221</u>	<u>37,002</u>	<u>68,774</u>	<u>220,701</u>	<u>246,270</u>
Capital grants and contributions					
Transportation	-	-	453,674	98,188	1,396,638
Community development	-	660,991	109,546	141,101	665,925
Total capital grants and contributions	<u>-</u>	<u>660,991</u>	<u>563,220</u>	<u>239,289</u>	<u>2,062,563</u>
Total program revenues	<u>5,548,671</u>	<u>4,481,861</u>	<u>3,883,959</u>	<u>3,632,197</u>	<u>5,445,556</u>
General revenues:					
Property taxes	2,741,358	2,866,014	2,954,239	4,521,976	2,261,148
Municipal taxes	21,656,942	21,964,703	22,159,579	20,655,175	21,321,660
Grants and entitlements					
not restricted to specific programs	8,908,485	3,266,535	2,280,824	2,453,114	2,695,712
Investment earnings	257,922	289,315	778,295	1,112,436	1,135,195
Miscellaneous revenues	8,532	5,954	1,120	33,422	25,673
Total general revenues	<u>33,573,239</u>	<u>28,392,521</u>	<u>28,174,057</u>	<u>28,776,123</u>	<u>27,439,388</u>
Total primary government revenues	<u>39,121,910</u>	<u>32,874,382</u>	<u>32,058,016</u>	<u>32,408,320</u>	<u>32,884,944</u>
Total primary government net expenses	\$ <u>11,597,633</u>	\$ <u>3,650,417</u>	\$ <u>2,619,627</u>	\$ <u>4,245,177</u>	\$ <u>2,753,080</u>

City of Brook Park, Ohio

Fund Balances, Governmental Funds Modified Accrual Basis of Accounting

Last Ten Fiscal Years

Table 3

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General fund:										
Reserved	\$ 245,063	\$ 296,045	\$ 277,702	\$ 274,381	\$ 323,115	\$ 425,788	\$ 495,738	\$ 489,431	\$ 509,811	\$ 654,598
Unreserved	<u>5,687,003</u>	<u>5,516,969</u>	<u>6,174,192</u>	<u>11,675,657</u>	<u>9,806,732</u>	<u>11,730,682</u>	<u>11,023,224</u>	<u>11,521,684</u>	<u>11,018,809</u>	<u>9,058,619</u>
Total general fund	<u>5,932,066</u>	<u>5,813,014</u>	<u>6,451,894</u>	<u>11,950,038</u>	<u>10,129,847</u>	<u>12,156,470</u>	<u>11,518,962</u>	<u>12,011,115</u>	<u>11,528,620</u>	<u>9,713,217</u>
All other governmental funds:										
Reserved	169,262	496,476	1,879,557	1,378,840	469,732	1,040,000	1,815,210	763,151	652,675	1,869,385
Unreserved, undesignated, Reported in:										
Special revenue funds	5,741,826	5,199,477	993,310	1,770,579	2,970,745	1,385,264	3,007,938	3,049,015	1,560,280	2,690,033
Debt service funds	357,716	367,279	400,272	-	-	408,175	417,283	434,576	436,703	459,559
Capital projects funds	<u>581,373</u>	<u>2,283,505</u>	<u>2,477,849</u>	<u>2,241,266</u>	<u>5,840,404</u>	<u>4,653,507</u>	<u>6,119,652</u>	<u>4,037,983</u>	<u>9,223,506</u>	<u>10,441,047</u>
Total all other governmental funds	<u>6,850,177</u>	<u>8,346,737</u>	<u>5,750,988</u>	<u>5,390,685</u>	<u>9,280,881</u>	<u>7,486,946</u>	<u>11,360,083</u>	<u>8,284,725</u>	<u>11,873,164</u>	<u>15,460,024</u>
Total governmental funds	\$ <u>12,782,243</u>	\$ <u>14,159,751</u>	\$ <u>12,202,882</u>	\$ <u>17,340,723</u>	\$ <u>19,410,728</u>	\$ <u>19,643,416</u>	\$ <u>22,879,045</u>	\$ <u>20,295,840</u>	\$ <u>23,401,784</u>	\$ <u>25,173,241</u>

