

**CITY OF BROOKLYN  
CUYAHOGA COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2011**

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





# Dave Yost • Auditor of State

Members of City Council  
City of Brooklyn  
7619 Memphis Avenue  
Brooklyn, OH 44144-2197

We have reviewed the *Independent Auditor's Report* of the City of Brooklyn, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2011 through December 31, 2011. 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 Brooklyn is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

November 2, 2012

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**CITY OF BROOKLYN  
CUYAHOGA COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

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Ohio Society of Certified Public Accountants

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

To Members of the City Council  
City of Brooklyn, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brooklyn, Cuyahoga County, Ohio, as of and for the year ended December 31, 2011, which collectively comprise the City of Brooklyn, Ohio's basic financial statements and have issued our report thereon dated July 12, 2012, wherein we noted the City implemented Governmental Accounting Standards Board No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and restated the December 31, 2010 fund balances of the governmental funds due to a change in fund structure. In addition, the City restated the December 31, 2010 net assets of the governmental activities and the Retrospective Medical Claim Fund due to the recognition of income tax receivable. 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**

Management of the City of Brooklyn, Ohio, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Brooklyn, 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 Brooklyn, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Brooklyn, Ohio's internal control over financial reporting.

*A deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.


Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 Brooklyn, 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*.

We noted certain matters that we reported to the management of the City of Brooklyn, Ohio, in a separate letter dated July 12, 2012.

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

July 12, 2012



**CITY OF BROOKLYN, OHIO**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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No significant findings or questioned costs were included in the prior year's audit report. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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# ***CITY OF BROOKLYN, OHIO***



## ***COMPREHENSIVE ANNUAL FINANCIAL REPORT***

***FOR THE YEAR ENDED DECEMBER 31, 2011***

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**City of Brooklyn, Ohio**

*Comprehensive Annual Financial Report*

For The Year Ended December 31, 2011

Prepared by:

Jenny Esarey  
Director of Finance



# ***INTRODUCTORY SECTION***

***CITY OF BROOKLYN, OHIO***

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**City of Brooklyn, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2011*  
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**Mayor**  
Richard H. Balbier

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

**Council**  
Kathleen M. Pucci  
Colleen Coyne Gallagher  
Joseph A. Magrey  
Antony E. DeMarco  
John D. Patta  
Kevin Tanski  
Thomas C. Murphy

July 12, 2012

City Council and Citizens of Brooklyn:

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires cities reporting on a GAAP basis to file an annual report with the Auditor of State within 150 days of fiscal year-end.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. The James G. Zupka, C.P.A., Inc.'s office rendered an opinion on the City's financial statements as of December 31, 2011, and the Independent Auditors' Report on the basic financial statements is included in the financial section of this report.

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

### **CITY OF BROOKLYN**

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

Founded by German immigrants in 1818, Brooklyn Township was set apart from Cleveland Township, which is now known as "Old Brooklyn". On August 5, 1867, Brooklyn Village became incorporated, eventually becoming a chartered home rule City on January 1, 1952. According to the latest population figures, Brooklyn has 11,169 residents.

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

may introduce and make recommendations on legislation and has full veto powers. The Mayor is also responsible for the preparation and submission of the annual estimate of receipts and expenditures, and of appropriation measures. The Mayor keeps Council advised of the City's financial condition and financial matters are discussed openly at formal Finance Committee meetings held prior to every regularly scheduled meeting of Council. Directors of Law, Finance, Public Safety and Public Service serve at the pleasure of the Mayor and report directly to him. Brooklyn also maintains a certified Building Department with a full-time Chief Building Official as its head. The Police Chief and Fire Chief are also at will employees.

The City provides a full range of municipal services, including full-time police, fire and emergency medical services, senior citizen programs, recreation programs, street maintenance and repair, residential refuse collection and disposal, curbside recycling, building, planning and zoning, as well as other administrative functions. In addition, Brooklyn provides some unique services not normally seen in most municipalities. Senior citizens have the ability to sign up to have their driveways plowed during the winter; the City charges only a nominal fee for these services. The City offers a full-service recreational center that houses a functional ice rink and both indoor and outdoor swimming facilities.

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

## **ECONOMIC CONDITION AND OUTLOOK**

The City of Brooklyn has a longstanding reputation for encouraging growth and development of its thriving industrial and commercial base. Exceptional working relationships have been forged between the City Administration, business and industry. Thanks to a targeted economic development program, which has included expansion of the retail, commercial and industrial sectors, the City's financial condition has improved significantly in 2011 and continues to remain strong through the post-recession economic environment. The City has repositioned itself from the late 1970's and early 1980's when it had major industrial manufacturers such as Lampson and Sessions and Terex to a much more diversified business base today. In addition to the three main businesses (American Greetings, Key Bank and The Plain Dealer) there is Ridge Park Square Shopping Center, Cascades Crossing (Hampton Inn, Extended Stay America, TGI Friday's, Steak & Shake and Chipotle Mexican Grill), Key Commons (Cracker Barrel, Panera's, Carrabba's Italian Grill and Wild Ginger), Brooklyn Corporate Center, a major medical building, manufacturing such as Ferrous Metals, Superior Products, and others; and trucking such as USF Holland, Falcon and numerous small trucking companies. Businesses along the Brookpark Road corridor include Best Buy, Super Kmart, Golden Corral, Staples, Wal-Mart, Sam's Club, Home Depot, IHOP and Gordon Foods.

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

Brooklyn has a much larger business base than most communities. Property taxes in Brooklyn are split with 44.15 percent from residential properties, 50.75 percent from commercial properties and 5.10 percent from other sources. Because of the large business base for property taxes, Brooklyn has an assessed valuation per capita of \$29,843. The City's has one of the lowest property tax rates in Cuyahoga County.

In 2011, revenue from resident income tax collections accounted for approximately \$902,000 of the total income tax for the City, or 6.10 percent of total collections. Net profits from business generate about 5.83 percent. The bulk of the income taxes paid, 88.07 percent, are paid by employees of the businesses located in the City through withholding taxes collected by the Regional Income Tax Agency (RITA).

Withholding collections in 2011 decreased by 8.72 percent as compared to 2010 to a level of \$13.02 million. Higher expectations for income tax revenue associated with the incremental revenue received as a result of the 0.5 percent tax rate increase were offset by the lack of growth in total payroll expense of City businesses against which the rate was applied and therefore there was a decrease in withholding tax when compared to 2010. Net profit collections increased slightly by 3.62 percent from 2010 amounts and produced approximately \$862,000 in tax revenue. Individual collections have increased remarkably since the conversion to RITA tax administration. In 2011, total individual tax payments exceeded \$902,000, a 1.3 percent increase over the prior period.

Income tax collections currently account for approximately 69 percent of the revenue for the City and are by far the major source of income. Charges for services are second largest revenue generated and real estate property taxes are third.

The City of Brooklyn was officially notified on May 20, 2011 that American Greetings would be moving their headquarters to Westlake, Ohio. The City of Brooklyn made numerous economic proposals to American Greetings' administration prior to their final decision in an attempt to keep the largest employer in Brooklyn, but American Greetings stated it was the administration's decision to move to Westlake. The perspective move to Westlake is estimated to be completed in the next two to three years, but the City of Brooklyn is hoping to retain a small number of American Greetings employees in Brooklyn. American Greetings has committed to cooperate with the City of Brooklyn to market and develop the real estate property.

A Chamber of Commerce was inaugurated in Brooklyn in 2002. Council and the Mayor understand that the bulk of the taxes paid in Brooklyn come from our businesses. Collectively, Council and the Administration also instituted the establishment of a Master Plan for the City. Development of the plan began in 2004 and was completed in early 2006. The Master Plan was reviewed and approved by both the Planning Commission and City Council in 2006.

The addition of an Economic Development Director to the City's staff in 2007 is evidence of the commitment of City officials to continue aggressive pursuit of new business partners in Brooklyn. The City has been successful in initiating several projects directed towards economic development.

A major program was culminated in 2010 that will lead to the creation of a new public roadway at the western border of the City that will benefit two of the major businesses in the City as well as a significant County administrative office. Memphis Industrial Parkway is a \$750,000 plus investment to the City of Brooklyn. This 500 linear feet concrete publicly dedicated street was once a service pathway for three major businesses in Brooklyn. Through the cooperation and financial contributions of the State of Ohio's Department of Development, Cuyahoga County's Department of Development, Cuyahoga County Board of Developmental Disabilities, Ferragon Corp and Gateway Park, Limited Liability Corporation the funding for this road was realized. The City of Brooklyn was responsible for the bid, administration, construction, and purchase of the right of way to bring the project to completion. The ribbon cutting ceremony and dedication took place on June 14, 2012.

In 2011, Donald Marten's & Sons Ambulance Service committed to relocating and consolidating their headquarters and service center to 10830 Brookpark Road. City Council agreed to a Job Creation Grant Agreement that will provide ten years of fifty percent annual City Withholding Tax Collections if Donald Martens & Sons Ambulance Service creates and maintains a minimum annual payroll of \$7 million, plus or minus 10 percent, while creating 300 hundred full-time or part-time equivalent positions for the 10 year of the agreement.

In 2012, The City of Brooklyn welcomed Michael's Crafts, Menchie's Yogurt, and Value King to Ridge Park Square. Huntington Bank opened a branch in January 2012 and Up To Bat opened in the spring of 2012. Loving Cup Kids Academy of Brooklyn purchased the Old Brooklyn Library in March of 2012 and is currently in the process of renovating the property to open a day care facility.

## **LONG-TERM FINANCIAL PLANNING**

Unassigned fund balance in the general fund (44.62 percent of total general fund revenues) is well above the policy guidelines set by the Council for budgetary and planning purposes (between 5 and 15 percent of total general fund revenues). The Brooklyn City Council has established an informal benchmark of 16 percent, approximately 60 days operating funds. Over the past eight fiscal years, the City has had balances ranging between 11 and 21 percent. The 2011 year-end general fund balance was \$13.503 million.

The City ensures there are funding sources for all projects it undertakes. A portion of income tax collections is designated for the capital improvement fund to ensure considerable pay-as-you-go financing of capital projects. It has been at that level and more every year for the last eight years.

The fire station has a mill property tax designated to pay the bond payments for it. The City operates the only municipal landfill in Cuyahoga County. Monies are being accumulated to ensure closure and post closure costs are covered when the landfill reaches capacity. Currently, the City has accumulated more than \$4.14 million as of the end of 2011 for the closure and post closure costs and is currently in discussions with the Ohio Environmental Protection Agency about the capacity and closure of the landfill. Since 2010, the landfill was not used due to engineering issues related to permit for the location. The City contracted with the City of Cleveland to use their waste disposal facilities in the interim.

The City has a very favorable debt profile and amortizes debt quickly. The City incurred no new debt in 2011 with the exception of its May 2011 note issue which was to re-finance (with decreased principal) the previous year's issue.

## **MAJOR INITIATIVES**

In 2011, the City continued its austerity plan designed to lower the level of overall expenses and build cash reserves to fund commitments to future project expenses. In 2011, the City of Brooklyn, in conjunction with Cuyahoga County, resurfaced Tiedeman Road from Brookpark Road to Memphis Avenue. Over the course of the next several years, the City will be involved in major road projects involving the major transportation arteries of the City: Memphis and Ridge Roads. A concerted effort geared towards limiting capital expenses to emergency necessity items will provide substantial cash reserves to deal with the City's portion of the cost of these roadway improvements.

The benefit of the tax increase approved by voters in June 2009 has helped the financial condition of the City immensely since its adoption. In conjunction with more controlled management of its payroll and benefit expenses, fund balances for the City have shown improvement since 2010. In preparation for possible future negative impact associated with the departure of American Greetings or a change in the overall economic conditions, in 2010 City Council approved the creation of a budget stabilization fund that will be used as a reserve for emergency funds. Transfers into this fund began in 2011 and the uses

provided for by Council are limited to emergency provisions in order to protect the integrity and purpose of the fund. It is expected that, at least for the immediate future, the City will be in position to continue to increase the level of funding in the budget stabilization fund incrementally in an effort to provide resources in the post-American Greetings period.

From a management and administrative perspective, the City is continuing to examine expenditures to reduce where possible and gain efficiencies as well. Departments are continuing to operate at minimal staffing levels in an effort to reduce overall payroll and benefit costs. A joint healthcare review committee was initiated in 2010 that includes members of all collective bargaining groups as well as representatives of the administrative staff. A major objective of the healthcare committee is healthcare cost containment.

The City has implemented programs designed to lower its liabilities with respect to property and casualty insurance and workers' compensation expenses. Creation of a special fund to manage the retrospective rating costs associated with workers' compensation was pursued. Funding for this program comes from an allocation of income tax proceeds. Reductions in the total workers' compensation expense have been realized in the last several years and the City realized its lower costs ever in 2011.

Similarly, the City created a termination leave fund that was established to deal with separation payments of employees outside the general fund. This fund is also supplied with revenue from income tax proceeds and will be used to provide resources for anticipated termination payment liabilities as well as an accumulation of resources to manage the extra pay period that will occur in 2015. Effective December 2011, City Council voted to reduce the payout percentage from fifty percent to thirty three percent for the cash payment of sick hours for employees retiring after working a minimum ten years of continuous service with the City of Brooklyn. This is a large cost reduction for all future retirees and is another example of the cost cutting measures the City has been evaluating and implementing.

On the revenue side, programs administered by the City were evaluated to determine if rate increases were feasible and, in some cases, entire programs were stopped or eliminated. Part-time help, normally a large support group for the City's senior and recreational programs, were drastically reduced in number, which caused resultant cutbacks in service offerings such as senior grass cutting, pool operations and garbage pulling.

To counteract some of the impact of stagnating revenues and increasing expenses, the police department successfully obtained a grant for personnel, the majority of which began in late 2009. Use of these funds in 2011 provided some relief to the City's general fund and assisted immensely in the ability to grow the unassigned general fund balance by year-end.

In April 2012, City Council approved the bid for the automated side loading rubbish packer for the Service Department. The automated side loading rubbish packer will reduce the number of full time personnel dedicated to trash pick-up and will allow these employees to perform other necessary service department tasks. Using an automated side loading rubbish packer will also greatly reduce the number of worker's compensation claims related to trash pick-up. The City will also be purchasing the related totes and will provide one (1) tote per household.

## **AWARDS AND ACKNOWLEDGMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Brooklyn for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2010. This was the twenty second (22<sup>nd</sup>) consecutive year that Brooklyn has received this prestigious award. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

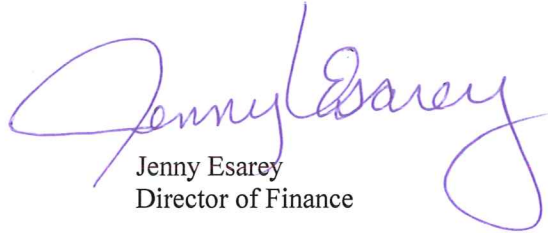
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully Submitted,

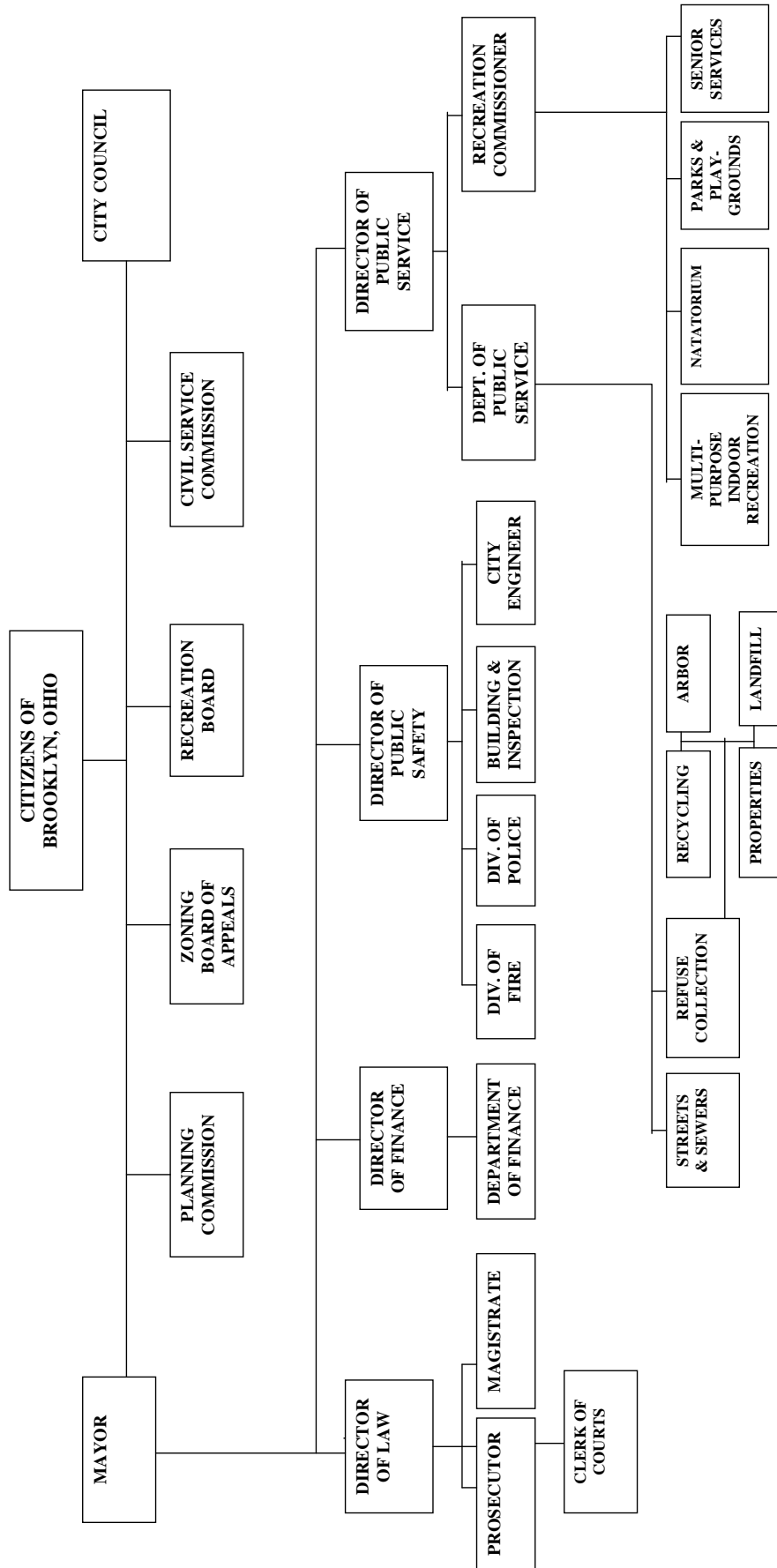


Richard H. Balbier  
Mayor



Jenny Esarey  
Director of Finance

# CITY OF BROOKLYN, OHIO ORGANIZATION CHART





# CITY OF BROOKLYN, OHIO

## Principal Officials

Mayor

Richard H. Balbier

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

Kathleen M. Pucci  
Colleen B. Coyne Gallagher  
Joseph A. Magrey  
Antony E. DeMarco  
John D. Patta  
Kevin Tanski  
Thomas C. Murphy

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

Scott Claussen  
Ronald Balbier  
Hillary Goldberg  
Edward Chessar  
John M. Verba, Jr.  
Dennis G. Kennedy  
Thomas J. Ockington  
Mark Tenaglia  
Joseph Zemek

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Brooklyn  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2010

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.



*Linda C. Dandson*

President

*Jeffrey R. Emer*

Executive Director

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***FINANCIAL SECTION***

***CITY OF BROOKLYN, OHIO***

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

*Certified Public Accountants*

*5240 East 98<sup>th</sup> 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 the City Council  
City of Brooklyn, Ohio

The Honorable Dave Yost  
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 Brooklyn, Cuyahoga County, Ohio, as of and for the year ended December 31, 2011, 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 Brooklyn, 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 the 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 Brooklyn, Ohio, as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the City implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and restated the December 31, 2010 fund balances of the governmental funds due to a change in fund structure. In addition, the City restated the December 31, 2010 net assets of the governmental activities and the Retrospective Medical Claim Fund due to the recognition of income tax receivable.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2012, on our consideration of the City of Brooklyn, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Brooklyn, Ohio's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



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

July 12, 2012

**City of Brooklyn, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
*Unaudited*

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The management's discussion and analysis of the City of Brooklyn's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2011. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for 2011 are:

- The City continued a series of cost-cutting or cost containment measures to keep expenses from exceeding revenues, including reducing overtime and no wage increase from levels in effect since 2008.
- Total liabilities decreased by \$684,916, which is attributed mainly to paying down on long-term debt obligations.
- By City Ordinance, the allocations of income tax revenues to the City's funds were adjusted. Effective January 2011, the general fund allocation of income tax revenues decreased from 88 percent to 86 percent of income tax revenue and the use of additional income tax proceeds in the capital improvement fund, termination leave payments fund, and retrospective medical claims funds accumulated sufficient funds to support City's services.
- In March 2012, the City Council voted to pay off the entire 2011 note issue of \$1,676,000 in May 2012. On May 7, 2012, the City paid the outstanding \$1,676,000 notes in full.

**Using This Comprehensive Annual Financial Report (CAFR)**

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

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

**Reporting the City of Brooklyn as a Whole**

*Statement of Net Assets and Statement of Activities*

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City do financially during 2011?" The *Statement of Net Assets* and the *Statement of Activities* answer this question.

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These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

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

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

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

### ***Governmental Funds***

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

### ***Proprietary Fund***

The City's only proprietary fund is an internal service fund which accounts for the payments, administrative costs and reserves of the State's retrospective rating workers' compensation plan.



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***Fiduciary Funds***

The City has only one type of fiduciary fund, agency funds. The City's agency funds account for deposits pledged by contractors and citizens and building assessment fees collected for the Ohio Board of Building Standards. The agency funds are not reflected on the government-wide statements because the resources from those funds are not available to support the City's programs.

**The City of Brooklyn as a Whole**

The *Statement of Net Assets* looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2011 compared to 2010.

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

	Governmental Activities		
	2011	Restated 2010	Change
<b>Assets</b>			
Current and Other Assets	\$22,373,446	\$19,065,361	\$3,308,085
Capital Assets, Net	30,114,342	30,250,051	(135,709)
<i>Total Assets</i>	52,487,788	49,315,412	3,172,376
<b>Liabilities</b>			
Current and Other Liabilities	5,155,151	3,164,122	1,991,029
Long-Term Liabilities			
Due Within One Year	914,503	919,705	(5,202)
Due in More Than One Year	14,185,222	16,855,965	(2,670,743)
<i>Total Liabilities</i>	20,254,876	20,939,792	(684,916)
<b>Net Assets</b>			
Invested in Capital Assets,			
Net of Related Debt	21,862,515	21,125,879	736,636
Restricted:			
Capital Projects	924,712	2,666,804	(1,742,092)
Debt Service	16,177	0	16,177
Street Maintenance and Repair	531,517	415,740	115,777
State Highway	230,903	195,863	35,040
Court Computer	59,723	49,752	9,971
Police Programs	441,248	532,946	(91,698)
Other Purposes	193,850	233,034	(39,184)
Unrestricted	7,972,267	3,155,602	4,816,665
<i>Total Net Assets</i>	\$32,232,912	\$28,375,620	\$3,857,292

Total assets increased as a result of an increase in cash on hand. The increase in cash is primarily associated with the lower level of expenses in 2011 due to the fiscal restraints related to operational purchases, capital equipment replenishment and labor expenses.

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Total liabilities decreased due to the continued reduction of bond obligations and payments applied to the May 2010 note issue that was refinanced at a lower amount in May 2011. No new major projects were implemented or initiated in 2011 that required the dedication of additional debt.

