

**CITY OF BROOK PARK, OHIO**

**AUDIT REPORT**

**DECEMBER 31, 2005**





**Auditor of State  
Betty Montgomery**

City Council  
City of Brook Park  
6161 Engle Rd.  
Brook Park, OH 44142

We have reviewed the *Independent Auditor's Report* of the City of Brook Park, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2005 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

June 21, 2006

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**CITY OF BROOK PARK, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2005**

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

*Certified Public Accountants*

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

*Garfield Hts., Ohio 44125*

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(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brook Park, Ohio, as of and for the year ended December 31, 2005, which collectively comprise the City of Brook Park, Ohio's basic financial statements and have issued our report thereon dated March 31, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Brook Park, Ohio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control 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 that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### **Compliance and Other Matters**

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

This report is intended for the information and use of the audit committee, management, and City Council and is not intended to be and should not be used by anyone other than these specified parties.

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

March 31, 2006



# **City of Brook Park, Ohio**

**Comprehensive Annual Financial Report  
For the Year Ended December 31, 2005**



# City of Brook Park, Ohio

## Comprehensive Annual Financial Report For The Year Ended December 31, 2005

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# City of Brook Park, Ohio

## Comprehensive Annual Financial Report For The Year Ended December 31, 2005

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# City of Brook Park, Ohio

## Comprehensive Annual Financial Report For The Year Ended December 31, 2005

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# City of Brook Park

*Finance Department*

Gregory M. Cingle  
Finance Director

Martin S. Healy  
Assistant Finance Director

March 31, 2006

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the city of Brook Park (City) for the fiscal year ended December 31, 2005.

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

The City's financial statements have been audited by James G. Zupka, CPA, Inc., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2005, are free of material misstatement. The independent audit involved: examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the City's Financial Statements for the fiscal year ended December 31, 2005, and that the financial statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The requirements of GAAP necessitate that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of

Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

*6161 Engle Road • Brook Park, Ohio 44142*

*216/433-1300 • Fax 216/433-0822*

## **Profile of the Government**

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

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

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

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

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

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

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



## **Factors Affecting Financial Condition**

**Economic Conditions and Outlook.** The Cleveland area is seeing economic improvement, even if it is lagging somewhat behind the rest of the nation. For example, national unemployment was at 4.9% nationally as of December 31, 2005, versus 5.3% for the Cleveland metropolitan area. The timing of the improvement is fortunate, since our need to get by on our own has grown.

The State of Ohio cannot afford to be bold in its assistance, with Gubernatorial elections to be held in 2006, a tenuous economic upturn and the school funding situation still unresolved. The impact of a radical change to the State's business tax system, whereby corporate franchise taxes and personal property taxes are being replaced over time by a more broad-based commercial activities tax, is so far ambiguous.

At issue this year is a referendum on "Taxation and Expenditure Limitations" (TEL) that would be disastrous for State and local government. TEL is a misguided attempt to limit governmental spending that would remove a legislative body's ability to raise revenue beyond constitutionally-specified limits; a majority vote of all registered voters would be required to exceed the limits.

At the Federal level, as a result of tax rate reductions on the revenue side and increased expenditures due to the catastrophic 2005 hurricane year and the war in Iraq, deficit spending is reaching new heights. As of March 2006, the Congressional Budget Office estimated that the Federal FY 2006 deficit would be \$371 billion. Current and projected deficits then lead Congress to increase the country's debt ceiling, to \$9 trillion.

As of March 2006, the Federal Reserve Board has increased interest rates 15 straight times, by a total of 3.75%, so that Prime Rate (Wall Street Journal consensus) now stands at 7.75%. There is a suggestion that the Board will slow down their increases at this time, which will leave borrowing rates still in an attractive range for most projects. Inflation for 2005 was modest at 3.4% (CPI-U).

**Local Economic Activity.** Sales and employment in industrial sectors, areas of historical strength for Brook Park, continue to improve slowly. Vacancies in Brook Park continue to decline, matching the drop in regional vacancies from 12.5% in December 2004 to 10.8% in December 2005 (data from Grubb & Ellis). Conditions are right for continued industrial development for communities fortunate to have available land.

In the office market, again, regional vacancies remain over 20 percent, making it difficult to start projects in areas such as the Emerald Corporate Park, in which Brook Park shares revenues with the city of Cleveland; and the Aerospace Technology Park. Our local retail market remains strong, with Brook Park vacancies well under 5%; regional centers in surrounding communities appear to be doing well.

**Major Economic Initiatives.** Since we are essentially a built-out community, we continue to focus our economic efforts on opportunity areas, our major employers and business retention.

The two areas that we believe can produce the greatest economic improvement are Brookpark Rd. and the Aerospace Parkway. Since 1998, there has been \$35 million in investment in the Brookpark Rd. corridor, and in 2006 we are beginning to facilitate storefront renovation projects using our rebate program. Staff is already working with seven properties on visual quality improvements. On Aerospace Parkway, we are more aggressively marketing the land and buildings in local and national venues. Two buildings, recently vacated by NASA contractors, are in the process of being leased as of March 2006 to non-NASA tenants. Other opportunities are being developed to possibly create new construction in the Parkway area.

Our major employers, Ford Motor Company and NASA Glenn, continue to command a large part of our attention. Ford is beginning a \$71.5 million retool of its 3.0-liter Duratec engine into a 3.5-liter version, in response to consumer demand for more power. A \$90 million emissions improvement to the Casting Plant is ongoing. And a possible additional engine block line is being considered. The City's continued aggressive support for Ford, coupled with an improvement in the union (UAW) / Ford relationship, makes Ford more comfortable with continued investment here despite the need to decrease employment and operations in North America in general over the next few years.

We are very concerned about funding at NASA's Glenn Research Center. Although comforted by NASA Administrator Michael Griffin's assertion to maintain ten healthy field centers, funding and employment at Glenn have dropped due to the President's new "Vision for Space Exploration," which is plotting a course for NASA away from many of Glenn's traditional strengths. Already, 700 civil service and contractor jobs have been lost, with more threatened if Glenn does not land a formal role in developing a piece of the next generation manned launch vehicle that will replace the Space Shuttle. We should have more information in May 2006 about our prospects. In the meantime, Ohio's Congressional delegation is galvanized around advocating for Glenn, which is understood to be a critical regional and state economic driver.

Our general business retention efforts are ongoing. In 2005, there was \$16.6 million in non-Ford, non-NASA investment projects completed, retaining 70 jobs and creating 331 jobs. An additional \$6 million in projects had begun, impacting 90 jobs. Additional projects are already lined up on Brookpark Rd., Snow Rd. and Aerospace Parkway for 2006.

### **Cash Management Policies and Practices**

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

### **Risk Management**

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

## Awards and Acknowledgements


**Certificate of Achievement.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended December 31, 2004. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

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


The Certificate of Achievement is valid for a period of only one year. The City has received a Certificate of Achievement for the last 14 years. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



m.



Gregory M. Cingle, CPA, MBA  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Brook Park,  
Ohio

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



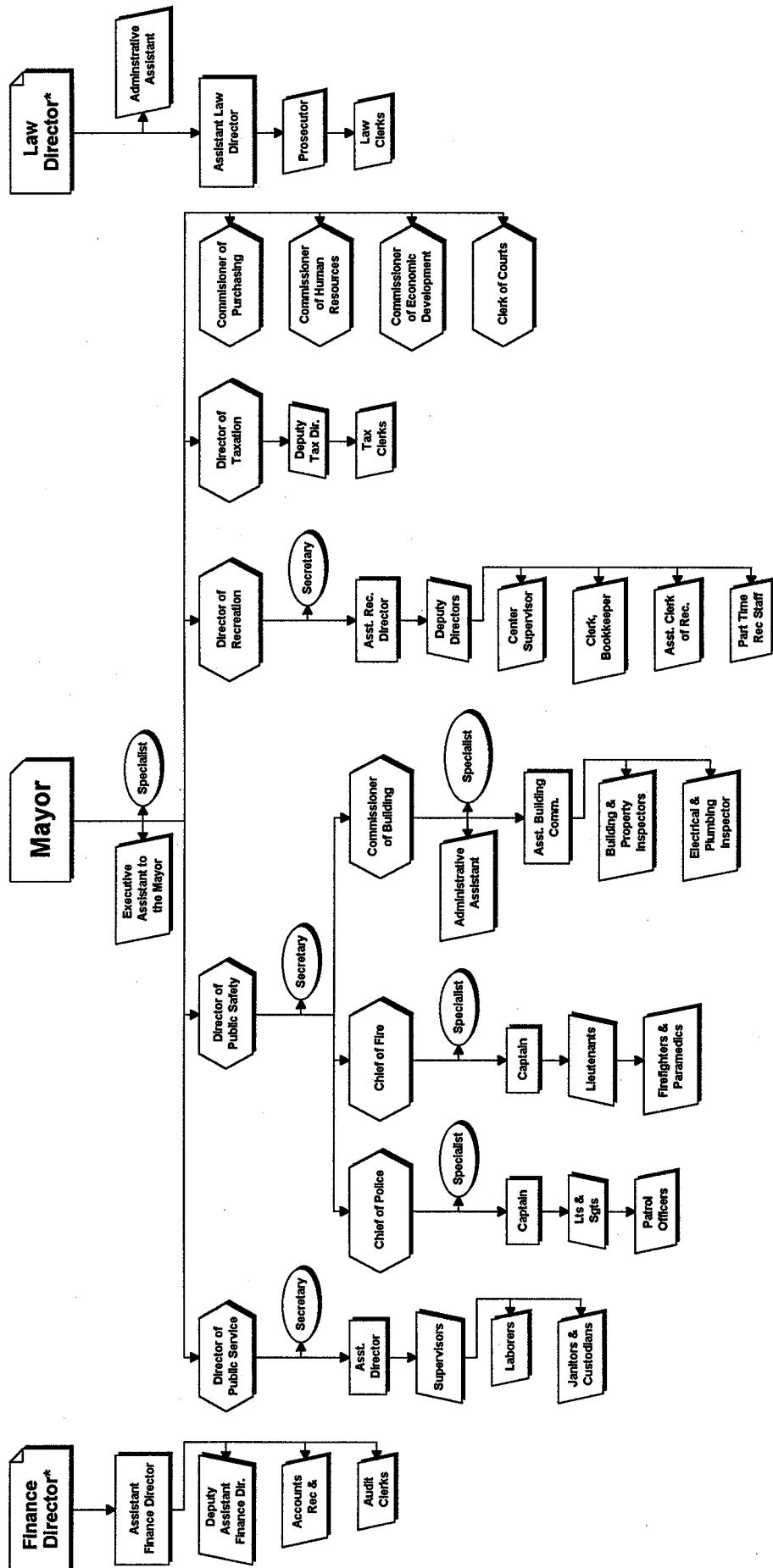
*Carla E. Perry*

President

*Jeffrey R. Emer*

Executive Director

# City of Brook Park Administration



# City of Brook Park, Ohio

## Elected Officials

**December 31, 2005**

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Mayor.....	Mark J. Elliott
Council Member – President .....	Scott Adams
Council Member – At-Large.....	Carl J. Burgio
Council Member – At-Large.....	Danny V. Colonna
Council Member – At-Large.....	Richard A. Salvatore
Council Member – Ward 1 .....	Dennis P. Patten
Council Member – Ward 2 .....	Brian Mooney
Council Member – Ward 3 .....	Jim Wilson
Council Member – Ward 4 .....	Brian Higgins
Finance Director.....	Gregory M. Cingle
Law Director .....	David A. Lambros

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

*Certified Public Accountants  
5240 East 98th Street  
Garfield Heights, Ohio 44125*

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Member American Institute of Certified Public Accountants

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Ohio Society of Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

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

The Honorable Betty Montgomery  
Auditor of State  
State of Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brook Park, Ohio, as of and for the year ended December 31, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Brook Park, Ohio, as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund and the major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2006 on our consideration of the City of Brook Park, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

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

March 31, 2006



# City of Brook Park, Ohio

## Management's Discussion and Analysis (Unaudited)

### **For the Year Ended December 31, 2005**

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The discussion and analysis of the City of Brook Park's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2005. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider this information in conjunction with the additional information contained in the financial statements and the notes thereof.

#### **Financial Highlights**

Key financial highlights for 2005 are:

- City income tax revenue totaled \$22,159,579.
- Total assets increased by \$1,350,420, or a 1.65 percent increase over 2004.
- Total net assets increased by \$2,815,318, or a 4.01 percent increase over 2004.
- Total capital assets increased by \$2,797,127, or a 5.28 percent increase over 2004.
- Total outstanding long-term liabilities decreased by \$1,539,163. This was a 20.31 percent decrease over 2004.
- As of the close of the current fiscal year, the City of Brook Park's governmental funds reported combined ending fund balances of \$20,491,530, a decrease of \$2,387,515 in comparison with the prior year. Approximately 93.89 percent of this total amount, \$19,238,948, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, the General Fund's unreserved fund balance was \$11,705,992, or 53 percent of total General Fund expenditures.

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

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

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

# City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited)

## **For the Year Ended December 31, 2005**

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### **Reporting the City of Brook Park as a Whole**

#### *Statement of Net Assets and Statement of Activities*

While this document contains information about the funds used by the City to provide services to our citizens, the aforementioned views of the City as a whole look at all financial transactions and ask the question, "How did the City 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, which is similar to the accounting method used by the private sector. This accounting method takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net assets and the changes in those assets. The changes in net assets are important because it tells the reader whether, 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, i.e. changes in the City's tax base, changes in property and income tax laws, condition of capital assets, etc., should also be considered.

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

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

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

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

#### *Fund Financial Statements*

The presentation of the City's major funds begins on page 17. Fund financial 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 to 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 Brook Park, the major funds are the General, Economic Development and Capital Improvements Funds. All of the funds of the City of Brook Park can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

#### *Governmental Funds*

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

# City of Brook Park, Ohio

## Management's Discussion and Analysis (Unaudited)

### **For the Year Ended December 31, 2005**

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

The City of Brook Park maintains 17 individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Economic Development Fund and Capital Improvements Fund; which are considered to be major funds. Data from the other governmental funds are combined into single, aggregated presentations. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this CAFR.

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

#### *Proprietary Funds*

The City of Brook Park maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the various functions of a city. The City of Brook Park maintains such a fund for its self-insurance of health-related employee benefits for 2004 claims paid in 2005. Because this predominately benefits governmental rather than business functions, it has been included within governmental activities in the government-wide financial statements.

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

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

#### *Fiduciary Funds*

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

#### **Notes to the Financial Statements**

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

# City of Brook Park, Ohio

## Management's Discussion and Analysis (Unaudited)

### For the Year Ended December 31, 2005

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#### Other information

In addition to the basic financial statements and the accompanying notes, this CAFR also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the combining statements, referred to earlier in connection with nonmajor governmental funds, are presented, as well as individual detailed budgetary comparisons for all nonmajor funds. This information can be found starting on page 58.

#### The City as a Whole

As noted earlier, the *Statement of Net Assets* looks at the City as a whole and can prove to be a useful indicator of the City's financial position. Table 1 provides a summary of the City's net assets for 2005 as compared to 2004.