City of Brook Park, Ohio

Changes in Fund Balances, Governmental Funds Modified Basis of Accounting

Last Ten Fiscal Years

Table 4

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues:										
Property taxes	\$ 2,500,251	\$ 2,419,819	\$ 2,449,696	\$ 2,502,658	\$ 2,446,419	\$ 2,381,452	\$ 2,493,335	\$ 2,601,395	\$ 3,360,471	\$ 2,759,724
Income taxes	16,199,230	18,160,744	19,903,518	18,570,711	20,521,265	21,904,475	21,880,786	21,465,211	20,648,297	21,582,162
Other local taxes	398,698	471,405	485,140	447,917	346,705	281,358	349,222	349,022	260,397	359,472
Intergovernmental	2,342,767	2,508,214	2,477,455	2,800,180	2,261,918	8,905,015	3,867,885	2,784,225	2,871,206	4,938,245
Charges for services	567,046	792,883	1,554,955	1,659,130	2,121,999	1,714,850	1,689,473	1,726,212	1,733,112	1,833,367
Licenses and permits	423,115	411,274	388,490	547,312	413,044	468,381	397,508	396,603	393,337	433,795
Fines and forfeitures	318,339	263,719	319,222	357,076	311,830	364,412	444,678	398,155	384,660	395,605
Special assessments	4,002	5,273	3,618	4,317	4,282	4,282	4,280	19,637	119,767	105,473
Investment income	524,987	846,565	881,096	615,732	298,621	257,922	289,315	778,295	1,112,436	1,135,195
Other	410,584	2,569,900	485,082	325,499	609,329	845,019	1,252,209	690,124	694,520	499,629
Total revenues	<u>23,689,019</u>	<u>28,449,796</u>	<u>28,948,272</u>	<u>27,830,532</u>	<u>29,335,412</u>	<u>37,127,166</u>	<u>32,668,691</u>	<u>31,208,879</u>	<u>31,578,203</u>	<u>34,042,667</u>
Expenditures:										
Current:										
Security of persons and property	7,057,633	7,400,094	7,852,209	8,148,858	9,059,154	9,402,099	9,672,735	10,289,356	10,793,884	11,703,939
Public health and welfare	416,006	87,907	249,197	230,450	236,480	226,005	239,884	314,991	324,927	559,409
Leisure time activities	1,730,140	1,864,092	2,083,257	2,278,621	2,383,237	2,483,022	2,519,902	2,536,300	2,628,688	2,634,424
Community development	1,027,633	5,338,407	9,086,412	2,907,431	1,669,826	2,141,842	1,474,557	1,535,699	1,657,861	1,127,745
Public works	2,290,909	2,151,915	2,347,347	2,441,957	2,673,386	2,747,140	2,915,119	2,929,810	3,068,509	4,048,769
Transportation	2,124,088	2,965,659	1,685,505	1,599,714	2,432,753	2,890,366	2,523,547	2,633,551	1,582,956	1,807,115
General government	8,725,781	4,680,187	4,186,348	6,178,149	3,979,782	4,223,424	4,382,641	6,231,592	4,740,737	4,848,012
Capital outlay	2,260,661	1,180,151	2,647,853	4,817,482	3,340,489	11,736,127	7,738,958	5,690,763	3,660,098	5,964,107
Debt service	1,780,308	1,771,841	1,759,338	1,753,862	1,765,300	1,806,995	1,812,920	2,029,807	234,496	236,196
Total expenditures	<u>27,413,159</u>	<u>27,440,253</u>	<u>31,897,466</u>	<u>30,356,524</u>	<u>27,540,407</u>	<u>37,657,020</u>	<u>33,280,263</u>	<u>34,191,869</u>	<u>28,692,156</u>	<u>32,929,716</u>
Excess of revenues over (under) expenditures	<u>(3,724,140)</u>	<u>1,009,543</u>	<u>(2,949,194)</u>	<u>(2,525,992)</u>	<u>1,795,005</u>	<u>(529,854)</u>	<u>(611,572)</u>	<u>(2,982,990)</u>	<u>2,886,047</u>	<u>1,112,951</u>