Table 2 shows the changes in net assets for the year ended December 31, 2011. Comparisons between the last two years are shown below:

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

	Governmental Activities		
	2011	Restated 2010	Change
<b>Revenues:</b>			
Program Revenues:			
Charges for Services	\$1,831,683	\$1,838,505	(\$6,822)
Operating Grants and Contributions	1,106,131	1,482,557	(376,426)
Capital Grants and Contributions	434,258	518,592	(84,334)
<b>Total Program Revenues</b>	<b>3,372,072</b>	<b>3,839,654</b>	<b>(467,582)</b>
General Revenues:			
Property Taxes	1,754,882	1,723,692	31,190
Municipal Income Taxes	14,787,286	15,925,412	(1,138,126)
Local Taxes	300,522	268,085	32,437
Grants and Entitlements	1,058,307	1,115,478	(57,171)
Investment Earnings	31,083	47,982	(16,899)
Gain on Sale of Capital Assets	43,705	0	43,705
Other	115,572	67,456	48,116
<b>Total General Revenues</b>	<b>18,091,357</b>	<b>19,148,105</b>	<b>(1,056,748)</b>
<b>Total Revenues</b>	<b>21,463,429</b>	<b>22,987,759</b>	<b>(1,524,330)</b>
<b>Program Expenses</b>			
General Government	2,262,887	2,619,663	356,776
Security of Persons and Property	8,028,942	8,466,060	437,118
Transportation	838,332	224,314	(614,018)
Community Environment	1,688,702	959,325	(729,377)
Basic Utility Services	2,187,111	2,332,882	145,771
Leisure Time Activities	2,285,763	2,159,394	(126,369)
Interest and Fiscal Charges	314,400	398,123	83,723
<b>Total Program Expenses</b>	<b>17,606,137</b>	<b>17,159,761</b>	<b>(446,376)</b>
<b>Change in Net Assets</b>	<b>3,857,292</b>	<b>5,827,998</b>	<b>(1,970,706)</b>
Net Assets Beginning of Year - - Restated (See Note 3)	28,375,620	22,547,622	5,827,998
<b>Net Assets End of Year</b>	<b>\$32,232,912</b>	<b>\$28,375,620</b>	<b>\$3,857,292</b>

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Total revenues decreased by \$1,524,330 primarily due to a decrease in income tax revenues. Income tax revenues account for 68.90 percent of the City's revenue. The decrease in income tax revenue was due to a decrease in the commercial tax base, which in turn resulted in a decrease in withholding tax collections. Program revenues decreased due to less operating and capital grants received compared to 2010. General revenues from grants and entitlements, such as local government funds, are also revenue generators. Grants and Entitlements slightly decreased compared to last year's levels due to less local governmental funding received in 2011. Charges for Services decreased slightly due to a required accrual entry for the billboard revenue received in 2011 that needs to be properly accounted for over the next five years. Interest income decreased due to the overall decline in the interest environment.

Expenses increased by \$446,376, mainly due to increases in transportation and community environment expenses. Transportation expense increased by \$614,018 compared to 2010, mainly due to related expenses for the costs for road maintenance projects. Community environment expenses increased by \$729,337 compared to the 2010 balance due to increases in costs related to utility billing, waste services and mold remediation project.

#### **GOVERNMENTAL ACTIVITIES**

The main revenue source for the City's governmental activities is income tax. The City has an income tax rate of two and half percent. Residents receive 100 percent credit on income earned outside the City. Almost 98 percent of the income tax is contributed by the City's businesses.

The City has historically placed a strong focus on economic development programs in an effort to maintain and expand the business community. During 2011, the City continued to feel the economic impact of the recession as businesses in Brooklyn were faced with a myriad of financial challenges. In 2010 the City was faced with the relocation of one of their largest employer and income tax payer, American Greetings Corporation effective by 2014. With the increase in the City's income tax rate, the company considered moving its operations to another community. The City administration was notified in May 2011 that the company had elected to relocate to Westlake, Ohio. The City has created a budget stabilization fund to provide resources for emergency purposes that may become necessary subsequent to the departure of American Greetings.

Traditionally, the City has dedicated a significant portion of its tax collections to projects and programs that sustain or improve the infrastructure of the City for the benefit and advancement of residents and businesses. By City Ordinance, effective January 25, 2011, 86 percent of the income tax proceeds were credited to the general fund, 10 percent of the income tax proceeds were credited to the capital improvements capital projects fund, 2 percent of the income tax proceeds were credited to the termination leave payment special revenue fund and 2 percent of the income tax proceeds were credited to the retrospective medical claims internal service fund. Previously, 88 percent was distributed to operating needs in the general fund and 8 percent was distributed to the capital improvements capital projects fund 2 percent of the income tax proceeds were credited to the termination leave payment special revenue fund and 2 percent of the income tax proceeds were credited to the retrospective medical claims internal service fund. The City anticipates that it will gradually dedicate additional income tax proceeds to its capital needs as the general fund balance has improved to the point where it shall be sufficient for the next several years.

General revenues from property taxes and local government funds are also significant revenue generators. Brooklyn's charter authorizes up to 12 mills of property taxes. Only 5.4 mills of that original charter amount had been levied through 2004. With 12 mills authorized, the City had 6.6 mills of property taxes that could be

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utilized to offset financial needs or difficulties. In November 2004, citizens approved by advisory vote to use 1.5 mills of the 6.6 mills to pay for the construction of a new fire station and additional funding for police and firemen's pensions.

Charges for services are the third significant revenue contributor. The City's Recreation Center, houses its natatorium and ice rink. In 2011, subsequent to the collection of the majority of delinquent accounts during 2010, ambulance revenue returned to levels in line with what had been historically recorded.

The general government account comprises costs for the Mayor's office, City Council, law, finance, data system, engineering and civil service. The decrease in the general government expense category is due to no wage increase for employees in 2011.

Security of persons and property was the largest single area of expenses as it has been historically. The program pays for basic police and fire services, D.A.R.E., police and fire pensions and equipment. Security of persons and property decreased compared to 2010 due to no wage increase for employees in 2011 as well as a sharp decline in overtime.

Transportation includes the costs of maintaining and repairing the City's streets. Maintenance of streets on a regular basis can help delay the need for major street improvement projects in the future.

Community environment expense comprises costs for public lands and buildings, public service, building, recycling and landfill. Lands and buildings department pays for gas, electric, phone service and water and sewer for all municipal operations. This expense increased compared to 2010 due to the increases in utility billing costs.

The City runs the only municipal landfill still in existence in Cuyahoga County. Thus, expenses in the community environment program are usually higher to pay for various testing and monitoring programs associated with a landfill. In 2009, the Ohio EPA notified the City that the landfill was near or at maximum capacity. The estimate of closure and post-closure costs was updated to account for this and expenses increased significantly due to the change in estimate and the uncertainty of future landfill operations. The City is currently in discussions with the Ohio EPA to finalize future proceedings with the landfill once all regulatory appeals have been completed.

Basic utility services include trash collection and snow removal. The City has long prided itself on the level of services provided to residents. The recent fiscal challenges, however, has forced the City to temporarily compromise some of the past services offered to accommodate staff reductions that impact the logistics of maintaining prior levels. Snow removal includes all sidewalks in the City.

Leisure time activities include the operation of the City's recreation center with an ice rink, indoor and outdoor pools, playgrounds, two large parks and a senior center. The City has long provided excellent recreation opportunities at a very low cost to its residents. Costs for this program are thus higher than might be expected for a City of this size. Leisure time activities expense increase in 2011 was associated with opening of the indoor pool for the entire year which increased operation cost compared to 2010, during which, the pool was closed for the first five months of the year.

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All collective bargaining agreements have been renegotiated with wage freezes maintained at 2008 levels. The City had a drastic reduction in the level of expense associated with workers' compensation in 2011 when compared to 2010. This reduction was due to enrollment in the Retrospective Rating Program along with a substantial handicap reimbursement credit. Overtime management was made a priority by the Administration and the City has continued to realize reductions in this area.

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

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

### ***Governmental Funds***

Information about the City's governmental funds begins on page 18. These funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues of \$21,447,120 and expenditures of \$20,138,962. Income tax is the City's largest revenue source. Income tax accounted for about 68.09 percent of the total revenue for the year. Income tax collections decreased by 5.03 percent as a result of a decrease in withholding tax received in 2011 compared to 2010.

The largest fund for the City is the general fund. At the end of the current year, total fund balance for the general fund was \$13,503,612, of which \$178,280 was nonspendable because of inventory and prepaids, \$4,141,873 was restricted for Landfill Closure and Post Closure Trust to address issues that will be required by the Environmental Protection Agency when the landfill has reached capacity, \$8,346 was committed to underground storage tank, \$1,835,737 was assigned to future commitments, and \$7,339,376 was unassigned for financial reporting purposes. Total fund balance of the City's general fund increased by \$2,860,672. Expenditures were managed prudently and ended the year approximately \$1,058,000 under budget. Revenues exceeded expenditures by \$3,468,191. The City's management monitors the budget on a monthly basis to keep it in line with current expenditures.

The general obligation bond retirement debt service fund accounts for restricted property taxes for the payment of principal and interest and fiscal charges on general obligation debt. At the end of the current year, total fund balance decreased from the prior year mainly due to principal and interest payments exceeding revenues.

The capital improvements fund has been maintained with a healthy balance, consistent with the historical direction outlined by Council and the Administration. In an effort to adequately provide for capital expenses associated with a natural disaster or other unforeseen emergency, the City carries a substantial committed fund balance with respect to the capital improvement fund from year-to-year. The fund balance in capital improvements fund at the end of 2010 was \$2,539,166. The balance decreased by \$1,499,483 to \$1,039,683 in 2011 due to the City spending down fund balance for several street resurfacing projects, as well as to pay for the purchase of vehicles and equipments. In 2011, the capital improvements fund received 10 percent of total income taxes generated through December, 2011.

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For all funds, the end of year balances increased for the year by \$1,351,863. Total fund balances increased from \$14,041,279 to \$15,393,142. The City has a fund balance of \$11,251,269 without the restriction for landfill closure and post-closure care. The total fund balance for the City is 76.43 percent of the total expenditures for 2011. This is well above the benchmark set by Council and the Administration.

***General Fund Budgeting Highlights***

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

As stated previously, the general fund supports most of the City's major activities such as the police, fire, building, and service departments as well as the legislative and most executive activities. For the general fund, the original and final budgeted revenues were \$15,828,800, and \$15,789,800, respectively. Actual revenues of \$16,962,491 were \$1,172,691 higher than the final projections. This variance is primarily due to increases in State and federal grants received as the City had the matching funds to be able to accept grants and the new billboard rental agreement that brought \$297,677 in rental revenues in 2011.

During 2011, the City amended its general fund budget throughout the year. The original budgeted expenditures were at \$13,983,570 and final budgeted expenditures were at \$14,239,570 for the year. Actual expenditures for 2011 were \$13,182,035 on a budgetary basis. Expenditures were \$1,057,535 less than the final budget and reflect lower than budgeted expenditures across every department in the general fund. The actual outcomes were in agreement with the financial updates supplied to City Council throughout the year and were representative of proactive management and legislative action to control and reduce costs wherever practicable during 2011.

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**Capital Assets and Debt Administration**

*Capital Assets*

At December 31, 2011, capital asset balances were as follows:

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

	Governmental	
	2011	2010
Land	\$2,937,821	\$2,887,821
Construction In Progress	79,545	62,391
Buildings	11,036,246	11,450,546
Improvements	5,389,774	5,986,428
Machinery and Equipment	1,418,476	1,465,020
Vehicles	1,687,505	1,856,984
Infrastructure:		
Roads and Sidewalks	6,203,463	4,974,717
Sanitary Sewers	472,535	518,198
Storm Sewers	443,492	485,793
Water Lines	254,747	296,235
Traffic Signals	190,738	265,918
Total	\$30,114,342	\$30,250,051

The City takes care to maintain its equipment and infrastructure. Effective January 25, 2011, 10 percent of City income taxes were distributed to the capital improvements fund to maintain City equipment and infrastructure. For 2011, this meant that, on a cash basis, \$1,467,943 of the income tax revenue went to the capital improvements fund. Total net capital assets decreased for the year due to annual depreciation outpacing the additions to capital assets during the year. See Note 9 of the basic financial statements for additional information on capital assets.

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**Debt**

Table 4 summarizes the bonds, notes, loans, capital leases, and police and fire pension liability outstanding.

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

	Governmental	
	2011	2010
General Obligation Bonds	\$4,775,606	\$5,369,218
OPWC Loan	192,395	274,850
Police and Fire Pension	47,840	49,012
Bond Anticipation Notes	1,676,000	1,815,000
Capital Leases	1,747,417	2,020,079
Totals	\$8,439,258	\$9,528,159

The general obligation refunding bonds were originally sold in 1992 and refinanced in 1999 for \$4,400,000. They were originally issued in 1992 for \$4,825,000 to pay for a new public library (\$2,850,000), Tiedeman Road improvements (\$1,500,000) and for the indoor and outdoor pools (\$475,000). The bonds will be paid in full in 2012. The Tiedeman Road portion of this bond is paid from property taxes and income taxes paid by the Plain Dealer and set aside annually by ordinance for this purpose. There is still \$367,806 outstanding on the bonds. The Ohio Public Works Commission is a no interest loan for improvements at the Sanitary Landfill issued in 1992 for \$1,099,400. Payments are \$27,485 semi-annually. The loan will be paid in full in 2015.

The City has previously executed and completed its long term financing plan for the new fire station. On March 9, 2006, Moody's Investors Services reviewed the City's financial operations and upgraded the City's rating to Aa2 from A1. The Aa2 rating was based on the City's strong financial operations, healthy reserves, additional revenue raising capacity and favorable debt profile. Moody's believes the City's debt profile will remain favorable, given low debt burden, rapid amortization and considerable pay-as you-go financing of capital needs. The City's debt burden is low and is rapidly paid back with over 75 percent of principal retired in the first ten years. On September 27, 2011, Moody's affirmed the Aa2 Rating due to the City's healthy financial position and conservative financial management.

On April 5, 2006, the City executed a sale of \$5.255 million of Series 2006 General Obligation (Limited Tax) Fire Station Improvement Bonds at variable rates of 3.50-5.00 percent. The yield on that sale was \$5.555 million. The annual payments on this bond never exceed \$382,000. The 1 mill property tax allocated to pay this bond will provide funding to meet or exceed that requirement. The bonds mature in 2027. See Notes 16 and 17 of the basic financial statements for additional information on debt.

The City also has eight bond anticipation notes. The City has chosen to pay the notes in full in 2012. The first is for Street and Sidewalk improvements. This note was for \$25,000, which was paid in full in 2011. The second note is for the improvements needed to establish Marquardt Park. This note was for \$340,000 and was reissued at \$300,000. The note for improvements to Biddulph Road was \$140,000 and was reissued for \$125,000. During 2011, the City also reissued four new notes, as follows: City Street Resurfacing note was for \$453,000 and was reissued at \$433,000, Communication Equipment Acquisition note was for \$246,500



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and was reissued at \$236,500, Road Servicing Vehicle Acquisition note was for \$294,000 and reissued at \$282,000, Police Department Motor Vehicle Acquisition Note was for \$87,500 and reissued at \$82,500 and Technical Rescue Vehicle Acquisition note was for \$229,000 and was reissued at \$217,000. The outstanding balance for all notes at the end of 2010 was \$1,815,000 and at the end of 2011 was \$1,676,000. In March 2012, the City Council voted to pay off the entire 2011 note issue in May 2012 for \$1,696,892 (\$1,676,000 in principal and \$20,892 in interest).

**Current Financial Related Activities**

During 2011, Moody's Investors Service reaffirmed the City's investment rating at Aa2. Previously, Moody's upgraded the City of Brooklyn rating from A1 to A2. Several factors for the upgrade were cited. One was a record of strong financial management. The City had developed and published a Master Plan, a 5 year capital plan, 5 year street maintenance plan and a 3 year budget. Mid-Year and End-of-Year Financial Reviews are published annually. Recognition of problems and the ability and resolve to solve them were apparent. A second factor was healthy fund balances. Fund balances prior to 2000 were very good and have been enhanced since then. The City had a benchmark for fund balances of 16 percent of annual expenditures and exceeded the standard. The general fund balance increased from \$10,642,940 to \$13,503,612. Overall fund balances increased from \$14,041,279 to \$15,393,142. As of the end of 2011, the City has a balance in the general fund that is 104.02 percent of annual expenditures. The unassigned balance is 56.54 percent of expenditures. A third factor was the ability to raise more revenue if needed. The City has 12 mills of charter property tax millage with only 5.9 mills levied. The additional 6.1 mills of already authorized millage could generate an additional \$2 million in property tax. The final factor was a very favorable debt profile. Debt burden is low. The City pays cash for most of its capital improvement needs. The City rapidly pays off outstanding debt. In 2011, \$2,612,289 in long term debt was retired. Overall, the City was in a formidable financial position at the end of 2011 and had survived the initial shock wave that accompanied the economic recession that arrived in prior years. Over the long-term, the financial strength of the City has matured steadily which allowed for accommodation of changes in programs and planning necessitated by the economic slowdown in 2008.

Budget execution in 2011 was conducted efficiently and effectively. The administration assembled and City Council approved a general fund balanced budget.

Income tax revenues decreased during 2011 on a cash and accrual basis, due to the fluctuations in the receivable estimates over the past several years impacting the GAAP financial statements. Furthermore, worsening financial conditions that impacted the State and national economies affected the City's area businesses to some extent as withholding and net profit tax revenue suffered a decline. As previously discussed, there is no current expectation that proceeds from income taxes will grow at traditional levels and the City is committed to an austerity program that will allow for financial survival.

In 2011, plans for finances and construction were established and executed and the City's operational capability and financial positions were enhanced. The City has committed itself to financial excellence and has a history of meeting that commitment. The City has received the Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting for twenty two consecutive years.

**City of Brooklyn, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2011*  
*Unaudited*

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**Contacting the City's Finance Department**

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

## **BASIC FINANCIAL STATEMENTS**

**City of Brooklyn, Ohio***Statement of Net Assets**December 31, 2011*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$11,927,090
Cash and Cash Equivalents:	
In Segregated Accounts	1,351,433
With a Trustee	2,852,139
Materials and Supplies Inventory	145,334
Accounts Receivable	126,384
Intergovernmental Receivable	824,519
Prepaid Items	32,946
Municipal Income Taxes Receivable	2,892,918
Property Taxes Receivable	2,120,726
Local Taxes Receivable	17,433
Deferred Charges	82,524
Nondepreciable Capital Assets	3,017,366
Depreciable Capital Assets, Net	27,096,976
<i>Total Assets</i>	<u>52,487,788</u>
<b>Liabilities</b>	
Accounts Payable	238,679
Accrued Wages and Benefits	326,412
Retainage Payable	25,988
Contracts Payable	134,745
Intergovernmental Payable	503,999
Vacation Benefits Payable	107,390
Matured Compensated Absences Payable	22,142
Deferred Revenue	2,032,048
Accrued Interest Payable	39,075
Notes Payable	1,676,000
Claims Payable	48,673
Long-Term Liabilities:	
Due Within One Year	914,503
Due In More Than One Year	14,185,222
<i>Total Liabilities</i>	<u>20,254,876</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	21,862,515
Restricted for:	
Capital Projects	924,712
Debt Service	16,177
Street Construction, Maintenance and Repair	531,517
State Highway	230,903
Court Computer	59,723
Police Programs	441,248
Other Purposes	193,850
Unrestricted	7,972,267
<i>Total Net Assets</i>	<u><u>\$32,232,912</u></u>

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2011

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General Government	\$2,262,887	\$138,097	\$52,059	\$0	(\$2,072,731)
Security of Persons and Property	8,028,942	820,180	321,250	0	(6,887,512)
Transportation	838,332	0	634,485	434,258	230,411
Community Environment	1,688,702	209,212	0	0	(1,479,490)
Basic Utility Services	2,187,111	2,760	21,051	0	(2,163,300)
Leisure Time Activities	2,285,763	661,434	77,286	0	(1,547,043)
Interest and Fiscal Charges	314,400	0	0	0	(314,400)
<i>Totals</i>	<u>\$17,606,137</u>	<u>\$1,831,683</u>	<u>\$1,106,131</u>	<u>\$434,258</u>	<u>(14,234,065)</u>
<b>General Revenues</b>					
Property Taxes Levied for:					
General Purposes					642,734
Street Lighting					124,163
Police Pension					307,511
Fire Pension					343,337
Debt Service					298,553
Capital Outlay					38,584
Municipal Income Taxes Levied for:					
General Purposes					12,463,632
Termination Leave Payment					296,719
Retrospective Medical Claims					296,148
Capital Outlay					1,730,787
Local Taxes					300,522
Grants and Entitlements not Restricted to Specific Programs					1,058,307
Investment Earnings					31,083
Gain on Sale of Capital Assets					43,705
Other					115,572
<i>Total General Revenues</i>					<u>18,091,357</u>
Change in Net Assets					3,857,292
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>					<u>28,375,620</u>
<i>Net Assets End of Year</i>					<u><u>\$32,232,912</u></u>

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2011*

	General	General Obligation Bond Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$7,727,370	\$48,671	\$2,173,308	\$1,565,598	\$11,514,947
Cash and Cash Equivalents:					
in Segregated Accounts	61,699	0	0	0	61,699
Restricted Assets:					
Cash and Cash Equivalents in Segregated Accounts	1,289,734	0	0	0	1,289,734
Cash and Cash Equivalents with a Trustee	2,852,139	0	0	0	2,852,139
Materials and Supplies Inventory	145,334	0	0	0	145,334
Accounts Receivable	114,164	0	0	12,220	126,384
Interfund Receivable	159,814	0	78,200	0	238,014
Intergovernmental Receivable	413,921	33,044	0	377,554	824,519
Prepaid Items	32,946	0	0	0	32,946
Municipal Income Taxes Receivable	2,466,943	0	282,166	86,356	2,835,465
Property Taxes Receivable	835,812	356,920	0	927,994	2,120,726
Local Taxes Receivable	0	0	0	17,433	17,433
<i>Total Assets</i>	<u>\$16,099,876</u>	<u>\$438,635</u>	<u>\$2,533,674</u>	<u>\$2,987,155</u>	<u>\$22,059,340</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$152,404	\$0	\$22,125	\$64,150	\$238,679
Contracts Payable	8,060	0	126,685	0	134,745
Accrued Wages and Benefits	312,686	0	0	13,726	326,412
Retainage Payable	0	0	25,988	0	25,988
Intergovernmental Payable	250,947	0	0	253,052	503,999
Interfund Payable	20,000	0	0	218,014	238,014
Matured Compensated Absences Payable	22,142	0	0	0	22,142
Deferred Revenue	1,830,025	389,964	52,599	1,206,739	3,479,327
Accrued Interest Payable	0	3,740	15,594	1,558	20,892
Notes Payable	0	300,000	1,251,000	125,000	1,676,000
<i>Total Liabilities</i>	<u>2,596,264</u>	<u>693,704</u>	<u>1,493,991</u>	<u>1,882,239</u>	<u>6,666,198</u>
<b>Fund Balances</b>					
Nonspendable	178,280	0	0	0	178,280
Restricted	4,141,873	0	0	1,234,979	5,376,852
Committed	8,346	0	1,039,683	193,677	1,241,706
Assigned	1,835,737	0	0	0	1,835,737
Unassigned (Deficit)	7,339,376	(255,069)	0	(323,740)	6,760,567
<i>Total Fund Balances</i>	<u>13,503,612</u>	<u>(255,069)</u>	<u>1,039,683</u>	<u>1,104,916</u>	<u>15,393,142</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$16,099,876</u>	<u>\$438,635</u>	<u>\$2,533,674</u>	<u>\$2,987,155</u>	<u>\$22,059,340</u>

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2011*

<b>Total Governmental Fund Balances</b>		\$15,393,142
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		30,114,342
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	356,573	
Municipal Income Taxes	528,566	
Local Taxes	13,147	
Intergovernmental	548,993	
Total	1,447,279	1,447,279
In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued.		82,524
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(18,183)
Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.		(107,390)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(4,775,606)	
OPWC Loan	(192,395)	
Police and Fire Pension	(47,840)	
Capital Lease Obligation Payable	(1,747,417)	
Landfill Closure and Postclosure Care	(6,928,474)	
Compensated Absences Payable	(1,407,993)	
Total	(15,099,725)	(15,099,725)
An internal service fund is used by management to charge the costs of workers compensation reserve to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets.		420,923
<i>Net Assets of Governmental Activities</i>		\$32,232,912

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2011*

	General	General Obligation Bond Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Municipal Income Taxes	\$12,591,624	\$0	\$1,558,359	\$453,948	\$14,603,931
Property Taxes	662,246	307,037	0	835,652	1,804,935
Local Taxes	267,316	0	0	30,941	298,257
Charges for Services	1,021,729	0	0	2,475	1,024,204
Fines, Licenses and Permits	520,596	0	0	229,472	750,068
Intergovernmental	1,192,508	13,502	301,843	1,056,549	2,564,402
Contributions and Donations	0	0	119,971	77,286	197,257
Interest	22,766	8,315	0	2	31,083
Rentals	57,411	0	0	0	57,411
Other	113,768	892	772	140	115,572
<i>Total Revenues</i>	<u>16,449,964</u>	<u>329,746</u>	<u>1,980,945</u>	<u>2,686,465</u>	<u>21,447,120</u>
<b>Expenditures</b>					
Current:					
General Government	1,863,506	0	0	240,339	2,103,845
Security of Persons and Property	6,254,264	0	0	1,283,526	7,537,790
Transportation	0	0	0	520,129	520,129
Community Environment	1,526,212	0	0	3,064	1,529,276
Basic Utility Services	1,662,874	0	0	180,920	1,843,794
Leisure Time Activities	1,674,917	0	0	794	1,675,711
Capital Outlay	0	0	1,971,470	1,045	1,972,515
Debt Service:					
Principal Retirement	0	962,455	1,516,053	133,781	2,612,289
Interest and Fiscal Charges	0	277,617	62,905	3,091	343,613
<i>Total Expenditures</i>	<u>12,981,773</u>	<u>1,240,072</u>	<u>3,550,428</u>	<u>2,366,689</u>	<u>20,138,962</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,468,191</u>	<u>(910,326)</u>	<u>(1,569,483)</u>	<u>319,776</u>	<u>1,308,158</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	43,705	0	0	0	43,705
Transfers In	0	669,824	70,000	428,194	1,168,018
Transfers Out	(651,224)	0	0	(516,794)	(1,168,018)
<i>Total Other Financing Sources (Uses)</i>	<u>(607,519)</u>	<u>669,824</u>	<u>70,000</u>	<u>(88,600)</u>	<u>43,705</u>
<i>Net Change in Fund Balances</i>	2,860,672	(240,502)	(1,499,483)	231,176	1,351,863
<i>Fund Balances (Deficit) Beginning of Year - Restated (See Note 3)</i>	<u>10,642,940</u>	<u>(14,567)</u>	<u>2,539,166</u>	<u>873,740</u>	<u>14,041,279</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$13,503,612</u></u>	<u><u>(\$255,069)</u></u>	<u><u>\$1,039,683</u></u>	<u><u>\$1,104,916</u></u>	<u><u>\$15,393,142</u></u>

See accompanying notes to the basic financial statements



**City of Brooklyn, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2011*

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**Net Change in Fund Balances - Total Governmental Funds** \$1,351,863

*Amounts reported for governmental activities in the statement of activities  
are different because*

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

Capital Asset Additions	2,081,019	
Current Year Depreciation	(2,216,728)	
Total		(135,709)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues.

