



**CITY OF BRECKSVILLE  
CUYAHOGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2005**



**Auditor of State  
Betty Montgomery**



CITY OF BRECKSVILLE  
CUYAHOGA COUNTY

TABLE OF CONTENTS

| <u>TITLE</u>  | <u>PAGE</u> |
|---|-------------|
| Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> ..... | 1           |

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## **Auditor of State Betty Montgomery**

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

City of Brecksville  
Cuyahoga County  
9069 Brecksville Road  
Brecksville, Ohio 44141

To the City Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brecksville, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 5, 2006, wherein we noted the City restated the fund balance in the General Municipal Improvement Fund due to notes payable. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the City's management dated June 5, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the City's management dated June 5, 2006, we reported other matters related to noncompliance we deemed immaterial.

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City of Brecksville  
Cuyahoga County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of the audit committee, management, and the City Council. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 5, 2006

**CITY OF BRECKSVILLE, OHIO**

**COMPREHENSIVE**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2005**

ISSUED BY THE DEPARTMENT OF FINANCE

Virginia Price, CPA,

FINANCE DIRECTOR





**City of Brecksville, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2005*  
*Table of Contents*

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**I. Introductory Section**

|                                      |      |
|--------------------------------------|------|
| Table of Contents .....              | i    |
| Letter of Transmittal.....           | iv   |
| GFOA Certificate of Achievement..... | xii  |
| List of City Officials.....          | xiii |
| Organizational Chart .....           | xiv  |

**II. Financial Section**

|  |    |
|--|----|
| Independent Accountants' Report.....   | 1  |
| Management's Discussion and Analysis.....  | 3  |
| Basic Financial Statements:  |    |
| Government-wide Financial Statements:  |    |
| Statement of Net Assets .....  | 14 |
| Statement of Activities .....  | 15 |
| Fund Financial Statements:   |    |
| Balance Sheet - Governmental Funds .....   | 16 |
| Statement of Revenues, Expenditures and Changes in<br>Fund Balances - Governmental Funds .....           | 18 |
| Statement of Revenues, Expenditures and Changes in<br>Fund Balance - Budget (Non-GAAP Basis) and Actual: |    |
| General Fund.....  | 20 |
| Fire Department Fund.....  | 21 |
| Statement of Fund Net Assets - Proprietary Fund.....   | 22 |
| Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Fund.....                   | 23 |
| Statement of Cash Flows - Proprietary Fund .....   | 24 |
| Statement of Fiduciary Net Assets - Fiduciary Funds.....   | 25 |
| Statement of Changes in Fiduciary Net Assets - Fiduciary Fund.....                                       | 26 |
| Notes to the Basic Financial Statements .....  | 27 |
| Combining and Individual Fund Statements and Schedules:  |    |
| Combining Statements - Nonmajor Governmental Funds:  |    |
| Fund Descriptions.....   | 54 |

|   |     |
|---|-----|
| Combining Balance Sheet - Nonmajor Governmental Funds .....   | 57  |
| Combining Statement of Revenues, Expenditures and Changes in<br>Fund Balances - Nonmajor Governmental Funds .....                             | 58  |
| Combining Balance Sheet - Nonmajor Special Revenue Funds .....  | 59  |
| Combining Statement of Revenues, Expenditures and Changes in<br>Fund Balances - Nonmajor Special Revenue Funds .....                          | 64  |
| Combining Balance Sheet - Nonmajor Capital Projects Funds.....  | 68  |
| Combining Statement of Revenues, Expenditures and Changes in<br>Fund Balances - Nonmajor Capital Projects Funds.....                          | 70  |
| Combining Statements - Fiduciary Funds:   |     |
| Fund Descriptions.....  | 72  |
| Combining Statement of Changes in Assets and Liabilities - Agency Funds .....   | 73  |
| Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in<br>Fund Balance/Fund Equity - Budget (Non-GAAP Basis) and Actual: |     |
| Major Funds:  |     |
| General Fund .....  | 75  |
| Fire Department Fund .....  | 83  |
| Special Assessment Bond Retirement Fund.....  | 84  |
| General Municipal Improvement Fund .....  | 85  |
| Buildings and Improvements Fund .....   | 86  |
| Road Improvements Fund .....  | 87  |
| Human Services Facilities Fund.....   | 89  |
| Nonmajor Funds:   |     |
| Motor Vehicle License Tax Fund.....   | 90  |
| Street Repair and Maintenance Fund .....  | 91  |
| State Highway Fund .....  | 92  |
| Community Center Fund .....   | 93  |
| Special Programs Fund.....  | 94  |
| Road Maintenance Fund.....  | 95  |
| Federal Equitable Sharing Fund.....   | 96  |
| Indigent Prisoner Assistance Fund .....   | 97  |
| Indigent Drivers Fund .....   | 98  |
| Enforcement and Education Fund .....  | 99  |
| Court Computerization Fund.....   | 100 |
| Natureworks Grants Fund .....   | 101 |
| Recycling Demo Fund.....  | 102 |
| Tree Planting Grants Fund .....   | 103 |
| Law Enforcement Fund.....   | 104 |
| Law Enforcement Mandatory Drug Fund .....   | 105 |
| Vehicle Immobilization Fund.....  | 106 |
| Police Pension Fund .....   | 107 |
| Memorial Fund.....  | 108 |
| General Obligation Bond Retirement Fund.....  | 109 |
| Issue II Fund.....  | 110 |
| Capital Improvement Fund.....   | 111 |
| Equipment Replacement Fund .....  | 112 |
| Recreation Expansion Fund.....  | 113 |

|                                      |     |
|--------------------------------------|-----|
| Library Improvement Fund .....       | 114 |
| Fire Station Building Fund .....     | 115 |
| Police Station Building Fund .....   | 116 |
| Sewer Improvement Fund .....         | 117 |
| Public Utility Improvement Fund..... | 118 |
| Self Insurance Fund.....             | 119 |
| Cemetery Endowment Fund .....        | 120 |

**III. Statistical Section**

|  |     |
|--|-----|
| Statistical Section Description.....   | S1  |
| Net Assets by Component – Last Seven Years .....   | S3  |
| Changes in Net Assets – Last Six Years .....   | S4  |
| Program Revenues by Function/Program – Last Six Years .....  | S8  |
| Fund Balances, Governmental Funds – Last Ten Years .....   | S9  |
| Changes in Fund Balances, Governmental Funds – Last Ten Years.....   | S10 |
| Tax Revenues by Source, Governmental Funds – Last Ten Years .....  | S12 |
| Assessed Valuation and Estimated True Values of Taxable Property – Last Ten Years .....  | S13 |
| Property Tax Rates – Direct and Overlapping Governments – Last Ten Years.....  | S14 |
| Principal Real Property Taxpayers – 12/31/2005 and 12/31/1996.....   | S16 |
| Property Tax Levies and Collections – Last Ten Years .....   | S17 |
| Income Tax Revenue Base and Collections – Last Ten Years.....  | S18 |
| Income Tax Filers by Income Level – Tax Years 2004 and 1996.....   | S19 |
| Ratios of Outstanding Debt to Personal Income<br>and Debt Per Capita – Last Ten Years .....  | S20 |
| Ratio of Net General Obligation Bonded Debt to Estimated<br>True Value of Taxable Property and Net Bonded<br>Debt per Capita – Last Ten Years..... | S21 |
| Computation of Direct and Overlapping General Obligation Bonded Debt .....   | S22 |
| Legal Debt Margin Information – Last Ten Years .....   | S23 |
| Demographic and Economic Statistics – Last Ten Years.....  | S24 |
| Principal Employers – Current Year and Ten Years Ago .....   | S25 |
| Full-Time Equivalent City Government Employees<br>by Function/Program – Last Ten Years .....   | S26 |
| Capital Assets Statistics by Function/Program – Last Six Years .....   | S27 |
| Operating Indicators by Function/Program – Last Five Years.....  | S28 |

June 5, 2006

To Members of Brecksville City Council and  
The Citizens of Brecksville, Ohio

We are pleased to submit to you the City of Brecksville's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2005, which is the sixteenth CAFR the City has submitted.

This is the official report of the City of Brecksville's results of operations and financial position to its residents, its elected officials, investment banks and underwriters, rating agencies and other interested parties. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data as presented is accurate in all material respects, that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City as measured by financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

The Comprehensive Annual Financial Report is presented in the following three sections:

**THE INTRODUCTORY SECTION** includes a table of contents, this transmittal letter, the Certificate of Achievement, a list of the City's principal officials, both elected and appointed, and the City of Brecksville's organization chart.

**THE FINANCIAL SECTION** includes the Independent Accountants' Report, and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.

**THE STATISTICAL SECTION** includes selected financial and demographic information, generally presented on a multi-year basis.

## **REPORTING ENTITY**

The City has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In defining the City for financial reporting purposes, management has considered all agencies, departments and organizations making up the City of Brecksville (the primary government) and its potential component units.



The Brecksville-Broadview Heights City School District and the Cleveland Regional Transit Authority have not been included in the accompanying financial statements. Neither board is appointed by the City, nor is either fiscally dependent on the City.

The Southwest Council of Governments and the Northeast Ohio Public Energy Council are jointly governed organizations and the Rural Water Association is an insurance purchasing pool whose relationship to the City is described in Notes 17 and 18 to the general purpose financial statements. A complete discussion of the City's reporting entity is provided in Note 1 to the basic financial statements.

### **THE CITY OF BRECKSVILLE AND ITS BENEFITS**

The City of Brecksville was founded in 1811. It was incorporated as a village under the laws of the State of Ohio in 1921 and attained City status in 1960 by virtue of its population exceeding 5,000. It is located in Cuyahoga County in northeastern Ohio, in the heart of rolling woodlands approximately fifteen miles south of the City of Cleveland. The City covers 19.54 square miles. In the year 2000, the U.S. Census Bureau reported that Brecksville had a population of 13,661.

Residents have a variety of nearby transportation options because Brecksville is uniquely located "At The Center Of It All." By automobile or by connections through downtown Cleveland on the Regional Transit Authority bus and rail lines, one can reach all areas of Cuyahoga County conveniently. State Routes 21 and 82 bisect Brecksville and there is easy access to Interstate Highways I-77, I-480 and I-80, which is the Ohio Turnpike. Amtrak cross-country rail service is available in downtown Cleveland and Hopkins International Airport is located about fifteen miles from Brecksville.

Entertainment abounds just a short distance away for residents of Brecksville. In downtown Cleveland, the Cleveland Browns of the NFL play in their spectacular Browns Stadium. Jacobs Field is the home of the Cleveland Indians. The Cleveland Cavaliers of the NBA play at Quicken Loans Arena which is also a venue for concerts by major recording artists, the circus, ice shows, and a variety of other professional attractions. Cleveland State University's Wolstein Center is home to the Cleveland State University Vikings and even more concerts and shows.

Residents have access to many cultural attractions such as the world-famous Cleveland Orchestra, The Cleveland Museum of Art, The Great Lakes Science Center and the Rock n' Roll Hall of Fame and Museum. There are unique shopping areas such as Tower City Center and The Galleria, and nightlife with dining in the Warehouse District on the west side of the downtown area and two concert venues in the "Flats" along the Cuyahoga River. Cleveland's downtown is a center of activity for all ages and just minutes from Brecksville.

The world-renowned Cleveland Clinic and University Hospitals supplement health care provided by nearby community hospitals and immediate care centers. Marymount and Marymount South and Parma Community General Hospitals serve as emergency care facilities for our residents and visitors who require use of our Fire Department's ambulances and staff of professional paramedics and EMTs. The Greater Cleveland area is known worldwide for excellence in health care.

Brecksville's wooded hills and ravines that lace the area help define its neighborhoods. As a result, every resident is close to natural beauty that has always been a hallmark of Brecksville living. Many neighborhoods are located next to the Brecksville Reservation of the Cleveland Metroparks and the Cuyahoga Valley National Park, one of the most visited National Parks in the country. Brecksville is unique among Cuyahoga County communities because one-third of the City is parkland. The Brecksville Reservation of the Cleveland Metroparks offers 2,500 acres of parkland with facilities for picnicking, softball, horseback riding, golf, hiking and cross-country skiing. A paved all-purpose fitness trail offers walking, biking, running or strolling by the beautiful scenery. Two ski areas are close by.

A sense of gracious living prevails from Public Square and its nearby cluster of historic homes along tree-shaded streets, to contemporary developments of single-family homes, to condominium complexes throughout the community. Housing in Brecksville offers a mix of sizes, styles and price ranges with colonial and Western Reserve styles predominating. Despite its proximity to major metropolitan attractions, Brecksville maintains its quiet, suburban environment. Retail shopping is concentrated downtown near the Square, and nearby shopping malls complement local merchants.

The City of Brecksville provides many programs for all ages through its Recreation Department. Baseball, basketball, volleyball, swimming, golf, tennis, jazzercise, exercise classes, crafts and day camps are just some of the many programs for family fun, fitness and recreation. Recreational facilities include the 84-acre Blossom Hill property with its gymnasium, playground, pavilion, baseball field and soccer fields. At City Hall there are three lighted baseball fields and three lighted tennis courts. Outdoor basketball courts are located on Stadium Drive. Our 49,000 square foot Community Center houses the Recreation Department as well as a field house, indoor pool, outdoor leisure pool, elevated running track, youth game room, fitness center, whirlpool, saunas and a community room with catering facilities.

A quality education for our children is provided by the Brecksville-Broadview Heights City School District. Brecksville is also home to the extended campus of a college and is home to the Cuyahoga Valley Career Center which is the area's vocational school that provides a multitude of adult education programs for residents.

## **CITY GOVERNMENT**

The City of Brecksville operates under and is governed by its Charter, first adopted by the voters on November 6, 1956 and amended from time to time. The Charter provides for a Mayor-Council form of government. A nine-member Charter Review Commission reviews the Charter every ten years and did so in 2003.

Legislative authority is vested in a seven-member City Council which is elected at large and whose terms are staggered. Four Council members are elected at each regular municipal election in November of odd numbered years. Of the four elected, the three receiving the highest number of votes serve a term of four years and the fourth serves a term of two years. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, the appropriation and borrowing of money, the licensing and regulation of business and the trades, and other municipal purposes. The presiding officer is the President, who is elected by the Council for a one-year term.

The City of Brecksville's chief executive officer is the Mayor who is elected by the voters for a four-year term. The Mayor appoints, subject to approval of Council, the directors of the City's departments except for the Director of Finance, the Law Director, the City Engineer, and the Clerk of Council, all of whom are appointed by Council. He is the chief conservator of the peace, oversees the enforcement of all laws and ordinances, executes all contracts, conveyances, evidences of indebtedness and all other instruments to which the municipality is a party. He is the official and ceremonial head of the City. The Mayor is also the Safety Director and presides over the Mayor's Court.

The City's Service Department works hard to respond to the needs of the residents, providing curbside rubbish and recycling collection, street maintenance, snow removal and maintenance of City recreational facilities, among other services. The Department is responsible for an annual, aggressive road repair and maintenance program.

Security of one's person and property is foremost on the minds of our full-time Police Department. Brecksville takes pride in its low crime rate and rapid response.

A core of permanent firefighters, most of whom are paramedics, supplemented by a highly regarded unit of part-time firefighters staffs the Fire Department on a 24/7 basis. The firefighters are also trained and equipped to provide full ambulance and rescue service.

Water service is provided to City residents by the City of Cleveland and sewer services are provided by the Northeast Ohio Regional Sewer District. Certain water lines and sewer lines are owned and maintained by the City.

## **ECONOMIC CONDITION AND OUTLOOK**

The Brecksville City Administration and City Council are dedicated to the success of the downtown business district, and at the same time, and with the same enthusiasm, have promoted future growth and development of the City's industrial/office area located on the south side of the City. Each day approximately 11,000 people come to work in Brecksville.

There were a number of major business-related developments in the southern office/industrial area in 2005. All contributed to the maintenance of the City's vital income tax base. The House of LaRose, distributor of Anheuser-Busch products for all of Northeastern Ohio, and one of the largest distributors in the entire country, completed its consolidation of operations and offices into one 280,000-square foot distribution center and corporate office on Southpointe Parkway. The staffing level will eventually reach 400. Major expansion at National City Bank's Commercial Credit Center on Southpointe Parkway was completed. Since National City came to Brecksville in 1992 staffing has risen from 150 to 834 employees. City Council has approved an agreement that will keep the facility in Brecksville for at least ten more years. On Snowville Road, Maverick Industries, a company new to Brecksville, which is a distributor of industrial products, has been constructing a new service center.

The former BF Goodrich complex, which was spun off and became Noveon, is now part of the Lubrizol Corporation. Lubrizol is continuing operations near the same staffing level. More than 100 acres of land retained by Goodrich have been available for prime office/laboratory development over the next several years. However, a developer who bought a major portion of the land is seeking to have it rezoned from office/laboratory to residential for the construction of 75 high end homes.

The Veterans Administration (VA) has announced that it will eventually close its medical complex in the southern office/industrial area. This prime real estate will eventually be redeveloped which will benefit the City's economic picture immensely. The City has entered into an agreement which should allow the City to direct the development of the land over the years into an office park. The land is zoned office/laboratory. The VA determined that the Federal Enhanced Use Lease Program was the best method to dispose of the property.

Mayor Jerry N. Hruby signed an agreement with Sky Bank that stipulates the City will pay \$100,000 toward construction costs for improvements to the company's operations center on Snowville Road. The contract stipulates that the company will remain in Brecksville for ten years. The 40 full-time and 25 part-time employees will generate a payroll of \$1.18 million. Sky Bank finished its 31,558 square-foot operations center in April.

Brecksville continued its long-standing policy of controlled growth. Conifer Acres, a residential development off Route 21 just north of Wallings Road, continued development. Twenty-nine home sites make up this 60.5 acre development.

On November 16, 2004 City Council accepted the recommendation of the Planning Commission for preliminary approval of a major subdivision of 117 internal parcels and three out lot parcels on approximately 145 acres on the south side of Snowville Road, west of Dewey Road, to be known as the Woodlands of Snowville. No visible progress occurred in 2005.

Construction began on a Petros Homes development called One Chippewa Trail. It's located just east of the downtown area on Chippewa Road.

In the downtown area in 2005, the Pilgrim Inn property was sold to a developer. At the conclusion of the year the City had not entered into discussions about the property's planned future.

The only cable company that serves Brecksville is Adelphia but because of its sale City Council passed legislation to conditionally approve a request for the assignment and transfer of the franchise to Time Warner Cable.

## **ACCOMPLISHMENTS**

The City's financial picture continues to be strong. In 2005 Moody's Investors Service maintained its Aa1 credit rating for the City's General Obligation Bonds. Brecksville is one of only seven cities in Ohio with the coveted Aa1 rating. Less than 3 percent of communities nationwide achieved an Aa1 rating, only one rating category less than Aaa which is the highest rating possible. The rating means a continued lower interest rate in the sale of City bonds and thus a lower overall cost of borrowing and the saving of taxpayer dollars. The City continues to receive praise from Moody's for its financial planning and the execution of its plan.

Meanwhile, the City of Brecksville's Finance Department was proud to receive its fifteenth Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the Fiscal Year ended December 31, 2004.

On October 4, 2005 City Council authorized the Mayor to enter into an agreement with the City of Cleveland for the purchase of the 102 acre "Tree Farm" property located off Oakes Road in the southwest area on the border with Broadview Heights. The Tree Farm is adjacent to the Blossom Recreation area and is a major acquisition for the City. City Council at the same meeting authorized the issuance and sale of \$4,205,000 in bonds to fund the purchase and improvements. Brecksville now owns 186 acres of land on Oakes Road that can be used in future generations for recreation, cemetery and other municipal uses.

Infrastructure maintenance is a Brecksville priority. The Service Department and independent contractors repaired many City streets. The City is proud of its timely snow removal service and therefore Council passed legislation authorizing the expenditure of \$23,447 for the purchase of new blades for the plows. Council appropriated funds for the purchase of a new rubbish packer for a total cost of \$145,509.

The City also protects the environment by maintaining an aggressive recycling program. This Citywide program conducts curbside pick-up and has a building dedicated solely to administering the program. The City collects metal, glass, newspapers, magazines, plastic containers and yard waste.

The City pays annual dues to the Chemical Abuse Prevention Association (CAPA) for a part time Drug Prevention Coordinator to administer to our students, residents, and employers within the City. CAPA is jointly funded by the Brecksville-Broadview Heights City School District, the City of Brecksville and the CARE Concerned Citizens Group. The CARE program entered its 24th year in 2005, attesting to the program's longevity and commitment.

The City took steps in 2005 to enhance the quality of police and fire protection by completing construction of a new communications tower on the City's Blossom property to upgrade emergency services communications.

The City also purchased the school bus compound from the Brecksville-Broadview Heights City School District. The property will be used for the storage of Service Department equipment, to house the horticulture department and to provide a garage for the Human Services Department's vehicles.

The Department of Human Services has maintained many programs including snow removal and a food bank for low income seniors. It also coordinates Meals on Wheels and provides free health screenings, recreational programs and social activities. A major event on May 8, 2004 was the groundbreaking for a \$10 million, 45,000 square foot addition to the Community Center. Two floors of the three-floor structure house the Human Services Department and the third floor is additional space for the Community Center's cardio-vascular fitness section. The Human Services facilities include a 30' by 50' water therapy-exercise



pool and a full service kitchen with an accompanying large gathering area seating 194. The addition opened in May, 2006.

The Human Services Department, with the support of its Advisory Board, continues to expand its activities and services in order to meet the needs of Brecksville's older and special needs residents. In 2005 the 23rd annual Yuletide Hunger program was again a success. More than 100 households received a one-month's supply of food and almost 50 families benefited from the "Adopt-A-Family" program which provided donated holiday gifts. Transporting our seniors and residents with special needs remains a top priority of the department. Approximately 70 volunteers drive a fleet of six vehicles including two wheel chair-accessible buses, a van and three cars.

Brecksville owns and operates its own cemeteries and in 2005, 58 full-size gravesites were purchased by residents. One cremation grave and nine columbarium niches were purchased. Total receipts for the Municipal Cemeteries were \$37,965.

Each December the City of Brecksville sponsors a variety of holiday events including the annual Children's Christmas Play. On the Old Town Hall stage magical tales told by lovable creatures and characters, including Santa himself, delight Brecksville's little ones and entertain their parents as well. The Children's Christmas Play was the inspiration of former Mayor Jack A. Hruby, and since 1968 an original play has been produced almost every year. This heartwarming and often humorous holiday tradition has been nurtured and guided by the current Mayor. The cast and crew consist of City employees, their families and friends of the community. Also, the Service Department was once again responsible for creating beautiful holiday lighting displays at a variety of locations in the City.

### **BUILDING OUR FUTURE**

In 2006 the City will:

- Continue planning for a new police facility.
- See the grand opening of a new Human Services Center for its seniors and additional exercise facilities for patrons of the Community Center and Recreation Department.
- Begin preparations for the repaving by the State of Ohio of State Route 21 south of State Route 82.

The City of Brecksville will continue to enhance the quality of its residential life and the growth of its industrial area and business district, all of which contribute to its tremendous reputation. Through careful and conservative planning, strict adherence to zoning codes and sound financial policies, Brecksville's quality of life and fiscal stability will be maintained.

### **Financial Condition**

This is the sixth year that the city of Brecksville has prepared financial statements following Governmental Accounting Standards Board Statement 34. This new format of governmental reporting on the City's financial activities includes:

**Government-wide financial statements** – These statements are prepared on an accrual basis of accounting similar to the basis of accounting followed by business.

**Fund financial statements** – These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activity accrual information presented in the government-wide financial statements. Fiduciary funds use the accrual basis of accounting.

**Statement of budgetary comparisons** – These statements present comparisons of actual financial results of operations to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing Management Discussion and Analysis of the City. This discussion follows the independent accountants' report, providing an assessment of the City finances for 2005.

### **Budgetary Control**

Budgetary control is maintained by an encumbrance for purchase commitment amounts prior to the release of purchase orders to vendors. Purchase requisitions for expenditures of monies are first reviewed by the department head and then forwarded to the Purchasing Director for signature and preparation of a purchase order. The Finance Director certifies the availability of funds for the purchase order and the estimated expenditure is encumbered against the available appropriation.

The City adopted its 2005 annual appropriation ordinance before January 1 of 2005 eliminating the need for a temporary appropriation budget. All disbursements and transfers of cash between funds require appropriation authority.

### **Internal Control**

As a part of its continuing commitment to excellence in financial reporting, the City utilizes a computerized financial accounting and reporting system. The Mayor and Finance Director continually evaluate enhancements to the present internal accounting controls and procedures. They oversee the appropriateness of internal control, develop procedures to enhance internal control and consult with outside auditors to insure that the City remains at a sound financial level of operations.

The City has built internal accounting controls into its financial accounting, budgeting and reporting system to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss resulting from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The internal accounting controls built into the City's system were developed using the concept of reasonable assurance. This concept recognized that the cost of a control should not exceed the benefits likely to be derived from its implementation, and the evaluation of costs and benefits should require estimates and judgments by management. We believe that the City's internal accounting controls adequately safeguard the City's assets and provide reasonable assurance of proper recording and reporting of financial transactions.

### **Cash Management**

Cash management is a vital component in the City of Brecksville's overall financial strategy. A prudent investment program is maintained to assure the continual investment of all possible City dollars at all times. In addition to the security of the investment, a major consideration is the timing of needed cash to pay City liabilities. Cash resources of all City funds are combined for maximum return and are invested in accordance with the investment policy of the City of Brecksville and the Ohio Revised Code. Some of the allowable deposits and investments include certificates of deposit, savings accounts, money market accounts, the State Treasurer's Investment Pool and repurchase agreements.

### **Risk Management**

The City of Brecksville insures all risks, with the exception of health insurance, through private insurance carriers. Property valuations are revised annually to provide insurance companies and the City with an accurate inventory of insurable property and replacement cost values. The City of Brecksville manages

the hospital and medical benefits for its employees on a self-insured basis. A third party administrator processes and pays the claims. An excess coverage insurance (stop-loss) policy covers claims in excess of \$50,000 per employee per year. Control of the plan rests with the City.

### **Independent Auditor**

In accordance with Ohio law, independent audits must be performed on all financial operations of the City annually. Either the Auditor of State of Ohio, or if the Auditor permits, an independent public accounting firm conducts these audits. Brecksville City Council selected the Auditor of State's Office to perform these services for the year 2005. Their report is presented in the Financial Section.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities whose CAFR is easily readable, efficiently organized, and conforms to GFOA reporting standards. Such a report must satisfy both generally accepted accounting principles (GAAP) as well as applicable legal requirements. The City of Brecksville received this honor for its Comprehensive Annual Financial Report for the year ended December 31, 2004. A Certificate of Achievement is valid for a period of one year only. The City of Brecksville believes the current report conforms to the Certificate of Achievement Program requirements, and has submitted it to the GFOA to determine its eligibility for another Certificate of Achievement.

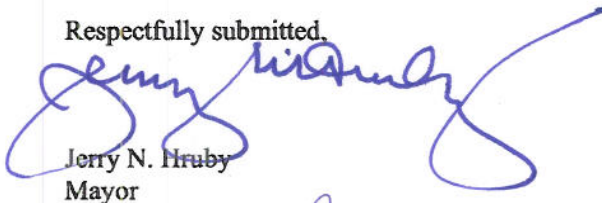
### **Acknowledgments**

Successful preparation of a report of this scope depends upon the dedicated contribution of many employees. The sincere appreciation of those primarily responsible for its completion is extended to all contributors but especially to those employees in the Department of Finance who have spent their time and energy on various parts of the project and to Local Government Services for their assistance in helping the City prepare this report in conformity with generally accepted accounting principles (GAAP) and the requirements of the Government Finance Officers Association.

In addition, we would like to thank Brecksville City Council, without whose positive leadership and encouragement, the preparation of this report would not have been possible.

In closing, we would like to thank the residents and taxpayers of the City of Brecksville for entrusting us with the administration of their local government.

Respectfully submitted,



Jerry N. Hruby  
Mayor



Virginia Price, CPA  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Brecksville,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2004

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.



*Carla E. Perry*

President

*Jeffrey R. Emer*

Executive Director

**City of Brecksville, Ohio**

*City Officials*

ELECTED OFFICIALS

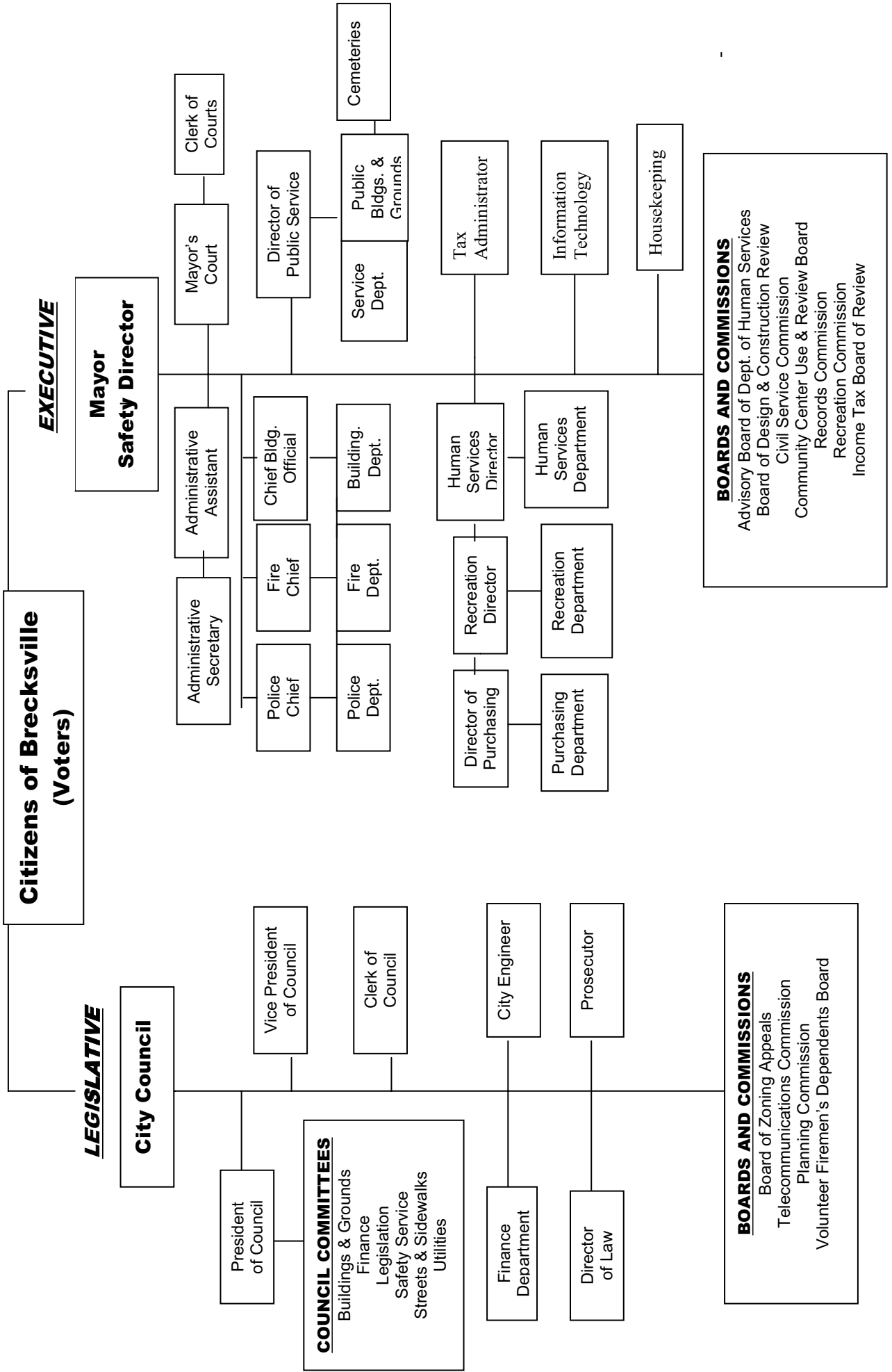
Mayor-Safety Director ..... Jerry N. Hruby  
President of Council ..... Larry Potla  
Vice-President of Council.....Gerald F. Broski  
Council Member ..... Neil F. Brennan  
Council Member ..... Louis Carouse  
Council Member .....Nora Murphy  
Council Member ..... Carl J. Opatrny  
Council Member .....David J. Deuch

APPOINTED OFFICIALS

Director of Finance ..... Virginia Price  
Police Chief.....Dennis A. Kancler  
Fire Chief .....Edwin D. Egut  
Service Director ..... Robert J. Pech  
Director of Purchasing ..... Donna Shirer  
Chief Building Official ..... Robert L. Miller  
Clerk of Courts..... Marilyn L. Sewell  
Director of Recreation.....Kimberly Robertson  
Director of Law.....Paul A. Grau  
Prosecutor ..... Sergio I. Digeronimo  
City Engineer ..... Victoria McCauley  
Clerk of Council.....Mary Scullin

# CITY OF BRECKSVILLE, OHIO

## ORGANIZATIONAL CHART





## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

City of Brecksville  
Cuyahoga County  
9069 Brecksville Road  
Brecksville, Ohio 44141

To the City Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brecksville, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brecksville, Cuyahoga County, Ohio, as of December 31, 2005, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Fire Department Funds 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 restated the fund balance in the General Municipal Improvement Fund due to notes payable.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2006, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801  
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 5, 2006



**City of Brecksville**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

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The discussion and analysis of The City of Brecksville's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2005. 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 2005 are as follows:

- Total Net Assets increased \$6,904,097 or a 9.9 percent increase over 2004.
- The City's return on assets was 6.6 percent.
- Total Assets of Governmental Activities increased \$10,178,038 which represents a 10.8 percent increase over 2004.
- Total expenses of all City services were \$19,972,790 in 2005, a increase of \$852,402 over 2004.
- Total Current Liabilities increased by \$1,146,376 or 16.5 percent from 2004.
- Total Capital Assets increased by \$11,775,400 or 18.7 percent over 2004.
- Total Outstanding Long-term Liabilities at 2005 were \$2,127,565 more than year 2004, a 12.1 percent increase due to a new debt issue.

**Using This Annual Financial Report**

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 of Brecksville as a financial whole or as an entire operating entity. The statements provide a detailed look at the City's specific financial conditions.

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 Brecksville as a Whole**

Statement of Net Assets and the 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 considers all financial transactions and asks the question, "How did we do financially during 2005?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

**City of Brecksville**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

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These two statements report the City's net assets and the changes in those assets. The change in assets is 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 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 Expenses and Revenues
- General Revenues
- Net Assets Beginning of Year and Year's End

**Reporting the City of Brecksville's Most Significant Funds**

**Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The City of Brecksville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The presentation of the City's major funds begins on page 16. Fund financial reports provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds, which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Brecksville, our major funds are the General, Fire Department, Special Assessment Bond Retirement, General Municipal Improvement, Buildings and Improvements, Road Improvements and Human Services Facilities.

**Governmental Funds** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. All City activities are reported in the governmental funds focusing on how money flows into and out of those funds and the balances left at year-end available for future spending. Our funds are reported using the modified accrual accounting method. The modified accrual method measures cash and all other financial assets 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. Governmental fund information helps determine the level of financial resources that can be spent in the near future on residential services. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

**City of Brecksville**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

**The City of Brecksville as a Whole**

Recall that the Statement of Net Assets pictures the City as a whole. Table 1 provides a summary of the City's net assets for 2005 compared to 2004.

Table 1  
Net Assets

|   | Governmental Activities |                     |                    |
|---|-------------------------|---------------------|--------------------|
|   | 2005                    | 2004                | Change             |
| <b>Assets</b>                                   |                         |                     |                    |
| Current and Other Assets                        | \$29,565,775            | \$31,163,137        | (\$1,597,362)      |
| Capital Assets, Net                             | 74,634,834              | 62,859,434          | 11,775,400         |
| <i>Total Assets</i>                             | <u>104,200,609</u>      | <u>94,022,571</u>   | <u>10,178,038</u>  |
| <b>Liabilities</b>                              |                         |                     |                    |
| Current and Other Liabilities                   | 8,106,239               | 6,959,863           | 1,146,376          |
| Long-Term Liabilities                           |                         |                     |                    |
| Due Within One Year                             | 1,460,653               | 1,291,642           | 169,011            |
| Due in More Than One Year                       | 18,286,949              | 16,328,395          | 1,958,554          |
| <i>Total Liabilities</i>                        | <u>27,853,841</u>       | <u>24,579,900</u>   | <u>3,273,941</u>   |
| <b>Net Assets</b>                               |                         |                     |                    |
| Invested in Capital Assets, Net of Related Debt | 55,145,792              | 52,108,292          | 3,037,500          |
| Restricted for:                                 |                         |                     |                    |
| Capital Projects                                | 6,284,699               | 4,953,157           | 1,331,542          |
| Debt Service                                    | 5,320,046               | 4,493,213           | 826,833            |
| Fire Department                                 | 429,565                 | 370,646             | 58,919             |
| Community Center                                | 151,056                 | 185,522             | (34,466)           |
| Street Repair and Maintenance                   | 541,124                 | 569,521             | (28,397)           |
| Road Maintenance                                | 653,969                 | 430,238             | 223,731            |
| Other Purpose                                   | 502,465                 | 642,334             | (139,869)          |
| Unrestricted                                    | 7,318,052               | 5,689,748           | 1,628,304          |
| <i>Total Net Assets</i>                         | <u>\$76,346,768</u>     | <u>\$69,442,671</u> | <u>\$6,904,097</u> |

Net assets may serve as a useful indicator of a government's financial position over time. In the case of the City of Brecksville, assets exceeded liabilities by \$76,346,768 at year end 2005. By far the largest portion of the City of Brecksville's assets (72 percent) is its investment in capital assets including land, buildings, streets, water lines, storm water lines, and machinery net of related debt. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City of Brecksville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Brecksville**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

The City's net assets increased by \$6,904,097 during the current fiscal year. The primary factor for this increase is the City's continuing commitment to investment in its infrastructure, indicated by an increase in Capital Assets of \$11,775,400. Additionally, the City of Brecksville works very hard to stabilize current liabilities and reduce long-term liabilities. As an example, the City budgets \$100,000 per month from income tax revenues to provide future funding for specific building or infrastructure improvements. At the end of 2005 the City's total liabilities to net asset ratio was 36.5 percent.

The City carefully invests its cash and equivalents in a variety of investment types with the primary focus being safety of principal, but with an attention to investment opportunities to increase yield. The Investment Board which consists of the Mayor, Finance Director, and Law Director pay close attention to daily interest rates and long-term financial trends. The City realized \$644,426 in interest revenue. With interest rates rebounding from historic lows, interest revenue projections for the future are much improved. This additional revenue is utilized as part of the City's plan to pay off short-term debt or pay for future projects or improvements.

Table 2 shows the changes in net assets for the year ended December 31, 2005 compared to 2004.

Table 2  
Changes in Net Assets

|                                    | Governmental Activities |                     |                    |
|------------------------------------|-------------------------|---------------------|--------------------|
|                                    | 2005                    | 2004                | Change             |
| <b>Program Revenues</b>            |                         |                     |                    |
| Charges for Services               | \$1,627,828             | \$1,621,303         | \$6,525            |
| Operating Grants and Contributions | 699,386                 | 701,225             | (1,839)            |
| Capital Grants and Contributions   | 3,296,299               | 2,119,012           | 1,177,287          |
| <i>Total Program Revenues</i>      | <u>5,623,513</u>        | <u>4,441,540</u>    | <u>1,181,973</u>   |
| <b>General Revenues</b>            |                         |                     |                    |
| Property Taxes                     | 4,546,706               | 4,391,313           | 155,393            |
| Income Taxes                       | 13,845,340              | 12,762,788          | 1,082,552          |
| Grants and Entitlements            | 1,494,661               | 1,760,102           | (265,441)          |
| Investment Earnings                | 644,426                 | 594,442             | 49,984             |
| Other                              | 722,241                 | 375,742             | 346,499            |
| Total General Revenues             | <u>21,253,374</u>       | <u>19,884,387</u>   | <u>1,368,987</u>   |
| <i>Total Revenues</i>              | <u>\$26,876,887</u>     | <u>\$24,325,927</u> | <u>\$2,550,960</u> |

**City of Brecksville**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

Table 2 (continued)  
Changes in Net Assets

|  | Governmental Activities    |                            |                           |
|--|----------------------------|----------------------------|---------------------------|
|  | 2005                       | 2004                       | Change                    |
| <b>Program Expenses</b>                      |                            |                            |                           |
| General Government:                          |                            |                            |                           |
| Legislative and Executive                    | \$4,355,622                | \$4,246,585                | \$109,037                 |
| Judicial                                     | 157,222                    | 151,584                    | 5,638                     |
| Public Safety:                               |                            |                            |                           |
| Police                                       | 3,811,772                  | 3,930,138                  | (118,366)                 |
| Fire   | 2,027,052                  | 1,862,540                  | 164,512                   |
| Public Health Services                       | 122,266                    | 113,498                    | 8,768                     |
| Street Construction, Maintenance and Repairs | 4,280,735                  | 3,433,446                  | 847,289                   |
| Housing and Community Development            | 1,079,752                  | 860,061                    | 219,691                   |
| Basic Utility Services                       | 1,946,379                  | 2,457,634                  | (511,255)                 |
| Recreational Activities                      | 1,466,915                  | 1,568,851                  | (101,936)                 |
| Interest and Fiscal Charges                  | 725,075                    | 496,051                    | 229,024                   |
| <i>Total Program Expenses</i>                | <u>19,972,790</u>          | <u>19,120,388</u>          | <u>852,402</u>            |
| <i>Change in Net Assets</i>                  | 6,904,097                  | 5,205,539                  | 1,698,558                 |
| Net Assets Beginning of Year                 | <u>69,442,671</u>          | <u>64,237,132</u>          | <u>5,205,539</u>          |
| Net Assets End of Year                       | <u><u>\$76,346,768</u></u> | <u><u>\$69,442,671</u></u> | <u><u>\$6,904,097</u></u> |

**Governmental Activities**

Several revenue sources fund our governmental activities with City income tax being the largest contributor. The income tax rate of 2 percent was created by City Charter and became effective January 1990. This tax created by Charter amendment will remain until such time as the City's electorate changes the rate, which is not anticipated. The income tax revenue amount for 2005 was \$13,845,340. General revenues from grants and entitlements, such as local government funds, are also sources of revenue. In 2005, the City realized \$3,296,299 in capital grants and contributions revenue. The majority of this revenue came from Ohio Public Works grants provided for investment in the City's water and sewer line infrastructure.