Continued

City of Brook Park, Ohio

Changes in Fund Balances, Governmental Funds (continued) Modified Basis of Accounting

Last Ten Fiscal Years

Table 4

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Other financing sources (uses):										
Notes issued	-	-	-	-	-	-	2,255,000	-	-	-
Capital leases	21,424	357,581	365,965	1,317,372	-	668,230	354,053	373,287	185,639	631,381
Cleveland Airport agreement	8,750,000	-	-	6,128,582	-	-	-	-	-	-
Sale of capital assets	751,403	10,384	626,360	34,703	275,000	94,312	15,004	26,498	34,258	27,125
Transfers in	12,055,840	8,245,804	9,447,473	6,760,137	6,667,075	3,811,180	4,753,525	4,737,090	4,666,838	3,949,538
Transfers out	<u>(9,651,112)</u>	<u>(8,245,804)</u>	<u>(9,447,473)</u>	<u>(6,576,961)</u>	<u>(6,667,075)</u>	<u>(3,811,180)</u>	<u>(4,753,525)</u>	<u>(4,737,090)</u>	<u>(4,666,838)</u>	<u>(3,949,538)</u>
Total other financing sources (uses)	<u>11,927,555</u>	<u>367,965</u>	<u>992,325</u>	<u>7,663,833</u>	<u>275,000</u>	<u>762,542</u>	<u>2,624,057</u>	<u>399,785</u>	<u>219,897</u>	<u>658,506</u>
Net change in fund balances	\$ <u>8,203,415</u>	\$ <u>1,377,508</u>	\$ <u>(1,956,869)</u>	\$ <u>5,137,841</u>	\$ <u>2,070,005</u>	\$ <u>232,688</u>	\$ <u>2,012,485</u>	\$ <u>(2,583,205)</u>	\$ <u>3,105,944</u>	\$ <u>1,771,457</u>
Debt service as a percentage of noncapital expenditures	6.60%	7.02%	6.60%	6.09%	7.02%	6.95%	6.00%	6.93%	0.89%	0.88%

City of Brook Park, Ohio

Assessed Valuations and Estimated True Values

Last Ten Years

Table 5

<u>Collection Year</u>	<u>Residential/ Agricultural Real Property</u>	<u>Other Real Property</u>	<u>Public Utility Tangible</u>	<u>Tangible Personal Property</u>	<u>Total</u>	<u>Estimated True Value Real Property</u>
1998	\$ 237,651,020	\$ 120,981,070	\$ 20,039,900	\$ 192,481,495	\$ 571,153,485	\$ 1,024,663,114
1999	237,845,240	119,285,820	19,966,380	175,936,785	553,034,225	1,020,374,457
2000	238,021,220	132,374,750	18,632,750	172,180,824	561,209,544	1,058,274,200
2001	266,452,600	167,037,360	18,890,960	159,067,518	611,448,438	1,238,542,743
2002	265,952,730	154,479,690	14,372,580	132,327,007	567,132,007	1,201,235,486
2003	265,876,430	154,084,030	14,367,430	122,445,643	556,773,533	1,199,887,029
2004	288,926,640	144,414,500	13,492,460	118,219,380	565,052,980	1,238,117,543
2005	289,201,130	151,477,000	13,754,000	125,239,739	579,671,869	1,259,080,371
2006	290,141,140	157,113,310	12,380,180	129,294,459	588,929,089	1,280,280,628
2007	313,620,240	159,071,900	11,951,610	84,910,572	569,554,322	1,238,161,570