Delinquent Property Taxes	(50,053)	
Municipal Income Taxes	(112,793)	
Local Taxes	2,265	
Intergovernmental	(162,963)	
Total		(323,544)

Repayment of bond, loan, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

2,612,289

In the statement of activities, interest accrued on outstanding bonds, bond premium and bond issuance costs are amortized over the terms of the bonds whereas in the governmental funds the expenditure is reported when bonds are issued.

Accrued Interest on Bonds	20,759	
Amortization of Deferred Charges	(5,158)	
Amortization of Bond Premium	13,612	
Total		29,213

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	111,844	
Landfill	(61,800)	
Vacation Benefits Payable	17,022	
Total		67,066

An internal service fund is used by management to charge the costs of workers compensation reserve to individual funds. Governmental expenditures and related internal service fund revenues are eliminated. The change for governmental funds is reported for the year.

256,114

*Change in Net Assets of Governmental Activities*

\$3,857,292

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**  
*Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$12,144,308	\$12,488,000	\$12,834,033	\$346,033
Property Taxes	620,444	751,000	655,682	(95,318)
Local Taxes	252,950	190,000	267,316	77,316
Charges for Services	938,746	922,300	1,016,080	93,780
Fines, Licenses and Permits	519,902	591,500	549,429	(42,071)
Intergovernmental	1,187,319	739,000	1,254,752	515,752
Interest	109,109	79,000	23,618	(55,382)
Rentals	0	0	297,677	297,677
Other	56,022	29,000	63,904	34,904
<i>Total Revenues</i>	<u>15,828,800</u>	<u>15,789,800</u>	<u>16,962,491</u>	<u>1,172,691</u>
<b>Expenditures</b>				
Current:				
General Government	2,356,434	2,361,434	2,011,449	349,985
Security of Persons and Property	6,366,023	6,559,023	6,292,828	266,195
Community Environment	1,696,344	1,672,344	1,499,690	172,654
Basic Utility Services	1,881,737	1,846,237	1,705,837	140,400
Leisure Time Activities	1,683,032	1,800,532	1,672,231	128,301
<i>Total Expenditures</i>	<u>13,983,570</u>	<u>14,239,570</u>	<u>13,182,035</u>	<u>1,057,535</u>
<i>Excess of Revenues Over Expenditures</i>	<u>1,845,230</u>	<u>1,550,230</u>	<u>3,780,456</u>	<u>2,230,226</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	5,000	43,705	38,705
Advances In	0	0	160,000	160,000
Advances Out	0	0	(92,789)	(92,789)
Transfers Out	(2,119,930)	(1,756,430)	(1,396,224)	360,206
<i>Total Other Financing Sources (Uses)</i>	<u>(2,119,930)</u>	<u>(1,751,430)</u>	<u>(1,285,308)</u>	<u>466,122</u>
<i>Net Change in Fund Balance</i>	(274,700)	(201,200)	2,495,148	2,696,348
<i>Fund Balance Beginning of Year</i>	8,040,104	8,040,104	8,040,104	0
Prior Year Encumbrances Appropriated	329,590	329,590	329,590	0
<i>Fund Balance End of Year</i>	<u>\$8,094,994</u>	<u>\$8,168,494</u>	<u>\$10,864,842</u>	<u>\$2,696,348</u>

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**  
*Statement of Fund Net Assets*  
*Internal Service Fund*  
*December 31, 2011*

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	<u>Retrospective Medical Claims</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$412,143
Receivables:	
Municipal Income Taxes Receivable	<u>57,453</u>
<i>Total Assets</i>	<u>469,596</u>
<b>Liabilities</b>	
Claims Payable	<u>48,673</u>
<b>Net Assets</b>	
Unrestricted	<u><u>\$420,923</u></u>

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**  
*Statement of Revenues,  
 Expenses and Changes in Fund Net Assets  
 Internal Service Fund  
 For the Year Ended December 31, 2011*

	Retrospective Medical Claims
<b>Operating Revenues</b>	
Municipal Income Taxes	\$296,148
<b>Operating Expenses</b>	
Claims	40,034
<i>Change in Net Assets</i>	256,114
<i>Net Assets Beginning of Year</i>	
<i>- Restated (See Note 3)</i>	164,809
<i>Net Assets End of Year</i>	\$420,923

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**  
*Statement of Cash Flows*  
*Internal Service Fund*  
For the Year Ended December 31, 2011

	Retrospective Medical Claims
<i><b>Increase (Decrease) in Cash and Cash Equivalents</b></i>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Municipal Income Taxes	\$298,895
Cash Payments for Claims	(55,525)
<i>Net Increase in Cash and Cash Equivalents</i>	243,370
<i>Cash and Cash Equivalents Beginning of Year</i>	168,773
<i>Cash and Cash Equivalents End of Year</i>	\$412,143
 <i><b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b></i>	
<i>Operating Income</i>	\$256,114
(Increase)/Decrease in Assets:	
Municipal Income Taxes Receivable	2,747
Increase/(Decrease) in Liabilities:	
Claims Payable	(15,491)
<i>Net Cash Provided by Operating Activities</i>	\$243,370

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2011*

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<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$124,711</u>
<b>Liabilities</b>	
Intergovernmental Payable	\$2,093
Deposits Held and Due to Others	<u>122,618</u>
<i>Total Liabilities</i>	<u>\$124,711</u>

See accompanying notes to the basic financial statements

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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**Note 1 - Description of the City and Reporting Entity**

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

***Reporting Entity***

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

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

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

The City is associated with three jointly governed organizations, the Southwest Council of Governments, the Parma Community General Hospital Association, and the Northeast Ohio Public Energy Council. These organizations are presented in Note 20 to the basic financial statements.

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

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

***Basis of Presentation***

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

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
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***Government-wide Financial Statements*** The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to “avoid” doubling up revenues and expenses. These statements usually distinguish between those activities of the City that are governmental and those that are considered business-type. The City, however, has no business-type activities.

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

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

***Fund Accounting***

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

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

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

***General Obligation Bond Retirement Fund*** The general obligation bond retirement fund accounts for restricted property taxes for the payment of principal and interest and fiscal charges on general obligation debt.

***Capital Improvements Fund*** The capital improvements fund accounts for and reports income tax revenues committed to various capital projects of the City.



**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
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The other governmental funds of the City account for grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

***Proprietary Fund Type*** Proprietary funds focus on the determination of operating income, changes in net asset, financial position and cash flows and are classified as either enterprise or internal service. The City only has an internal service fund.

***Internal Service Funds*** The 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 only internal service fund is a retrospective medical claims fund that accounts for the payments, administrative costs and reserves of the State's retrospective rating workers' compensation plan.

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

***Measurement Focus***

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

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

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the fund are included on the statement of fund net assets. The statement of revenues, expenses and 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.

***Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
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accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 8) 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 taxes, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), interest, grants, fees and rentals.

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

Property taxes for which there is an enforceable legal claim as of December 31, 2011, but which were levied to finance year 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

***Budgetary Process***

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of

**City of Brooklyn, Ohio**  
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budgetary control is at the department, object level within the general fund and at the object level for all other funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control. The Director of Finance is authorized to move appropriations between line items within an object of any department.

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

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

***Cash and Cash Equivalents***

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

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

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

During 2011, the City's investments were limited to Victory Federal Money Market Mutual Fund, federal home loan bank notes and federal farm credit bank notes. Investments are reported at market value, except for non-negotiable certificates of deposit which are reported at cost. Market value is based on quoted market prices or, for investments in open-end mutual funds, by the fund's share price.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2011 amounted to \$22,766.

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

***Restricted Assets***

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

**City of Brooklyn, Ohio**  
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***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2011, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which the services are consumed.

***Inventory***

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

***Capital Assets***

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

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

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

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

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

***Interfund Balances***

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

***Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributed to services already rendered and it is probable that the City will compensate the

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
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employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Since the City's policy limits the accrual of vacation time to one year from the employee's anniversary date, the outstanding liability is recorded as "vacation benefits payable" on the statement of net assets rather than as a long-term liability.

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

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

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence or employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employee who has accumulated unpaid leave is paid.

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

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

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

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amounts of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
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enforceability means that the City can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

**Committed** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

***Net Assets***

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

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

***Internal Activity***

Transfers between governmental activities are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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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 the internal service fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

***Bond Issuance Costs***

Bond issuance costs for underwriting fees and bond insurance for the fire station improvement bonds are being amortized using the straight-line method over the life of the bonds on the government-wide statements. The straight-line method of amortization is not materially different from the effective-interest method. On the governmental financial statements, issuance costs are reported as an expenditure in the year in which the bonds are issued. Bond issuance costs are generally paid from bond proceeds.

As permitted by State statute, the City paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

***Bond Premium***

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

***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.

***Estimates***

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

**Note 3 – Changes in Accounting Principles and Restatement of Prior Year’s Fund Balance and Net Assets**

***Changes in Accounting Principles***

For fiscal year 2011, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions” and GASB Statement No. 59, “Financial Instruments Omnibus”.

**City of Brooklyn, Ohio**  
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GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that compromise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement did not result in a change in total fund balance but only the reclassification of fund balance on the City's financial statements.

GASB Statement No. 59 addresses significant practice issues that have arisen when accounting for financial instruments by updating and improving existing standards regarding financial reporting of certain financial instruments and external investment pools. The implementation of this statement did not result in any change in the City's financial statements.

***Restatement of Prior Year's Fund Balance***

During 2011, it was determined that the implementation of GASB Statement No. 54 had the following effect on fund balances of the major and nonmajor funds as they were previously reported.

	General Fund	General Obligation Bond Retirement	Capital Improvements	Other Governmental	Total
Fund Balance at December 31, 2010	\$10,619,415	(\$14,567)	\$2,539,166	\$897,265	\$14,041,279
GASB 54 Change in in Fund Structure	23,525	0	0	(23,525)	0
Adjusted Fund Balance at December 31, 2010	<u>\$10,642,940</u>	<u>(\$14,567)</u>	<u>\$2,539,166</u>	<u>\$873,740</u>	<u>\$14,041,279</u>

***Restatement of Prior Year's Net Assets***

During 2011, it was determined that the municipal income taxes receivable was understated in prior year for retrospective medical claims internal service fund. This restatement increased net assets of the internal service fund from \$104,609 to \$164,809 and governmental net assets from \$28,315,420 to \$28,375,620.

**Note 4 - Fund Deficits**

The following funds had deficit fund balances at December 31, 2011:

<b>Major Fund</b>	
General Obligation Bond Retirement	\$255,069
<b>Nonmajor Funds</b>	
Community Development Block Grant	14,730
Federal Grants	1,837
C.O.P.S.	11,157
Police Pension	96,389
Fire Pension	73,069
Biddulph Road	126,558



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

The deficits in the community development block grant, Federal grants, and C.O.P.S. special revenue funds are the result of short term interfund loans in anticipation of grant monies.

The deficits in the Biddulph Road capital project fund and general obligation bond retirement fund are the result of the issuance of short-term bond anticipation notes which are used to finance the project until bonds are issued. Once the notes are retired or bonds are issued, the deficits will be eliminated.

**Note 5 – Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General Fund	General Obligation Bond Retirement	Capital Improvements	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>					
Prepays	\$32,946	\$0	\$0	\$0	\$32,946
Inventory	145,334	0	0	0	145,334
<i>Total Nonspendable</i>	<u>178,280</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>178,280</u>
<u>Restricted for:</u>					
Street Improvements	0	0	0	656,694	656,694
Street Lighting	0	0	0	20,318	20,318
Police Programs	0	0	0	291,572	291,572
Drug and Law Enforcement	0	0	0	119,234	119,234
Juvenile Diversion Program	0	0	0	5,139	5,139
EPA Landfill	4,141,873	0	0	0	4,141,873
Recreation and Senior Centers	0	0	0	82,291	82,291
Court Computer	0	0	0	59,723	59,723
Safety Forces Construction	0	0	0	8	8
<i>Total Restricted</i>	<u>4,141,873</u>	<u>0</u>	<u>0</u>	<u>1,234,979</u>	<u>5,376,852</u>
<u>Committed to:</u>					
Termination Leave Payment	0	0	0	123,008	123,008
Underground Storage Tank	8,346	0	0	0	8,346
Capital Improvements	0	0	1,039,683	0	1,039,683
Tiedeman Road Widening and Improvement Project	0	0	0	70,669	70,669
<i>Total Committed</i>	<u>\$8,346</u>	<u>\$0</u>	<u>\$1,039,683</u>	<u>\$193,677</u>	<u>\$1,241,706</u>

**City of Brooklyn, Ohio**  
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Fund Balances	General Fund	General Obligation Bond Retirement	Capital Improvements	Nonmajor Governmental Funds	Total
<i>Assigned to:</i>					
Fiscal Year 2012 Appropriations	\$1,736,465	\$0	\$0	\$0	\$1,736,465
Other Purposes	99,272	0	0	0	99,272
<i>Total Assigned</i>	<u>1,835,737</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,835,737</u>
Unassigned (Deficit)	7,339,376	(255,069)	0	(323,740)	6,760,567
Total Fund Balances (Deficit)	<u>\$13,503,612</u>	<u>(\$255,069)</u>	<u>\$1,039,683</u>	<u>\$1,104,916</u>	<u>\$15,393,142</u>

**Note 6 - Budgetary Basis of Accounting**

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP basis).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.
5. Investments are reported at market value (GAAP) rather than cost (budget).
6. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
7. Budgetary revenues and expenditures of the budget stabilization and underground storage tank funds are reclassified to the general fund for GAAP Reporting.

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

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	General
GAAP Basis	\$2,860,672
Net Adjustment for Revenue Accruals	(71,068)
Beginning Fair Value Adjustment for Investments	450
Ending Fair Value Adjustment for Investments	(2,255)
Beginning Adjustment for Unrecorded Cash	1,166
Ending Adjustment for Unrecorded Cash	(766)
Net Adjustment for Expenditure Accruals	(682,049)
Excess of revenues and other financing sources and over (under) expenditures and other uses:	
Budget Stabilization	745,000
Underground Storage Tank	(15,179)
Advance Out	(92,789)
Adjustment for Encumbrances	(248,034)
Budget Basis	\$2,495,148

**Note 7 - Deposits and Investments**

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, Notes or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

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4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
7. The State Treasurer's investment pool (STAR Ohio).
8. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

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

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

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

***Deposits***

Based on criteria described \$9,895,987 of the City's bank balance of \$14,007,334 was uninsured and uncollateralized, while \$4,111,347 was covered by the FDIC. Custodial credit risk is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured. Although the securities were held by the pledging institution's trust department and all statutory requirements for the deposit of the money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

***Investments***

The City has investments in an internal investment pool, in segregated accounts, with fiscal agents and with a trustee. As of December 31, 2011, the City had the following investments:

**City of Brooklyn, Ohio**  
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	Fair Value	Maturity Less Than Six Months	More Than Two Years
Victory Federal Money Market Mutual Fund	\$150,913	\$150,913	\$0
Federal Home Loan Bank Notes	1,750,635	999,570	751,065
Federal Farm Credit Bank Notes	1,000,000	0	1,000,000
	<u>\$2,901,548</u>	<u>\$1,150,483</u>	<u>\$1,751,065</u>

**Interest Risk** As a means of limiting its exposure to market value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within two years from the date of purchase and that the City's investment portfolio be structured so that the securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

**Custodial Credit Risk** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bank Notes and Federal Farm Credit Bank Notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

**Credit Risk** The Federal Home Loan Bank Notes and Federal Farm Credit Bank Notes carry a rating of AA+ by Standard & Poor's. The Victory Federal Money Market Mutual Fund carries a rating of AAAm by Standard & Poor's. The City has no investment policy that limits its investment choices or addresses credit risk.

**Concentration of Credit Risk** The City places no limit on the amount it may invest in any one issuer. The City allocated 60.34 percent and 34.46 percent of investments to Federal Home Loan Bank Notes and Federal Farm Credit Bank Notes, respectively, as of December 31, 2011.

## **Note 8 - Receivables**

Receivables at December 31, 2011, consisted primarily of municipal income taxes, motor vehicle license tax, property taxes, accounts (billings for user charged services and court fines), and intergovernmental receivables arising from grants, entitlements and shared revenues. No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes. All receivables are expected to be collected within one year except for delinquent property taxes. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

### **Property Taxes**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2011 for real and public utility property taxes represents collections of the 2010 taxes. Property tax payments received during 2011 for tangible personal property (other than public utility property) are for 2011 taxes.

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2011 real property taxes are levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2011, was \$5.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2011 property tax receipts were based as follows:

	Assessed Valuation
Real Estate	
Residential/Agriculture	\$147,141,060
Commercial Industrial/Public Utility	169,170,360
Tangible Personal Property	
Public Utility	17,001,890
Total	\$333,313,310

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Brooklyn. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2011 and for which there is an enforceable legal claim. In the governmental funds the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2011 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

***Income Taxes***

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

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, effective January 1, 2011, 86 percent of the income tax proceeds were credited to the general fund, 10 percent of the income tax proceeds were credited to the capital improvements capital projects fund, 2 percent of the income tax proceeds were credited to the termination leave payment special revenue fund and 2 percent of the income tax proceeds

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were credited to the retrospective medical claims internal service fund. By City ordinance, effective September 1, 2008 and ongoing, 32 percent of gross income tax receipts collected from the Plain Dealer Printing and Distributing Center were credited to the Tiedeman Road capital projects fund, with the remaining 68 percent credited to general fund and the capital improvements capital projects fund.

***Intergovernmental Receivable***

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
<b>Governmental Activities</b>	
Local Government	\$262,143
Gasoline Excise Tax	134,179
Tangible Personal Property Tax Reimbursement	89,782
Homestead and Rollback	81,396
Gasoline Tax	57,167
Motor Vehicle Registration	54,217
Other	54,052
Grants	51,369
Public Utility Reimbursement	23,783
Utility Excise Tax	13,231
Estate Tax	<u>3,200</u>
<i>Total Governmental Activities</i>	<u><u>\$824,519</u></u>

**City of Brooklyn, Ohio**  
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**Note 9 - Capital Assets**

Capital asset activity for the year ended December 31, 2011, was as follows:

	Balance 12/31/10	Additions	Deletions	Balance 12/31/11
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$2,887,821	\$50,000	\$0	\$2,937,821
Construction in Progress	62,391	45,925	(28,771)	79,545
<i>Total Capital Assets, not being depreciated</i>	<u>2,950,212</u>	<u>95,925</u>	<u>(28,771)</u>	<u>3,017,366</u>
<i>Capital Assets, being depreciated:</i>				
Buildings	19,163,184	0	0	19,163,184
Improvements	13,271,796	63,805	0	13,335,601
Machinery and Equipment	5,641,568	267,252	(95,306)	5,813,514
Vehicles	5,272,006	73,926	(239,043)	5,106,889
Infrastructure:				
Roads and Sidewalks	12,342,188	1,607,332	0	13,949,520
Sanitary Sewer	2,696,363	0	0	2,696,363
Storm Sewer	2,046,683	0	0	2,046,683
Water Lines	2,446,344	0	0	2,446,344
Traffic Signals	2,097,061	1,550	0	2,098,611
<i>Total Capital Assets, being depreciated</i>	<u>64,977,193</u>	<u>2,013,865</u>	<u>(334,349)</u>	<u>66,656,709</u>
Less Accumulated Depreciation:				
Buildings	(7,712,638)	(414,300)	0	(8,126,938)
Improvements	(7,285,368)	(660,459)	0	(7,945,827)
Machinery and Equipment	(4,176,548)	(313,796)	95,306	(4,395,038)
Vehicles	(3,415,022)	(243,405)	239,043	(3,419,384)
Infrastructure:				
Roads and Sidewalks	(7,367,471)	(378,586)	0	(7,746,057)
Sanitary Sewer	(2,178,165)	(45,663)	0	(2,223,828)
Storm Sewer	(1,560,890)	(42,301)	0	(1,603,191)
Water Lines	(2,150,109)	(41,488)	0	(2,191,597)
Traffic Signals	(1,831,143)	(76,730)	0	(1,907,873)
<i>Total Accumulated Depreciation</i>	<u>(37,677,354)</u>	<u>(2,216,728)</u>	<u>334,349</u>	<u>(39,559,733)</u>
<i>Total Capital Assets, being depreciated, net</i>	<u>27,299,839</u>	<u>(202,863)</u>	<u>0</u>	<u>27,096,976</u>
<b>Governmental Activities Capital Assets, Net</b>	<u><u>\$30,250,051</u></u>	<u><u>(\$106,938)</u></u>	<u><u>(\$28,771)</u></u>	<u><u>\$30,114,342</u></u>



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Depreciation expense was charged to governmental functions as follow:

General Government	\$156,685
Security of Persons and Property	599,207
Transportation	405,629
Community Environment	87,747
Basic Utility Services	332,585
Leisure Time Activities	634,875
Total Depreciation Expense	\$2,216,728

**Note 10 - Compensated Absences**

The criteria for determining vacation and sick leave liabilities are derived from negotiated agreements and State laws. Employees earn ten to thirty days of vacation per year, depending upon length of service. All accumulated unused vacation time is paid upon termination of employment. Effective December 14, 2010, non-union and clerical employees could carry over a maximum of up to 80 hours of vacation time, upon approval of the Mayor.

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

**Note 11 - Risk Management**

*Property and Liability*

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. During 2011, the City contracted through U.S. Specialty Insurance Company for various types of insurance as follows:

Type	Coverage
Blanket Property and Content Replacement	\$39,277,817
Earthquake Coverage	1,000,000
Flood Coverage	1,000,000
General Liability (per occurrence)	1,000,000
Automobile Liability	1,000,000
Umbrella Liability (per occurrence)	9,000,000
Public Entity Management Liability (Claims-Made)	1,000,000
Stop Gap Employers Liability	1,000,000
Employment Practices Liability (Claims-Made)	2,000,000
Police Professional Liability	1,000,000
Public Employee Dishonesty	100,000
Inland Marine	3,599,631
Electronic Data Processing	570,715

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

***Workers' Compensation***

The City participates in the State Workers' Compensation retrospective rating program. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claims cost for injured employees in 2011. The maintenance of these benefits is accounted for in the retrospective medical claims internal service fund. Incurred but not reported claims of \$48,673 have been accrued as a liability at December 31, 2011, based on an estimate by the City's third party administrator.

The claims liability of \$48,673 reported at December 31, 2011 for Workers' Compensation is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Changes in claims activity for 2010 and 2011 are as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2010	\$171,344	\$15,837	\$123,017	\$64,164
2011	64,164	40,034	55,525	48,673

**Note 12 - Interfund Transfers and Balances**

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

Interfund transfers for the year ended December 31, 2011 consisted of the following:

	Transfer From		
Transfer To	General	Other Governmental Funds	Total
Major Funds:			
General Obligation Bond Retirement	\$153,030	\$516,794	\$669,824
Capital Improvements	70,000	0	70,000
Other Governmental Funds	428,194	0	428,194
<i>Total Governmental Activities</i>	\$651,224	\$516,794	\$1,168,018

The transfer of \$516,794 from the other governmental funds to the general obligation bond retirement fund was to cover debt principal payments. The \$428,194 transferred from the general fund to the other governmental funds was to supplement the funds available for maintaining the programs in those funds. The transfer of \$70,000 from general fund to capital improvements major capital projects fund was to provide additional fund balance for the potential land acquisition costs associated with Memphis Industrial Parkway

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project. The \$153,030 transferred from the general fund to the general obligation bond retirement fund was to supplement available funds for debt service payments.