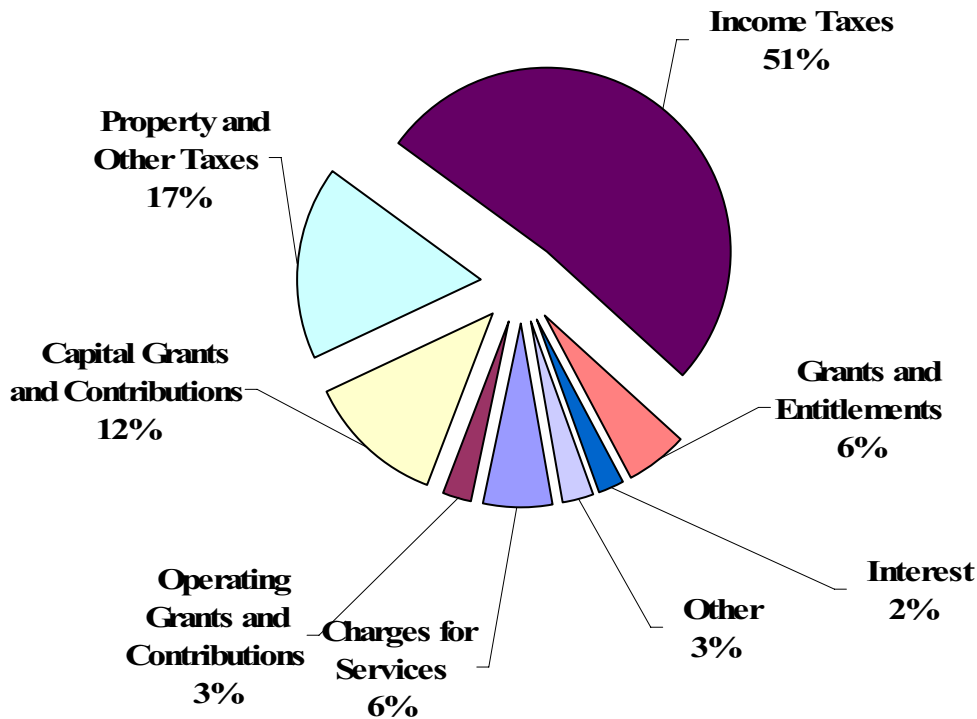
City income tax collections in 2005 were up 8.5 percent from 2004 collections. This increase can be attributed to some industries new to Brecksville and an overall healthier economy. The City has enjoyed a healthy revenue stream in its income tax collections for the past fifteen years. The catalyst behind its historical growth is a strong economic development program. The City enjoys an income tax base of numerous large and small businesses which provides stability in collections and insures that the City will be able to meet its financial needs even if the City loses one or more of the businesses. City income tax revenue of \$2,472,000 per year is earmarked for specific City improvements. \$10,000 per month or \$120,000 per year is part of the funding designated for road re-paving. \$16,000 per month or \$192,000 per year is part of the funding designated for capital improvements. \$80,000 per month or \$960,000 per year is allocated toward general municipal improvements. \$100,000 per month or \$1,200,000 per year is allocated toward building improvements.

**City of Brecksville**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

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These revenues are allocated by Ordinance of City Council providing that a substantial portion of our income tax collections is designated for roads, City facilities and capital needs. Of the \$26,876,887 in total revenue, income tax accounts for 51 percent of that total. Property taxes of \$4,546,706 accounts for 17 percent of total revenue, with program revenues, grants and entitlements, investment income and miscellaneous income accounting for the remaining 32 percent.

**2005 Revenues by Source**



Public safety, including the police and fire departments, accounted for program expenses of \$5,838,824 which is 29 percent of total City expenses for the year 2005. Street construction, maintenance and repair expenses of \$4,280,735 accounted for 21 percent. These two figures illustrate the City's commitment toward infrastructure maintenance as well as the safety of our citizens. The police and fire departments live within their overtime budgets, which accounts for a small portion of the total cost of operating both departments.

The Fire Department is funded through Charter levy millage. All operating costs for maintaining the Fire Department 24 hours a day, 7 days a week are financed with this millage. In addition, a portion of the levied funds is budgeted toward capital improvements within the Fire Department. In 2005, the Fire Department invested \$122,940 in a new ambulance to improve its emergency medical services.

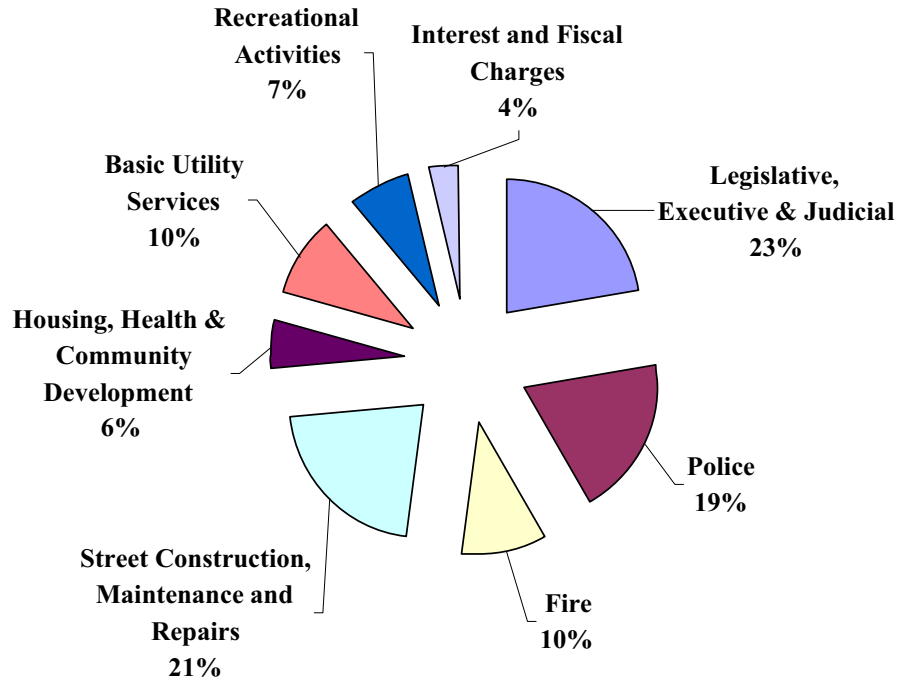
Our Police Department continues to improve their equipment to better serve our community and at the same time provide extra safety for our officers. We continue to strive to provide better police and fire service at a lower cost per man-hour.

As stated previously, 21 percent of our year 2005 program expenses were for road and infrastructure maintenance, repair and building and an additional 10 percent was used to improve and maintain basic utility services. The City funds these projects through short-term notes and by utilizing earmarked income tax dollars as described previously. This is again an illustration of the City's commitment to improving and maintaining its infrastructure.

**City of Brecksville**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

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**2005 Expenditures by Function**



**The City's Funds**

Information about the City's Governmental funds begins on page 16. These funds are accounted for using the modified accrual basis of accounting. All Governmental Funds had total revenue of \$25,211,863 and expenditures of \$33,687,459. The most significant fund is our General Fund with an unreserved fund balance at year-end of \$7,000,511 compared to annual expenditures of \$12,630,158. While general fund revenues exceeded expenditures by \$2,766,822, \$1,550,000 of this excess was transferred to other funds. These transfers helped the city fund capital improvements. In 2005, the General Fund increased its fund balance over 2004 by \$1,278,474. The City was able to recognize this increase through increased income tax collections and a reduction in the amount of transfers out to other funds. The only other Governmental fund with a significant change in fund balance is the Human Services Facilities fund. The fund balance reduction of \$5,566,844 is due to the construction of the City's new Human Services facility with the corresponding construction payments. This fund will continue to be reduced in 2006 as final construction payments are made.

**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. The most significant budgeted fund is the General Fund. During the course of 2005 the City amended its General Fund budget several times, but no amendment was significant. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for Ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund. The General Fund supports many of our major activities including the Police Department, Recreation Department, and most legislative and executive activities. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

**City of Brecksville**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

**Capital Assets and Debt Administration**

*Capital Assets*

Table 3  
 Capital Assets at December 31

|                            | Governmental Activities |              |
|----------------------------|-------------------------|--------------|
|                            | 2005                    | 2004         |
| Land                       | \$9,027,253             | \$4,602,712  |
| Construction in Progress   | 12,988,275              | 10,357,037   |
| Buildings and Improvements | 10,231,099              | 10,202,112   |
| Machinery and Equipment    | 4,341,734               | 4,235,671    |
| Furniture and Fixtures     | 57,680                  | 65,885       |
| Infrastructure             |                         |              |
| Roads                      | 13,829,191              | 11,501,039   |
| Sidewalks                  | 1,164,943               | 1,254,146    |
| Guardrails                 | 67,875                  | 0            |
| Traffic Signals            | 1,986,199               | 2,090,736    |
| Storm Sewer                | 5,021,888               | 4,969,138    |
| Sanitary Sewer             | 10,123,468              | 8,437,742    |
| Water Lines                | 5,795,229               | 5,143,216    |
| Total Capital Assets       | \$74,634,834            | \$62,859,434 |

Total capital assets, net of depreciation, increased \$11,775,400 from 2004. The largest increase was in land due to the purchase of 102 acres of undeveloped land from the City of Cleveland previously used by them as a tree farm. Other significant increases in capital assets were in construction in progress, roads, sanitary sewer and water lines. The primary reason for the increase in construction in progress was the continuing construction of the City's Human Services and Community Center addition. Completion of the Route 21/Hilton/Whitewood Water, Sanitary Sewer and Storm Drainage project provided large increases in sanitary sewer and water lines. In 2005, the Fitzwater/Riverview/Wiese roads water line cleaning, lining and replacement project was started. As indicated by the substantial increases in our street and utility capital assets, the City is committed to a long-term goal of rebuilding its infrastructure and facilities. We have a five year capital plan in place providing for rebuilding major residential streets, water, sewer and storm sewer lines, and adding additional facilities to complement our current structures.

The City of Brecksville seeks grants for infrastructure projects as well as improving our City facilities. In 2004 it received approval for a \$1,026,119 infrastructure improvement grant through the Ohio Public Works Department for the Fitzwater/Riverview/Wiese roads water line cleaning, lining and replacement. The majority of the construction was completed in 2005, with final improvements to be complete in spring of 2006. Use of grants and loans as well as short-term notes enable the City to improve its capital assets and at the same time maintain our fund levels. See note 10 for additional information on the City's capital assets.



**City of Brecksville**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

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**Debt**

As of December 31, 2005, the City of Brecksville had \$20,547,602 in bonds, notes, loans and compensated absences outstanding with \$1,460,653 due within one year.

Table 4  
 Outstanding Debt as Year End

|                          | Governmental Activities |                     |
|--------------------------|-------------------------|---------------------|
|                          | 2005                    | 2004                |
| General Obligation Bonds | \$13,615,307            | \$10,027,432        |
| Special Assessment Bonds | 4,929,614               | 4,057,000           |
| Notes                    | 800,000                 | 2,550,000           |
| OPWC Loans               | 651,478                 | 471,284             |
| Compensated Absences     | 551,203                 | 514,321             |
| <b>Total</b>             | <b>\$20,547,602</b>     | <b>\$17,620,037</b> |

The General Obligation Bond Retirement bonds are composed of a Library Refunding Bond of \$1,199,266, two Community Center Bonds; one for \$1,402,908 and one for \$1,040,000, a Human Services Facility Bond of \$5,692,132 and the 2005 Tree Farm Property Bond for \$4,281,001. On November 7, 1989, effective January 1, 1990, voters passed a ½ percent City income tax increase (from 1½ percent to 2 percent with 100 percent credit). The ½ percent was designated for the construction of a Community Center, the purchase of Blossom Hill property (\$1,000,000) and capital improvements. Each month, \$80,000 is put into a General Municipal Improvement Fund. Money is transferred into the General Obligation Bond Retirement fund for payment of the Community Center bonds.

The Special Assessment Bond Retirement Funds consist of Sprague-Wallings Sanitary Sewer Improvement, Sewer Project #1312 #2, Old Royalton Road Water Main, Oakhurst-Fitzwater Sanitary Sewer, Southpointe Parkway Refunding, Four Seasons Sewer and Water, the Service Road Sewer and Water, Route 21 Hilton, Whitewood Sewer and Storm and Route 21 Access Road. Principal and interest for these bonds are paid from the collection of special assessments by the County Auditor. In 2005 the \$1,550,000 special assessment note was retired and special assessment bonds were issued for the Route 21 Hilton, Whitewood Sewer and Storm and Route 21 Access Road. These infrastructure projects were assessed to the Cuyahoga County Auditor's office in 2005.

In 1997 the City refunded the following bond issues: Library Improvement, Community Center Improvement, Oakhurst-Fitzwater Sanitary Sewer and Southpointe Parkway Improvement. In 2004 the City refunded the Community Center Improvement Bonds of 1992. The bonds were reissued along with \$6,000,000 of new bonds for the Human Service Facility project.

The OPWC Loans are paid semi-annually from the Capital Improvement Fund, the Road Improvement Charter Levy Fund, and the Public Utility Improvement Fund and will be paid in full in the year 2025. The City's overall debt increased in 2005 by \$2,927,565 due to the Tree Farm Property bonds and the new OPWC loans. In 2005 the City retired \$500,000 of the \$1,000,000 street improvement note and has budgeted to retire the remaining \$500,000 in 2006. The City's overall legal ten and one-half percent debt limitation (voted and unvoted) on December 31, 2005 was \$60.4 million. The aggregated outstanding debt subject to the ten and one half percent limitation is \$14.2 million. The difference of \$46.2 million between the maximum issuable amount and the outstanding amount represents the aggregate principal amount of additional voted and unvoted nonexempt debt which the City may issue without exceeding the ten and one-half percent limitation. See Note 15 for additional information on the City's debt.

**City of Brecksville**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2005*  
*Unaudited*

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**Current Financial Related Activities**

The City of Brecksville is financially strong. Over the past sixteen years we have enjoyed strong growth in revenues and at the same time adopted a strong, fiscally responsible financial plan to live within our means. In 1990 we increased our income tax from 1.5 to 2 percent promising our constituents that the City of Brecksville would improve its facilities and infrastructure and increase its level of services without the need for additional taxes. Since that time we built our Community Center, acquired the 83-acre Blossom property, and expanded our Municipal Parking Lot, Service Department, and recreational playing fields. The current addition to our Community Center building will provide additional space for recreational activities and a diverse operations center for our Human Services department including classrooms, meeting rooms, food service facilities and a physical therapy pool. The 102 acre tree farm property provides opportunities for additional recreational and cemetery use.

For many years the City has reduced its health care costs by operating a self-funded insurance program and joining a group rating worker's compensation program. While the cost increases for medical insurance are unavoidable in today's environment, the City is working diligently to maintain a high level of coverage for its employees at the lowest cost possible. In 2004, the City created a health care cost committee comprised of representatives from all departments to address the issue of rising health care and develop strategies to minimize increases. In 2005, the City was able to realize a nineteen percent reduction in its health care expenses, due in part to a change in the group discount provider.

The Finance Director, Mayor, and City Council work extremely hard at keeping our debt low. We plan our finances so that we can pay cash for many of the facility improvements and acquisitions, and continue to pay cash for all equipment and other major purchases necessary to maintain our level of services. We live within our means and plan ahead knowing that our budget enables us to spend less than the revenues we receive.

The City of Brecksville has committed itself to financial excellence and a landmark designation in 2001 greatly enhanced that status. Moody's Investors Service assigned an Aa1 credit rating to the City of Brecksville's General Bonds. Brecksville became one of only six cities in Ohio with the coveted Aa1 rating. Less than three percent of communities nationwide have achieved an Aa1 rating. Only two Ohio cities are rated AAA. In 2005 Moody's renewed this rating when reviewing the City in relation to its new bond issue. In its report Moody's said, "We expect the City's financial operations to remain sound, given conservative fiscal management and the support of healthy reserves." The City has received the Government Finance Officers Award (GFOA) Certificate of Achievement for Excellence since 1990, the year of our first Comprehensive Annual Financial Report. The Auditor of the State of Ohio presented Brecksville with the Auditor's Award for the City's exemplary 2004 annual financial report. Fewer than five percent of all the agencies audited are eligible for the award. Our commitment to our residents has always been one of full disclosure of the financial position of the City. Annually we publish and make available to our residents by mail a complete and total report of our revenues and expenditures through the City's Bulletin, a publication produced by the City six times per year. We also offer information regarding our City on our web site, [www.brecksville.oh.us](http://www.brecksville.oh.us).

**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 demonstrate the City's accountability for all money it receives, spends, and invests. Please direct any questions about this report or financial information inquiries to Finance Director Virginia Price, City of Brecksville, 9069 Brecksville Road, Brecksville, Ohio 44141, or telephone 440-526-4351.

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## Basic Financial Statements

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**City of Brecksville, Ohio**

*Statement of Net Assets*

*December 31, 2005*

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|  | <u>Governmental<br/>Activities</u> |
|--|------------------------------------|
| <b>Assets</b>                                    |                                    |
| Equity in Pooled Cash and Cash Equivalents       | \$15,049,190                       |
| Cash and Cash Equivalents in Segregated Accounts | 4,700                              |
| Materials and Supplies Inventory                 | 107,401                            |
| Accounts Receivable                              | 47,961                             |
| Accrued Interest                                 | 82,199                             |
| Intergovernmental Receivable                     | 1,430,680                          |
| Prepaid Items                                    | 66,780                             |
| Municipal Income Taxes Receivable                | 2,607,268                          |
| Property Taxes Receivable                        | 5,087,605                          |
| Deferred Charges                                 | 123,400                            |
| Special Assessments Receivable                   | 4,958,591                          |
| Nondepreciable Capital Assets                    | 22,015,528                         |
| Depreciable Capital Assets, Net                  | <u>52,619,306</u>                  |
| <i>Total Assets</i>                              | <u>104,200,609</u>                 |
| <b>Liabilities</b>                               |                                    |
| Accounts Payable                                 | 92,930                             |
| Contracts Payable                                | 376,952                            |
| Retainage Payable                                | 835,166                            |
| Accrued Wages and Benefits                       | 345,961                            |
| Intergovernmental Payable                        | 326,430                            |
| Matured Compensated Absences Payable             | 24,957                             |
| Deferred Revenue                                 | 4,795,290                          |
| Accrued Interest Payable                         | 56,276                             |
| Claims Payable                                   | 109,944                            |
| Notes Payable                                    | 800,000                            |
| Vacation Benefits Payable                        | 342,333                            |
| Long-Term Liabilities:                           |                                    |
| Due Within One Year                              | 1,460,653                          |
| Due In More Than One Year                        | <u>18,286,949</u>                  |
| <i>Total Liabilities</i>                         | <u>27,853,841</u>                  |
| <b>Net Assets</b>                                |                                    |
| Invested in Capital Assets, Net of Related Debt  | 55,145,792                         |
| Restricted for:                                  |                                    |
| Capital Projects                                 | 6,284,699                          |
| Debt Service                                     | 5,320,046                          |
| Fire Department                                  | 429,565                            |
| Community Center                                 | 151,056                            |
| Street Repair and Maintenance                    | 541,124                            |
| Road Maintenance                                 | 653,969                            |
| Other Purposes                                   | 502,465                            |
| Unrestricted                                     | <u>7,318,052</u>                   |
| <i>Total Net Assets</i>                          | <u><u>\$76,346,768</u></u>         |

See accompanying notes to the basic financial statements

**City of Brecksville, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2005

|   | Expenses            | Program Revenues                               |                                    |                                  | Net (Expense)                     |
|---|---------------------|--|------------------------------------|----------------------------------|-----------------------------------|
|   |                     | Charges for Services and Operating Assessments | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Assets |
|   |                     |  |                                    |                                  | Governmental Activities           |
| <b>Governmental Activities</b>                              |                     |  |                                    |                                  |                                   |
| General Government:   |                     |  |                                    |                                  |                                   |
| Legislative and Executive                                   | \$4,355,622         | \$87,170                                       | \$1,330                            | \$0                              | (\$4,267,122)                     |
| Judicial System   | 157,222             | 326,593  | 0                                  | 0                                | 169,371                           |
| Public Safety:  |                     |  |                                    |                                  |                                   |
| Police  | 3,811,772           | 20,849   | 33,445                             | 0                                | (3,757,478)                       |
| Fire  | 2,027,052           | 669  | 7,584                              | 0                                | (2,018,799)                       |
| Public Health Services                                      | 122,266             | 37,965   | 0                                  | 0                                | (84,301)                          |
| Street Construction, Maintenance and Repair                 | 4,280,735           | 0  | 638,155                            | 3,018,001                        | (624,579)                         |
| Housing and Community Development                           | 1,079,752           | 214,392  | 2,281                              | 0                                | (863,079)                         |
| Basic Utility Services                                      | 1,946,379           | 56,030   | 7,745                              | 278,298                          | (1,604,306)                       |
| Recreational Activities                                     | 1,466,915           | 884,160  | 8,846                              | 0                                | (573,909)                         |
| Interest and Fiscal Charges                                 | 725,075             | 0  | 0                                  | 0                                | (725,075)                         |
| <i>Total Governmental Activities</i>                        | <u>\$19,972,790</u> | <u>\$1,627,828</u>                             | <u>\$699,386</u>                   | <u>\$3,296,299</u>               | <u>(14,349,277)</u>               |
| <b>General Revenues</b>                                     |                     |  |                                    |                                  |                                   |
| Property Taxes Levied for:                                  |                     |  |                                    |                                  |                                   |
| General Purposes  |                     |  |                                    |                                  | 1,832,776                         |
| Fire Department   |                     |  |                                    |                                  | 1,777,908                         |
| Streets   |                     |  |                                    |                                  | 522,913                           |
| Police Department   |                     |  |                                    |                                  | 156,874                           |
| Debt Service  |                     |  |                                    |                                  | 256,235                           |
| Municipal Income Taxes Levied for:                          |                     |  |                                    |                                  |                                   |
| General Purposes  |                     |  |                                    |                                  | 11,350,171                        |
| Capital Outlay  |                     |  |                                    |                                  | 2,495,169                         |
| Grants and Entitlements not Restricted to Specific Programs |                     |  |                                    |                                  |                                   |
|   |                     |  |                                    |                                  | 1,494,661                         |
| Investment Earnings   |                     |  |                                    |                                  | 644,426                           |
| Miscellaneous   |                     |  |                                    |                                  | 722,241                           |
| <i>Total General Revenues</i>                               |                     |  |                                    |                                  | <u>21,253,374</u>                 |
| Change in Net Assets  |                     |  |                                    |                                  | 6,904,097                         |
| <i>Net Assets Beginning of Year</i>                         |                     |  |                                    |                                  | <u>69,442,671</u>                 |
| <i>Net Assets End of Year</i>                               |                     |  |                                    |                                  | <u><u>\$76,346,768</u></u>        |

See accompanying notes to the basic financial statements

**City of Brecksville, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2005*

|   | General             | Fire<br>Department | Special<br>Assessment<br>Bond<br>Retirement | General<br>Municipal<br>Improvement | Buildings and<br>Improvements | Road<br>Improvements |
|---|---------------------|--------------------|---|-------------------------------------|-------------------------------|----------------------|
| <b>Assets</b>                                 |                     |                    |   |                                     |                               |                      |
| Equity in Pooled Cash and<br>Cash Equivalents | \$5,637,843         | \$491,245          | \$492,058                                   | \$925,781                           | \$320,352                     | \$635,464            |
| Cash and Cash Equivalents:                    |                     |                    |   |                                     |                               |                      |
| In Segregated Accounts                        | 4,700               | 0                  | 0   | 0                                   | 0                             | 0                    |
| Materials and Supplies Inventory              | 72,806              | 0                  | 0   | 0                                   | 0                             | 0                    |
| Accounts Receivable                           | 47,560              | 183                | 0   | 0                                   | 0                             | 0                    |
| Accrued Interest Receivable                   | 82,199              | 0                  | 0   | 0                                   | 0                             | 0                    |
| Intergovernmental Receivable                  | 374,340             | 104,807            | 0   | 45,713                              | 0                             | 127,005              |
| Prepaid Items                                 | 66,630              | 150                | 0   | 0                                   | 0                             | 0                    |
| Municipal Income Taxes Receivable             | 2,131,751           | 0                  | 0   | 184,667                             | 230,834                       | 23,083               |
| Property Taxes Receivable                     | 2,074,014           | 2,009,015          | 0   | 0                                   | 0                             | 0                    |
| Special Assessments Receivable                | 0                   | 0                  | 4,958,591                                   | 0                                   | 0                             | 0                    |
| <i>Total Assets</i>                           | <u>\$10,491,843</u> | <u>\$2,605,400</u> | <u>\$5,450,649</u>                          | <u>\$1,156,161</u>                  | <u>\$551,186</u>              | <u>\$785,552</u>     |
| <b>Liabilities and Fund Balances</b>          |                     |                    |   |                                     |                               |                      |
| <b>Liabilities</b>                            |                     |                    |   |                                     |                               |                      |
| Accounts Payable                              | \$67,843            | \$1,069            | \$0   | \$375                               | \$0                           | \$0                  |
| Contracts Payable                             | 35,236              | 0                  | 0   | 5,143                               | 0                             | 10,092               |
| Retainage Payable                             | 0                   | 0                  | 0   | 14,754                              | 0                             | 55,190               |
| Accrued Wages and Benefits                    | 275,617             | 48,820             | 0   | 0                                   | 0                             | 0                    |
| Matured Compensated Absences                  | 23,196              | 0                  | 0   | 0                                   | 0                             | 0                    |
| Intergovernmental Payable                     | 118,068             | 91,480             | 0   | 0                                   | 0                             | 0                    |
| Notes Payable                                 | 0                   | 0                  | 0   | 500,000                             | 0                             | 300,000              |
| Accrued Interest Payable                      | 0                   | 0                  | 0   | 9,707                               | 0                             | 3,183                |
| Deferred Revenue                              | 2,765,669           | 2,113,822          | 4,958,591                                   | 70,380                              | 30,834                        | 130,088              |
| <i>Total Liabilities</i>                      | <u>3,285,629</u>    | <u>2,255,191</u>   | <u>4,958,591</u>                            | <u>600,359</u>                      | <u>30,834</u>                 | <u>498,553</u>       |
| <b>Fund Balances (Deficit)</b>                |                     |                    |   |                                     |                               |                      |
| Reserved for Encumbrances                     | 205,703             | 20,876             | 0   | 55,009                              | 0                             | 126,647              |
| Unreserved                                    |                     |                    |   |                                     |                               |                      |
| Undesignated, Reported in:                    |                     |                    |   |                                     |                               |                      |
| General Fund                                  | 7,000,511           | 0                  | 0   | 0                                   | 0                             | 0                    |
| Special Revenue Funds                         | 0                   | 329,333            | 0   | 0                                   | 0                             | 0                    |
| Debt Service Funds                            | 0                   | 0                  | 492,058                                     | 0                                   | 0                             | 0                    |
| Capital Projects Funds                        | 0                   | 0                  | 0   | 500,793                             | 520,352                       | 160,352              |
| <i>Total Fund Balances</i>                    | <u>7,206,214</u>    | <u>350,209</u>     | <u>492,058</u>                              | <u>555,802</u>                      | <u>520,352</u>                | <u>286,999</u>       |
| <i>Total Liabilities and Fund Balances</i>    | <u>\$10,491,843</u> | <u>\$2,605,400</u> | <u>\$5,450,649</u>                          | <u>\$1,156,161</u>                  | <u>\$551,186</u>              | <u>\$785,552</u>     |

See accompanying notes to the basic financial statements

**City of Brecksville, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
December 31, 2005*

| Human<br>Services<br>Facilities | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---------------------------------|--------------------------------|--------------------------------|
| \$2,417,892                     | \$3,953,350                    | \$14,873,985                   |
| 0                               | 0                              | 4,700                          |
| 0                               | 34,595                         | 107,401                        |
| 0                               | 218                            | 47,961                         |
| 0                               | 0                              | 82,199                         |
| 0                               | 778,815                        | 1,430,680                      |
| 0                               | 0                              | 66,780                         |
| 0                               | 36,933                         | 2,607,268                      |
| 0                               | 1,004,576                      | 5,087,605                      |
| 0                               | 0                              | 4,958,591                      |
| <u>\$2,417,892</u>              | <u>\$5,808,487</u>             | <u>\$29,267,170</u>            |
| \$1,107                         | \$22,536                       | \$92,930                       |
| 197,974                         | 128,507                        | 376,952                        |
| 716,810                         | 48,412                         | 835,166                        |
| 0                               | 21,524                         | 345,961                        |
| 0                               | 1,761                          | 24,957                         |
| 0                               | 116,882                        | 326,430                        |
| 0                               | 0                              | 800,000                        |
| 0                               | 0                              | 12,890                         |
| 0                               | 1,678,700                      | 11,748,084                     |
| <u>915,891</u>                  | <u>2,018,322</u>               | <u>14,563,370</u>              |
| 1,673,889                       | 529,421                        | 2,611,545                      |
| 0                               | 0                              | 7,000,511                      |
| 0                               | 1,164,169                      | 1,493,502                      |
| 0                               | 265,171                        | 757,229                        |
| <u>(171,888)</u>                | <u>1,831,404</u>               | <u>2,841,013</u>               |
| <u>1,502,001</u>                | <u>3,790,165</u>               | <u>14,703,800</u>              |
| <u>\$2,417,892</u>              | <u>\$5,808,487</u>             | <u>\$29,267,170</u>            |

|  |                     |
|--|---------------------|
| <b>Total Governmental Fund Balances</b>  | \$14,703,800        |
| <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.  | 74,634,834          |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:   |                     |
| Property Taxes   | 292,315             |
| Intergovernmental  | 1,194,193           |
| Municipal Income Taxes   | 507,695             |
| Special Assessments  | <u>4,958,591</u>    |
| Total  | 6,952,794           |
| An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. | 65,261              |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.   | (43,386)            |
| Vacation benefits payables is not expected to be paid with expendable expendable available financial resources and therefore are not reported in the fund.   | (342,333)           |
| 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.   | 123,400             |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:   |                     |
| General Obligation Bonds   | (13,615,307)        |
| Special Assessment Bonds   | (4,929,614)         |
| OPWC Loans   | (651,478)           |
| Compensated Absences   | <u>(551,203)</u>    |
| Total  | <u>(19,747,602)</u> |
| <i>Net Assets of Governmental Activities</i>   | <u>\$76,346,768</u> |

**City of Brecksville, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2005*

|  | General            | Fire<br>Department | Special<br>Assessment<br>Bond<br>Retirement | General<br>Municipal<br>Improvement | Buildings and<br>Improvements | Road<br>Improvements |
|--|--------------------|--------------------|---|-------------------------------------|-------------------------------|----------------------|
| <b>Revenues</b>  |                    |                    |   |                                     |                               |                      |
| Property and Other Taxes   | \$1,773,140        | \$1,720,141        | \$0   | \$0                                 | \$0                           | \$0                  |
| Municipal Income Taxes   | 11,241,689         | 0                  | 0   | 960,000                             | 1,200,000                     | 120,000              |
| Charges for Services   | 71,523             | 109                | 0   | 0                                   | 0                             | 0                    |
| Licenses and Permits   | 277,378            | 560                | 0   | 0                                   | 0                             | 0                    |
| Fines and Forfeitures  | 307,125            | 0                  | 0   | 0                                   | 0                             | 0                    |
| Intergovernmental  | 1,214,073          | 268,989            | 0   | 0                                   | 0                             | 318,875              |
| Special Assessments  | 0                  | 0                  | 723,870                                     | 0                                   | 0                             | 0                    |
| Interest   | 204,659            | 31,504             | 1,291                                       | 39,159                              | 14,442                        | 16,010               |
| Donations  | 10,626             | 0                  | 0   | 0                                   | 0                             | 0                    |
| Rentals  | 57,422             | 0                  | 0   | 0                                   | 0                             | 0                    |
| Miscellaneous  | 239,345            | 30,474             | 0   | 157,329                             | 0                             | 0                    |
| <i>Total Revenues</i>  | <u>15,396,980</u>  | <u>2,051,777</u>   | <u>725,161</u>                              | <u>1,156,488</u>                    | <u>1,214,442</u>              | <u>454,885</u>       |
| <b>Expenditures</b>  |                    |                    |   |                                     |                               |                      |
| Current:   |                    |                    |   |                                     |                               |                      |
| General Government:  |                    |                    |   |                                     |                               |                      |
| Legislative and Executive  | 4,323,353          | 0                  | 9,290                                       | 0                                   | 0                             | 0                    |
| Judicial System  | 156,227            | 0                  | 0   | 0                                   | 0                             | 0                    |
| Public Safety:   |                    |                    |   |                                     |                               |                      |
| Police   | 3,520,646          | 0                  | 0   | 0                                   | 0                             | 0                    |
| Fire   | 13,607             | 1,852,741          | 0   | 0                                   | 0                             | 0                    |
| Public Health Services   | 123,716            | 0                  | 0   | 0                                   | 0                             | 0                    |
| Street Construction, Maintenance and Repair                        | 1,984,226          | 0                  | 0   | 0                                   | 0                             | 0                    |
| Housing and Community Development                                  | 819,205            | 0                  | 0   | 0                                   | 0                             | 0                    |
| Basic Utility Services   | 1,668,448          | 0                  | 0   | 0                                   | 0                             | 0                    |
| Recreational Activities  | 20,730             | 0                  | 0   | 0                                   | 0                             | 0                    |
| Capital Outlay   | 0                  | 0                  | 0   | 4,392,689                           | 1,600                         | 455,337              |
| Debt Service:  |                    |                    |   |                                     |                               |                      |
| Principal Retirement   | 0                  | 0                  | 370,000                                     | 0                                   | 0                             | 0                    |
| Interest and Fiscal Charges  | 0                  | 0                  | 206,564                                     | 120,580                             | 0                             | 24,045               |
| <i>Total Expenditures</i>  | <u>12,630,158</u>  | <u>1,852,741</u>   | <u>585,854</u>                              | <u>4,513,269</u>                    | <u>1,600</u>                  | <u>479,382</u>       |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i>            | <u>2,766,822</u>   | <u>199,036</u>     | <u>139,307</u>                              | <u>(3,356,781)</u>                  | <u>1,212,842</u>              | <u>(24,497)</u>      |
| <b>Other Financing Sources (Uses)</b>                              |                    |                    |   |                                     |                               |                      |
| Bond Anticipation Notes Issued                                     | 0                  | 0                  | 0   | 0                                   | 0                             | 800,000              |
| General Obligation Bonds Issued                                    | 0                  | 0                  | 0   | 4,205,000                           | 0                             | 0                    |
| Special Assessment Bonds Issued                                    | 0                  | 0                  | 0   | 0                                   | 0                             | 165,000              |
| OPWC Loan Issued   | 0                  | 0                  | 0   | 0                                   | 0                             | 0                    |
| Premium on Bonds   | 0                  | 0                  | 0   | 76,001                              | 0                             | 2,614                |
| Payment to Refund Notes  | 0                  | 0                  | 0   | (500,000)                           | 0                             | (1,600,000)          |
| Sale of Capital Assets   | 42,820             | 0                  | 0   | 0                                   | 0                             | 0                    |
| Transfers In   | 18,832             | 0                  | 0   | 876,377                             | 0                             | 138,528              |
| Transfers Out  | (1,550,000)        | (200,000)          | 0   | (850,138)                           | (1,000,000)                   | (26,377)             |
| <i>Total Other Financing Sources (Uses)</i>                        | <u>(1,488,348)</u> | <u>(200,000)</u>   | <u>0</u>                                    | <u>3,807,240</u>                    | <u>(1,000,000)</u>            | <u>(520,235)</u>     |
| <i>Net Change in Fund Balances</i>                                 | 1,278,474          | (964)              | 139,307                                     | 450,459                             | 212,842                       | (544,732)            |
| <i>Fund Balances Beginning of Year -<br/>Restated (See Note 3)</i> | <u>5,927,740</u>   | <u>351,173</u>     | <u>352,751</u>                              | <u>105,343</u>                      | <u>307,510</u>                | <u>831,731</u>       |
| <i>Fund Balances End of Year</i>                                   | <u>\$7,206,214</u> | <u>\$350,209</u>   | <u>\$492,058</u>                            | <u>\$555,802</u>                    | <u>\$520,352</u>              | <u>\$286,999</u>     |

See accompanying notes to the basic financial statements



**City of Brecksville, 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, 2005*

| Human Services Facilities | Other Governmental Funds | Total Governmental Funds |
|---------------------------|--------------------------|--------------------------|
| \$0                       | \$905,609                | \$4,398,890              |
| 0                         | 192,000                  | 13,713,689               |
| 0                         | 709,151                  | 780,783                  |
| 0                         | 148,907                  | 426,845                  |
| 0                         | 8,006                    | 315,131                  |
| 0                         | 1,579,094                | 3,381,031                |
| 0                         | 0                        | 723,870                  |
| 175,696                   | 150,736                  | 633,497                  |
| 0                         | 2,516                    | 13,142                   |
| 0                         | 47,647                   | 105,069                  |
| 0                         | 292,768                  | 719,916                  |
| <u>175,696</u>            | <u>4,036,434</u>         | <u>25,211,863</u>        |
| 0                         | 257                      | 4,332,900                |
| 0                         | 1,175                    | 157,402                  |
| 0                         | 190,002                  | 3,710,648                |
| 0                         | 0                        | 1,866,348                |
| 0                         | 0                        | 123,716                  |
| 0                         | 1,076,448                | 3,060,674                |
| 0                         | 15,861                   | 835,066                  |
| 0                         | 9,584                    | 1,678,032                |
| 0                         | 1,635,163                | 1,655,893                |
| 6,342,540                 | 2,471,229                | 13,663,395               |
| 0                         | 1,510,949                | 1,880,949                |
| 0                         | 371,247                  | 722,436                  |
| <u>6,342,540</u>          | <u>7,281,915</u>         | <u>33,687,459</u>        |
| <u>(6,166,844)</u>        | <u>(3,245,481)</u>       | <u>(8,475,596)</u>       |
| 0                         | 750,000                  | 1,550,000                |
| 0                         | 0                        | 4,205,000                |
| 0                         | 1,075,000                | 1,240,000                |
| 0                         | 231,143                  | 231,143                  |
| 0                         | 0                        | 78,615                   |
| 0                         | (750,000)                | (2,850,000)              |
| 0                         | 0                        | 42,820                   |
| 600,000                   | 2,620,863                | 4,254,600                |
| 0                         | (628,085)                | (4,254,600)              |
| <u>600,000</u>            | <u>3,298,921</u>         | <u>4,497,578</u>         |
| <u>(5,566,844)</u>        | <u>53,440</u>            | <u>(3,978,018)</u>       |
| <u>7,068,845</u>          | <u>3,736,725</u>         | <u>18,681,818</u>        |
| <u>\$1,502,001</u>        | <u>\$3,790,165</u>       | <u>\$14,703,800</u>      |

**Net Change in Fund Balances - Total Governmental Funds** (\$3,978,018)

*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 capital outlays exceeded depreciation in the current period.

|                           |                    |
|---------------------------|--------------------|
| Capital Asset Additions   | 14,234,247         |
| Current Year Depreciation | <u>(2,276,486)</u> |

Total 11,957,761

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (182,361)

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

|                        |                |
|------------------------|----------------|
| Property Taxes         | 147,816        |
| Intergovernmental      | 521,915        |
| Municipal Income Taxes | 131,651        |
| Special Assessments    | <u>850,388</u> |

Total 1,651,770

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 4,730,949

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.

|                                  |                |
|----------------------------------|----------------|
| Accrued Interest on Bonds        | 23,270         |
| Amortization of Issuance Cost    | (9,035)        |
| Amortization of Premium on Bonds | 5,874          |
| Bond Accretion                   | (20,820)       |
| Amortization of Accounting Loss  | <u>(1,928)</u> |

Total (2,639)

Some expenses require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

|                      |                 |
|----------------------|-----------------|
| Compensated Absences | (36,882)        |
| Vacation Payable     | <u>(16,766)</u> |

Total (53,648)

Other financing sources in the governmental funds increase long-term liabilities in the statement of net assets.

|                       |                    |
|-----------------------|--------------------|
| Bonds Issued          | (5,445,000)        |
| Premium on Bonds      | (78,615)           |
| Proceeds of OPWC Loan | (231,143)          |
| Proceeds of Notes     | <u>(1,550,000)</u> |

Total (7,304,758)

The internal service fund used by management to charge the individual funds is reported in the district-wide statement of activities. Governmental activities. Governmental fund expenditures and related internal service fund revenues are eliminated. 85,041

*Change in Net Assets of Governmental Activities* \$6,904,097

**City of Brecksville, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2005*

|   | Budgeted Amounts   |                    |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|--------------------|--------------------|---|
|   | Original           | Final              | Actual             |   |
| <b>Revenues</b>   |                    |                    |                    |   |
| Property and Other Taxes                                | \$1,780,046        | \$1,780,046        | \$1,773,140        | (\$6,906)   |
| Municipal Income Taxes                                  | 9,240,000          | 9,240,000          | 11,082,009         | 1,842,009   |
| Charges for Services                                    | 52,000             | 52,000             | 72,698             | 20,698  |
| Licenses and Permits                                    | 200,740            | 200,740            | 295,106            | 94,366  |
| Fines and Forfeitures                                   | 268,500            | 268,500            | 307,495            | 38,995  |
| Intergovernmental                                       | 833,632            | 1,228,190          | 1,535,305          | 307,115   |
| Interest  | 70,000             | 70,000             | 192,308            | 122,308   |
| Donations   | 7,000              | 7,000              | 10,626             | 3,626   |
| Rentals   | 42,400             | 42,400             | 47,072             | 4,672   |
| Miscellaneous   | 111,298            | 111,298            | 241,623            | 130,325   |
| <i>Total Revenues</i>                                   | <u>12,605,616</u>  | <u>13,000,174</u>  | <u>15,557,382</u>  | <u>2,557,208</u>  |
| <b>Expenditures</b>                                     |                    |                    |                    |   |
| Current:  |                    |                    |                    |   |
| General Government:                                     |                    |                    |                    |   |
| Legislative and Executive                               | 5,018,402          | 5,683,757          | 4,641,653          | 1,042,104   |
| Judicial System   | 174,599            | 174,599            | 154,496            | 20,103  |
| Public Safety:  |                    |                    |                    |   |
| Police  | 3,979,379          | 3,987,379          | 3,497,278          | 490,101   |
| Fire  | 56,066             | 56,066             | 36,750             | 19,316  |
| Public Health Services                                  | 140,632            | 140,632            | 124,178            | 16,454  |
| Street Construction, Maintenance and Repair             | 2,115,370          | 2,165,970          | 1,959,255          | 206,715   |
| Housing and Community Development                       | 1,034,456          | 939,056            | 818,750            | 120,306   |
| Basic Utility Services                                  | 1,895,094          | 1,898,419          | 1,696,141          | 202,278   |
| Recreational Activities                                 | 26,839             | 26,839             | 20,898             | 5,941   |
| <i>Total Expenditures</i>                               | <u>14,440,837</u>  | <u>15,072,717</u>  | <u>12,949,399</u>  | <u>2,123,318</u>  |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | <u>(1,835,221)</u> | <u>(2,072,543)</u> | <u>2,607,983</u>   | <u>4,680,526</u>  |
| <b>Other Financing Sources (Uses)</b>                   |                    |                    |                    |   |
| Sale of Capital Assets                                  | 20,000             | 20,000             | 42,820             | 22,820  |
| Advances In   | 300,000            | 300,000            | 300,000            | 0   |
| Transfers In  | 18,832             | 18,832             | 18,832             | 0   |
| Transfers Out   | (1,753,200)        | (1,753,200)        | (1,550,000)        | 203,200   |
| <i>Total Other Financing Sources (Uses)</i>             | <u>(1,414,368)</u> | <u>(1,414,368)</u> | <u>(1,188,348)</u> | <u>226,020</u>  |
| <i>Net Change in Fund Balance</i>                       | (3,249,589)        | (3,486,911)        | 1,419,635          | 4,906,546   |
| <i>Fund Balance Beginning of Year</i>                   | 3,731,619          | 3,731,619          | 3,731,619          | 0   |
| Prior Year Encumbrances Appropriated                    | 195,207            | 195,207            | 195,207            | 0   |
| <i>Fund Balance End of Year</i>                         | <u>\$677,237</u>   | <u>\$439,915</u>   | <u>\$5,346,461</u> | <u>\$4,906,546</u>                                      |

See accompanying notes to the basic financial statements

**City of Brecksville, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Department Fund*  
*For the Year Ended December 31, 2005*

|   | Budgeted Amounts |                 |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|-----------------|------------------|---|
|   | Original         | Final           | Actual           |   |
| <b>Revenues</b>   |                  |                 |                  |   |
| Property and Other Taxes                                | \$1,733,502      | \$1,733,502     | \$1,720,141      | (\$13,361)  |
| Charges for Services                                    | 0                | 0               | 2,669            | 2,669   |
| Licenses and Permits                                    | 0                | 0               | 560              | 560   |
| Intergovernmental                                       | 269,446          | 273,446         | 268,989          | (4,457)   |
| Interest  | 8,000            | 8,000           | 31,504           | 23,504  |
| Miscellaneous   | 0                | 0               | 30,474           | 30,474  |
| <i>Total Revenues</i>                                   | 2,010,948        | 2,014,948       | 2,054,337        | 39,389  |
| <b>Expenditures</b>                                     |                  |                 |                  |   |
| Current:  |                  |                 |                  |   |
| Public Safety:  |                  |                 |                  |   |
| Fire  | 2,232,111        | 2,236,111       | 1,875,669        | 360,442   |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | (221,163)        | (221,163)       | 178,668          | 399,831   |
| <b>Other Financing Uses</b>                             |                  |                 |                  |   |
| Transfers Out   | 0                | (200,000)       | (200,000)        | 0   |
| <i>Net Change in Fund Balance</i>                       | (221,163)        | (421,163)       | (21,332)         | 399,831   |
| <i>Fund Balance Beginning of Year</i>                   | 474,134          | 474,134         | 474,134          | 0   |
| Prior Year Encumbrances Appropriated                    | 16,300           | 16,300          | 16,300           | 0   |
| <i>Fund Balance End of Year</i>                         | <u>\$269,271</u> | <u>\$69,271</u> | <u>\$469,102</u> | <u>\$399,831</u>  |

See accompanying notes to the basic financial statements

**City of Brecksville, Ohio**  
*Statement of Fund Net Assets*  
*Proprietary Fund*  
*December 31, 2005*

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|  | Internal<br>Service Fund -<br>Insurance |
|--|---|
| <b>Assets</b>                              |   |
| Equity in Pooled Cash and Cash Equivalents | \$175,205                               |
| <b>Liabilities</b>                         |   |
| Claims Payable                             | 109,944                                 |
| <b>Net Assets</b>                          |   |
| Unrestricted                               | \$65,261                                |

See accompanying notes to the basic financial statements

**City of Brecksville, Ohio**  
*Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Proprietary Fund  
For the Year Ended December 31, 2005*

|   | Internal<br>Service Fund -<br>Insurance |
|---|---|
| <b>Operating Revenues</b>                     |   |
| Charges for Services                          | \$981,427                               |
| Miscellaneous                                 | 2,325                                   |
| <i>Total Operating Revenues</i>               | 983,752                                 |
| <b>Operating Expenses</b>                     |   |
| Purchased Services                            | 241,102                                 |
| Claims  | 668,538                                 |
| <i>Total Operating Expenses</i>               | 909,640                                 |
| <i>Operating Income</i>                       | 74,112                                  |
| <b>Non-Operating Revenues</b>                 |   |
| Interest                                      | 10,929                                  |
| <i>Change in Net Assets</i>                   | 85,041                                  |
| <i>Net Assets (Deficit) Beginning of Year</i> | (19,780)                                |
| <i>Net Assets End of Year</i>                 | \$65,261                                |

See accompanying notes to the basic financial statements

**City of Brecksville, Ohio**  
*Statement of Cash Flows*  
*Proprietary Fund*  
For the Year Ended December 31, 2005

|   | Internal<br>Service Fund -<br>Insurance |
|---|---|
| <b><i>Increase (Decrease) In Cash and Cash Equivalents</i></b>                              |   |
| <b>Cash Flows from Operating Activities</b>   |   |
| Cash Received from Interfund Services   | \$981,427                               |
| Cash Received from Other Operating Sources  | 2,325                                   |
| Cash Payments to Suppliers for Goods and Services   | (241,102)                               |
| Cash Payments for Claims  | (819,591)                               |
| <i>Net Cash Used for Operating Activities</i>   | (76,941)                                |
| <b>Cash Flows from Investing Activities</b>   |   |
| Interest  | 10,929                                  |
| <i>Net Decrease In Cash and Cash Equivalents</i>  | (66,012)                                |
| <i>Cash and Cash Equivalents Beginning of Year</i>  | 241,217                                 |
| <i>Cash and Cash Equivalents End of Year</i>  | \$175,205                               |
| <br><b>Reconciliation of Operating Income to Net<br/>Cash Used for Operating Activities</b> |   |
| <i>Operating Income</i>   | \$74,112                                |
| Decrease in Liabilities:  |   |
| Claims Payable  | (151,053)                               |
| <i>Net Cash Used for Operating Activities</i>   | (\$76,941)                              |
| See accompanying notes to the basic financial statements                                    |   |

**City of Brecksville, Ohio**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*December 31, 2005*

|  | Private<br>Purpose Trust |           |
|--|--------------------------|-----------|
|  | Cemetery                 | Agency    |
| <b>Assets</b>                              |                          |           |
| Equity Pooled in Cash and Cash Equivalents | \$3,116                  | \$607,571 |
| <b>Liabilities</b>                         |                          |           |
| Undistributed Monies                       | \$0                      | \$19,561  |
| Deposits Held and Due to Others            | 0                        | 588,010   |
| <i>Total Liabilities</i>                   | 0                        | \$607,571 |
| <b>Net Assets</b>                          |                          |           |
| Held in Trust for Cemetery                 | \$3,116                  |           |

See accompanying notes to the basic financial statements

**City of Brecksville, Ohio**  
*Statement of Changes in Fiduciary Net Assets*  
*Fiduciary Fund*  
*For the Year Ended December 31, 2005*

|                                     | Private<br>Purpose Trust |
|-------------------------------------|--------------------------|
|                                     | Cemetery                 |
| <b>Additions</b>                    |                          |
| Interest                            | \$25                     |
| <b>Deductions</b>                   |                          |
| Materials and Supplies              | 125                      |
| <i>Change in Net Assets</i>         | (100)                    |
| <i>Net Assets Beginning of Year</i> | 3,216                    |
| <i>Net Assets End of Year</i>       | \$3,116                  |

See accompanying notes to the basic financial statements



**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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

The City of Brecksville (the "City") was incorporated under the laws of the State of Ohio in 1921, and adopted its first charter in 1956. The Charter provides for a Mayor-Council form of government. The Mayor is elected for a four-year term and Council members are elected at large for staggered terms. Four Council members are elected at each regular municipal election in November of odd numbered years. Of the four elected, the three receiving the highest number of votes serve a term of four years and the fourth serves a term of two years.