Sources: Cuyahoga County Auditor

City of Brook Park, Ohio

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

Last Ten Years

Table 6

Collection Year	City of Brook Park				Berea City School District	Southwest Vocational School	Cuyahoga County Commissioners	Special (2) Taxing Districts	Total Tax Levy
	General Fund	Special Funds (1)	Debt Service	Total Levy					
1998	\$ 3.69	\$ 0.65	\$ 0.16	\$ 4.50	\$ 57.90	\$ 2.40	\$ 12.12	\$ 5.88	\$ 82.80
1999	3.69	0.65	0.16	4.50	58.00	2.40	10.82	5.88	81.60
2000	3.69	0.95	0.16	4.80	63.90	2.40	10.82	5.88	87.80
2001	3.85	0.95	0.00	4.80	63.80	2.40	11.72	5.88	88.60
2002	3.85	0.95	0.00	4.80	63.80	2.40	11.72	5.88	88.60
2003	3.85	0.95	0.00	4.80	69.80	2.40	11.72	5.88	94.60
2004	3.85	0.95	0.00	4.80	69.80	2.40	13.52	5.88	96.40
2005	3.85	0.95	0.00	4.80	69.80	2.40	13.52	6.78	97.30
2006	3.85	0.95	0.00	4.80	74.90	2.40	13.42	6.78	102.30
2007	3.85	0.90	0.00	4.75	74.90	2.40	13.42	6.78	102.25

Source: Cuyahoga County Auditor

(1) – Southwest General Hospital, Police & Firemen Pension Fund, and Tri City Senior Center. Tri City Senior Center was not renewed in 2007 and is excluded in 2007 rate.

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

City of Brook Park, Ohio

Real Property Tax Levies And Collections

Last Ten Years

Table 7a

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Collections</u>	<u>Percentage of Current Collections To Current Levy</u>	<u>Prior Year Collections</u>	<u>Total Collections(1)</u>	<u>Percentage of Total Collections To Current Levy</u>
1998	\$ 1,843,108	\$ 1,784,451	97%	\$ 40,309	\$ 1,824,760	99%
1999	1,690,292	1,660,990	98%	97,942	1,758,932	104%
2000	1,859,481	1,828,985	98%	57,773	1,886,758	101%
2001	2,132,394	2,051,067	96%	49,844	2,100,911	99%
2002	2,054,015	1,985,572	97%	110,757	2,096,329	102%
2003	2,069,493	1,971,073	95%	44,834	2,015,907	97%
2004	2,103,008	2,002,323	95%	60,839	2,063,162	98%
2005	2,199,007	2,065,256	94%	61,074	2,126,330	97%
2006	2,169,941	2,111,420	97%	131,737	2,243,157	103%
2007	2,275,106	2,197,527	97%	57,903	2,255,430	99%

Source: Cuyahoga County Auditor

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

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

City of Brook Park, Ohio

Tangible Personal Property Tax Levies And Collections

Last Ten Years

Table 7b

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Collections</u>	<u>Percentage of Current Collections To Current Levy</u>	<u>Prior Year Collections</u>	<u>Total Collections</u>	<u>Percentage of Total Collections To Current Levy</u>
1998	\$ 967,652	\$ 961,428	99%	\$ 66,519	\$ 1,027,947	106%
1999	774,814	765,819	99%	49,791	815,610	105%
2000	762,706	753,188	99%	8,763	761,951	100%
2001	635,316	630,494	99%	21,605	652,099	103%
2002	588,172	578,030	98%	5,691	583,721	99%
2003	566,213	556,638	98%	11,138	567,776	100%
2004	603,316	589,946	98%	14,775	604,721	100%
2005	622,546	617,509	99%	33,698	651,207	105%
2006	407,294	405,424	100%	14,539	419,963	103%
2007	291,696	284,344	97%	1,031,518	1,315,862	451%

Source: Cuyahoga County Auditor

City of Brook Park, Ohio

Principal Taxpayers - Real Estate Tax (1)

2007 and 2002

Table 8

<u>Name of Taxpayer</u>	<u>December 31, 2007</u>	
	<u>Assessed Value (1)</u>	<u>Percent of Total Assessed Value</u>
Ford Motor Company	\$ 19,387,250	3.40%
MWP Company	9,857,350	1.73%
Tech Park Limited Partnership	7,241,740	1.27%
Laich, Walter	6,300,000	1.11%
CP- Snow Prop, LLC	4,803,860	0.84%
Brookgate Associates	4,200,020	0.74%
CP-Cleveland ADC, LLC	3,739,300	0.66%
Board of County	2,291,630	0.40%
Sandelman Sandford Trs.	2,152,510	0.38%
KW Real Estate	2,135,250	0.37%
Total	\$ <u>62,108,910</u>	<u>10.90%</u>