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

	<u>2005</u>	<u>2004</u>
Assets:		
Current and other assets	\$ 27,477,795	\$ 28,924,502
Capital assets, net	<u>55,789,422</u>	<u>52,992,295</u>
<i>Total assets</i>	<u>83,267,217</u>	<u>81,916,797</u>
Liabilities:		
Current and other liabilities	4,243,174	4,168,909
Long-term liabilities:		
Due within one year	1,155,737	3,229,293
Due in more than one year	<u>4,882,441</u>	<u>4,348,048</u>
<i>Total liabilities</i>	<u>10,281,352</u>	<u>11,746,250</u>
Net assets:		
Invested in capital assets, net of related debt	52,402,275	47,583,487
Restricted for:		
Capital projects	4,691,061	7,874,313
Debt service	434,576	459,283
Other purposes	589,402	794,726
Unrestricted	<u>14,868,551</u>	<u>13,458,738</u>
<i>Total net assets</i>	\$ <u>72,985,865</u>	\$ <u>70,170,547</u>

An additional portion of the City of Brook Park's net assets, 7.8 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net assets, \$14,868,551, may be used to meet the City's ongoing obligations to citizens and creditors.

## City of Brook Park, Ohio

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

#### **For the Year Ended December 31, 2005**

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Total assets increased by \$1,350,420 during the current year. The following factors were responsible for this increase:

- The City received a grant from the Federal Emergency Agency (FEMA) in the amount of \$272,354. The grant addressed three areas of concern: firefighting gear, training and a wellness and fitness program.
- Investment in the infrastructure of the City continued in 2005, with approximately \$2,100,000 appropriated for street improvements.
- The Aerospace Parkway project was completed. The total dollar amount of this project was \$13,159,225, of which \$8,379,478 was funded by the Ohio Department of Transportation (ODOT) through a United States Department of Highway Administration grant.
- The Westside sanitary sewer project was near completion, as was the 2004 roads program. The total amount budgeted for these projects was approximately \$2,500,000 and \$1,570,000, respectively.
- The 2003 roads program, with a total cost of \$2,0661,061, was completed.

Total liabilities decreased by \$1,464,898. This decrease is primarily due to the retirement of the IX Center Road Improvement bonds and the Various Purpose General Obligation bonds during 2005. The Various Purpose bonds were issued in 1995 to finance the permanent improvements at the Recreation Center and Service Building. The term of the bonds was ten years, denoting that the final debt service payment for this issuance occurred in December 2005.

Total net assets increased by \$2,815,318. This increase is due primarily to the increase in capital assets and the decrease in long-term liabilities.

The largest portion of the City's net assets (71.8 percent) reflects its investment in capital assets, i.e. land, buildings, machinery, equipment, vehicles and infrastructure, less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The City continues to make concerted efforts to maximize the return on investments of its cash and cash equivalents. Since the Federal Reserve Board raised the Fed Funds Rate eight times in 2005, which resulted in increased interest rates, the City continued to focus its investment strategy on short-term certificate of deposits and money-market funds to take advantage of the rising interest environment. In 2005, short-term certificate of deposits out performed short-term and some longer-term federal government agency issues.

Table 2 shows the changes in net assets for 2005 as compared with 2004.

# City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited)

**For the Year Ended December 31, 2005**

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

	<u>2005</u>	<u>2004</u>
Revenues		
Program revenues:		
Charges for services	\$ 3,251,965	\$ 3,783,868
Operating grants and contributions	68,774	37,002
Capital grants and contributions	<u>563,220</u>	<u>660,991</u>
<i>Total program revenues</i>	<u>3,883,959</u>	<u>4,481,861</u>
General revenues:		
Property taxes	2,954,239	2,866,014
Municipal income taxes	22,159,579	21,964,703
Grants and entitlements	2,280,824	3,266,535
Investment income	778,295	289,315
Miscellaneous income	<u>1,120</u>	<u>5,954</u>
<i>Total general revenues</i>	<u>28,174,057</u>	<u>28,392,521</u>
<i>Total revenues</i>	<u>32,058,016</u>	<u>32,874,382</u>
Program expenses:		
General government	5,704,200	7,379,928
Security of persons and property	11,345,186	9,776,933
Public health and welfare	317,628	253,214
Transportation	3,526,640	3,311,938
Leisure time activities	3,043,950	3,634,961
Community development	1,755,056	2,119,789
Public works	3,356,143	2,532,212
Interest and fiscal charges	<u>193,895</u>	<u>214,990</u>
<i>Total program expenses</i>	<u>29,242,698</u>	<u>29,223,965</u>
<i>Increase in net assets</i>	\$ <u><u>2,815,318</u></u>	\$ <u><u>3,650,417</u></u>

## *Governmental Activities*

Several revenue sources fund the City's governmental activities, with City income tax being the largest contributor. The City's income tax rate is two percent on gross income and has not changed since 1991. Residents of the City who work in other communities and pay the withholding tax for the other communities receive a 100 percent tax credit of up to two percent on their City tax for Brook Park. During 2005, the revenues generated from municipal income tax amounted to \$22,159,579. The increase in collections can be attributed to both business and individual taxes.

## City of Brook Park, Ohio

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

#### **For the Year Ended December 31, 2005**

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City income tax revenue of 30 percent is earmarked for specific capital improvements. These revenues are allocated by an ordinance of City Council, providing that a substantial portion of the City's income tax collections be set aside for roads, city facilities and capital needs. Of the \$32,058,016 in total revenue, income tax accounts for 69 percent. Property tax of \$2,954,239 accounts for 9.2 percent of total revenue. Operating grants and contributions, capital grants and contributions and general revenues from grants and entitlements of \$2,912,818 accounts for 9.1 percent of total revenue, which constituted a decrease of 26.5 percent over the \$3,964,528 received during 2004.

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

For the most part, increases in expenses closely parallel inflation and growth in the demand for services. The largest program functions for the City relate to general government and security of persons and property. During 2005, 19.5 percent of program expenses related to general government, while security of persons and property accounted for 38.8 percent of program expenses.

Salaries and fringe benefits continue to make-up a large part of the program expenses (approximately 65 percent). These costs continue to increase on a yearly basis. However, expenses increased overall by \$18,733, which highlights management's aggressive behavior to manage expenses. Significant fluctuations between 2004 and 2005 for general government, security of persons and property, leisure time activities and public works expenses were mainly due to certain reclassifications of expenses in order to conform to the 2005 presentation.

The Police and Fire Departments are an integral component of the City's outstanding services. Currently there are 44 full-time sworn officers in the Police Department. During 2005, the Police Department purchased seven new Ford Crown Victoria Police Interceptors. The new vehicles were outfitted with state-of-the-art radio and computer equipment. As noted in the prior years, the Police Department continued to make employee training a top priority. During 2005, the City was reimbursed \$55,683 from Cuyahoga County for the use of the City jail and \$50,264 for police officer overtime from grants and task forces.

The Fire Department consists of 40 full-time fire fighters. Again, training plays a crucial role in the day-to-day operation of the department. The department handled 2,599 calls for assistance, of which approximately 2,240 were for EMS, with the balance attributed to fire and fire-related incidents. This constituted an increase of 3.13 percent over 2004. Significant improvements have been made to our fire service, including the renovation of one of the satellite fire stations.

#### *Program Expenses*

As of December 31, 2005, the City of Brook Park's total cost of services was \$29,242,698, with a net cost of services totaling \$(25,358,739).

Table 3 itemizes fiscal year 2005 program expenses by specific function.

# City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited)

**For the Year Ended December 31, 2005**

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**Table 3  
Program Expenses**

	Total Cost of Services 2005	Net Cost of Services 2005
	<u>2005</u>	<u>2005</u>
General government	\$ 5,704,200	\$ (4,870,943)
Security of persons and property	11,345,186	(10,336,645)
Public health and welfare	317,628	(301,819)
Transportation	3,526,640	(3,072,966)
Leisure time activities	3,043,950	(2,571,812)
Community development	1,755,056	(654,516)
Public works	3,356,143	(3,356,143)
Interest and fiscal charges	<u>193,895</u>	<u>(193,895)</u>
<i>Total cost of services</i>	\$ <u><u>29,242,698</u></u>	\$ <u><u>(25,358,739)</u></u>

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

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

## **The City's Funds**

### *Governmental Funds*

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

As of the end of the current fiscal year, the City of Brook Park's governmental funds reported combined ending fund balances of \$20,491,530. Of that amount, \$19,238,948 constitutes unreserved fund balances, which are available for spending at the government's discretion. The residue is reserved to indicate that it is not available for new spending because it has already been committed: (1) to liquidate contracts and purchases of the prior period \$(979,655); (2) to reflect year end inventory \$(122,969); and (3) to indicate expenses prepaid at year end \$(149,958).

### *General Fund*

The General Fund is the chief operating fund of the City of Brook Park. At the end of the current fiscal year, the total fund balance for the General Fund was \$12,195,423, of which \$11,705,992 was unreserved. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total



## City of Brook Park, Ohio

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

#### **For the Year Ended December 31, 2005**

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fund balance to total fund expenditures. Unreserved fund balance represents 53 percent of total General Fund expenditures, while total fund balance represents 55 percent of that same amount.

The fund balance of the City of Brook Park's General Fund increased by \$676,461 during 2005. This increase is mainly due to actual revenue exceeding budgeted revenue and 2005 operating transfers being less than 2004 operating transfers.

#### *Economic Development Fund*

The Economic Development Fund accounts for parking fees and proceeds received from the sale of City owned property. These funds are earmarked for expenditures essential to the development of the City. At the end of the current fiscal year, the total fund balance for the Economic Development Fund was \$2,520,168, of which 2,439,295 was unreserved. The fund balance of the City of Brook Park's Economic Development Fund increased by \$240,102 during 2005.

#### *Capital Improvements Fund*

The Capital Improvements Fund accounts for the portion of municipal income tax designated by Council for the purpose of improving, constructing, maintaining and purchasing those items necessary to enhance the operation of the City. At the end of the current fiscal year, the total fund balance for the Capital Improvements Fund was \$4,691,061, of which \$4,037,982 was unreserved. The fund balance of the City of Brook Park's Capital Improvements Fund decreased by \$3,183,253 during 2005. This decrease is mainly due to a \$1.4 million transfer to the General Fund for property tax reimbursements to eligible homeowners in the City and the completion of the Aerospace Parkway project and 2003 roads program. In addition, the near completion of the Westside sanitary sewer project also contributed to said decrease.

#### **City Budget**

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. An annual appropriation budget is legally required to be prepared for all funds of the City other than agency funds. City Council is provided with a detailed line item budget for all departments, and after discussions at regularly held Council meetings, which are open to the public, the budget is adopted at the department level by object. Within each object, appropriations can be transferred between line items with the approval of the Finance Director and the respective department head. Council must approve any revisions in the budget that alter the object level totals or the total appropriations for any department or fund. During the course of fiscal year 2005, the City amended its General Fund budget three times. The Finance Department watches all the department expenditures closely to monitor compliance with allocated budgets and provides monthly reports to City Council that depict monthly and year-to-date activity.

For the General Fund, the budget basis revenue was \$23.8 million as compared to the original budget estimate of \$20.9 million (it should be noted that the City utilized conservative revenue budgetary practices). The final appropriations of \$23.7 million were sufficient to meet the expenditures for the year, \$22.5 million. The City's ending unencumbered budgetary fund balance was \$1,609,721 higher than the final budgeted amount.

## City of Brook Park, Ohio

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

#### **For the Year Ended December 31, 2005**

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For the Economic Development Fund, the budget basis revenue was \$855,000 as compared to the original budget estimate of \$1.25 million. The City initially thought that proceeds were to be received from the sale of City owned land. During 2005, the sale did not occur; therefore, the original budget was adjusted accordingly. The final appropriations of \$655,000 were sufficient to meet the expenditures for the year, \$650,781. The City's ending unencumbered budgetary fund balance was \$85,092 higher than the final budgeted amount.

For the Capital Improvements Fund, the budget basis revenue was \$6.61 million as compared to the original budget estimate of \$7.14 million. The initial municipal tax budget was adjusted during the year to reflect actual collections. The final appropriations of \$11.1 million were sufficient to meet the expenditures for the year, \$10.4 million. The City's ending unencumbered budgetary fund balance was \$1,666,646 higher than the final budgeted amount.

#### **Capital Assets and Debt Administration**

##### *Capital Assets*

As of December 31, 2005, the City of Brook Park had \$55.7 million invested in land, buildings and equipment. Table 4 shows fiscal year 2005 balances of Capital Assets, net of depreciation, as compared to 2004.

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

	<u>2005</u>	<u>2004</u>
Land	\$ 4,618,615	\$ 4,366,037
Construction in progress	4,925,776	11,416,828
Improvements to land	1,730,121	1,828,543
Buildings and improvements	11,593,521	11,913,009
Vehicles	3,967,830	4,126,295
Furniture, fixtures and equipment	1,507,769	1,381,988
Infrastructure		
Streets	16,165,533	6,692,173
Water lines	266,990	53,132
Sanitary sewer system	<u>11,013,267</u>	<u>11,214,290</u>
<i>Total capital assets</i>	<u>\$ 55,789,422</u>	<u>\$ 52,992,295</u>

Net of depreciation, the balances for the above capital assets, except for construction in progress and streets, remained practically unchanged. As previously mentioned, the Aerospace Parkway project and 2003 roads program were completed, the Westside sanitary sewer project and 2004 roads program were near completion and the 2005 roads program was budgeted at approximately \$2.1 million. These occurrences had a material impact on construction in progress and streets.

## City of Brook Park, Ohio

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

#### **For the Year Ended December 31, 2005**

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Replacement of vehicles, such as fire trucks, ambulances, rubbish trucks, etc., is planned for well in advance by the respective department heads, and scheduled maintenance is followed to provide peak performance for the maximum time frame. The older vehicles are either traded in or sold to the highest bidder on the open market.

With regards to the infrastructure of the City, the City Engineer maintains a comprehensive listing of all the streets, bridges, culverts and sewer lines located within the City. As part of the annual road maintenance program, the Engineer evaluates the condition of each street after each winter and prepares a list of streets to be either resurfaced or crack sealed, and in the case of concrete roads, either replaced or repaired. After approval from Council, the projects are bid in the spring to get the best possible pricing from contractors. For additional information on capital assets, see Note 7 of the basic financial statements.

#### *Debt*

On December 31, 2005, the City of Brook Park had \$6,038,178 in outstanding debt, with \$1,155,737 due within one year.

Table 5 summarizes bonds, capital leases and compensated absences.

**Table 5**  
**Outstanding Debt at Year End**

	<u>2005</u>	<u>2004</u>
General obligation bonds	\$ 2,110,000	\$ 3,962,000
Capital leases	1,277,147	1,446,808
Compensated absences	<u>2,651,031</u>	<u>2,168,533</u>
<i>Total</i>	\$ <u><u>6,038,178</u></u>	\$ <u><u>7,577,341</u></u>

As of December 31, 2005, the City's overall legal debt margin was \$59,190,122, with an unvoted debt margin of \$30,206,529. The City of Brook Park has an aggressive debt reduction approach, paying off most long-term bonds within 10 years as opposed to 15 or 20 years. As of the end of the year, the outstanding general obligation debt was \$2,110,000. Other obligations include accrued vacation pay, sick leave and capital leases. More detailed information about the City's long-term liabilities is presented in Note 8 of the basic financial statements.

#### **Current Financial Related Activities**

The City of Brook Park is currently in a strong financial position, but it must be stated that the City is not immune to the economic conditions that have negatively affected many public and private entities. If employment levels at Ford and NASA, the City's two biggest employers, continue to drop, the City's financial stability will weaken unless expenditures are reduced or additional revenues are generated. The management of the City will continue to closely monitor the activities at both Ford and NASA.