***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 consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Brecksville, this includes the agencies and departments that provide the following services: police and fire protection, emergency medical, parks and recreation, planning, zoning, street maintenance and repair and general administrative services. The operation of each of these activities is directly controlled by Council through the budgetary process.

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 the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. 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 participates in the Southwest Council of Governments and the Northeast Ohio Public Energy Council, which are defined as jointly governed organizations and one insurance purchasing pool, the Rural Water Association. A jointly governed organization is managed by representatives from each of the governments that create the organization, but there is no ongoing financial interest nor responsibility on the part of the participating governments. These organizations are discussed in Note 17 and 18 to the basic financial statements.

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

The financial statements of the City 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 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 those pronouncements conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below.

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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***A. Basis of Presentation***

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

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

The statement of net assets presents the financial condition of the governmental activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues 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.

***B. Fund Accounting***

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

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

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

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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***Fire Department Fund*** The fire department special revenue fund is used to account for monies derived from a 3.4 mill charter levy. Monies are used by the fire department to provide and maintain fire equipment and for salaries of fire department personnel.

***Special Assessment Bond Retirement Fund*** The special assessment bond retirement debt service fund is used to account for the collection of special assessments levied against benefited properties for the payment of special assessment bond principal, interest and related costs.

***General Municipal Improvement Fund*** The general municipal improvement capital projects fund accounts for the .5 percent increase in City income tax to be used for the acquisition, construction, or improvement of various facilities within the City.

***Buildings and Improvements Fund*** The buildings and improvement capital projects fund accounts for City income tax to be used for the acquisition, construction, or improvement of major capital facilities.

***Road Improvements Fund*** The road improvements capital projects fund accounts for income tax monies to be used for improvements to the various City roads.

***Human Services Facilities Fund*** The human services facilities capital projects fund accounts for financing, construction and related costs of improvements to the human services facility.

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

***Proprietary Fund*** Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The City's only proprietary fund is classified as an internal service fund.

***Internal Service Fund*** Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's only internal service fund is a health fund that accounts for dental, prescription drug and hospital/medical claims of the City employees.

***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's only trust fund is a private purpose trust which accounts for the perpetual care and maintenance of an individual family's burial plots in the City's cemetery through an endowment. 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 donations held for a senior citizen visitation program, street opening fees and deposits pledged by contractors.

### ***C. Measurement Focus***

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

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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

The private purpose trust fund is reported using a flow of economic resources measurement focus.

***D. Basis of Accounting***

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 7) Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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Property taxes for which there is an enforceable legal claim as of December 31, 2005, but which were levied to finance year 2006 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

***E. 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".

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest-bearing depository accounts are presented as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City treasury.

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost.

During 2005, investments were limited to a repurchase agreement, federal home loan bank bonds, federal home loan mortgage bonds, commercial paper and the State Treasury Asset Reserve of Ohio (STAROhio).

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2005.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue is distributed to all funds. Interest revenue credited to the human services capital projects fund during 2005 amounted to \$175,696, of which \$72,191 was assigned from other funds.

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

***F. Inventory***

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

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2005, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**H. Capital Assets**

The City's only capital assets are general capital assets. General capital assets are capital 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 fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. 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:

| Description                | Estimated Lives |
|----------------------------|-----------------|
| Land                       | N/A             |
| Buildings and Improvements | 5 - 50 years    |
| Machinery and Equipment    | 3 - 25 years    |
| Furniture and Fixtures     | 7 - 10 years    |
| Infrastructure             | 10 - 99 years   |

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

**I. Interfund Balances**

On the fund financial statements, receivables and payables resulting from transactions between funds for services provided or goods received and from 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.

**J. Compensated Absences**

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

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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Sick leave benefits are accrued as a liability using the termination method. An accrual for 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.

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

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

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

***L. Fund Balance Reserves***

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

***M. Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the City, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

***N. 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, enabling legislation (adopted by the City) or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports \$13,882,924 of restricted net assets, of which \$10,338,946 is restricted by enabling legislation. Net assets restricted for other purposes include law enforcement, court computerization, recycling and natureworks.

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

***O. Interfund Activity***

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

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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***P. Bond Issuance Costs***

Bond issuance costs for underwriting fees and bond insurance for the Community Center refunding bonds and Human Services Facility general obligation 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.

***Q. Deferred Loss on Refunding***

The difference between the reacquisition price (funds required to refund the old debt) of the Library and Community Center refunding bonds and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense. The accounting loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented net of the general obligation bonds payable on the statement of net assets.

***R. 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.

***S. 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.

***T. Budgetary Process***

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of budgetary control is at the object level within each department for the general fund, road improvements fund, motor vehicle license tax fund, street maintenance and repair fund, state highway fund, general municipal improvement fund, community center fund, fire department fund and the equipment replacement fund. The legal level of control is at the fund level for all remaining funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control. The Finance Director has been authorized to allocate appropriations to the department and object level within each fund for those funds budgeted at the fund level. Budgetary statements are presented beyond that legal level of control for information purposes only.

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.



**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. 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.

**Note 3 – Change in Accounting Principles and Restatement of Net Assets/Fund Balance**

***A. Change in Accounting Principles***

For 2005, the City has implemented GASB Statement No. 42, “Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries.”

GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets and clarifies and establishes accounting requirements for insurance recoveries.

The implementation of GASB Statement No. 42 did not affect the presentation of the financial statements of the City.

***B. Restatement of Prior Year Fund Balance***

During 2004, the \$1,000,000 bond anticipation note was reported as a long-term liability. However, the note was rolled over in 2005 and the new maturity date makes a portion of the note a short-term liability. This restatement had the following effect on fund balance as it was previously reported.

|                          | <u>General</u>     | <u>Fire<br/>Department</u> | <u>Assessment<br/>Bond<br/>Retirement</u> | <u>General<br/>Municipal<br/>Improvement</u> | <u>Buildings and<br/>Improvements</u> |
|--------------------------|--------------------|----------------------------|---|--|---------------------------------------|
| Fund Balance,            |                    |                            |   |  |                                       |
| December 31, 2004        | \$5,927,740        | \$351,173                  | \$352,751                                 | \$610,295                                    | \$307,510                             |
| Notes Payable            | 0                  | 0                          | 0   | (500,000)                                    | 0                                     |
| Accrued Interest Payable | 0                  | 0                          | 0   | (4,952)                                      | 0                                     |
| Adjusted Fund Balance,   |                    |                            |   |  |                                       |
| December 31, 2004        | <u>\$5,927,740</u> | <u>\$351,173</u>           | <u>\$352,751</u>                          | <u>\$105,343</u>                             | <u>\$307,510</u>                      |

|                          | <u>Road<br/>Improvements</u> | <u>Human<br/>Services<br/>Facilities</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--------------------------|------------------------------|--|---|---|
| Fund Balance,            |                              |  |   |   |
| December 31, 2004        | \$831,731                    | \$7,068,845                              | \$3,736,725                             | \$19,186,770                            |
| Notes Payable            | 0                            | 0  | 0                                       | (500,000)                               |
| Accrued Interest Payable | 0                            | 0  | 0                                       | (4,952)                                 |
| Adjusted Fund Balance,   |                              |  |   |   |
| December 31, 2004        | <u>\$831,731</u>             | <u>\$7,068,845</u>                       | <u>\$3,736,725</u>                      | <u>\$18,681,818</u>                     |

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

**Note 4 – Accountability**

At December 31, 2005 the police pension special revenue fund had an individual fund deficit in the amount of \$70,985. The deficit is caused by the recognition of expenditures on the modified accrual basis of accounting. The general fund is liable for any deficits in this fund and provides operating transfers when cash is required, not when accruals occur.

**Note 5 - Budgetary Basis of Accounting**

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Investments reported at cost (budget) rather than fair value (GAAP).
5. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on the GAAP basis to the Budget basis are as follows:

| Net Change in Fund Balance                        |             |                    |
|---|-------------|--------------------|
| General and Fire Department Special Revenue Funds |             |                    |
|   | General     | Fire<br>Department |
| GAAP Basis  | \$1,278,474 | (\$964)            |
| Net Adjustment for Revenue Accruals               | 129,436     | 2,560              |
| Beginning Fair Value Adjustment for Investments   | 37,509      | 0                  |
| Ending Fair Value Adjustment for Investments      | (6,543)     | 0                  |
| Advances In                                       | 300,000     | 0                  |
| Net Adjustment for Expenditure Accruals           | (21,316)    | (785)              |
| Encumbrances                                      | (297,925)   | (22,143)           |
| Budget Basis                                      | \$1,419,635 | (\$21,332)         |

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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**Note 6 - Deposits and Investments**

State statutes classify monies held by the City into three categories.

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

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

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

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

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

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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

**Deposits**

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

At year-end, the carrying amount of the City's deposits was \$11,716,365 and the bank balance was \$11,947,676. Of the uninsured bank balance, \$2,204,335 was collateralized with securities held by the pledging institution's trust department, not in the City's name.

**Investments**

Investments are reported at fair value. As of December 31, 2005, the City had the following investments:

|                                  | Fair Value  | Weighted Average<br>Maturity (Days) |
|----------------------------------|-------------|-------------------------------------|
| Repurchase Agreements            | \$68,000    | 1                                   |
| Federal Home Loan Bank Bonds     | 1,400,076   | 66                                  |
| Federal Home Loan Mortgage Bonds | 1,966,156   | 115                                 |
| Commercial Paper                 | 494,562     | 47                                  |
| STAROhio                         | 19,418      | 33                                  |
|                                  | \$3,948,212 |                                     |

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

***Credit Risk*** is addressed by the City's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that portfolio be diversified both by types of investment and issuer. All investments of the City carry a rating AAA by Standard & Poor's, except for the commercial paper, which carries a rating of A1+ by Standard & Poor's. Ohio law requires that investments in commercial paper are limited to notes rated at the time of purchase to the highest classification established by two nationally recognized standard rating services.

***Concentration of Credit Risk*** is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2005:

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

| Investment Issuer                | Percentage of Investments |
|----------------------------------|---------------------------|
| Citigroup                        | 12.53%                    |
| Federal Home Loan Bank Bonds     | 35.46                     |
| Federal Home Loan Mortgage Bonds | 49.80                     |

**Note 7 – Receivables**

Receivables at December 31, 2005, consisted primarily of municipal income taxes, property and other taxes, accounts (billings for user charged services and court fines), special assessments 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.

Special assessments expected to be collected in more than one year amount to \$4,567,000 in the special assessments bond retirement fund. At December 31, 2005 the amount of delinquent special assessments was \$31,591.

**A. Property Taxes**

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2005 for real and public utility property taxes represents collections of the 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) is for 2005 taxes.

2005 real property taxes are levied after October 1, 2005 on the assessed value as of January 1, 2005, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2005 real property taxes are collected in and intended to finance 2006.

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. 2005 public utility property taxes which became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

2005 tangible personal property taxes are levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2004. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventory.

The full tax rate for all City operations for the year ended December 31, 2005, was \$8.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

| Category                           | Assessed Value |
|------------------------------------|----------------|
| Real Estate                        |                |
| Residential/Agricultural           | \$433,727,390  |
| Other Real Estate                  | 91,010,670     |
| Tangible Personal Property         |                |
| Public Utility                     | 20,730,430     |
| General Tangible Personal Property | 29,751,764     |
| Total Assessed Values              | \$575,220,254  |

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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Real property taxes are payable annually or semi-annually. If paid annually, the 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.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Brecksville. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2005 and for which there is an enforceable legal claim. In the general, fire department, road maintenance, bond retirement and police pension funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2005 operations and the collection of delinquent taxes during the available period are not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and a revenue while on a modified accrual basis the revenue is deferred.

***B. Income Tax***

The City levies a municipal income tax of two percent on substantially all income earned within the City. This tax also applies to the net income of businesses operating within the City. Residents of the City are granted one hundred percent credit for taxes paid to other municipalities.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, \$2,472,000 of total income tax proceeds are credited to the following capital projects funds: \$960,000 to the general municipal improvement fund, \$1,200,000 to the buildings and improvement fund, \$120,000 to the road improvements fund and \$192,000 to the capital improvement fund. The remainder is credited to the general fund.

***C. Intergovernmental Receivables***

A summary of the intergovernmental receivables follows:

| <b>Governmental Activities</b>       |                    |
|--------------------------------------|--------------------|
| OPWC Grant                           | \$398,984          |
| Homestead and Rollback               | 268,184            |
| Local Government                     | 202,046            |
| Gasoline Tax                         | 170,148            |
| Excise Tax                           | 85,317             |
| Ohio Department of Development Grant | 81,125             |
| Estate Tax                           | 64,097             |
| Auto Registration                    | 49,452             |
| Traffic Resignalization Grant        | 45,880             |
| FEMA Grant                           | 45,713             |
| Permissive Tax                       | 17,453             |
| Ohio Recycling Grant                 | 2,281              |
| Total                                | <u>\$1,430,680</u> |

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

**Note 8 - Interfund Transfers**

Interfund transfers for the year ended December 31, 2005 consisted of the following:

| Transfer To                   | Transfers From     |                  |                               |                            |
|-------------------------------|--------------------|------------------|-------------------------------|----------------------------|
|                               | General            | Fire Department  | General Municipal Improvement | Buildings and Improvements |
| General                       | \$0                | \$0              | \$0                           | \$0                        |
| General Municipal Improvement | 200,000            | 0                | 0                             | 400,000                    |
| Road Improvements             | 0                  | 0                | 0                             | 0                          |
| Human Services Facilities     | 0                  | 0                | 0                             | 600,000                    |
| Nonmajor Governmental         | 1,350,000          | 200,000          | 850,138                       | 0                          |
| <i>Total All Funds</i>        | <u>\$1,550,000</u> | <u>\$200,000</u> | <u>\$850,138</u>              | <u>\$1,000,000</u>         |

| Transfer To                   | Transfers From    |                       | Totals             |
|-------------------------------|-------------------|-----------------------|--------------------|
|                               | Road Improvements | Nonmajor Governmental |                    |
| General                       | \$0               | \$18,832              | \$18,832           |
| General Municipal Improvement | 26,377            | 250,000               | 876,377            |
| Road Improvements             | 0                 | 138,528               | 138,528            |
| Human Services Facilities     | 0                 | 0                     | 600,000            |
| Nonmajor Governmental         | 0                 | 220,725               | 2,620,863          |
| <i>Total All Funds</i>        | <u>\$26,377</u>   | <u>\$628,085</u>      | <u>\$4,254,600</u> |

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

**Note 9 – Other Employee Benefits**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn two to six weeks of vacation per year, depending upon length of service. Vacation accumulation is limited to one year. All accumulated unused vacation time is paid upon termination of employment.

Employees earn sick leave at the rate of 1.25 days per month of service. Sick leave accumulation is limited to 120 days for police and unlimited for all others. Upon retirement or death, an employee can be paid thirty-three percent of accumulated, unused sick leave.

**B. Dental Insurance**

The City provides dental benefits to employees through Met Life. The family/single premiums for 2005 were \$66.41/\$22.08, respectively. Met Life charges the City an administrative fee of \$1.50 per employee per month.

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2005

**Note 10 - Capital Assets**

A summary of changes in capital assets during 2005 follows:

| <b>Governmental Activities</b>                     | Balance<br>12/31/2004 | Additions            | Deductions           | Balance<br>12/31/2005 |
|--|-----------------------|----------------------|----------------------|-----------------------|
| <i>Capital Assets not being Depreciated:</i>       |                       |                      |                      |                       |
| Land   | \$4,602,712           | \$4,424,541          | \$0                  | \$9,027,253           |
| Construction in Progress                           | 10,357,037            | 8,470,780            | (5,839,542)          | 12,988,275            |
| <i>Total Capital Assets not being Depreciated</i>  | <u>14,959,749</u>     | <u>12,895,321</u>    | <u>(5,839,542)</u>   | <u>22,015,528</u>     |
| <i>Capital Assets being Depreciated:</i>           |                       |                      |                      |                       |
| Buildings and Improvements                         | 15,901,915            | 552,691              | (104,911)            | 16,349,695            |
| Machinery and Equipment                            | 9,269,624             | 825,066              | (915,197)            | 9,179,493             |
| Furniture and Fixtures                             | 725,194               | 26,136               | (72,072)             | 679,258               |
| Infrastructure:                                    |                       |                      |                      |                       |
| Roads  | 28,520,132            | 3,049,943            | 0                    | 31,570,075            |
| Sidewalks  | 3,568,143             | 0                    | 0                    | 3,568,143             |
| Guardrails   | 345,463               | 80,464               | 0                    | 425,927               |
| Traffic Signals                                    | 2,258,764             | 0                    | 0                    | 2,258,764             |
| Storm Sewers                                       | 6,658,686             | 120,205              | 0                    | 6,778,891             |
| Sanitary Sewers                                    | 10,857,741            | 1,797,707            | 0                    | 12,655,448            |
| Water Lines  | 7,200,846             | 726,256              | 0                    | 7,927,102             |
| <i>Total Capital Assets being Depreciated</i>      | <u>85,306,508</u>     | <u>7,178,468</u>     | <u>(1,092,180)</u>   | <u>91,392,796</u>     |
| Less Accumulated Depreciation:                     |                       |                      |                      |                       |
| Buildings and Improvements                         | (5,699,803)           | (444,452)            | 25,659               | (6,118,596)           |
| Machinery and Equipment                            | (5,033,953)           | (615,894)            | 812,088              | (4,837,759)           |
| Furniture and Fixtures                             | (659,309)             | (34,341)             | 72,072               | (621,578)             |
| Infrastructure:                                    |                       |                      |                      |                       |
| Roads  | (17,019,093)          | (721,791)            | 0                    | (17,740,884)          |
| Sidewalks  | (2,313,997)           | (89,203)             | 0                    | (2,403,200)           |
| Guardrails   | (345,463)             | (12,589)             | 0                    | (358,052)             |
| Traffic Signals                                    | (168,028)             | (104,537)            | 0                    | (272,565)             |
| Storm Sewers                                       | (1,689,548)           | (67,455)             | 0                    | (1,757,003)           |
| Sanitary Sewers                                    | (2,419,999)           | (111,981)            | 0                    | (2,531,980)           |
| Water Lines  | (2,057,630)           | (74,243)             | 0                    | (2,131,873)           |
| <i>Total Accumulated Depreciation</i>              | <u>(37,406,823)</u>   | <u>(2,276,486) *</u> | <u>909,819</u>       | <u>(38,773,490)</u>   |
| <i>Total Capital Assets being Depreciated, Net</i> | <u>47,899,685</u>     | <u>4,901,982</u>     | <u>(182,361)</u>     | <u>52,619,306</u>     |
| <i>Governmental Activities Capital Assets, Net</i> | <u>\$62,859,434</u>   | <u>\$17,797,303</u>  | <u>(\$6,021,903)</u> | <u>\$74,634,834</u>   |



**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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\*Depreciation expense was charged to governmental activities as follows:

|   |                    |
|---|--------------------|
| General Government:                         |                    |
| Legislative and Executive                   | \$179,889          |
| Public Safety:                              |                    |
| Police                                      | 102,653            |
| Fire  | 169,112            |
| Street Construction, Maintenance and Repair | 1,229,008          |
| Housing and Community Development           | 237,013            |
| Basic Utility Services                      | 278,946            |
| Recreational Activities                     | 79,865             |
| Total Depreciation Expense                  | <u>\$2,276,486</u> |

## **Note 11 – Contingencies**

### ***A. Grants***

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2005.

### ***B. Litigation***

Several claims and lawsuits are pending against the City. The amount of the liability, if any, cannot be reasonably estimated at this time. However, in the opinion of management, any such claims and lawsuits will not have a material adverse effect on the overall financial position of the City at December 31, 2005.

## **Note 12 - Defined Benefit Pension Plans**

### ***A. Ohio Public Employees Retirement System***

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

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 800-222-7377.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$565,363 \$540,587 and \$456,396 respectively; 95.4 percent has been contributed for 2005 and 100 percent for 2004 and 2003. Contributions to the member-directed plan for 2005 were \$6,285 made by the City and \$3,943 made by the plan members.

***B. Ohio Police and Fire Pension Fund***

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

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund for police and firefighters were \$238,802 and \$165,517 for the year ended December 31, 2005, \$348,383 and \$161,782 for the year ended December 31, 2004 and \$228,681 and \$158,733 for the year ended December 31, 2003. The full amount has been contributed for 2004 and 2003. 67.5 percent has been contributed for 2005.

**Note 13 - Postemployment Benefits**

***A. Ohio Public Employees Retirement System***

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 376,109. Actual employer contributions for 2005 which were used to fund postemployment benefits were \$236,801. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

***B. Police and Firemen's Disability and Pension Fund***

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to 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. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2005 and 2004. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

The City's actual contributions for 2005 that were used to fund postemployment benefits were \$157,508 for police and \$78,939 for firefighters. The OP&F's total health care expense for the year ended December 31, 2004, (the latest information available) was \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004, was 13,812 for police and 10,528 for firefighters.

**Note 14 - Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2005, the City contracted with several companies for various types of insurance as follows:

| <u>Company</u>             | <u>Type of Coverage</u>      | <u>Coverage Amount</u> |
|----------------------------|------------------------------|------------------------|
| Wichert Insurance Services | Blanket Building/Contents    | \$25,144,017           |
|                            | Crime                        | 250,000                |
|                            | Boiler and Machinery         | 25,144,017             |
|                            | Public Officials Liability   | 1,000,000              |
|                            | General Liability            | 1,000,000              |
|                            | Garage Keepers Liability     | 120,000                |
| Curtis Insurance Services  | Law Enforcement              | 1,000,000              |
|                            | Canine Mortality and Medical | 5,500                  |

Settled claims have not exceeded commercial coverage in any of the last three years. There were no significant reductions in coverage from the prior year.

The City participates in the Rural Water Association (RWA) for workers' compensation (See Note 17). The intent of the RWA is to achieve the benefit of a reduced premium for the participants, foster safer working environments and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the RWA not to share risk. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the RWA. Each participant pays its workers' compensation premium to the State based on the rate for the RWA rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the RWA. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the RWA. Participation in the RWA is limited to cities that can meet the RWA's selection criteria. The firm of Integrated Consulting Services provides administrative, cost control and actuarial services to the RWA.

The City manages employee health benefits on a self-insured basis. The employee health benefit plan provides basic health coverage through Medical Mutual. A specific excess loss coverage insurance (stop-loss) policy with Medical Mutual covers claims in excess of \$50,000 per person per year to a maximum specific benefit of \$1,000,000 per person. The family/single monthly premiums were \$74.60/\$33.31, respectively for health insurance and \$81.61/\$36.40, respectively for excess loss coverage. Medical Mutual charges the City a medical administration fee of \$8.50 per employee per month.

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

The claims liability of \$109,944, reported in the self-insurance fund at December 31, 2005, is estimated by the third-party administrator and 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. The estimate was not affected by incremental claims adjustments expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount for the last two years follow:

|      | Balance at<br>Beginning of Year | Current<br>Year Claims | Claims<br>Payment | Balance at<br>End of Year |
|------|---------------------------------|------------------------|-------------------|---------------------------|
| 2003 | \$166,388                       | \$1,179,027            | \$1,084,418       | \$260,997                 |
| 2004 | 260,997                         | 668,538                | 819,591           | 109,944                   |

**Note 15 - Long-Term Obligations**

The original issue date, interest rate, original issuance amount and maturity date for each of the City's long-term obligations follows:

|   | Original<br>Issue<br>Date | Interest<br>Rate | Original<br>Issue<br>Amount | Date<br>of<br>Maturity |
|---|---------------------------|------------------|-----------------------------|------------------------|
| <b>General Obligation</b>                   |                           |                  |                             |                        |
| Library Refunding                           |                           |                  |                             |                        |
| Current Interest Serial Bonds               | 1997                      | 3.75% to 5.10%   | \$1,630,000                 | December 1, 2012       |
| Capital Appreciation Bonds                  | 1997                      | 3.75% to 5.10%   | 221,915                     | December 8, 2008       |
| Community Center Refunding                  | 2004                      | 2.00% to 3.00%   | 1,785,000                   | December 1, 2012       |
| Community Center Refunding                  | 1997                      | 3.75% to 5.10%   | 1,585,000                   | December 1, 2012       |
| Human Services Facility                     | 2004                      | 2.10% to 5.00%   | 6,000,000                   | December 1, 2023       |
| Tree Farm Property                          | 2005                      | 3.00% to 4.75%   | 4,205,000                   | December 1, 2025       |
| <b>Special Assessment</b>                   |                           |                  |                             |                        |
| Sprague-Walling Sanitary Sewer              | 1985                      | 9.13%            | 905,000                     | December 1, 2005       |
| Sewer Project #1312 #2                      | 1988                      | 7.25%            | 2,310,000                   | December 1, 2008       |
| Old Royalton Road Water Main                | 1989                      | 7.25%            | 117,000                     | December 1, 2008       |
| Oakhurst-Fitzwater Sanitary Sewer           | 1997                      | 3.75% to 5.10%   | 875,000                     | December 1, 2012       |
| Southpointe Parkway                         | 1997                      | 3.85% to 5.35%   | 1,190,000                   | December 1, 2017       |
| Service Road                                | 2001                      | 4.00% to 4.90%   | 935,000                     | December 1, 2021       |
| Four Seasons Sewer and Water                | 2001                      | 4.00% to 4.90%   | 1,265,000                   | December 1, 2021       |
| Route 21, Hilton, Whitewood Sewer and Storm | 2005                      | 3.00% to 5.00%   | 1,075,000                   | December 1, 2025       |
| Route 21 Access Road                        | 2005                      | 3.10% to 4.75%   | 165,000                     | December 1, 2025       |
| <b>OPWC Loans</b>                           |                           |                  |                             |                        |
| Elm Street Improvement                      | 1996                      | 0.00%            | 234,638                     | January 1, 2016        |
| Fitzwater Road Landslide Repairs            | 1996                      | 0.00%            | 109,904                     | January 1, 2006        |
| Fairview, Pershing, Wallings Water Main     | 1999                      | 0.00%            | 224,480                     | January 1, 2019        |
| Brecksville Center and Old Town Water Main  | 1999                      | 0.00%            | 224,475                     | July 1, 2019           |
| Route 21 Hilton, Whitewood Sanitary Sewer   | 2005                      | 0.00%            | 231,143                     | July 1, 2025           |

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2005

A schedule of changes in bonds and other long-term obligations of the City during 2005 follows:

|   | Principal<br>Outstanding<br>12/31/2004 | Additions        | Deletions         | Principal<br>Outstanding<br>12/31/2005 | Amounts<br>Due in<br>One Year |
|---|--|------------------|-------------------|--|-------------------------------|
| <b>Governmental Activities</b>                                |  |                  |                   |  |                               |
| <i>General Obligations Bonds:</i>                             |  |                  |                   |  |                               |
| Library Refunding   |  |                  |                   |  |                               |
| Current Interest Serial Bonds                                 | \$900,000                              | \$0              | \$0               | \$900,000                              | \$0                           |
| Capital Appreciation Bonds                                    | 155,715                                | 0                | (58,257)          | 97,458                                 | 49,712                        |
| Accretion on Capital Appreciation Bonds                       | 287,731                                | 20,820           | (106,743)         | 201,808                                | 110,288                       |
| Total Library Refunding Bonds                                 | <u>1,343,446</u>                       | <u>20,820</u>    | <u>(165,000)</u>  | <u>1,199,266</u>                       | <u>160,000</u>                |
| Community Center Refunding Bonds                              |  |                  |                   |  |                               |
| Unamortized Loss  | 1,605,000                              | 0                | (190,000)         | 1,415,000                              | 195,000                       |
| Premium on Refunding Bonds                                    | (15,422)                               | 0                | 1,928             | (13,494)                               | 0                             |
| Total Community Center Refunding Bonds                        | <u>1,591,180</u>                       | <u>0</u>         | <u>(188,272)</u>  | <u>1,402,908</u>                       | <u>195,200</u>                |
| Human Services Facility Bonds                                 |  |                  |                   |  |                               |
| Premium on Bonds  | 5,825,000                              | 0                | (235,000)         | 5,590,000                              | 240,000                       |
| Total Human Services Facility Bonds                           | <u>107,806</u>                         | <u>0</u>         | <u>(5,674)</u>    | <u>102,132</u>                         | <u>5,674</u>                  |
|   | <u>5,932,806</u>                       | <u>0</u>         | <u>(240,674)</u>  | <u>5,692,132</u>                       | <u>245,674</u>                |
| Tree Farm Property Bonds                                      |  |                  |                   |  |                               |
| Premium on Bonds  | 0                                      | 4,205,000        | 0                 | 4,205,000                              | 135,000                       |
| Total Tree Farm Property Bonds                                | <u>0</u>                               | <u>4,281,001</u> | <u>0</u>          | <u>4,281,001</u>                       | <u>138,800</u>                |
| Community Center Refunding 1997                               | 1,160,000                              | 0                | (120,000)         | 1,040,000                              | 130,000                       |
| <i>Total General Obligation Bonds</i>                         | <u>10,027,432</u>                      | <u>4,301,821</u> | <u>(713,946)</u>  | <u>13,615,307</u>                      | <u>869,674</u>                |
| <i>Special Assessment Bonds with Governmental Commitment:</i> |  |                  |                   |  |                               |
| Sprague-Walling Sanitary Sewer                                | 45,000                                 | 0                | (45,000)          | 0                                      | 0                             |
| Sewer Project #1312 #2  | 470,000                                | 0                | (115,000)         | 355,000                                | 115,000                       |
| Old Royalton Road Water Main                                  | 42,000                                 | 0                | (5,000)           | 37,000                                 | 10,000                        |
| Oakhurst-Fitzwater Sewer Sanitary Sewer                       | 635,000                                | 0                | (65,000)          | 570,000                                | 70,000                        |
| Southpointe Parkway   | 885,000                                | 0                | (50,000)          | 835,000                                | 55,000                        |
| Service Road  | 835,000                                | 0                | (45,000)          | 790,000                                | 40,000                        |
| Four Seasons Sewer and Water                                  | 1,145,000                              | 0                | (45,000)          | 1,100,000                              | 50,000                        |
| Route 21, Hilton, Whitewood Sewer & Storm                     | 0                                      | 1,075,000        | 0                 | 1,075,000                              | 20,000                        |
| Route 21 Access Road  | 0                                      | 165,000          | 0                 | 165,000                                | 0                             |
| Premium on Bonds  | 0                                      | 2,614            | 0                 | 2,614                                  | 131                           |
| Total Route 21 Access Road                                    | <u>0</u>                               | <u>167,614</u>   | <u>0</u>          | <u>167,614</u>                         | <u>131</u>                    |
| <i>Total Special Assessment Bonds</i>                         | <u>4,057,000</u>                       | <u>1,242,614</u> | <u>(370,000)</u>  | <u>4,929,614</u>                       | <u>360,131</u>                |
| <i>OPWC Loans:</i>  |  |                  |                   |  |                               |
| Elm Street Improvement  | 134,917                                | 0                | (11,732)          | 123,185                                | 11,732                        |
| Fitzwater Road Landslide Repairs                              | 16,486                                 | 0                | (10,990)          | 5,496                                  | 5,496                         |
| Fairview, Pershing, Walling Water Main                        | 157,136                                | 0                | (11,224)          | 145,912                                | 11,224                        |
| Brecksville Center and Old Town Water Main                    | 162,745                                | 0                | (11,224)          | 151,521                                | 11,224                        |
| Route 21, Hilton, Whitewood Sanitary Sewer                    | 0                                      | 231,143          | (5,779)           | 225,364                                | 11,557                        |
| <i>Total OPWC Loans</i>                                       | <u>\$471,284</u>                       | <u>\$231,143</u> | <u>(\$50,949)</u> | <u>\$651,478</u>                       | <u>\$51,233</u>               |

(continued)

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2005

|  | Principal<br>Outstanding<br>12/31/2004 | Additions          | Deletions            | Principal<br>Outstanding<br>12/31/2005 | Amounts<br>Due in<br>One Year |
|--|--|--------------------|----------------------|--|-------------------------------|
| <i>Notes Payable:</i>                    |  |                    |                      |  |                               |
| Various Purpose Improvement Note         | \$500,000                              | \$0                | (\$500,000)          | \$0                                    | \$0                           |
| Various Purpose Improvement Note         | 0                                      | 1,550,000          | (1,550,000)          | 0                                      | 0                             |
| Road Improvement Bond Anticipation Note  | 800,000                                | 0                  | (800,000)            | 0                                      | 0                             |
| Sewer Improvement Bond Anticipation Note | 750,000                                | 0                  | (750,000)            | 0                                      | 0                             |
| <i>Total Notes Payable</i>               | <u>2,050,000</u>                       | <u>1,550,000</u>   | <u>(3,600,000)</u>   | <u>0</u>                               | <u>0</u>                      |
| Compensated Absences                     | 514,321                                | 51,572             | (14,690)             | 551,203                                | 179,615                       |
| <i>Total Governmental Activities</i>     | <u>\$17,120,037</u>                    | <u>\$7,377,150</u> | <u>(\$4,749,585)</u> | <u>\$19,747,602</u>                    | <u>\$1,460,653</u>            |

All bonds are secured by the full faith and credit of the City. General obligation bonds will be paid from taxes received in the debt service fund. The special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City.

The OPWC loans will be paid with monies from the Issue II capital projects fund. The OPWC administers Issue II loans. Compensated absences will be paid from the general fund and the fire department and community center special revenue funds.

On September 1, 1991, the City issued \$2,000,000 in general obligation bonds for construction of the Brecksville Community Center. The bonds were issued for a twenty year period with final maturity at December 1, 2012. On October 9, 1997, \$1,585,000 of these bonds were refunded and re-issued at a lower rate with final maturity at December 1, 2012.

On November 1, 1989, the City issued \$2,500,000 in voted general obligation bonds for construction of the Brecksville branch of the Cuyahoga County Library. These bonds were issued for a twenty-three year period with final maturity at December 1, 2012. On October 9, 1997, \$1,847,915 of these bonds were refunded and re-issued at a lower rate with a final maturity at December 1, 2012.

On March 1, 2004, the City issued \$6,000,000 in general obligation bonds for construction of the Human Services Facility and Community Center expansion. The bonds were issued for a twenty year period with final maturity at December 1, 2023.

On October 27, 2005, the City issued \$4,205,000 in general obligation bonds for the purchase of the Cleveland Tree Farm property. The bonds were issued for a twenty year period with final maturity at December 1, 2025.

On September 1, 1985, the City issued \$905,000 in special assessment bonds for sanitary sewer construction on Sprague Road Wallings Road. The bonds were issued for a twenty year period with final maturity at December 1, 2005.

On June 1, 1988, the City issued \$2,310,000 in special assessment bonds for sanitary sewer construction in the Brecksville Road/Miller Road/Snowville Road area. The bonds were issued for a twenty year period with final maturity at December 1, 2008.

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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On November 1, 1989, the City issued \$117,000 in special assessment bonds for water main improvements on Old Royalton Road. The bonds were issued for a twenty year period with final maturity at December 1, 2009.

On September 1, 1991, the City issued \$1,000,000 in special assessment bonds for sanitary sewer construction on Oakhurst Road and Fitzwater Road. The bonds were issued for a twenty one year period with final maturity at December 1, 2012. On October 9, 1997 \$875,000 of these bonds were refunded and re-issued at a lower rate with final maturity at December 1, 2012.

On October 9, 1997, the City issued \$1,190,000 in special assessment bonds for improvements to Southpointe Parkway including storm sewers, sanitary sewers, water mains and road construction. The bonds were issued for a twenty year period with final maturity at December 1, 2017.

On September 1, 2001, the City issued \$935,000 in special assessment bonds for sanitary sewer and water main construction on Service Road. The bonds were issued for a twenty year period with final maturity at December 1, 2021.

On September 1, 2001, the City issued \$1,265,000 in special assessment bonds for sanitary sewer and water main construction in the Four Seasons of Brecksville subdivision. The bonds were issued for a twenty year period with final maturity at December 1, 2021.

On September 8, 2005, the City issued \$1,075,000 in special assessment bonds for sanitary sewer construction on Route 21 and on Hilton and Whitewood Roads. The bonds were issued for a twenty year period with final maturity at December 1, 2025.

On October 19, 2005, the City issued \$165,000 in special assessment bonds for construction of an access road off Route 21. The bonds were issued for a twenty year period with final maturity at December 1, 2025.

On October 9, 1997, the City issued \$1,851,915 in voted general obligation bonds which include serial and capital appreciation (deep discount) bonds in the amounts of \$1,630,000 and \$221,915 respectively. The general obligation bonds were issued for the purpose of construction of the library. The bonds were issued for a fifteen year period with final maturity at December 1, 2008. All bonds will be retired from the debt service fund.

The capital appreciation bond remained outstanding at December 31, 2005. The capital appreciation bonds were originally sold at a discount of \$575,000, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2000 through 2007.

Proceeds of \$1,752,350 (after the underwriting fees, accrued interest and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunding portion of 1997 Community Center. As a result, \$1,735,000 of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the basic financial statements.

The City decreased its total debt service payments by \$287,672 as a result of the advance refunding. The City also incurred an economic gain (the difference between the present values of the old and new debt service payments) of \$249,180. Under GASB Statement No.23, the City is amortizing the loss of \$17,350 over the life of the new issue.