Interfund balances at December 31, 2011 consisted of the following:

<u>Interfund Payable</u>	<u>Interfund Receivable</u>		<u>Total</u>
	<u>General</u>	<u>Capital Improvements</u>	
Major Fund:			
General Fund	\$0	\$20,000	\$20,000
Other Governmental Funds:			
Community Development Block Grant	92,789	13,000	105,789
FEMA Fire Act	0	45,200	45,200
C.O.P.S.	65,000	0	65,000
Juvenile Diversion	2,025	0	2,025
Total Other Governmental Funds	<u>159,814</u>	<u>58,200</u>	<u>218,014</u>
<i>Total Governmental Activities</i>	<u>\$159,814</u>	<u>\$78,200</u>	<u>\$238,014</u>

The advances of \$159,814 and \$58,200 to the other governmental funds from the general fund and the capital improvements capital projects fund, respectively, are due to the timing of the receipt of grant monies. The advances of \$58,200 to the other governmental funds from the capital improvements capital projects fund are not expected to be repaid within one year. During 2011, the City advanced \$20,000 from the I-480/Tiedeman capital projects fund to general fund for engineering studies. The advance was meant to go to the capital improvements capital projects fund, to which, the advance was originally owed to. The City will correct this entry during 2012. All other advances are expected to be repaid within one year.

**Note 13 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2011, members in state and local classifications contributed 10.0 percent of covered payroll and public safety and law enforcement members contributed 11 percent and 11.6 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2011, member and employer contribution rates were consistent across all three plans.

The City's 2011 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.0 percent for the year ended December 31, 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for the year ended December 31, 2011. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$386,889, \$345,125, and \$338,697, respectively. For 2011, 86.79 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009. Contributions to the Member-Directed Plan for 2011 were \$3,239 made by the City and \$2,314 made by the plan members.

***Ohio Police and Fire Pension Fund***

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

Funding Policy – The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters were \$307,947 and \$344,644 for the year ended December 31, 2011, \$307,829 and \$353,271 for the year ended December 31, 2010, and \$302,337 and \$382,237 for the year ended December 31, 2009, respectively. For 2011, 69.76 percent for police and 68.85 percent for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2011, the liability of the City was \$47,840 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary. The liability is reported as "long-term liabilities" in the governmental activities column on the statement of net assets.

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**Note 14 - Postemployment Benefits**

***Ohio Public Employees Retirement System***

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension 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 maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment 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 benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local government employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for the year ended December 31, 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for the year ended December 31, 2011.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

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The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, 2009 were \$156,051, \$198,126, and \$273,142, respectively. For 2011, 86.79 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

***Ohio Police and Fire Pension Fund***

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required by Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2011, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$163,031 and \$134,861 for the year ended December 31, 2011, \$162,968 and \$138,236 for the year ended December 31, 2010, and \$160,061 and \$149,571 for the year ended December 31, 2009, respectively. For 2011, 69.76 percent has been contributed for police and 68.85 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

**Note 15 - Landfill Closure and Postclosure Care**

State and federal laws and regulations require the City to place a final cover on its Sanitary Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. During 2009, a re-evaluation of the landfill total yearly postclosure cost estimate and landfill closure and postclosure care liability was completed. The re-evaluation was approved by the Ohio Environmental Protection Agency. The \$6,928,474 reported as landfill closure and postclosure care liability at December 31, 2011, represents the entire liability amount reported to date based on the use of 100 percent of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all closure and postclosure care in 2011. The City is currently in discussion with the Ohio EPA regarding the capacity and closure of the landfill. Actual costs may be higher or lower due to inflation, changes in technology, or changes in regulations.

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

The City had restricted \$1,289,734 in segregated accounts and an additional \$2,852,139 with a trustee to provide a total of \$4,141,873 for the landfill closure and postclosure care costs as of December 31, 2011.

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

**Note 16 – Short-Term Obligations**

Changes in the City’s note activity for the year ended December 31, 2011, were as follows:

<b>Types / Issues</b>	Balance 12/31/2010	Additions	Reductions	Balance 12/31/2011
Street and Sidewalk Improvement	\$25,000	\$0	\$25,000	\$0
Marquardt Park Improvement	40,000	300,000	40,000	300,000
Biddulph Road Improvement	15,000	125,000	15,000	125,000
City Street Resurfacing	20,000	433,000	20,000	433,000
Road Servicing Vehicle Acquisition	12,000	282,000	12,000	282,000
Communication Equipment Acquisition	10,000	236,500	10,000	236,500
Police Department Motor Vehicle Acquisition	5,000	82,500	5,000	82,500
Technical Rescue Vehicle Acquisition	12,000	217,000	12,000	217,000
<b>Total Short-Term Notes</b>	<b>\$139,000</b>	<b>\$1,676,000</b>	<b>\$139,000</b>	<b>\$1,676,000</b>

All the notes are backed by the full faith and credit of the City of Brooklyn and mature within one year. The maturity date for all outstanding notes is May 8, 2012. The note liability is reflected in the funds which received the proceeds. All note proceeds have been fully expended. The notes will be paid out of the general obligation debt retirement fund and capital improvements and Biddulph road capital projects funds.

By Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50 percent of anticipated revenue collections. There are limitations on the number of times a note can be renewed. All notes outstanding at year-end are bond anticipation notes. The notes were paid in full in 2012. As the result, the \$1,676,000 liability outstanding at December 31, 2011, was presented as a fund liability in the financial statements.

**Note 17 - Long-Term Obligations**

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

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
<b>Governmental Activities:</b>			
Various Purposes General Obligation Refunding Bonds - 1999	3.30-4.45%	\$4,440,000	December 1, 2012
Fire Station Improvement Bonds - 2006	3.50-5.00%	5,255,000	December 1, 2027
Sanitary Landfill Improvement OPWC Loan - 1992	0.00%	1,099,400	January 1, 2015
Police and Fire Pension - 1988	0.00%	70,770	May 15, 2035



**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2011

Changes in long-term obligations of the City during 2011 are as follows:

	Outstanding 12/31/2010	Additions	Reductions	Outstanding 12/31/2011	Due in One Year
<b>Governmental Activities:</b>					
<b>General Obligation Bonds:</b>					
Fire Station Improvement Bonds	\$4,370,000	\$0	\$180,000	\$4,190,000	\$185,000
Premium on Bonds	231,412	0	13,612	217,800	0
Total Fire Station Improvement Bonds	4,601,412	0	193,612	4,407,800	185,000
General Obligation Refunding Bonds	767,806	0	400,000	367,806	367,806
<i>Total General Obligation Bonds</i>	<u>5,369,218</u>	<u>0</u>	<u>593,612</u>	<u>4,775,606</u>	<u>552,806</u>
<b>Long-Term Notes:</b>					
Marquardt Park Improvement	300,000	0	300,000	0	0
Biddulph Road Improvement	125,000	0	125,000	0	0
City Street Resurfacing	433,000	0	433,000	0	0
Road Servicing Vehicle Acquisition	282,000	0	282,000	0	0
Communication Equipment Acquisition	236,500	0	236,500	0	0
Police Department Motor Vehicle Acquisition	82,500	0	82,500	0	0
Technical Rescue Vehicle Acquisition	217,000	0	217,000	0	0
<i>Total Long-Term Notes</i>	<u>1,676,000</u>	<u>0</u>	<u>1,676,000</u>	<u>0</u>	<u>0</u>
<b>Other Long-Term Obligations:</b>					
OPWC Loan	274,850	0	82,455	192,395	54,970
Police and Fire Pension (Note 13)	49,012	0	1,172	47,840	1,222
Capital Leases	2,020,079	0	272,662	1,747,417	284,328
Landfill (Note 15)	6,866,674	61,800	0	6,928,474	0
Compensated Absences	1,519,837	32,328	144,172	1,407,993	21,177
<i>Total Other Long-Term Obligations</i>	<u>10,730,452</u>	<u>94,128</u>	<u>500,461</u>	<u>10,324,119</u>	<u>361,697</u>
<i>Total Governmental Activities</i>	<u>\$17,775,670</u>	<u>\$94,128</u>	<u>\$2,770,073</u>	<u>\$15,099,725</u>	<u>\$914,503</u>

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

Capital leases will be paid from the capital improvements capital projects fund. Compensated absences will be paid from the general fund and the street maintenance and repair special revenue fund which are the funds from which the employees' salaries are paid.

The police and fire pension liability will be paid from levied taxes in the police pension and fire pension special revenue funds. The landfill will be paid for using designated general fund revenues which are for landfill closure and postclosure care. During 2009 a re-evaluation of the landfill total yearly post-closure cost estimate and landfill closure and postclosure care liability was completed and resulted in an increase in the value (See Note 15).

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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

The City's overall legal debt margin was \$28,764,092 at December 31, 2011. The unvoted legal debt margin was \$12,098,426. Principal and interest requirements to retire the long-term obligations as of December 31, 2011, are as follows:

	General Obligation Bonds		OPWC Loan		Police and Fire Pension	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$552,806	\$212,083	\$54,970	\$0	\$1,222	\$2,020
2013	195,000	186,900	54,970	0	1,274	1,968
2014	200,000	179,100	54,970	0	1,329	1,913
2015	210,000	171,100	27,485	0	1,386	1,856
2016	220,000	162,700	0	0	1,446	1,796
2017-2021	1,245,000	658,100	0	0	8,216	7,994
2022-2026	1,575,000	333,750	0	0	10,139	6,071
2027-2031	360,000	18,000	0	0	12,511	3,699
2032-2035	0	0	0	0	10,317	886
<b>Total</b>	<b>\$4,557,806</b>	<b>\$1,921,733</b>	<b>\$192,395</b>	<b>\$0</b>	<b>\$47,840</b>	<b>\$28,203</b>

**Note 18 - Contingencies**

**Grants**

The City received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2011.

**Litigation**

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

**Note 19 - Capital Leases**

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

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

Capital assets acquired by leases currently being paid have been capitalized and depreciated as follows as of December 31, 2011:

<b>Governmental Activities</b>	
<i>Capital Leases, being depreciated:</i>	
Improvements	\$2,054,515
Vehicles	854,343
	<u>2,908,858</u>
<i>Total Capital Leases, being depreciated</i>	
	<u>2,908,858</u>
Less Accumulated Depreciation:	
Improvements	(958,774)
Vehicles	(222,743)
	<u>(1,181,517)</u>
<i>Total Accumulated Depreciation</i>	
	<u>(1,181,517)</u>
<i>Carrying Value</i>	
	<u>\$1,727,341</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2011.

Year Ending December 30,	Governmental Activities
2012	\$355,715
2013	347,083
2014	347,083
2015	347,082
2016	347,083
2017	244,288
	<u>1,988,334</u>
Total	1,988,334
Less: Amount Representing Interest	(240,917)
	<u>(240,917)</u>
Present Value of Net Minimum Lease Payments	<u>\$1,747,417</u>

**Note 20 - Jointly Governed Organizations**

*Southwest Council of Governments*

The Southwest Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board is comprised of one member from each of the sixteen participating entities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. In 2011, the City contributed \$15,000.

**City of Brooklyn, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2011*

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

***Parma Community General Hospital Association***

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

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

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

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. In 2011, the City made no contributions. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting the Joseph Migliorini, the Board Chairman at 31320 Solon Road, Suite 20 Solon, Ohio 44139 or at the website [www.nopecinfo.org](http://www.nopecinfo.org).

**Note 21 – Subsequent Event**

On May 7, 2012, the City retired the entire 2011 note issue of \$1,676,000.

*Combining and Individual Fund Statements and Schedules*

*Fund Descriptions – Nonmajor Governmental Funds*

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*Nonmajor Special Revenue Funds*

To account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

***Community Development Block Grant Fund*** - This fund accounts for and reports revenues received from the federal government restricted for administrative costs of Community Development Block Grant Program.

***Street Lighting Fund*** - This fund accounts for and reports restricted property taxes restricted for the payment for street lighting expenditures within the City.

***Motor Vehicle License Tax Fund*** - This fund accounts for and reports the additional motor vehicle registration fees restricted for maintenance and repair of streets within the City.

***Recycling and Litter Fund*** - This fund accounts for and reports grants received from the State restricted for litter prevention and the recycling program in the City.

***D.A.R.E. Fund*** - This fund accounts for and reports grants restricted for educating the public regarding drug abuse and drug abuse prevention.

***Bullet Proof Vest Fund*** - This fund accounts for and reports federal grants restricted for expenditures as prescribed under the Bullet Proof Vest Partnership Grant Program. This fund did not have any budgetary activity in 2011, therefore, budgetary information is not provided.

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

***Federal Grants Fund*** - This fund accounts for and reports federal grants restricted for expenditures as prescribed under the D.U.I. enforcement program.

***C.O.P.S. Fund*** - This fund accounts for and reports State grants restricted for expenditures as prescribed under the C.O.P.S. program.

***Public Safety Equipment Fund*** - This fund accounts for and reports fines received for reimbursements restricted for equipment and supply use for hazardous spills and major accidents on State highways.

***Federal Drug Forfeiture Fund*** - This fund accounts for and reports federal grants restricted for expenditures as prescribed under the drug abuse prevention and control provisions of Title 21, Section 883(e)(3) of the United States Code.

(continued)

***Combining and Individual Fund Statements and Schedules***

***Fund Descriptions – Nonmajor Governmental Funds (continued)***

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***Law Enforcement Fund*** - This fund accounts for and report revenues received from fines from convictions related to drug cases restricted for the education of the community.

***Mandatory Drug Law Fund*** - This fund accounts for and reports revenues received from drug fines and forfeited bonds restricted for drug investigations.

***Termination Leave Payment Fund*** – This fund accounts for and reports municipal income taxes committed to the City’s termination leave payments.

***Domino Trust Fund*** – This fund accounts for and reports restricted donations to the Edward J. Domino Trust for the upgrade of the cardio-vascular unit in the Brooklyn Recreation Center and for improvements to Brooklyn Recreation and Senior Centers.

***Police Pension Fund*** - To account for restricted property taxes for the payment of current employer contributions for police disability and pension benefits and the accrued liability.

***Fire Pension Fund*** - To account for restricted property taxes for the payment of current employer contributions for fire disability and pension benefits and the accrued liability.

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

***Court Computer Fund*** - This fund accounts for and reports fines charged in all civil and/or criminal traffic convictions restricted for updating court computer systems.

***Juvenile Diversion Fund*** - This fund accounts for and reports Cuyahoga County grants restricted for establishing or expending on community policing programs.

***P.O.P.A.S. Fund*** – This fund accounts for and reports fines collected for citations by the police on patrol arresting speeders unit restricted for paying the expense of having and operating the unit.

***Underground Storage Tank Fund*** - This fund accounts for and reports general fund transfers committed to potential expenditures related to the City’s underground storage tanks. This fund is included with the general fund for GAAP reporting.

***Budget Stabilization Fund*** – This fund accounts for and reports transfers from or to the general fund for the purpose of the stabilization of the budget and the effective use of the tax dollars. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

***Nonmajor Capital Projects Funds***

Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary fund or for assets that will be held in trust.

***Tiedeman Road Fund*** - This fund accounts for and reports committed property and income tax revenues for the widening and improvement of Tiedeman Road.

(continued)

*Combining and Individual Fund Statements and Schedules*

*Fund Descriptions – Nonmajor Governmental Funds (continued)*

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***Biddulph Road Fund*** - This fund accounts for and reports federal and state grants restricted for the improvement of Biddulph Road.

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

***I-480 / Tiedeman Upgrade Fund*** – This fund accounts for and reports federal and state grants restricted for the improvement of the Interstate 480 /Tiedeman Road Upgrade.

**City of Brooklyn, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2011*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$1,518,436	\$47,162	\$1,565,598
Accounts Receivable	12,220	0	12,220
Intergovernmental Receivable	377,554	0	377,554
Municipal Income Taxes Receivable	57,453	28,903	86,356
Property Taxes Receivable	927,994	0	927,994
Local Taxes Receivable	17,433	0	17,433
<i>Total Assets</i>	<u>\$2,911,090</u>	<u>\$76,065</u>	<u>\$2,987,155</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$64,150	\$0	\$64,150
Accrued Wages and Benefits	13,726	0	13,726
Intergovernmental Payable	253,052	0	253,052
Interfund Payable	218,014	0	218,014
Deferred Revenue	1,201,351	5,388	1,206,739
Accrued Interest Payable	0	1,558	1,558
Notes Payable	0	125,000	125,000
<i>Total Liabilities</i>	<u>1,750,293</u>	<u>131,946</u>	<u>1,882,239</u>
<b>Fund Balances</b>			
Restricted	1,234,971	8	1,234,979
Committed	123,008	70,669	193,677
Unassigned (Deficit)	(197,182)	(126,558)	(323,740)
<i>Total Fund Balances (Deficit)</i>	<u>1,160,797</u>	<u>(55,881)</u>	<u>1,104,916</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,911,090</u>	<u>\$76,065</u>	<u>\$2,987,155</u>



**City of Brooklyn, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2011*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Municipal Income Taxes	\$298,363	\$155,585	\$453,948
Property Taxes	797,068	38,584	835,652
Local Taxes	30,941	0	30,941
Charges for Services	2,475	0	2,475
Fines, Licenses and Permits	229,472	0	229,472
Intergovernmental	1,044,105	12,444	1,056,549
Contributions and Donations	77,286	0	77,286
Interest	2	0	2
Other	140	0	140
<i>Total Revenues</i>	<u>2,479,852</u>	<u>206,613</u>	<u>2,686,465</u>
<b>Expenditures</b>			
Current:			
General Government	240,339	0	240,339
Security of Persons and Property	1,283,526	0	1,283,526
Transportation	520,129	0	520,129
Community Environment	3,064	0	3,064
Basic Utility Services	180,920	0	180,920
Leisure Time Activities	794	0	794
Capital Outlay	0	1,045	1,045
Debt Service:			
Principal Retirement	8,781	125,000	133,781
Interest and Fiscal Charges	3,091	0	3,091
<i>Total Expenditures</i>	<u>2,240,644</u>	<u>126,045</u>	<u>2,366,689</u>
<i>Excess of Revenues Over Expenditures</i>	<u>239,208</u>	<u>80,568</u>	<u>319,776</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	94,250	333,944	428,194
Transfers Out	0	(516,794)	(516,794)
<i>Total Other Financing Sources (Uses)</i>	<u>94,250</u>	<u>(182,850)</u>	<u>(88,600)</u>
<i>Net Change in Fund Balances</i>	333,458	(102,282)	231,176
<i>Fund Balances (Deficit) Beginning of Year</i> <i>- Restated (See Note 3)</i>	<u>827,339</u>	<u>46,401</u>	<u>873,740</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$1,160,797</u></u>	<u><u>(\$55,881)</u></u>	<u><u>\$1,104,916</u></u>

**City of Brooklyn, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2011*

	Street Maintenance and Repair	State Highway	Community Development Block Grant	Street Lighting	Motor Vehicle License Tax
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$358,142	\$211,687	\$93,313	\$34,948	\$35,433
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	226,347	19,216	0	13,878	0
Municipal Income Taxes Receivable	0	0	0	0	0
Property Taxes Receivable	0	0	0	149,907	0
Local Taxes Receivable	0	0	0	0	17,433
<i>Total Assets</i>	<u>\$584,489</u>	<u>\$230,903</u>	<u>\$93,313</u>	<u>\$198,733</u>	<u>\$52,866</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$21,556	\$0	\$2,254	\$14,630	\$1,671
Accrued Wages and Benefits	6,303	0	0	0	0
Intergovernmental Payable	5,302	0	0	0	0
Interfund Payable	0	0	105,789	0	0
Deferred Revenue	150,517	13,068	0	163,785	13,147
<i>Total Liabilities</i>	<u>183,678</u>	<u>13,068</u>	<u>108,043</u>	<u>178,415</u>	<u>14,818</u>
<b>Fund Balances</b>					
Restricted	400,811	217,835	0	20,318	38,048
Committed	0	0	0	0	0
Unassigned (Deficit)	0	0	(14,730)	0	0
<i>Total Fund Balances (Deficit)</i>	<u>400,811</u>	<u>217,835</u>	<u>(14,730)</u>	<u>20,318</u>	<u>38,048</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$584,489</u>	<u>\$230,903</u>	<u>\$93,313</u>	<u>\$198,733</u>	<u>\$52,866</u>

D.A.R.E.	Bullet Proof Vest	FEMA Fire Act	Federal Grants	C.O.P.S.	Public Safety Equipment
\$8,105	\$354	\$46,227	\$1	\$13,648	\$9,120
0	0	0	0	0	0
0	0	0	0	46,076	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$8,105</u>	<u>\$354</u>	<u>\$46,227</u>	<u>\$1</u>	<u>\$59,724</u>	<u>\$9,120</u>
\$0	\$0	\$0	\$1,838	\$0	\$0
0	0	0	0	5,718	0
0	0	0	0	163	0
0	0	45,200	0	65,000	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>45,200</u>	<u>1,838</u>	<u>70,881</u>	<u>0</u>
8,105	354	1,027	0	0	9,120
0	0	0	0	0	0
0	0	0	(1,837)	(11,157)	0
<u>8,105</u>	<u>354</u>	<u>1,027</u>	<u>(1,837)</u>	<u>(11,157)</u>	<u>9,120</u>
<u>\$8,105</u>	<u>\$354</u>	<u>\$46,227</u>	<u>\$1</u>	<u>\$59,724</u>	<u>\$9,120</u>

(continued)

**City of Brooklyn, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2011*

	Federal Drug Forfeiture	Law Enforcement	Mandatory Drug Law	Termination Leave Payment	Domino Trust
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$27,903	\$20,654	\$98,580	\$76,265	\$77,286
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	0	0	0	0	0
Municipal Income Taxes Receivable	0	0	0	57,453	0
Property Taxes Receivable	0	0	0	0	0
Local Taxes Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$27,903</u>	<u>\$20,654</u>	<u>\$98,580</u>	<u>\$133,718</u>	<u>\$77,286</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	0	0	0	10,710	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,710</u>	<u>0</u>
<b>Fund Balances</b>					
Restricted	27,903	20,654	98,580	0	77,286
Committed	0	0	0	123,008	0
Unassigned (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>27,903</u>	<u>20,654</u>	<u>98,580</u>	<u>123,008</u>	<u>77,286</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$27,903</u>	<u>\$20,654</u>	<u>\$98,580</u>	<u>\$133,718</u>	<u>\$77,286</u>

Police Pension	Fire Pension	Groeger Trust	Court Computer	Juvenile Diversion	P.O.P.A.S.	Total Nonmajor Special Revenue Funds
\$25,342	\$52,741	\$5,005	\$58,433	\$7,164	\$258,085	\$1,518,436
0	0	0	1,290	0	10,930	12,220
34,036	38,001	0	0	0	0	377,554
0	0	0	0	0	0	57,453
367,628	410,459	0	0	0	0	927,994
0	0	0	0	0	0	17,433
<u>\$427,006</u>	<u>\$501,201</u>	<u>\$5,005</u>	<u>\$59,723</u>	<u>\$7,164</u>	<u>\$269,015</u>	<u>\$2,911,090</u>
\$0	\$0	\$0	\$0	\$0	\$22,201	\$64,150
0	0	0	0	0	1,705	13,726
121,731	125,810	0	0	0	46	253,052
0	0	0	0	2,025	0	218,014
401,664	448,460	0	0	0	0	1,201,351
<u>523,395</u>	<u>574,270</u>	<u>0</u>	<u>0</u>	<u>2,025</u>	<u>23,952</u>	<u>1,750,293</u>
0	0	5,005	59,723	5,139	245,063	1,234,971
0	0	0	0	0	0	123,008
(96,389)	(73,069)	0	0	0	0	(197,182)
<u>(96,389)</u>	<u>(73,069)</u>	<u>5,005</u>	<u>59,723</u>	<u>5,139</u>	<u>245,063</u>	<u>1,160,797</u>
<u>\$427,006</u>	<u>\$501,201</u>	<u>\$5,005</u>	<u>\$59,723</u>	<u>\$7,164</u>	<u>\$269,015</u>	<u>\$2,911,090</u>

**City of Brooklyn, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2011*

	Street Maintenance and Repair	State Highway	Community Development Block Grant	Street Lighting	Motor Vehicle License Tax
<b>Revenues</b>					
Municipal Income Taxes	\$0	\$0	\$0	\$0	\$0
Property Taxes	0	0	0	127,726	0
Local Taxes	0	0	0	0	30,941
Charges for Services	0	0	0	0	0
Fines, Licenses and Permits	0	0	0	0	0
Intergovernmental	641,341	51,097	0	25,501	0
Contributions and Donations	0	0	0	0	0
Interest	0	0	0	0	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>641,341</u>	<u>51,097</u>	<u>0</u>	<u>153,227</u>	<u>30,941</u>
<b>Expenditures</b>					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	0	0	0	0
Transportation	474,775	11,338	0	0	34,016
Community Environment	0	0	2,254	0	0
Basic Utility Services	0	0	0	180,920	0
Leisure Time Activities	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>474,775</u>	<u>11,338</u>	<u>2,254</u>	<u>180,920</u>	<u>34,016</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	166,566	39,759	(2,254)	(27,693)	(3,075)
<b>Other Financing Sources</b>					
Transfers In	0	0	0	30,000	0
<i>Net Change in Fund Balances</i>	166,566	39,759	(2,254)	2,307	(3,075)
<i>Fund Balances (Deficit) Beginning of Year - Restated (See Note 3)</i>	<u>234,245</u>	<u>178,076</u>	<u>(12,476)</u>	<u>18,011</u>	<u>41,123</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$400,811</u></u>	<u><u>\$217,835</u></u>	<u><u>(\$14,730)</u></u>	<u><u>\$20,318</u></u>	<u><u>\$38,048</u></u>