## **City of Brook Park, Ohio**

Management's Discussion and Analysis (Unaudited)

### **For the Year Ended December 31, 2005**

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

#### **Contacting the City's Finance Department**

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

# City of Brook Park, Ohio

## Statement of Net Assets

**December 31, 2005**

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Assets:

Cash and cash equivalents	\$ 19,460,890
Materials and supplies inventory	122,969
Accounts receivable	100,048
Interest receivable	210,001
Intergovernmental receivable	1,359,352
Prepays	149,958
Taxes receivable	5,966,458
Special assessments receivable	108,119
Nondepreciable capital assets	9,544,391
Depreciable capital assets, net	<u>46,245,031</u>
Total assets	<u>83,267,217</u>

Liabilities:

Accounts payable	530,835
Contracts payable	290,153
Accrued wages and benefits	692,722
Intergovernmental payable	160,112
Unearned revenue	2,521,083
Claims payable	3,409
Accrued interest payable	44,860
Long-term liabilities:	
Due within one year	1,155,737
Due in more than one year	<u>4,882,441</u>
Total liabilities	<u>10,281,352</u>

Net assets:

Invested in capital assets, net of related debt	52,402,275
Restricted for:	
Capital projects	4,691,061
Debt service	434,576
Other purposes	589,402
Unrestricted	<u>14,868,551</u>
Total net assets	\$ <u>72,985,865</u>

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

# City of Brook Park, Ohio

## Statement of Activities

### For The Year Ended December 31, 2005

	<u>Expense</u>	<u>Program Revenues</u>			<u>Total Governmental Funds</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
General government	\$ 5,704,200	\$ 833,257	\$ -	\$ -	\$ (4,870,943)
Security of persons and property	11,345,186	954,234	54,307	-	(10,336,645)
Public health and welfare	317,628	1,342	14,467	-	(301,819)
Transportation	3,526,640	-	-	453,674	(3,072,966)
Leisure time activities	3,043,950	472,138	-	-	(2,571,812)
Community development	1,755,056	990,994	-	109,546	(654,516)
Public works	3,356,143	-	-	-	(3,356,143)
Interest and fiscal charges	<u>193,895</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(193,895)</u>
Total governmental activities	\$ <u>29,242,698</u>	\$ <u>3,251,965</u>	\$ <u>68,774</u>	\$ <u>563,220</u>	<u>(25,358,739)</u>
General revenues:					
Property taxes levied for:					
General purposes					2,502,223
Other purposes					452,016
Income taxes levied for:					
General purposes					16,723,424
Capital outlay					5,436,155
Grants and entitlements not restricted to specific programs					2,280,824
Investment income					778,295
Gain on disposal of capital assets					<u>1,120</u>
Total general revenues					<u>28,174,057</u>
Change in net assets					2,815,318
Net assets at beginning of year, restated					<u>70,170,547</u>
Net assets at end of year					\$ <u>72,985,865</u>

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

# City of Brook Park, Ohio

## Governmental Funds Balance Sheet

**December 31, 2005**

	<u>General</u>	<u>Economic Development</u>	<u>Capital Improvements</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 10,343,930	\$ 2,579,329	\$ 4,568,885	\$ 1,420,739	\$ 18,912,883
Material and supplies inventory	122,969	-	-	-	122,969
Accounts receivable	99,766	-	-	282	100,048
Interest receivable	210,001	-	-	-	210,001
Intergovernmental receivable	865,059	-	-	494,293	1,359,352
Prepays	149,958	-	-	-	149,958
Special assessments receivable	-	-	-	108,119	108,119
Taxes receivable	<u>4,502,659</u>	<u>-</u>	<u>961,164</u>	<u>502,635</u>	<u>5,966,458</u>
<b>Total assets</b>	<b>\$ <u>16,294,342</u></b>	<b>\$ <u>2,579,329</u></b>	<b>\$ <u>5,530,049</u></b>	<b>\$ <u>2,526,068</u></b>	<b>\$ <u>26,929,788</u></b>
<b>Liabilities and fund balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 221,117	\$ 59,161	\$ 239,631	\$ 10,926	\$ 530,835
Contracts payable	-	-	290,153	-	290,153
Accrued wages and benefits	210,263	-	-	482,459	692,722
Intergovernmental payable	150,798	-	-	9,314	160,112
Unearned revenue	<u>3,516,741</u>	<u>-</u>	<u>309,204</u>	<u>938,491</u>	<u>4,764,436</u>
<b>Total liabilities</b>	<b><u>4,098,919</u></b>	<b><u>59,161</u></b>	<b><u>838,988</u></b>	<b><u>1,441,190</u></b>	<b><u>6,438,258</u></b>
<b>Fund balances:</b>					
Reserved for encumbrances	216,504	80,873	653,079	29,199	979,655
Reserved for inventory	122,969	-	-	-	122,969
Reserved for prepaids	149,958	-	-	-	149,958
<b>Unreserved:</b>					
<b>Undesignated, reported in:</b>					
General fund	11,705,992	-	-	-	11,705,992
Special revenue funds	-	2,439,295	-	621,103	3,060,398
Debt service fund	-	-	-	434,576	434,576
Capital projects fund	<u>-</u>	<u>-</u>	<u>4,037,982</u>	<u>-</u>	<u>4,037,982</u>
<b>Total fund balances</b>	<b><u>12,195,423</u></b>	<b><u>2,520,168</u></b>	<b><u>4,691,061</u></b>	<b><u>1,084,878</u></b>	<b><u>20,491,530</u></b>
<b>Total liabilities and fund balances</b>	<b>\$ <u>16,294,342</u></b>	<b>\$ <u>2,579,329</u></b>	<b>\$ <u>5,530,049</u></b>	<b>\$ <u>2,526,068</u></b>	<b>\$ <u>26,929,788</u></b>

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

## City of Brook Park, Ohio

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

**December 31, 2005**

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Total Governmental Funds balances \$ 20,491,530

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

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. 55,789,422

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

Property and other taxes	\$ 181,775
Municipal income taxes	1,058,097
Special assessments	108,119
Intergovernmental	<u>895,362</u>

Total 2,243,353

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental Funds, an interest expenditure is reported when due. (44,860)

Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Statement of Net Assets. 544,598

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

General obligation bonds	(2,110,000)
Capital leases	(1,277,147)
Compensated absences	<u>(2,651,031)</u>

Total (6,038,178)

*Net Assets of Governmental Activities* \$ 72,985,865

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



# City of Brook Park, Ohio

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

### For The Year Ended December 31, 2005

	<u>General</u>	<u>Economic Development</u>	<u>Capital Improvements</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 2,132,539	\$ -	\$ -	\$ 468,856	\$ 2,601,395
Municipal income taxes	16,029,056	-	5,436,155	-	21,465,211
Other local taxes	349,022	-	-	-	349,022
Intergovernmental	1,333,114	-	439,748	1,011,363	2,784,225
Charges for services	882,227	843,985	-	-	1,726,212
Licenses and permits	396,603	-	-	-	396,603
Fines and forfeitures	381,112	-	-	17,043	398,155
Special assessments	-	-	-	19,637	19,637
Investment income	684,031	-	83,487	10,777	778,295
Miscellaneous income	233,901	11,855	-	114,604	360,360
Reimbursements	<u>36,894</u>	<u>-</u>	<u>292,870</u>	<u>-</u>	<u>329,764</u>
Total revenues	<u>22,458,499</u>	<u>855,840</u>	<u>6,252,260</u>	<u>1,642,280</u>	<u>31,208,879</u>
Expenditures:					
Current operations and maintenance:					
Security of persons and property	8,910,632	-	-	1,280,879	10,191,511
Public health and welfare	148,385	-	-	166,606	314,991
Leisure time activities	2,342,622	-	79,776	113,902	2,536,300
Community development	1,158,743	340,738	17,182	19,036	1,535,699
Public works	2,767,901	-	161,909	-	2,929,810
Transportation	873,476	-	551,964	1,208,111	2,633,551
General government	5,910,487	-	223,260	-	6,133,747
Capital outlay	-	-	5,690,763	-	5,690,763
Debt service:					
Principal retirement	-	-	-	1,852,000	1,852,000
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,807</u>	<u>177,807</u>
Total expenditures	<u>22,112,246</u>	<u>340,738</u>	<u>6,724,854</u>	<u>4,818,341</u>	<u>33,996,179</u>
Excess of revenues over (under) expenditures	<u>346,253</u>	<u>515,102</u>	<u>(472,594)</u>	<u>(3,176,061)</u>	<u>(2,787,300)</u>
Other financing sources (uses):					
Proceeds from inception of capital lease	-	-	373,287	-	373,287
Proceeds from sale of capital assets	5,548	-	20,950	-	26,498
Transfers – in	1,406,854	-	275,000	3,055,236	4,737,090
Transfers – out	<u>(1,082,194)</u>	<u>(275,000)</u>	<u>(3,379,896)</u>	<u>-</u>	<u>(4,737,090)</u>
Total other financing sources (uses)	<u>330,208</u>	<u>(275,000)</u>	<u>(2,710,659)</u>	<u>3,055,236</u>	<u>399,785</u>
Net change in fund balances	676,461	240,102	(3,183,253)	(120,825)	(2,387,515)
Fund balances at beginning of year, restated	<u>11,518,962</u>	<u>2,280,066</u>	<u>7,874,314</u>	<u>1,205,703</u>	<u>22,879,045</u>
Fund balances at end of year	\$ <u>12,195,423</u>	\$ <u>2,520,168</u>	\$ <u>4,691,061</u>	\$ <u>1,084,878</u>	\$ <u>20,491,530</u>

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

# City of Brook Park, Ohio

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

### **For The Year Ended December 31, 2005**

Net Change in Fund Balances - Total Governmental Funds \$ (2,387,515)

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

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

Capital outlay	\$	4,885,697	
Depreciation		<u>(1,847,315)</u>	
			3,038,382

In the Statement of Activities, only the gain on the disposal of equipment is reported, whereas, in the Governmental Funds, the proceeds from the disposal increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the equipment. (241,255)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the Funds.

Property and other taxes		3,822	
Municipal income taxes		694,368	
Special assessments		103,835	
Intergovernmental		<u>7,559</u>	
			809,584

Other financing sources in the Governmental Funds that increase long-term liabilities in the Statement of Net Assets. These sources were attributed to inception of capital lease. (373,287)

Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 1,852,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.

Compensated absences		(482,498)	
Capital leases		542,948	
Accrued interest on bonds		<u>16,088</u>	
			76,538

Internal service funds are used by management to charge to costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the Internal Service Fund is reported with Governmental Activities. 40,871

*Change in Net Assets of Governmental Activities* \$ 2,815,318

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

# City of Brook Park, Ohio

## Statement of Revenues, Expenditures and Changes In Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual General Fund **For The Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 2,093,378	\$ 2,132,539	\$ 2,132,539	\$ -
Municipal income taxes	14,980,000	16,143,181	16,143,181	-
Other local taxes	325,000	340,055	340,055	-
Intergovernmental	1,334,337	1,354,925	1,354,925	-
Charges for services	841,567	885,218	885,218	-
Licenses and permits	394,034	393,344	393,344	-
Fines and forfeitures	329,396	395,473	395,473	-
Investment income	442,657	528,052	528,052	-
Miscellaneous income	164,021	258,439	258,439	-
Total revenues	<u>20,904,390</u>	<u>22,431,226</u>	<u>22,431,226</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property	8,903,098	9,172,954	8,972,505	200,449
Public health and welfare	227,646	185,166	148,029	37,137
Leisure time activities	2,499,943	2,553,650	2,378,943	174,707
Community development	1,181,691	1,200,405	1,161,976	38,429
Public works	2,970,196	3,057,500	2,886,768	170,732
Transportation	958,084	1,090,447	1,028,343	62,104
General government	4,483,565	6,459,469	5,934,995	524,474
Total expenditures	<u>21,224,223</u>	<u>23,719,591</u>	<u>22,511,559</u>	<u>1,208,032</u>
Excess of revenues over (under) expenditures	<u>(319,833)</u>	<u>(1,288,365)</u>	<u>(80,333)</u>	<u>1,208,032</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	8,265	5,478	5,478	-
Transfers – in	-	1,406,854	1,406,854	-
Transfers – out	(1,150,000)	(1,204,694)	(1,082,194)	122,500
Total other financing sources (uses)	<u>(1,141,735)</u>	<u>207,638</u>	<u>330,138</u>	<u>122,500</u>
Net change in fund balance	(1,461,568)	(1,080,727)	249,805	1,330,532
Cash fund balance at beginning of year	9,814,937	9,814,937	9,814,937	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>279,188</u>	<u>279,188</u>
Cash fund balance at end of year	\$ <u>8,353,369</u>	\$ <u>8,734,210</u>	\$ <u>10,343,930</u>	\$ <u>1,609,720</u>

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

## City of Brook Park, Ohio

Statement of Revenues, Expenditures and Changes In Fund Balance – Budget  
(Non-GAAP Budgetary Basis) and Actual  
Economic Development Fund  
**For The Year Ended December 31, 2005**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 861,992	\$ 843,985	\$ 843,985	\$ -
Miscellaneous income	<u>-</u>	<u>11,855</u>	<u>11,855</u>	<u>-</u>
Total revenues	<u>861,992</u>	<u>855,840</u>	<u>855,840</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Community development	<u>80,000</u>	<u>380,000</u>	<u>375,781</u>	<u>4,219</u>
Excess of revenues over expenditures	<u>781,992</u>	<u>475,840</u>	<u>480,059</u>	<u>4,219</u>
Other financing sources (uses):				
Proceeds from the sale of land	390,000	-	-	-
Transfers – out	<u>-</u>	<u>(275,000)</u>	<u>(275,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>390,000</u>	<u>(275,000)</u>	<u>(275,000)</u>	<u>-</u>
Net change in fund balance	1,171,992	200,840	205,059	4,219
Cash fund balance at beginning of year	2,293,397	2,293,397	2,293,397	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>80,873</u>	<u>80,873</u>
Cash fund balance at end of year	\$ <u>3,465,389</u>	\$ <u>2,494,237</u>	\$ <u>2,579,329</u>	\$ <u>85,092</u>

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

# City of Brook Park, Ohio

## Statement of Fund Net Assets Proprietary Fund

**December 31, 2005**

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	<u>Governmental Activities - Internal Service Fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 548,007
Liabilities:	
Current liabilities:	
Claims payable	<u>3,409</u>
Net assets:	
Unrestricted	\$ <u><u>544,598</u></u>

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

# City of Brook Park, Ohio

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

### **For The Year Ended December 31, 2005**

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	Governmental Activities - Internal Service Fund
Operating revenues:	
Reimbursements	\$ <u>40,871</u>
Change in net assets	40,871
Net assets at beginning of year	<u>503,727</u>
Net assets at end of year	\$ <u><u>544,598</u></u>

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

## City of Brook Park, Ohio

### Statement of Cash Flows Proprietary Fund

#### **For The Year Ended December 31, 2005**

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	<u>Governmental Activities - Internal Service Fund</u>
Decrease in cash and cash equivalents:	
Cash flows from operating activities:	
Cash payments for contractual services	\$ (199,393)
Cash received from reimbursements	<u>1,747</u>
Net decrease in cash and cash equivalents	(197,646)
Cash and cash equivalents at beginning of year	<u>745,653</u>
Cash and cash equivalents at end of year	\$ <u><u>548,007</u></u>
Reconciliation of operating income to net cash from operating activities:	
Operating income	\$ 40,871
Adjustments to reconcile operating income to net cash from operating activities:	
Change in assets and liabilities:	
Decrease in claims payable	<u>(238,517)</u>
Net cash used in operating activities	\$ <u><u>(197,646)</u></u>

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

# City of Brook Park, Ohio

## Statement of Fiduciary Net Assets Fiduciary Funds

### **For The Year Ended December 31, 2005**

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	<u>Agency</u>
Assets:	
Cash and cash equivalents	\$ <u>65,847</u>
Liabilities:	
Intergovernmental payable	\$ 28,831
Due to others	2,935
Deposits held	<u>34,081</u>
Total liabilities	\$ <u>65,847</u>

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



# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 1: The Reporting Entity**

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

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

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

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

#### *Jointly Governed Organizations*

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

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 1: The Reporting Entity (continued)**

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

The Board exercises total control over the operations of the Health Center including budgeting, appropriating, contracting and designating management. Each City's control is limited to its representation on the Board. In 2005, the City of Brook Park contributed \$140,419 of property tax levies to the Health Center.