**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

The \$1,000,000 various purpose note issued May 8, 2004 at 1.50 percent and outstanding at December 31, 2004 was rolled over into the \$500,000 various purpose improvement note. The \$1,500,000 various purpose note was issued on May 4, 2005 and the principal was used to retire the \$800,000 road improvement note and the \$750,000 sewer improvement note. The \$1,550,000 various purpose note was retired on September 29, 2005 with the proceeds of the \$1,075,000 special assessment bond. These notes were used for various construction and improvement projects throughout the City. The notes are backed by the full faith and credit of the City of Brecksville.

The City's overall legal debt margin was \$46,248,000 at December 31, 2005. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2005, are as follows:

|           | General Obligation Bonds |                  |                     |                    | Special Assessment |                    | OPWC             | Totals              |
|-----------|--------------------------|------------------|---------------------|--------------------|--------------------|--------------------|------------------|---------------------|
|           | Capital Appreciation     |                  | Serial Bonds        |                    | Bonds              |                    | Loans            |                     |
|           | Principal                | Interest         | Principal           | Interest           | Principal          | Interest           | Principal        |                     |
| 2006      | \$49,712                 | \$110,288        | \$700,000           | \$575,196          | \$360,000          | \$250,892          | \$51,233         | \$2,097,321         |
| 2007      | 47,746                   | 116,253          | 725,000             | 533,859            | 400,000            | 219,525            | 45,737           | 2,088,120           |
| 2008      | 0                        | 0                | 900,000             | 506,727            | 415,000            | 198,541            | 45,737           | 2,066,005           |
| 2009      | 0                        | 0                | 930,000             | 470,502            | 287,000            | 177,425            | 45,737           | 1,910,664           |
| 2010      | 0                        | 0                | 960,000             | 431,452            | 300,000            | 164,743            | 45,737           | 1,901,932           |
| 2011-2015 | 0                        | 0                | 3,490,000           | 1,576,100          | 1,385,000          | 630,949            | 228,685          | 7,310,734           |
| 2016-2020 | 0                        | 0                | 2,840,000           | 1,009,030          | 1,195,000          | 314,582            | 136,603          | 5,495,215           |
| 2021-2025 | 0                        | 0                | 2,605,000           | 326,838            | 585,000            | 75,107             | 52,009           | 3,643,954           |
| Total     | <u>\$97,458</u>          | <u>\$226,541</u> | <u>\$13,150,000</u> | <u>\$5,429,704</u> | <u>\$4,927,000</u> | <u>\$2,031,764</u> | <u>\$651,478</u> | <u>\$26,513,945</u> |

**Note 16 – Notes Payable**

Changes in the City's note activity for the year ended December 31, 2005, were as follows:

|                         | Balance          |  | Issued           | Retired            | Balance          |  |
|-------------------------|------------------|--|------------------|--------------------|------------------|--|
|                         | 12/31/2004       |  |                  |                    | 12/31/2005       |  |
| Various Purpose Note    | \$500,000        |  | \$500,000        | (\$500,000)        | \$500,000        |  |
| Street Improvement Note | 0                |  | 300,000          | 0                  | 300,000          |  |
| Total                   | <u>\$500,000</u> |  | <u>\$800,000</u> | <u>(\$500,000)</u> | <u>\$800,000</u> |  |

All notes were backed by the full faith and credit of the City and mature within one year. The \$500,000 various purpose note was issued May 8, 2005 at an interest rate of 2.90 percent and matures May 4, 2006. The \$300,000 street improvement note was issued on September 8, 2005 at an interest rate of 3.35 percent and matures January 10, 2006.

**Note 17 – Insurance Purchasing Pool**

The Rural Water Association has created a group insurance pool for purpose of creating a group rating plan for workers' compensation. The governing body is comprised of the members who have been appointed by the respective governing body of each member.

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

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The intent of the pool is to achieve a reduced rate for the City and the other group members. The injury claim history of all participating members is used to calculate a common rate for the group. An annual fee is paid to Comp Management, Inc. to administer the group and to manage any injury claims. Premium savings created by the group are prorated to each member entity annually based on its payroll percent of the group.

**Note 18 - Jointly Governed Organizations**

***A. Southwest Council of Governments***

The Southwest Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The board is comprised of one member from each of the sixteen participating entities. The board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board. In 2005, the City contributed \$7,500 which represents 5.4 percent of total contributions.

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

***B. Northeast Ohio Public Energy Council***

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 112 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 2005, 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 Joseph Migliorini, the Board Chairman, at 175 South Main Street, Akron, Ohio, 44308 or at the website [www.nopecinfo.org](http://www.nopecinfo.org).

**Note 19 – Operating Lease**

During 2004, the City entered into an operating lease with the Cuyahoga County Port Authority for a piece of land. The lease is an economic development program designed to bring consolidated operations of the House of LaRose distribution center and corporate offices into the City of Brecksville from their existing facilities in Akron and Cuyahoga Heights. As an incentive for the House of LaRose to locate within the City, the City developed a plan whereby the Cleveland-Cuyahoga County Port Authority

**City of Brecksville, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2005*

agreed to purchase a portion of the land needed for this consolidation and expansion project which in turn leased this land to the City of Brecksville. The City in turn subleased the property to the House of LaRose. Recognizing the job creation and revenue generation potential for the City and County, the City and Port Authority utilized the following structure to bring this consolidation and expansion project to fruition. The Port Authority agreed to issue tax-exempt revenue bonds and use the proceeds of the bonds to acquire the land. The City and Port Authority then entered into an annual lease agreement (renewable for ten years) where the City leases the land for an amount equal to the bond payment of the Port Authority plus some administrative fees. The City then subleases the property to the House of LaRose for their operations for \$1 a year. In return for the House of LaRose's sublease, they agree to reach a job creation and retention goal along with an aggregate wage structure for these jobs. Provided the House of LaRose complies with the terms of the economic development agreement for the ten-year period, they have the option to purchase the land from the Port Authority for \$10. The City's participation in the annual lease would end at that time, and it would have no future obligation related to the agreement or acquire any assets. The City paid \$259,788 on the lease in 2005. The City will be making the following lease payments in:

|           |           |
|-----------|-----------|
| 2006      | \$257,775 |
| 2007      | 255,550   |
| 2008      | 258,112   |
| 2009      | 255,250   |
| 2010      | 257,175   |
| 2011-2014 | 1,249,663 |

**Note 20 - Contractual Commitments**

At December 31, 2005, the City's significant contractual commitments consisted of:

| Project                              | Contract<br>Amount  | Amount<br>Paid      | Remaining<br>on Contract |
|--------------------------------------|---------------------|---------------------|--------------------------|
| Architect                            | \$440,864           | \$420,456           | \$20,408                 |
| Street Construction                  | 715,568             | 667,500             | 48,068                   |
| Engineering                          | 95,200              | 37,127              | 58,073                   |
| Waterline Repair                     | 1,220,157           | 1,091,790           | 128,367                  |
| Asphalt, Concrete, Street Repairs    | 1,098,518           | 799,734             | 298,784                  |
| Human Services Building Construction | 9,426,606           | 8,050,131           | 1,376,475                |
| Recreation Infrastructure            | 17,710              | 0                   | 17,710                   |
| Service Equipment                    | 241,509             | 19,789              | 221,720                  |
| Police Equipment                     | 28,299              | 0                   | 28,299                   |
| <b>Totals</b>                        | <b>\$13,284,431</b> | <b>\$11,086,527</b> | <b>\$2,197,904</b>       |

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

### **Combining Statements - Nonmajor Governmental Funds**

#### ***Nonmajor Special Revenue Funds***

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

***Motor Vehicle License Tax Fund*** - This fund accounts for the City's share of additional motor vehicle registration fees. Expenditures are restricted by State law for the maintenance and repair of streets and bridges within the City.

***Street Repair and Maintenance Fund*** - This fund accounts for 92.5 percent of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of streets within the City.

***State Highway Fund*** - This fund accounts for 7.5 percent of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of State highways within the City.

***Community Center Fund*** - This fund accounts for membership fees, program fees, and general fund subsidies used to operate the Community Center.

***Special Programs Fund*** - This fund accounts for admission fees to the Mayor's annual fine arts show, the Christmas activities and other events of the City. Monies are used to cover the costs of each activity.

***Road Maintenance Fund*** - This fund accounts for revenues received from the 1 mill Charter Levy. These monies are used exclusively for the maintenance, repair, reconstruction and improvement of roads within the City.

***Federal Equitable Sharing Fund*** - To account for federal forfeiture monies returned to the City restricted for certain law enforcement purposes.

***Indigent Prisoner Assistance Fund*** - This fund accounts for revenues received from prisoner pay-telephone fees. These monies provide a bus ride or cab fare home for released prisoners.

***Indigent Drivers Fund*** - This fund accounts for \$25 of any fine imposed for a violation of a municipal ordinance relating to operating a vehicle while under the influence of alcohol and/or drugs. These monies assist in the rehabilitation and treatment of indigent individuals.

***Enforcement and Education Fund*** - This fund accounts for fines used to pay costs incurred in educating the public about the dangers of and enforcing the laws against operating a motor vehicle while under the influence of alcohol and to reinforce the "Say No to Drugs" message.

***Court Computerization Fund*** - This fund accounts for court fees and fines used for the purchase and maintenance of computers for the Mayor's court.

(continued)

## Combining Statements - Nonmajor Governmental Funds (continued)

### *Nonmajor Special Revenue Funds (continued)*

***Natureworks Grants Fund*** - This fund accounts for grant monies and investment interest that is used for adding a recreational facility for the Blossom Complex.

***Recycling Demo Fund*** - This fund accounts for grant monies received from the Ohio Department of Natural Resources plus City matching funds. Expenditures are restricted by the rules set by the Ohio Department of Natural Resources Litter Prevention and Recycling Grant agreement.

***Tree Planting Grants Fund*** - This fund accounts for monies received from residents, plus City matching funds which are used to plant trees within the City.

***Law Enforcement Fund*** - This fund accounts for monies received from the sale or disposition of seized contraband.

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

***Vehicle Immobilization Fund*** - This fund accounts for revenues and expenditures pursuant to changes in Ohio Law relative to operating a motor vehicle while intoxicated or driving under suspension of license. The Bureau of Motor Vehicles pays the City \$100 for immobilization costs incurred.

***Police Pension Fund*** - This fund accounts for amounts paid for police department employees to the State administered disability and pension fund.

***Memorial Fund*** - This fund accounts for donations to be used in memory for a deceased community member.

### ***Nonmajor Debt Service Fund***

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term and special assessment principal, interest, and related costs.

***General Obligation Bond Retirement Fund*** - This fund accounts for transfers in and tax levies that are utilized for the repayment of general obligation debt.

(continued)

## Combining Statements - Nonmajor Governmental Funds (continued)

### *Nonmajor Capital Projects Funds*

Capital projects funds are established to account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds.)

***Issue II Fund*** - This fund accounts for grant monies received from the Ohio Public Works Commission plus City matching funds. Expenditures are restricted to specific projects within the City.

***Capital Improvement Fund*** - This fund accounts for income tax monies for various capital projects of the City.

***Equipment Replacement Fund*** - This fund accounts for transfers from the general fund to provide for the future purchase and replacement of equipment needed to operate City functions.

***Recreation Expansion Fund*** - This fund accounts for 25 percent of building permit revenues designated for the purchase of equipment and for capital improvements for recreation.

***Library Improvement Fund*** - This fund accounts for monies received from a voted tax levy to construct and furnish a new library within the City.

***Fire Station Building Fund*** - This fund accounts for financing, construction and related costs of improvements to the Fire Station.

***Police Station Building Fund*** - This fund accounts for financing, construction and related costs of improvements to the police station building.

***Sewer Improvement Fund*** - This fund accounts for financing, construction and related costs of improvements to various sewer projects within the City.

***Public Utility Improvement Fund*** - This fund accounts for sanitary sewer tap-in-fees, fees for converting from septic tank to sanitary sewer, and costs to repair, construct and reline any public utility line within the City.

**City of Brecksville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2005*

|  | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Debt<br>Service<br>Fund | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---|-------------------------------------|--|--|
| <b>Assets</b>                              |   |                                     |  |  |
| Equity in Pooled Cash and                  |   |                                     |  |  |
| Cash Equivalents                           | \$1,579,220                             | \$265,171                           | \$2,108,959                              | \$3,953,350                                |
| Materials and Supplies Inventory           | 34,595                                  | 0                                   | 0  | 34,595                                     |
| Accounts Receivable                        | 218                                     | 0                                   | 0  | 218  |
| Intergovernmental Receivable               | 364,726                                 | 15,105                              | 398,984                                  | 778,815                                    |
| Municipal Income Taxes Receivable          | 0                                       | 0                                   | 36,933                                   | 36,933                                     |
| Property Taxes Receivable                  | 768,154                                 | 236,422                             | 0  | 1,004,576                                  |
| <i>Total Assets</i>                        | <u>\$2,746,913</u>                      | <u>\$516,698</u>                    | <u>\$2,544,876</u>                       | <u>\$5,808,487</u>                         |
| <b>Liabilities and Fund Balances</b>       |   |                                     |  |  |
| <b>Liabilities</b>                         |   |                                     |  |  |
| Accounts Payable                           | \$5,675                                 | \$0                                 | \$16,861                                 | \$22,536                                   |
| Contracts Payable                          | 37,147                                  | 0                                   | 91,360                                   | 128,507                                    |
| Retainage Payable                          | 0                                       | 0                                   | 48,412                                   | 48,412                                     |
| Accrued Wages and Benefits                 | 21,524                                  | 0                                   | 0  | 21,524                                     |
| Matured Compensated Absences               | 1,761                                   | 0                                   | 0  | 1,761                                      |
| Intergovernmental Payable                  | 116,882                                 | 0                                   | 0  | 116,882                                    |
| Deferred Revenue                           | 1,023,256                               | 251,527                             | 403,917                                  | 1,678,700                                  |
| <i>Total Liabilities</i>                   | <u>1,206,245</u>                        | <u>251,527</u>                      | <u>560,550</u>                           | <u>2,018,322</u>                           |
| <b>Fund Balances</b>                       |   |                                     |  |  |
| Reserved for Encumbrances                  | 376,499                                 | 0                                   | 152,922                                  | 529,421                                    |
| Unreserved, Undesignated, Reported in:     |   |                                     |  |  |
| Special Revenue Funds                      | 1,164,169                               | 0                                   | 0  | 1,164,169                                  |
| Debt Service Fund                          | 0                                       | 265,171                             | 0  | 265,171                                    |
| Capital Projects Funds                     | 0                                       | 0                                   | 1,831,404                                | 1,831,404                                  |
| <i>Total Fund Balances</i>                 | <u>1,540,668</u>                        | <u>265,171</u>                      | <u>1,984,326</u>                         | <u>3,790,165</u>                           |
| <i>Total Liabilities and Fund Balances</i> | <u>\$2,746,913</u>                      | <u>\$516,698</u>                    | <u>\$2,544,876</u>                       | <u>\$5,808,487</u>                         |

**City of Brecksville, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2005*

|  | Nonmajor<br>Special<br>Revenue<br>Funds | Nonmajor<br>Debt<br>Service<br>Fund | Nonmajor<br>Capital<br>Projects<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---|-------------------------------------|--|--|
| <b>Revenues</b>                              |   |                                     |  |  |
| Property and Other Taxes                     | \$657,700                               | \$247,909                           | \$0                                      | \$905,609                                  |
| Municipal Income Taxes                       | 0                                       | 0                                   | 192,000                                  | 192,000                                    |
| Charges for Services                         | 709,151                                 | 0                                   | 0  | 709,151                                    |
| Licenses and Permits                         | 51,119                                  | 0                                   | 97,788                                   | 148,907                                    |
| Fines and Forfeitures                        | 8,006                                   | 0                                   | 0  | 8,006                                      |
| Intergovernmental                            | 709,957                                 | 37,673                              | 831,464                                  | 1,579,094                                  |
| Interest                                     | 69,939                                  | 1,101                               | 79,696                                   | 150,736                                    |
| Donations                                    | 2,516                                   | 0                                   | 0  | 2,516                                      |
| Rentals                                      | 47,647                                  | 0                                   | 0  | 47,647                                     |
| Miscellaneous                                | 16,431                                  | 0                                   | 276,337                                  | 292,768                                    |
| <i>Total Revenues</i>                        | <u>2,272,466</u>                        | <u>286,683</u>                      | <u>1,477,285</u>                         | <u>4,036,434</u>                           |
| <b>Expenditures</b>                          |   |                                     |  |  |
| Current:                                     |   |                                     |  |  |
| General Government:                          |   |                                     |  |  |
| Legislative and Executive                    | 115                                     | 142                                 | 0  | 257  |
| Judicial System                              | 1,175                                   | 0                                   | 0  | 1,175                                      |
| Public Safety:                               |   |                                     |  |  |
| Police                                       | 190,002                                 | 0                                   | 0  | 190,002                                    |
| Street Construction, Maintenance and Repair  | 1,076,448                               | 0                                   | 0  | 1,076,448                                  |
| Housing and Community Development            | 15,861                                  | 0                                   | 0  | 15,861                                     |
| Basic Utility Services                       | 9,584                                   | 0                                   | 0  | 9,584                                      |
| Recreational Activities                      | 1,635,163                               | 0                                   | 0  | 1,635,163                                  |
| Capital Outlay                               | 0                                       | 0                                   | 2,471,229                                | 2,471,229                                  |
| Debt Service:                                |   |                                     |  |  |
| Principal Retirement                         | 0                                       | 710,000                             | 800,949                                  | 1,510,949                                  |
| Interest and Fiscal Charges                  | 0                                       | 351,691                             | 19,556                                   | 371,247                                    |
| <i>Total Expenditures</i>                    | <u>2,928,348</u>                        | <u>1,061,833</u>                    | <u>3,291,734</u>                         | <u>7,281,915</u>                           |
| <i>Excess of Revenues Under Expenditures</i> | <u>(655,882)</u>                        | <u>(775,150)</u>                    | <u>(1,814,449)</u>                       | <u>(3,245,481)</u>                         |
| <b>Other Financing Sources (Uses)</b>        |   |                                     |  |  |
| Bond Anticipation Notes Issued               | 0                                       | 0                                   | 750,000                                  | 750,000                                    |
| Special Assessment Bonds Issued              | 0                                       | 0                                   | 1,075,000                                | 1,075,000                                  |
| OPWC Loan Issued                             | 0                                       | 0                                   | 231,143                                  | 231,143                                    |
| Payment to Refund Notes                      | 0                                       | 0                                   | (750,000)                                | (750,000)                                  |
| Transfers In                                 | 800,000                                 | 850,138                             | 970,725                                  | 2,620,863                                  |
| Transfers Out                                | (230,564)                               | 0                                   | (397,521)                                | (628,085)                                  |
| <i>Total Other Financing Sources (Uses)</i>  | <u>569,436</u>                          | <u>850,138</u>                      | <u>1,879,347</u>                         | <u>3,298,921</u>                           |
| <i>Net Change in Fund Balances</i>           | (86,446)                                | 74,988                              | 64,898                                   | 53,440                                     |
| <i>Fund Balances Beginning of Year</i>       | <u>1,627,114</u>                        | <u>190,183</u>                      | <u>1,919,428</u>                         | <u>3,736,725</u>                           |
| <i>Fund Balances End of Year</i>             | <u>\$1,540,668</u>                      | <u>\$265,171</u>                    | <u>\$1,984,326</u>                       | <u>\$3,790,165</u>                         |



**City of Brecksville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2005*

|   | Motor<br>Vehicle<br>License Tax | Street<br>Repair and<br>Maintenance | State<br>Highway | Community<br>Center |
|---|---------------------------------|-------------------------------------|------------------|---------------------|
| <b>Assets</b>                                 |                                 |                                     |                  |                     |
| Equity in Pooled Cash and<br>Cash Equivalents | \$105,514                       | \$259,708                           | \$68,234         | \$235,940           |
| Materials and Supplies Inventory              | 0                               | 34,595                              | 0                | 0                   |
| Accounts Receivable                           | 0                               | 0                                   | 0                | 0                   |
| Intergovernmental Receivable                  | 17,454                          | 282,051                             | 22,866           | 0                   |
| Property Taxes Receivable                     | 0                               | 0                                   | 0                | 0                   |
| <i>Total Assets</i>                           | <u>\$122,968</u>                | <u>\$576,354</u>                    | <u>\$91,100</u>  | <u>\$235,940</u>    |
| <b>Liabilities and Fund Balances</b>          |                                 |                                     |                  |                     |
| <b>Liabilities</b>                            |                                 |                                     |                  |                     |
| Accounts Payable                              | \$0                             | \$0                                 | \$0              | \$4,420             |
| Contracts Payable                             | 0                               | 35,230                              | 0                | 1,917               |
| Accrued Wages and Benefits                    | 0                               | 0                                   | 0                | 21,524              |
| Matured Compensated Absences                  | 0                               | 0                                   | 0                | 1,761               |
| Intergovernmental Payable                     | 0                               | 0                                   | 0                | 12,770              |
| Deferred Revenue                              | 11,710                          | 188,034                             | 15,244           | 0                   |
| <i>Total Liabilities</i>                      | <u>11,710</u>                   | <u>223,264</u>                      | <u>15,244</u>    | <u>42,392</u>       |
| <b>Fund Balances</b>                          |                                 |                                     |                  |                     |
| Reserved for Encumbrances                     | 0                               | 50,657                              | 23,837           | 54,549              |
| Unreserved, Undesignated (Deficit)            | 111,258                         | 302,433                             | 52,019           | 138,999             |
| <i>Total Fund Balances (Deficit)</i>          | <u>111,258</u>                  | <u>353,090</u>                      | <u>75,856</u>    | <u>193,548</u>      |
| <i>Total Liabilities and Fund Balances</i>    | <u>\$122,968</u>                | <u>\$576,354</u>                    | <u>\$91,100</u>  | <u>\$235,940</u>    |

(continued)

**City of Brecksville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2005*

|   | Special<br>Programs | Road<br>Maintenance | Federal<br>Equitable<br>Sharing | Indigent<br>Prisoner<br>Assistance |
|---|---------------------|---------------------|---------------------------------|------------------------------------|
| <b>Assets</b>                                 |                     |                     |                                 |                                    |
| Equity in Pooled Cash and<br>Cash Equivalents | \$8,473             | \$375,476           | \$3,905                         | \$8,869                            |
| Materials and Supplies Inventory              | 0                   | 0                   | 0                               | 0                                  |
| Accounts Receivable                           | 0                   | 0                   | 0                               | 0                                  |
| Intergovernmental Receivable                  | 0                   | 30,826              | 0                               | 0                                  |
| Property Taxes Receivable                     | 0                   | 590,887             | 0                               | 0                                  |
| <i>Total Assets</i>                           | <u>\$8,473</u>      | <u>\$997,189</u>    | <u>\$3,905</u>                  | <u>\$8,869</u>                     |
| <b>Liabilities and Fund Balances</b>          |                     |                     |                                 |                                    |
| <b>Liabilities</b>                            |                     |                     |                                 |                                    |
| Accounts Payable                              | \$0                 | \$0                 | \$0                             | \$0                                |
| Contracts Payable                             | 0                   | 0                   | 0                               | 0                                  |
| Accrued Wages and Benefits                    | 0                   | 0                   | 0                               | 0                                  |
| Matured Compensated Absences                  | 0                   | 0                   | 0                               | 0                                  |
| Intergovernmental Payable                     | 0                   | 0                   | 0                               | 0                                  |
| Deferred Revenue                              | 0                   | 621,713             | 0                               | 0                                  |
| <i>Total Liabilities</i>                      | <u>0</u>            | <u>621,713</u>      | <u>0</u>                        | <u>0</u>                           |
| <b>Fund Balances</b>                          |                     |                     |                                 |                                    |
| Reserved for Encumbrances                     | 0                   | 244,557             | 0                               | 0                                  |
| Unreserved, Undesignated (Deficit)            | 8,473               | 130,919             | 3,905                           | 8,869                              |
| <i>Total Fund Balances (Deficit)</i>          | <u>8,473</u>        | <u>375,476</u>      | <u>3,905</u>                    | <u>8,869</u>                       |
| <i>Total Liabilities and Fund Balances</i>    | <u>\$8,473</u>      | <u>\$997,189</u>    | <u>\$3,905</u>                  | <u>\$8,869</u>                     |

| <u>Indigent Drivers</u> | <u>Enforcement and Education</u> | <u>Court Computerization</u> | <u>Natureworks Grants</u> | <u>Recycling Demo</u> |
|-------------------------|----------------------------------|------------------------------|---------------------------|-----------------------|
| \$8,987                 | \$45,154                         | \$170,579                    | \$950                     | \$11,242              |
| 0                       | 0                                | 0                            | 0                         | 0                     |
| 0                       | 22                               | 0                            | 0                         | 0                     |
| 0                       | 0                                | 0                            | 0                         | 0                     |
| 0                       | 0                                | 0                            | 0                         | 0                     |
| <u>\$8,987</u>          | <u>\$45,176</u>                  | <u>\$170,579</u>             | <u>\$950</u>              | <u>\$11,242</u>       |
| \$0                     | \$1,255                          | \$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                     |
| <u>0</u>                | <u>1,255</u>                     | <u>0</u>                     | <u>0</u>                  | <u>0</u>              |
| 0                       | 60                               | 0                            | 0                         | 0                     |
| <u>8,987</u>            | <u>43,861</u>                    | <u>170,579</u>               | <u>950</u>                | <u>11,242</u>         |
| <u>8,987</u>            | <u>43,921</u>                    | <u>170,579</u>               | <u>950</u>                | <u>11,242</u>         |
| <u>\$8,987</u>          | <u>\$45,176</u>                  | <u>\$170,579</u>             | <u>\$950</u>              | <u>\$11,242</u>       |

(continued)

**City of Brecksville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2005*

|   | <u>Tree Planting<br/>Grants</u> | <u>Law<br/>Enforcement</u> | <u>Law<br/>Enforcement<br/>Mandatory<br/>Drug</u> | <u>Vehicle<br/>Immobilization</u> |
|---|---------------------------------|----------------------------|---|-----------------------------------|
| <b>Assets</b>                                 |                                 |                            |   |                                   |
| Equity in Pooled Cash and<br>Cash Equivalents | \$156,884                       | \$8,747                    | \$38,223  | \$21,955                          |
| Materials and Supplies Inventory              | 0                               | 0                          | 0   | 0                                 |
| Accounts Receivable                           | 0                               | 0                          | 196   | 0                                 |
| Intergovernmental Receivable                  | 2,281                           | 0                          | 0   | 0                                 |
| Property Taxes Receivable                     | 0                               | 0                          | 0   | 0                                 |
| <i>Total Assets</i>                           | <u>\$159,165</u>                | <u>\$8,747</u>             | <u>\$38,419</u>                                   | <u>\$21,955</u>                   |
| <b>Liabilities and Fund Balances</b>          |                                 |                            |   |                                   |
| <b>Liabilities</b>                            |                                 |                            |   |                                   |
| Accounts Payable                              | \$0                             | \$0                        | \$0   | \$0                               |
| Contracts Payable                             | 0                               | 0                          | 0   | 0                                 |
| Accrued Wages and Benefits                    | 0                               | 0                          | 0   | 0                                 |
| Matured Compensated Absences                  | 0                               | 0                          | 0   | 0                                 |
| Intergovernmental Payable                     | 0                               | 0                          | 0   | 0                                 |
| Deferred Revenue                              | 40                              | 0                          | 0   | 0                                 |
| <i>Total Liabilities</i>                      | <u>40</u>                       | <u>0</u>                   | <u>0</u>  | <u>0</u>                          |
| <b>Fund Balances</b>                          |                                 |                            |   |                                   |
| Reserved for Encumbrances                     | 2,778                           | 0                          | 0   | 0                                 |
| Unreserved, Undesignated (Deficit)            | 156,347                         | 8,747                      | 38,419  | 21,955                            |
| <i>Total Fund Balances (Deficit)</i>          | <u>159,125</u>                  | <u>8,747</u>               | <u>38,419</u>                                     | <u>21,955</u>                     |
| <i>Total Liabilities and Fund Balances</i>    | <u>\$159,165</u>                | <u>\$8,747</u>             | <u>\$38,419</u>                                   | <u>\$21,955</u>                   |

| <u>Police<br/>Pension</u> | <u>Memorial</u> | <u>Total<br/>Nonmajor<br/>Special Revenue<br/>Funds</u> |
|---------------------------|-----------------|---|
| \$33,127                  | \$17,253        | \$1,579,220   |
| 0                         | 0               | 34,595  |
| 0                         | 0               | 218   |
| 9,248                     | 0               | 364,726   |
| <u>177,267</u>            | <u>0</u>        | <u>768,154</u>  |
| <u>\$219,642</u>          | <u>\$17,253</u> | <u>\$2,746,913</u>                                      |
| \$0                       | \$0             | \$5,675   |
| 0                         | 0               | 37,147  |
| 0                         | 0               | 21,524  |
| 0                         | 0               | 1,761   |
| 104,112                   | 0               | 116,882   |
| <u>186,515</u>            | <u>0</u>        | <u>1,023,256</u>  |
| <u>290,627</u>            | <u>0</u>        | <u>1,206,245</u>  |
| 0                         | 61              | 376,499   |
| <u>(70,985)</u>           | <u>17,192</u>   | <u>1,164,169</u>  |
| <u>(70,985)</u>           | <u>17,253</u>   | <u>1,540,668</u>  |
| <u>\$219,642</u>          | <u>\$17,253</u> | <u>\$2,746,913</u>                                      |

**City of Brecksville, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2005*

|   | Motor<br>Vehicle<br>License Tax | Street<br>Repair and<br>Maintenance | State<br>Highway       | Community<br>Center     |
|---|---------------------------------|-------------------------------------|------------------------|-------------------------|
| <b>Revenues</b>                                     |                                 |                                     |                        |                         |
| Property and Other Taxes                            | \$0                             | \$0                                 | \$0                    | \$0                     |
| Charges for Services                                | 0                               | 0                                   | 0                      | 709,151                 |
| Licenses and Permits                                | 0                               | 0                                   | 0                      | 0                       |
| Fines and Forfeitures                               | 0                               | 0                                   | 0                      | 0                       |
| Intergovernmental                                   | 34,299                          | 523,302                             | 42,420                 | 0                       |
| Interest  | 3,535                           | 9,223                               | 2,365                  | 15,253                  |
| Donations   | 0                               | 0                                   | 0                      | 1,561                   |
| Rentals   | 0                               | 0                                   | 0                      | 47,647                  |
| Miscellaneous                                       | 0                               | 0                                   | 0                      | 15,674                  |
| <i>Total Revenues</i>                               | <u>37,834</u>                   | <u>532,525</u>                      | <u>44,785</u>          | <u>789,286</u>          |
| <b>Expenditures</b>                                 |                                 |                                     |                        |                         |
| Current:  |                                 |                                     |                        |                         |
| General Government:                                 |                                 |                                     |                        |                         |
| Legislative and Executive                           | 0                               | 0                                   | 0                      | 0                       |
| Judicial System                                     | 0                               | 0                                   | 0                      | 0                       |
| Public Safety:                                      |                                 |                                     |                        |                         |
| Police  | 0                               | 0                                   | 0                      | 0                       |
| Street Construction, Maintenance and Repair         | 0                               | 395,670                             | 80,294                 | 0                       |
| Housing and Community Development                   | 0                               | 0                                   | 0                      | 0                       |
| Basic Utility Services                              | 0                               | 0                                   | 0                      | 0                       |
| Recreational Activities                             | 0                               | 0                                   | 0                      | 1,618,880               |
| <i>Total Expenditures</i>                           | <u>0</u>                        | <u>395,670</u>                      | <u>80,294</u>          | <u>1,618,880</u>        |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>37,834</u>                   | <u>136,855</u>                      | <u>(35,509)</u>        | <u>(829,594)</u>        |
| <b>Other Financing Sources (Uses)</b>               |                                 |                                     |                        |                         |
| Transfers In  | 0                               | 0                                   | 0                      | 800,000                 |
| Transfers Out                                       | 0                               | (200,000)                           | 0                      | 0                       |
| <i>Total Other Financing Sources (Uses)</i>         | <u>0</u>                        | <u>(200,000)</u>                    | <u>0</u>               | <u>800,000</u>          |
| <i>Net Change in Fund Balances</i>                  | 37,834                          | (63,145)                            | (35,509)               | (29,594)                |
| <i>Fund Balances (Deficit) Beginning of Year</i>    | <u>73,424</u>                   | <u>416,235</u>                      | <u>111,365</u>         | <u>223,142</u>          |
| <i>Fund Balances (Deficit) End of Year</i>          | <u><u>\$111,258</u></u>         | <u><u>\$353,090</u></u>             | <u><u>\$75,856</u></u> | <u><u>\$193,548</u></u> |

| Special Programs | Road Maintenance | Federal Equitable Sharing | Indigent Prisoner Assistance | Indigent Drivers | Enforcement and Education | Court Computerization |
|------------------|------------------|---------------------------|------------------------------|------------------|---------------------------|-----------------------|
| \$0              | \$505,923        | \$0                       | \$0                          | \$0              | \$0                       | \$0                   |
| 0                | 0                | 0                         | 0                            | 0                | 0                         | 0                     |
| 1,815            | 0                | 0                         | 136                          | 0                | 0                         | 19,468                |
| 0                | 0                | 0                         | 0                            | 500              | 2,047                     | 0                     |
| 0                | 76,885           | 0                         | 0                            | 0                | 0                         | 0                     |
| 0                | 21,774           | 34                        | 338                          | 333              | 1,824                     | 6,280                 |
| 0                | 0                | 0                         | 0                            | 0                | 0                         | 0                     |
| 0                | 0                | 0                         | 0                            | 0                | 0                         | 0                     |
| 0                | 0                | 0                         | 0                            | 0                | 757                       | 0                     |
| 1,815            | 604,582          | 34                        | 474                          | 833              | 4,628                     | 25,748                |
| 0                | 0                | 0                         | 0                            | 0                | 0                         | 0                     |
| 0                | 0                | 0                         | 0                            | 0                | 0                         | 1,175                 |
| 0                | 0                | 0                         | 42                           | 0                | 5,519                     | 0                     |
| 0                | 600,484          | 0                         | 0                            | 0                | 0                         | 0                     |
| 0                | 0                | 0                         | 0                            | 0                | 0                         | 0                     |
| 0                | 0                | 0                         | 0                            | 0                | 0                         | 0                     |
| 2,705            | 0                | 0                         | 0                            | 0                | 0                         | 0                     |
| 2,705            | 600,484          | 0                         | 42                           | 0                | 5,519                     | 1,175                 |
| (890)            | 4,098            | 34                        | 432                          | 833              | (891)                     | 24,573                |
| 0                | 0                | 0                         | 0                            | 0                | 0                         | 0                     |
| 0                | (11,732)         | 0                         | 0                            | 0                | 0                         | 0                     |
| 0                | (11,732)         | 0                         | 0                            | 0                | 0                         | 0                     |
| (890)            | (7,634)          | 34                        | 432                          | 833              | (891)                     | 24,573                |
| 9,363            | 383,110          | 3,871                     | 8,437                        | 8,154            | 44,812                    | 146,006               |
| \$8,473          | \$375,476        | \$3,905                   | \$8,869                      | \$8,987          | \$43,921                  | \$170,579             |

(continued)

**City of Brecksville, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Year Ended December 31, 2005*

|   | Natureworks<br>Grants | Recycling<br>Demo      | Tree Planting<br>Grants | Law<br>Enforcement    |
|---|-----------------------|------------------------|-------------------------|-----------------------|
| <b>Revenues</b>                                     |                       |                        |                         |                       |
| Property and Other Taxes                            | \$0                   | \$0                    | \$0                     | \$0                   |
| Charges for Services                                | 0                     | 0                      | 0                       | 0                     |
| Licenses and Permits                                | 0                     | 0                      | 29,700                  | 0                     |
| Fines and Forfeitures                               | 0                     | 0                      | 0                       | 3,541                 |
| Intergovernmental                                   | 0                     | 7,745                  | 2,241                   | 0                     |
| Interest  | 0                     | 520                    | 5,946                   | 240                   |
| Donations   | 0                     | 0                      | 0                       | 0                     |
| Rentals   | 0                     | 0                      | 0                       | 0                     |
| Miscellaneous                                       | 0                     | 0                      | 0                       | 0                     |
| <i>Total Revenues</i>                               | <u>0</u>              | <u>8,265</u>           | <u>37,887</u>           | <u>3,781</u>          |
| <b>Expenditures</b>                                 |                       |                        |                         |                       |
| Current:  |                       |                        |                         |                       |
| General Government:                                 |                       |                        |                         |                       |
| Legislative and Executive                           | 0                     | 0                      | 0                       | 0                     |
| Judicial System                                     | 0                     | 0                      | 0                       | 0                     |
| Public Safety:                                      |                       |                        |                         |                       |
| Police  | 0                     | 0                      | 0                       | 508                   |
| Street Construction, Maintenance and Repair         | 0                     | 0                      | 0                       | 0                     |
| Housing and Community Development                   | 0                     | 0                      | 15,861                  | 0                     |
| Basic Utility Services                              | 0                     | 9,584                  | 0                       | 0                     |
| Recreational Activities                             | 13,578                | 0                      | 0                       | 0                     |
| <i>Total Expenditures</i>                           | <u>13,578</u>         | <u>9,584</u>           | <u>15,861</u>           | <u>508</u>            |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(13,578)</u>       | <u>(1,319)</u>         | <u>22,026</u>           | <u>3,273</u>          |
| <b>Other Financing Sources (Uses)</b>               |                       |                        |                         |                       |
| Transfers In  | 0                     | 0                      | 0                       | 0                     |
| Transfers Out                                       | 0                     | 0                      | (18,832)                | 0                     |
| <i>Total Other Financing Sources (Uses)</i>         | <u>0</u>              | <u>0</u>               | <u>(18,832)</u>         | <u>0</u>              |
| <i>Net Change in Fund Balances</i>                  | (13,578)              | (1,319)                | 3,194                   | 3,273                 |
| <i>Fund Balances (Deficit) Beginning of Year</i>    | <u>14,528</u>         | <u>12,561</u>          | <u>155,931</u>          | <u>5,474</u>          |
| <i>Fund Balances (Deficit) End of Year</i>          | <u><u>\$950</u></u>   | <u><u>\$11,242</u></u> | <u><u>\$159,125</u></u> | <u><u>\$8,747</u></u> |



| Law<br>Enforcement<br>Mandatory<br>Drug | Vehicle<br>Immobilization | Police<br>Pension | Memorial        | Total<br>Nonmajor<br>Special Revenue<br>Funds |
|---|---------------------------|-------------------|-----------------|---|
| \$0                                     | \$0                       | \$151,777         | \$0             | \$657,700                                     |
| 0                                       | 0                         | 0                 | 0               | 709,151                                       |
| 0                                       | 0                         | 0                 | 0               | 51,119  |
| 1,533                                   | 385                       | 0                 | 0               | 8,006   |
| 0                                       | 0                         | 23,065            | 0               | 709,957                                       |
| 1,442                                   | 832                       | 0                 | 0               | 69,939  |
| 0                                       | 0                         | 0                 | 955             | 2,516   |
| 0                                       | 0                         | 0                 | 0               | 47,647  |
| 0                                       | 0                         | 0                 | 0               | 16,431  |
| <u>2,975</u>                            | <u>1,217</u>              | <u>174,842</u>    | <u>955</u>      | <u>2,272,466</u>                              |
| 0                                       | 0                         | 0                 | 115             | 115   |
| 0                                       | 0                         | 0                 | 0               | 1,175   |
| 0                                       | 0                         | 183,933           | 0               | 190,002                                       |
| 0                                       | 0                         | 0                 | 0               | 1,076,448                                     |
| 0                                       | 0                         | 0                 | 0               | 15,861  |
| 0                                       | 0                         | 0                 | 0               | 9,584   |
| 0                                       | 0                         | 0                 | 0               | 1,635,163                                     |
| <u>0</u>                                | <u>0</u>                  | <u>183,933</u>    | <u>115</u>      | <u>2,928,348</u>                              |
| <u>2,975</u>                            | <u>1,217</u>              | <u>(9,091)</u>    | <u>840</u>      | <u>(655,882)</u>                              |
| 0                                       | 0                         | 0                 | 0               | 800,000                                       |
| 0                                       | 0                         | 0                 | 0               | (230,564)                                     |
| <u>0</u>                                | <u>0</u>                  | <u>0</u>          | <u>0</u>        | <u>569,436</u>                                |
| 2,975                                   | 1,217                     | (9,091)           | 840             | (86,446)                                      |
| <u>35,444</u>                           | <u>20,738</u>             | <u>(61,894)</u>   | <u>16,413</u>   | <u>1,627,114</u>                              |
| <u>\$38,419</u>                         | <u>\$21,955</u>           | <u>(\$70,985)</u> | <u>\$17,253</u> | <u>\$1,540,668</u>                            |

**City of Brecksville, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2005*

|  | Issue II           | Capital<br>Improvement | Equipment<br>Replacement | Recreation<br>Expansion |
|--|--------------------|------------------------|--------------------------|-------------------------|
| <b>Assets</b>                              |                    |                        |                          |                         |
| Equity in Pooled Cash and                  |                    |                        |                          |                         |
| Cash Equivalents                           | \$693,746          | \$524,877              | \$76,841                 | \$167,132               |
| Intergovernmental Receivable               | 398,984            | 0                      | 0                        | 0                       |
| Municipal Income Tax Receivable            | 0                  | 36,933                 | 0                        | 0                       |
| <i>Total Assets</i>                        | <u>\$1,092,730</u> | <u>\$561,810</u>       | <u>\$76,841</u>          | <u>\$167,132</u>        |
| <b>Liabilities and Fund Balances</b>       |                    |                        |                          |                         |
| <b>Liabilities</b>                         |                    |                        |                          |                         |
| Accounts Payable                           | \$0                | \$14,613               | \$0                      | \$0                     |
| Contracts Payable                          | 22,186             | 69,174                 | 0                        | 0                       |
| Retainage Payable                          | 48,412             | 0                      | 0                        | 0                       |
| Deferred Revenue                           | 398,984            | 4,933                  | 0                        | 0                       |
| <i>Total Liabilities</i>                   | <u>469,582</u>     | <u>88,720</u>          | <u>0</u>                 | <u>0</u>                |
| <b>Fund Balances</b>                       |                    |                        |                          |                         |
| Reserved for Encumbrances                  | 41,998             | 104,330                | 0                        | 0                       |
| Unreserved, Undesignated                   | 581,150            | 368,760                | 76,841                   | 167,132                 |
| <i>Total Fund Balances</i>                 | <u>623,148</u>     | <u>473,090</u>         | <u>76,841</u>            | <u>167,132</u>          |
| <i>Total Liabilities and Fund Balances</i> | <u>\$1,092,730</u> | <u>\$561,810</u>       | <u>\$76,841</u>          | <u>\$167,132</u>        |

| Library Improvement | Fire Station Building | Police Station Building | Sewer Improvement | Public Utility Improvement | Total Nonmajor Capital Projects Funds |
|---------------------|-----------------------|-------------------------|-------------------|----------------------------|---------------------------------------|
| \$37,460            | \$33,076              | \$19,415                | \$64,865          | \$491,547                  | \$2,108,959                           |
| 0                   | 0                     | 0                       | 0                 | 0                          | 398,984                               |
| 0                   | 0                     | 0                       | 0                 | 0                          | 36,933                                |
| <u>\$37,460</u>     | <u>\$33,076</u>       | <u>\$19,415</u>         | <u>\$64,865</u>   | <u>\$491,547</u>           | <u>\$2,544,876</u>                    |
| \$0                 | \$0                   | \$63                    | \$0               | \$2,185                    | \$16,861                              |
| 0                   | 0                     | 0                       | 0                 | 0                          | 91,360                                |
| 0                   | 0                     | 0                       | 0                 | 0                          | 48,412                                |
| 0                   | 0                     | 0                       | 0                 | 0                          | 403,917                               |
| 0                   | 0                     | 63                      | 0                 | 2,185                      | 560,550                               |
| 0                   | 0                     | 0                       | 0                 | 6,594                      | 152,922                               |
| 37,460              | 33,076                | 19,352                  | 64,865            | 482,768                    | 1,831,404                             |
| 37,460              | 33,076                | 19,352                  | 64,865            | 489,362                    | 1,984,326                             |
| <u>\$37,460</u>     | <u>\$33,076</u>       | <u>\$19,415</u>         | <u>\$64,865</u>   | <u>\$491,547</u>           | <u>\$2,544,876</u>                    |

**City of Brecksville, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2005*

|   | Issue II         | Capital<br>Improvement | Equipment<br>Replacement | Recreation<br>Expansion |
|---|------------------|------------------------|--------------------------|-------------------------|
| <b>Revenues</b>   |                  |                        |                          |                         |
| Municipal Income Taxes                                  | \$0              | \$192,000              | \$0                      | \$0                     |
| Licenses and Permits                                    | 0                | 0                      | 0                        | 41,758                  |
| Intergovernmental                                       | 553,166          | 0                      | 0                        | 0                       |
| Interest  | 19,530           | 19,875                 | 2,941                    | 6,320                   |
| Miscellaneous   | 0                | 36,278                 | 0                        | 0                       |
| <i>Total Revenues</i>                                   | <u>572,696</u>   | <u>248,153</u>         | <u>2,941</u>             | <u>48,078</u>           |
| <b>Expenditures</b>                                     |                  |                        |                          |                         |
| Capital Outlay  | 1,416,500        | 898,729                | 0                        | 25,589                  |
| Debt Service:   |                  |                        |                          |                         |
| Principal Retirement                                    | 50,949           | 0                      | 0                        | 0                       |
| Interest and Fiscal Charges                             | 0                | 0                      | 0                        | 0                       |
| <i>Total Expenditures</i>                               | <u>1,467,449</u> | <u>898,729</u>         | <u>0</u>                 | <u>25,589</u>           |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | <u>(894,753)</u> | <u>(650,576)</u>       | <u>2,941</u>             | <u>22,489</u>           |
| <b>Other Financing Sources (Uses)</b>                   |                  |                        |                          |                         |
| Bond Anticipation Notes Issued                          | 0                | 0                      | 0                        | 0                       |
| Special Assessment Bonds Issued                         | 219,113          | 0                      | 0                        | 0                       |
| OPWC Loan Issued  | 231,143          | 0                      | 0                        | 0                       |
| Payment to Refund Notes                                 | 0                | 0                      | 0                        | 0                       |
| Transfers In  | 370,725          | 550,000                | 0                        | 0                       |
| Transfers Out   | 0                | (22,214)               | 0                        | 0                       |
| <i>Total Other Financing Sources (Uses)</i>             | <u>820,981</u>   | <u>527,786</u>         | <u>0</u>                 | <u>0</u>                |
| <i>Net Change in Fund Balances</i>                      | <u>(73,772)</u>  | <u>(122,790)</u>       | <u>2,941</u>             | <u>22,489</u>           |
| <i>Fund Balances Beginning of Year</i>                  | <u>696,920</u>   | <u>595,880</u>         | <u>73,900</u>            | <u>144,643</u>          |
| <i>Fund Balances End of Year</i>                        | <u>\$623,148</u> | <u>\$473,090</u>       | <u>\$76,841</u>          | <u>\$167,132</u>        |

| Library Improvement | Fire Station Building | Police Station Building | Sewer Improvement | Public Utility Improvement | Total Nonmajor Capital Projects Funds |
|---------------------|-----------------------|-------------------------|-------------------|----------------------------|---------------------------------------|
| \$0                 | \$0                   | \$0                     | \$0               | \$0                        | \$192,000                             |
| 0                   | 0                     | 0                       | 0                 | 56,030                     | 97,788                                |
| 0                   | 0                     | 0                       | 278,298           | 0                          | 831,464                               |
| 0                   | 1,279                 | 0                       | 18,082            | 11,669                     | 79,696                                |
| 0                   | 0                     | 0                       | 0                 | 240,059                    | 276,337                               |
| 0                   | 1,279                 | 0                       | 296,380           | 307,758                    | 1,477,285                             |
| 0                   | 7,809                 | 63                      | 81,102            | 41,437                     | 2,471,229                             |
| 0                   | 0                     | 0                       | 750,000           | 0                          | 800,949                               |
| 0                   | 0                     | 0                       | 19,556            | 0                          | 19,556                                |
| 0                   | 7,809                 | 63                      | 850,658           | 41,437                     | 3,291,734                             |
| 0                   | (6,530)               | (63)                    | (554,278)         | 266,321                    | (1,814,449)                           |
| 0                   | 0                     | 0                       | 750,000           | 0                          | 750,000                               |
| 0                   | 0                     | 0                       | 793,250           | 62,637                     | 1,075,000                             |
| 0                   | 0                     | 0                       | 0                 | 0                          | 231,143                               |
| 0                   | 0                     | 0                       | (750,000)         | 0                          | (750,000)                             |
| 0                   | 50,000                | 0                       | 0                 | 0                          | 970,725                               |
| 0                   | (50,000)              | 0                       | (296,525)         | (28,782)                   | (397,521)                             |
| 0                   | 0                     | 0                       | 496,725           | 33,855                     | 1,879,347                             |
| 0                   | (6,530)               | (63)                    | (57,553)          | 300,176                    | 64,898                                |
| 37,460              | 39,606                | 19,415                  | 122,418           | 189,186                    | 1,919,428                             |
| <u>\$37,460</u>     | <u>\$33,076</u>       | <u>\$19,352</u>         | <u>\$64,865</u>   | <u>\$489,362</u>           | <u>\$1,984,326</u>                    |

## **Combining Statements - Fiduciary Funds**

### ***Fiduciary Funds***

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

### ***Private Purpose Trust Fund***

***Cemetery Endowment Fund*** - This fund received a \$3,000 endowment with the interest to be used for the perpetual care and maintenance of certain burial plots.