Recycling and Litter	D.A.R.E.	Bullet Proof Vest	FEMA Fire Act	Federal Grants	C.O.P.S.	Public Safety Equipment
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	14,709	0	15,343	0	162,337	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	140	0	0	0	0	0
0	14,849	0	15,343	0	162,337	0
0	0	0	0	0	0	0
0	15,480	0	0	1,838	161,231	0
0	0	0	0	0	0	0
810	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
810	15,480	0	0	1,838	161,231	0
(810)	(631)	0	15,343	(1,838)	1,106	0
0	0	0	0	22,250	0	0
(810)	(631)	0	15,343	20,412	1,106	0
810	8,736	354	(14,316)	(22,249)	(12,263)	9,120
\$0	\$8,105	\$354	\$1,027	(\$1,837)	(\$11,157)	\$9,120

(continued)

**City of Brooklyn, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Year Ended December 31, 2011*

	Federal Drug Forfeiture	Law Enforcement	Mandatory Drug Law	Termination Leave Payment	Domino Trust
<b>Revenues</b>					
Municipal Income Taxes	\$0	\$0	\$0	\$298,363	\$0
Property Taxes	0	0	0	0	0
Local Taxes	0	0	0	0	0
Charges for Services	0	0	0	0	0
Fines, Licenses and Permits	27,903	1,316	22,322	0	0
Intergovernmental	0	0	0	0	0
Contributions and Donations	0	0	0	0	77,286
Interest	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>27,903</u>	<u>1,316</u>	<u>22,322</u>	<u>298,363</u>	<u>77,286</u>
<b>Expenditures</b>					
Current:					
General Government	0	0	0	232,900	0
Security of Persons and Property	0	0	0	0	0
Transportation	0	0	0	0	0
Community Environment	0	0	0	0	0
Basic Utility Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	7,609	0	0
Interest and Fiscal Charges	0	0	1,021	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>8,630</u>	<u>232,900</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	27,903	1,316	13,692	65,463	77,286
<b>Other Financing Sources</b>					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	27,903	1,316	13,692	65,463	77,286
<i>Fund Balances (Deficit) Beginning of Year - Restated (See Note 3)</i>	<u>0</u>	<u>19,338</u>	<u>84,888</u>	<u>57,545</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$27,903</u></u>	<u><u>\$20,654</u></u>	<u><u>\$98,580</u></u>	<u><u>\$123,008</u></u>	<u><u>\$77,286</u></u>



Police Pension	Fire Pension	Groeger Trust	Court Computer	Juvenile Diversion	P.O.P.A.S.	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$298,363
316,249	353,093	0	0	0	0	797,068
0	0	0	0	0	0	30,941
0	0	0	0	2,475	0	2,475
0	0	0	17,410	0	160,521	229,472
59,521	66,456	0	0	7,800	0	1,044,105
0	0	0	0	0	0	77,286
0	0	2	0	0	0	2
0	0	0	0	0	0	140
<u>375,770</u>	<u>419,549</u>	<u>2</u>	<u>17,410</u>	<u>10,275</u>	<u>160,521</u>	<u>2,479,852</u>
0	0	0	7,439	0	0	240,339
469,359	481,206	0	0	9,000	145,412	1,283,526
0	0	0	0	0	0	520,129
0	0	0	0	0	0	3,064
0	0	0	0	0	0	180,920
0	0	794	0	0	0	794
1,172	0	0	0	0	0	8,781
2,070	0	0	0	0	0	3,091
<u>472,601</u>	<u>481,206</u>	<u>794</u>	<u>7,439</u>	<u>9,000</u>	<u>145,412</u>	<u>2,240,644</u>
(96,831)	(61,657)	(792)	9,971	1,275	15,109	239,208
<u>42,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>94,250</u>
(54,831)	(61,657)	(792)	9,971	1,275	15,109	333,458
<u>(41,558)</u>	<u>(11,412)</u>	<u>5,797</u>	<u>49,752</u>	<u>3,864</u>	<u>229,954</u>	<u>827,339</u>
<u>(\$96,389)</u>	<u>(\$73,069)</u>	<u>\$5,005</u>	<u>\$59,723</u>	<u>\$5,139</u>	<u>\$245,063</u>	<u>\$1,160,797</u>

**City of Brooklyn, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2011*

	Tiedeman Road	Biddulph Road	Safety Forces Construction	Total Nonmajor Capital Projects Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$47,154	\$0	\$8	\$47,162
Municipal Income Taxes Receivable	28,903	0	0	28,903
<i>Total Assets</i>	<u>\$76,057</u>	<u>\$0</u>	<u>\$8</u>	<u>\$76,065</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Deferred Revenue	\$5,388	\$0	\$0	\$5,388
Accrued Interest Payable	0	1,558	0	1,558
Notes Payable	0	125,000	0	125,000
<i>Total Liabilities</i>	<u>5,388</u>	<u>126,558</u>	<u>0</u>	<u>131,946</u>
<b>Fund Balances</b>				
Restricted	0	0	8	8
Committed	70,669	0	0	70,669
Unassigned (Deficit)	0	(126,558)	0	(126,558)
<i>Total Fund Balances (Deficit)</i>	<u>70,669</u>	<u>(126,558)</u>	<u>8</u>	<u>(55,881)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$76,057</u>	<u>\$0</u>	<u>\$8</u>	<u>\$76,065</u>

**City of Brooklyn, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2011*

	Tiedeman Road	Biddulph Road	Safety Forces Construction	I-480 / Tiedeman Upgrade	Total Nonmajor Capital Projects Funds
<b>Revenues</b>					
Municipal Income Taxes	\$155,585	\$0	\$0	\$0	\$155,585
Property Taxes	38,584	0	0	0	38,584
Intergovernmental	0	12,444	0	0	12,444
<i>Total Revenues</i>	<u>194,169</u>	<u>12,444</u>	<u>0</u>	<u>0</u>	<u>206,613</u>
<b>Expenditures</b>					
Current:					
Capital Outlay	0	1,045	0	0	1,045
Debt Service:					
Principal Retirement	0	125,000	0	0	125,000
<i>Total Expenditures</i>	<u>0</u>	<u>126,045</u>	<u>0</u>	<u>0</u>	<u>126,045</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>194,169</u>	<u>(113,601)</u>	<u>0</u>	<u>0</u>	<u>80,568</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	316,794	17,150	333,944
Transfers Out	(200,000)	0	(316,794)	0	(516,794)
<i>Total Other Financing Sources (Uses)</i>	<u>(200,000)</u>	<u>0</u>	<u>0</u>	<u>17,150</u>	<u>(182,850)</u>
<i>Net Change in Fund Balances</i>	(5,831)	(113,601)	0	17,150	(102,282)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>76,500</u>	<u>(12,957)</u>	<u>8</u>	<u>(17,150)</u>	<u>46,401</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$70,669</u>	<u>(\$126,558)</u>	<u>\$8</u>	<u>\$0</u>	<u>(\$55,881)</u>

## *Fund Descriptions - Fiduciary Funds*

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### *Fiduciary Funds*

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

### *Agency Funds*

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

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

**City of Brooklyn, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2011*

	Balance 12/31/10	Additions	Reductions	Balance 12/31/11
<b><i>Required Deposits</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$102,967	\$33,150	\$13,499	\$122,618
<b>Liabilities</b>				
Deposits Held and Due to Others	\$102,967	\$33,150	\$13,499	\$122,618
<b><i>Building Assessment Fees</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$262	\$3,336	\$1,505	\$2,093
<b>Liabilities</b>				
Intergovernmental Payable	\$262	\$3,336	\$1,505	\$2,093
<b><i>Totals - All Agency Funds</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$103,229	\$36,486	\$15,004	\$124,711
<b>Liabilities</b>				
Intergovernmental Payable	\$262	\$3,336	\$1,505	\$2,093
Deposits Held and Due to Others	102,967	33,150	13,499	122,618
<b><i>Total Liabilities</i></b>	<b>\$103,229</b>	<b>\$36,486</b>	<b>\$15,004</b>	<b>\$124,711</b>

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

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Municipal Income Taxes	\$12,144,308	\$12,488,000	\$12,834,033	\$346,033
Property Taxes	620,444	751,000	655,682	(95,318)
Local Taxes	252,950	190,000	267,316	77,316
Charges for Services	938,746	922,300	1,016,080	93,780
Fines, Licenses and Permits	519,902	591,500	549,429	(42,071)
Intergovernmental	1,187,319	739,000	1,254,752	515,752
Interest	109,109	79,000	23,618	(55,382)
Rentals	0	0	297,677	297,677
Other	56,022	29,000	63,904	34,904
<i>Total Revenues</i>	<u>15,828,800</u>	<u>15,789,800</u>	<u>16,962,491</u>	<u>1,172,691</u>
<b>Expenditures</b>				
Current:				
General Government:				
Council:				
Wages and Benefits	125,000	133,000	127,931	5,069
Other	35,000	35,000	10,976	24,024
Total Council	<u>160,000</u>	<u>168,000</u>	<u>138,907</u>	<u>29,093</u>
Mayor:				
Wages and Benefits	202,500	210,000	208,878	1,122
Other	14,017	14,017	11,632	2,385
Total Mayor	<u>216,517</u>	<u>224,017</u>	<u>220,510</u>	<u>3,507</u>
Legal:				
Wages and Benefits	295,000	303,000	300,275	2,725
Other	146,784	151,784	142,819	8,965
Total Legal	<u>\$441,784</u>	<u>\$454,784</u>	<u>\$443,094</u>	<u>\$11,690</u>

(continued)

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Finance:				
Wages and Benefits	\$303,050	\$311,050	\$295,651	\$15,399
Other	381,908	298,908	267,513	31,395
Total Finance	<u>684,958</u>	<u>609,958</u>	<u>563,164</u>	<u>46,794</u>
Civil Service:				
Wages and Benefits	12,000	12,000	11,459	541
Other	17,150	32,150	30,900	1,250
Total Civil Service	<u>29,150</u>	<u>44,150</u>	<u>42,359</u>	<u>1,791</u>
Engineering:				
Wages and Benefits	27,000	27,000	25,976	1,024
Other	253,377	253,377	127,917	125,460
Total Engineering	<u>280,377</u>	<u>280,377</u>	<u>153,893</u>	<u>126,484</u>
Data System:				
Other	51,965	65,965	53,676	12,289
Miscellaneous:				
Other	491,683	514,183	395,846	118,337
Total General Government	<u>2,356,434</u>	<u>2,361,434</u>	<u>2,011,449</u>	<u>349,985</u>
Security of Persons and Property:				
Public Safety:				
Wages and Benefits	3,435,745	3,435,745	3,317,614	118,131
Other	262,946	305,946	271,589	34,357
Total Public Safety	<u>\$3,698,691</u>	<u>\$3,741,691</u>	<u>\$3,589,203</u>	<u>\$152,488</u>

(continued)



**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fire Department:				
Wages and Benefits	\$2,451,300	\$2,511,300	\$2,452,953	\$58,347
Other	216,032	306,032	250,672	55,360
Total Fire Department	<u>2,667,332</u>	<u>2,817,332</u>	<u>2,703,625</u>	<u>113,707</u>
Total Security of Persons and Property	<u>6,366,023</u>	<u>6,559,023</u>	<u>6,292,828</u>	<u>266,195</u>
Community Environment:				
Public Lands and Buildings:				
Wages and Benefits	27,000	27,000	8,084	18,916
Other	1,260,759	1,260,759	1,172,986	87,773
Total Public Lands and Buildings	<u>1,287,759</u>	<u>1,287,759</u>	<u>1,181,070</u>	<u>106,689</u>
Public Service:				
Wages and Benefits	96,000	111,000	105,369	5,631
Other	45,065	45,065	42,781	2,284
Total Public Service	<u>141,065</u>	<u>156,065</u>	<u>148,150</u>	<u>7,915</u>
Building Department:				
Wages and Benefits	175,000	175,000	152,301	22,699
Other	6,856	7,856	4,150	3,706
Total Building Department	<u>181,856</u>	<u>182,856</u>	<u>156,451</u>	<u>26,405</u>
Recycling:				
Wages and Benefits	65,000	25,000	13,004	11,996
Other	18,164	18,164	0	18,164
Total Recycling	<u>83,164</u>	<u>43,164</u>	<u>13,004</u>	<u>30,160</u>
Landfill:				
Other	2,500	2,500	1,015	1,485
Total Community Environment	<u>\$1,696,344</u>	<u>\$1,672,344</u>	<u>\$1,499,690</u>	<u>\$172,654</u>

(continued)

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Basic Utility Services:				
Garage:				
Wages and Benefits	\$1,702,500	\$1,637,000	\$1,548,987	\$88,013
Other	179,237	209,237	156,850	52,387
Total Basic Utility Services	<u>1,881,737</u>	<u>1,846,237</u>	<u>1,705,837</u>	<u>140,400</u>
Leisure Time Activities:				
Recreation Center:				
Wages and Benefits	598,000	610,000	592,937	17,063
Other	177,068	192,068	160,023	32,045
Total Recreation Center	<u>775,068</u>	<u>802,068</u>	<u>752,960</u>	<u>49,108</u>
Indoor/Outdoor Pool:				
Wages and Benefits	356,000	411,000	389,410	21,590
Other	118,974	142,974	115,564	27,410
Total Indoor/Outdoor Pool	<u>474,974</u>	<u>553,974</u>	<u>504,974</u>	<u>49,000</u>
Parks:				
Wages and Benefits	47,000	47,500	45,037	2,463
Other	36,000	37,000	31,422	5,578
Total Parks	<u>83,000</u>	<u>84,500</u>	<u>76,459</u>	<u>8,041</u>
Senior Services:				
Wages and Benefits	260,000	260,000	252,096	7,904
Other	89,990	99,990	85,742	14,248
Total Senior Services	<u>349,990</u>	<u>359,990</u>	<u>337,838</u>	<u>22,152</u>
Total Leisure Time Activities	<u>1,683,032</u>	<u>1,800,532</u>	<u>1,672,231</u>	<u>128,301</u>
<i>Total Expenditures</i>	<u>\$13,983,570</u>	<u>\$14,239,570</u>	<u>\$13,182,035</u>	<u>\$1,057,535</u>

(continued)

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<i>Excess of Revenues Over Expenditures</i>	<u>\$1,845,230</u>	<u>\$1,550,230</u>	<u>\$3,780,456</u>	<u>\$2,230,226</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	5,000	43,705	38,705
Advances In	0	0	160,000	160,000
Advances Out	0	0	(92,789)	(92,789)
Transfers Out	<u>(2,119,930)</u>	<u>(1,756,430)</u>	<u>(1,396,224)</u>	<u>360,206</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(2,119,930)</u>	<u>(1,751,430)</u>	<u>(1,285,308)</u>	<u>466,122</u>
<i>Net Change in Fund Balance</i>	(274,700)	(201,200)	2,495,148	2,696,348
<i>Fund Balance Beginning of Year</i>	8,040,104	8,040,104	8,040,104	0
Prior Year Encumbrances Appropriated	<u>329,590</u>	<u>329,590</u>	<u>329,590</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,094,994</u></u>	<u><u>\$8,168,494</u></u>	<u><u>\$10,864,842</u></u>	<u><u>\$2,696,348</u></u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Obligation Bond Retirement Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$416,529	\$323,000	\$307,037	(\$15,963)
Intergovernmental	78,397	10,000	57,789	47,789
Interest	0	8,000	8,315	315
Other	0	0	892	892
<i>Total Revenues</i>	<u>494,926</u>	<u>341,000</u>	<u>374,033</u>	<u>33,033</u>
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	2,477,455	2,477,455	2,477,455	0
Interest and Fiscal Charges	249,575	249,575	246,533	3,042
<i>Total Expenditures</i>	<u>2,727,030</u>	<u>2,727,030</u>	<u>2,723,988</u>	<u>3,042</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,232,104)</u>	<u>(2,386,030)</u>	<u>(2,349,955)</u>	<u>36,075</u>
<b>Other Financing Sources</b>				
General Obligation Notes Issued	1,677,000	1,677,000	1,676,000	(1,000)
Transfers In	660,180	660,180	669,824	9,644
<i>Total Other Financing Sources</i>	<u>2,337,180</u>	<u>2,337,180</u>	<u>2,345,824</u>	<u>8,644</u>
<i>Net Change in Fund Balance</i>	105,076	(48,850)	(4,131)	44,719
<i>Fund Balance Beginning of Year</i>	<u>52,802</u>	<u>52,802</u>	<u>52,802</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$157,878</u>	<u>\$3,952</u>	<u>\$48,671</u>	<u>\$44,719</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Improvements Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$1,132,000	\$1,132,000	\$1,467,943	\$335,943
Intergovernmental	240,000	240,000	270,000	30,000
Contributions and Donations	200,000	200,000	119,971	(80,029)
Other	0	0	772	772
<i>Total Revenues</i>	<u>1,572,000</u>	<u>1,572,000</u>	<u>1,858,686</u>	<u>286,686</u>
<b>Expenditures</b>				
Capital Outlay:				
Capital Improvements:				
Other	1,815,891	2,461,096	2,256,468	204,628
Debt Service:				
Principal Retirement	162,263	265,058	265,053	5
Interest and Fiscal Charges	82,032	82,032	82,032	0
<i>Total Expenditures</i>	<u>2,060,186</u>	<u>2,808,186</u>	<u>2,603,553</u>	<u>204,633</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(488,186)	(1,236,186)	(744,867)	491,319
<b>Other Financing Sources</b>				
Transfers In	0	0	70,000	70,000
<i>Net Change in Fund Balance</i>	(488,186)	(1,236,186)	(674,867)	561,319
<i>Fund Balance Beginning of Year</i>	2,314,283	2,314,283	2,314,283	0
Prior Year Encumbrances Appropriated	78,096	78,096	78,096	0
<i>Fund Balance End of Year</i>	<u>\$1,904,193</u>	<u>\$1,156,193</u>	<u>\$1,717,512</u>	<u>\$561,319</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Maintenance and Repair Fund*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$575,000	\$553,000	\$643,906	\$90,906
Interest	0	1,500	0	(1,500)
<i>Total Revenues</i>	<u>575,000</u>	<u>554,500</u>	<u>643,906</u>	<u>89,406</u>
<b>Expenditures</b>				
Current:				
Transportation:				
Street Maintenance and Repair:				
Wages and Benefits	312,000	312,000	248,388	63,612
Other	262,296	262,296	246,038	16,258
<i>Total Expenditures</i>	<u>574,296</u>	<u>574,296</u>	<u>494,426</u>	<u>79,870</u>
<i>Net Change in Fund Balance</i>	704	(19,796)	149,480	169,276
<i>Fund Balance Beginning of Year</i>	174,730	174,730	174,730	0
Prior Year Encumbrances Appropriated	<u>7,296</u>	<u>7,296</u>	<u>7,296</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$182,730</u>	<u>\$162,230</u>	<u>\$331,506</u>	<u>\$169,276</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Highway Fund*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$43,000	\$43,000	\$51,307	\$8,307
<b>Expenditures</b>				
Current:				
Transportation:				
Garage:				
Wages and Benefits	6,000	6,000	0	6,000
Other	40,300	40,300	25,260	15,040
<i>Total Expenditures</i>	46,300	46,300	25,260	21,040
<i>Net Change in Fund Balance</i>	(3,300)	(3,300)	26,047	29,347
<i>Fund Balance Beginning of Year</i>	170,340	170,340	170,340	0
Prior Year Encumbrances Appropriated	15,300	15,300	15,300	0
<i>Fund Balance End of Year</i>	<u>\$182,340</u>	<u>\$182,340</u>	<u>\$211,687</u>	<u>\$29,347</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Community Development Block Grant Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$0	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
<b>Other Financing Sources</b>				
Advances In	0	0	92,789	92,789
<i>Net Change in Fund Balance</i>	0	0	92,789	92,789
<i>Fund Balance Beginning of Year</i>	524	524	524	0
<i>Fund Balance End of Year</i>	\$524	\$524	\$93,313	\$92,789



**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Lighting Fund*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$133,185	\$133,185	\$127,726	(\$5,459)
Intergovernmental	38,000	41,000	25,501	(15,499)
<i>Total Revenues</i>	171,185	174,185	153,227	(20,958)
<b>Expenditures</b>				
Current:				
Basic Utility Services:				
Street Lighting:				
Other	179,195	211,195	211,178	17
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(8,010)	(37,010)	(57,951)	(20,941)
<b>Other Financing Sources</b>				
Transfers In	0	0	30,000	30,000
<i>Net Change in Fund Balance</i>	(8,010)	(37,010)	(27,951)	9,059
<i>Fund Balance Beginning of Year</i>	52,312	52,312	52,312	0
Prior Year Encumbrances Appropriated	195	195	195	0
<i>Fund Balance End of Year</i>	<u>\$44,497</u>	<u>\$15,497</u>	<u>\$24,556</u>	<u>\$9,059</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Motor Vehicle License Tax Fund*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Local Taxes	\$28,000	\$28,000	\$30,627	\$2,627
<b>Expenditures</b>				
Current:				
Transportation:				
Motor Vehicle License Tax:				
Other	<u>28,760</u>	<u>40,760</u>	<u>34,016</u>	<u>6,744</u>
<i>Net Change in Fund Balance</i>	(760)	(12,760)	(3,389)	9,371
<i>Fund Balance Beginning of Year</i>	33,391	33,391	33,391	0
Prior Year Encumbrances Appropriated	<u>3,760</u>	<u>3,760</u>	<u>3,760</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$36,391</u></u>	<u><u>\$24,391</u></u>	<u><u>\$33,762</u></u>	<u><u>\$9,371</u></u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recycling and Litter Fund*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$1	\$1	\$0	(\$1)
<b>Expenditures</b>				
Current:				
Community Environment:				
Recycling and Litter:				
Other	810	810	810	0
<i>Net Change in Fund Balance</i>	(809)	(809)	(810)	(1)
<i>Fund Balance Beginning of Year</i>	810	810	810	0
<i>Fund Balance End of Year</i>	\$1	\$1	\$0	(\$1)

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*D.A.R.E. Fund*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$15,000	\$15,000	\$14,709	(\$291)
Other	0	0	140	140
<i>Total Revenues</i>	<u>15,000</u>	<u>15,000</u>	<u>14,849</u>	<u>(151)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Wages and Benefits	10,000	13,573	13,573	0
Other	2,000	12,000	1,907	10,093
<i>Total Expenditures</i>	<u>12,000</u>	<u>25,573</u>	<u>15,480</u>	<u>10,093</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	3,000	(10,573)	(631)	9,942
<b>Other Financing Uses</b>				
Advances Out	0	(8,427)	(15,000)	(6,573)
<i>Net Change in Fund Balance</i>	3,000	(19,000)	(15,631)	3,369
<i>Fund Balance Beginning of Year</i>	<u>23,736</u>	<u>23,736</u>	<u>23,736</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$26,736</u></u>	<u><u>\$4,736</u></u>	<u><u>\$8,105</u></u>	<u><u>\$3,369</u></u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*FEMA Fire Act Fund*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$10,000	\$20,000	\$15,343	(\$4,657)
<b>Expenditures</b>				
Security of Persons and Property:				
Fire:				
Other	<u>15,130</u>	<u>15,130</u>	<u>0</u>	<u>15,130</u>
<i>Net Change in Fund Balance</i>	(5,130)	4,870	15,343	10,473
<i>Fund Balance Beginning of Year</i>	30,754	30,754	30,754	0
Prior Year Encumbrances Appropriated	<u>130</u>	<u>130</u>	<u>130</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$25,754</u></u>	<u><u>\$35,754</u></u>	<u><u>\$46,227</u></u>	<u><u>\$10,473</u></u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Federal Grants Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$60,000	\$60,000	\$45,786	(\$14,214)
<b>Expenditures</b>				
Security of Persons and Property:				
Police:				
Wages and Benefits	15,000	15,000	0	15,000
Other	50,000	50,000	0	50,000
<i>Total Expenditures</i>	65,000	65,000	0	65,000
<i>Excess of Revenues Over (Under) Expenditures</i>	(5,000)	(5,000)	45,786	50,786
<b>Other Financing Sources (Uses)</b>				
Advances Out	0	0	(75,000)	(75,000)
Transfers In	0	0	22,250	22,250
<i>Total Other Financing Sources (Uses)</i>	0	0	(52,750)	(52,750)
<i>Net Change in Fund Balance</i>	(5,000)	(5,000)	(6,964)	(1,964)
<i>Fund Balance Beginning of Year</i>	6,965	6,965	6,965	0
<i>Fund Balance End of Year</i>	\$1,965	\$1,965	\$1	(\$1,964)