#### **Note 2: Summary of Significant Accounting Policies**

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

##### **A. Basis of Presentation**

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

##### *Government-Wide Financial Statements*

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

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

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 2: Summary of Significant Accounting Policies (continued)**

##### **A. Basis of Presentation (continued)**

###### *Fund Financial Statements*

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

##### **B. Fund Accounting**

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

###### *Governmental Funds*

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

###### *General Fund*

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

###### *Economic Development Fund*

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

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 2: Summary of Significant Accounting Policies (continued)**

##### **B. Fund Accounting (continued)**

###### *Capital Improvement Fund*

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

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

###### *Proprietary Funds*

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

###### *Internal Service Fund*

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

###### *Fiduciary Funds*

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

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

###### *Government-Wide Financial Statements*

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

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 2: Summary of Significant Accounting Policies (continued)**

##### ***C. Measurement Focus (continued)***

###### *Fund Financial Statements*

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

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

##### ***D. Basis of Accounting***

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

###### *Revenues – Exchange and Non-Exchange Transactions*

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

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 2: Summary of Significant Accounting Policies (continued)**

##### ***D. Basis of Accounting (continued)***

##### *Revenues – Exchange and Non-Exchange Transactions (continued)*

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

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

##### *Deferred Revenue and Unearned Revenue*

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Unearned revenue arises when resources have been received, but not yet received.

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 deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

##### *Expenses/Expenditures*

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

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

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 2: Summary of Significant Accounting Policies (continued)**

##### ***E. Budgetary Process***

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

##### *Tax Budget*

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

##### *Estimated Resources*

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

On or about January 1 the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the Finance Director determines that revenue to be collected will be greater than or less than the prior estimates and the budget commission finds the revised estimates to be reasonable. The amounts reported in the budgetary statements as original represent the amounts in the first official certificate of estimated resources issued during 2005. The amounts reported in the budgetary statements as final reflect the amounts in the final amended official certificate of estimated resources issued during 2005.

##### *Annual Estimate*

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

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 2: Summary of Significant Accounting Policies (continued)**

##### ***E. Budgetary Process (continued)***

###### *Appropriations*

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

###### *Lapsing of Appropriations*

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

###### *Budgeted Level of Expenditure*

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

###### *Encumbrances*

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



# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 2: Summary of Significant Accounting Policies (continued)**

##### ***F. Pooled Cash and Cash Equivalents***

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

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

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

In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of December 31, 2005:

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

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

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

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

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

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

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 2: Summary of Significant Accounting Policies (continued)**

##### ***F. Pooled Cash and Cash Equivalents (continued)***

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

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

##### ***G. Inventory***

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

##### ***H. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 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 it was consumed.

##### ***I. Receivables***

Receivables at December 31, 2005 consist of taxes, amounts due from other governments, accounts (billings for user charged services), special assessments, and accrued interest on investments. All are deemed collectible in full.

##### ***J. Capital Assets***

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

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 2: Summary of Significant Accounting Policies (continued)**

##### ***J. Capital Assets (continued)***

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

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

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

##### ***K. Interfund Balances***

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

##### ***L. Compensated Absences***

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

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

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 2: Summary of Significant Accounting Policies (continued)**

##### ***L. Compensated Absences (continued)***

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

##### ***M. Accrued Liabilities and Long-Term Obligations***

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

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

##### ***N. Fund Balance Reserves***

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

##### ***O. Net Assets***

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

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

##### ***P. Operating Revenues and Expenses***

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

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 2: Summary of Significant Accounting Policies (continued)**

##### ***Q. Grants and Intergovernmental Revenues***

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

##### ***R. Interfund Activity***

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

##### ***S. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither occurred in 2005.

##### ***T. Estimates***

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

##### ***U. Comparative Data/Reclassifications***

Prior year data presented in Management's Discussion and Analysis and the Statistical Section have been reclassified in order to be comparative and provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2004 financial statements in order to conform to the 2005 presentation.

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### For The Year Ended December 31, 2005

#### **Note 3: Change in Accounting Principle and Restatement of Prior Year's Balances**

For 2005, the City has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures", GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" and GASB Technical Bulletin No. 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liability by Cost-Sharing Employers."

GASB Statement No. 40 establishes disclosure requirements for investment credit risk, interest rate risk, deposit custodial risk and foreign currency risk.

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

GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment benefit (OPEB) plans.

The implementation of GASB Statement No. 40 and No. 42 did not affect the presentation of the financial statements of the City. The implementation of GASB Technical Bulletin No. 2004-2 had the following effect on fund balances:

	<u>General</u>	<u>Economic Development</u>	<u>Capital Improvements</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance,					
December 31, 2004	\$ 11,518,962	\$ 2,280,066	\$ 8,030,267	\$ 1,295,496	\$ 23,124,791
Contracts payable	-	-	(155,953)	(12,584)	(168,537)
Implementation of GASB Technical Bulletin 2004-2	<u>-</u>	<u>-</u>	<u>-</u>	<u>(77,209)</u>	<u>(77,209)</u>
Adjusting Fund Balance, December 31, 2004	\$ <u>11,518,962</u>	\$ <u>2,280,066</u>	\$ <u>7,874,314</u>	\$ <u>1,205,703</u>	\$ <u>22,879,045</u>

Understatement of contracts payable had the following effect on net assets at December 31, 2004:

Net assets, December 31, 2004	\$ 70,339,084
Restatement of contracts payable	<u>(168,537)</u>
Restated net assets, December 31, 2004	\$ <u>70,170,547</u>

#### **Note 4: Budgetary Basis of Accounting**

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

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 4: Budgetary Basis of Accounting (continued)**

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

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

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

	<u>Net Change in Fund Balance</u>	
	<u>General</u>	<u>Economic Development</u>
GAAP Basis	\$ 676,461	\$ 240,102
<u>Increase (Decrease) Due to:</u>		
Revenue Accruals	(27,343)	-
Expenditure Accruals	(120,125)	45,830
Outstanding Encumbrances	<u>(279,188)</u>	<u>(80,873)</u>
Budget Basis	\$ <u>249,805</u>	\$ <u>205,059</u>

#### **Note 5: Deposits and Investments**

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

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

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:

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 5: Deposits and Investments (continued)**

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

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

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

#### ***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 as security for repayment of all public moneys.



# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 5: Deposits and Investments (continued)**

##### *Deposits (continued)*

At year-end, the carrying amount of the City's deposits was \$17,550,438 and the bank balance was \$18,044,094. Of the bank balance \$400,000 was covered by Federal depository insurance and \$17,644,094 was uninsured. Of the remaining bank balance, \$12,900,000 was collateralized with securities held by the pledging institution's agent in the City's name and \$4,744,094 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:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Federal Home Loan Mortgage Corporation	\$ 1,500,000	884
STAROhio	<u>476,299</u>	<u>N/A</u>
Total Portfolio	\$ <u>1,976,299</u>	<u>884</u>

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

*Custodial Risk* for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed.

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

*Concentration of Credit Risk* is defined by the Governmental Accounting Standards Board as five percent 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 Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 5: Deposits and Investments (continued)**

##### *Investments (continued)*

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
STAROhio	24.10%
Federal Home Loan Mortgage Corporation	75.90

#### **Note 6: Receivables**

Receivables at December 31, 2005 consisted primarily of taxes, intergovernmental receivables arising from grants, entitlements or shared revenues, accounts, special assessments and interest on investments. All receivables are considered fully collectible.

##### **A. Property Tax**

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

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

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

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

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 6: Receivables (continued)**

##### **A. Property Tax (continued)**

The full tax rate for all City operations for the year ended December 31, 2005, was \$4.80 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:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$ 440,678,130
Public Utility	13,754,000
Tangible Personal	125,239,739
Total	\$ <u>579,671,869</u>

##### **B. Income Tax**

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

The City, by ordinance, allocates income tax revenues and expenditures for collecting, administering, and enforcing the tax to the General and Capital Improvement Capital Projects Funds, at seventy and thirty percent, respectively. The Capital Improvement Capital Projects Fund further allocates income taxes to other capital projects funds, as operating transfers, through the budgetary process. Income tax receipts for 2005 were \$21,628,247.

##### **C. Intergovernmental Receivables**

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Local government funds	\$ 559,449
Auto registration fees	113,984
Estate tax	15,278
Homestead and rollback	263,184
Gasoline and excise tax	332,308
Public utility reimbursement	25,600
Permissive tax	3,787
Liquor and beer permits	1,502
Fema reimbursement	31,712
Miscellaneous reimbursements	12,548
Total	\$ <u>1,359,352</u>

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### For The Year Ended December 31, 2005

#### Note 6: Receivables (continued)

##### C. Intergovernmental Receivables (continued)

By statute, local property taxes have been reduced 10%, with additional reductions for the elderly and the disabled. The amount of these reductions will be paid to the City by the State of Ohio in the latter of part of 2005.

#### Note 7: Capital Assets

Capital asset activity for the year ended December 31, 2005, was as follows:

	<u>Balances</u> <u>12/31/04</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balances</u> <u>12/31/05</u>
<b>Governmental activities</b>				
Nondepreciable assets:				
Land	\$ 4,366,037	\$ 252,578	\$ -	\$ 4,618,615
Construction in progress	<u>11,416,828</u>	<u>3,582,332</u>	<u>(10,073,384)</u>	<u>4,925,776</u>
Total nondepreciable assets	<u>15,782,865</u>	<u>3,834,910</u>	<u>(10,073,384)</u>	<u>9,544,391</u>
Depreciable assets:				
Buildings and improvements	17,200,060	74,036	-	17,274,096
Improvements other than buildings	2,684,109	18,429	-	2,702,538
Machinery and equipment	2,319,507	369,275	(130,425)	2,558,357
Furniture and fixtures	164,633	-	-	164,633
Vehicles	7,765,953	458,308	(418,504)	7,805,757
Infrastructure:				
Streets	10,458,675	9,863,291	-	20,321,966
Sewers	15,964,800	118,289	-	16,083,089
Water lines	<u>242,000</u>	<u>222,543</u>	<u>-</u>	<u>464,543</u>
Total depreciable assets	<u>56,799,737</u>	<u>11,124,171</u>	<u>(548,929)</u>	<u>67,374,979</u>
Less accumulated depreciation:				
Buildings and improvements	(5,287,051)	(393,524)	-	(5,680,575)
Improvements other than buildings	(855,566)	(116,851)	-	(972,417)
Machinery and equipment	(1,024,809)	(171,656)	69,669	(1,126,796)
Furniture and fixtures	(77,343)	(11,082)	-	(88,425)
Vehicles	(3,639,658)	(436,274)	238,005	(3,837,927)
Infrastructure:				
Streets	(3,766,502)	(389,931)	-	(4,156,433)
Sewers	(4,750,510)	(319,312)	-	(5,069,822)
Water lines	<u>(188,868)</u>	<u>(8,685)</u>	<u>-</u>	<u>(197,553)</u>
Total accumulated depreciation	<u>(19,590,307)</u>	<u>(1,847,315)</u>	<u>307,674</u>	<u>(21,129,948)</u>
Total depreciable assets, net	<u>37,209,430</u>	<u>9,276,856</u>	<u>(241,255)</u>	<u>46,245,031</u>
Governmental activities capital assets, net	\$ <u>52,992,295</u>	\$ <u>13,111,766</u>	\$ <u>(10,314,639)</u>	\$ <u>55,789,422</u>

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 7: Capital Assets (continued)**

Depreciation expense was charged to governmental activities as follows:

General government	\$ 79,203
Security of persons and property	334,526
Leisure time activities	370,833
Community development	15,864
Public works	542,900
Transportation	503,989
Total	<u>\$ 1,847,315</u>

#### **Note 8: Long-Term Debt**

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

	<u>Original Issue</u>	<u>Interest</u>	<u>Original Issue</u>
General Obligation Bonds:			
International Exposition Center Road Improvements	1985	2%	\$ 750,000
Various Purpose Improvements	1995	4.6% - 5.4%	13,050,000
Laich Street Improvements	2004	2% - 3.7%	775,000
Aerospace Parkway Improvements	2004	2% - 3.7%	1,480,000

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

#### **Note 8: Long-Term Debt (continued)**

Changes in long-term debt activity for the year ended December 31, 2005 was as follows:

	<u>Balances</u> <u>12/31/04</u>	<u>Issued</u>	<u>Retired</u>	<u>Balances</u> <u>12/31/05</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
General obligation bonds:					
International exposition center					
Road improvements	\$ 42,000	\$ -	\$ 42,000	\$ -	\$ -
Various purpose improvements	1,665,000	-	1,665,000	-	-
Laich street improvements	775,000	-	20,000	755,000	30,000
Aerospace parkway improvements	<u>1,480,000</u>	<u>-</u>	<u>125,000</u>	<u>1,355,000</u>	<u>135,000</u>
Total general obligation bonds	<u>3,962,000</u>	<u>-</u>	<u>1,852,000</u>	<u>2,110,000</u>	<u>165,000</u>
Capitalized lease agreements:					
Public service vehicles	139,871	147,926	191,053	96,744	47,458
Police sedans	110,523	225,361	146,121	189,763	114,669
Firetrucks	910,347	-	113,798	796,549	118,828
Copier	5,738	-	2,394	3,344	2,492
Emergency vehicle	52,363	-	52,363	-	-
Radio equipment	76,790	-	9,151	67,639	9,699
Telephone system	<u>151,176</u>	<u>-</u>	<u>28,068</u>	<u>123,108</u>	<u>29,121</u>
Total capital leases	<u>1,446,808</u>	<u>373,287</u>	<u>542,948</u>	<u>1,277,147</u>	<u>322,267</u>
Accrued compensated absences	<u>2,168,533</u>	<u>1,710,865</u>	<u>1,228,367</u>	<u>2,651,031</u>	<u>668,470</u>
Total governmental long-term liabilities	<u>\$ 7,577,341</u>	<u>\$ 2,084,152</u>	<u>\$ 3,623,315</u>	<u>\$ 6,038,178</u>	<u>\$ 1,155,737</u>

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

Compensated absences liabilities will be paid from the fund from which employees' salaries are paid.