### ***Agency Funds***

***Senior Citizens' Programs Fund*** - This fund accounts for donations to the City's senior citizens. The senior citizens use the money for home visitations. The City's role is limited to that of custodian of funds.

***Street Openings Fund*** - This fund accounts for deposits held by the City for construction of new street openings. These monies are returned when the work is completed.

***Deposits and Fees Fund*** - This fund accounts for deposits from various contractors, developers or individuals to insure compliance with City Ordinances. These monies are returned when the work is completed.

**City of Brecksville, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2005*

|   | Beginning<br>Balance<br>12/31/04 | Additions | Deductions | Ending<br>Balance<br>12/31/05 |
|---|----------------------------------|-----------|------------|-------------------------------|
| <b>Senior Citizens' Programs</b>              |                                  |           |            |                               |
| <b>Assets</b>                                 |                                  |           |            |                               |
| Equity in Pooled Cash<br>and Cash Equivalents | \$14,796                         | \$12,189  | \$7,424    | \$19,561                      |
| <b>Liabilities</b>                            |                                  |           |            |                               |
| Undistributed Monies                          | \$14,796                         | \$12,189  | \$7,424    | \$19,561                      |
| <b>Street Openings</b>                        |                                  |           |            |                               |
| <b>Assets</b>                                 |                                  |           |            |                               |
| Equity in Pooled Cash<br>and Cash Equivalents | \$212,000                        | \$72,400  | \$56,395   | \$228,005                     |
| <b>Liabilities</b>                            |                                  |           |            |                               |
| Deposits Held and Due to Others               | \$212,000                        | \$72,400  | \$56,395   | \$228,005                     |
| <b>Deposits and Fees</b>                      |                                  |           |            |                               |
| <b>Assets</b>                                 |                                  |           |            |                               |
| Equity in Pooled Cash<br>and Cash Equivalents | \$271,051                        | \$230,143 | \$141,189  | \$360,005                     |
| <b>Liabilities</b>                            |                                  |           |            |                               |
| Deposits Held and Due to Others               | \$271,051                        | \$230,143 | \$141,189  | \$360,005                     |
| <b>Total - All Agency Funds</b>               |                                  |           |            |                               |
| <b>Assets</b>                                 |                                  |           |            |                               |
| Equity in Pooled Cash<br>and Cash Equivalents | \$497,847                        | \$314,732 | \$205,008  | \$607,571                     |
| <b>Liabilities</b>                            |                                  |           |            |                               |
| Undistributed Monies                          | \$14,796                         | \$12,189  | \$7,424    | \$19,561                      |
| Deposits Held and Due to Others               | 483,051                          | 302,543   | 197,584    | 588,010                       |
| <i>Total Liabilities</i>                      | \$497,847                        | \$314,732 | \$205,008  | \$607,571                     |

**Individual Fund Schedules of Revenues, Expenditures/Expenses  
and Changes in Fund Balance/Fund Equity - Budget (Non-GAAP Basis) and Actual**



**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2005*

|                             | Budgeted Amounts  |                   |                   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------|-------------------|-------------------|-------------------|---|
|                             | Original          | Final             | Actual            |   |
| <b>Revenues</b>             |                   |                   |                   |   |
| Property and Other Taxes    | \$1,780,046       | \$1,780,046       | \$1,773,140       | (\$6,906)   |
| Municipal Income Taxes      | 9,240,000         | 9,240,000         | 11,082,009        | 1,842,009   |
| Charges for Services        | 52,000            | 52,000            | 72,698            | 20,698  |
| Licenses and Permits        | 200,740           | 200,740           | 295,106           | 94,366  |
| Fines and Forfeitures       | 268,500           | 268,500           | 307,495           | 38,995  |
| Intergovernmental           | 833,632           | 1,228,190         | 1,535,305         | 307,115   |
| Interest                    | 70,000            | 70,000            | 192,308           | 122,308   |
| Donations                   | 7,000             | 7,000             | 10,626            | 3,626   |
| Rentals                     | 42,400            | 42,400            | 47,072            | 4,672   |
| Miscellaneous               | 111,298           | 111,298           | 241,623           | 130,325   |
| <i>Total Revenues</i>       | <u>12,605,616</u> | <u>13,000,174</u> | <u>15,557,382</u> | <u>2,557,208</u>  |
| <b>Expenditures</b>         |                   |                   |                   |   |
| Current:                    |                   |                   |                   |   |
| General Government:         |                   |                   |                   |   |
| Legislative and Executive:  |                   |                   |                   |   |
| Mayor:                      |                   |                   |                   |   |
| Salaries and Wages          | 180,999           | 195,999           | 186,998           | 9,001   |
| Fringe Benefits             | 79,316            | 79,316            | 59,292            | 20,024  |
| Materials and Supplies      | 21,300            | 6,300             | 6,194             | 106   |
| Capital Outlay              | 2,000             | 2,000             | 1,991             | 9   |
| Total Mayor                 | <u>283,615</u>    | <u>283,615</u>    | <u>254,475</u>    | <u>29,140</u>   |
| Finance Director:           |                   |                   |                   |   |
| Salaries and Wages          | 242,931           | 242,931           | 240,020           | 2,911   |
| Fringe Benefits             | 79,370            | 79,370            | 66,133            | 13,237  |
| Materials and Supplies      | 6,100             | 6,100             | 4,298             | 1,802   |
| Capital Outlay              | 4,433             | 4,433             | 2,143             | 2,290   |
| Total Finance Director      | <u>332,834</u>    | <u>332,834</u>    | <u>312,594</u>    | <u>20,240</u>   |
| Purchasing Department:      |                   |                   |                   |   |
| Salaries and Wages          | 155,826           | 155,826           | 154,252           | 1,574   |
| Fringe Benefits             | 47,698            | 47,698            | 39,735            | 7,963   |
| Materials and Supplies      | 2,900             | 2,900             | 2,684             | 216   |
| Capital Outlay              | 2,520             | 2,520             | 1,461             | 1,059   |
| Total Purchasing Department | <u>208,944</u>    | <u>208,944</u>    | <u>198,132</u>    | <u>10,812</u>   |
| Legal Department:           |                   |                   |                   |   |
| Salaries and Wages          | 90,797            | 92,297            | 91,900            | 397   |
| Fringe Benefits             | 27,947            | 28,297            | 24,080            | 4,217   |
| Purchased Services          | 109,500           | 108,000           | 99,140            | 8,860   |
| Materials and Supplies      | 2,000             | 2,000             | 773               | 1,227   |
| Total Legal Department      | <u>\$230,244</u>  | <u>\$230,594</u>  | <u>\$215,893</u>  | <u>\$14,701</u>   |

(continued)

**City of Brecksville, 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, 2005*

|   | Budgeted Amounts |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|------------------|---|
|   | Original         | Final            | Actual           |   |
| <b>Legislative:</b>                       |                  |                  |                  |   |
| Salaries and Wages                        | \$156,177        | \$156,177        | \$155,069        | \$1,108   |
| Fringe Benefits                           | 70,363           | 70,363           | 59,502           | 10,861  |
| Purchased Services                        | 14,000           | 14,000           | 12,129           | 1,871   |
| Materials and Supplies                    | 7,300            | 7,300            | 5,421            | 1,879   |
| Capital Outlay                            | 1,213            | 1,213            | 160              | 1,053   |
| <b>Total Legislative</b>                  | <b>249,053</b>   | <b>249,053</b>   | <b>232,281</b>   | <b>16,772</b>   |
| <b>Civil Service:</b>                     |                  |                  |                  |   |
| Salaries and Wages                        | 1,700            | 1,700            | 478              | 1,222   |
| Fringe Benefits                           | 554              | 554              | 134              | 420   |
| Purchased Services                        | 15,915           | 15,915           | 7,568            | 8,347   |
| Materials and Supplies                    | 2,415            | 2,415            | 1,396            | 1,019   |
| <b>Total Civil Service</b>                | <b>20,584</b>    | <b>20,584</b>    | <b>9,576</b>     | <b>11,008</b>   |
| <b>Land and Building:</b>                 |                  |                  |                  |   |
| Salaries and Wages                        | 348,700          | 301,565          | 220,475          | 81,090  |
| Purchased Services                        | 542,166          | 542,166          | 372,965          | 169,201   |
| Materials and Supplies                    | 97,500           | 97,500           | 85,927           | 11,573  |
| Capital Outlay                            | 151,517          | 145,017          | 109,503          | 35,514  |
| <b>Total Land and Building</b>            | <b>1,139,883</b> | <b>1,086,248</b> | <b>788,870</b>   | <b>297,378</b>  |
| <b>Engineer:</b>                          |                  |                  |                  |   |
| Salaries and Wages                        | 0                | 76,715           | 76,713           | 2   |
| Fringe Benefits                           | 12,182           | 22,567           | 19,273           | 3,294   |
| Purchased Services                        | 40,876           | 40,876           | 23,449           | 17,427  |
| Materials and Supplies                    | 650              | 1,650            | 840              | 810   |
| Capital Outlay                            | 4,850            | 6,850            | 4,802            | 2,048   |
| <b>Total Engineer</b>                     | <b>58,558</b>    | <b>148,658</b>   | <b>125,077</b>   | <b>23,581</b>   |
| <b>Cable Advisory Commission:</b>         |                  |                  |                  |   |
| Salaries and Wages                        | 500              | 500              | 65               | 435   |
| Fringe Benefits                           | 165              | 165              | 17               | 148   |
| Purchased Services                        | 1,500            | 1,500            | 156              | 1,344   |
| <b>Total Cable Advisory Commission</b>    | <b>2,165</b>     | <b>2,165</b>     | <b>238</b>       | <b>1,927</b>  |
| <b>County Auditor and Treasurer:</b>      |                  |                  |                  |   |
| Fringe Benefits                           | 274,454          | 274,454          | 234,347          | 40,107  |
| Purchased Services                        | 58,000           | 68,000           | 58,117           | 9,883   |
| <b>Total County Auditor and Treasurer</b> | <b>\$332,454</b> | <b>\$342,454</b> | <b>\$292,464</b> | <b>\$49,990</b>   |

(continued)

**City of Brecksville, 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, 2005

|   | Budgeted Amounts   |                    |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|--------------------|--------------------|---|
|   | Original           | Final              | Actual             |   |
| <b>Income Tax Administration:</b>       |                    |                    |                    |   |
| Salaries and Wages                      | \$13,104           | \$13,504           | \$13,500           | \$4   |
| Fringe Benefits                         | 4,351              | 4,411              | 3,758              | 653   |
| Purchased Services                      | 396,500            | 426,500            | 408,370            | 18,130  |
| Materials and Supplies                  | 1,400              | 1,400              | 1,016              | 384   |
| <b>Total Income Tax Administration</b>  | <b>415,355</b>     | <b>445,815</b>     | <b>426,644</b>     | <b>19,171</b>   |
| <b>Administrative Support:</b>          |                    |                    |                    |   |
| Salaries and Wages                      | 53,000             | 53,000             | 51,465             | 1,535   |
| Fringe Benefits                         | 13,038             | 13,038             | 9,198              | 3,840   |
| Purchased Services                      | 363,649            | 372,149            | 358,263            | 13,886  |
| Materials and Supplies                  | 583,720            | 844,720            | 828,933            | 15,787  |
| Capital Outlay                          | 56,077             | 56,077             | 42,740             | 13,337  |
| Other                                   | 300                | 348,880            | 505                | 348,375   |
| <b>Total Administrative Support</b>     | <b>1,069,784</b>   | <b>1,687,864</b>   | <b>1,291,104</b>   | <b>396,760</b>  |
| <b>Human Resources Department:</b>      |                    |                    |                    |   |
| Salaries and Wages                      | 203,460            | 173,460            | 117,480            | 55,980  |
| Fringe Benefits                         | 63,098             | 63,098             | 32,705             | 30,393  |
| Purchased Services                      | 37,100             | 37,100             | 29,032             | 8,068   |
| Materials and Supplies                  | 36,305             | 36,305             | 25,975             | 10,330  |
| Capital Outlay                          | 2,660              | 2,660              | 551                | 2,109   |
| <b>Total Human Resources Department</b> | <b>342,623</b>     | <b>312,623</b>     | <b>205,743</b>     | <b>106,880</b>  |
| <b>Blossom Hill:</b>                    |                    |                    |                    |   |
| Salaries and Wages                      | 144,000            | 144,000            | 121,198            | 22,802  |
| Purchased Services                      | 135,457            | 135,457            | 116,806            | 18,651  |
| Materials and Supplies                  | 14,000             | 14,000             | 13,586             | 414   |
| Capital Outlay                          | 38,849             | 38,849             | 36,972             | 1,877   |
| <b>Total Blossom Hill</b>               | <b>332,306</b>     | <b>332,306</b>     | <b>288,562</b>     | <b>43,744</b>   |
| <b>Total Legislative and Executive</b>  | <b>5,018,402</b>   | <b>5,683,757</b>   | <b>4,641,653</b>   | <b>1,042,104</b>  |
| <b>Judicial System:</b>                 |                    |                    |                    |   |
| <b>Mayor's Court:</b>                   |                    |                    |                    |   |
| Salaries and Wages                      | 105,366            | 105,366            | 104,811            | 555   |
| Fringe Benefits                         | 34,388             | 34,388             | 26,417             | 7,971   |
| Purchased Services                      | 28,000             | 28,000             | 18,101             | 9,899   |
| Materials and Supplies                  | 6,120              | 6,120              | 4,547              | 1,573   |
| Capital Outlay                          | 725                | 725                | 620                | 105   |
| <b>Total Judicial System</b>            | <b>174,599</b>     | <b>174,599</b>     | <b>154,496</b>     | <b>20,103</b>   |
| <b>Total General Government</b>         | <b>\$5,193,001</b> | <b>\$5,858,356</b> | <b>\$4,796,149</b> | <b>\$1,062,207</b>                                      |

(continued)

**City of Brecksville, 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, 2005*

|                        | Budgeted Amounts |             |             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------|------------------|-------------|-------------|---|
|                        | Original         | Final       | Actual      |   |
| Public Safety:         |                  |             |             |   |
| Police:                |                  |             |             |   |
| Law Enforcement:       |                  |             |             |   |
| Salaries and Wages     | \$2,570,229      | \$2,570,229 | \$2,431,652 | \$138,577   |
| Fringe Benefits        | 846,409          | 846,409     | 600,816     | 245,593   |
| Purchased Services     | 103,897          | 111,897     | 91,234      | 20,663  |
| Materials and Supplies | 91,931           | 91,931      | 68,371      | 23,560  |
| Capital Outlay         | 33,757           | 33,757      | 22,790      | 10,967  |
| Total Law Enforcement  | 3,646,223        | 3,654,223   | 3,214,863   | 439,360   |
| Prisoner Support:      |                  |             |             |   |
| Salaries and Wages     | 175,000          | 175,000     | 165,616     | 9,384   |
| Fringe Benefits        | 61,366           | 61,366      | 46,701      | 14,665  |
| Purchased Services     | 17,000           | 17,000      | 6,902       | 10,098  |
| Materials and Supplies | 19,000           | 19,000      | 12,089      | 6,911   |
| Capital Outlay         | 1,500            | 1,500       | 292         | 1,208   |
| Total Prisoner Support | 273,866          | 273,866     | 231,600     | 42,266  |
| Animal Control:        |                  |             |             |   |
| Salaries and Wages     | 38,913           | 38,913      | 36,337      | 2,576   |
| Fringe Benefits        | 13,777           | 13,777      | 10,616      | 3,161   |
| Purchased Services     | 3,700            | 3,700       | 1,860       | 1,840   |
| Materials and Supplies | 1,300            | 1,300       | 681         | 619   |
| Capital Outlay         | 1,600            | 1,600       | 1,321       | 279   |
| Total Animal Control   | 59,290           | 59,290      | 50,815      | 8,475   |
| Total Police           | 3,979,379        | 3,987,379   | 3,497,278   | 490,101   |
| Fire:                  |                  |             |             |   |
| Hydrants:              |                  |             |             |   |
| Salaries and Wages     | 12,000           | 12,000      | 6,784       | 5,216   |
| Purchased Services     | 26,215           | 26,215      | 12,215      | 14,000  |
| Materials and Supplies | 17,851           | 17,851      | 17,751      | 100   |
| Total Fire             | 56,066           | 56,066      | 36,750      | 19,316  |
| Total Public Safety    | \$4,035,445      | \$4,043,445 | \$3,534,028 | \$509,417   |

(continued)

**City of Brecksville, 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, 2005*

|  | Budgeted Amounts |             |             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-------------|-------------|---|
|  | Original         | Final       | Actual      |   |
| Public Health Services:                              |                  |             |             |   |
| Cemetery:  |                  |             |             |   |
| Salaries and Wages                                   | \$85,000         | \$85,000    | \$71,518    | \$13,482  |
| Materials and Supplies                               | 7,352            | 7,352       | 4,689       | 2,663   |
| Other  | 3,450            | 3,450       | 3,141       | 309   |
| Total Cemetery                                       | 95,802           | 95,802      | 79,348      | 16,454  |
| Board of Health:                                     |                  |             |             |   |
| Purchased Services                                   | 44,830           | 44,830      | 44,830      | 0   |
| Total Public Health Services                         | 140,632          | 140,632     | 124,178     | 16,454  |
| Street Construction, Maintenance and Repair:         |                  |             |             |   |
| Street Repairs and Maintenance:                      |                  |             |             |   |
| Salaries and Wages                                   | 712,104          | 692,104     | 692,103     | 1   |
| Fringe Benefits                                      | 793,716          | 733,716     | 626,673     | 107,043   |
| Purchased Services                                   | 17,914           | 15,514      | 6,800       | 8,714   |
| Materials and Supplies                               | 54,333           | 54,333      | 33,038      | 21,295  |
| Total Street Repairs and Maintenance                 | 1,578,067        | 1,495,667   | 1,358,614   | 137,053   |
| Snow and Ice Removal:                                |                  |             |             |   |
| Salaries and Wages                                   | 160,500          | 184,500     | 178,222     | 6,278   |
| Purchased Services                                   | 22,548           | 22,548      | 22,213      | 335   |
| Materials and Supplies                               | 7,452            | 82,452      | 32,448      | 50,004  |
| Total Snow and Ice Removal                           | 190,500          | 289,500     | 232,883     | 56,617  |
| Vehicle Maintenance:                                 |                  |             |             |   |
| Salaries and Wages                                   | 175,000          | 197,000     | 195,663     | 1,337   |
| Purchased Services                                   | 25,500           | 25,500      | 24,691      | 809   |
| Materials and Supplies                               | 146,303          | 158,303     | 147,404     | 10,899  |
| Total Vehicle Maintenance                            | 346,803          | 380,803     | 367,758     | 13,045  |
| Total Street Construction,<br>Maintenance and Repair | \$2,115,370      | \$2,165,970 | \$1,959,255 | \$206,715   |

(continued)

**City of Brecksville, 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, 2005*

|  | Budgeted Amounts |                  |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|-----------------|---|
|  | Original         | Final            | Actual          |   |
| <b>Housing and Community Development:</b>      |                  |                  |                 |   |
| <b>Planning Commission:</b>                    |                  |                  |                 |   |
| Salaries and Wages                             | \$73,700         | \$3,700          | \$2,361         | \$1,339   |
| Fringe Benefits                                | 11,806           | 1,206            | 657             | 549   |
| Purchased Services                             | 14,755           | 18,955           | 18,818          | 137   |
| Materials and Supplies                         | 9,594            | 6,594            | 5,233           | 1,361   |
| <b>Total Planning Commission</b>               | <b>109,855</b>   | <b>30,455</b>    | <b>27,069</b>   | <b>3,386</b>  |
| <b>Board of Zoning Appeals:</b>                |                  |                  |                 |   |
| Materials and Supplies                         | 100              | 100              | 88              | 12  |
| <b>Housing and Building Inspection:</b>        |                  |                  |                 |   |
| Salaries and Wages                             | 467,052          | 451,052          | 408,931         | 42,121  |
| Fringe Benefits                                | 154,274          | 154,274          | 116,286         | 37,988  |
| Purchased Services                             | 18,825           | 18,825           | 1,658           | 17,167  |
| Materials and Supplies                         | 11,884           | 11,884           | 10,333          | 1,551   |
| Capital Outlay                                 | 2,709            | 2,709            | 689             | 2,020   |
| Other  | 3,541            | 3,541            | 3,478           | 63  |
| <b>Total Housing and Building Inspection</b>   | <b>658,285</b>   | <b>642,285</b>   | <b>541,375</b>  | <b>100,910</b>  |
| <b>Urban Forestry:</b>                         |                  |                  |                 |   |
| Salaries and Wages                             | 221,000          | 221,000          | 214,468         | 6,532   |
| Purchased Services                             | 22,400           | 22,400           | 19,933          | 2,467   |
| Materials and Supplies                         | 17,966           | 17,966           | 13,899          | 4,067   |
| Capital Outlay                                 | 4,850            | 4,850            | 1,918           | 2,932   |
| <b>Total Urban Forestry</b>                    | <b>266,216</b>   | <b>266,216</b>   | <b>250,218</b>  | <b>15,998</b>   |
| <b>Total Housing and Community Development</b> | <b>1,034,456</b> | <b>939,056</b>   | <b>818,750</b>  | <b>120,306</b>  |
| <b>Basic Utility Services:</b>                 |                  |                  |                 |   |
| <b>Storm Sewers and Drains:</b>                |                  |                  |                 |   |
| Salaries and Wages                             | 62,000           | 71,000           | 68,186          | 2,814   |
| Purchased Services                             | 33,243           | 33,243           | 0               | 33,243  |
| Materials and Supplies                         | 40,000           | 10,000           | 2,262           | 7,738   |
| <b>Total Storm Sewers and Drains</b>           | <b>\$135,243</b> | <b>\$114,243</b> | <b>\$70,448</b> | <b>\$43,795</b>   |

(continued)

**City of Brecksville, 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, 2005*

|                              | Budgeted Amounts |             |             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------------|------------------|-------------|-------------|---|
|                              | Original         | Final       | Actual      |   |
| Refuse Collection:           |                  |             |             |   |
| Salaries and Wages           | \$243,000        | \$259,000   | \$236,346   | \$22,654  |
| Purchased Services           | 270,000          | 270,000     | 269,999     | 1   |
| Total Refuse Collection      | 513,000          | 529,000     | 506,345     | 22,655  |
| Service Department:          |                  |             |             |   |
| Salaries and Wages           | 221,334          | 221,334     | 202,585     | 18,749  |
| Fringe Benefits              | 185,070          | 175,070     | 128,910     | 46,160  |
| Purchased Services           | 6,060            | 6,060       | 3,224       | 2,836   |
| Materials and Supplies       | 20,140           | 20,140      | 19,034      | 1,106   |
| Capital Outlay               | 7,044            | 7,044       | 5,416       | 1,628   |
| Total Service Department     | 439,648          | 429,648     | 359,169     | 70,479  |
| House-Keeping Service:       |                  |             |             |   |
| Salaries and Wages           | 223,819          | 234,319     | 231,173     | 3,146   |
| Fringe Benefits              | 74,375           | 75,200      | 64,185      | 11,015  |
| Purchased Services           | 13,000           | 13,000      | 9,784       | 3,216   |
| Capital Outlay               | 17,000           | 17,000      | 16,157      | 843   |
| Total House-Keeping Service  | 328,194          | 339,519     | 321,299     | 18,220  |
| Street Lighting:             |                  |             |             |   |
| Purchased Services           | 93,000           | 93,000      | 84,620      | 8,380   |
| Rubbish Recycling:           |                  |             |             |   |
| Salaries and Wages           | 283,500          | 277,500     | 258,347     | 19,153  |
| Purchased Services           | 2,411            | 17,411      | 15,035      | 2,376   |
| Materials and Supplies       | 21,098           | 9,098       | 8,578       | 520   |
| Total Rubbish Recycling      | 307,009          | 304,009     | 281,960     | 22,049  |
| Leaf Program:                |                  |             |             |   |
| Salaries and Wages           | 64,500           | 64,500      | 57,437      | 7,063   |
| Purchased Services           | 12,500           | 22,500      | 13,824      | 8,676   |
| Materials and Supplies       | 2,000            | 2,000       | 1,039       | 961   |
| Total Leaf Program           | 79,000           | 89,000      | 72,300      | 16,700  |
| Total Basic Utility Services | \$1,895,094      | \$1,898,419 | \$1,696,141 | \$202,278   |

(continued)

**City of Brecksville, 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, 2005*

|   | <u>Budgeted Amounts</u> |                         | <u>Actual</u>             | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|-------------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>            |                           |   |
| Recreational Activities:                            |                         |                         |                           |   |
| Brecksville Center for the Arts:                    |                         |                         |                           |   |
| Purchased Services                                  | \$19,039                | \$19,039                | \$15,025                  | \$4,014   |
| Materials and Supplies                              | 7,300                   | 7,300                   | 5,873                     | 1,427   |
| Capital Outlay                                      | 500                     | 500                     | 0                         | 500   |
| Total Recreational Activities                       | <u>26,839</u>           | <u>26,839</u>           | <u>20,898</u>             | <u>5,941</u>  |
| <i>Total Expenditures</i>                           | <u>14,440,837</u>       | <u>15,072,717</u>       | <u>12,949,399</u>         | <u>2,123,318</u>  |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(1,835,221)</u>      | <u>(2,072,543)</u>      | <u>2,607,983</u>          | <u>4,680,526</u>  |
| <b>Other Financing Sources (Uses)</b>               |                         |                         |                           |   |
| Sale of Capital Assets                              | 20,000                  | 20,000                  | 42,820                    | 22,820  |
| Advance In  | 300,000                 | 300,000                 | 300,000                   | 0   |
| Transfers In  | 18,832                  | 18,832                  | 18,832                    | 0   |
| Transfers Out                                       | <u>(1,753,200)</u>      | <u>(1,753,200)</u>      | <u>(1,550,000)</u>        | <u>203,200</u>  |
| <i>Total Other Financing Sources (Uses)</i>         | <u>(1,414,368)</u>      | <u>(1,414,368)</u>      | <u>(1,188,348)</u>        | <u>226,020</u>  |
| <i>Net Change in Fund Balance</i>                   | <u>(3,249,589)</u>      | <u>(3,486,911)</u>      | <u>1,419,635</u>          | <u>4,906,546</u>  |
| <i>Fund Balance Beginning of Year</i>               | 3,731,619               | 3,731,619               | 3,731,619                 | 0   |
| Prior Year Encumbrances Appropriated                | <u>195,207</u>          | <u>195,207</u>          | <u>195,207</u>            | <u>0</u>  |
| <i>Fund Balance End of Year</i>                     | <u><u>\$677,237</u></u> | <u><u>\$439,915</u></u> | <u><u>\$5,346,461</u></u> | <u><u>\$4,906,546</u></u>   |



**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Department Fund*  
*For the Year Ended December 31, 2005*

|   | Budgeted Amounts |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|------------------|---|
|   | Original         | Final            | Actual           |   |
| <b>Revenues</b>   |                  |                  |                  |   |
| Property and Other Taxes                                | \$1,733,502      | \$1,733,502      | \$1,720,141      | (\$13,361)  |
| Charges for Services                                    | 0                | 0                | 2,669            | 2,669   |
| Licenses and Permits                                    | 0                | 0                | 560              | 560   |
| Intergovernmental                                       | 269,446          | 273,446          | 268,989          | (4,457)   |
| Interest  | 8,000            | 8,000            | 31,504           | 23,504  |
| Miscellaneous   | 0                | 0                | 30,474           | 30,474  |
| <i>Total Revenues</i>                                   | <u>2,010,948</u> | <u>2,014,948</u> | <u>2,054,337</u> | <u>39,389</u>   |
| <b>Expenditures</b>                                     |                  |                  |                  |   |
| Current:  |                  |                  |                  |   |
| Public Safety:  |                  |                  |                  |   |
| Fire:   |                  |                  |                  |   |
| Salaries and Wages                                      | 1,542,965        | 1,542,965        | 1,361,926        | 181,039   |
| Fringe Benefits   | 422,780          | 422,780          | 340,040          | 82,740  |
| Purchased Services                                      | 143,815          | 147,815          | 105,539          | 42,276  |
| Materials and Supplies                                  | 66,374           | 66,374           | 36,794           | 29,580  |
| Capital Outlay  | 56,177           | 56,177           | 31,370           | 24,807  |
| <i>Total Expenditures</i>                               | <u>2,232,111</u> | <u>2,236,111</u> | <u>1,875,669</u> | <u>360,442</u>  |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | (221,163)        | (221,163)        | 178,668          | 399,831   |
| <b>Other Financing Uses</b>                             |                  |                  |                  |   |
| Transfers Out   | 0                | (200,000)        | (200,000)        | 0   |
| <i>Net Change in Fund Balance</i>                       | (221,163)        | (421,163)        | (21,332)         | 399,831   |
| <i>Fund Balance Beginning of Year</i>                   | 474,134          | 474,134          | 474,134          | 0   |
| Prior Year Encumbrances Appropriated                    | 16,300           | 16,300           | 16,300           | 0   |
| <i>Fund Balance End of Year</i>                         | <u>\$269,271</u> | <u>\$69,271</u>  | <u>\$469,102</u> | <u>\$399,831</u>  |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Special Assessment Bond Retirement Fund  
For the Year Ended December 31, 2005*

|                                       | Budgeted Amounts |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|------------------|------------------|------------------|---|
|                                       | Original         | Final            | Actual           |   |
| <b>Revenues</b>                       |                  |                  |                  |   |
| Special Assessments                   | \$500,000        | \$500,000        | \$723,870        | \$223,870   |
| Interest                              | 0                | 0                | 1,291            | 1,291   |
| <i>Total Revenues</i>                 | <u>500,000</u>   | <u>500,000</u>   | <u>725,161</u>   | <u>225,161</u>  |
| <b>Expenditures</b>                   |                  |                  |                  |   |
| Current:                              |                  |                  |                  |   |
| General Government:                   |                  |                  |                  |   |
| Legislative and Executive:            |                  |                  |                  |   |
| Other                                 | 50,000           | 50,000           | 9,290            | 40,710  |
| Debt Service:                         |                  |                  |                  |   |
| Principal Retirement                  | 400,000          | 400,000          | 370,000          | 30,000  |
| Interest and Fiscal Charges           | 250,000          | 250,000          | 206,564          | 43,436  |
| Total Debt Service                    | <u>650,000</u>   | <u>650,000</u>   | <u>576,564</u>   | <u>73,436</u>   |
| <i>Total Expenditures</i>             | <u>700,000</u>   | <u>700,000</u>   | <u>585,854</u>   | <u>114,146</u>  |
| <i>Net Change in Fund Balance</i>     | (200,000)        | (200,000)        | 139,307          | 339,307   |
| <i>Fund Balance Beginning of Year</i> | <u>352,751</u>   | <u>352,751</u>   | <u>352,751</u>   | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$152,751</u> | <u>\$152,751</u> | <u>\$492,058</u> | <u>\$339,307</u>  |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Municipal Improvement Fund  
For the Year Ended December 31, 2005*

|  | Budgeted Amounts        |                         |                         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|-------------------------|-------------------------|---|
|  | Original                | Final                   | Actual                  |   |
| <b>Revenues</b>                              |                         |                         |                         |   |
| Municipal Income Taxes                       | \$960,000               | \$960,000               | \$960,000               | \$0   |
| Interest                                     | 8,000                   | 8,000                   | 39,159                  | 31,159  |
| Miscellaneous                                | 200,000                 | 250,000                 | 157,329                 | (92,671)  |
| <i>Total Revenues</i>                        | <u>1,168,000</u>        | <u>1,218,000</u>        | <u>1,156,488</u>        | <u>(61,512)</u>   |
| <b>Expenditures</b>                          |                         |                         |                         |   |
| Capital Outlay:                              |                         |                         |                         |   |
| Purchased Services                           | 52,392                  | 78,017                  | 78,018                  | (1)   |
| Capital Outlay                               | 944,123                 | 5,048,123               | 4,516,353               | 531,770   |
| Total Capital Outlay                         | <u>996,515</u>          | <u>5,126,140</u>        | <u>4,594,371</u>        | <u>531,769</u>  |
| Debt Service:                                |                         |                         |                         |   |
| Principal Retirement                         | 1,002,300               | 1,002,300               | 1,000,000               | 2,300   |
| Interest and Fiscal Charges                  | 115,825                 | 115,825                 | 115,825                 | 0   |
| Total Debt Service                           | <u>1,118,125</u>        | <u>1,118,125</u>        | <u>1,115,825</u>        | <u>2,300</u>  |
| <i>Total Expenditures</i>                    | <u>2,114,640</u>        | <u>6,244,265</u>        | <u>5,710,196</u>        | <u>534,069</u>  |
| <i>Excess of Revenues Under Expenditures</i> | <u>(946,640)</u>        | <u>(5,026,265)</u>      | <u>(4,553,708)</u>      | <u>472,557</u>  |
| <b>Other Financing Sources (Uses)</b>        |                         |                         |                         |   |
| General Obligation Bonds Issued              | 0                       | 4,275,000               | 4,205,000               | (70,000)  |
| Bond Anticipation Notes Issued               | 500,000                 | 500,000                 | 500,000                 | 0   |
| Premium on Bonds                             | 0                       | 0                       | 76,001                  | 76,001  |
| Transfers In                                 | 883,100                 | 883,100                 | 876,377                 | (6,723)   |
| Transfers Out                                | (850,138)               | (850,138)               | (850,138)               | 0   |
| <i>Total Other Financing Sources (Uses)</i>  | <u>532,962</u>          | <u>4,807,962</u>        | <u>4,807,240</u>        | <u>(722)</u>  |
| <i>Net Change in Fund Balance</i>            | <u>(413,678)</u>        | <u>(218,303)</u>        | <u>253,532</u>          | <u>471,835</u>  |
| <i>Fund Balance Beginning of Year</i>        | 194,457                 | 194,457                 | 194,457                 | 0   |
| Prior Year Encumbrances Appropriated         | <u>417,640</u>          | <u>417,640</u>          | <u>417,640</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>              | <u><u>\$198,419</u></u> | <u><u>\$393,794</u></u> | <u><u>\$865,629</u></u> | <u><u>\$471,835</u></u>                                 |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Buildings and Improvements Fund  
For the Year Ended December 31, 2005*

|   | <u>Budgeted Amounts</u> |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|------------------|------------------|---|
|   | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    |   |
| <b>Revenues</b>                             |                         |                  |                  |   |
| Municipal Income Taxes                      | \$1,200,000             | \$1,200,000      | \$1,200,000      | \$0   |
| Interest                                    | 3,000                   | 3,000            | 14,442           | 11,442  |
| <i>Total Revenues</i>                       | 1,203,000               | 1,203,000        | 1,214,442        | 11,442  |
| <b>Expenditures</b>                         |                         |                  |                  |   |
| Capital Outlay:                             |                         |                  |                  |   |
| Capital Outlay                              | 10,000                  | 20,000           | 1,600            | 18,400  |
| <i>Excess of Revenues Over Expenditures</i> | 1,193,000               | 1,183,000        | 1,212,842        | 29,842  |
| <b>Other Financing Uses</b>                 |                         |                  |                  |   |
| Transfers Out                               | (1,190,000)             | (1,190,000)      | (1,000,000)      | 190,000   |
| <i>Net Change in Fund Balance</i>           | 3,000                   | (7,000)          | 212,842          | 219,842   |
| <i>Fund Balance Beginning of Year</i>       | 107,510                 | 107,510          | 107,510          | 0   |
| <i>Fund Balance End of Year</i>             | <u>\$110,510</u>        | <u>\$100,510</u> | <u>\$320,352</u> | <u>\$219,842</u>  |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Road Improvements Fund*  
*For the Year Ended December 31, 2005*

|                                     | Budgeted Amounts |                |                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-------------------------------------|------------------|----------------|----------------|---|
|                                     | Original         | Final          | Actual         |   |
| <b>Revenues</b>                     |                  |                |                |   |
| Municipal Income Taxes              | \$120,000        | \$120,000      | \$120,000      | \$0   |
| Intergovernmental                   | 400,000          | 400,000        | 318,875        | (81,125)  |
| Interest                            | 3,500            | 4,550          | 16,010         | 11,460  |
| Miscellaneous                       | 0                | 75,000         | 0              | (75,000)  |
| <i>Total Revenues</i>               | <u>523,500</u>   | <u>599,550</u> | <u>454,885</u> | <u>(144,665)</u>  |
| <b>Expenditures</b>                 |                  |                |                |   |
| Capital Outlay:                     |                  |                |                |   |
| Road Repaving:                      |                  |                |                |   |
| Purchased Services                  | 165,542          | 304,070        | 283,834        | 20,236  |
| Route 21 Access Roads               |                  |                |                |   |
| Capital Outlay                      | 63,827           | 263,827        | 78,058         | 185,769   |
| Parkview Drive Reconstruction:      |                  |                |                |   |
| Purchased Services                  | 3,130            | 3,130          | 0              | 3,130   |
| Capital Outlay                      | 109,366          | 109,366        | 0              | 109,366   |
| Total Parkview Drive Reconstruction | <u>112,496</u>   | <u>112,496</u> | <u>0</u>       | <u>112,496</u>  |
| Oakes Road Reconstruction:          |                  |                |                |   |
| Purchased Services                  | 37,700           | 37,700         | 36,804         | 896   |
| Capital Outlay                      | 191,290          | 266,290        | 105,216        | 161,074   |
| Total Oakes Road Reconstruction     | <u>228,990</u>   | <u>303,990</u> | <u>142,020</u> | <u>161,970</u>  |
| Route 82 Widening:                  |                  |                |                |   |
| Capital Outlay                      | \$1,499          | \$1,499        | \$0            | \$1,499   |