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*C.O.P.S. Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$150,000	\$150,000	\$160,892	\$10,892
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Public Safety Equipment:				
Other	153,200	173,200	170,793	2,407
<i>Net Change in Fund Balance</i>	(3,200)	(23,200)	(9,901)	13,299
<i>Fund Balance Beginning of Year</i>	23,549	23,549	23,549	0
<i>Fund Balance End of Year</i>	<u>\$20,349</u>	<u>\$349</u>	<u>\$13,648</u>	<u>\$13,299</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public Safety Equipment Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$500	\$500	\$0	(\$500)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Public Safety Equipment:				
Other	2,500	2,500	1,838	662
<i>Net Change in Fund Balance</i>	(2,000)	(2,000)	(1,838)	162
<i>Fund Balance Beginning of Year</i>	9,120	9,120	9,120	0
<i>Fund Balance End of Year</i>	\$7,120	\$7,120	\$7,282	\$162



**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Federal Drug Forfeiture Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$0	\$0	\$27,903	\$27,903
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	27,903	27,903
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$27,903</u></u>	<u><u>\$27,903</u></u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$1,500	\$1,500	\$1,316	(\$184)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Law Enforcement:				
Other	2,197	10,197	0	10,197
<i>Net Change in Fund Balance</i>	(697)	(8,697)	1,316	10,013
<i>Fund Balance Beginning of Year</i>	19,141	19,141	19,141	0
Prior Year Encumbrances Appropriated	197	197	197	0
<i>Fund Balance End of Year</i>	<u>\$18,641</u>	<u>\$10,641</u>	<u>\$20,654</u>	<u>\$10,013</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**Mandatory Drug Law Fund**  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines, Licenses and Permits	<u>\$31,500</u>	<u>\$32,000</u>	<u>\$29,522</u>	<u>(\$2,478)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Mandatory Drug Law:				
Other	370	40,370	0	40,370
Debt Service:				
Principal Retirement	7,609	7,609	7,609	0
Interest and Fiscal Charges	<u>1,021</u>	<u>1,021</u>	<u>1,021</u>	<u>0</u>
<i>Total Expenditures</i>	<u>9,000</u>	<u>49,000</u>	<u>8,630</u>	<u>40,370</u>
<i>Net Change in Fund Balance</i>	22,500	(17,000)	20,892	37,892
<i>Fund Balance Beginning of Year</i>	<u>77,688</u>	<u>77,688</u>	<u>77,688</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$100,188</u></u>	<u><u>\$60,688</u></u>	<u><u>\$98,580</u></u>	<u><u>\$37,892</u></u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Termination Leave Payment Fund*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Municipal Income Taxes	\$280,000	\$280,000	\$298,895	\$18,895
<b>Expenditures</b>				
Current:				
General Government:				
Wages and Benefits	<u>120,200</u>	<u>235,200</u>	<u>232,900</u>	<u>2,300</u>
<i>Excess of Revenues</i>				
<i>Over Expenditures</i>	159,800	44,800	65,995	21,195
<b>Other Financing Uses</b>				
Advances Out	<u>(50,000)</u>	<u>0</u>	<u>(50,000)</u>	<u>(50,000)</u>
<i>Net Change in Fund Balance</i>	109,800	44,800	15,995	(28,805)
<i>Fund Balance Beginning of Year</i>	<u>60,270</u>	<u>60,270</u>	<u>60,270</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$170,070</u></u>	<u><u>\$105,070</u></u>	<u><u>\$76,265</u></u>	<u><u>(\$28,805)</u></u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Domino Trust Fund*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Contributions and Donations	\$77,500	\$77,500	\$77,286	(\$214)
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Other	<u>75,000</u>	<u>75,000</u>	<u>0</u>	<u>75,000</u>
<i>Net Change in Fund Balance</i>	2,500	2,500	77,286	74,786
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,500</u></u>	<u><u>\$2,500</u></u>	<u><u>\$77,286</u></u>	<u><u>\$74,786</u></u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Pension Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$326,620	\$326,620	\$316,249	(\$10,371)
Intergovernmental	66,350	72,000	59,521	(12,479)
<i>Total Revenues</i>	<u>392,970</u>	<u>398,620</u>	<u>375,770</u>	<u>(22,850)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Wages and Benefits	438,858	463,858	458,808	5,050
Debt Service:				
Principal Retirement	1,172	1,172	1,172	0
Interest and Fiscal Charges	2,070	2,070	2,070	0
Total Debt Service	<u>3,242</u>	<u>3,242</u>	<u>3,242</u>	<u>0</u>
<i>Total Expenditures</i>	<u>442,100</u>	<u>467,100</u>	<u>462,050</u>	<u>5,050</u>
<i>Excess of Revenues Under Expenditures</i>	(49,130)	(68,480)	(86,280)	(17,800)
<b>Other Financing Sources</b>				
Transfers In	0	0	42,000	42,000
<i>Net Change in Fund Balance</i>	(49,130)	(68,480)	(44,280)	24,200
<i>Fund Balance Beginning of Year</i>	<u>69,622</u>	<u>69,622</u>	<u>69,622</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$20,492</u>	<u>\$1,142</u>	<u>\$25,342</u>	<u>\$24,200</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Pension Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$364,673	\$364,673	\$353,093	(\$11,580)
Intergovernmental	71,550	71,550	66,456	(5,094)
<i>Total Revenues</i>	436,223	436,223	419,549	(16,674)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire Pension:				
Wages and Benefits	477,000	464,500	464,278	222
<i>Net Change in Fund Balance</i>	(40,777)	(28,277)	(44,729)	(16,452)
<i>Fund Balance Beginning of Year</i>	97,470	97,470	97,470	0
<i>Fund Balance End of Year</i>	<u>\$56,693</u>	<u>\$69,193</u>	<u>\$52,741</u>	<u>(\$16,452)</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Groeger Trust Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$0	\$0	\$2	\$2
<b>Expenditures</b>				
Current:				
Leisure Time Activities:				
Groeger Trust:				
Other	1,000	1,000	794	206
<i>Net Change in Fund Balance</i>	(1,000)	(1,000)	(792)	208
<i>Fund Balance Beginning of Year</i>	5,797	5,797	5,797	0
<i>Fund Balance End of Year</i>	<u>\$4,797</u>	<u>\$4,797</u>	<u>\$5,005</u>	<u>\$208</u>



**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Court Computer Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$26,000	\$20,000	\$18,095	(\$1,905)
<b>Expenditures</b>				
Current:				
General Government:				
Courts:				
Other	13,000	13,000	7,539	5,461
<i>Net Change in Fund Balance</i>	13,000	7,000	10,556	3,556
<i>Fund Balance Beginning of Year</i>	47,777	47,777	47,777	0
<i>Fund Balance End of Year</i>	\$60,777	\$54,777	\$58,333	\$3,556

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Juvenile Diversion Fund*  
*For the Year Ended December 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$2,409	\$3,000	\$2,475	(\$525)
Intergovernmental	<u>7,591</u>	<u>6,500</u>	<u>7,800</u>	<u>1,300</u>
<i>Total Revenues</i>	10,000	9,500	10,275	775
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Juvenile Diversion:				
Other	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,000	500	1,275	775
<i>Fund Balance Beginning of Year</i>	<u>5,889</u>	<u>5,889</u>	<u>5,889</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,889</u></u>	<u><u>\$6,389</u></u>	<u><u>\$7,164</u></u>	<u><u>\$775</u></u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*P.O.P.A.S. Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$206,000	\$176,000	\$166,182	(\$9,818)
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Police:				
Wages and Benefits	95,000	95,000	63,795	31,205
Other	86,085	101,085	94,765	6,320
<i>Total Expenditures</i>	<u>181,085</u>	<u>196,085</u>	<u>158,560</u>	<u>37,525</u>
<i>Net Change in Fund Balance</i>	24,915	(20,085)	7,622	27,707
<i>Fund Balance Beginning of Year</i>	209,481	209,481	209,481	0
Prior Year Encumbrances Appropriated	<u>13,085</u>	<u>13,085</u>	<u>13,085</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$247,481</u></u>	<u><u>\$202,481</u></u>	<u><u>\$230,188</u></u>	<u><u>\$27,707</u></u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Underground Storage Tank Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other	\$18,000	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Community Environment:				
Underground Storage Tank:				
Other	1,000	16,000	15,179	821
<i>Net Change in Fund Balance</i>	17,000	(16,000)	(15,179)	821
<i>Fund Balance Beginning of Year</i>	23,525	23,525	23,525	0
<i>Fund Balance End of Year</i>	\$40,525	\$7,525	\$8,346	\$821

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Budget Stabilization Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
<b>Other Financing Sources</b>				
Transfers In	850,000	750,000	745,000	(5,000)
<i>Net Change in Fund Balance</i>	850,000	750,000	745,000	(5,000)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$850,000</u>	<u>\$750,000</u>	<u>\$745,000</u>	<u>(\$5,000)</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Tiedeman Road Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$128,000	\$120,000	\$150,364	\$30,364
Property Taxes	32,000	30,000	38,584	8,584
<i>Total Revenues</i>	160,000	150,000	188,948	38,948
<b>Expenditures</b>	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	160,000	150,000	188,948	38,948
<b>Other Financing Uses</b>				
Transfers Out	(175,000)	(200,000)	(200,000)	0
<i>Net Change in Fund Balance</i>	(15,000)	(50,000)	(11,052)	38,948
<i>Fund Balance Beginning of Year</i>	58,206	58,206	58,206	0
<i>Fund Balance End of Year</i>	<u>\$43,206</u>	<u>\$8,206</u>	<u>\$47,154</u>	<u>\$38,948</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Biddulph Road Fund*  
*For the Year Ended December 31, 2011*

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$5	\$5	\$0	(\$5)
<b>Expenditures</b>				
Capital Outlay:				
Biddulph Road:				
Capital Outlay	2,855	2,855	2,852	3
<i>Net Change in Fund Balance</i>	(2,850)	(2,850)	(2,852)	(2)
<i>Fund Balance Beginning of Year</i>	2,852	2,852	2,852	0
<i>Fund Balance End of Year</i>	<u>\$2</u>	<u>\$2</u>	<u>\$0</u>	<u>(\$2)</u>

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Safety Forces Construction Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
<b>Other Financing Sources (Uses)</b>				
Transfers In	340,000	340,000	316,794	(23,206)
Transfers Out	(338,000)	(338,000)	(316,794)	21,206
<i>Total Other Financing Sources (Uses)</i>	2,000	2,000	0	(2,000)
<i>Net Change in Fund Balance</i>	2,000	2,000	0	(2,000)
<i>Fund Balance Beginning of Year</i>	8	8	8	0
<i>Fund Balance End of Year</i>	<u>\$2,008</u>	<u>\$2,008</u>	<u>\$8</u>	<u>(\$2,000)</u>



**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*I-480 / Tiedeman Upgrade Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
<b>Other Financing Sources (Uses)</b>				
Advance Out	(20,000)	(20,000)	(20,000)	0
Transfers In	17,150	17,150	17,150	0
<i>Total Other Financing Sources (Uses)</i>	(2,850)	(2,850)	(2,850)	0
<i>Net Change in Fund Balance</i>	(2,850)	(2,850)	(2,850)	0
<i>Fund Balance Beginning of Year</i>	2,850	2,850	2,850	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**City of Brooklyn, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Retrospective Medical Claims Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$280,000	\$280,000	\$298,895	\$18,895
<b>Expenses</b>				
Claims	302,000	72,000	55,525	16,475
<i>Net Change in Fund Equity</i>	(22,000)	208,000	243,370	35,370
<i>Fund Equity Beginning of Year</i>	168,773	168,773	168,773	0
<i>Fund Equity End of Year</i>	\$146,773	\$376,773	\$412,143	\$35,370



***STATISTICAL SECTION***

***CITY OF BROOKLYN, OHIO***

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## Statistical Section

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

<b>Contents</b>	<b>Pages(s)</b>
<b><i>Financial Trends</i></b> .....	S2 – S11
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<b><i>Revenue Capacity</i></b> .....	S12 – S19
These schedules contain information to help the reader assess the City’s most significant local revenues, the property tax and the municipal income tax.	
<b><i>Debt Capacity</i></b> .....	S20 - S26
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.	
<b><i>Economic and Demographic Information</i></b> .....	S27 - S29
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<b><i>Operating Information</i></b> .....	S30 - S39
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

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

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental Activities				
Invested in Capital Assets	\$21,862,515	\$21,125,879	\$21,616,798	\$22,732,949
Restricted:				
Capital Projects	924,712	2,666,804	2,146,491	1,722,815
Debt Service	16,177	0	0	82,902
Street Construction, Maintenance and Repair	531,517	415,740	346,999	352,507
State Highway	230,903	195,863	166,341	152,741
Street Lighting	0	0	0	0
Court Computer	59,723	49,752	30,078	17,081
Police Programs	441,248	532,946	425,525	161,770
Other Purposes	193,850	233,034	246,223	181,782
Unrestricted (Deficit)	<u>7,972,267</u>	<u>3,155,602</u>	<u>(2,430,833)</u>	<u>(354,438)</u>
<i>Total Governmental Activities Net Assets</i>	<u><u>\$32,232,912</u></u>	<u><u>\$28,375,620</u></u>	<u><u>\$22,547,622</u></u>	<u><u>\$25,050,109</u></u>

2007	2006	2005	2004	2003
\$22,893,430	\$21,907,993	\$15,357,773	\$20,264,115	\$19,081,359
1,860,948	2,104,553	5,687,329	1,796,796	2,014,319
0	0	160,808	174,909	344,880
290,459	298,241	223,557	429,095	331,950
130,675	114,162	77,558	78,242	0
0	0	0	0	148,860
16,534	46,779	61,576	66,078	58,014
100,494	75,024	77,307	86,937	0
150,493	170,522	145,292	92,640	134,707
55,795	2,001,520	445,379	(161,198)	729,509
<u>\$25,498,828</u>	<u>\$26,718,794</u>	<u>\$22,236,579</u>	<u>\$22,827,614</u>	<u>\$22,843,598</u>

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

	2011	2010	2009	2008
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$138,097	\$102,807	\$103,950	\$85,736
Security of Persons and Property	820,180	1,032,438	953,949	1,001,928
Community Environment	209,212	79,481	84,495	97,191
Basic Utility Services	2,760	1,990	2,601	6,795
Leisure Time Activities	661,434	621,789	685,917	717,232
Subtotal - Charges for Services	<u>1,831,683</u>	<u>1,838,505</u>	<u>1,830,912</u>	<u>1,908,882</u>
Operating Grants and Contributions:				
General Government	52,059	105,242	92,616	134,129
Security of Persons and Property	321,250	658,332	439,532	271,357
Transportation	634,485	670,206	576,481	704,662
Community Environment	0	0	0	104,157
Basic Utility Services	21,051	48,777	48,320	41,084
Leisure Time Activities	77,286	0	0	0
Subtotal - Operating Grants and Contributions	<u>1,106,131</u>	<u>1,482,557</u>	<u>1,156,949</u>	<u>1,255,389</u>
Capital Grants and Contributions:				
Security of Persons and Property	0	0	0	0
Transportation	434,258	518,592	25,503	217,646
<i>Total Governmental Activities Program Revenues</i>	<u>3,372,072</u>	<u>3,839,654</u>	<u>3,013,364</u>	<u>3,381,917</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	2,262,887	2,619,663	2,416,591	2,079,281
Security of Persons and Property	8,028,942	8,466,060	8,821,940	8,812,504
Transportation	838,332	224,314	972,791	1,246,843
Community Environment	1,688,702	959,325	4,430,941	1,884,187
Basic Utility Services	2,187,111	2,332,882	2,583,382	3,090,199
Leisure Time Activities	2,285,763	2,159,394	2,513,099	2,743,950
Interest and Fiscal Charges	314,400	398,123	439,959	448,354
<i>Total Governmental Activities Expenses</i>	<u>17,606,137</u>	<u>17,159,761</u>	<u>22,178,703</u>	<u>20,305,318</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	<u>(\$14,234,065)</u>	<u>(\$13,320,107)</u>	<u>(\$19,165,339)</u>	<u>(\$16,923,401)</u>



2007	2006	2005	2004	2003
\$118,104	\$70,964	\$49,926	\$29,684	\$33,508
681,396	760,677	674,340	722,691	810,495
100,064	136,206	124,325	108,532	132,797
1,763	233	338	6,368	13,456
578,526	655,500	632,046	651,953	613,409
<u>1,479,853</u>	<u>1,623,580</u>	<u>1,480,975</u>	<u>1,519,228</u>	<u>1,603,665</u>
112,470	22,059	22,886	27,316	26,647
326,059	147,644	201,212	256,546	85,474
735,436	659,244	604,328	621,256	468,008
0	4,741	33,546	100,603	82,277
32,579	0	0	0	0
0	0	0	0	0
<u>1,206,544</u>	<u>833,688</u>	<u>861,972</u>	<u>1,005,721</u>	<u>662,406</u>
0	0	35,093	0	0
<u>191,381</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>2,877,778</u>	<u>2,457,268</u>	<u>2,378,040</u>	<u>2,524,949</u>	<u>2,266,071</u>
1,980,326	1,492,020	2,022,846	1,780,771	1,728,888
8,930,741	7,010,400	8,768,021	7,445,195	7,434,844
1,900,474	252,414	1,291,187	796,490	865,328
1,837,776	1,784,567	1,741,243	1,565,039	1,600,235
3,342,106	2,854,851	3,012,207	3,019,920	2,982,030
2,689,422	2,309,476	2,305,614	2,423,794	2,430,608
471,505	494,153	234,754	222,601	229,090
<u>21,152,350</u>	<u>16,197,881</u>	<u>19,375,872</u>	<u>17,253,810</u>	<u>17,271,023</u>
<u>(\$18,274,572)</u>	<u>(\$13,740,613)</u>	<u>(\$16,997,832)</u>	<u>(\$14,728,861)</u>	<u>(\$15,004,952)</u>

(continued)

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

	2011	2010	2009	2008
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$642,734	\$635,942	\$1,139,534	\$1,037,895
Street Lighting	124,163	122,467	146,974	137,985
Police Pension	307,511	300,336	380,023	338,390
Fire Pension	343,337	335,327	424,296	377,815
Debt Service	298,553	291,588	368,955	328,534
Capital Outlay	38,584	38,032	46,642	55,543
Municipal Income Taxes levied for:				
General Purposes	12,463,632	14,238,025	11,518,038	10,472,331
Termination Leave Payment	296,719	327,790	99,046	0
Retrospective Medical Claims	296,148	348,837	102,987	0
Debt Service	0	0	0	0
Capital Outlay	1,730,787	1,010,760	856,179	1,790,878
Local Taxes	300,522	268,085	266,960	171,729
Grants and Entitlements not Restricted to				
Specific Programs	1,058,307	1,115,478	1,115,311	1,307,344
Investment Income	31,083	47,982	99,672	324,568
Gain on Sale of Capital Assets	43,705	0	17,990	0
Other	115,572	67,456	80,245	131,670
<i>Total Governmental Activities</i>	<u>18,091,357</u>	<u>19,148,105</u>	<u>16,662,852</u>	<u>16,474,682</u>
<i>Total Change in Net Assets</i>	<u>\$3,857,292</u>	<u>\$5,827,998</u>	<u>(\$2,502,487)</u>	<u>(\$448,719)</u>

2007	2006	2005	2004	2003
\$1,215,894	\$1,118,624	\$1,106,813	\$1,024,867	\$966,181
165,820	148,264	92,175	93,809	88,999
290,911	485,973	377,898	302,767	283,463
451,697	444,776	468,419	396,573	371,627
337,536	370,645	363,739	375,228	418,061
74,059	79,210	79,441	78,087	38,071
10,348,944	11,873,518	10,505,190	9,273,873	10,045,460
0	0	0	0	0
0	0	0	0	0
0	0	0	0	300,239
2,124,235	1,844,414	1,640,193	1,914,683	1,774,897
0	0	0	0	0
1,442,977	1,228,147	1,278,859	1,015,766	1,021,200
445,581	654,993	412,082	184,372	135,906
9,126	0	2,696	0	0
147,826	81,341	79,292	52,852	23,490
17,054,606	18,329,905	16,406,797	14,712,877	15,467,594
(\$1,219,966)	\$4,589,292	(\$591,035)	(\$15,984)	\$462,642

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

	2011	2010	2009	2008
<b>General Fund</b>				
Reserved	\$0	\$0	\$3,939,871	\$3,863,104
Unreserved	0	0	1,899,926	1,898,890
Nonspendable	178,280	161,412	0	0
Restricted	4,141,873	3,954,812	0	0
Committed	8,346	23,525	0	0
Assigned	1,835,737	134,328	0	0
Unassigned	7,339,376	6,368,863	0	0
<b>Total General Fund</b>	<b>13,503,612</b>	<b>10,642,940</b>	<b>5,839,797</b>	<b>5,761,994</b>
<b>All Other Governmental Funds</b>				
Reserved	0	0	215,124	353,067
Unreserved, Undesignated, Reported in:				
Special Revenue funds	0	0	665,902	369,699
Debt Service fund (Deficit)	0	0	78,725	79,715
Capital Projects funds (Deficit)	0	0	1,936,063	1,379,650
Nonspendable	0	0	0	0
Restricted	1,234,979	792,665	0	0
Committed	1,233,360	2,673,211	0	0
Unassigned (Deficit)	(578,809)	(67,537)	0	0
<b>Total All Other Governmental Funds</b>	<b>1,889,530</b>	<b>3,398,339</b>	<b>2,895,814</b>	<b>2,182,131</b>
<b>Total Governmental Funds</b>	<b>\$15,393,142</b>	<b>\$14,041,279</b>	<b>\$8,735,611</b>	<b>\$7,944,125</b>

Note: During 2011, the City implemented GASB 54.