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

Source: Cuyahoga County Auditor
 (1) Excludes Public Utilities
 Information prior to 2002 is not available

City of Brook Park, Ohio

Municipal Income Tax Collections By Source Modified Accrual Basis of Accounting

Last Ten Years

Table 9

<u>Withheld Year</u>	<u>Individual Tax</u>	<u>Business Direct Tax</u>	<u>Municipal Direct Tax</u>	<u>Income Tax Collections</u>
1998	\$ 14,001,050	\$ 914,183	\$ 1,283,997	\$ 16,199,230
1999	15,899,371	957,531	1,303,842	18,160,744
2000	17,549,260	985,249	1,369,009	19,903,518
2001	16,435,339	1,023,869	1,111,503	18,570,711
2002	18,655,101	830,330	1,035,834	20,521,265
2003	19,684,382	778,618	1,441,475	21,904,475
2004	19,904,248	686,738	1,289,800	21,880,786
2005	19,356,185	733,870	1,375,156	21,465,211
2006	18,530,174	726,347	1,391,776	20,648,297
2007	19,251,983	684,848	1,645,331	21,582,162

Source: City Financial Records

City of Brook Park, Ohio

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

Last Ten Years

Table 10

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Lease Purchase Agreements			
1998	\$ 10,144,000	\$ 433,751	\$ 10,577,751	N/A	\$ 464
1999	8,922,000	480,767	9,402,767	N/A	412
2000	7,630,000	569,255	8,199,255	1.89%	386
2001	6,273,000	1,546,089	7,819,089	1.81%	369
2002	4,836,000	1,263,712	6,099,712	1.41%	287
2003	3,319,000	1,461,052	4,780,052	1.10%	225
2004	3,962,000	1,446,808	5,408,808	1.25%	255
2005	2,110,000	1,277,147	3,387,147	0.78%	160
2006	1,945,000	1,075,745	3,020,745	0.70%	142
2007	1,775,000	1,146,912	2,921,912	0.67%	138

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

City of Brook Park, Ohio

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

Last Ten Years

Table 11

<u>Year</u>	<u>Net General Bonded Debt (1)</u>	<u>Assessed Value (2)</u>	<u>Population (3)</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Debt per Capita</u>
1998	\$ 9,492,284	\$ 571,153	22,821	1.66%	\$ 415.95
1999	8,302,721	553,034	22,821	1.50%	363.82
2000	7,019,728	561,210	21,218	1.25%	330.84
2001	5,700,453	611,448	21,218	0.93%	268.66
2002	4,427,214	567,132	21,218	0.78%	208.65
2003	5,425,825	556,773	21,218	0.97%	255.72
2004	3,544,717	565,053	21,218	0.63%	167.06
2005	1,675,424	579,672	21,218	0.29%	78.96
2006	1,508,297	588,929	21,218	0.26%	71.09
2007	1,315,441	569,554	21,218	0.23%	62.00

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

City of Brook Park, Ohio

Computation of Direct and Overlapping Debt

December 31, 2007

Table 12

<u>Jurisdiction</u>	<u>Net Debt Outstanding (1)</u>	(2) <u>Percentage Applicable to City of Brook Park</u>	<u>Amount Applicable to City of Brook Park</u>
City of Brook Park	\$ 1,775,000	100.00%	\$ 1,775,000
Berea City School District	18,617,802	35.51%	6,611,181
Cuyahoga County	194,593,691	1.65%	3,210,796
Regional Transit Authority	<u>147,385,000</u>	1.65%	<u>2,431,853</u>
Total	\$ <u>362,371,493</u>		\$ <u>14,028,830</u>