(continued)

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Road Improvements Fund (continued)*  
*For the Year Ended December 31, 2005*

|  | Budgeted Amounts |             |             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-------------|-------------|---|
|  | Original         | Final       | Actual      |   |
| Citywide Traffic Resignal:<br>Capital Outlay | \$23,310         | \$23,310    | \$23,310    | \$0   |
| Total Capital Outlay                         | 595,664          | 1,009,192   | 527,222     | 481,970   |
| Debt Service:                                |                  |             |             |   |
| Principal Retirement                         | 800,000          | 1,600,000   | 1,600,000   | 0   |
| Interest and Fiscal Charges                  | 12,000           | 20,862      | 20,862      | 0   |
| Total Debt Service                           | 812,000          | 1,620,862   | 1,620,862   | 0   |
| <i>Total Expenditures</i>                    | 1,407,664        | 2,630,054   | 2,148,084   | 481,970   |
| <i>Excess of Revenues Under Expenditures</i> | (884,164)        | (2,030,504) | (1,693,199) | 337,305   |
| <b>Other Financing Sources (Uses)</b>        |                  |             |             |   |
| Bond Anticipation Notes Issued               | 500,000          | 1,100,000   | 1,100,000   | 0   |
| Special Assessment Bonds Issued              | 0                | 200,000     | 165,000     | (35,000)  |
| Premium on Bonds                             | 0                | 0           | 2,614       | 2,614   |
| Transfers In                                 | 0                | 138,528     | 138,528     | 0   |
| Transfers Out                                | (30,173)         | (50,450)    | (26,377)    | 24,073  |
| <i>Total Other Financing Sources (Uses)</i>  | 469,827          | 1,388,078   | 1,379,765   | (8,313)   |
| <i>Net Change in Fund Balance</i>            | (414,337)        | (642,426)   | (313,434)   | 328,992   |
| <i>Fund Balance Beginning of Year</i>        | 480,088          | 480,088     | 480,088     | 0   |
| Prior Year Encumbrances Appropriated         | 332,071          | 332,071     | 332,071     | 0   |
| <i>Fund Balance End of Year</i>              | \$397,822        | \$169,733   | \$498,725   | \$328,992   |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Human Services Facilities Fund*  
*For the Year Ended December 31, 2005*

|  | <u>Budgeted Amounts</u> |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|------------------|------------------|---|
|  | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    |   |
| <b>Revenues</b>                              |                         |                  |                  |   |
| Interest                                     | \$40,000                | \$40,000         | \$175,696        | \$135,696   |
| <b>Expenditures</b>                          |                         |                  |                  |   |
| Capital Outlay:                              |                         |                  |                  |   |
| Purchased Services                           | 174,620                 | 174,620          | 112,195          | 62,425  |
| Material and Supplies                        | 5,000                   | 5,000            | 985              | 4,015   |
| Capital Outlay                               | 8,402,673               | 8,402,673        | 7,891,719        | 510,954   |
| <i>Total Expenditures</i>                    | <u>8,582,293</u>        | <u>8,582,293</u> | <u>8,004,899</u> | <u>577,394</u>  |
| <i>Excess of Revenues Under Expenditures</i> | (8,542,293)             | (8,542,293)      | (7,829,203)      | 713,090   |
| <b>Other Financing Sources</b>               |                         |                  |                  |   |
| Transfers In                                 | 800,000                 | 800,000          | 600,000          | (200,000)   |
| <i>Net Change in Fund Balance</i>            | (7,742,293)             | (7,742,293)      | (7,229,203)      | 513,090   |
| <i>Fund Balance Beginning of Year</i>        | 602,019                 | 602,019          | 602,019          | 0   |
| Prior Year Encumbrances Appropriated         | 7,172,293               | 7,172,293        | 7,172,293        | 0   |
| <i>Fund Balance End of Year</i>              | <u>\$32,019</u>         | <u>\$32,019</u>  | <u>\$545,109</u> | <u>\$513,090</u>  |

**City of Brecksville, 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, 2005*

|  | <u>Budgeted Amounts</u> |                 |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|-----------------|------------------|---|
|  | <u>Original</u>         | <u>Final</u>    | <u>Actual</u>    |   |
| <b>Revenues</b>                              |                         |                 |                  |   |
| Intergovernmental                            | \$31,000                | \$31,000        | \$34,116         | \$3,116   |
| Interest                                     | 1,050                   | 1,050           | 3,535            | 2,485   |
| <i>Total Revenues</i>                        | 32,050                  | 32,050          | 37,651           | 5,601   |
| <b>Expenditures</b>                          |                         |                 |                  |   |
| Current:                                     |                         |                 |                  |   |
| Street Construction, Maintenance and Repair: |                         |                 |                  |   |
| Street Repair and Maintenance:               |                         |                 |                  |   |
| Capital Outlay                               | 64,696                  | 64,696          | 0                | 64,696  |
| <i>Net Change in Fund Balance</i>            | (32,646)                | (32,646)        | 37,651           | 70,297  |
| <i>Fund Balance Beginning of Year</i>        | 33,167                  | 33,167          | 33,167           | 0   |
| Prior Year Encumbrances Appropriated         | 34,696                  | 34,696          | 34,696           | 0   |
| <i>Fund Balance End of Year</i>              | <u>\$35,217</u>         | <u>\$35,217</u> | <u>\$105,514</u> | <u>\$70,297</u>   |



**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Repair and Maintenance Fund*  
*For the Year Ended December 31, 2005*

|   | <u>Budgeted Amounts</u> |                 |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|-----------------|------------------|---|
|   | <u>Original</u>         | <u>Final</u>    | <u>Actual</u>    |   |
| <b>Revenues</b>   |                         |                 |                  |   |
| Intergovernmental                                       | \$449,000               | \$449,000       | \$505,928        | \$56,928  |
| Interest  | 1,000                   | 1,000           | 9,223            | 8,223   |
| <i>Total Revenues</i>                                   | <u>450,000</u>          | <u>450,000</u>  | <u>515,151</u>   | <u>65,151</u>   |
| <b>Expenditures</b>                                     |                         |                 |                  |   |
| Current:  |                         |                 |                  |   |
| Street Construction, Maintenance and Repair:            |                         |                 |                  |   |
| Snow and Ice Removal:                                   |                         |                 |                  |   |
| Materials and Supplies                                  | 421,500                 | 421,500         | 419,364          | 2,136   |
| Capital Outlay  | 35,296                  | 35,296          | 28,173           | 7,123   |
| <i>Total Expenditures</i>                               | <u>456,796</u>          | <u>456,796</u>  | <u>447,537</u>   | <u>9,259</u>  |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | (6,796)                 | (6,796)         | 67,614           | 74,410  |
| <b>Other Financing Uses</b>                             |                         |                 |                  |   |
| Transfers Out   | (200,000)               | (200,000)       | (200,000)        | 0   |
| <i>Net Change in Fund Balance</i>                       | (206,796)               | (206,796)       | (132,386)        | 74,410  |
| <i>Fund Balance Beginning of Year</i>                   | 299,411                 | 299,411         | 299,411          | 0   |
| Prior Year Encumbrances Appropriated                    | 6,796                   | 6,796           | 6,796            | 0   |
| <i>Fund Balance End of Year</i>                         | <u>\$99,411</u>         | <u>\$99,411</u> | <u>\$173,821</u> | <u>\$74,410</u>   |

**City of Brecksville, 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, 2005*

|  | <u>Budgeted Amounts</u> |                        |                        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|------------------------|------------------------|---|
|  | <u>Original</u>         | <u>Final</u>           | <u>Actual</u>          |   |
| <b>Revenues</b>                              |                         |                        |                        |   |
| Intergovernmental                            | \$36,000                | \$36,000               | \$41,021               | \$5,021   |
| Interest                                     | 1,000                   | 1,000                  | 2,365                  | 1,365   |
| <i>Total Revenues</i>                        | <u>37,000</u>           | <u>37,000</u>          | <u>43,386</u>          | <u>6,386</u>  |
| <b>Expenditures</b>                          |                         |                        |                        |   |
| Current:                                     |                         |                        |                        |   |
| Street Construction, Maintenance and Repair: |                         |                        |                        |   |
| Route 21 Center Strip:                       |                         |                        |                        |   |
| Salaries and Wages                           | 11,000                  | 11,000                 | 8,027                  | 2,973   |
| Purchased Services                           | 27,000                  | 27,000                 | 27,000                 | 0   |
| Materials and Supplies                       | 92,954                  | 92,954                 | 84,680                 | 8,274   |
| <i>Total Expenditures</i>                    | <u>130,954</u>          | <u>130,954</u>         | <u>119,707</u>         | <u>11,247</u>   |
| <i>Net Change in Fund Balance</i>            | (93,954)                | (93,954)               | (76,321)               | 17,633  |
| <i>Fund Balance Beginning of Year</i>        | 77,764                  | 77,764                 | 77,764                 | 0   |
| Prior Year Encumbrances Appropriated         | <u>42,954</u>           | <u>42,954</u>          | <u>42,954</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>              | <u><u>\$26,764</u></u>  | <u><u>\$26,764</u></u> | <u><u>\$44,397</u></u> | <u><u>\$17,633</u></u>                                  |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Community Center Fund*  
*For the Year Ended December 31, 2005*

|  | Budgeted Amounts |             |           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-------------|-----------|---|
|  | Original         | Final       | Actual    |   |
| <b>Revenues</b>                              |                  |             |           |   |
| Charges for Services                         | \$678,600        | \$678,600   | \$715,734 | \$37,134  |
| Interest                                     | 9,000            | 9,000       | 15,253    | 6,253   |
| Donations                                    | 3,200            | 3,200       | 1,561     | (1,639)   |
| Rentals                                      | 48,500           | 48,500      | 47,647    | (853)   |
| Miscellaneous                                | 2,200            | 24,700      | 15,674    | (9,026)   |
| <i>Total Revenues</i>                        | 741,500          | 764,000     | 795,869   | 31,869  |
| <b>Expenditures</b>                          |                  |             |           |   |
| Current:                                     |                  |             |           |   |
| Recreational Activities:                     |                  |             |           |   |
| Community Center:                            |                  |             |           |   |
| Salaries and Wages                           | 936,554          | 936,554     | 935,856   | 698   |
| Fringe Benefits                              | 158,476          | 158,476     | 157,444   | 1,032   |
| Purchased Services                           | 434,354          | 461,854     | 406,419   | 55,435  |
| Materials and Supplies                       | 231,545          | 231,545     | 162,118   | 69,427  |
| Capital Outlay                               | 84,231           | 84,231      | 63,590    | 20,641  |
| <i>Total Expenditures</i>                    | 1,845,160        | 1,872,660   | 1,725,427 | 147,233   |
| <i>Excess of Revenues Under Expenditures</i> | (1,103,660)      | (1,108,660) | (929,558) | 179,102   |
| <b>Other Financing Sources</b>               |                  |             |           |   |
| Transfers In                                 | 1,000,000        | 1,000,000   | 800,000   | (200,000)   |
| <i>Net Change in Fund Balance</i>            | (103,660)        | (108,660)   | (129,558) | (20,898)  |
| <i>Fund Balance Beginning of Year</i>        | 263,194          | 263,194     | 263,194   | 0   |
| Prior Year Encumbrances Appropriated         | 42,480           | 42,480      | 42,480    | 0   |
| <i>Fund Balance End of Year</i>              | \$202,014        | \$197,014   | \$176,116 | (\$20,898)  |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Special Programs Fund*  
*For the Year Ended December 31, 2005*

|                                       | <u>Budgeted Amounts</u> |                       |                       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-----------------------|-----------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>          | <u>Actual</u>         |   |
| <b>Revenues</b>                       |                         |                       |                       |   |
| Licenses and Permits                  | \$1,500                 | \$1,500               | \$1,815               | \$315   |
| <b>Expenditures</b>                   |                         |                       |                       |   |
| Current:                              |                         |                       |                       |   |
| Recreational Activities:              |                         |                       |                       |   |
| Special Events:                       |                         |                       |                       |   |
| Materials and Supplies                | <u>7,000</u>            | <u>7,000</u>          | <u>2,705</u>          | <u>4,295</u>  |
| <i>Net Change in Fund Balance</i>     | (5,500)                 | (5,500)               | (890)                 | 4,610   |
| <i>Fund Balance Beginning of Year</i> | <u>9,363</u>            | <u>9,363</u>          | <u>9,363</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$3,863</u></u>   | <u><u>\$3,863</u></u> | <u><u>\$8,473</u></u> | <u><u>\$4,610</u></u>                                   |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Road Maintenance Fund*  
*For the Year Ended December 31, 2005*

|  | <u>Budgeted Amounts</u> |                        |                         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|------------------------|-------------------------|---|
|  | <u>Original</u>         | <u>Final</u>           | <u>Actual</u>           |   |
| <b>Revenues</b>                              |                         |                        |                         |   |
| Property and Other Taxes                     | \$507,112               | \$507,112              | \$505,923               | (\$1,189)   |
| Intergovernmental                            | 81,958                  | 81,958                 | 76,885                  | (5,073)   |
| Interest                                     | 5,500                   | 5,500                  | 21,774                  | 16,274  |
| <i>Total Revenues</i>                        | <u>594,570</u>          | <u>594,570</u>         | <u>604,582</u>          | <u>10,012</u>   |
| <b>Expenditures</b>                          |                         |                        |                         |   |
| Current:                                     |                         |                        |                         |   |
| Street Construction, Maintenance and Repair: |                         |                        |                         |   |
| Street Repair and Maintenance:               |                         |                        |                         |   |
| Purchased Services                           | 800,598                 | 800,598                | 802,653                 | (2,055)   |
| Materials and Supplies                       | 36,286                  | 36,286                 | 0                       | 36,286  |
| Capital Outlay                               | 47,688                  | 47,688                 | 42,388                  | 5,300   |
| <i>Excess of Revenues Under Expenditures</i> | <u>(290,002)</u>        | <u>(290,002)</u>       | <u>(240,459)</u>        | <u>49,543</u>   |
| <b>Other Financing Uses</b>                  |                         |                        |                         |   |
| Transfers Out                                | <u>(11,732)</u>         | <u>(11,732)</u>        | <u>(11,732)</u>         | <u>0</u>  |
| <i>Net Change in Fund Balance</i>            | <u>(301,734)</u>        | <u>(301,734)</u>       | <u>(252,191)</u>        | <u>49,543</u>   |
| <i>Fund Balance Beginning of Year</i>        | 85,887                  | 85,887                 | 85,887                  | 0   |
| Prior Year Encumbrances Appropriated         | <u>297,223</u>          | <u>297,223</u>         | <u>297,223</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>              | <u><u>\$81,376</u></u>  | <u><u>\$81,376</u></u> | <u><u>\$130,919</u></u> | <u><u>\$49,543</u></u>                                  |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Federal Equitable Sharing Fund*  
*For the Year Ended December 31, 2005*

|                                       | <u>Budgeted Amounts</u> |                   |                       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-------------------|-----------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>      | <u>Actual</u>         |   |
| <b>Revenues</b>                       |                         |                   |                       |   |
| Interest                              | \$0                     | \$0               | \$34                  | \$34  |
| <b>Expenditures</b>                   |                         |                   |                       |   |
| Current:                              |                         |                   |                       |   |
| General Government:                   |                         |                   |                       |   |
| Legislative and Executive:            |                         |                   |                       |   |
| Federal Equitable Sharing             |                         |                   |                       |   |
| Other                                 | <u>3,870</u>            | <u>3,870</u>      | <u>0</u>              | <u>3,870</u>  |
| <i>Net Change in Fund Balance</i>     | (3,870)                 | (3,870)           | 34                    | 3,904   |
| <i>Fund Balance Beginning of Year</i> | <u>3,871</u>            | <u>3,871</u>      | <u>3,871</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$1</u></u>       | <u><u>\$1</u></u> | <u><u>\$3,905</u></u> | <u><u>\$3,904</u></u>                                   |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Indigent Prisoner Assistance Fund*  
*For the Year Ended December 31, 2005*

|                                       | <u>Budgeted Amounts</u> |              |                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|--------------|----------------|---|
|                                       | <u>Original</u>         | <u>Final</u> | <u>Actual</u>  |   |
| <b>Revenues</b>                       |                         |              |                |   |
| Licenses and Permits                  | \$200                   | \$200        | \$136          | (\$64)  |
| Interest                              | 50                      | 50           | 338            | 288   |
| <i>Total Revenues</i>                 | 250                     | 250          | 474            | 224   |
| <b>Expenditures</b>                   |                         |              |                |   |
| Current:                              |                         |              |                |   |
| Public Safety:                        |                         |              |                |   |
| Police:                               |                         |              |                |   |
| Prisoner Support:                     |                         |              |                |   |
| Materials and Supplies                | 8,000                   | 8,000        | 42             | 7,958   |
| <i>Net Change in Fund Balance</i>     | (7,750)                 | (7,750)      | 432            | 8,182   |
| <i>Fund Balance Beginning of Year</i> | 8,437                   | 8,437        | 8,437          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$687</u>            | <u>\$687</u> | <u>\$8,869</u> | <u>\$8,182</u>  |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Indigent Drivers Fund*  
*For the Year Ended December 31, 2005*

|                                       | <u>Budgeted Amounts</u> |              |                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|--------------|----------------|---|
|                                       | <u>Original</u>         | <u>Final</u> | <u>Actual</u>  |   |
| <b>Revenues</b>                       |                         |              |                |   |
| Fines and Forfeitures                 | \$500                   | \$500        | \$500          | \$0   |
| Interest                              | 50                      | 50           | 333            | 283   |
| <i>Total Revenues</i>                 | 550                     | 550          | 833            | 283   |
| <b>Expenditures</b>                   |                         |              |                |   |
| Current:                              |                         |              |                |   |
| Public Safety:                        |                         |              |                |   |
| Police:                               |                         |              |                |   |
| Purchased Services                    | 8,000                   | 8,000        | 0              | 8,000   |
| <i>Net Change in Fund Balance</i>     | (7,450)                 | (7,450)      | 833            | 8,283   |
| <i>Fund Balance Beginning of Year</i> | 8,154                   | 8,154        | 8,154          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$704</u>            | <u>\$704</u> | <u>\$8,987</u> | <u>\$8,283</u>  |



**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Enforcement and Education Fund*  
*For the Year Ended December 31, 2005*

|                                       | <u>Budgeted Amounts</u> |                 |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-----------------|-----------------|---|
|                                       | <u>Original</u>         | <u>Final</u>    | <u>Actual</u>   |   |
| <b>Revenues</b>                       |                         |                 |                 |   |
| Fines and Forfeitures                 | \$1,000                 | \$1,000         | \$2,025         | \$1,025   |
| Interest                              | 300                     | 300             | 1,824           | 1,524   |
| Miscellaneous                         | 4,100                   | 4,100           | 757             | (3,343)   |
| <i>Total Revenues</i>                 | <u>5,400</u>            | <u>5,400</u>    | <u>4,606</u>    | <u>(794)</u>  |
| <b>Expenditures</b>                   |                         |                 |                 |   |
| Current:                              |                         |                 |                 |   |
| Public Safety:                        |                         |                 |                 |   |
| Police:                               |                         |                 |                 |   |
| Salaries and Wages                    | 5,000                   | 5,000           | 1,120           | 3,880   |
| Purchased Services                    | 18,798                  | 23,098          | 3,609           | 19,489  |
| Materials and Supplies                | 5,776                   | 5,776           | 790             | 4,986   |
| Capital Outlay                        | 2,250                   | 2,250           | 117             | 2,133   |
| <i>Total Expenditures</i>             | <u>31,824</u>           | <u>36,124</u>   | <u>5,636</u>    | <u>30,488</u>   |
| <i>Net Change in Fund Balance</i>     | (26,424)                | (30,724)        | (1,030)         | 29,694  |
| <i>Fund Balance Beginning of Year</i> | 44,621                  | 44,621          | 44,621          | 0   |
| Prior Year Encumbrances Appropriated  | 248                     | 248             | 248             | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$18,445</u>         | <u>\$14,145</u> | <u>\$43,839</u> | <u>\$29,694</u>   |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Court Computerization Fund*  
*For the Year Ended December 31, 2005*

|                                       | <u>Budgeted Amounts</u> |                |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|----------------|------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>   | <u>Actual</u>    |   |
| <b>Revenues</b>                       |                         |                |                  |   |
| Licenses and Permits                  | \$17,000                | \$17,000       | \$19,468         | \$2,468   |
| Interest                              | 1,500                   | 1,500          | 6,280            | 4,780   |
| <i>Total Revenues</i>                 | 18,500                  | 18,500         | 25,748           | 7,248   |
| <b>Expenditures</b>                   |                         |                |                  |   |
| Current:                              |                         |                |                  |   |
| General Government:                   |                         |                |                  |   |
| Judicial:                             |                         |                |                  |   |
| Court Computerization:                |                         |                |                  |   |
| Purchased Services                    | 158,000                 | 158,000        | 1,175            | 156,825   |
| <i>Net Change in Fund Balance</i>     | (139,500)               | (139,500)      | 24,573           | 164,073   |
| <i>Fund Balance Beginning of Year</i> | 146,006                 | 146,006        | 146,006          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$6,506</u>          | <u>\$6,506</u> | <u>\$170,579</u> | <u>\$164,073</u>  |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Natureworks Grants Fund*  
*For the Year Ended December 31, 2005*

|                                       | <u>Budgeted Amounts</u> |               |               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|---------------|---------------|---|
|                                       | <u>Original</u>         | <u>Final</u>  | <u>Actual</u> |   |
| <b>Revenues</b>                       | <u>\$0</u>              | <u>\$0</u>    | <u>\$0</u>    | <u>\$0</u>  |
| <b>Expenditures</b>                   |                         |               |               |   |
| Current:                              |                         |               |               |   |
| Recreational Activities:              |                         |               |               |   |
| Extracurricular:                      |                         |               |               |   |
| Purchased Services                    | 632                     | 632           | 0             | 632   |
| Capital Outlay                        | <u>13,741</u>           | <u>13,741</u> | <u>13,578</u> | <u>163</u>  |
| <i>Total Expenditures</i>             | <u>14,373</u>           | <u>14,373</u> | <u>13,578</u> | <u>795</u>  |
| <i>Net Change in Fund Balance</i>     | (14,373)                | (14,373)      | (13,578)      | 795   |
| <i>Fund Balance Beginning of Year</i> | 405                     | 405           | 405           | 0   |
| Prior Year Encumbrances Appropriated  | <u>14,123</u>           | <u>14,123</u> | <u>14,123</u> | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u>\$155</u>            | <u>\$155</u>  | <u>\$950</u>  | <u>\$795</u>  |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recycling Demo Fund*  
*For the Year Ended December 31, 2005*

|                                       | <u>Budgeted Amounts</u> |              |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|--------------|-----------------|---|
|                                       | <u>Original</u>         | <u>Final</u> | <u>Actual</u>   |   |
| <b>Revenues</b>                       |                         |              |                 |   |
| Intergovernmental                     | \$6,266                 | \$6,266      | \$7,745         | \$1,479   |
| Interest                              | 100                     | 100          | 520             | 420   |
| <i>Total Revenues</i>                 | 6,366                   | 6,366        | 8,265           | 1,899   |
| <b>Expenditures</b>                   |                         |              |                 |   |
| Current:                              |                         |              |                 |   |
| Basic Utility Services:               |                         |              |                 |   |
| Rubbish Recycling:                    |                         |              |                 |   |
| Capital Outlay                        | 18,000                  | 18,000       | 9,584           | 8,416   |
| <i>Net Change in Fund Balance</i>     | (11,634)                | (11,634)     | (1,319)         | 10,315  |
| <i>Fund Balance Beginning of Year</i> | 12,561                  | 12,561       | 12,561          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$927</u>            | <u>\$927</u> | <u>\$11,242</u> | <u>\$10,315</u>   |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Tree Planting Grants Fund*  
*For the Year Ended December 31, 2005*

|   | <u>Budgeted Amounts</u> |                 |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------------|-----------------|------------------|---|
|   | <u>Original</u>         | <u>Final</u>    | <u>Actual</u>    |   |
| <b>Revenues</b>   |                         |                 |                  |   |
| Licenses and Permits                                    | \$23,001                | \$23,001        | \$29,700         | \$6,699   |
| Interest  | 1,500                   | 1,500           | 5,946            | 4,446   |
| <i>Total Revenues</i>                                   | <u>24,501</u>           | <u>24,501</u>   | <u>35,646</u>    | <u>11,145</u>   |
| <b>Expenditures</b>                                     |                         |                 |                  |   |
| Current:  |                         |                 |                  |   |
| Housing and Community Development:                      |                         |                 |                  |   |
| Tree Planning:  |                         |                 |                  |   |
| Salaries and Wages                                      | 20,000                  | 20,000          | 3,416            | 16,584  |
| Capital Outlay  | 130,778                 | 130,778         | 15,223           | 115,555   |
| <i>Total Expenditures</i>                               | <u>150,778</u>          | <u>150,778</u>  | <u>18,639</u>    | <u>132,139</u>  |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i> | (126,277)               | (126,277)       | 17,007           | 143,284   |
| <b>Other Financing Uses</b>                             |                         |                 |                  |   |
| Transfers Out   | (18,832)                | (18,832)        | (18,832)         | 0   |
| <i>Net Change in Fund Balance</i>                       | (145,109)               | (145,109)       | (1,825)          | 143,284   |
| <i>Fund Balance Beginning of Year</i>                   | 153,153                 | 153,153         | 153,153          | 0   |
| Prior Year Encumbrances Appropriated                    | 2,778                   | 2,778           | 2,778            | 0   |
| <i>Fund Balance End of Year</i>                         | <u>\$10,822</u>         | <u>\$10,822</u> | <u>\$154,106</u> | <u>\$143,284</u>  |

**City of Brecksville, 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, 2005*

|                                       | <u>Budgeted Amounts</u> |              |                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|--------------|----------------|---|
|                                       | <u>Original</u>         | <u>Final</u> | <u>Actual</u>  |   |
| <b>Revenues</b>                       |                         |              |                |   |
| Fines and Forfeitures                 | \$0                     | \$0          | \$3,541        | \$3,541   |
| Interest                              | 200                     | 200          | 240            | 40  |
| <i>Total Revenues</i>                 | 200                     | 200          | 3,781          | 3,581   |
| <b>Expenditures</b>                   |                         |              |                |   |
| Current:                              |                         |              |                |   |
| Public Safety:                        |                         |              |                |   |
| Police:                               |                         |              |                |   |
| Purchased Services                    | 5,000                   | 5,000        | 508            | 4,492   |
| <i>Net Change in Fund Balance</i>     | (4,800)                 | (4,800)      | 3,273          | 8,073   |
| <i>Fund Balance Beginning of Year</i> | 5,474                   | 5,474        | 5,474          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$674</u>            | <u>\$674</u> | <u>\$8,747</u> | <u>\$8,073</u>  |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Mandatory Drug Fund*  
*For the Year Ended December 31, 2005*

|                                       | <u>Budgeted Amounts</u> |                |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|----------------|-----------------|---|
|                                       | <u>Original</u>         | <u>Final</u>   | <u>Actual</u>   |   |
| <b>Revenues</b>                       |                         |                |                 |   |
| Fines and Forfeitures                 | \$800                   | \$800          | \$1,564         | \$764   |
| Interest                              | 400                     | 400            | 1,442           | 1,042   |
| <i>Total Revenues</i>                 | 1,200                   | 1,200          | 3,006           | 1,806   |
| <b>Expenditures</b>                   |                         |                |                 |   |
| Current:                              |                         |                |                 |   |
| Public Safety:                        |                         |                |                 |   |
| Police:                               |                         |                |                 |   |
| Purchased Services                    | 35,000                  | 35,000         | 0               | 35,000  |
| <i>Net Change in Fund Balance</i>     | (33,800)                | (33,800)       | 3,006           | 36,806  |
| <i>Fund Balance Beginning of Year</i> | 35,217                  | 35,217         | 35,217          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$1,417</u>          | <u>\$1,417</u> | <u>\$38,223</u> | <u>\$36,806</u>   |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Vehicle Immobilization Fund*  
*For the Year Ended December 31, 2005*

|                                       | <u>Budgeted Amounts</u> |              |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|--------------|-----------------|---|
|                                       | <u>Original</u>         | <u>Final</u> | <u>Actual</u>   |   |
| <b>Revenues</b>                       |                         |              |                 |   |
| Fines and Forfeitures                 | \$0                     | \$0          | \$385           | \$385   |
| Interest                              | 300                     | 300          | 832             | 532   |
| <i>Total Revenues</i>                 | 300                     | 300          | 1,217           | 917   |
| <b>Expenditures</b>                   |                         |              |                 |   |
| Current:                              |                         |              |                 |   |
| Public Safety:                        |                         |              |                 |   |
| Police:                               |                         |              |                 |   |
| Purchased Services                    | 20,500                  | 20,500       | 0               | 20,500  |
| <i>Net Change in Fund Balance</i>     | (20,200)                | (20,200)     | 1,217           | 21,417  |
| <i>Fund Balance Beginning of Year</i> | 20,738                  | 20,738       | 20,738          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$538</u>            | <u>\$538</u> | <u>\$21,955</u> | <u>\$21,417</u>   |



**City of Brecksville, 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, 2005*

|                                       | <u>Budgeted Amounts</u> |                        |                        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|------------------------|------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>           | <u>Actual</u>          |   |
| <b>Revenues</b>                       |                         |                        |                        |   |
| Property and Other Taxes              | \$152,132               | \$152,132              | \$151,777              | (\$355)   |
| Intergovernmental                     | 24,634                  | 24,634                 | 23,065                 | (1,569)   |
| <i>Total Revenues</i>                 | <u>176,766</u>          | <u>176,766</u>         | <u>174,842</u>         | <u>(1,924)</u>  |
| <b>Expenditures</b>                   |                         |                        |                        |   |
| Current:                              |                         |                        |                        |   |
| Public Safety:                        |                         |                        |                        |   |
| Police:                               |                         |                        |                        |   |
| Fringe Benefits                       | 179,600                 | 179,600                | 179,600                | 0   |
| Purchased Services                    | 400                     | 400                    | 221                    | 179   |
| <i>Total Expenditures</i>             | <u>180,000</u>          | <u>180,000</u>         | <u>179,821</u>         | <u>179</u>  |
| <i>Net Change in Fund Balance</i>     | (3,234)                 | (3,234)                | (4,979)                | (1,745)   |
| <i>Fund Balance Beginning of Year</i> | <u>38,106</u>           | <u>38,106</u>          | <u>38,106</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$34,872</u></u>  | <u><u>\$34,872</u></u> | <u><u>\$33,127</u></u> | <u><u>(\$1,745)</u></u>                                 |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Memorial Fund*  
*For the Year Ended December 31, 2005*

|                                       | <u>Budgeted Amounts</u> |                     |                        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|---------------------|------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>        | <u>Actual</u>          |   |
| <b>Revenues</b>                       |                         |                     |                        |   |
| Donations                             | \$0                     | \$0                 | \$955                  | \$955   |
| <b>Expenditures</b>                   |                         |                     |                        |   |
| Current:                              |                         |                     |                        |   |
| General Government:                   |                         |                     |                        |   |
| Legislative and Executive:            |                         |                     |                        |   |
| Memorials:                            |                         |                     |                        |   |
| Materials and Supplies                | <u>16,000</u>           | <u>16,000</u>       | <u>176</u>             | <u>15,824</u>   |
| <i>Net Change in Fund Balance</i>     | (16,000)                | (16,000)            | 779                    | 16,779  |
| <i>Fund Balance Beginning of Year</i> | <u>16,413</u>           | <u>16,413</u>       | <u>16,413</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$413</u></u>     | <u><u>\$413</u></u> | <u><u>\$17,192</u></u> | <u><u>\$16,779</u></u>                                  |

**City of Brecksville, 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, 2005*

|  | <u>Budgeted Amounts</u> |                        |                         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|------------------------|-------------------------|---|
|  | <u>Original</u>         | <u>Final</u>           | <u>Actual</u>           |   |
| <b>Revenues</b>                              |                         |                        |                         |   |
| Property and Other Taxes                     | \$246,827               | \$246,827              | \$247,909               | \$1,082   |
| Intergovernmental                            | 41,830                  | 41,830                 | 37,673                  | (4,157)   |
| Interest                                     | 6,404                   | 6,404                  | 1,101                   | (5,303)   |
| <i>Total Revenues</i>                        | <u>295,061</u>          | <u>295,061</u>         | <u>286,683</u>          | <u>(8,378)</u>  |
| <b>Expenditures</b>                          |                         |                        |                         |   |
| Current:                                     |                         |                        |                         |   |
| General Government:                          |                         |                        |                         |   |
| Legislative and Executive:                   |                         |                        |                         |   |
| Other  | <u>145</u>              | <u>145</u>             | <u>142</u>              | <u>3</u>  |
| Debt Service:                                |                         |                        |                         |   |
| Principal Retirement                         | 710,003                 | 710,003                | 710,000                 | 3   |
| Interest and Fiscal Charges                  | <u>549,822</u>          | <u>549,822</u>         | <u>351,691</u>          | <u>198,131</u>  |
| Total Debt Service                           | <u>1,259,825</u>        | <u>1,259,825</u>       | <u>1,061,691</u>        | <u>198,134</u>  |
| <i>Total Expenditures</i>                    | <u>1,259,970</u>        | <u>1,259,970</u>       | <u>1,061,833</u>        | <u>198,137</u>  |
| <i>Excess of Revenues Under Expenditures</i> | (964,909)               | (964,909)              | (775,150)               | 189,759   |
| <b>Other Financing Sources</b>               |                         |                        |                         |   |
| Transfers In                                 | <u>850,138</u>          | <u>850,138</u>         | <u>850,138</u>          | <u>0</u>  |
| <i>Net Change in Fund Balance</i>            | (114,771)               | (114,771)              | 74,988                  | 189,759   |
| <i>Fund Balance Beginning of Year</i>        | <u>190,183</u>          | <u>190,183</u>         | <u>190,183</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>              | <u><u>\$75,412</u></u>  | <u><u>\$75,412</u></u> | <u><u>\$265,171</u></u> | <u><u>\$189,759</u></u>                                 |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Issue II Fund*  
*For the Year Ended December 31, 2005*

|  | <u>Budgeted Amounts</u> |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|------------------|------------------|---|
|  | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    |   |
| <b>Revenues</b>                              |                         |                  |                  |   |
| Intergovernmental                            | \$0                     | \$700,000        | \$553,166        | (\$146,834)   |
| Interest                                     | 3,000                   | 3,000            | 19,530           | 16,530  |
| <i>Total Revenues</i>                        | <u>3,000</u>            | <u>703,000</u>   | <u>572,696</u>   | <u>(130,304)</u>  |
| <b>Expenditures</b>                          |                         |                  |                  |   |
| Capital Outlay:                              |                         |                  |                  |   |
| Purchased Services                           | 930                     | 930              | 333              | 597   |
| Capital Outlay                               | 787,713                 | 1,487,713        | 1,409,853        | 77,860  |
| Total Capital Outlay                         | 788,643                 | 1,488,643        | 1,410,186        | 78,457  |
| Debt Service:                                |                         |                  |                  |   |
| Principal Retirement                         | 62,729                  | 62,729           | 50,949           | 11,780  |
| <i>Total Expenditures</i>                    | <u>851,372</u>          | <u>1,551,372</u> | <u>1,461,135</u> | <u>90,237</u>   |
| <i>Excess of Revenues Under Expenditures</i> | <u>(848,372)</u>        | <u>(848,372)</u> | <u>(888,439)</u> | <u>(40,067)</u>   |
| <b>Other Financing Sources</b>               |                         |                  |                  |   |
| OPWC Loan Issued                             | 0                       | 0                | 231,143          | 231,143   |
| Special Assessment Bonds Issued              | 0                       | 0                | 219,113          | 219,113   |
| Advances In                                  | 0                       | 0                | 20,000           | 20,000  |
| Transfers In                                 | 212,729                 | 370,726          | 370,725          | (1)   |
| <i>Total Other Financing Sources</i>         | <u>212,729</u>          | <u>370,726</u>   | <u>840,981</u>   | <u>470,255</u>  |
| <i>Net Change in Fund Balance</i>            | <u>(635,643)</u>        | <u>(477,646)</u> | <u>(47,458)</u>  | <u>430,188</u>  |
| <i>Fund Balance Beginning of Year</i>        | 673,377                 | 673,377          | 673,377          | 0   |
| Prior Year Encumbrances Appropriated         | 3,643                   | 3,643            | 3,643            | 0   |
| <i>Fund Balance End of Year</i>              | <u>\$41,377</u>         | <u>\$199,374</u> | <u>\$629,562</u> | <u>\$430,188</u>  |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Improvement Fund*  
*For the Year Ended December 31, 2005*

|  | <u>Budgeted Amounts</u> |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|------------------|------------------|---|
|  | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    |   |
| <b>Revenues</b>                              |                         |                  |                  |   |
| Municipal Income Taxes                       | \$192,000               | \$192,000        | \$192,000        | \$0   |
| Interest                                     | 10,000                  | 10,000           | 19,875           | 9,875   |
| Other  | 0                       | 40,000           | 36,278           | (3,722)   |
| <i>Total Revenues</i>                        | 202,000                 | 242,000          | 248,153          | 6,153   |
| <b>Expenditures</b>                          |                         |                  |                  |   |
| Capital Outlay:                              |                         |                  |                  |   |
| Capital Outlay                               | 1,063,301               | 1,136,801        | 1,003,060        | 133,741   |
| <i>Excess of Revenues Under Expenditures</i> | (861,301)               | (894,801)        | (754,907)        | 139,894   |
| <b>Other Financing Sources (Uses)</b>        |                         |                  |                  |   |
| Transfers In                                 | 400,000                 | 550,000          | 550,000          | 0   |
| Transfers Out                                | (22,214)                | (22,214)         | (22,214)         | 0   |
| <i>Total Other Financing Sources (Uses)</i>  | 377,786                 | 527,786          | 527,786          | 0   |
| <i>Net Change in Fund Balance</i>            | (483,515)               | (367,015)        | (227,121)        | 139,894   |
| <i>Fund Balance Beginning of Year</i>        | 289,079                 | 289,079          | 289,079          | 0   |
| Prior Year Encumbrances Appropriated         | 274,801                 | 274,801          | 274,801          | 0   |
| <i>Fund Balance End of Year</i>              | <u>\$80,365</u>         | <u>\$196,865</u> | <u>\$336,759</u> | <u>\$139,894</u>  |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Equipment Replacement Fund*  
*For the Year Ended December 31, 2005*

|                                       | <u>Budgeted Amounts</u> |              |                 | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|--------------|-----------------|---|
|                                       | <u>Original</u>         | <u>Final</u> | <u>Actual</u>   |   |
| <b>Revenues</b>                       |                         |              |                 |   |
| Interest                              | \$800                   | \$800        | \$2,941         | \$2,141   |
| <b>Expenditures</b>                   |                         |              |                 |   |
| Capital Outlay:                       |                         |              |                 |   |
| Capital Outlay                        | 74,000                  | 74,000       | 0               | 74,000  |
| <i>Net Change in Fund Balance</i>     | (73,200)                | (73,200)     | 2,941           | 76,141  |
| <i>Fund Balance Beginning of Year</i> | 73,900                  | 73,900       | 73,900          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$700</u>            | <u>\$700</u> | <u>\$76,841</u> | <u>\$76,141</u>   |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation Expansion Fund*  
*For the Year Ended December 31, 2005*

|                                       | <u>Budgeted Amounts</u> |                |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|----------------|------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>   | <u>Actual</u>    |   |
| <b>Revenues</b>                       |                         |                |                  |   |
| Licenses and Permits                  | \$23,000                | \$23,000       | \$41,758         | \$18,758  |
| Interest                              | 1,000                   | 1,000          | 6,320            | 5,320   |
| <i>Total Revenues</i>                 | 24,000                  | 24,000         | 48,078           | 24,078  |
| <b>Expenditures</b>                   |                         |                |                  |   |
| Capital Outlay:                       |                         |                |                  |   |
| Capital Outlay                        | 161,000                 | 161,000        | 25,589           | 135,411   |
| <i>Net Change in Fund Balance</i>     | (137,000)               | (137,000)      | 22,489           | 159,489   |
| <i>Fund Balance Beginning of Year</i> | 144,643                 | 144,643        | 144,643          | 0   |
| <i>Fund Balance End of Year</i>       | <u>\$7,643</u>          | <u>\$7,643</u> | <u>\$167,132</u> | <u>\$159,489</u>  |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Library Improvement Fund*  
*For the Year Ended December 31, 2005*

|                                       | <u>Budgeted Amounts</u> |              |               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|--------------|---------------|---|
|                                       | <u>Original</u>         | <u>Final</u> | <u>Actual</u> |   |
| <b>Revenues</b>                       | \$0                     | \$0          | \$0           | \$0   |
| <b>Expenditures</b>                   |                         |              |               |   |
| Capital Outlay:                       |                         |              |               |   |
| Purchased Services                    | 37,000                  | 37,000       | 0             | 37,000  |
| <i>Net Change in Fund Balance</i>     | (37,000)                | (37,000)     | 0             | 37,000  |
| <i>Fund Balance Beginning of Year</i> | 37,460                  | 37,460       | 37,460        | 0   |
| <i>Fund Balance End of Year</i>       | \$460                   | \$460        | \$37,460      | \$37,000  |