2007	2006	2005	2004	2003	2002
\$3,612,905	\$3,394,205	\$3,193,942	\$2,992,365	\$2,879,861	\$2,574,560
3,055,408	3,730,445	2,886,049	2,438,056	3,099,650	3,006,723
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
6,668,313	7,124,650	6,079,991	5,430,421	5,979,511	5,581,283
551,386	866,964	740,211	108,771	282,601	221,766
143,250	202,336	214,407	342,258	252,050	1,766,959
(21,841)	(4,438)	239,145	230,600	296,290	352,458
1,288,226	1,216,437	4,946,139	1,703,137	1,756,892	267,276
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,961,021	2,281,299	6,139,902	2,384,766	2,587,833	2,608,459
\$8,629,334	\$9,405,949	\$12,219,893	\$7,815,187	\$8,567,344	\$8,189,742

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

	2011	2010	2009	2008	2007
<b>Revenues</b>					
Municipal Income Taxes	\$14,603,931	\$15,378,165	\$12,247,285	\$12,102,414	\$12,891,860
Property Taxes	1,804,935	1,786,658	2,351,370	2,371,912	2,393,975
Local Taxes	298,257	269,488	263,665	170,301	0
Charges for Services	1,024,204	957,232	1,054,257	1,079,706	771,638
Fines, Licenses and Permits	750,068	824,573	719,955	772,476	651,515
Intergovernmental	2,564,402	2,940,363	2,444,270	2,690,551	2,647,967
Special Assessments	0	0	0	0	0
Contributions and Donations	197,257	132,286	2,404	17,273	22,551
Interest	31,083	47,982	99,672	324,568	445,581
Rentals	57,411	56,700	56,700	56,700	56,700
Other	115,572	67,456	76,276	131,670	147,826
<i>Total Revenues</i>	<u>21,447,120</u>	<u>22,460,903</u>	<u>19,315,854</u>	<u>19,717,571</u>	<u>20,029,613</u>
<b>Expenditures</b>					
Current:					
General Government	2,103,845	2,473,487	2,246,485	1,945,424	1,777,101
Security of Persons and Property	7,537,790	7,729,531	7,892,278	8,483,728	8,122,257
Transportation	520,129	627,981	598,620	854,362	747,293
Community Environment	1,529,276	801,511	2,233,166	1,690,952	1,599,877
Basic Utilities Services	1,843,794	2,038,735	2,212,848	2,873,084	2,901,785
Leisure Time Activities	1,675,711	1,523,363	1,827,384	2,159,751	2,071,857
Capital Outlay	1,972,515	455,840	1,271,760	1,203,029	3,964,960
Debt Service:					
Principal Retirement	2,612,289	879,056	798,932	1,027,789	983,395
Principal Retirement - Current Refunding	0	0	0	75,000	230,000
Interest and Fiscal Charges	343,613	422,074	428,645	451,937	473,568
Bond Issuance Costs	0	0	0	0	0
<i>Total Expenditures</i>	<u>20,138,962</u>	<u>16,951,578</u>	<u>19,510,118</u>	<u>20,765,056</u>	<u>22,872,093</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,308,158</u>	<u>5,509,325</u>	<u>(194,264)</u>	<u>(1,047,485)</u>	<u>(2,842,480)</u>
<b>Other Financing Sources (Uses)</b>					
Bond Premium	0	0	0	0	0
Bonds Issued	0	0	0	0	0
General Obligation Notes Issued	0	1,676,000	1,815,000	575,000	650,000
Current Refunding	0	(1,815,000)	(575,000)	(575,000)	(650,000)
Sale of Capital Assets	43,705	0	18,750	0	11,350
Inception of Capital Lease	0	24,343	0	0	2,054,515
Transfers In	1,168,018	1,136,440	1,054,192	1,181,245	1,250,779
Transfers Out	(1,168,018)	(1,225,440)	(1,327,192)	(1,181,245)	(1,250,779)
<i>Total Other Financing Sources (Uses)</i>	<u>43,705</u>	<u>(203,657)</u>	<u>985,750</u>	<u>0</u>	<u>2,065,865</u>
<i>Net Change in Fund Balances</i>	<u>\$1,351,863</u>	<u>\$5,305,668</u>	<u>\$791,486</u>	<u>(\$1,047,485)</u>	<u>(\$776,615)</u>
Debt Service as a Percentage of Noncapital Expenditures	16.4%	8.0%	6.8%	7.9%	7.8%

2006	2005	2004	2003	2002
\$13,477,404	\$12,251,146	\$11,282,075	\$11,774,432	\$10,782,083
2,436,189	2,502,769	2,264,418	2,150,305	2,163,852
0	0	0	0	0
825,376	802,328	837,834	822,895	880,019
781,275	678,647	681,394	780,770	913,412
2,045,099	2,113,217	1,916,555	1,669,861	2,441,584
0	0	85,000	75,000	97,278
24,850	25,677	30,107	30,381	36,812
654,993	412,082	184,372	135,906	169,578
16,929	0	0	0	277,502
81,341	79,292	52,852	23,490	146,089
<u>20,343,456</u>	<u>18,865,158</u>	<u>17,334,607</u>	<u>17,463,040</u>	<u>17,908,209</u>
2,007,973	1,658,777	1,713,115	1,543,745	1,237,345
7,739,321	7,379,730	7,051,268	6,773,741	6,882,432
535,888	713,054	518,645	587,379	441,473
1,639,827	1,409,089	1,474,151	1,364,005	1,329,200
2,490,055	2,612,506	2,636,120	2,526,614	2,545,154
1,917,722	1,970,298	2,023,864	1,955,914	1,904,760
5,893,082	2,501,641	1,516,301	1,388,901	2,554,573
955,504	1,150,667	3,158,241	3,344,804	601,985
0	0	0	0	0
529,353	213,261	219,310	245,970	327,626
113,472	0	0	0	0
<u>23,822,197</u>	<u>19,609,023</u>	<u>20,311,015</u>	<u>19,731,073</u>	<u>17,824,548</u>
<u>(3,478,741)</u>	<u>(743,865)</u>	<u>(2,976,408)</u>	<u>(2,268,033)</u>	<u>83,661</u>
299,477	0	0	0	0
5,255,000	0	0	0	0
880,000	5,800,000	1,910,000	2,400,000	0
(5,800,000)	(1,500,000)	0	0	0
30,320	2,696	3,601	0	11,688
0	845,875	310,650	245,635	404,091
903,321	769,054	764,070	477,475	431,695
(903,321)	(769,054)	(764,070)	(477,475)	(431,695)
<u>664,797</u>	<u>5,148,571</u>	<u>2,224,251</u>	<u>2,645,635</u>	<u>415,779</u>
<u>(\$2,813,944)</u>	<u>\$4,404,706</u>	<u>(\$752,157)</u>	<u>\$377,602</u>	<u>\$499,440</u>
10.5%	8.7%	21.9%	24.3%	6.5%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2011	\$147,141,060	\$169,170,360	\$903,746,914	\$17,001,890	\$19,320,330
2010	147,383,380	164,623,650	891,448,657	16,770,910	19,057,852
2009	147,578,400	166,211,610	896,542,886	16,902,930	19,207,875
2008	162,454,880	167,532,300	942,820,514	16,502,840	18,753,227
2007	162,295,170	166,548,580	939,553,570	17,787,020	20,212,523
2006	148,042,060	152,992,920	860,099,942	17,752,200	20,172,955
2005	147,931,850	152,600,270	858,663,200	18,798,000	21,361,364
2004	147,673,370	149,627,960	849,432,371	19,429,120	22,078,545
2003	137,296,000	149,030,280	818,075,086	19,451,050	22,103,466
2002	137,290,460	146,525,220	810,901,942	20,934,340	23,789,022

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010). During 2011, the County did not include an assessed value for general business tangible personal property.

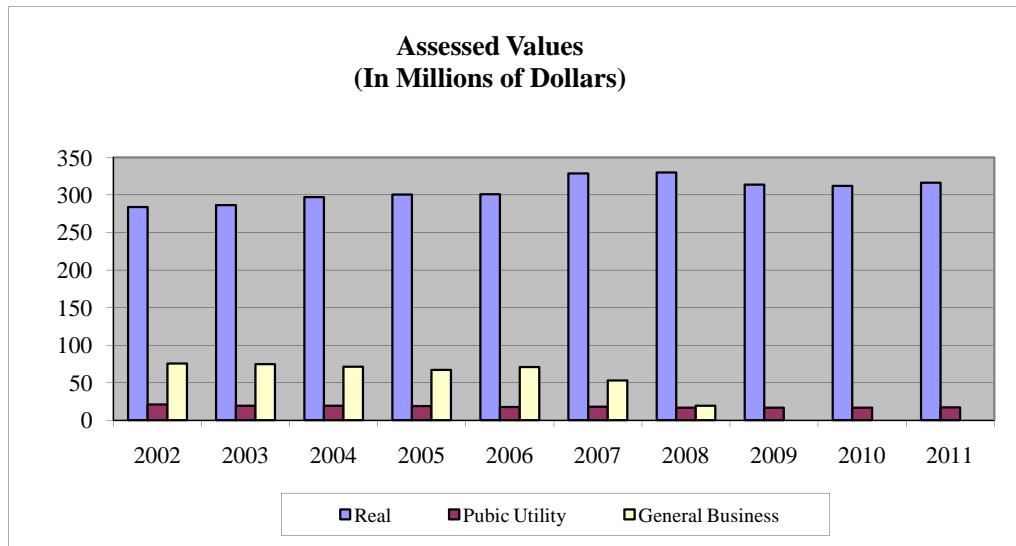
The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by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

**Source:** Office of the County Fiscal Officer, Cuyahoga County, Ohio



**Tangible Personal Property**

General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Tax Rate
\$0	\$0	\$333,313,310	\$923,067,244	36 %	\$5.90
0	0	328,777,940	910,506,509	36	5.90
0	0	330,692,940	915,750,761	36	5.90
19,201,489	307,223,824	365,691,509	1,268,797,566	29	6.90
52,837,854	422,702,832	399,468,624	1,382,468,926	29	6.90
70,888,141	378,070,085	389,675,321	1,258,342,983	31	6.90
67,156,690	268,626,760	386,486,810	1,148,651,324	34	6.90
71,086,443	284,345,772	387,816,893	1,155,856,689	34	5.40
74,455,744	297,822,976	380,233,074	1,138,001,528	33	5.40
75,714,966	302,859,864	380,464,986	1,137,550,829	33	5.40



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

	2011	2010	2009	2008
<b>Inside Millage</b>				
Operating	\$2.30000	\$2.30000	\$2.30000	\$2.30000
Fire Pension	0.90000	0.90000	0.90000	0.90000
Police Pension	0.70000	0.70000	0.70000	0.70000
<i>Total Inside Millage</i>	<u>3.90000</u>	<u>3.90000</u>	<u>3.90000</u>	<u>3.90000</u>
<b>Charter Millage</b>				
1976 Charter/Bond Retirement	1.00000	1.00000	1.00000	1.00000
1976 Charter/Street Lighting	0.42000	0.42000	0.42000	0.42000
1976 Charter/Current Expense	0.00000	0.00000	0.00000	1.00000
1976 Charter/Fire Pension	0.25000	0.25000	0.25000	0.25000
1976 Charter/Police Pension	0.33000	0.33000	0.33000	0.33000
<i>Total Charter Millage</i>	<u>2.00000</u>	<u>2.00000</u>	<u>2.00000</u>	<u>3.00000</u>
<b>Total Millage</b>	<u>\$5.90000</u>	<u>\$5.90000</u>	<u>\$5.90000</u>	<u>\$6.90000</u>
<b>Overlapping Rates by Taxing District</b>				
Brooklyn City School District				
Residential/Agricultural Real	\$35.3261	\$35.2990	\$35.0838	\$32.9276
Commercial/Industrial and Public Utility Real	34.3551	34.2130	33.8602	33.1222
General Business and Public Utility Personal	47.2000	47.2000	47.0000	46.4000
Cuyahoga County Commissioners				
Residential/Agricultural Real	13.1182	13.1866	13.1789	12.6607
Commercial/Industrial and Public Utility Real	12.7845	12.8413	12.8457	12.8153
General Business and Public Utility Personal	13.2200	13.3200	13.3200	13.3200
Special Taxing Districts (1)				
Residential/Agricultural Real	9.6903	9.6720	9.1880	8.6597
Commercial/Industrial and Public Utility Real	9.4061	9.3581	8.9194	8.8972
General Business and Public Utility Personal	9.9800	9.9800	9.6800	9.6800

Source: Cuyahoga County Fiscal Officer

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

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

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

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

The City has 12 mills (including inside millage) of charter millage authorized; through 2011 only 5.9 mills has been levied. The 5.9 mills includes 3.9 mills of inside millage.

- (1) Metro Parks, Port Authority, County Library, Community College, and Polaris Joint Vocational School District. 2002 - 2003 include the Metro Parks, County Library, and Polaris Joint Vocational School District. 2004 - 2011 Port Authority and Community College added.

2007	2006	2005	2004	2003	2002
\$2.30000	\$2.30000	\$2.30000	\$2.30000	\$2.30000	\$2.30000
0.90000	0.90000	0.90000	0.90000	0.90000	0.90000
0.70000	0.70000	0.70000	0.70000	0.70000	0.70000
3.90000	3.90000	3.90000	3.90000	3.90000	3.90000
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.42000	0.40000	0.25000	0.25000	0.25000	0.30000
1.00000	1.00000	1.00000	0.00000	0.00000	0.00000
0.25000	0.30000	0.40000	0.15000	0.15000	0.10000
0.33000	0.30000	0.35000	0.10000	0.10000	0.10000
3.00000	3.00000	3.00000	1.50000	1.50000	1.50000
\$6.90000	\$6.90000	\$6.90000	\$5.40000	\$5.40000	\$5.40000
\$26.0149	\$26.0281	\$26.0273	\$26.0257	\$29.9529	\$29.9498
26.2242	26.5609	26.4834	26.5447	30.1638	30.1644
39.5000	39.5000	39.5000	39.5000	43.4000	43.4000
11.8689	11.7227	10.9754	10.9899	12.4609	11.3815
12.4536	12.5762	11.9846	12.0433	12.8764	12.0023
13.5200	13.5200	13.5200	13.5200	14.6500	14.6500
7.9675	8.2900	8.2880	6.7784	4.5323	4.5354
8.2518	8.5685	8.5067	7.1811	4.5497	4.5320
9.1800	9.1800	9.1800	8.2800	5.3500	5.3500

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

Collection Year	Current Tax Levy (2)	Current Tax Collections (2)	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections
2011	\$1,945,297	\$1,876,656	96.47 %	\$49,092
2010	1,953,844	1,884,608	96.46	57,067
2009	2,409,896	2,294,076	95.19	52,834
2008	2,402,660	2,334,188	97.15	84,929
2007	2,352,293	2,218,073	94.29	43,686
2006	2,188,363	2,129,842	97.33	25,608
2005	2,197,399	2,126,897	96.79	38,450
2004	1,721,897	1,674,028	97.22	60,099
2003	1,658,287	1,590,902	95.94	30,891
2002	1,645,513	1,587,957	96.50	67,587

Source: Cuyahoga County, Ohio; Fiscal Officer

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

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

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<u>Total Tax Collections (1)</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes (3)</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
\$1,925,748	99.00 %	\$60,500	3.11 %
1,941,675	99.38	39,502	2.02
2,346,910	97.39	77,109	3.20
2,419,117	100.68	72,798	3.03
2,261,759	96.15	98,172	4.17
2,155,450	98.50	47,654	2.18
2,165,347	98.54	44,522	2.03
1,734,127	100.71	50,073	2.91
1,621,793	97.80	62,151	3.75
1,655,544	100.61	43,807	2.66

**City of Brooklyn, Ohio**  
*Principal Real Property Taxpayers*  
 2011 and 2002

<i>2011</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Plain Dealer Publishing Company	\$21,461,020	6.78 %
Cleveland Electric Illuminating	10,875,090	3.44
Ameritrust Co National Association	9,723,460	3.07
Ridge Park Square LLC	9,196,560	2.91
American Greetings Corporation	8,800,940	2.78
Troy CMBS Property LLC	5,578,480	1.76
American Transmission System	5,545,880	1.75
Westedge Residential, LLC	5,162,450	1.63
Northcliff Shopping	4,508,640	1.43
Terraces at Northridge LTD	4,466,000	1.41
<b>Total</b>	<b>\$85,318,520</b>	<b>26.96 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$316,311,420</b>	

<i>2002</i>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Plain Dealer Publishing Company	\$26,577,150	9.36 %
Cleveland Electric Illuminating	9,078,360	3.20
Ridge Park Square LLC	8,015,040	2.82
American Transmission System	7,957,520	2.80
American Greetings Corporation	6,858,600	2.42
Westbrook Apartments	4,975,180	1.75
Troy CMBS Property LLC	4,788,210	1.69
Terraces at Northridge LTD	4,255,300	1.50
Memphis Property Corporation	4,017,830	1.42
Biddulph Ridge Extension LLC	3,978,100	1.40
<b>Total</b>	<b>\$80,501,290</b>	<b>28.36 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$283,815,680</b>	

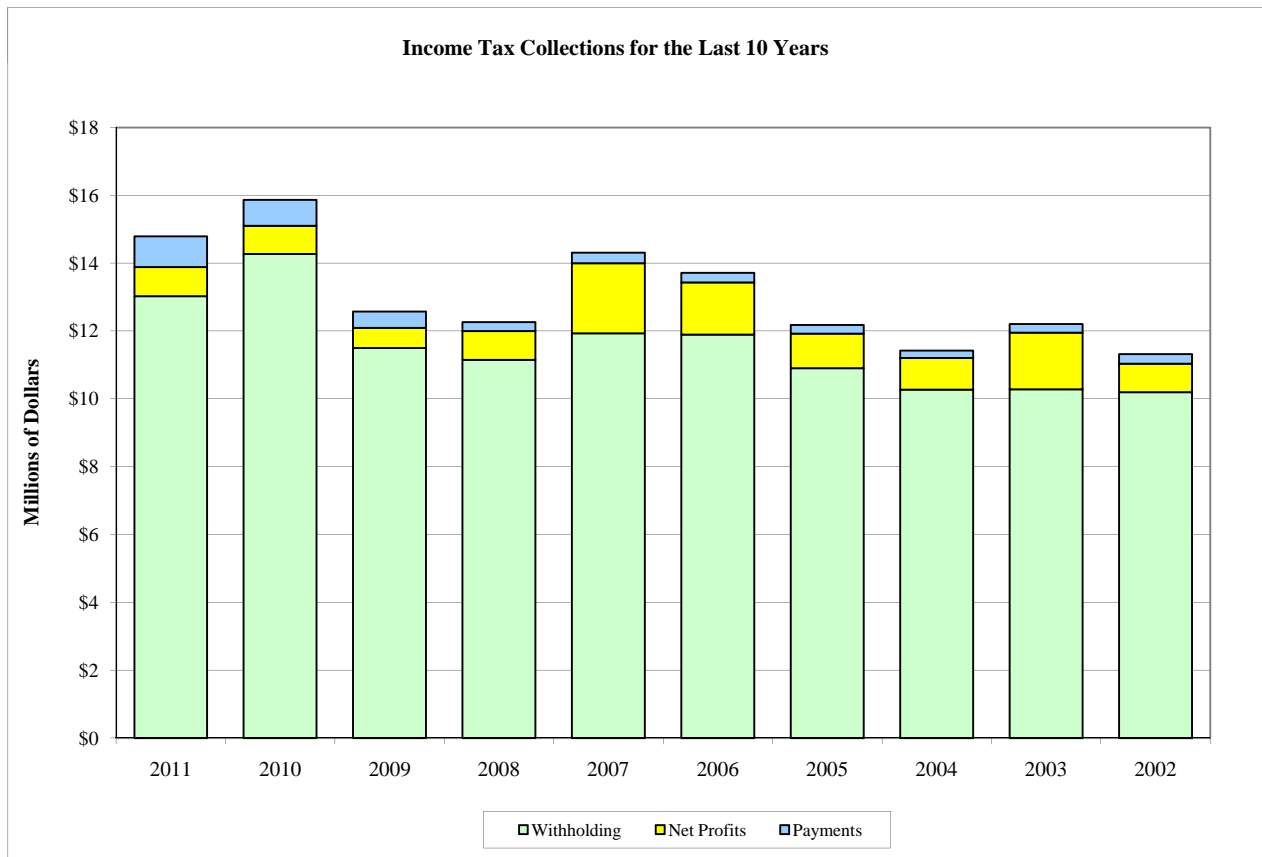
Source: Cuyahoga County Fiscal Officer

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

Tax Year (1)	Tax Rate (2)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individual Payments	Percentage of Taxes from Individual Payments
2011	2.50%	\$14,790,033	\$13,026,141	88.07%	\$861,775	5.83%	\$902,117	6.10%
2010	2.50	15,865,212	14,271,733	89.96	831,687	5.24	761,792	4.80
2009	2.50	12,576,250	11,496,947	91.42	598,243	4.75	481,060	3.83
2008	2.00	12,263,209	11,147,257	90.90	853,519	6.96	262,433	2.14
2007	2.00	12,473,179	11,928,400	95.63	2,070,648	16.60	310,489	2.49
2006	2.00	13,717,932	11,896,241	86.72	1,535,556	11.19	286,135	2.09
2005	2.00	12,145,383	10,900,207	89.75	1,022,100	8.42	255,146	2.10
2004	2.00	11,188,556	10,271,627	91.80	929,723	8.31	224,559	2.01
2003	2.00	12,120,596	10,278,308	84.80	1,669,103	13.77	258,849	2.14
2002	2.00	10,782,083	10,191,039	94.52	841,865	7.81	281,931	2.61

- (1) 2003 through 2011 are on an Accrual Basis and 2002 is on a Modified Accrual Basis
- (2) Effective June 1, 2009 City of Brooklyn Electors voted to increase the City income tax by .50 percent to generate proceeds to be used for the governmental expenses.
- (3) The City is statutorily prohibited from presenting individual taxpayer information.

Source: City Income Tax Department Records for years 2002 through 2008  
Regional Income Tax Agency Records for year 2009 through 2011



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

Year	Governmental Activities				
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Capital Leases	Police and Fire Pension
2011	\$4,775,606	\$0	\$192,395	\$1,747,417	\$47,840
2010	5,369,218	0	274,850	2,020,079	49,012
2009	5,942,831	0	329,820	2,258,699	50,135
2008	6,481,444	0	357,305	2,504,069	51,212
2007	7,010,057	0	412,275	2,823,720	52,245
2006	7,513,670	0	467,245	1,032,018	53,235
2005	2,522,806	0	522,215	1,215,926	54,184
2004	2,832,806	0	577,185	587,647	55,094
2003	3,127,806	85,000	632,155	450,256	55,967
2002	3,417,806	160,000	687,125	337,119	56,804

Note: Population and Personal Income data are presented on page S28



Honeywell Loan	Long-Term Notes	Total Debt	Percentage of Personal Income	Per Capita
\$0	\$0	\$6,763,258	2.85%	\$606
0	1,676,000	9,389,159	3.96	841
0	1,815,000	10,396,485	4.25	897
0	575,000	9,969,030	4.07	860
137,135	650,000	11,085,432	4.53	957
311,757	880,000	10,257,925	4.19	885
477,434	5,800,000	10,592,565	4.33	914
634,625	1,910,000	6,597,357	2.70	569
783,764	2,400,000	7,534,948	3.08	650
925,263	0	5,584,117	2.28	482

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

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Year	Population (1)	Estimated Actual Values of Taxable Property (2)	Bonded Debt
2011	11,169	\$923,067,244	\$4,775,606
2010	11,169	910,506,509	5,369,218
2009	11,586	915,750,761	5,942,831
2008	11,586	1,268,797,566	6,481,444
2007	11,586	1,382,468,926	7,010,057
2006	11,586	1,258,342,983	7,513,670
2005	11,586	1,148,651,324	2,522,806
2004	11,586	1,155,856,689	2,832,806
2003	11,586	1,138,001,528	3,127,806
2002	11,586	1,137,550,829	3,417,806

Sources:

(1) 2002-2009: 2000 U. S. Bureau of Census, Census of Population.