Source: Cuyahoga County Auditor

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

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

City of Brook Park, Ohio

Legal Debt Margin

Last Ten Fiscal Years

Table 13

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Assessed valuation	\$ <u>553,034,225</u>	\$ <u>561,209,544</u>	\$ <u>561,209,544</u>	\$ <u>611,448,438</u>	\$ <u>567,132,007</u>	\$ <u>556,773,533</u>	\$ <u>565,052,980</u>	\$ <u>579,671,869</u>	\$ <u>588,929,089</u>	\$ <u>569,554,322</u>
Overall debt limit – 10.5% of assessed value	\$ <u>58,068,594</u>	\$ <u>58,927,002</u>	\$ <u>58,927,002</u>	\$ <u>64,202,086</u>	\$ <u>59,548,861</u>	\$ <u>58,461,221</u>	\$ <u>59,330,563</u>	\$ <u>60,865,546</u>	\$ <u>61,837,554</u>	\$ <u>59,803,204</u>
Gross indebtedness	11,044,000	9,622,000	7,630,000	6,273,000	4,836,000	3,319,000	3,962,000	2,110,000	1,945,000	1,775,000
Less: debt outside limitation	(10,144,000)	(8,922,000)	(7,630,000)	(6,273,000)	(4,836,000)	(3,319,000)	-	-	-	-
Less: amount available in debt service fund	<u>(357,716)</u>	<u>(367,279)</u>	<u>(400,272)</u>	<u>(404,547)</u>	<u>(408,786)</u>	<u>(408,175)</u>	<u>(417,283)</u>	<u>(434,576)</u>	<u>(436,703)</u>	<u>(459,559)</u>
Net debt within 10.5% limit	<u>542,284</u>	<u>332,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,544,717</u>	<u>1,675,424</u>	<u>1,508,297</u>	<u>1,315,441</u>
Legal Debt Margin	\$ <u>57,526,310</u>	\$ <u>58,594,281</u>	\$ <u>58,927,002</u>	\$ <u>64,202,086</u>	\$ <u>59,548,861</u>	\$ <u>58,461,221</u>	\$ <u>55,785,846</u>	\$ <u>59,190,122</u>	\$ <u>60,329,257</u>	\$ <u>58,487,763</u>
Debt Limit – .5.5% of assessed unvoted value	\$ <u>30,416,882</u>	\$ <u>30,866,525</u>	\$ <u>30,866,525</u>	\$ <u>33,629,664</u>	\$ <u>31,192,260</u>	\$ <u>30,622,544</u>	\$ <u>31,077,914</u>	\$ <u>31,881,953</u>	\$ <u>32,391,100</u>	\$ <u>31,325,488</u>
Gross indebtedness authorized by council:	11,044,000	9,622,000	7,630,000	6,273,000	4,836,000	3,319,000	3,962,000	2,110,000	1,945,000	1,775,000
Less: debt outside limitation	(8,922,000)	(8,922,000)	(7,630,000)	(6,273,000)	(4,836,000)	(3,319,000)	-	-	-	-
less: amount available in debt service fund	<u>(357,716)</u>	<u>(367,279)</u>	<u>(400,272)</u>	<u>(404,547)</u>	<u>(408,786)</u>	<u>(408,175)</u>	<u>(417,283)</u>	<u>(434,576)</u>	<u>(436,703)</u>	<u>(459,559)</u>
Net debt within 5.5% limit	<u>542,284</u>	<u>332,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,544,717</u>	<u>1,675,424</u>	<u>1,508,297</u>	<u>1,315,441</u>
Unvoted debt margin	\$ <u>29,874,598</u>	\$ <u>30,533,804</u>	\$ <u>30,866,525</u>	\$ <u>3,629,664</u>	\$ <u>31,192,260</u>	\$ <u>30,622,544</u>	\$ <u>27,533,197</u>	\$ <u>30,206,529</u>	\$ <u>30,882,803</u>	\$ <u>30,010,047</u>

Source: Cuyahoga County Auditor and City Financial Records

City of Brook Park, Ohio

Principal Employers

Current Year and Six Years Ago

Table 14

2007

<u>Employer</u>	<u>Employees</u>	<u>Percentage of</u>
Ford Motor Company	1,999	9.27%
Department of the Interior	1,500	6.95%
National City Corporation	434	2.01%
Foseco Metallurgical Inc.	285	1.32%
Brook Park, City of	386	1.79%
Berea City School District	311	1.44%
Marc Glassman Inc.	669	3.10%
Analex Corporation	135	0.63%
Zin Technologies	134	0.62%
SGT Inc.	180	0.83%
Total	6,033	27.96%
Total City Employment	21,574	100%