**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Station Building Fund*  
*For the Year Ended December 31, 2005*

|  | Budgeted Amounts |          |          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|----------|----------|---|
|  | Original         | Final    | Actual   |   |
| <b>Revenues</b>                              |                  |          |          |   |
| Interest                                     | \$1,000          | \$1,000  | \$1,279  | \$279   |
| <b>Expenditures</b>                          |                  |          |          |   |
| Capital Outlay:                              |                  |          |          |   |
| Purchased Services                           | 1,000            | 1,000    | 437      | 563   |
| Capital Outlay                               | 32,000           | 32,000   | 19,686   | 12,314  |
| <i>Total Expenditures</i>                    | 33,000           | 33,000   | 20,123   | 12,877  |
| <i>Excess of Revenues Under Expenditures</i> | (32,000)         | (32,000) | (18,844) | 13,156  |
| <b>Other Financing Sources (Uses)</b>        |                  |          |          |   |
| Transfers In                                 | 0                | 50,000   | 50,000   | 0   |
| Transfers Out                                | 0                | (50,000) | (50,000) | 0   |
| <i>Total Other Financing Sources (Uses)</i>  | 0                | 0        | 0        | 0   |
| <i>Net Change in Fund Balance</i>            | (32,000)         | (32,000) | (18,844) | 13,156  |
| <i>Fund Balance Beginning of Year</i>        | 19,920           | 19,920   | 19,920   | 0   |
| Prior Year Encumbrances Appropriated         | 32,000           | 32,000   | 32,000   | 0   |
| <i>Fund Balance End of Year</i>              | \$19,920         | \$19,920 | \$33,076 | \$13,156  |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Station Building Fund*  
*For the Year Ended December 31, 2005*

|                                       | <u>Budgeted Amounts</u> |                   |                        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------|-------------------------|-------------------|------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>      | <u>Actual</u>          |   |
| <b>Revenues</b>                       | \$0                     | \$0               | \$0                    | \$0   |
| <b>Expenditures</b>                   |                         |                   |                        |   |
| Capital Outlay:                       |                         |                   |                        |   |
| Capital Outlay                        | <u>19,415</u>           | <u>19,415</u>     | <u>0</u>               | <u>19,415</u>   |
| <i>Net Change in Fund Balance</i>     | (19,415)                | (19,415)          | 0                      | 19,415  |
| <i>Fund Balance Beginning of Year</i> | <u>19,415</u>           | <u>19,415</u>     | <u>19,415</u>          | <u>0</u>  |
| <i>Fund Balance End of Year</i>       | <u><u>\$0</u></u>       | <u><u>\$0</u></u> | <u><u>\$19,415</u></u> | <u><u>\$19,415</u></u>                                  |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Sewer Improvement Fund*  
*For the Year Ended December 31, 2005*

|  | Budgeted Amounts |             |             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-------------|-------------|---|
|  | Original         | Final       | Actual      |   |
| <b>Revenues</b>                              |                  |             |             |   |
| Intergovernmental                            | \$0              | \$357,140   | \$278,298   | (\$78,842)  |
| Interest                                     | 500              | 500         | 18,082      | 17,582  |
| <i>Total Revenues</i>                        | 500              | 357,640     | 296,380     | (61,260)  |
| <b>Expenditures</b>                          |                  |             |             |   |
| Capital Outlay:                              |                  |             |             |   |
| Purchased Services                           | 81,380           | 81,380      | 45,903      | 35,477  |
| Capital Outlay                               | 35,340           | 96,812      | 35,299      | 61,513  |
| Total Capital Outlay                         | 116,720          | 178,192     | 81,202      | 96,990  |
| Debt Service:                                |                  |             |             |   |
| Principal Retirement                         | 750,000          | 1,500,000   | 1,500,000   | 0   |
| Interest and Fiscal Charges                  | 11,250           | 19,558      | 19,556      | 2   |
| Total Debt Service                           | 761,250          | 1,519,558   | 1,519,556   | 2   |
| <i>Total Expenditures</i>                    | 877,970          | 1,697,750   | 1,600,758   | 96,992  |
| <i>Excess of Revenues Under Expenditures</i> | (877,470)        | (1,340,110) | (1,304,378) | 35,732  |
| <b>Other Financing Sources (Uses)</b>        |                  |             |             |   |
| Special Assessment Bonds Issued              | 765,000          | 1,515,000   | 793,250     | (721,750)   |
| Bond Anticipation Notes Issued               | 0                | 0           | 750,000     | 750,000   |
| Advances Out                                 | 0                | (20,000)    | (20,000)    | 0   |
| Transfers Out                                | 0                | (296,525)   | (296,525)   | 0   |
| <i>Total Other Financing Sources (Uses)</i>  | 765,000          | 1,198,475   | 1,226,725   | 28,250  |
| <i>Net Change in Fund Balance</i>            | (112,470)        | (141,635)   | (77,653)    | 63,982  |
| <i>Fund Balance Beginning of Year</i>        | 107,798          | 107,798     | 107,798     | 0   |
| Prior Year Encumbrances Appropriated         | 34,720           | 34,720      | 34,720      | 0   |
| <i>Fund Balance End of Year</i>              | \$30,048         | \$883       | \$64,865    | \$63,982  |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public Utility Improvement Fund*  
*For the Year Ended December 31, 2005*

|   | Budgeted Amounts |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|------------------|---|
|   | Original         | Final            | Actual           |   |
| <b>Revenues</b>                             |                  |                  |                  |   |
| Licenses and Permits                        | \$33,500         | \$33,500         | \$56,030         | \$22,530  |
| Interest                                    | 3,000            | 3,000            | 11,669           | 8,669   |
| Miscellaneous                               | 437,000          | 437,000          | 240,059          | (196,941)   |
| <i>Total Revenues</i>                       | <u>473,500</u>   | <u>473,500</u>   | <u>307,758</u>   | <u>(165,742)</u>  |
| <b>Expenditures</b>                         |                  |                  |                  |   |
| Capital Outlay:                             |                  |                  |                  |   |
| Purchased Services                          | 2,000            | 2,000            | 1,273            | 727   |
| Capital Outlay                              | 352,048          | 367,048          | 50,726           | 316,322   |
| <i>Total Expenditures</i>                   | <u>354,048</u>   | <u>369,048</u>   | <u>51,999</u>    | <u>317,049</u>  |
| <i>Excess of Revenues Over Expenditures</i> | <u>119,452</u>   | <u>104,452</u>   | <u>255,759</u>   | <u>151,307</u>  |
| <b>Other Financing Sources (Uses)</b>       |                  |                  |                  |   |
| Special Assessment Bonds Issued             | 0                | 0                | 62,637           | 62,637  |
| Advances Out                                | (300,000)        | (300,000)        | (300,000)        | 0   |
| Transfers Out                               | (28,782)         | (28,782)         | (28,782)         | 0   |
| <i>Total Other Financing Sources (Uses)</i> | <u>(328,782)</u> | <u>(328,782)</u> | <u>(266,145)</u> | <u>62,637</u>   |
| <i>Net Change in Fund Balance</i>           | (209,330)        | (224,330)        | (10,386)         | 213,944   |
| <i>Fund Balance Beginning of Year</i>       | 354,606          | 354,606          | 354,606          | 0   |
| Prior Year Encumbrances Appropriated        | 138,548          | 138,548          | 138,548          | 0   |
| <i>Fund Balance End of Year</i>             | <u>\$283,824</u> | <u>\$268,824</u> | <u>\$482,768</u> | <u>\$213,944</u>  |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Self Insurance Fund*  
*For the Year Ended December 31, 2005*

|                                      | <u>Budgeted Amounts</u> |                  |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|-------------------------|------------------|------------------|---|
|                                      | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    |   |
| <b>Revenues</b>                      |                         |                  |                  |   |
| Charges for Services                 | \$1,504,000             | \$1,504,000      | \$1,012,795      | (\$491,205)   |
| Interest                             | 3,000                   | 3,000            | 10,929           | 7,929   |
| Miscellaneous                        | 100,000                 | 100,000          | 2,325            | (97,675)  |
| <i>Total Revenues</i>                | <u>1,607,000</u>        | <u>1,607,000</u> | <u>1,026,049</u> | <u>(580,951)</u>  |
| <b>Expenses</b>                      |                         |                  |                  |   |
| Purchased Services                   | 463,865                 | 463,865          | 241,102          | 222,763   |
| Claims                               | 1,159,700               | 1,159,700        | 819,591          | 340,109   |
| <i>Total Expenses</i>                | <u>1,623,565</u>        | <u>1,623,565</u> | <u>1,060,693</u> | <u>562,872</u>  |
| <i>Net Change in Fund Equity</i>     | (16,565)                | (16,565)         | (34,644)         | (18,079)  |
| <i>Fund Equity Beginning of Year</i> | 193,284                 | 193,284          | 193,284          | 0   |
| Prior Year Encumbrances Appropriated | 16,565                  | 16,565           | 16,565           | 0   |
| <i>Fund Equity End of Year</i>       | <u>\$193,284</u>        | <u>\$193,284</u> | <u>\$175,205</u> | <u>(\$18,079)</u>                                       |

**City of Brecksville, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Cemetery Endowment Fund*  
*For the Year Ended December 31, 2005*

|                                      | <u>Budgeted Amounts</u> |              |                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|-------------------------|--------------|----------------|---|
|                                      | <u>Original</u>         | <u>Final</u> | <u>Actual</u>  |   |
| <b>Revenues</b>                      |                         |              |                |   |
| Interest                             | \$2                     | \$0          | \$25           | \$25  |
| <b>Expenses</b>                      |                         |              |                |   |
| Materials and Supplies               | 3,200                   | 3,200        | 125            | 3,075   |
| <i>Net Change in Fund Equity</i>     | (3,198)                 | (3,200)      | (100)          | 3,100   |
| <i>Fund Equity Beginning of Year</i> | 3,216                   | 3,216        | 3,216          | 0   |
| <i>Fund Equity End of Year</i>       | <u>\$18</u>             | <u>\$16</u>  | <u>\$3,116</u> | <u>\$3,100</u>  |

## Statistical Section

This part of the City of Brecksville, 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.

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| <b>Contents</b>  | <b>Pages(s)</b>         |
|--|-------------------------|
| <b><i>Financial Trends</i></b> .....   | <b><i>S3 – S11</i></b>  |
| 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> .....   | <b><i>S12 – S19</i></b> |
| These schedules contain information to help the reader assess the City's most significant local revenue, the property tax and the municipal income tax.  |                         |
| <b><i>Debt Capacity</i></b> .....  | <b><i>S20 – S23</i></b> |
| 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> .....   | <b><i>S24 – S25</i></b> |
| 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> .....  | <b><i>S26 – S29</i></b> |
| 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 2000; schedules presenting government-wide information include information beginning in that year.

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

|   | 2005                | 2004                | 2003                | 2002                | 2001                | 2000                | 1999                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities                         |                     |                     |                     |                     |                     |                     |                     |
| Invested in Capital Assets, Net of Related Debt | \$55,145,792        | \$52,108,292        | \$45,138,862        | \$38,639,023        | \$34,795,536        | \$30,614,461        | \$26,856,600        |
| Restricted:                                     |                     |                     |                     |                     |                     |                     |                     |
| Capital Projects                                | 6,284,699           | 4,953,157           | 6,896,322           | 6,919,152           | 4,904,140           | 4,923,709           | 1,102,122           |
| Debt Service                                    | 5,320,046           | 4,493,213           | 4,786,541           | 6,111,400           | 6,344,837           | 2,831,673           | 5,021,316           |
| Fire Department                                 | 429,565             | 370,646             | 265,884             | N/A                 | N/A                 | N/A                 | N/A                 |
| Community Center                                | 151,056             | 185,522             | 117,212             | N/A                 | N/A                 | N/A                 | N/A                 |
| Street Repair and Maintenance                   | 541,124             | 569,521             | 196,261             | N/A                 | N/A                 | N/A                 | N/A                 |
| Road Maintenance                                | 653,969             | 430,238             | 197,575             | N/A                 | N/A                 | N/A                 | N/A                 |
| Other Purposes                                  | 502,465             | 642,334             | 1,143,615           | 2,854,864           | 2,568,737           | 1,836,373           | 1,848,429           |
| Unrestricted                                    | 7,318,052           | 5,689,748           | 5,494,860           | 6,105,475           | 7,347,422           | 8,652,492           | 12,952,715          |
| <i>Total Governmental Activities Net Assets</i> | <u>\$76,346,768</u> | <u>\$69,442,671</u> | <u>\$64,237,132</u> | <u>\$60,629,914</u> | <u>\$55,960,672</u> | <u>\$48,858,708</u> | <u>\$47,781,182</u> |

Note: 2003 was the first year other purposes were further identified.

**City of Brecksville, Ohio**

*Changes in Net Assets*

*Last Six Years*

*(Accrual Basis of Accounting)*

|  | 2005               | 2004               | 2003               |
|--|--------------------|--------------------|--------------------|
| <b>Program Revenues</b>                          |                    |                    |                    |
| Governmental Activities:                         |                    |                    |                    |
| Charges for Services:                            |                    |                    |                    |
| General Government:                              |                    |                    |                    |
| Legislative and Executive                        | \$87,170           | \$151,662          | \$146,626          |
| Judicial System                                  | 326,593            | 349,991            | 335,897            |
| Public Safety:                                   |                    |                    |                    |
| Police   | 20,849             | 8,841              | 5,774              |
| Fire   | 669                | 2,853              | 2,092              |
| Public Health Services                           | 37,965             | 93,342             | 90,250             |
| Street Construction, Maintenance and Repair      | 0                  | 0                  | 340                |
| Housing and Community Development                | 214,392            | 192,314            | 183,530            |
| Basic Utility Services                           | 56,030             | 39,616             | 56,635             |
| Recreational Activities                          | 884,160            | 782,684            | 717,068            |
| Subtotal - Charges for Services                  | <u>1,627,828</u>   | <u>1,621,303</u>   | <u>1,538,212</u>   |
| Operating Grants and Contributions:              |                    |                    |                    |
| General Government:                              |                    |                    |                    |
| Legislative and Executive                        | 1,330              | 11,400             | 5,781              |
| Public Safety:                                   |                    |                    |                    |
| Police   | 33,445             | 41,675             | 21,666             |
| Fire   | 7,584              | 0                  | 6,525              |
| Street Construction, Maintenance and Repair      | 638,155            | 637,407            | 539,875            |
| Housing and Community Development                | 2,281              | 0                  | 0                  |
| Basic Utility Services                           | 7,745              | 5,907              | 11,666             |
| Recreational Activities                          | 8,846              | 4,836              | 3,348              |
| Subtotal - Operating Grants and Contributions    | <u>699,386</u>     | <u>701,225</u>     | <u>588,861</u>     |
| Capital Grants and Contributions:                |                    |                    |                    |
| General Government                               |                    |                    |                    |
| Legislative and Executive                        | 0                  | 0                  | 95,000             |
| Public Safety:                                   |                    |                    |                    |
| Fire   | 0                  | 0                  | 0                  |
| Public Health Services                           | 0                  | 0                  | 0                  |
| Street Construction, Maintenance and Repair      | 3,018,001          | 1,394,171          | 3,532,626          |
| Basic Utility Services                           | 278,298            | 0                  | 0                  |
| Recreational Activities                          | 0                  | 724,841            | 0                  |
| Subtotal - Capital Grants and Contributions      | <u>3,296,299</u>   | <u>2,119,012</u>   | <u>3,627,626</u>   |
| <i>Total Primary Government Program Revenues</i> | <u>\$5,623,513</u> | <u>\$4,441,540</u> | <u>\$5,754,699</u> |

| 2002               | 2001               | 2000               |
|--------------------|--------------------|--------------------|
| \$214,328          | \$136,062          | \$115,258          |
| 346,837            | 366,916            | 358,507            |
| 40,233             | 55,580             | 21,042             |
| 3,843              | 2,420              | 1,982              |
| 19,691             | 28,734             | 26,997             |
| 330                | 1,420              | 15,768             |
| 162,026            | 127,232            | 179,512            |
| 0                  | 77,320             | 77,010             |
| 602,448            | 605,477            | 574,423            |
| <u>1,389,736</u>   | <u>1,401,161</u>   | <u>1,370,499</u>   |
| 4,696              | 13,368             | 5,365              |
| 41,587             | 26,555             | 32,799             |
| 5,542              | 6,200              | 154,401            |
| 479,926            | 441,349            | 398,028            |
| 222,928            | 27,325             | 0                  |
| 20,000             | 0                  | 23,400             |
| 3,684              | 726                | 39,794             |
| <u>778,363</u>     | <u>515,523</u>     | <u>653,787</u>     |
| 0                  | 0                  | 0                  |
| 4,050              | 0                  | 0                  |
| 0                  | 30,000             | 0                  |
| 1,436,541          | 0                  | 0                  |
| 43,490             | 2,201,667          | 0                  |
| 23,440             | 200,000            | 0                  |
| <u>1,507,521</u>   | <u>2,431,667</u>   | <u>0</u>           |
| <u>\$3,675,620</u> | <u>\$4,348,351</u> | <u>\$2,024,286</u> |

(continued)

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

|   | 2005                  | 2004                  | 2003                  |
|---|-----------------------|-----------------------|-----------------------|
| <b>Expenses</b>   |                       |                       |                       |
| Governmental Activities:                                |                       |                       |                       |
| General Government:                                     |                       |                       |                       |
| Legislative and Executive                               | \$4,355,622           | \$4,246,585           | \$4,135,163           |
| Judicial System   | 157,222               | 151,584               | 151,387               |
| Public Safety:  |                       |                       |                       |
| Police  | 3,811,772             | 3,930,138             | 3,901,614             |
| Fire  | 2,027,052             | 1,862,540             | 1,964,919             |
| Public Health Services                                  | 122,266               | 113,498               | 118,442               |
| Street Construction, Maintenance and Repair             | 4,280,735             | 3,433,446             | 4,132,195             |
| Housing and Community Development                       | 1,079,752             | 860,061               | 1,186,316             |
| Basic Utility Services                                  | 1,946,379             | 2,457,634             | 1,884,812             |
| Recreational Activities                                 | 1,466,915             | 1,568,851             | 1,859,992             |
| Interest and Fiscal Charges                             | 725,075               | 496,051               | 519,414               |
| <i>Total Governmental Activities Expenses</i>           | <u>19,972,790</u>     | <u>19,120,388</u>     | <u>19,854,254</u>     |
| <b>Net (Expense)/Revenue</b>                            |                       |                       |                       |
| Governmental Activities                                 | <u>(\$14,349,277)</u> | <u>(\$14,678,848)</u> | <u>(\$14,099,555)</u> |
| <b>General Revenues and Other Changes in Net Assets</b> |                       |                       |                       |
| Governmental Activities                                 |                       |                       |                       |
| Taxes:  |                       |                       |                       |
| Property and Other Local Taxes Levied For:              |                       |                       |                       |
| General Purposes  | \$1,832,776           | \$1,772,674           | \$1,646,088           |
| Fire Department   | 1,777,908             | 1,716,753             | 1,593,930             |
| Streets   | 522,913               | 504,927               | 468,802               |
| Police Department                                       | 156,874               | 151,478               | 140,640               |
| Debt Service  | 256,235               | 245,481               | 278,400               |
| Other Purposes  | 0                     | 0                     | 0                     |
| Municipal Income Taxes levied for:                      |                       |                       |                       |
| General Purposes  | 11,350,171            | 10,309,796            | 8,930,938             |
| Capital Outlay  | 2,495,169             | 2,452,992             | 2,442,323             |
| Grants and Entitlements not Restricted to               |                       |                       |                       |
| Specific Programs                                       | 1,494,661             | 1,760,102             | 1,307,353             |
| Investment Earnings                                     | 644,426               | 594,442               | 634,052               |
| Gain on Sale of Capital Assets                          | 0                     | 0                     | 16,532                |
| Miscellaneous   | 722,241               | 375,742               | 247,880               |
| <i>Total Governmental Activities</i>                    | <u>\$21,253,374</u>   | <u>\$19,884,387</u>   | <u>\$17,706,938</u>   |
| <b>Change in Net Assets</b>                             |                       |                       |                       |
| Governmental Activities                                 | <u>\$6,904,097</u>    | <u>\$5,205,539</u>    | <u>\$3,607,383</u>    |

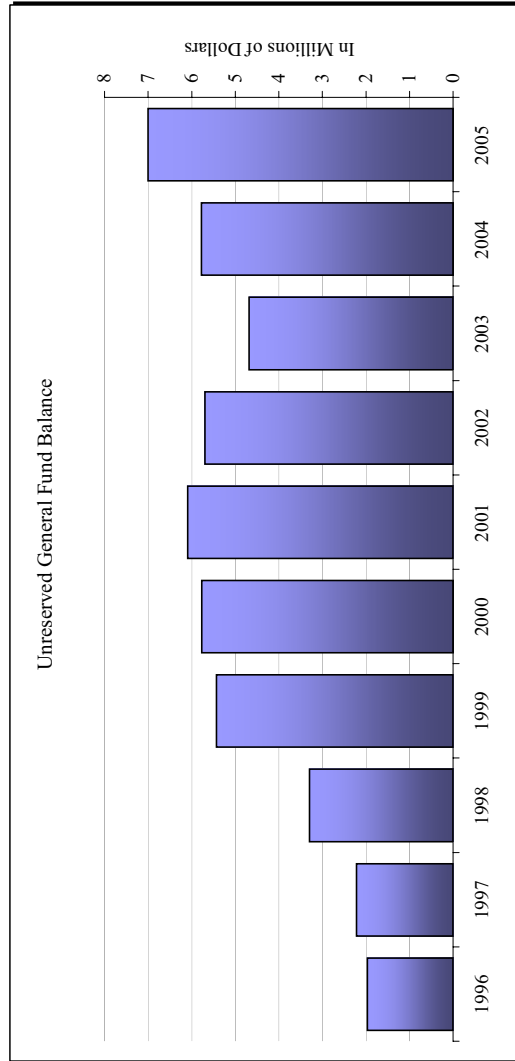
| 2002           | 2001           | 2000           |
|----------------|----------------|----------------|
| \$4,088,405    | \$3,793,602    | \$3,478,288    |
| 158,683        | 125,666        | 154,482        |
| 3,655,090      | 3,060,371      | 3,078,248      |
| 1,374,110      | 1,738,761      | 1,533,443      |
| 145,378        | 54,214         | 96,675         |
| 2,784,828      | 2,760,673      | 4,486,001      |
| 830,697        | 883,503        | 782,844        |
| 1,701,700      | 1,659,828      | 2,019,430      |
| 1,522,030      | 1,437,308      | 1,343,632      |
| 577,384        | 651,325        | 686,151        |
| 16,838,305     | 16,165,251     | 17,659,194     |
| (\$13,162,685) | (\$11,816,900) | (\$15,634,908) |
| \$1,586,320    | \$1,574,747    | \$1,422,726    |
| 1,535,769      | 0              | 0              |
| 0              | 0              | 0              |
| 0              | 0              | 0              |
| 221,332        | 219,672        | 198,407        |
| 587,206        | 2,107,068      | 1,929,684      |
| 8,684,168      | 9,806,736      | 9,606,196      |
| 2,376,998      | 2,380,619      | 2,651,311      |
| 1,781,468      | 1,186,863      | 1,310,106      |
| 714,986        | 964,378        | 950,457        |
| 18,321         | 1,915          | 0              |
| 325,194        | 676,866        | 248,960        |
| \$17,831,762   | \$18,918,864   | \$18,317,847   |
| \$4,669,077    | \$7,101,964    | \$2,682,939    |

**City of Brecksville, Ohio**  
*Program Revenues by Function/Program*  
*Last Six Years*  
*(Accrual Basis of Accounting)*

|   | 2005               | 2004               | 2003               | 2002               | 2001               | 2000               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Function/Program</b>                     |                    |                    |                    |                    |                    |                    |
| <b>Governmental Activities:</b>             |                    |                    |                    |                    |                    |                    |
| General Government                          |                    |                    |                    |                    |                    |                    |
| Legislative and Executive                   | \$88,500           | \$163,062          | \$247,407          | \$219,024          | \$149,430          | \$120,623          |
| Judicial System                             | 326,593            | 349,991            | 335,897            | 346,837            | 366,916            | 358,507            |
| Public Safety:                              |                    |                    |                    |                    |                    |                    |
| Police                                      | 54,294             | 50,516             | 27,440             | 81,820             | 82,135             | 53,841             |
| Fire  | 8,253              | 2,853              | 8,617              | 13,435             | 8,620              | 156,383            |
| Public Health Services                      | 37,965             | 93,342             | 90,250             | 19,691             | 58,734             | 26,997             |
| Street Construction, Maintenance and Repair | 3,656,156          | 2,031,578          | 4,072,841          | 1,916,797          | 442,769            | 413,796            |
| Housing and Community Development           | 216,673            | 192,314            | 183,530            | 384,954            | 154,557            | 179,512            |
| Basic Utility Services                      | 342,073            | 770,364            | 68,301             | 63,490             | 2,278,987          | 100,410            |
| Recreational Activities                     | 893,006            | 787,520            | 720,416            | 629,572            | 806,203            | 614,217            |
| <b>Total Governmental Activities</b>        | <b>\$5,623,513</b> | <b>\$4,441,540</b> | <b>\$5,754,699</b> | <b>\$3,675,620</b> | <b>\$4,348,351</b> | <b>\$2,024,286</b> |

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

|  | 2005         | 2004         | 2003         | 2002         | 2001         | 2000        | 1999        | 1998        | 1997        | 1996        |
|--|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
| <b>General Fund</b>                    |              |              |              |              |              |             |             |             |             |             |
| Reserved                               | \$205,703    | \$152,799    | \$129,821    | \$186,479    | \$348,005    | \$281,273   | \$362,971   | \$155,610   | \$151,099   | \$131,207   |
| Unreserved                             | 7,000,511    | 5,774,941    | 4,678,964    | 5,695,626    | 6,090,302    | 5,766,370   | 5,430,188   | 3,291,906   | 2,215,031   | 1,964,375   |
| Total General Fund                     | 7,206,214    | 5,927,740    | 4,808,785    | 5,882,105    | 6,438,307    | 6,047,643   | 5,793,159   | 3,447,516   | 2,366,130   | 2,095,582   |
| <b>All Other Governmental Funds</b>    |              |              |              |              |              |             |             |             |             |             |
| Reserved                               | 2,405,842 *  | 8,161,824    | 2,708,943    | 3,026,921    | 1,328,730    | 2,544,652   | 2,161,410   | 1,705,698   | 646,174     | 774,570     |
| Unreserved, Undesignated, Reported in: |              |              |              |              |              |             |             |             |             |             |
| Special Revenue funds                  | 1,493,502    | 1,573,035    | 1,382,265    | 1,464,777    | 2,238,089    | 1,363,394   | 1,161,784   | 1,014,893   | 1,231,074   | 891,679     |
| Debt Service funds                     | 757,229      | 542,934      | 719,213      | 478,266      | 394,277      | 323,042     | 247,845     | 216,972     | 168,331     | 145,850     |
| Capital Projects funds (Deficit)       | 2,841,013    | 2,476,285    | 4,261,747    | 3,648,220    | 3,416,467    | (1,966,079) | (849,546)   | 1,410,375   | 1,659,551   | (231,864)   |
| Total All Other Governmental Funds     | 7,497,586    | 12,754,078   | 9,072,168    | 8,618,184    | 7,377,563    | 2,265,009   | 2,721,493   | 4,347,938   | 3,705,130   | 1,580,235   |
| <b>Total Governmental Funds</b>        | \$14,703,800 | \$18,681,818 | \$13,880,953 | \$14,500,289 | \$13,815,870 | \$8,312,652 | \$8,514,652 | \$7,795,454 | \$6,071,260 | \$3,675,817 |



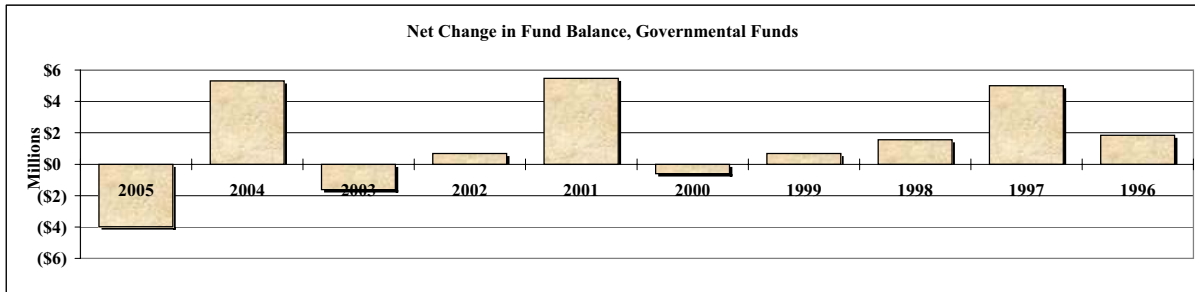
\* The large change from the prior year is due to encumbrances for the construction of the Human Services facility in the prior year.

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

|   | 2005                 | 2004               | 2003                 | 2002              | 2001               | 2000               |
|---|----------------------|--------------------|----------------------|-------------------|--------------------|--------------------|
| <b>Revenues</b>                                     |                      |                    |                      |                   |                    |                    |
| Taxes (1)   | \$18,112,579         | \$18,163,891       | \$15,798,469         | \$15,605,768      | \$16,544,343       | \$14,872,585       |
| Charges for Services                                | 780,783              | 763,763            | 757,802              | 621,980           | 640,568            | 569,601            |
| Licenses and Permits                                | 426,845              | 433,896            | 382,356              | 335,530           | 290,325            | 376,390            |
| Fines and Forfeitures                               | 315,131              | 331,702            | 321,007              | 353,697           | 394,319            | 356,597            |
| Intergovernmental                                   | 3,381,031            | 3,445,386          | 2,776,961            | 3,496,062         | 1,869,874          | 1,922,782          |
| Special Assessments                                 | 723,870              | 335,895            | 327,902              | 325,000           | 265,000            | 510,618            |
| Interest  | 633,497              | 587,077            | 629,781              | 714,986           | 960,118            | 973,121            |
| Sales   | 0                    | 0                  | 0                    | 0                 | 0                  | 0                  |
| Donations   | 13,142               | 32,231             | 9,734                | 8,611             | 15,130             | 11,227             |
| Rentals   | 105,069              | 91,942             | 77,047               | 150,939           | 75,949             | 75,186             |
| Miscellaneous                                       | 719,916              | 270,539            | 223,698              | 415,384           | 641,602            | 245,914            |
| <b>Total Revenues</b>                               | <b>25,211,863</b>    | <b>24,456,322</b>  | <b>21,304,757</b>    | <b>22,027,957</b> | <b>21,697,228</b>  | <b>19,914,021</b>  |
| <b>Expenditures</b>                                 |                      |                    |                      |                   |                    |                    |
| Current:  |                      |                    |                      |                   |                    |                    |
| General Government: (2)                             |                      |                    |                      |                   |                    |                    |
| Legislative and Executive                           | 4,332,900            | 4,142,258          | 4,024,845            | 3,490,750         | 3,606,295          | 3,393,415          |
| Judicial System                                     | 157,402              | 148,162            | 150,947              | 154,019           | 132,114            | 156,667            |
| Public Safety: (2)                                  |                      |                    |                      |                   |                    |                    |
| Police  | 3,710,648            | 3,853,278          | 3,699,440            | 3,419,938         | 3,250,985          | 3,111,668          |
| Fire  | 1,866,348            | 1,797,479          | 1,845,131            | 1,641,677         | 1,521,449          | 1,505,903          |
| Public Health Services                              | 123,716              | 119,739            | 118,588              | 142,703           | 103,780            | 93,325             |
| Street Construction, Maintenance and Repair         | 3,060,674            | 2,803,466          | 3,327,036            | 2,568,880         | 2,299,218          | 2,478,337          |
| Housing and Community Development                   | 835,066              | 818,070            | 1,183,455            | 963,679           | 761,285            | 646,989            |
| Basic Utilities Services                            | 1,678,032            | 1,593,358          | 1,640,660            | 1,324,054         | 1,246,551          | 1,289,244          |
| Recreational Activities                             | 1,655,893            | 1,781,954          | 1,661,078            | 1,492,749         | 1,264,053          | 1,151,375          |
| Capital Outlay                                      | 13,663,395           | 8,203,769          | 3,997,138            | 4,825,124         | 2,959,846          | 5,369,478          |
| Debt Service:                                       |                      |                    |                      |                   |                    |                    |
| Principal Retirement                                | 1,880,949            | 2,040,170          | 1,810,170            | 760,170           | 685,170            | 660,170            |
| Repayment to Refunded Bond Escrow Agent             | 0                    | 12,867             | 0                    | 0                 | 0                  | 0                  |
| Interest and Fiscal Charges                         | 722,436              | 437,710            | 502,644              | 584,633           | 617,742            | 689,069            |
| Bond Issuance Costs                                 | 0                    | 141,470            | 0                    | 0                 | 0                  | 0                  |
| <b>Total Expenditures</b>                           | <b>33,687,459</b>    | <b>27,893,750</b>  | <b>23,961,132</b>    | <b>21,368,376</b> | <b>18,448,488</b>  | <b>20,545,640</b>  |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <i>(8,475,596)</i>   | <i>(3,437,428)</i> | <i>(2,656,375)</i>   | <i>659,581</i>    | <i>3,248,740</i>   | <i>(631,619)</i>   |
| <b>Other Financing Sources (Uses)</b>               |                      |                    |                      |                   |                    |                    |
| Bond Anticipation Notes Issued                      | 1,550,000            | 2,550,000          | 1,000,000            | 0                 | 0                  | 0                  |
| General Obligation Bonds Issued                     | 4,205,000            | 7,785,000          | 0                    | 0                 | 2,200,000          | 0                  |
| Special Assessment Bonds Issued                     | 1,240,000            | 0                  | 0                    | 0                 | 0                  | 0                  |
| OPWC Loan Issued                                    | 231,143              | 0                  | 0                    | 0                 | 0                  | 0                  |
| Premium on Issuance of Debt                         | 78,615               | 115,282            | 0                    | 0                 | 0                  | 0                  |
| Payment to Refunded Bond Escrow Agent               | 0                    | (1,739,483)        | 0                    | 0                 | 0                  | 0                  |
| Payment to Refund Notes                             | (2,850,000)          | 0                  | 0                    | 0                 | 0                  | 0                  |
| Sale of Capital Assets                              | 42,820               | 32,446             | 29,193               | 24,838            | 21,281             | 39,621             |
| Transfers In  | 4,254,600            | 5,386,125          | 6,465,396            | 6,082,372         | 6,157,935          | 5,521,290          |
| Transfers Out                                       | (4,254,600)          | (5,386,125)        | (6,465,396)          | (6,082,372)       | (6,157,935)        | (5,521,290)        |
| <b>Total Other Financing Sources (Uses)</b>         | <b>4,497,578</b>     | <b>8,743,245</b>   | <b>1,029,193</b>     | <b>24,838</b>     | <b>2,221,281</b>   | <b>39,621</b>      |
| <b>Net Change in Fund Balances</b>                  | <b>(\$3,978,018)</b> | <b>\$5,305,817</b> | <b>(\$1,627,182)</b> | <b>\$684,419</b>  | <b>\$5,470,021</b> | <b>(\$591,998)</b> |

Debt Service as a Percentage of Noncapital Expenditures

|      |       |      |       |      |       |      |      |      |      |      |      |
|------|-------|------|-------|------|-------|------|------|------|------|------|------|
| 2005 | 14.9% | 2004 | 15.4% | 2003 | 13.1% | 2002 | 8.8% | 2001 | 9.2% | 2000 | 9.8% |
|------|-------|------|-------|------|-------|------|------|------|------|------|------|



(1) Includes All Taxes  
(2) 2000 was the first year subcategories were identified for general government and public safety



| 1999         | 1998         | 1997         | 1996         |
|--------------|--------------|--------------|--------------|
| \$14,463,984 | \$13,452,239 | \$11,907,637 | \$11,815,080 |
| 532,604      | 546,933      | 556,004      | 542,863      |
| 317,020      | 271,021      | 281,453      | 295,622      |
| 375,327      | 310,979      | 297,455      | 305,126      |
| 2,087,824    | 1,895,182    | 1,630,733    | 2,301,107    |
| 495,518      | 479,277      | 407,245      | 402,673      |
| 655,703      | 461,111      | 327,063      | 254,490      |
| 20,519       | 23,033       | 58,848       | 46,846       |
| 50,785       | 50,111       | 62,512       | 41,825       |
| 50,351       | 48,677       | 72,889       | 56,523       |
| 200,843      | 361,336      | 59,987       | 39,189       |
| 19,250,478   | 17,899,899   | 15,661,826   | 16,101,344   |
| 3,369,331    | 3,029,340    | 2,864,953    | 2,926,802    |
| N/A          | N/A          | N/A          | N/A          |
| N/A          | N/A          | N/A          | N/A          |
| 4,457,722    | 4,411,141    | 4,048,103    | 3,870,920    |
| N/A          | N/A          | N/A          | N/A          |
| N/A          | N/A          | N/A          | N/A          |
| 103,603      | 90,101       | 94,558       | 77,667       |
| 2,313,386    | 2,289,444    | 1,995,451    | 2,059,219    |
| 606,612      | 622,808      | 527,055      | 396,906      |
| 1,182,446    | 1,104,936    | 1,162,420    | 1,058,603    |
| 1,122,847    | 1,032,279    | 1,054,206    | 933,192      |
| 4,278,188    | 2,606,384    | 1,499,830    | 2,177,856    |
| 624,558      | 579,449      | 572,244      | 585,118      |
| 0            | 0            | 0            | 0            |
| 646,856      | 600,691      | 593,253      | 606,569      |
| 0            | 0            | 0            | 0            |
| 18,705,549   | 16,366,573   | 14,412,073   | 14,692,852   |
| 544,929      | 1,533,326    | 1,249,753    | 1,408,492    |
| 0            | 0            | 0            | 0            |
| 106,372      | 0            | 3,752,659    | 427,145      |
| 0            | 0            | 0            | 0            |
| 0            | 0            | 0            | 0            |
| 0            | 0            | 0            | 0            |
| 0            | 0            | 0            | 0            |
| 0            | 0            | 0            | 0            |
| 26,212       | 34,126       | 329          | 0            |
| 2,089,809    | 3,100,098    | 2,183,308    | 2,211,787    |
| (2,089,809)  | (3,100,098)  | (2,183,308)  | (2,211,787)  |
| 132,584      | 34,126       | 3,752,988    | 427,145      |
| \$677,513    | \$1,567,452  | \$5,002,741  | \$1,835,637  |
| 9.7%         | 9.4%         | 9.9%         | 10.5%        |

**City of Brecksville, Ohio**  
*Tax Revenues by Source, Governmental Funds*  
*Last Ten Years*  
*(Modified Accrual Basis of Accounting)*

| Year | Property Taxes | Municipal Income<br>Taxes | Total        |
|------|----------------|---------------------------|--------------|
| 2005 | \$4,398,890    | \$13,713,689              | \$18,112,579 |
| 2004 | 4,416,858      | 13,747,033                | 18,163,891   |
| 2003 | 4,133,286      | 11,665,183                | 15,798,469   |
| 2002 | 3,933,762      | 11,672,006                | 15,605,768   |
| 2001 | 3,902,864      | 12,641,479                | 16,544,343   |
| 2000 | 3,486,225      | 11,386,360                | 14,872,585   |
| 1999 | 3,417,784      | 11,046,200                | 14,463,984   |
| 1998 | 3,228,537      | 10,223,702                | 13,452,239   |
| 1997 | 2,857,833      | 9,049,804                 | 11,907,637   |
| 1996 | 2,835,619      | 8,979,461                 | 11,815,080   |

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

| Collection<br>Year | Real Property | Public Utility<br>Property | Tangible<br>Personal Property | Total         | Estimated (1)<br>True Values of<br>Taxable Property |
|--------------------|---------------|----------------------------|-------------------------------|---------------|---|
| 2005               | \$524,738,060 | \$20,730,430               | \$29,751,764                  | \$575,220,254 | \$1,641,815,963                                     |
| 2004               | 513,822,370   | 21,523,860                 | 28,958,950                    | 564,305,180   | 1,608,358,646                                       |
| 2003               | 478,490,900   | 20,984,450                 | 29,509,649                    | 528,984,999   | 1,509,001,419                                       |
| 2002               | 460,952,210   | 21,668,560                 | 30,013,647                    | 512,634,417   | 1,461,684,266                                       |
| 2001               | 447,218,260   | 33,447,710                 | 27,244,402                    | 507,910,372   | 1,424,752,827                                       |
| 2000               | 391,765,310   | 34,466,070                 | 27,974,748                    | 454,206,128   | 1,270,394,438                                       |
| 1999               | 386,598,490   | 35,334,490                 | 27,789,077                    | 449,722,057   | 1,255,876,252                                       |
| 1998               | 376,944,390   | 35,441,760                 | 32,077,445                    | 444,463,595   | 1,245,568,479                                       |
| 1997               | 346,920,010   | 25,843,020                 | 26,554,299                    | 399,317,329   | 1,126,784,293                                       |
| 1996               | 340,516,200   | 26,291,450                 | 24,021,325                    | 390,828,975   | 1,098,865,376                                       |

Source: Cuyahoga County, Ohio; County Auditor

- (1) For 2003 through 2005, this amount is calculated based on the following percentages:  
 Real property is assessed at thirty-five percent of actual value.  
 Public utility is assessed at eighty-eight percent of actual value.  
 Tangible personal is assessed at twenty-five percent of true value for capital assets  
 and twenty-three percent of true value for inventory.

**City of Brecksville, Ohio**  
*Property Tax Rates - Direct and Overlapping Governments*  
*(Per \$1,000 of Assessed Valuation)*  
*Last Ten Years*

|                               | 2005                   | 2004                   | 2003                   | 2002                   | 2001                   |
|-------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Unvoted Millage</b>        |                        |                        |                        |                        |                        |
| Operating                     | \$3.5100               | \$3.5100               | \$3.5100               | \$3.5100               | \$3.5100               |
| Police Pension                | 0.3000                 | 0.3000                 | 0.3000                 | 0.3000                 | 0.3000                 |
| <i>Total Unvoted Millage</i>  | <u>3.8100</u>          | <u>3.8100</u>          | <u>3.8100</u>          | <u>3.8100</u>          | <u>3.8100</u>          |
| <b>Charter Millage</b>        |                        |                        |                        |                        |                        |
| 1982 Charter/Fire             | 3.4000                 | 3.4000                 | 3.4000                 | 3.4000                 | 3.4000                 |
| 1987 Charter/Road Improvement | 1.0000                 | 1.0000                 | 1.0000                 | 1.0000                 | 1.0000                 |
| <i>Total Charter Millage</i>  | <u>4.4000</u>          | <u>4.4000</u>          | <u>4.4000</u>          | <u>4.4000</u>          | <u>4.4000</u>          |
| <b>Voted Millage</b>          |                        |                        |                        |                        |                        |
| Library                       | 0.4900                 | 0.4900                 | 0.4900                 | 0.4900                 | 0.4900                 |
| <b>Total Millage</b>          | <u><u>\$8.7000</u></u> | <u><u>\$8.7000</u></u> | <u><u>\$8.7000</u></u> | <u><u>\$8.7000</u></u> | <u><u>\$8.7000</u></u> |

**Overlapping Rates by Taxing District**

|  |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|
| Brecksville-Broadview Heights City School District |           |           |           |           |           |
| Residential/Agricultural Real                      | \$39.9810 | \$40.2141 | \$34.0346 | \$36.0269 | \$36.0663 |
| Commerical/Industrial and Public Utility Real      | 46.3680   | 46.4754   | 40.5435   | 41.7308   | 41.8723   |
| General Business and Public Utility Personal       | 77.4000   | 77.6000   | 71.4000   | 71.5000   | 71.5000   |
| Cuyahoga Valley Career Center                      |           |           |           |           |           |
| Residential/Agricultural Real                      | \$2.0000  | \$2.0000  | \$2.0000  | \$2.0000  | \$2.0000  |
| Commerical/Industrial and Public Utility Real      | 2.0000    | 2.0000    | 2.0000    | 2.0000    | 2.0000    |
| General Business and Public Utility Personal       | 2.0000    | 2.0000    | 2.0000    | 2.0000    | 2.0000    |
| Cuyahoga County Commissioner                       |           |           |           |           |           |
| Residential/Agricultural Real                      | 11.7227   | 10.9754   | 10.9899   | 12.4609   | 11.3815   |
| Commerical/Industrial and Public Utility Real      | 12.5762   | 11.9846   | 12.0433   | 12.8764   | 12.0023   |
| General Business and Public Utility Personal       | 13.5200   | 13.5200   | 13.5200   | 14.6500   | 14.6500   |
| Special Taxing Districts (1)                       |           |           |           |           |           |
| Residential/Agricultural Real                      | 6.2900    | 6.2880    | 4.7783    | 2.5323    | 2.5354    |
| Commerical/Industrial and Public Utility Real      | 6.5552    | 6.5067    | 5.1811    | 2.5497    | 2.5320    |
| General Business and Public Utility Personal       | 6.7800    | 6.7800    | 5.8800    | 2.9500    | 2.9500    |

Source: Cuyahoga County Auditor

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

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

Charter millage is consistently applied to all types of property as opposed to the voted levies of the overlapping taxing districts.