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### For The Year Ended December 31, 2005

#### **Note 8: Long-Term Debt (continued)**

The City's overall legal debt margin was \$59,190,122 at December 31, 2005. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2005 are as follows:

<u>Year</u>	<u>General Obligations Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2006	\$ 165,000	\$ 69,496	\$ 234,496
2007	170,000	66,196	236,196
2008	170,000	62,626	232,626
2009	175,000	58,376	233,376
2010	180,000	53,476	233,476
2011-2015	825,000	174,311	999,311
2016-2020	215,000	77,138	292,138
2021-2024	<u>210,000</u>	<u>24,610</u>	<u>234,610</u>
Total	\$ <u>2,110,000</u>	\$ <u>586,229</u>	\$ <u>2,696,229</u>

#### **Note 9: Capital Leases**

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

	<u>Governmental Activities</u>
Assets:	
Machinery and equipment	\$ 201,062
Less: accumulated depreciation	<u>(9,024)</u>
Total	\$ <u>192,038</u>
Vehicles	\$ 2,061,612
Less: accumulated depreciation	<u>(348,322)</u>
Total	\$ <u>1,713,290</u>

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

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 9: Capital Leases (continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2005, were as follows:

<u>Year</u>	<u>Payments</u>
2006	\$ 375,137
2007	330,066
2008	200,411
2009	200,311
2010	167,786
2011	<u>167,786</u>
Total minimum lease payments	1,441,497
Less: amount representing interest	<u>(164,350)</u>
Present value of minimum lease payments	\$ <u><u>1,277,147</u></u>

#### **Note 10: Compensated Absences**

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

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

#### **Note 11: Pension Plans**

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

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



# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 11: Pension Plans (continued)**

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6701 or 800-222-7377.

For the year ended December 31, 2005, the members of all three plans were required to contribute 8.50 percent of their annual covered salary to fund pension obligations. The City contributed 13.55 percent of covered payroll, of which 4.0 percent was used to fund health care coverage for retirees. The contribution rate is determined actuarially. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City of Brook Park's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$686,857, \$665,896, and \$586,385, respectively, equal to the required contributions for each year. The full amount has been contributed for all three years. Contributions to the member-directed plan for 2005 were \$10,675 made by the City of Brook Park and \$6,696 made by the plan members.

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

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

Plan members are required to contribute 10 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24 percent for firefighters. Contributions are authorized by state statute. The City of Brook Park's contributions to the Fund for police and firefighters were \$341,870 and \$463,633 for the year ended December 31, 2005, \$321,946 and \$444,128 for the year ended December 31, 2004, and \$221,969 and \$310,900 for the year ended December 31, 2003. The full amount has been contributed for 2004 and 2003. 74 percent for police and 70 percent for firefighters has been contributed for 2005 with the remainder being reported as a liability.

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 12: Postemployment Benefits**

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

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

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

In order to qualify for post-retirement health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor recipients is available. The health care coverage provided by the Retirement System is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority requiring employers to fund post-retirement health care through their contributions to OPERS. The 2005 employer contribution rate was 13.55 percent of covered payroll; 4.0 percent 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 8.0 percent. An annual increase of 4.0 percent, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increase, over and above the 4.0 percent base increase, were assumed to range from 0.50 percent to 6.3 percent. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1 percent to 6 percent for the next eight years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4 percent (the projected wage inflation rate).

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

At December 31, 2005, the number of active contributing participants in the Traditional and Combined Plans totaled 376,109. The number of active contributing participants for both plans used in the December 31, 2004, actuarial valuation was 355,287. The City's actual contributions for 2005, which were used to fund postemployment benefits, were \$289,203. 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 unfounded actuarially accrued liability were \$29.5 billion and \$18.7 billion, respectively.

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 12: Postemployment Benefits (continued)**

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

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 skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retirement Medical Account that can be used to fund future health care expenses.

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

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

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit ("OPEB") as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from the funds of OP&F shall be included in the employer's contribution rate. The Ohio Revised Code provides the statutory authority allowing the OP&F's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2005. 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.

The number of participants eligible to receive health care benefits as of December 31, 2004, the date of the last actuarial valuation available, was 13,812 for police and 10,528 for firefighters. The City's actual contributions for 2005 that were used to fund post-employment benefits were \$225,489 for police and \$221,117 for firefighters. OP&F's total health care expenses for the year ending December 31, 2004, the date of the last actuarial valuation available, was \$102,173,796, which was net of member contributions of \$55,665,341.

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### For The Year Ended December 31, 2005

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#### **Note 12: Postemployment Benefits (continued)**

##### **C. Other Post-Employment Benefits**

The City, under local ordinance and employee bargaining contracts, provides post-retirement prescription drug coverage and life insurance for its retired employees and hospitalization for a retired employee's spouse or surviving spouse who meet certain requirements. The cost of these benefits, provided for under the City's existing group benefit policies, is paid solely by the City on a pay-as-you-go basis. The premiums for each type of benefit differs for those over and under age 65. The amount expended out of the general fund for each type of benefit and the number of participants in 2005 are:

<u>Benefit</u>	<u>Number of Participants</u>	<u>Amount Expended</u>
Hospitalization	4	\$ 16,318
Life	131	<u>3,223</u>
		\$ <u>19,541</u>

#### **Note 13: Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the year, the City contracted with Wichert Insurance Services, Inc. to manage its insurance coverage. The coverage limits, on December 31, 2005, per occurrence for all types of coverage are as follows:

<u>Type of Coverage</u>	<u>Carrier</u>	<u>Coverage</u>
Property:		
Blanket building and contents	CNA Insurance	\$ 40,819,733
Boiler and machinery	CNA Insurance	5 million
Extra expense	CNA Insurance	1 million
Ordinance or Law	CNA Insurance	1 million
General Liability:		
Commercial General Liability	CNA Insurance	5 million
Employee Benefits	CNA Insurance	5 million
Employers Liability	CNA Insurance	2 million
Automotive Liability	CNA Insurance	1 million

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 13: Risk Management (continued)**

<u>Type of Coverage</u>	<u>Carrier</u>	<u>Coverage</u>
Excess Liability: Umbrella	CNA Insurance	5 million
Other Coverage:		
Contractors Equipment	CNA Insurance	1,194,286
EDP Equipment	CNA Insurance	356,585
Employee Dishonesty	CNA Insurance	100,000
Valuable Papers	CNA Insurance	100,000
Accounts Receivable	CNA Insurance	100,000
Law Enforcement	CNA Insurance	1 million
Public officials	CNA Insurance	5 million

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

The City provides a medical plan for full time employees and their families. All covered employees also received prescription drug coverage, vision and dental plans. Full time employees are covered by a \$25,000 term life insurance policy. Prior to 2005, the plan, with a Preferred Provider Organization, was self-funded and administered by a third party administrator. As of January 1, 2005, the City is no longer self-funded and pays premiums to a health-care provider for full coverage.

Prior to 2005, for the plan, the preferred provider priced all claims which were then submitted to the third party administrator. The third party administrator reviewed and processed the claims, which the City then paid. The City had stop loss coverage of \$200,000 in the aggregate. These rates were paid by the fund from which the employee's compensation is paid. For 2005, the premiums were paid by the fund from which the employee's compensation is paid.

The claims liability of \$3,409 as estimated by third party administrator and reported in the Self-Insurance Fund at December 31, 2005 is based on the requirements of the Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. The liability represents the self-funded plan's portion of claims that remained outstanding at December 31, 2005. Changes in the fund's claim liability amount for the years ended 2003, 2004, and 2005 are as follows:

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### For The Year Ended December 31, 2005

#### Note 13: Risk Management (continued)

		<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Year End</u>
2003	\$	239,261	\$ 1,563,168	\$ (1,560,817)	\$ 241,612
2004		241,612	1,540,351	(1,540,037)	241,926
2005		241,926	(39,124)	(199,393)	3,409

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

#### Note 14: Construction and Other Significant Commitments

The City has several outstanding contracts with construction contractors. \$577,556 remains on these contracts as of December 31, 2005.

#### Note 15: Interfund Transfers

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

<u>Transfer to</u>	<u>Transfer From</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Economic Development Fund</u>	
General Fund	\$ -	\$ 1,406,854	\$ -	\$ 1,406,854
Capital Improvement	-	-	275,000	275,000
Non-Major Governmental Funds	<u>1,082,194</u>	<u>1,973,042</u>	<u>-</u>	<u>3,055,236</u>
	\$ <u>1,082,194</u>	\$ <u>3,379,896</u>	\$ <u>275,000</u>	\$ <u>4,737,090</u>

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

# City of Brook Park, Ohio

## Notes To The Basic Financial Statements

### **For The Year Ended December 31, 2005**

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#### **Note 16: Contingencies/Pending Litigation**

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

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 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 17: Accountability**

##### *Fund Equity Deficit - Special Revenue Funds*

There are deficits in the Police Pension and Fire Pension Special Revenue Funds of \$194,348 and \$270,027, respectively, caused by the application of accounting principles generally accepted in the United States of America to these funds. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

## **City of Brook Park, Ohio**

Combining Statements and Individual Fund Schedules  
Non-Major Governmental Funds

### **For The Year Ended December 31, 2005**

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#### **Non-Major Special Revenue Funds**

##### *Street Maintenance Fund*

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

##### *State Highway Fund*

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

##### *Permissive Tax Fund*

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

##### *Brook Park Road Corridor Fund*

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

##### *Special Recreation Fund*

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

##### *Law Enforcement Fund*

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

##### *DWI Enforcement and Education Fund*

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

##### *Federal Forfeiture Fund*

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

##### *Community Diversion Fund*

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

##### *Police Pension Fund*

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



## **City of Brook Park, Ohio**

Combining Statements and Individual Fund Schedules  
Non-Major Governmental Funds

**For The Year Ended December 31, 2005**

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### **Non-Major Special Revenue Funds (continued)**

#### *Fire Pension Fund*

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

#### *Southwest General Health Center Fund*

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

#### *Tri-City Senior Center Fund*

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

### **Non-Major Debt Service Fund**

#### *General Obligation Debt Service Fund*

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

# City of Brook Park, Ohio

## Combining Balance Sheet Non-Major Governmental Funds

**December 31, 2005**

	Non-Major Special Revenue Funds	Non-Major General Obligation Fund	Total Non-Major Governmental Funds
Assets:			
Cash and cash equivalents	\$ 986,163	\$ 434,576	\$ 1,420,739
Accounts receivable	282	-	282
Intergovernmental receivable	494,293	-	494,293
Special assessments receivable	-	108,119	108,119
Taxes receivable	<u>502,635</u>	<u>-</u>	<u>502,635</u>
Total assets	<u>\$ 1,983,373</u>	<u>\$ 542,695</u>	<u>\$ 2,526,068</u>
Liabilities and fund balances:			
Liabilities:			
Accounts payable	\$ 10,926	\$ -	\$ 10,926
Accrued wages and benefits	482,459	-	482,459
Intergovernmental payable	9,314	-	9,314
Unearned revenue	<u>830,372</u>	<u>108,119</u>	<u>938,491</u>
Total liabilities	<u>1,333,071</u>	<u>108,119</u>	<u>1,441,190</u>
Fund balances:			
Reserved for encumbrances	29,199	-	29,199
Unreserved; undesignated	<u>621,103</u>	<u>434,576</u>	<u>1,055,679</u>
Total fund balances	<u>650,302</u>	<u>434,576</u>	<u>1,084,878</u>
Total liabilities and fund balances	<u>\$ 1,983,373</u>	<u>\$ 542,695</u>	<u>\$ 2,526,068</u>

# City of Brook Park, Ohio

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

### For The Year Ended December 31, 2005

	Non-Major Special Revenue Funds	Non-Major General Obligation Fund	Total Non-Major Governmental Funds
Revenues:			
Property taxes	\$ 468,856	\$ -	\$ 468,856
Intergovernmental	1,011,363	-	1,011,363
Fines and forfeitures	17,043	-	17,043
Special assessments	-	19,637	19,637
Investment income	10,777	-	10,777
Miscellaneous income	<u>114,604</u>	<u>-</u>	<u>114,604</u>
Total revenues	<u>1,622,643</u>	<u>19,637</u>	<u>1,642,280</u>
Expenditures:			
Current operations and maintenance:			
Security of persons and property	1,280,879	-	1,280,879
Public health and welfare	166,606	-	166,606
Leisure time activities	113,902	-	113,902
Community development	18,762	274	19,036
Transportation	1,208,111	-	1,208,111
General government	-	-	-
Debt service:			
Principal retirement	-	1,852,000	1,852,000
Interest and fiscal charges	<u>-</u>	<u>177,807</u>	<u>177,807</u>
Total expenditures	<u>2,788,260</u>	<u>2,030,081</u>	<u>4,818,341</u>
Excess of revenues over (under) expenditures	(1,165,617)	(2,010,444)	(3,176,061)
Other financing sources (uses):			
Transfers – in	<u>1,027,500</u>	<u>2,027,736</u>	<u>3,055,236</u>
Net change in fund balances	(138,117)	17,292	(120,825)
Fund balances at beginning of year, restated	<u>788,419</u>	<u>417,284</u>	<u>1,205,703</u>
Fund balances at end of year	\$ <u>650,302</u>	\$ <u>434,576</u>	\$ <u>1,084,878</u>

# City of Brook Park, Ohio

## Combining Balance Sheet Non-Major Special Revenue Funds

**December 31, 2005**

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	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Permissive Tax</u>	<u>Brook Park Road Corridor</u>	<u>Special Recreation</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 59,433	\$ 7,640	\$ 258,439	\$ 454,455	\$ 60,900
Accounts receivable	-	-	-	-	-
Intergovernmental receivable	412,820	33,472	-	-	-
Taxes receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>472,253</u>	\$ <u>41,112</u>	\$ <u>258,439</u>	\$ <u>454,455</u>	\$ <u>60,900</u>
<b>Liabilities and fund balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ 1,599	\$ 57	\$ -
Accrued wages and benefits	12,894	870	-	-	-
Intergovernmental payable	8,725	589	-	-	-
Unearned revenue	<u>258,756</u>	<u>20,980</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>280,375</u>	<u>22,439</u>	<u>1,599</u>	<u>57</u>	<u>-</u>
<b>Fund balances:</b>					
Reserved for encumbrances	11,206	1,342	6,584	4,265	4,400
Unreserved; undesignated (deficit)	<u>180,672</u>	<u>17,331</u>	<u>250,256</u>	<u>450,133</u>	<u>56,500</u>
Total fund balances (deficits)	<u>191,878</u>	<u>18,673</u>	<u>256,840</u>	<u>454,398</u>	<u>60,900</u>
Total liabilities and fund balances	\$ <u>472,253</u>	\$ <u>41,112</u>	\$ <u>258,439</u>	\$ <u>454,455</u>	\$ <u>60,900</u>

	Law Enforcement	DWI Enforcement and Education	Federal Forfeiture	Community Diversion	Police Pension	Fire Pension	Southwest General Health Center	Tri-City Senior Center	Total Non-Major Special Revenue Funds
\$	91,299	\$ 25,268	\$ 3,382	\$ 10,030	\$ 2,702	\$ 1,618	\$ 9,270	\$ 1,727	\$ 986,163
	107	175	-	-	-	-	-	-	282
	-	-	-	-	16,767	16,767	13,110	1,357	494,293
	-	-	-	-	<u>171,446</u>	<u>171,446</u>	<u>141,907</u>	<u>17,836</u>	<u>502,635</u>
\$	<u>91,406</u>	\$ <u>25,443</u>	\$ <u>3,382</u>	\$ <u>10,030</u>	\$ <u>190,915</u>	\$ <u>189,831</u>	\$ <u>164,287</u>	\$ <u>20,920</u>	\$ <u>1,983,373</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,270	\$ -	\$ 10,926
	-	-	-	-	197,050	271,645	-	-	482,459
	-	-	-	-	-	-	-	-	9,314
	-	-	-	-	<u>188,213</u>	<u>188,213</u>	<u>155,017</u>	<u>19,193</u>	<u>830,372</u>
	-	-	-	-	<u>385,263</u>	<u>459,858</u>	<u>164,287</u>	<u>19,193</u>	<u>1,333,071</u>
	-	975	-	427	-	-	-	-	29,199
	<u>91,406</u>	<u>24,468</u>	<u>3,382</u>	<u>9,603</u>	<u>(194,348)</u>	<u>(270,027)</u>	<u>-</u>	<u>1,727</u>	<u>621,103</u>
	<u>91,406</u>	<u>25,443</u>	<u>3,382</u>	<u>10,030</u>	<u>(194,348)</u>	<u>(270,027)</u>	<u>-</u>	<u>1,727</u>	<u>650,302</u>
\$	<u>91,406</u>	\$ <u>25,443</u>	\$ <u>3,382</u>	\$ <u>10,030</u>	\$ <u>190,915</u>	\$ <u>189,831</u>	\$ <u>164,287</u>	\$ <u>20,920</u>	\$ <u>1,983,373</u>