2002

<u>Employer</u>	<u>Employees</u>	<u>Percentage of</u>
Ford Motor Company	N/A	N/A
NASA Marshall Space Flight Center	N/A	N/A
Foseco Metallurgical Inc.	N/A	N/A
Brook Park, City of	N/A	N/A
Analex Corp.	N/A	N/A
Berea City School District	N/A	N/A
QSS Group Inc.	N/A	N/A
S.K. Wellman Corp.	N/A	N/A
Ohio Aerospace Institute	N/A	N/A
Marc Glassman Inc.	N/A	N/A
Total	N/A	N/A
Total City Employment	N/A	N/A

Source: City Income Tax Department. Information prior to 2002 is not available.

N/A – Employment figures were unavailable for 2002.

City of Brook Park, Ohio

Demographic and Economic Statistics

Last Ten Years

Table 15

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (4)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>School Enrollment (2)</u>	<u>Cuyahoga County Unemployment Rate (3)</u>
1998	22,821	\$ N/A	\$ N/A	\$ N/A	N/A	7,927	4.4%
1999	22,821	N/A	N/A	N/A	N/A	7,980	4.5%
2000	21,218	433,080,598	20,411	46,333	39.8	7,891	4.4%
2001	21,218	433,080,598	20,411	46,333	39.8	7,820	4.6%
2002	21,218	433,080,598	20,411	46,333	39.8	7,653	6.5%
2003	21,218	433,080,598	20,411	46,333	39.8	7,505	6.7%
2004	21,218	433,080,598	20,411	46,333	39.8	7,801	6.5%
2005	21,218	433,080,598	20,411	46,333	39.8	7,511	6.5%
2006	21,218	433,080,598	20,411	46,333	39.8	7,526	5.4%
2007	21,218	433,080,487	20,411	46,333	39.8	7,713	6.1%

(1) Source: U. S. Census

(a) Years 2000 through 2007 - 2000 Federal Census

(b) Years 1998 through 1999 - 1990 Federal Census

(2) Source: Ohio Department of Education Website

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

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

N/A – Information not available

City of Brook Park, Ohio

Full Time Employees by Function/Program (1)

Last Six Years

Table 16

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Function/program:						
General government:						
Council	2	2	2	2	2	2
Finance	5	5	5	5	5	5
Tax	6	6	5	5	5	5
Law	2	2	2	2	2	1
Mayor's office	3	3	3	3	3	3
Human resources	1	1	1	1	1	1
Civil service	1	1	1	1	1	1
Clerk of courts	1	1	1	1	1	1
Security of persons and property:						
Safety department	12	12	11	11	11	11
Animal warden	2	2	2	2	2	2
Police	42	45	45	45	44	44
Police administration	-	-	-	-	2	2
Property maintenance	4	5	5	5	4	5
Fire	40	40	40	40	40	36
Fire administration	-	-	-	-	1	1
Public health and welfare:						
Office of aging	-	1	-	1	1	1
Leisure time activities:						
Recreation	8	9	9	9	9	9
Community development:						
Building	6	6	6	6	6	6
Economic development	2	3	3	3	1	1
Transportation:						
Service	61	61	60	58	59	56
Public works:						
Service	6	6	6	5	5	5
Service dispatch	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Totals	<u>205</u>	<u>212</u>	<u>208</u>	<u>206</u>	<u>206</u>	<u>199</u>

Source: City Payroll Records

(1) Information prior to 2002 is not available

City of Brook Park, Ohio

Operating Indicators by Function/Program (1)