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

(1) Metro Parks, Port Authority, County Library, Community College

| 2000     | 1999     | 1998     | 1997     | 1996     |
|----------|----------|----------|----------|----------|
| \$3.5100 | \$3.5100 | \$3.5100 | \$3.5100 | \$3.5100 |
| 0.3000   | 0.3000   | 0.3000   | 0.3000   | 0.3000   |
| 3.8100   | 3.8100   | 3.8100   | 3.8100   | 3.8100   |
| 3.4000   | 3.4000   | 3.4000   | 3.4000   | 3.4000   |
| 1.0000   | 1.0000   | 1.0000   | 1.0000   | 1.0000   |
| 4.4000   | 4.4000   | 4.4000   | 4.4000   | 4.4000   |
| 0.4900   | 0.4900   | 0.5900   | 0.5900   | 0.5900   |
| \$8.7000 | \$8.7000 | \$8.8000 | \$8.8000 | \$8.8000 |

|           |           |           |           |           |
|-----------|-----------|-----------|-----------|-----------|
| \$29.5048 | \$32.3342 | \$32.4160 | \$32.5717 | \$27.6272 |
| 35.5571   | 40.3497   | 40.6739   | 40.9081   | 35.6645   |
| 64.8000   | 65.3000   | 65.4000   | 65.5000   | 58.8000   |

|          |          |          |          |          |
|----------|----------|----------|----------|----------|
| \$2.0000 | \$2.0000 | \$2.0000 | \$2.0000 | \$2.0000 |
| 2.0000   | 2.0000   | 2.0000   | 2.0000   | 2.0000   |
| 2.0000   | 2.0000   | 2.0000   | 2.0000   | 2.0000   |

|         |         |         |         |         |
|---------|---------|---------|---------|---------|
| 11.3967 | 11.4114 | 11.4230 | 9.6597  | 10.0197 |
| 11.9298 | 12.3736 | 12.4065 | 11.7001 | 11.7723 |
| 14.6500 | 13.7500 | 13.7500 | 15.0500 | 15.0500 |

|        |        |        |        |        |
|--------|--------|--------|--------|--------|
| 2.5422 | 2.8242 | 2.5610 | 2.5659 | 2.7725 |
| 2.5253 | 2.8923 | 2.7580 | 2.7781 | 2.8647 |
| 2.9500 | 2.9500 | 2.9500 | 2.9500 | 2.9500 |

**City of Brecksville, Ohio**  
*Principal Real Property Taxpayers*  
*12/31/2005 and 12/31/1996*

| <i>December 31, 2005</i>                |   |   |
|---|---|---|
| Taxpayer                                | Real Property<br>Assessed Valuation (1) | Percentage of Total<br>Assessed Valuation |
| Cleveland Electric Illuminating Company | \$15,997,601                            | 3.05 %                                    |
| Ohio Bell Telephone Company             | 11,090,821                              | 2.11                                      |
| PDM Group, Inc                          | 7,742,630                               | 1.48                                      |
| Gateway Association                     | 5,899,845                               | 1.12                                      |
| Grand Bay of Brecksville                | 3,546,025                               | 0.68                                      |
| Zeitler, Louie & Helen                  | 2,953,475                               | 0.56                                      |
| Treeline, Inc                           | 2,823,205                               | 0.54                                      |
| Brecksville Shopping Center             | 2,673,265                               | 0.51                                      |
| Brecksville Corporate Center            | 2,096,080                               | 0.40                                      |
| Fogg-Snowville, LLC                     | 1,835,260                               | 0.35                                      |
| <b>Total</b>                            | <b>\$56,658,207</b>                     | <b>10.80 %</b>                            |
| <b>Total Assessed Valuation</b>         | <b>\$524,738,060</b>                    |   |

| <i>December 31, 1996</i>                      |   |   |
|---|---|---|
| Taxpayer                                      | Real Property<br>Assessed Valuation (1) | Percentage of Total<br>Assessed Valuation |
| Ohio Bell Telephone Company                   | \$8,655,500                             | 2.54 %                                    |
| B.F. Goodrich Company                         | 6,972,000                               | 2.05                                      |
| Grand Bay of Brecksville                      | 2,980,840                               | 0.88                                      |
| Chippewa Place Development Company            | 1,925,010                               | 0.57                                      |
| Brecksville Shopping Center                   | 1,409,350                               | 0.41                                      |
| 312 Company                                   | 1,266,470                               | 0.37                                      |
| Millside Center II Ltd Partnership            | 1,225,000                               | 0.36                                      |
| Brecksville Corporate Center Limited Partners | 1,135,750                               | 0.33                                      |
| South Point Association                       | 1,132,260                               | 0.33                                      |
| Gateway Association III & IV                  | 1,009,060                               | 0.30                                      |
| <b>Total</b>                                  | <b>\$27,711,240</b>                     | <b>8.14 %</b>                             |
| <b>Total Assessed Valuation</b>               | <b>\$340,516,200</b>                    |   |

Source: Cuyahoga County Auditor

NOTE: Property Assessed at 35% of Fair Market Value

**City of Brecksville, Ohio**  
*Property Tax Levies And Collections*  
*Last Ten Years*

| Year | Total Tax Levy | Current Tax Collections | Percent of                          |  | Delinquent Tax Collections | Total Tax Collections (1) | Percent of Total            |                             | Accumulated Outstanding Delinquent Taxes | Percentage of Delinquent Taxes to Total Tax Levy |
|------|----------------|-------------------------|-------------------------------------|--|----------------------------|---------------------------|-----------------------------|-----------------------------|--|--|
|      |                |                         | Current Tax Collections To Tax Levy | Delinquent Tax Collections To Tax Levy |                            |                           | Tax Collections To Tax Levy | Tax Collections To Tax Levy |  |  |
| 2005 | \$5,186,465    | \$4,835,607             | 93.24%                              | \$112,123                              | \$4,947,730                | 95.40%                    | \$162,105                   | 3.13%                       |  |  |
| 2004 | 5,038,544      | 4,681,595               | 92.92                               | 129,800                                | 4,811,394                  | 95.49                     | 198,671                     | 3.94                        |  |  |
| 2003 | 4,845,764      | 4,480,297               | 92.46                               | 132,706                                | 4,613,003                  | 95.20                     | 204,120                     | 4.21                        |  |  |
| 2002 | 4,614,317      | 4,307,338               | 93.35                               | 103,464                                | 4,410,802                  | 95.59                     | 192,446                     | 4.17                        |  |  |
| 2001 | 4,643,484      | 4,258,919               | 91.72                               | 102,292                                | 4,361,211                  | 93.92                     | 178,606                     | 3.85                        |  |  |
| 2000 | 4,106,344      | 3,803,743               | 92.63                               | 74,744                                 | 3,878,487                  | 94.45                     | 179,982                     | 4.38                        |  |  |
| 1999 | 4,120,238      | 3,865,265               | 93.81                               | 109,014                                | 3,974,279                  | 96.46                     | 144,088                     | 3.50                        |  |  |
| 1998 | 4,070,820      | 3,798,879               | 93.32                               | 56,963                                 | 3,855,842                  | 94.72                     | 201,966                     | 4.96                        |  |  |
| 1997 | 3,752,039      | 3,486,876               | 92.93                               | 41,758                                 | 3,528,634                  | 94.05                     | 186,321                     | 4.97                        |  |  |
| 1996 | 3,659,287      | 3,418,036               | 93.41                               | 42,872                                 | 3,460,908                  | 94.58                     | 158,075                     | 4.32                        |  |  |

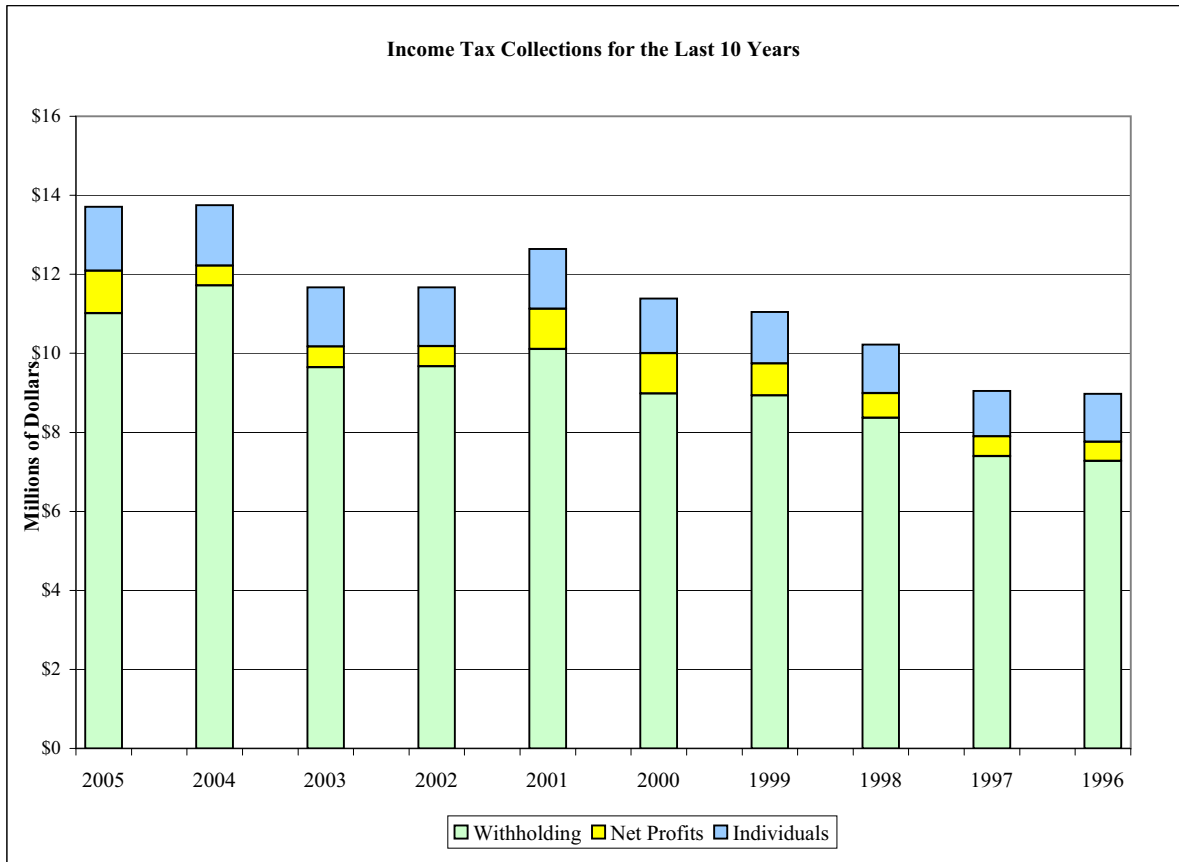
Source: Cuyahoga County, Ohio; County Auditor

(1) State reimbursement of rollback and homestead exemptions are included.

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

**City of Brecksville, Ohio**  
*Income Tax Revenue Base and Collections*  
*(Modified Accrual Basis)*  
*Last Ten Years*

| Tax Year | Tax Rate | Total Tax Collected | Taxes from Withholding | Percentage of Taxes from Withholding | Taxes From Net Profits | Percentage of Taxes from Net Profits | Taxes From Individuals | Percentage of Taxes from Individuals |
|----------|----------|---------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|
| 2005     | 2.00%    | \$13,713,689        | \$11,017,578           | 80.34%                               | \$1,072,410            | 7.82%                                | \$1,623,701            | 11.84%                               |
| 2004     | 2.00     | 13,747,033          | 11,715,222             | 85.22                                | 505,891                | 3.68                                 | 1,525,921              | 11.10                                |
| 2003     | 2.00     | 11,665,183          | 9,647,106              | 82.70                                | 523,767                | 4.49                                 | 1,495,476              | 12.82                                |
| 2002     | 2.00     | 11,672,006          | 9,670,257              | 82.85                                | 507,732                | 4.35                                 | 1,494,017              | 12.80                                |
| 2001     | 2.00     | 12,641,479          | 10,111,919             | 79.99                                | 1,018,903              | 8.06                                 | 1,510,657              | 11.95                                |
| 2000     | 2.00     | 11,386,360          | 8,981,561              | 78.88                                | 1,019,079              | 8.95                                 | 1,384,581              | 12.16                                |
| 1999     | 2.00     | 11,046,200          | 8,935,271              | 80.89                                | 807,477                | 7.31                                 | 1,303,452              | 11.80                                |
| 1998     | 2.00     | 10,223,702          | 8,371,167              | 81.88                                | 620,579                | 6.07                                 | 1,231,956              | 12.05                                |
| 1997     | 2.00     | 9,049,804           | 7,400,025              | 81.77                                | 500,454                | 5.53                                 | 1,148,420              | 12.69                                |
| 1996     | 2.00     | 8,979,461           | 7,275,159              | 81.02                                | 488,483                | 5.44                                 | 1,214,921              | 13.53                                |





**City of Brecksville, Ohio**  
*Income Tax Filers by Income Level*  
*Tax Years 2004 and 1996*

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Tax Year 2004

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| Income Range   | Number of Filers | Percent of Filers | Taxable Income | Percent of Taxable Income |
|----------------|------------------|-------------------|----------------|---------------------------|
| Over 100,000   | 1,564            | 29.52 %           | \$327,284,262  | 70.64 %                   |
| 75,001-100,000 | 588              | 11.10             | 50,990,915     | 11.01                     |
| 50,001-75,000  | 642              | 12.12             | 40,181,654     | 8.67                      |
| 25,000-50,000  | 818              | 15.44             | 30,303,048     | 6.54                      |
| Under 25,000   | 1,687            | 31.84             | 14,520,398     | 3.13                      |
| Total          | 5,299            | 100.00            | \$463,280,277  | 100.00                    |

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Tax Year 1996

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| Income Range   | Number of Filers | Percent of Filers | Taxable Income | Percent of Taxable Income |
|----------------|------------------|-------------------|----------------|---------------------------|
| Over 100,000   | 840              | 15.85 %           | \$140,087,785  | 30.24 %                   |
| 75,001-100,000 | 534              | 10.08             | 46,258,893     | 9.99                      |
| 50,001-75,000  | 781              | 14.74             | 46,593,161     | 10.06                     |
| 25,001-50,000  | 957              | 18.06             | 48,193,161     | 10.40                     |
| 10,000-25,000  | 657              | 12.40             | 11,384,235     | 2.46                      |
| Under 10,000   | 857              | 16.17             | 3,477,297      | 0.75                      |
| Total          | 4,626            | 87.30             | \$295,994,532  | 63.89                     |

Source: Regional Income Tax Agency Data

Note: Tax year 2004 was the most recent information available.

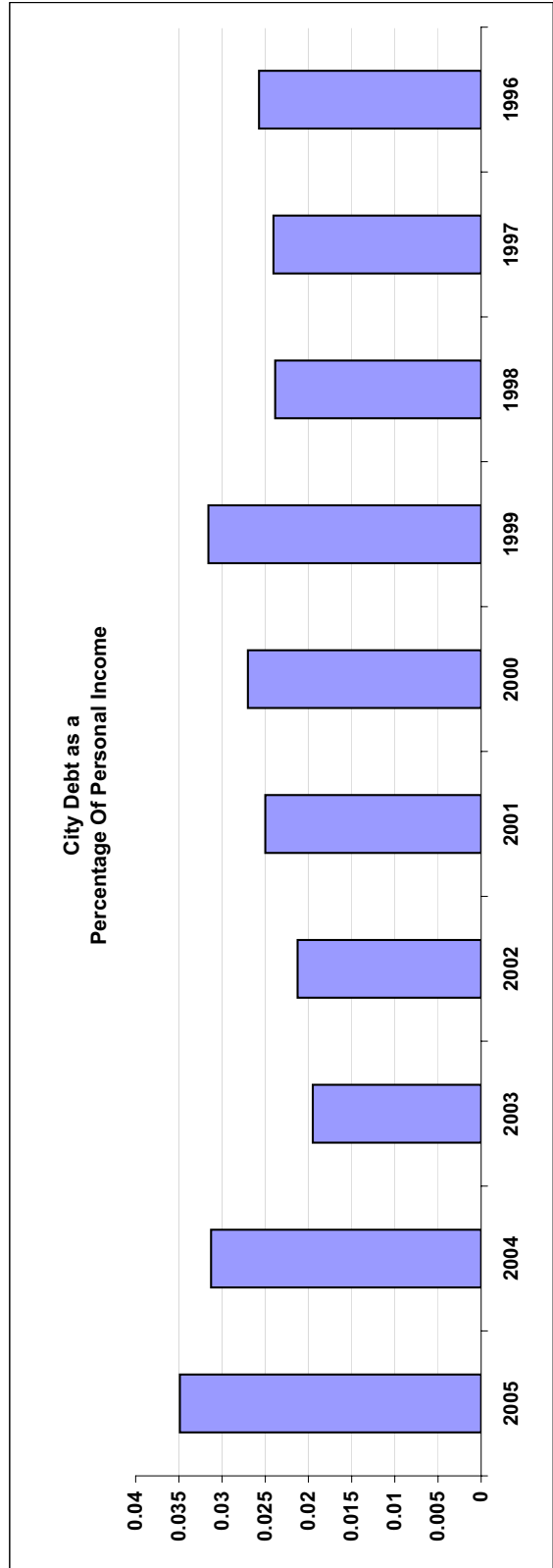
**City of Brecksville, Ohio**

*Ratios of Outstanding Debt to*

*Total Personal Income and Debt Per Capita*

*Last Ten Years*

| Fiscal Year | General Obligation Bonds | Special Assessment Bonds | OPWC Loans | Notes Payable | Total Primary Government | Total Personal Income (1) | Percentage of Personal Income | Population (2) | Per Capita |
|-------------|--------------------------|--------------------------|------------|---------------|--------------------------|---------------------------|-------------------------------|----------------|------------|
| 2005        | \$13,615,307             | \$4,929,614              | \$651,478  | \$800,000     | \$19,996,399             | \$559,584,836             | 3.57%                         | 13,661         | \$1,464    |
| 2004        | 10,027,432               | 4,057,000                | 471,284    | 2,550,000     | 17,105,716               | 546,998,189               | 3.13                          | 13,567         | 1,261      |
| 2003        | 4,491,102                | 4,417,000                | 516,454    | 1,000,000     | 10,424,556               | 534,694,651               | 1.95                          | 13,474         | 774        |
| 2002        | 4,874,400                | 4,772,000                | 561,624    | 1,000,000     | 11,208,024               | 527,524,135               | 2.12                          | 13,506         | 830        |
| 2001        | 5,228,502                | 5,097,000                | 606,794    | 2,000,000     | 12,932,296               | 517,409,828               | 2.50                          | 13,459         | 961        |
| 2000        | 5,579,208                | 3,162,000                | 651,964    | 4,285,000     | 13,678,172               | 506,348,116               | 2.70                          | 13,382         | 1,022      |
| 1999        | 5,910,979                | 3,422,000                | 697,135    | 5,585,000     | 15,615,114               | 494,367,879               | 3.16                          | 13,205         | 1,183      |
| 1998        | 6,218,859                | 3,677,000                | 630,321    | 985,000       | 11,511,180               | 482,671,095               | 2.38                          | 13,031         | 883        |
| 1997        | 6,315,310                | 3,922,000                | 507,082    | 585,000       | 11,329,392               | 471,251,059               | 2.40                          | 12,859         | 881        |
| 1996        | 6,480,000                | 2,857,000                | 427,145    | 2,065,000     | 11,829,145               | 460,101,221               | 2.57                          | 12,689         | 932        |



(1) Brecksville Finance Department estimates 1996-1999, 2001-2005; U.S. Census Bureau 2000

(2) Estimates 1996-1999, 2001-2005; U.S. Census Bureau 2000

**City of Brecksville, Ohio**  
*Ratio of Net General Obligation Bonded Debt to Estimated True  
Value of Taxable Property and Net Bonded Debt Per Capita  
Last Ten Years*

| Fiscal Year | General Obligation Bonds | General Obligation Debt Service Fund Balance | Net Bonded Debt | Estimated True Value of Taxable Property | Ratio of Net Bonded Debt to Estimated True Value of Taxable Property | Net Bonded Debt per Capita |
|-------------|--------------------------|--|-----------------|--|--|----------------------------|
| 2005        | \$13,615,307             | \$265,171                                    | \$13,350,136    | \$1,641,815,963                          | 0.81%  | \$977                      |
| 2004        | 10,027,432               | 190,183                                      | 9,837,249       | 1,608,358,646                            | 0.61   | 725                        |
| 2003        | 4,491,102                | 431,176                                      | 4,059,926       | 1,509,001,419                            | 0.27   | 301                        |
| 2002        | 4,874,400                | 322,179                                      | 4,552,221       | 1,461,684,266                            | 0.31   | 337                        |
| 2001        | 5,228,502                | 276,664                                      | 4,951,838       | 1,424,752,827                            | 0.35   | 368                        |
| 2000        | 5,579,208                | 239,822                                      | 5,339,386       | 1,270,394,438                            | 0.42   | 399                        |
| 1999        | 5,910,979                | 229,813                                      | 5,681,166       | 1,255,876,252                            | 0.45   | 430                        |
| 1998        | 6,218,859                | 208,566                                      | 6,010,293       | 1,245,568,479                            | 0.48   | 461                        |
| 1997        | 6,315,310                | 168,331                                      | 6,146,979       | 1,126,784,293                            | 0.55   | 478                        |
| 1996        | 6,480,000                | 145,850                                      | 6,334,150       | 1,098,865,376                            | 0.58   | 499                        |

**City of Brecksville, Ohio**

*Computation of Direct and Overlapping General Obligation Bonded Debt*

*December 31, 2005*

| Jurisdiction                                    | General<br>Obligation Debt<br>Outstanding | Percentage<br>Applicable<br>to City (1) | Amount<br>Applicable<br>to City of<br>Brecksville |
|---|---|---|---|
| <b>Direct</b>                                   |   |   |   |
| City of Brecksville                             | \$13,615,307                              | 100.00%                                 | \$13,615,307                                      |
| <b>Overlapping</b>                              |   |   |   |
| Cuyahoga County                                 | 231,365,971                               | 1.95%                                   | 4,511,636   |
| Brecksville City Schools                        | 29,182,352                                | 59.28%                                  | 17,299,298  |
| Greater Cleveland Regional<br>Transit Authority | 139,790,000                               | 1.95%                                   | 2,725,905   |
| <i>Total Overlapping Debt</i>                   | 400,338,323                               |   | 24,536,840  |
| <b>Total</b>                                    | \$413,953,630                             |   | \$38,152,147                                      |

Source: Cuyahoga County, Ohio; County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation. The debt outstanding includes general obligation bonds.

Note: The City's basic property tax rate may be increased only by a majority vote of the City's residents. Rates for debt service are set based on each year's requirements.

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

**City of Brecksville, Ohio**  
*Legal Debt Margin Information*  
*Last Ten Years*

(amounts expressed in thousands)

|  | 2005     | 2004                       | 2003     | 2002                        | 2001     | 2000     | 1999     | 1998     | 1997     | 1996     |
|--|----------|----------------------------|----------|-----------------------------|----------|----------|----------|----------|----------|----------|
| Overall Debt Limitation (10.5% of Assessed Valuation)                | \$60,398 | \$59,252                   | \$55,543 | \$53,827                    | \$53,331 | \$47,692 | \$47,221 | \$46,669 | \$41,928 | \$41,037 |
| Net Debt Within 10.5% Limitations                                    | 14,150   | 12,100                     | 4,701    | 4,998                       | 6,952    | 9,624    | 11,270   | 6,995    | 6,739    | 8,404    |
| Overall Legal Debt Margin Within 10.5% Limitations                   | \$46,248 | \$47,152                   | \$50,842 | \$48,829                    | \$46,379 | \$38,068 | \$35,951 | \$39,674 | \$35,189 | \$32,633 |
| Total net debt applicable to the limit as a percentage of debt limit | 23.43%   | 20.42%                     | 8.46%    | 9.29%                       | 13.04%   | 20.18%   | 23.87%   | 14.99%   | 16.07%   | 20.48%   |
| Unvoted Debt Limitation (5.5% of Assessed Valuation)                 | \$31,637 | \$31,037                   | \$29,094 | \$28,195                    | \$27,935 | \$24,981 | \$24,735 | \$24,445 | \$21,962 | \$21,496 |
| Net Debt Within 5.5% Limitations                                     | 14,150   | 12,100                     | 4,701    | 4,998                       | 6,952    | 9,624    | 11,270   | 6,910    | 6,574    | 6,314    |
| Unvoted Legal Debt Margin Within 5.5% Limitations                    | \$17,487 | \$18,937                   | \$24,393 | \$23,197                    | \$20,983 | \$15,357 | \$13,465 | \$17,535 | \$15,388 | \$15,182 |
| Total net debt applicable to the limit as a percentage of debt limit | 44.73%   | 38.99%                     | 16.16%   | 17.73%                      | 24.89%   | 38.53%   | 45.56%   | 28.27%   | 29.93%   | 29.37%   |
| <b>Legal Debt Margin Calculation for Fiscal Year 2005</b>            |          |                            |          |                             |          |          |          |          |          |          |
| Assessed property value  |          | Unvoted Margin Within 5.5% |          | Overall Margin Within 10.5% |          |          |          |          |          |          |
|  |          | \$575,220                  |          | \$575,220                   |          |          |          |          |          |          |
| Overall Debt Limitation (percentage of assessed valuation)           |          | \$31,637                   |          | \$60,398                    |          |          |          |          |          |          |
| Gross Indebtedness   |          | 19,996                     |          | 19,996                      |          |          |          |          |          |          |
| Less: Special Assessment Bonds                                       |          | (4,930)                    |          | (4,930)                     |          |          |          |          |          |          |
| OPWC Loans   |          | (651)                      |          | (651)                       |          |          |          |          |          |          |
| General Obligation Bond Retirement Fund Balance                      |          | (265)                      |          | (265)                       |          |          |          |          |          |          |
| Net Debt Within Limitations  |          | \$14,150                   |          | \$14,150                    |          |          |          |          |          |          |
| Legal Debt Margin Within Limitations                                 |          | \$17,487                   |          | \$46,248                    |          |          |          |          |          |          |

Note: Under State of Ohio finance law, the City of Brecksville's outstanding general obligation debt should not exceed 10.5 percent of total assessed property value. In addition, the outstanding general obligation debt net of voted debt should not exceed 5.5 percent of total assessed property value. By law, the general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.

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

| Year | Population (1) | Total Personal<br>Income (2) | Median<br>Family<br>Income (1) | Per<br>Capita<br>Income (2) | Unemployment Rate (3) |                  | City<br>Square<br>Miles (4) |
|------|----------------|------------------------------|--------------------------------|-----------------------------|-----------------------|------------------|-----------------------------|
|      |                |                              |                                |                             | Cuyahoga<br>County    | State of<br>Ohio |                             |
| 2005 | 13,661         | \$559,584,836                | \$94,022                       | \$40,963                    | 5.9%                  | 5.9%             | 19.54                       |
| 2004 | 13,567         | 546,998,189                  | 92,541                         | 40,318                      | 6.6                   | 5.9              | 19.54                       |
| 2003 | 13,474         | 534,694,651                  | 91,084                         | 39,683                      | 6.2                   | 6.1              | 19.54                       |
| 2002 | 13,506         | 527,524,135                  | 89,649                         | 39,059                      | 6.6                   | 5.7              | 19.54                       |
| 2001 | 13,459         | 517,409,828                  | 88,238                         | 38,443                      | 4.6                   | 4.2              | 19.54                       |
| 2000 | 13,382         | 506,348,116                  | 86,848                         | 37,838                      | 4.5                   | 4.1              | 19.54                       |
| 1999 | 13,205         | 494,367,879                  | 85,927                         | 37,437                      | 4.5                   | 4.3              | 19.54                       |
| 1998 | 13,031         | 482,671,095                  | 85,017                         | 37,040                      | 4.5                   | 4.3              | 19.54                       |
| 1997 | 12,859         | 471,251,059                  | 84,115                         | 36,647                      | 4.5                   | 4.6              | 19.54                       |
| 1996 | 12,689         | 460,101,221                  | 83,224                         | 36,259                      | 5.0                   | 4.9              | 19.54                       |

(1) Estimates 1996-1999, 2001-2005; U.S. Census Bureau 2000

(2) Brecksville Finance Department estimates 1996-1999, 2001-2005;  
U.S. Census Bureau 2000.

(3) Ohio Bureau of Employment Services; U.S. Department of Labor, Bureau of  
Labor Statistics

(4) City Records

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

| <b>2005</b>                             |                        |              |   |
|---|------------------------|--------------|---|
| Employer                                | Nature of Activity     | Employees    | Percentage<br>of Total City<br>Employment |
| Department of Veteran Affairs           | Medical Center         | 1,326        | 9.85 %                                    |
| Ameritech/SBC                           | Communication Services | 877          | 6.51                                      |
| National City Corporation               | Banking Services       | 834          | 6.19                                      |
| B.F. Goodrich/Noveon/Lubrizol Inc       | Chemical Firm          | 529          | 3.93                                      |
| Brecksville-Broadview Heights School    | Public Education       | 497          | 3.69                                      |
| House of LaRose                         | Beverage Distributor   | 310          | 2.30                                      |
| Curtiss-Wright Flow Control Corporation | Manufacturing          | 165          | 1.23                                      |
| City of Brecksville                     | Municipal Government   | 141          | 1.05                                      |
| Cuyahoga Valley Joint Vocational School | Vocational Education   | 133          | 0.99                                      |
| Regional Income Tax Agency              | Tax Collections        | 132          | 0.98                                      |
| <b>Total</b>                            |                        | <b>4,944</b> | <b>36.72 %</b>                            |
| Total Employment within the City        |                        | 13,463       |   |

| <b>1996</b>                          |                            |              |   |
|--------------------------------------|----------------------------|--------------|---|
| Employer                             | Nature of Activity         | Employees    | Percentage<br>of Total City<br>Employment |
| Department of Veteran Affairs        | Medical Center             | 1,126        | 10.58 %                                   |
| Ohio Bell Telephone                  | Communication Services     | 805          | 7.56                                      |
| B.F. Goodrich Company                | R&D Polymers and Chemicals | 800          | 7.51                                      |
| Ameritech                            | Communication Services     | 516          | 4.85                                      |
| Brecksville-Broadview Heights School | Public Education           | 350          | 3.29                                      |
| Andrews Moving and Storage           | Moving and Storage         | 285          | 2.68                                      |
| Norstan Company                      | Communication Services     | 250          | 2.35                                      |
| Bank One                             | Banking Services           | 250          | 2.35                                      |
| City of Brecksville                  | Municipal Government       | 191          | 1.79                                      |
| Teledyne Industrial, Inc             | Manufacturing              | 176          | 1.65                                      |
| <b>Total</b>                         |                            | <b>4,749</b> | <b>44.60 %</b>                            |
| Total Employment within the City     |                            | 10,647       |   |

Source: Regional Income Tax Agency and a survey conducted by the City.

**City of Brecksville, Ohio**

*Full-Time Equivalent City Government Employees by Function/Program  
Last Ten Years*

| Function/Program                            | 2005          | 2004          | 2003          | 2002          | 2001          | 2000          | 1999          | 1998          | 1997          | 1996          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Government                          |               |               |               |               |               |               |               |               |               |               |
| Council                                     | 8.00          | 8.00          | 8.00          | 8.00          | 8.00          | 8.00          | 8.00          | 8.00          | 8.00          | 8.00          |
| Mayor                                       | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 2.00          | 2.00          |
| Finance                                     | 4.00          | 4.00          | 4.00          | 3.00          | 3.00          | 4.00          | 4.00          | 4.00          | 4.00          | 5.00          |
| Income Tax                                  | 0.50          | 0.50          | 0.50          | 0.50          | 0.50          | 0.50          | 0.50          | 0.50          | 0.50          | 0.50          |
| Purchasing                                  | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          |
| Mayor's Court                               | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 3.00          | 3.00          |
| Technology                                  | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          |
| Building Inspection                         | 7.50          | 7.00          | 7.00          | 7.00          | 7.00          | 7.00          | 6.00          | 7.00          | 7.00          | 7.00          |
| Engineering                                 | 2.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Housekeeping                                | 10.00         | 9.50          | 8.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Administrative Support                      | 1.00          | 1.00          | 2.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          |
| Security of Persons and Property            |               |               |               |               |               |               |               |               |               |               |
| Police                                      | 45.00         | 45.00         | 43.50         | 46.50         | 43.50         | 46.00         | 44.00         | 45.00         | 44.00         | 44.50         |
| Fire  | 26.00         | 25.00         | 25.50         | 25.00         | 25.50         | 25.00         | 22.00         | 23.00         | 23.00         | 26.50         |
| Recreational Activities                     |               |               |               |               |               |               |               |               |               |               |
| Community Center                            | 55.50         | 59.50         | 54.50         | 60.00         | 45.50         | 48.00         | 49.00         | 48.50         | 43.50         | 50.50         |
| Senior/Community Services                   | 4.00          | 4.00          | 4.00          | 4.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          |
| Street Construction, Maintenance and Repair |               |               |               |               |               |               |               |               |               |               |
| Service                                     | 60.50         | 61.00         | 62.00         | 63.00         | 62.00         | 60.00         | 60.00         | 62.00         | 61.00         | 60.00         |
| Totals:                                     | <u>233.00</u> | <u>233.50</u> | <u>228.00</u> | <u>227.00</u> | <u>208.00</u> | <u>211.50</u> | <u>206.50</u> | <u>211.00</u> | <u>204.00</u> | <u>215.00</u> |

**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee as of December 31, 2005.



**City of Brecksville, Ohio**  
*Capital Assets Statistics by Function/Program*  
*Last Six Years (1)*

| Function/Program                   | 2005   | 2004   | 2003   | 2002   | 2001   | 2000   |
|------------------------------------|--------|--------|--------|--------|--------|--------|
| <b>General Government</b>          |        |        |        |        |        |        |
| Building Department Vehicles       | 6      | 6      | 5      | 5      | 5      | 5      |
| Other Department Vehicles          | 5      | 4      | 4      | 4      | 4      | 4      |
| <b>Police</b>                      |        |        |        |        |        |        |
| Stations                           | 1      | 1      | 1      | 1      | 1      | 1      |
| Square Footage of Building         | 6,577  | 6,577  | 6,577  | 6,577  | 6,577  | 6,577  |
| Vehicles                           | 22     | 22     | 22     | 20     | 18     | 20     |
| <b>Fire</b>                        |        |        |        |        |        |        |
| Stations                           | 1      | 1      | 1      | 1      | 1      | 1      |
| Square Footage of Building         | 17,674 | 17,674 | 17,674 | 10,544 | 10,544 | 10,544 |
| Vehicles                           | 13     | 12     | 12     | 12     | 12     | 11     |
| <b>Service Department</b>          |        |        |        |        |        |        |
| Streets (lane miles)               | 185    | 185    | 181    | 178    | N/A    | 175    |
| Urban Forestry Vehicles            | 3      | 3      | 4      | 2      | 2      | N/A    |
| Other Public Services Vehicles     | 54     | 51     | 49     | 49     | 48     | 52     |
| <b>Recreation</b>                  |        |        |        |        |        |        |
| Recreation Center                  | 1      | 1      | 1      | 1      | 1      | 1      |
| Recreation Center Square Footage   | 49,000 | 49,000 | 49,000 | 49,000 | 49,000 | 49,000 |
| Number of Parks                    | 3      | 3      | 3      | 3      | 3      | 3      |
| Number of Baseball Diamonds        | 10     | 10     | 10     | 10     | 8      | 8      |
| Number of Playgrounds              | 8      | 8      | 8      | 8      | 6      | 2      |
| Number of Tennis Courts            | 3      | 3      | 3      | 3      | 3      | 3      |
| Number of Full Sized Soccer Fields | 2      | 2      | 2      | 2      | 2      | 2      |
| Vehicles                           | 3      | 3      | 3      | 2      | 2      | 1      |
| <b>Human Services</b>              |        |        |        |        |        |        |
| Vehicles                           | 6      | 6      | 6      | 4      | 5      | 5      |

(1) Information is not available prior to 2000.

**City of Brecksville, Ohio**  
*Operating Indicators by Function/Program*  
*Last Five Years (1)*

| Function/Program                                  | 2005     | 2004     | 2003     | 2002     | 2001     |
|---|----------|----------|----------|----------|----------|
| <b>Safety Services:</b>                           |          |          |          |          |          |
| Police Expenditures (in thousands)                | \$2,970  | \$3,021  | \$2,919  | \$2,609  | \$2,548  |
| Total Arrests                                     | 4,171    | 4,275    | 4,567    | 4,443    | 4,428    |
| Part One Offenses                                 | 72       | 79       | 105      | 93       | 123      |
| OVI Arrests                                       | 55       | 71       | 86       | 69       | 68       |
| Prisoners   | 923      | 888      | 932      | 840      | 901      |
| Motor Vehicle Accidents                           | 344      | 325      | 272      | 217      | 250      |
| Calls for Service                                 | 16,668   | 17,271   | 18,225   | 17,557   | 17,094   |
| Incidents per Citizen                             | 1.2202   | 1.2730   | 1.3526   | 1.2999   | 1.2701   |
| Cost per Citizen                                  | \$217.41 | \$222.67 | \$216.64 | \$193.17 | \$189.32 |
| Fire Expenditures (in thousands)                  | \$2,053  | \$1,997  | \$1,880  | \$1,730  | \$1,770  |
| Emergency Responses                               | 1,386    | 1,345    | 1,263    | 1,381    | 1,281    |
| Fire Safety Inspections                           | 164      | 235      | 257      | 243      | 165      |
| Fire Protection Systems Inspected                 | 46       | 38       | 30       | 68       | 11       |
| Building Fire Protection Plans Reviewed           | 7        | 39       | 39       | 67       | 14       |
| Percentage of Business Inspected                  | 28%      | 25%      | 26%      | 25%      | 22%      |
| Number of Community Programs                      | 11       | 10       | 10       | 7        | 14       |
| Emergency Responses per Citizen                   | 0.1015   | 0.0991   | 0.0937   | 0.1023   | 0.0952   |
| Cost per Citizen                                  | \$150.29 | \$147.20 | \$139.53 | \$128.09 | \$131.51 |
| Street Lights Expenditures (in thousands)         | \$85     | \$84     | \$85     | \$80     | \$81     |
| Cost per Acre of Streetlights                     | \$6.80   | \$6.72   | \$6.80   | \$6.40   | \$6.48   |
| <b>Health Services:</b>                           |          |          |          |          |          |
| Health Department (in thousands)                  | \$45     | \$41     | \$41     | \$39     | \$35     |
| Health Cost per Citizen                           | \$3.29   | \$3.02   | \$3.04   | \$2.89   | \$2.60   |
| <b>Recreational Activities:</b>                   |          |          |          |          |          |
| Blossom Hill (in thousands)                       | \$260    | \$271    | \$215    | \$215    | \$181    |
| Community Center (in thousands)                   | \$1,666  | \$1,546  | \$1,642  | \$1,487  | \$1,228  |
| Total Leisure Service Cost (in thousands)         | \$1,926  | \$1,817  | \$1,857  | \$1,702  | \$1,409  |
| Cost per Citizen                                  | \$140.99 | \$133.93 | \$137.82 | \$126.02 | \$104.69 |
| Community Center Square Feet                      | 49,000   | 49,000   | 49,000   | 49,000   | 49,000   |
| Square Feet per Citizen                           | 3.59     | 3.61     | 3.64     | 3.63     | 3.64     |
| Total Recreational Revenue (in thousands)         | \$796    | \$747    | \$694    | \$669    | \$643    |
| Community Center Members                          | 6,453    | 6,564    | 6,405    | 5,389    | 0        |
| Total Participations                              | 155,135  | 171,000  | 167,000  | 94,000   | 0        |
| Participations of Members Over Age 60             | 30,144   | 34,437   | 28,817   | 19,876   | 0        |
| Fitness Class Participations                      | 14,345   | 16,382   | 14,546   | 6,889    | 0        |
| Participations per Citizen                        | 11.36    | 12.61    | 12.42    | 6.97     | 0.00     |
| Cost per Participation                            | \$10.74  | \$9.03   | \$9.82   | \$15.79  | \$0.00   |
| Revenue per Participation                         | \$5.13   | \$4.37   | \$4.15   | \$7.10   | \$0.00   |
| <b>Environment and Development:</b>               |          |          |          |          |          |
| Planning and Zoning (in thousands)                | \$15     | \$16     | \$7      | \$11     | \$8      |
| Housing and Building Inspection (in thousands)    | \$487    | \$496    | \$463    | \$480    | \$478    |
| Number of Trees Planted                           | 73       | 231      | 294      | 593      | 279      |
| Number of Trees Removed                           | 157      | 166      | 106      | 42       | 156      |
| Cemetery Internments                              | 58       | 38       | 50       | 41       | 49       |
| Grave Purchases/Interment Payments (in thousands) | \$38     | \$30     | \$90     | \$19     | \$28     |

(continued)

**City of Brecksville, Ohio**  
*Operating Indicators by Function/Program (continued)*  
*Last Five Years (1)*

| Function/Program                                 | 2005     | 2004     | 2003     | 2002     | 2001     |
|--|----------|----------|----------|----------|----------|
| <b>Transportation Services:</b>                  |          |          |          |          |          |
| Street Maintenance (in thousands)                | \$1,070  | \$1,086  | \$1,053  | \$967    | \$1,170  |
| Snow and Ice Removal (in thousands)              | \$229    | \$181    | \$172    | \$76     | \$88     |
| Road Maintenance (man hours)                     | 74,505   | 71,160   | 72,481   | 68,706   | 68,321   |
| Streets (lane miles)                             | 185      | 185      | 181      | 178      | 178      |
| Cost per mile of street                          | \$7.02   | \$6.85   | \$6.77   | \$5.86   | \$7.07   |
| Feet of street per capita                        | 71.51    | 72.00    | 70.93    | 69.59    | 69.83    |
| Asphalt Usage (in tons)                          | 4,000    | 3,188    | 3,949    | 2,050    | 6,093    |
| Asphalt Cost per ton                             | \$26.01  | \$25.50  | \$25.75  | \$25.00  | \$26.50  |
| Salt Usage (in tons)                             | 9,770    | 5,809    | 9,168    | 11,263   | 4,918    |
| Concrete Used (in cubic yards)                   | 1,205    | 1,246    | 2,400    | 1,939    | 1,655    |
| Brush/Grass/Yard Waste Collected (in cubic yard) | 3,269    | 3,240    | 3,497    | 2,213    | 1,932    |
| Leaves Collected (in cubic yards)                | 5,721    | 5,934    | 4,920    | 5,306    | 4,362    |
| <b>Administrative Services:</b>                  |          |          |          |          |          |
| Law (in thousands)                               | \$205    | \$203    | \$188    | \$177    | \$191    |
| Cost per budget dollar                           | \$0.0058 | \$0.0049 | \$0.0045 | \$0.0036 | \$0.0045 |
| Finance (in thousands)                           | \$282    | \$280    | \$281    | \$202    | \$215    |
| Cost per budget dollar                           | \$0.0080 | \$0.0067 | \$0.0067 | \$0.0042 | \$0.0050 |
| Purchasing (in thousands)                        | \$179    | \$183    | \$178    | \$197    | \$182    |
| Cost per employee                                | \$766.60 | \$879.81 | \$784.14 | \$864.04 | \$779.44 |
| Lands and Buildings (in thousands)               | \$732    | \$808    | \$862    | \$1,002  | \$917    |
| Cost per citizen                                 | \$53.58  | \$59.56  | \$63.98  | \$74.19  | \$68.13  |
| Mayor's Office (in thousands)                    | \$227    | \$186    | \$220    | \$216    | \$207    |
| Council (in thousands)                           | \$204    | \$200    | \$185    | \$172    | \$137    |

(1) Information prior to 2001 is not available

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**Auditor of State  
Betty Montgomery**

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**CITY OF BRECKSVILLE**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 06, 2006**