# City of Brook Park, Ohio

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

### For The Year Ended December 31, 2005

	<u>Street Maintenance</u>	<u>State Highway</u>	<u>Permissive Tax</u>	<u>Brook Park Road Corridor</u>	<u>Special Recreation</u>
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	844,216	68,451	50,693	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	2,731	359	7,687	-	-
Miscellaneous income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,899</u>
Total revenues	<u>846,947</u>	<u>68,810</u>	<u>58,380</u>	<u>-</u>	<u>103,899</u>
Expenditures:					
Current operations and maintenance:					
Security of persons and property	-	-	-	-	-
Public health and welfare	-	-	-	-	-
Leisure time activities	-	-	-	-	113,902
Community development	-	-	-	18,762	-
Transportation	<u>1,105,404</u>	<u>73,271</u>	<u>29,436</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,105,404</u>	<u>73,271</u>	<u>29,436</u>	<u>18,762</u>	<u>113,902</u>
Excess of revenues over (under) expenditures	(258,457)	(4,461)	28,944	(18,762)	(10,003)
Other financing sources (uses):					
Transfers – in	<u>213,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(44,707)	(4,461)	28,944	(18,762)	(10,003)
Fund balances (deficit) at beginning of year, restated	<u>236,585</u>	<u>23,134</u>	<u>227,896</u>	<u>473,160</u>	<u>70,903</u>
Fund balances (deficit) at end of year	\$ <u>191,878</u>	\$ <u>18,673</u>	\$ <u>256,840</u>	\$ <u>454,398</u>	\$ <u>60,900</u>

	<u>Law Enforcement</u>	<u>DWI Enforcement and Education</u>	<u>Federal Forfeiture</u>	<u>Community Diversion</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Southwest General Health Center</u>	<u>Tri-City Senior Center</u>	<u>Total Non-Major Special Revenue Funds</u>
\$	-	\$ -	\$ -	\$ -	\$ 159,331	\$ 159,331	\$ 133,354	\$ 16,840	\$ 468,856
	-	-	-	-	16,768	16,768	13,111	1,356	1,011,363
	14,783	2,260	-	-	-	-	-	-	17,043
	-	-	-	-	-	-	-	-	10,777
	-	-	105	10,600	-	-	-	-	114,604
	<u>14,783</u>	<u>2,260</u>	<u>105</u>	<u>10,600</u>	<u>176,099</u>	<u>176,099</u>	<u>146,465</u>	<u>18,196</u>	<u>1,622,643</u>
	8,742	185	-	570	575,796	695,586	-	-	1,280,879
	-	-	-	-	-	-	149,689	16,917	166,606
	-	-	-	-	-	-	-	-	113,902
	-	-	-	-	-	-	-	-	18,762
	-	-	-	-	-	-	-	-	1,208,111
	<u>8,742</u>	<u>185</u>	<u>-</u>	<u>570</u>	<u>575,796</u>	<u>695,586</u>	<u>149,689</u>	<u>16,917</u>	<u>2,788,260</u>
	6,041	2,075	105	10,030	(399,697)	(519,487)	(3,224)	1,279	(1,165,617)
	-	-	-	-	351,250	462,500	-	-	1,027,500
	6,041	2,075	105	10,030	(48,447)	(56,987)	(3,224)	1,279	(138,117)
	<u>85,365</u>	<u>23,368</u>	<u>3,277</u>	<u>-</u>	<u>(145,901)</u>	<u>(213,040)</u>	<u>3,224</u>	<u>448</u>	<u>788,419</u>
\$	<u>91,406</u>	\$ <u>25,443</u>	\$ <u>3,382</u>	\$ <u>10,030</u>	\$ <u>(194,348)</u>	\$ <u>(270,027)</u>	\$ <u>-</u>	\$ <u>1,727</u>	\$ <u>650,302</u>

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



# City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 General Fund  
**For The Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 2,093,378	\$ 2,132,539	\$ 2,132,539	\$ -
Municipal income taxes	14,980,000	16,143,181	16,143,181	-
Other local taxes	325,000	340,055	340,055	-
Intergovernmental	1,334,337	1,354,925	1,354,925	-
Charges for services	841,567	885,218	885,218	-
Licenses and permits	394,034	393,344	393,344	-
Fines and forfeitures	329,396	395,473	395,473	-
Investment income	442,657	528,052	528,052	-
Miscellaneous income	164,021	258,439	258,439	-
Total revenues	<u>20,904,390</u>	<u>22,431,226</u>	<u>22,431,226</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Correctional facility				
Personal services	170,200	170,200	152,794	17,406
Travel and education	500	500	104	396
Contractual services	10,763	13,331	11,969	1,362
Supplies and materials	42,764	41,366	37,787	3,579
Total correctional facility	<u>224,227</u>	<u>225,397</u>	<u>202,654</u>	<u>22,743</u>
School guards				
Personal services	73,506	74,326	73,614	712
Supplies and materials	359	359	109	250
Total school guards	<u>73,865</u>	<u>74,685</u>	<u>73,723</u>	<u>962</u>
Fire department				
Personal services	3,292,957	3,434,323	3,423,690	10,633
Travel and education	15,790	14,790	14,727	63
Contractual services	104,042	105,056	100,308	4,748
Supplies and materials	97,233	110,370	107,536	2,834
Total fire department	<u>3,510,022</u>	<u>3,664,539</u>	<u>3,646,261</u>	<u>18,278</u>
Police department				
Personal services	3,439,838	3,510,649	3,471,650	38,999
Travel and education	13,006	13,883	13,836	47
Contractual services	112,156	111,225	96,974	14,251
Supplies and materials	185,431	216,500	206,282	10,218
Total police department	<u>3,750,431</u>	<u>3,852,257</u>	<u>3,788,742</u>	<u>63,515</u>

Continued

## City of Brook Park, Ohio

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

**For The Year Ended December 31, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Animal control				
Personal services	115,768	120,921	117,185	3,736
Travel and education	500	123	75	48
Contractual services	47,957	46,563	41,586	4,977
Supplies and materials	<u>10,742</u>	<u>12,714</u>	<u>11,609</u>	<u>1,105</u>
Total animal control	<u>174,967</u>	<u>180,321</u>	<u>170,455</u>	<u>9,866</u>
Safety director				
Personal services	167,043	167,043	164,286	2,757
Travel and education	1,000	1,000	821	179
Contractual services	6,321	6,278	1,753	4,525
Supplies and materials	<u>3,209</u>	<u>3,251</u>	<u>1,618</u>	<u>1,633</u>
Total safety director	<u>177,573</u>	<u>177,572</u>	<u>168,478</u>	<u>9,094</u>
Safety building				
Personal services	515,101	515,101	473,250	41,851
Travel and education	2,500	2,115	2,115	-
Contractual services	97,074	102,421	101,447	974
Supplies and materials	<u>10,167</u>	<u>11,375</u>	<u>10,854</u>	<u>521</u>
Total safety building	<u>624,842</u>	<u>631,012</u>	<u>587,666</u>	<u>43,346</u>
Safety town				
Personal services	7,303	7,303	5,752	1,551
Supplies and materials	<u>1,182</u>	<u>1,182</u>	<u>468</u>	<u>714</u>
Total safety town	<u>8,485</u>	<u>8,485</u>	<u>6,220</u>	<u>2,265</u>
Street lighting				
Contractual services	<u>290,479</u>	<u>292,479</u>	<u>282,029</u>	<u>10,450</u>
Traffic lights				
Contractual services	<u>45,419</u>	<u>45,419</u>	<u>26,979</u>	<u>18,440</u>

Continued

## City of Brook Park, Ohio

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

**For The Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Disaster services				
Personal services	17,088	14,088	13,334	754
Contractual services	1,054	630	529	101
Supplies and materials	4,646	6,070	5,435	635
Total disaster services	<u>22,788</u>	<u>20,788</u>	<u>19,298</u>	<u>1,490</u>
Total security of persons and property	<u>8,903,098</u>	<u>9,172,954</u>	<u>8,972,505</u>	<u>200,449</u>
Public health and welfare				
County board of health				
Contractual services	<u>71,080</u>	<u>72,930</u>	<u>72,723</u>	<u>207</u>
Office of Aging				
Personal services	149,434	105,104	73,317	31,787
Contractual services	4,500	4,500	1,177	3,323
Supplies and materials	<u>2,632</u>	<u>2,632</u>	<u>812</u>	<u>1,820</u>
Total office of aging	<u>156,566</u>	<u>112,236</u>	<u>75,306</u>	<u>36,930</u>
Total public health and welfare	<u>227,646</u>	<u>185,166</u>	<u>148,029</u>	<u>37,137</u>
Leisure time activities				
Recreation commission				
Personal services	14,168	14,168	13,953	215
Travel and education	100	100	-	100
Supplies and materials	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Total recreation commission	<u>14,368</u>	<u>14,368</u>	<u>13,953</u>	<u>415</u>
Parks and recreation				
Personal services	79,887	92,305	91,564	741
Contractual services	55,957	55,430	35,422	20,008
Materials and supplies	<u>44,220</u>	<u>41,880</u>	<u>33,769</u>	<u>8,111</u>
Total parks and recreation	<u>180,064</u>	<u>189,615</u>	<u>160,755</u>	<u>28,860</u>
Recreation center				
Personal services	907,121	907,121	838,262	68,859
Travel and education	1,057	1,057	620	437
Contractual services	500,029	523,288	491,142	32,146
Supplies and materials	88,853	88,853	72,325	16,528
Other expenditures	<u>500</u>	<u>500</u>	<u>300</u>	<u>200</u>
Total recreation center	<u>1,497,560</u>	<u>1,520,819</u>	<u>1,402,649</u>	<u>118,170</u>

Continued

## City of Brook Park, Ohio

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

**For The Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Home day celebration				
Personal services	14,372	15,596	15,559	37
Contractual services	45,000	46,586	46,586	-
Supplies and materials	7,025	8,940	7,400	1,540
Total home day celebration	<u>66,397</u>	<u>71,122</u>	<u>69,545</u>	<u>1,577</u>
Parks and play grounds				
Personal services	492,702	503,373	498,406	4,967
Travel and education	100	275	275	-
Contractual services	61,621	63,106	57,418	5,688
Supplies and materials	63,833	67,674	63,152	4,522
Total parks and play grounds	<u>618,256</u>	<u>634,428</u>	<u>619,251</u>	<u>15,177</u>
Public recreation				
Personal services	19,188	19,188	17,334	1,854
Contractual services	75,625	75,925	70,231	5,694
Supplies and materials	28,485	28,185	25,225	2,960
Total public recreation	<u>123,298</u>	<u>123,298</u>	<u>112,790</u>	<u>10,508</u>
Total leisure time activities	<u>2,499,943</u>	<u>2,553,650</u>	<u>2,378,943</u>	<u>174,707</u>
Community development				
Planning commission				
Personal services	13,892	13,892	12,039	1,853
Supplies and materials	200	200	-	200
Total planning commission	<u>14,092</u>	<u>14,092</u>	<u>12,039</u>	<u>2,053</u>
Airport relations				
Personal services	158,076	158,076	148,991	9,085
Travel and education	738	608	-	608
Contractual services	20,022	19,454	17,469	1,985
Supplies and materials	722	1,314	919	395
Other expenditures	1,853	1,959	1,226	733
Total airport relations	<u>181,411</u>	<u>181,411</u>	<u>168,605</u>	<u>12,806</u>
Community development				
Personal services	83,801	83,801	83,036	765
Travel and education	2,000	1,490	721	769
Contractual services	3,028	3,328	2,068	1,260
Supplies and materials	850	1,060	986	74
Total community development	<u>89,679</u>	<u>89,679</u>	<u>86,811</u>	<u>2,868</u>

Continued

## City of Brook Park, Ohio

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

**For The Year Ended December 31, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Board of zoning appeals				
Personal services	16,670	16,671	16,227	444
Building department				
Personal services	524,686	524,801	517,450	7,351
Travel and education	2,811	2,711	2,497	214
Contractual services	42,760	43,637	40,802	2,835
Supplies and materials	12,558	14,982	13,506	1,476
Other expenditures	1,000	1,000	80	920
Total building department	<u>583,815</u>	<u>587,131</u>	<u>574,335</u>	<u>12,796</u>
Tree and tree lawns				
Personal services	283,864	298,492	294,218	4,274
Travel and education	40	40	-	40
Contractual services	5,172	3,480	1,740	1,740
Supplies and materials	6,948	9,409	8,001	1,408
Total trees and tree lawns	<u>296,024</u>	<u>311,421</u>	<u>303,959</u>	<u>7,462</u>
Total community development	<u>1,181,691</u>	<u>1,200,405</u>	<u>1,161,976</u>	<u>38,429</u>
Public works				
Service director				
Personal services	467,094	467,094	449,030	18,064
Travel and education	500	450	450	-
Contractual services	9,740	8,923	7,749	1,174
Supplies and materials	6,950	9,068	8,029	1,039
Total service director	<u>484,284</u>	<u>485,535</u>	<u>465,258</u>	<u>20,277</u>
Service building				
Personal services	121,269	121,269	108,833	12,436
Contractual services	190,781	196,247	194,925	1,322
Supplies and materials	67,009	62,680	59,987	2,693
Total service building	<u>379,059</u>	<u>380,196</u>	<u>363,745</u>	<u>16,451</u>
Sanitation department				
Personal services	733,706	780,494	769,949	10,545
Travel and education	200	200	120	80
Contractual services	2,572	2,572	1,536	1,036
Supplies and materials	641,924	652,144	551,467	100,677
Total sanitation department	<u>1,378,402</u>	<u>1,435,410</u>	<u>1,323,072</u>	<u>112,338</u>

Continued

## City of Brook Park, Ohio

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

**For The Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Sewers, drains, and pump stations				
Personal services	568,192	583,375	578,862	4,513
Travel and education	865	865	83	782
Contractual services	68,382	75,694	71,897	3,797
Supplies and materials	91,012	96,425	83,851	12,574
Total sewers, drains, and pump stations	<u>728,451</u>	<u>756,359</u>	<u>734,693</u>	<u>21,666</u>
Total public works	<u>2,970,196</u>	<u>3,057,500</u>	<u>2,886,768</u>	<u>170,732</u>
Transportation				
Street cleaning				
Personal services	62,441	63,394	62,970	424
Travel and education	40	40	-	40
Supplies and materials	9,598	10,971	8,883	2,088
Total street cleaning	<u>72,079</u>	<u>74,405</u>	<u>71,853</u>	<u>2,552</u>
Traffic signs				
Personal services	63,163	67,130	66,154	976
Contractual services	1,300	1,300	-	1,300
Supplies and materials	9,189	9,189	2,259	6,930
Total sign department	<u>73,652</u>	<u>77,619</u>	<u>68,413</u>	<u>9,206</u>
Snow removal				
Personal services	196,648	265,718	238,073	27,645
Contractual services	2,800	2,800	1,931	869
Supplies and materials	612,905	669,905	648,073	21,832
Total snow removal	<u>812,353</u>	<u>938,423</u>	<u>888,077</u>	<u>50,346</u>
Total transportation	<u>958,084</u>	<u>1,090,447</u>	<u>1,028,343</u>	<u>62,104</u>
General government				
City council				
Personal services	134,386	134,388	134,386	2
Travel and education	7,826	7,326	1,969	5,357
Contractual services	17,477	17,977	12,672	5,305
Supplies and materials	6,612	6,612	3,439	3,173
Total city council	<u>166,301</u>	<u>166,303</u>	<u>152,466</u>	<u>13,837</u>