Last Six Years

Table 17

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Function/program:						
General government:						
Council and clerk						
Number of ordinances passed	103	97	105	93	83	85
Number of resolutions passed	43	33	30	37	30	22
Finance department:						
Number of checks/ vouchers issued (excluding payroll)	N/A	6,594	6,550	6,378	6,446	6,023
Number of purchase orders issued	N/A	N/A	2,353	2,167	2,079	1,928
Number of W-2 forms issued	420	419	402	402	382	382
City W-2 wages (in millions)	13	13	13	13	13	13
Agency ratings – Fitch	AA-3	AA-3	AA-3	AA-3	AA-3	AA-3
Income tax department (2):						
Number of individual returns	9,522	9,360	9,040	8,824	8,587	10,119
Number of business returns	1,478	1,586	1,529	1,538	1,582	1,658
Number of business withholding accounts	1,455	1,552	1,539	1,554	1,470	1,554
Civil service:						
Number of exams given	2	7	1	-	4	2
Building department:						
Number of permits issued	986	1,076	1,188	904	1,570	1,553
Security of persons and property:						
Police:						
Number of traffic citations issued	N/A	3,111	3,808	4,038	3,337	5,403
Number of parking citations issued	N/A	1,491	1,860	1,375	1,773	1,784
Number of criminal arrests	N/A	252	190	212	208	254
Animal warden service calls responded to per annual report	N/A	111	83	64	81	75

City of Brook Park, Ohio

Operating Indicators by Function/Program (1) (continued)

Last Six Years

Table 17

	2002	2003	2004	2005	2006	2007
Security of persons and property:						
Fire:						
EMS calls	2,038	1,946	2,172	2,240	2,230	2,092
Fire and fire-related calls	526	521	395	359	388	435
Hydrants tested	1,201	1,204	1,204	1,204	1,204	1,250
Leisure time activities:						
Recreation:						
Number of memberships	6,680	6,815	7,031	7,220	7,576	1,653
Community development:						
Parking fees collected due to Economic Development Dept.	\$ 1,570,473	\$ 923,268	\$ 855,278	\$ 855,840	\$ 827,354	\$ 962,131
Public works:						
Refuse disposal per year (tons)	21,479	10,870	10,848	13,470	13,020	12,867
Refuse disposal costs per year	\$ 362,539	\$ 409,506	\$ 424,033	\$ 417,180	\$ 436,085	\$ 419,775
Percentage of waste recycled	2.23%	6.67%	6.25%	4.60%	4.25%	6.21%
Transportation:						
Snowfall in inches	69.80	98.60	95.80	108.40	34.60	75.70
Cost of salt purchased	\$ 151,150	\$ 407,933	\$ 264,719	\$ 464,333	\$ 151,524	\$ 281,519
Asphalt used in road maintenance (tons)	325	280	512	387	240	165
Concrete used in road maintenance (yards)	420	324	365	300	300	300
Number of trees removed	200	200	200	248	157	144
Number of trees planted	150	190	150	125	110	124
Senior citizen driveway plowing participants	1,171	1,222	1,264	1,367	1,320	1,366

(1) Information prior to 2002 is not available

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

N/A- Information is not available

City of Brook Park, Ohio

Capital Assets Statistics by Function/Program (1)

Last Six Years

Table 18

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Function/program:						
General government:						
City Hall square footage	16,880	16,880	16,880	16,880	16,880	16,880
Other departmental vehicles	11	11	11	11	14	14
Security of persons and property:						
Police:						
Stations	1	1	1	1	1	1
Square footage of Police (and Fire) building	16,072	16,072	16,072	16,072	16,072	16,072
Number of vehicles	47	46	45	52	45	36
Number of street lights	2,565	2,565	2,565	2,565	2,565	2,565
Number of traffic lights	49	49	49	49	49	49
Fire:						
Stations	3	3	3	3	3	3
Square footage of station	16,072	16,072	16,072	16,072	16,072	16,072
Square footage of station – Ruple	3,807	3,807	3,807	3,807	3,807	3,807
Square footage of station – W. 130th	924	924	924	924	924	924
Number of vehicles	13	14	15	16	14	15
Leisure time activities:						
Recreation:						
Number of Parks	7	7	7	7	7	7
Number of Pools	2	2	2	2	2	2
Number of Diving Tanks	1	1	1	1	1	1
Square Footage of Recreation Center	105,300	105,300	105,300	105,300	105,300	105,300
Public works:						
Streets (miles)	46	46	46	46	46	46
Service vehicles	70	76	70	70	74	74

(1) Information prior to 2002 is not available



Mary Taylor, CPA
Auditor of State

CITY OF BROOK PARK

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 24, 2008**