2010-2011: 2010 U.S. Bureau of Census, Census Population

(2) Cuyahoga County Fiscal Officer

Ratio of Bonded Debt to Estimated Actual Values of Taxable Property	Bonded Debt Per Capita
0.52%	\$427.58
0.59	480.73
0.65	512.93
0.51	559.42
0.51	605.05
0.60	648.51
0.22	217.75
0.25	244.50
0.27	269.96
0.30	294.99

**City of Brooklyn, Ohio**

*Legal Debt Margin*

*Last Ten Years*

	2011	2010	2009	2008
Total Assessed Property Value	<u>\$333,313,310</u>	<u>\$328,777,940</u>	<u>\$330,692,940</u>	<u>\$365,691,509</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$4,557,806	\$5,137,806	\$5,697,806	\$6,222,806
Special Assessment Bonds	0	0	0	0
Bond Anticipation Notes	1,676,000	1,815,000	1,920,000	650,000
Honeywell Loan	0	0	0	0
OPWC Loans	<u>192,395</u>	<u>274,850</u>	<u>329,820</u>	<u>357,305</u>
Total Gross Indebtedness	6,426,201	7,227,656	7,947,626	7,230,111
Less:				
Special Assessment Bonds	0	0	0	0
Honeywell Loan	0	0	0	0
OPWC Loans	(192,395)	(274,850)	(329,820)	(357,305)
General Obligation Bond Retirement Fund Balance	<u>0</u>	<u>0</u>	<u>(106,210)</u>	<u>(79,715)</u>
Total Net Debt Applicable to Debt Limit	<u>6,233,806</u>	<u>6,952,806</u>	<u>7,511,596</u>	<u>6,793,091</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>34,997,898</u>	<u>34,521,684</u>	<u>34,722,759</u>	<u>38,397,608</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$28,764,092</u>	<u>\$27,568,878</u>	<u>\$27,211,163</u>	<u>\$31,604,517</u>
Legal Debt Margin as a Percentage of the Debt Limit	82.19%	79.86%	78.37%	82.31%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$18,332,232</u>	<u>\$18,082,787</u>	<u>\$18,188,112</u>	<u>\$20,113,033</u>
Total Gross Indebtedness	6,426,201	7,227,656	7,947,626	7,230,111
Less:				
Special Assessment Bonds	0	0	0	0
Honeywell Loan	0	0	0	0
OPWC Loans	(192,395)	(274,850)	(329,820)	(357,305)
General Obligation Bond Retirement Fund Balance	<u>0</u>	<u>0</u>	<u>(106,210)</u>	<u>(79,715)</u>
Net Debt Within 5 ½ % Limitations	<u>6,233,806</u>	<u>6,952,806</u>	<u>7,511,596</u>	<u>6,793,091</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$12,098,426</u>	<u>\$11,129,981</u>	<u>\$10,676,516</u>	<u>\$13,319,942</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	66.00%	61.55%	58.70%	66.23%

Source: City Financial Records

2007	2006	2005	2004	2003	2002
<u>\$399,468,624</u>	<u>\$389,675,321</u>	<u>\$386,486,810</u>	<u>\$387,816,893</u>	<u>\$380,233,074</u>	<u>\$380,464,986</u>
\$6,737,806	\$7,227,806	\$2,522,806	\$2,832,806	\$3,127,806	\$3,417,806
0	0	0	0	85,000	160,000
880,000	1,120,000	5,800,000	1,910,000	2,400,000	0
137,135	311,757	477,434	634,625	783,764	925,263
412,275	467,245	522,215	577,185	632,155	687,125
<u>8,167,216</u>	<u>9,126,808</u>	<u>9,322,455</u>	<u>5,954,616</u>	<u>7,028,725</u>	<u>5,190,194</u>
0	0	0	0	(85,000)	(160,000)
(137,135)	(311,757)	(477,434)	(634,625)	(783,764)	(925,263)
(412,275)	(467,245)	(522,215)	(577,185)	(632,155)	(687,125)
0	(190,562)	(239,145)	(230,600)	(296,290)	(352,458)
<u>7,617,806</u>	<u>8,157,244</u>	<u>8,083,661</u>	<u>4,512,206</u>	<u>5,231,516</u>	<u>3,065,348</u>
<u>41,944,206</u>	<u>40,915,909</u>	<u>40,581,115</u>	<u>40,720,774</u>	<u>39,924,473</u>	<u>39,948,824</u>
<u>\$34,326,400</u>	<u>\$32,758,665</u>	<u>\$32,497,454</u>	<u>\$36,208,568</u>	<u>\$34,692,957</u>	<u>\$36,883,476</u>
81.84%	80.06%	80.08%	88.92%	86.90%	92.33%
<u>\$21,970,774</u>	<u>\$21,432,143</u>	<u>\$21,256,775</u>	<u>\$21,329,929</u>	<u>\$20,912,819</u>	<u>\$20,925,574</u>
8,167,216	9,126,808	9,322,455	5,954,616	7,028,725	5,190,194
0	0	0	0	(85,000)	(160,000)
(137,135)	(311,757)	(477,434)	(634,625)	(783,764)	(925,263)
(412,275)	(467,245)	(522,215)	(577,185)	(632,155)	(687,125)
0	(190,562)	(239,145)	(230,600)	(296,290)	(352,458)
<u>7,617,806</u>	<u>8,157,244</u>	<u>8,083,661</u>	<u>4,512,206</u>	<u>5,231,516</u>	<u>3,065,348</u>
<u>\$14,352,968</u>	<u>\$13,274,899</u>	<u>\$13,173,114</u>	<u>\$16,817,723</u>	<u>\$15,681,303</u>	<u>\$17,860,226</u>
65.33%	61.94%	61.97%	78.85%	74.98%	85.35%

**City of Brooklyn, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2011*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Brooklyn
<b>Direct Debt:</b>			
<b>City of Brooklyn</b>			
General Obligation Bonds	\$4,775,606	100.00 %	\$4,775,606
OPWC Loans	192,395	100.00	192,395
Capital Leases	1,747,417	100.00	1,747,417
Bond Anticipation Notes	<u>1,676,000</u>	100.00	<u>1,676,000</u>
<i>Total Direct Debt</i>	<u>8,391,418</u>		<u>8,391,418</u>
<b>Overlapping Debt:</b>			
Payable from Property Taxes:			
Cuyahoga County Bonds	298,113,842	1.12	3,338,875
Regional Transit Authority Bonds	146,681,371	1.12	1,642,831
Payable from Other Sources:			
Cuyahoga County Capital Leases	20,851,000	1.12	233,531
Cuyahoga County Loans	8,310,000	1.12	93,072
Regional Transit Authority Capital Lease	<u>19,365,767</u>	1.12	<u>216,897</u>
<i>Total Overlapping Debt</i>	<u>493,321,980</u>		<u>5,525,206</u>
<i>Total Direct and Overlapping Debt</i>	<u><u>\$501,713,398</u></u>		<u><u>\$13,916,624</u></u>

Source: Cuyahoga County, Ohio; County Fiscal Officer

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

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

<b>2011</b>		
Employer	Employees	Percentage of Total City Employment
Keybank National Association	2,537	22.71%
American Greetings Corporation	1,932	17.29
Arrow International, Incorporated	594	5.32
Plain Dealer Publishing Company	492	4.40
Wal-Mart/Sam's Club	400	3.58
City of Brooklyn (1)	291	2.60
Brooklyn Board of Education	266	2.38
USF Holland Incorporated	195	1.75
Prestolite Wire LLC	186	1.67
Cenveo Corporation	150	1.34
Eaton Corporation	142	1.28
<b>Total</b>	<b>7,185</b>	<b>64.32%</b>
<b>Total Employment within the City</b>	<b>11,171</b>	

<b>2009 (2)</b>		
Employer	Employees	Percentage of Total City Employment
Keybank National Association	2,537	24.69%
American Greetings Corporation	2,040	19.85
Arrow International, Incorporated	629	6.12
Plain Dealer Publishing Company	482	4.69
Hugo Boss	421	4.10
Wal-Mart/Sam's Club	410	3.99
City of Brooklyn (1)	309	3.01
AGCM, Inc.	299	2.90
Brooklyn Board of Education	274	2.67
USF Holland, Incorporated	143	1.39
<b>Total</b>	<b>7,544</b>	<b>73.41%</b>
<b>Total Employment within the City</b>	<b>10,277</b>	

Source: Regional Income Tax Agency

(1) Includes seasonal employees

(2) 2009 information is the latest available

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

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<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2011	11,169	\$236,939,166	\$21,214	\$39,859	42.9
2010	11,169	236,939,166	21,214	39,859	42.9
2009	11,586	244,777,422	21,127	46,696	41.8
2008	11,586	244,777,422	21,127	46,696	41.8
2007	11,586	244,777,422	21,127	46,696	41.8
2006	11,586	244,777,422	21,127	46,696	41.8
2005	11,586	244,777,422	21,127	46,696	41.8
2004	11,586	244,777,422	21,127	46,696	41.8
2003	11,586	244,777,422	21,127	46,696	41.8
2002	11,586	244,777,422	21,127	46,696	41.8

(1) Source: for 2010 and 2011 years: 2010 U.S. Census; 2001-2009: 2000 U. S. Census

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

(3) Cuyahoga County Planning Commission

(4) Source: Cuyahoga County Fiscal Officer

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



<u>School Enrollment (2)</u>	<u>Cuyahoga County Unemployment Rate (3)</u>	<u>Average Sales Price of Residential Property (4)</u>	<u>Total Assessed Property Value (4)</u>
1,456	7.1%	\$97,498	\$333,313,310
1,463	9.4	98,964	328,777,940
1,506	9.0	102,941	330,692,940
1,413	6.8	113,529	365,691,509
1,507	6.3	119,433	399,468,624
1,452	6.1	125,194	389,675,321
1,380	5.9	129,631	386,486,810
1,359	6.6	122,369	387,816,893
1,351	6.2	127,680	380,233,074
1,362	6.6	115,034	380,464,986

**City of Brooklyn, Ohio**  
*Full-Time Equivalent City Government Employees by Function/Program*  
*Last Ten Years*

Function/Program	2011	2010	2009	2008
<b>General Government</b>				
Council	7.00	7.00	7.00	7.00
Mayor	1.00	1.00	1.00	1.00
Administration	2.50	2.50	2.00	2.00
Law	1.50	1.50	1.50	1.50
Finance	4.00	4.00	3.00	3.00
Tax	0.00	0.00	2.00	2.00
Public Building	1.50	1.50	2.00	3.00
Public Service	2.00	2.00	1.00	2.00
Engineer	0.50	1.00	1.00	1.00
Civil Service	3.00	3.00	3.00	3.00
Court	2.00	2.00	2.00	2.00
Data System	0.00	0.00	0.00	1.00
<b>Security of Persons and Property</b>				
Police	30.00	32.00	32.00	27.00
Dispatchers	6.00	6.00	7.00	7.00
Jailers	1.00	1.00	1.00	1.00
Fire	24.00	26.00	29.00	29.00
Fire Secretary	0.00	0.00	0.00	1.00
Safety Director	0.50	0.50	1.00	1.00
<b>Leisure Time Activities</b>				
Recreation	5.00	5.00	5.00	6.00
Pool	2.00	2.00	2.00	2.00
Senior Service	3.00	4.00	4.00	4.00
<b>Community Development</b>				
Building	0.00	0.00	2.00	3.00
<b>Transportation</b>				
Recycling	0.00	1.00	1.00	1.00
Service	19.00	20.00	22.00	28.00
Street Maintenance and Repair	3.00	3.00	4.00	4.00
<b>Totals:</b>	<u>118.50</u>	<u>126.00</u>	<u>135.50</u>	<u>142.50</u>

Source: City of Brooklyn payroll department (based on payroll record sheets)

Method: Using 1.0 for each full-time employee and 0.50 for each part-time employee at December 31. Seasonal employees are not included.

2007	2006	2005	2004	2003	2002
7.00	7.00	7.00	7.00	7.00	7.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	3.00	3.00	3.00	3.00	3.00
1.50	1.50	1.50	1.50	1.50	1.50
3.00	3.00	3.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00	3.00	3.00
2.00	2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00	2.00
1.00	1.00	0.00	0.00	0.00	0.00
3.00	3.00	3.00	3.00	3.00	3.00
2.00	2.00	2.00	2.00	2.00	2.00
1.00	1.00	0.00	0.00	0.00	0.00
32.00	32.00	32.00	32.00	32.00	32.00
7.00	7.00	7.00	7.00	7.00	7.00
1.00	1.00	1.00	1.00	1.00	1.00
29.00	29.00	29.00	29.00	29.00	29.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
6.00	5.00	5.00	8.00	8.00	8.00
2.00	3.00	3.00	3.00	3.00	3.00
4.00	4.00	4.00	4.00	4.00	4.00
3.00	3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00	1.00
29.00	29.00	29.00	31.00	31.00	31.00
4.00	4.00	4.00	4.00	4.00	4.00
<u>148.50</u>	<u>149.50</u>	<u>147.50</u>	<u>152.50</u>	<u>152.50</u>	<u>152.50</u>

**City of Brooklyn, Ohio**  
*Operating Indicators by Function/Program*  
*Last Ten Years*

Function/Program	2011	2010	2009	2008
<b>General Government</b>				
<i>Council and Clerk</i>				
Number of Ordinances Passed	78	74	76	88
Number of Resolutions Passed	15	11	20	31
Number of Planning Commission docket items	21	31	18	18
Zoning Board of Appeals docket items	20	13	14	10
<i>Finance Department</i>				
Number of checks/ vouchers issued	2,733	2,590	2,446	2,797
Amount of checks written	\$8,645,301	\$7,651,560	\$8,169,432	\$9,060,087
Interest earnings for fiscal year (cash basis)	\$23,631	\$73,435	\$241,233	\$321,456
Number of Receipts issued	825	921	1,003	891
Agency Ratings - Moody's Financial Services	A1	A1	A1	A1
Health Insurance Costs vs. General Fund Expenditures %	9.40%	10.64%	9.71%	9.65%
General Fund Receipts (cash basis in thousands)	\$16,963	\$17,320	\$14,392	\$15,262
General Fund Expenditures (cash basis in thousands)	\$14,472	\$13,884	\$15,020	\$15,818
General Fund Cash Balances (in thousands)	\$6,726	\$4,086	\$861	\$1,920
<i>Income Tax Department</i>				
Number of Individual Returns	n/a	n/a	n/a	4,157
Number of Business Returns	n/a	n/a	n/a	996
Number of business withholding accounts	n/a	n/a	n/a	823
Amount of Refunds Issued	n/a	\$97,044	\$100,676	\$185,543
Number of 1099's Issued	n/a	n/a	n/a	356
<i>Mayor's Court</i>				
Number of Felony Citations	0	0	0	0
Number of Criminal Citations	569	627	564	567
Number of Traffic Citations	3,641	5,841	6,419	3,695
Number of Juvenile Citations	46	55	65	51
Number of Parking Citations	840	700	823	1,122
Total Revenue	\$317,802	\$488,556	\$665,838	\$547,338
<i>Civil Service</i>				
Number of police entry tests administered	1	0	0	0
Number of fire entry tests administered	1	0	0	0
Number of police promotional tests administered	1	0	0	1
Number of fire promotional tests administered	0	1	0	0
Number of civil service examinations	0	0	0	0
Number of school tests	0	0	0	0
Number of Police Officers hired	0	0	0	3
Number of Fire/Medics hired	0	0	0	0
Number of promotions in police	0	0	0	0
<i>Building Department Indicators</i>				
New Construction Permits Issued	2	0	0	5
Estimated Value of Construction	\$24,128,027	\$8,378,986	\$5,801,180	\$7,136,267
Number of electrical/plumbing/remodeling permits issued	621	952	618	744
Amount of Revenue generated from permits	\$163,218	\$70,070	\$68,201	\$75,561
Number of contract registrations issued (A)	338	411	425	492
Annual Apartment/Rooming House License Fees (B)	\$8,900	\$8,650	\$9,300	\$8,200
Revenue generated from above (A, B)	\$34,825	\$40,675	\$41,175	\$45,100

2007	2006	2005	2004	2003	2002
51	71	55	73	77	61
19	19	19	22	20	17
24	35	22	20	34	33
17	36	22	23	34	33
3,081	3,100	3,044	2,967	3,034	3,167
\$10,220,358	\$12,064,205	\$8,473,798	\$8,100,991	\$7,551,707	\$12,784,695
\$464,337	\$510,298	\$251,240	\$139,729	\$135,353	\$153,207
949	1,086	1,072	1,154	1,271	n/a
A1	A1	A2	A2	A2	A2
9.15%	9.08%	8.96%	8.28%	7.42%	7.25%
\$16,059	\$15,112	\$14,128	\$12,856	\$13,519	\$13,235
\$15,064	\$14,817	\$14,063	\$14,092	\$13,287	\$12,690
\$2,893	\$2,363	\$1,957	\$1,835	\$2,826	\$2,867
4,657	4,849	4,779	4,743	4,698	4,702
1,676	1,816	1,811	1,807	1,786	1,792
1,048	1,106	1,094	1,111	1,109	1,112
\$176,052	\$257,208	\$231,328	\$207,298	\$196,270	\$539,135
411	461	411	481	516	492
185	153	161	136	206	183
645	616	502	547	612	567
3,005	3,677	4,044	4,001	4,031	4,744
49	80	70	55	39	76
1,101	1,994	862	990	1,023	1,070
\$456,144	\$667,447	\$608,812	\$646,182	\$694,052	\$714,495
1	1	2	0	1	0
0	0	1	0	1	0
0	0	0	1	0	1
0	0	2	0	0	0
0	0	0	2	0	0
0	0	5	2	1	0
2	2	1	0	1	2
1	1	0	0	0	3
2	2	1	1	0	1
7	488	556	558	561	544
\$9,139,960	\$13,531,809	\$7,296,831	\$6,491,267	\$9,034,092	\$14,852,158
745	1,185	1,175	1,124	1,159	1,107
\$75,561	\$118,706	\$68,896	\$97,973	\$106,429	\$190,912
483	471	515	488	563	645
\$7,250	\$5,550	\$0	\$0	\$0	\$0
\$43,475	\$35,325	\$38,650	\$36,600	\$42,225	\$48,375

(continued)

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

Function/Program	2011	2010	2009	2008
<b>Security of Persons and Property</b>				
<i>Police</i>				
Total Calls for Services	19,388	50,059	40,039	34,558
Number of traffic citations issued	3,582	5,841	6,382	3,695
Number of parking citations issued	840	343	823	1,122
Number of criminal arrests	569	627	564	567
Number of accident reports completed	307	653	494	957
Animal Warden service calls responded to per annual report	529	616	306	374
Police Dept. Auxiliary hours worked	798	994	983	1,778
DUI Arrests	59	51	37	52
Prisoners	1,177	1,361	1,315	1,211
Motor Vehicle Accidents	307	653	494	957
Property damage accidents	n/a	381	n/a	n/a
Fatalities from Motor Vehicle Accidents	0	1	1	1
Community Diversion Program Youths	30	32	45	58
Community Diversion Program - community service hours	404	396	492	572
<i>Fire</i>				
EMS Calls	1,560	1,462	1,525	1,554
Ambulance Billing Collections (net)	\$305,718	\$326,009	\$313,020	\$322,823
Fire Calls	647	606	611	604
Fires with Loss	14	11	12	15
Fires with Losses exceeding \$10,000	14	6	3	4
Fire Losses \$	\$156,200	\$128,500	\$296,500	\$205,100
Fire Safety Inspections	247	346	343	359
Number of times Mutual Aid given to Fire and EMS	22	27	21	7
Number of times Mutual Aid received for Fire and EMS	44	12	6	30
<b>Leisure Time Activities</b>				
<i>Recreation</i>				
Skating Rink Receipts	\$455,303	\$431,420	\$484,384	\$487,315
Recreation Swimming pool receipts	143,067	102,236	95,762	123,700
Senior Center Fees	88,991	88,133	105,771	102,747
Total Recreation Department receipts	<u>\$687,361</u>	<u>\$621,789</u>	<u>\$685,917</u>	<u>\$713,762</u>
<b>Basic Utility Services</b>				
Refuse disposal per year (in tons) August through July	3,273	3,921	3,743	3,836
Refuse disposal costs per year August through July	\$125,588	\$102,491	\$20,701	\$19,179
Percentage of waste recycled	21.00%	16.00%	17.00%	18.41%
Annual recycling tonnage (excluding leaf and compost items)	701	628	636	866
<b>Transportation</b>				
Street Improvements - asphalt overlay (linear feet)	3,925	3,250	2,675	0
Rejuvenating Spray on Streets (Miles)	0.74	1.08	0.00	0.00
Crackseal Coating Program (Miles)	0.00	1.88	0.00	0.69
Paint Striping (annual cost)	\$49,803	\$47,423	\$43,500	\$47,325
Sewer and Sanitary calls for service	298	332	286	360
Sewer Crew (hours)	402	447	359	490
Sewer jet, Vac-all, other services (hours)	543	586	395	252
Number of Trees Planted per year	0	17	21	92
Tons of snow melting salt purchased (Nov-Mar)	2,020	1,836	2,316	2,596
Cost of salt purchased	\$102,975	\$91,350	\$128,491	\$112,473

Source: City of Brooklyn Departments

Note: In 2009, the City began using the Regional Income Tax Agency to collect income taxes

n/a: Information not available

2007	2006	2005	2004	2003	2002
29,365	18,228	11,662	12,222	11,859	12,315
3,005	3,677	4,044	4,001	4,031	4,744
1,101	1,994	862	990	1,023	1,070
873	616	502	547	612	567
934	584	613	676	602	646
n/a	638	444	16	8	6
n/a	1,687	2,070	5,662	4,444	4,073
n/a	48	66	82	44	29
1,311	1,494	1,354	1,141	1,290	1,422
934	584	613	676	602	646
n/a	454	438	532	468	524
n/a	1	0	0	1	0
31	34	24	24	25	n/a
355	326	260	392	545	n/a
1,486	1,416	1,467	1,474	1,552	1,443
\$150,750	\$118,795	\$133,095	\$141,793	\$163,455	\$157,700
690	692	778	741	771	797
16	20	24	20	22	11
5	4	5	5	2	0
\$109,200	\$124,000	\$239,600	\$186,000	\$61,300	\$21,800
363	366	340	333	474	382
5	4	3	1	2	3
12	17	6	13	10	4
\$390,057	\$447,500	\$425,022	\$454,410	\$408,530	\$460,705
108,027	122,532	121,913	116,161	125,529	137,618
76,562	81,071	80,190	77,036	74,830	72,120
\$574,646	\$651,103	\$627,125	\$647,607	\$608,889	\$670,443
3,873	4,764	4,890	4,864	4,862	4,193
\$19,365	\$17,903	\$15,252	\$13,376	\$12,366	\$11,530
19.00%	15.97%	16.15%	15.15%	15.22%	16.21%
934	761	792	737	740	680
6,758	4,000	n/a	n/a	n/a	n/a
1.28	0.75	n/a	n/a	n/a	n/a
n/a	1.30	n/a	n/a	n/a	n/a
\$51,662	\$44,761	\$35,800	\$38,250	\$37,050	\$36,185
435	463	329	286	343	332
n/a	356	399	203	221	217
284	83	0	0	0	0
145	140	150-160	150-160	150-160	150-160
3,102	1,826	4,664	2,582	6,161	969
\$102,273	\$60,199	\$146,678	\$78,617	\$183,276	\$27,568

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

Function/Program	2011	2010	2009	2008
<b>General Government</b>				
City Hall and Police Station (square footage occupied)	38,167	38,167	38,167	38,167
Historical Museum (square feet)	8,083	8,083	8,083	8,083
Records Storage - 4476 Ridge Road (square feet)	4,869	4,869	4,869	4,869
City Service Garage (square feet)	31,280	31,280	31,280	31,280
City Service Garage - Salt Storage Building (square feet)	3,630	3,630	3,630	3,630
City Service Garage - Sod Storage (square feet)	525	525	525	525
Administrative Vehicles	8	8	8	8
Inspection Vehicles	2	3	3	3
<b>Police</b>				
Stations	1	1	1	1
Vehicles	15	20	19	23
Motorcycles	4	4	4	4
<b>Fire</b>				
Stations	1	1	1	1
Square Footage of Building	24,323	24,323	24,323	24,323
Vehicles	3	2	2	3
Aerial Ladder Truck	1	1	1	1
Pumpers	3	3	3	3
Ambulances	3	3	3	2
<b>Recreation</b>				
Ice Rink and Indoor Pool (Square Footage Occupied)	84,734	84,734	84,734	84,734
Outdoor Swimming Pool (square feet)	2,494	2,494	2,494	2,494
Outdoor Wading Pool (square feet)	479	479	479	479
Community/Senior Center (square feet)	15,717	15,717	15,717	15,717
Number of Parks	4	2	2	2
Number of Pools	4	3	3	3
Number of Ice Rinks	1	1	1	1
Number of Tennis Courts	4	4	4	4
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	5	4	4	4
Number of Common Areas	2	2	2	2
Number of Picnic Pavillions	4	3	3	3
Number of Playgrounds	5	3	3	3
Number of Playgrounds with Learning Center	1	1	1	1
Number of Basketball Courts	2	2	2	2
Number of Volleyball Courts	1	0	0	0
Number of Bocci Ball Courts	2	2	2	2
Number of Horseshoe Pits	2	2	2	2
Number of Soccer Fields	1	1	1	1
Number of Nature Trails	2	2	2	2



2007	2006	2005	2004	2003	2002
38,167	38,167	38,167	38,167	38,167	38,167
8,083	8,083	8,083	8,083	8,083	8,083
4,869	4,869	4,869	4,869	4,869	4,869
31,280	31,280	31,280	31,280	31,280	31,280
3,630	3,630	3,630	3,630	3,630	3,630
525	525	525	525	525	525
7	7	7	7	7	7
2	2	2	2	2	2
1	1	1	1	1	1
19	16	16	16	16	16
4	4	4	4	4	4
1	1	1	1	1	1
24,323	24,323	(a)	(a)	(a)	(a)
3	2	2	2	2	2
1	1	1	1	1	1
3	3	3	3	3	3
2	3	3	3	3	3
84,734	84,734	84,734	84,734	84,734	84,734
2,494	2,494	2,494	2,494	2,494	2,494
479	479	479	479	479	479
15,717	15,717	15,717	15,717	15,717	15,717
2	2	2	2	2	2
3	3	3	3	3	3
1	1	1	1	1	1
4	4	4	4	4	4
1	1	1	1	1	1
4	4	4	4	4	4
2	2	2	2	2	2
3	3	3	3	3	3
3	3	3	3	3	3
1	1	1	1	1	1
2	2	2	2	2	2
1	1	1	1	1	1
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
2	2	2	2	2	2

(continued)

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

Function/Program	2011	2010	2009	2008
<b>Other Public Works</b>				
Streets (miles)	87.1	87.1	87.1	87.1
Average age of roadways	49	48	47	46
Light Trucks	11	20	20	14
Service Department Large Vehicles/Trucks	5	8	8	7
Garbage Packers	3	3	3	5
Bucket Truck	1	1	1	1
Street Sweepers	2	2	2	2
Bombardiers - Sidewalk Snow Plows	12	12	12	12
Heavy Equipment - Landfill	2	3	3	6
Recycle Truck	1	1	1	0
<b>Wastewater</b>				
Sanitary Sewers (linear feet)	147,917	147,917	147,917	147,917
Average age of sanitary sewers	48	48	47	46
Storm Sewers (miles)	106,342	106,342	106,342	106,342
Average age of storm sewers	52	52	51	50
<b>Water Department</b>				
Water Lines (linear feet)	174,725	174,725	174,725	174,725
Average age of water lines	52	52	51	50

Source: City of Brooklyn Departments

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

2007	2006	2005	2004	2003	2002
87.1	87.1	87.1	87.1	87.1	87.1
45	44	43	42	41	40
13	12	12	11	11	10
7	7	7	7	7	7
4	4	4	4	3	3
1	1	1	1	1	1
2	2	1	1	1	1
12	12	12	12	12	12
8	8	8	8	8	7
0	0	0	0	1	1
147,917	147,917	147,917	147,917	147,917	147,917
45	44	43	42	41	40
106,342	106,342	106,342	106,342	106,342	106,342
49	48	47	46	45	44
174,725	174,725	174,725	174,725	174,725	174,725
49	48	47	46	45	44

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**The City of**  
**Brooklyn • Ohio**

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**RICHARD BALBIER, MAYOR**

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# Dave Yost • Auditor of State

CITY OF BROOKLYN

CUYAHOGA COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
NOVEMBER 15, 2012