Continued

## City of Brook Park, Ohio

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

**For The Year Ended December 31, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Clerk of council				
Personal services	133,142	133,142	126,687	6,455
Contractual services	2,914	2,914	1,218	1,696
Supplies and materials	<u>3,697</u>	<u>3,350</u>	<u>2,462</u>	<u>888</u>
Total clerk of council	<u>139,753</u>	<u>139,406</u>	<u>130,367</u>	<u>9,039</u>
Mayor's court				
Personal services	97,491	97,491	90,086	7,405
Travel and education	1,000	1,075	1,075	-
Contractual services	7,026	6,873	6,456	417
Supplies and materials	<u>2,315</u>	<u>2,393</u>	<u>2,088</u>	<u>305</u>
Total mayor's court	<u>107,832</u>	<u>107,832</u>	<u>99,705</u>	<u>8,127</u>
Civil service commission				
Personal services	34,012	34,012	33,857	155
Travel and education	201	201	146	55
Contractual services	12,900	12,700	249	12,451
Supplies and materials	<u>10,350</u>	<u>10,550</u>	<u>3,317</u>	<u>7,233</u>
Total civil service commission	<u>57,463</u>	<u>57,463</u>	<u>37,569</u>	<u>19,894</u>
Mayor's office				
Personal services	283,797	283,797	264,562	19,235
Travel and education	4,002	3,842	3,130	712
Contractual services	10,223	8,832	4,815	4,017
Supplies and materials	<u>11,392</u>	<u>12,942</u>	<u>12,367</u>	<u>575</u>
Total mayor's court	<u>309,414</u>	<u>309,413</u>	<u>284,874</u>	<u>24,539</u>
Human resources				
Personal services	88,194	88,194	88,188	6
Travel and education	500	500	415	85
Contractual services	10,294	10,294	5,363	4,931
Supplies and materials	<u>915</u>	<u>915</u>	<u>509</u>	<u>406</u>
Total human resources	<u>99,903</u>	<u>99,903</u>	<u>94,475</u>	<u>5,428</u>
Public properties				
Personal services	373,469	373,469	347,886	25,583
Travel and education	350	350	240	110
Contractual services	38,629	38,629	33,127	5,502
Supplies and materials	<u>15,076</u>	<u>15,076</u>	<u>8,778</u>	<u>6,298</u>
Total public properties	<u>427,524</u>	<u>427,524</u>	<u>390,031</u>	<u>37,493</u>

Continued

## City of Brook Park, Ohio

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

**For The Year Ended December 31, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Legal department				
Personal services	330,962	330,962	305,104	25,858
Travel and education	2,501	4,797	4,797	-
Contractual services	4,875	4,579	1,444	3,135
Supplies and materials	<u>743</u>	<u>743</u>	<u>621</u>	<u>122</u>
Total legal department	<u>339,081</u>	<u>341,081</u>	<u>311,966</u>	<u>29,115</u>
Finance department				
Personal services	348,111	348,541	348,463	78
Travel and education	4,330	7,330	5,794	1,536
Contractual services	68,591	65,091	57,603	7,488
Supplies and materials	<u>9,571</u>	<u>10,071</u>	<u>8,992</u>	<u>1,079</u>
Total finance department	<u>430,603</u>	<u>431,033</u>	<u>420,852</u>	<u>10,181</u>
Tax department				
Personal services	181,614	181,614	174,140	7,474
Travel and education	2,800	2,864	2,864	-
Contractual services	42,573	42,510	34,343	8,167
Supplies and materials	2,323	2,323	1,292	1,031
Other expenditures	<u>175,000</u>	<u>245,000</u>	<u>232,640</u>	<u>12,360</u>
Total tax department	<u>404,310</u>	<u>474,311</u>	<u>445,279</u>	<u>29,032</u>
Tax review board				
Personal services	<u>5,865</u>	<u>5,865</u>	<u>5,358</u>	<u>507</u>
High risk review board				
Personal services	<u>9,775</u>	<u>9,775</u>	<u>9,750</u>	<u>25</u>

Continued



## City of Brook Park, Ohio

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

**For The Year Ended December 31, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Retirees				
Personal services	<u>171,282</u>	<u>216,891</u>	<u>213,699</u>	<u>3,192</u>
Mechanics				
Personal services	406,864	420,420	409,582	10,838
Travel and education	1,178	1,258	1,258	-
Contractual services	25	25	9	16
Supplies and materials	<u>4,408</u>	<u>4,915</u>	<u>4,766</u>	<u>149</u>
Total mechanics	<u>412,475</u>	<u>426,618</u>	<u>415,615</u>	<u>11,003</u>
Engineering				
Contractual services	<u>48,000</u>	<u>48,000</u>	<u>48,000</u>	<u>-</u>
Lands and buildings				
Contractual services	103,220	108,334	104,482	3,852
Supplies and materials	<u>27,756</u>	<u>29,009</u>	<u>22,854</u>	<u>6,155</u>
Total lands and buildings	<u>130,976</u>	<u>137,343</u>	<u>127,336</u>	<u>10,007</u>
Other general government				
Personal services	375,731	378,231	318,761	59,470
Contractual services	436,315	2,268,015	2,106,101	161,914
Materials and supplies	18,475	18,475	16,732	1,743
Other expenditures	<u>392,487</u>	<u>395,987</u>	<u>306,059</u>	<u>89,928</u>
Total other general government	<u>1,223,008</u>	<u>3,060,708</u>	<u>2,747,653</u>	<u>313,055</u>
Total general government	<u>4,483,565</u>	<u>6,459,469</u>	<u>5,934,995</u>	<u>524,474</u>
Total expenditures	<u>21,224,223</u>	<u>23,719,591</u>	<u>22,511,559</u>	<u>1,208,032</u>
Excess of revenues over (under) expenditures	<u>(319,833)</u>	<u>(1,288,365)</u>	<u>(80,333)</u>	<u>1,208,032</u>

Continued

## City of Brook Park, Ohio

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

**For The Year Ended December 31, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	8,265	5,478	5,478	-
Transfers – in	-	1,406,854	1,406,854	-
Transfers – out	<u>(1,150,000)</u>	<u>(1,204,694)</u>	<u>(1,082,194)</u>	<u>122,500</u>
Total other financing sources (uses)	<u>(1,141,735)</u>	<u>207,638</u>	<u>330,138</u>	<u>122,500</u>
Net change in fund balance	(1,461,568)	(1,080,727)	249,805	1,330,532
Cash fund balance at beginning of year	9,814,937	9,814,937	9,814,937	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>279,188</u>	<u>279,188</u>
Cash fund balance at end of year	\$ <u>8,353,369</u>	\$ <u>8,734,210</u>	\$ <u>10,343,930</u>	\$ <u>1,609,720</u>

## City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 Economic Development Fund  
**For The Year Ended December 31, 2005**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 861,992	\$ 843,985	\$ 843,985	\$ -
Miscellaneous income	<u>-</u>	<u>11,855</u>	<u>11,855</u>	<u>-</u>
Total revenues	<u>861,992</u>	<u>855,840</u>	<u>855,840</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Community development				
Contractual services	<u>80,000</u>	<u>380,000</u>	<u>375,781</u>	<u>4,219</u>
Excess of revenues over (under) expenditures	<u>781,992</u>	<u>475,840</u>	<u>480,059</u>	<u>4,219</u>
Other financing sources (uses):				
Proceeds from the sale of land	390,000	-	-	-
Transfers – out	<u>-</u>	<u>(275,000)</u>	<u>(275,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>390,000</u>	<u>(275,000)</u>	<u>(275,000)</u>	<u>-</u>
Net change in fund balance	1,171,992	200,840	205,059	4,219
Cash fund balance at beginning of year	2,293,397	2,293,397	2,293,397	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>80,873</u>	<u>80,873</u>
Cash fund balance at end of year	\$ <u>3,465,389</u>	\$ <u>2,494,237</u>	\$ <u>2,579,329</u>	\$ <u>85,092</u>

## City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual  
Capital Improvement Fund  
**For The Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Municipal income taxes	\$ 6,420,000	\$ 5,485,066	\$ 5,485,066	\$ -
Intergovernmental	588,328	439,748	439,748	-
Investment income	59,894	83,487	83,487	-
Miscellaneous income	71,978	313,138	313,138	-
Total revenues	<u>7,140,200</u>	<u>6,321,439</u>	<u>6,321,439</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Parks and playgrounds				
Contractual services	62,144	141,076	132,699	8,377
Recreation center				
Contractual services	7,500	11,700	6,200	5,500
Other expenditures	-	855	855	-
Total recreation center	7,500	12,555	7,055	5,500
Total leisure time activities	<u>69,644</u>	<u>153,631</u>	<u>139,754</u>	<u>13,877</u>
Public works				
Sewers and drains				
Contractual services	38,171	85,179	68,419	16,760
Other expenditures	1,000	1,000	-	1,000
Total public works	<u>39,171</u>	<u>86,179</u>	<u>68,419</u>	<u>17,760</u>
Transportation				
Street paving and repair				
Contractual services	129,921	250,194	243,924	6,270
Other expenditures	3,900	4,982	4,982	-
Total street paving and repair	<u>133,821</u>	<u>255,176</u>	<u>248,906</u>	<u>6,270</u>
Street Lighting				
Contractual services	743	3,943	3,939	4
Traffic lights				
Contractual services	10,710	18,960	8,960	10,000
Total transportation	<u>145,274</u>	<u>278,079</u>	<u>261,805</u>	<u>16,274</u>

Continued

## City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual  
Capital Improvement Fund (Continued)  
**For The Year Ended December 31, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General government				
Income tax department				
Personal services	77,835	77,835	74,632	3,203
Travel and education	1,200	1,228	1,126	102
Contractual services	18,246	18,218	13,313	4,905
Materials and supplies	995	995	517	478
Other expenditures	<u>75,000</u>	<u>105,000</u>	<u>99,702</u>	<u>5,298</u>
Total income tax department	<u>173,276</u>	<u>203,276</u>	<u>189,290</u>	<u>13,986</u>
Lands and Buildings				
Contractual services	20,745	47,974	45,685	2,289
Other expenditures	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Total land and buildings	<u>20,845</u>	<u>48,074</u>	<u>45,685</u>	<u>2,389</u>
Total general government	<u>194,121</u>	<u>251,350</u>	<u>234,975</u>	<u>16,375</u>
Capital outlay:				
Animal control	8,214	11,214	10,206	1,008
Building department	22,871	23,396	23,396	-
Community development	-	52,068	52,068	-
Finance department	33,147	33,147	23,972	9,175
Fire department	685,679	659,679	604,290	55,389
Income tax department	35,998	35,998	32,721	3,277
Legal department	7,375	7,375	7,352	23
Land and buildings	321,224	371,552	122,079	249,473
Mayor's office	24,069	24,069	7,355	16,714
Mechanics	5,000	6,000	4,824	1,176
Parks and playgrounds	185,774	184,775	149,496	35,279
Police law enforcement	444,906	418,906	376,956	41,950
Public properties	4,000	5,000	4,339	661
Recreation center	257,085	178,685	169,935	8,750
Safety building	18,911	20,066	20,066	-
Safety director	9,549	9,549	5,813	3,736
Sanitation department	135,352	135,352	131,582	3,770
Service building	85,674	95,972	95,972	-
Sewers, drains and pump stations	1,743,322	1,865,514	1,811,388	54,126
Snow removal	229,298	229,298	189,294	40,004
Street lights	83,137	89,318	88,769	549

Continued

## City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual  
Capital Improvement Fund (Continued)  
**For The Year Ended December 31, 2005**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Capital outlay: (continued)				
Street paving and repair	2,171,821	2,411,973	2,355,969	56,004
Traffic lights	-	873	873	-
Traffic signs	14,000	14,000	10,340	3,660
Trees and tree lawns	38,338	38,337	10,371	27,966
Total capital outlay	<u>6,564,744</u>	<u>6,922,116</u>	<u>6,309,426</u>	<u>612,690</u>
Total expenditures	<u>7,012,954</u>	<u>7,691,355</u>	<u>7,014,379</u>	<u>676,976</u>
Excess of revenues over (under) expenditures	<u>127,246</u>	<u>(1,369,916)</u>	<u>(692,940)</u>	<u>676,976</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	20,950	20,950	-
Transfer – in	-	275,000	275,000	-
Transfers – out	<u>(1,931,621)</u>	<u>(3,379,896)</u>	<u>(3,379,896)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,931,621)</u>	<u>(3,083,946)</u>	<u>(3,083,946)</u>	<u>-</u>
Net change in fund balance	(1,804,375)	(4,453,862)	(3,776,886)	676,976
Cash balance at beginning of year	7,356,100	7,356,100	7,356,100	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>989,671</u>	<u>989,671</u>
Cash balance at end of year	\$ <u>5,551,725</u>	\$ <u>2,902,238</u>	\$ <u>4,568,885</u>	\$ <u>1,666,647</u>

## City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 Street Maintenance Fund  
**For The Year Ended December 31, 2005**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 833,383	\$ 833,224	\$ 817,462	\$ (15,762)
Investment income	<u>2,843</u>	<u>2,731</u>	<u>2,731</u>	<u>-</u>
Total revenues	<u>836,226</u>	<u>835,955</u>	<u>820,193</u>	<u>(15,762)</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street paving and repair				
Personal services	1,077,066	1,077,066	1,010,878	66,188
Travel and education	120	120	80	40
Contractual services	86,871	59,555	8,552	51,003
Supplies and materials	<u>87,558</u>	<u>114,875</u>	<u>99,949</u>	<u>14,926</u>
Total expenditures	<u>1,251,615</u>	<u>1,251,616</u>	<u>1,119,459</u>	<u>132,157</u>
Excess of revenues over (under) expenditures	(415,389)	(415,661)	(299,266)	116,395
Other financing sources (uses):				
Transfers – in	<u>285,000</u>	<u>285,000</u>	<u>213,750</u>	<u>(71,250)</u>
Net change in fund balance	(130,389)	(130,661)	(85,516)	45,145
Cash fund balance at beginning of year	133,743	133,743	133,743	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>11,206</u>	<u>11,206</u>
Cash fund balance at end of year	\$ <u><u>3,354</u></u>	\$ <u><u>3,082</u></u>	\$ <u><u>59,433</u></u>	\$ <u><u>56,351</u></u>

## City of Brook Park, Ohio

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

**For The Year Ended December 31, 2005**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 66,708	\$ 66,281	\$ 66,281	\$ -
Investment income	<u>478</u>	<u>359</u>	<u>359</u>	<u>-</u>
Total revenues	<u>67,186</u>	<u>66,640</u>	<u>66,640</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street paving and repair				
Personal services	65,532	69,508	66,282	3,226
Supplies and materials	<u>9,432</u>	<u>9,392</u>	<u>8,630</u>	<u>762</u>
Total expenditures	<u>74,964</u>	<u>78,900</u>	<u>74,912</u>	<u>3,988</u>
Net change in fund balance	(7,778)	(12,260)	(8,272)	3,988
Cash fund balance at beginning of year	14,570	14,570	14,570	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>1,342</u>	<u>1,342</u>
Cash fund balance at end of year	\$ <u>6,792</u>	\$ <u>2,310</u>	\$ <u>7,640</u>	\$ <u>5,330</u>



## City of Brook Park, Ohio

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

**For The Year Ended December 31, 2005**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 52,300	\$ 50,693	\$ 50,693	\$ -
Investment income	<u>5,209</u>	<u>7,687</u>	<u>7,687</u>	<u>-</u>
Total revenues	<u>57,509</u>	<u>58,380</u>	<u>58,380</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Transportation				
Street paving and repair				
Supplies and materials	<u>71,205</u>	<u>71,205</u>	<u>41,314</u>	<u>29,891</u>
Net change in fund balance	(13,696)	(12,825)	17,066	29,891
Cash fund balance at beginning of year	233,190	233,190	233,190	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>8,183</u>	<u>8,183</u>
Cash fund balance at end of year	\$ <u>219,494</u>	\$ <u>220,365</u>	\$ <u>258,439</u>	\$ <u>38,074</u>

## City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 Brook Park Road Corridor Fund  
**For The Year Ended December 31, 2005**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Current operations and maintenance:				
Community development				
Contractual services	\$ <u>55,880</u>	\$ <u>95,880</u>	\$ <u>48,168</u>	\$ <u>47,712</u>
Net change in fund balance	(55,880)	(95,880)	(48,168)	47,712
Cash fund balance at beginning of year	498,358	498,358	498,358	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>4,265</u>	<u>4,265</u>
Cash fund balance at end of year	\$ <u><u>442,478</u></u>	\$ <u><u>402,478</u></u>	\$ <u><u>454,455</u></u>	\$ <u><u>51,977</u></u>

## City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 Special Recreation Fund  
**For The Year Ended December 31, 2005**

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous income	\$ <u>102,100</u>	\$ <u>103,898</u>	\$ <u>103,899</u>	\$ <u>1</u>
Expenditures:				
Current operations and maintenance:				
Leisure time activities				
Public recreation				
Travel and education	1,669	1,238	1,142	96
Contractual services	15,800	12,033	11,554	479
Supplies and materials	15,966	16,724	16,475	249
Other expenditures	<u>87,670</u>	<u>91,110</u>	<u>89,131</u>	<u>1,979</u>
Total expenditures	<u>121,105</u>	<u>121,105</u>	<u>118,302</u>	<u>2,803</u>
Net change in fund balance	(19,005)	(17,207)	(14,403)	2,804
Cash fund balance at beginning of year	70,903	70,903	70,903	-
Encumbrances at end of year	<u>-</u>	<u>-</u>	<u>4,400</u>	<u>4,400</u>
Cash fund balance at end of year	\$ <u><u>51,898</u></u>	\$ <u><u>53,696</u></u>	\$ <u><u>60,900</u></u>	\$ <u><u>7,204</u></u>

## City of Brook Park, Ohio

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

#### Law Enforcement Fund

#### **For The Year Ended December 31, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ <u>15,091</u>	\$ <u>14,678</u>	\$ <u>14,676</u>	\$ <u>(2)</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Travel and education	3,545	3,545	647	2,898
Contractual services	<u>30,000</u>	<u>30,000</u>	<u>8,095</u>	<u>21,905</u>
Total expenditures	<u>33,545</u>	<u>33,545</u>	<u>8,742</u>	<u>24,803</u>
Net change in fund balance	(18,454)	(18,867)	5,934	24,801
Cash fund balance at beginning of year	<u>85,365</u>	<u>85,365</u>	<u>85,365</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>66,911</u></u>	\$ <u><u>66,498</u></u>	\$ <u><u>91,299</u></u>	\$ <u><u>24,801</u></u>

## City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 DWI Enforcement and Education Fund  
**For The Year Ended December 31, 2005**

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ <u>880</u>	\$ <u>2,360</u>	\$ <u>2,360</u>	\$ <u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Travel and education	500	250	-	250
Contractual services	5,000	4,500	-	4,500
Other expenditures	<u>500</u>	<u>1,250</u>	<u>1,160</u>	<u>90</u>
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>1,160</u>	<u>4,840</u>
Net change in fund balance	(5,120)	(3,640)	1,200	4,840
Cash fund balance at beginning of year	23,093	23,093	23,093	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>975</u>	<u>975</u>
Cash fund balance at end of year	\$ <u><u>17,973</u></u>	\$ <u><u>19,453</u></u>	\$ <u><u>25,268</u></u>	\$ <u><u>5,815</u></u>

## City of Brook Park, Ohio

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

**For The Year Ended December 31, 2005**

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment income	\$ 25	\$ -	\$ -	\$ -
Miscellaneous revenue	<u>1,275</u>	<u>105</u>	<u>105</u>	<u>-</u>
Total revenues	<u>1,300</u>	<u>105</u>	<u>105</u>	<u>-</u>
Expenditures:				
Capital outlay	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Net change in fund balance	(700)	(1,895)	105	2,000
Cash fund balance at beginning of year	<u>3,277</u>	<u>3,277</u>	<u>3,277</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>2,577</u></u>	\$ <u><u>1,382</u></u>	\$ <u><u>3,382</u></u>	\$ <u><u>2,000</u></u>

## City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 Community Diversion Fund  
**For The Year Ended December 31, 2005**

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Miscellaneous revenue	\$ <u>12,000</u>	\$ <u>10,600</u>	\$ <u>10,600</u>	\$ <u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Personal services	2,000	1,263	565	698
Travel and education	8,500	3,587	-	3,587
Contractual services	-	2,000	5	1,995
Materials and supplies	<u>1,500</u>	<u>1,500</u>	<u>427</u>	<u>1,073</u>
Total expenditures	<u>12,000</u>	<u>8,350</u>	<u>997</u>	<u>7,353</u>
Net change in fund balance	-	2,250	9,603	7,353
Cash fund balance at beginning of year	-	-	-	-
Current year encumbrances	<u>-</u>	<u>-</u>	<u>427</u>	<u>427</u>
Cash fund balance at end of year	\$ <u>-</u>	\$ <u>2,250</u>	\$ <u>10,030</u>	\$ <u>7,780</u>

## City of Brook Park, Ohio

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

**For The Year Ended December 31, 2005**

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ 156,614	\$ 159,331	\$ 159,331	\$ -
Intergovernmental	<u>16,330</u>	<u>16,768</u>	<u>16,768</u>	<u>-</u>
Total revenues	<u>172,944</u>	<u>176,099</u>	<u>176,099</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Personal services	<u>574,590</u>	<u>574,590</u>	<u>559,748</u>	<u>14,842</u>
Excess of revenues over (under) expenditures	(401,646)	(398,491)	(383,649)	14,842
Other financing sources (uses):				
Transfers – in	<u>375,000</u>	<u>375,000</u>	<u>351,250</u>	<u>(23,750)</u>
Net change in fund balance	(26,646)	(23,491)	(32,399)	(8,908)
Cash fund balance at beginning of year	<u>35,101</u>	<u>35,101</u>	<u>35,101</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>8,455</u></u>	\$ <u><u>11,610</u></u>	\$ <u><u>2,702</u></u>	\$ <u><u>(8,908)</u></u>



## City of Brook Park, Ohio

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

**For The Year Ended December 31, 2005**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 156,614	\$ 159,331	\$ 159,331	\$ -
Intergovernmental	<u>16,330</u>	<u>16,768</u>	<u>16,768</u>	<u>-</u>
Total revenues	<u>172,944</u>	<u>176,099</u>	<u>176,099</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Security of persons and property				
Police department				
Personal services	<u>686,488</u>	<u>686,488</u>	<u>668,795</u>	<u>17,693</u>
Excess of revenues over (under) expenditures	(513,544)	(510,389)	(492,696)	17,693
Other financing sources (uses):				
Transfers – in	<u>490,000</u>	<u>490,000</u>	<u>462,500</u>	<u>(27,500)</u>
Net change in fund balance	(23,544)	(20,389)	(30,196)	(9,807)
Cash fund balance at beginning of year	<u>31,814</u>	<u>31,814</u>	<u>31,814</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>8,270</u></u>	\$ <u><u>11,425</u></u>	\$ <u><u>1,618</u></u>	\$ <u><u>(9,807)</u></u>

## City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 Southwest General Health Center Fund  
**For The Year Ended December 31, 2005**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 130,409	\$ 133,354	\$ 133,354	\$ -
Intergovernmental	<u>12,782</u>	<u>13,110</u>	<u>13,111</u>	<u>1</u>
Total revenues	<u>143,191</u>	<u>146,464</u>	<u>146,465</u>	<u>1</u>
Expenditures:				
Current operations and maintenance:				
Public health and welfare				
Contractual services	<u>146,415</u>	<u>146,415</u>	<u>140,419</u>	<u>5,996</u>
Net change in fund balance	(3,224)	49	6,046	5,997
Cash fund balance at beginning of year	<u>3,224</u>	<u>3,224</u>	<u>3,224</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>3,273</u></u>	\$ <u><u>9,270</u></u>	\$ <u><u>5,997</u></u>

## City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 Tri-City Senior Center Fund  
**For The Year Ended December 31, 2005**

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 16,386	\$ 16,840	\$ 16,840	\$ -
Intergovernmental	<u>1,311</u>	<u>1,356</u>	<u>1,356</u>	<u>-</u>
Total revenues	<u>17,697</u>	<u>18,196</u>	<u>18,196</u>	<u>-</u>
Expenditures:				
Current operations and maintenance:				
Public health and welfare				
Contractual services	<u>18,144</u>	<u>18,144</u>	<u>16,917</u>	<u>1,227</u>
Net change in fund balance	(447)	52	1,279	1,227
Cash fund balance at beginning of year	<u>448</u>	<u>448</u>	<u>448</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>1</u></u>	\$ <u><u>500</u></u>	\$ <u><u>1,727</u></u>	\$ <u><u>1,227</u></u>

## City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 General Obligation Fund  
**For The Year Ended December 31, 2005**

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ <u>58,400</u>	\$ <u>19,638</u>	\$ <u>19,638</u>	\$ <u>-</u>
Expenditures:				
Current operations and maintenance:				
General government				
Other expenditures	116	274	274	-
Debt service:				
Principal retirement	1,852,000	1,852,000	1,852,000	-
Interest and fiscal charges	<u>177,807</u>	<u>177,807</u>	<u>177,807</u>	<u>-</u>
Total expenditures	<u>2,029,923</u>	<u>2,030,081</u>	<u>2,030,081</u>	<u>-</u>
Excess of revenues over (under) expenditures	(1,971,523)	(2,010,444)	(2,010,444)	-
Other financing sources (uses):				
Transfers – in	<u>1,931,621</u>	<u>2,027,736</u>	<u>2,027,736</u>	<u>-</u>
Net change in fund balance	(39,902)	17,293	17,293	-
Cash fund balance at beginning of year	<u>417,283</u>	<u>417,283</u>	<u>417,283</u>	<u>-</u>
Cash Fund balance at end of year	\$ <u><u>377,381</u></u>	\$ <u><u>434,576</u></u>	\$ <u><u>434,576</u></u>	\$ <u><u>-</u></u>

## City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 Self Insured Medical Benefits Fund  
**For The Year Ended December 31, 2005**

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Reimbursements	\$ <u>-</u>	\$ <u>1,748</u>	\$ <u>1,747</u>	\$ <u>(1)</u>
Expenditures:				
Contractual services	<u>352,000</u>	<u>352,000</u>	<u>199,393</u>	<u>152,607</u>
Net change in fund balance	(352,000)	(350,252)	(197,646)	152,606
Cash fund balance at beginning of year	<u>745,653</u>	<u>745,653</u>	<u>745,653</u>	<u>-</u>
Cash fund balance at end of year	\$ <u><u>393,653</u></u>	\$ <u><u>395,401</u></u>	\$ <u><u>548,007</u></u>	\$ <u><u>152,606</u></u>

# City of Brook Park, Ohio

## Combining Statements

### **Agency Funds**

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#### **Agency Funds**

##### *Cash Bonds Held Fund*

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

##### *Mayor's Court Fund*

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

##### *Board of Building Standards Fund*

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

# City of Brook Park

## Combining Statement of Assets and Liabilities Agency Funds

**December 31, 2005**

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	<u>Cash Bonds Held</u>	<u>Mayor's Court</u>	<u>Board of Building Standards</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ <u>33,479</u>	\$ <u>31,800</u>	\$ <u>568</u>	\$ <u>65,847</u>
Liabilities:				
Intergovernmental payable	\$ 12,000	\$ 16,831	\$ -	\$ 28,831
Due to others	-	2,935	-	2,935
Deposits held	<u>21,479</u>	<u>12,034</u>	<u>568</u>	<u>34,081</u>
Total liabilities	\$ <u>33,479</u>	\$ <u>31,800</u>	\$ <u>568</u>	\$ <u>65,847</u>

## City of Brook Park, Ohio

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

#### **For The Year Ended December 31, 2005**

	<u>Balance</u> <u>12/31/04</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/05</u>
<b>Cash Bonds Held Fund</b>				
Assets:				
Cash and cash equivalents	\$ <u>31,104</u>	\$ <u>2,375</u>	\$ <u>-</u>	\$ <u>33,479</u>
Liabilities:				
Intergovernment payable	\$ -	\$ 12,000	\$ -	\$ 12,000
Deposits held	<u>31,104</u>	<u>2,375</u>	<u>(12,000)</u>	<u>21,479</u>
Total liabilities	\$ <u>31,104</u>	\$ <u>14,375</u>	\$ <u>(12,000)</u>	\$ <u>33,479</u>
<b>Mayor's Court Fund</b>				
Assets:				
Cash and cash equivalents	\$ <u>34,052</u>	\$ <u>527,464</u>	\$ <u>529,716</u>	\$ <u>31,800</u>
Liabilities:				
Intergovernmental payable	\$ 6,689	\$ 461,274	\$ 451,132	\$ 16,831
Due to others	20,493	2,935	20,493	2,935
Deposits held	<u>6,870</u>	<u>63,255</u>	<u>58,091</u>	<u>12,034</u>
Total liabilities	\$ <u>34,052</u>	\$ <u>527,464</u>	\$ <u>529,716</u>	\$ <u>31,800</u>
<b>Board of Building Standards</b>				
Assets:				
Cash and cash equivalents	\$ <u>808</u>	\$ <u>1,395</u>	\$ <u>1,635</u>	\$ <u>568</u>
Liabilities:				
Deposits held	\$ <u>808</u>	\$ <u>1,395</u>	\$ <u>1,635</u>	\$ <u>568</u>
<b>Total – All Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ <u>65,964</u>	\$ <u>531,234</u>	\$ <u>531,351</u>	\$ <u>65,847</u>
Liabilities:				
Intergovernmental payable	\$ 6,689	\$ 473,274	\$ 451,132	\$ 28,831
Due to others	20,493	2,935	20,493	2,935
Deposits held	<u>38,782</u>	<u>67,025</u>	<u>71,726</u>	<u>34,081</u>
Total liabilities	\$ <u>65,964</u>	\$ <u>543,234</u>	\$ <u>543,351</u>	\$ <u>65,847</u>



# City of Brook Park, Ohio

## Governmental Activities Revenues by Source and Expenses by Function

### Last Two Years

### Table 1

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program revenues:			
Charges for services	\$ 3,251,965	\$ 3,783,868	\$ 5,524,450
Operating grants and contributions	68,774	37,002	24,221
Capital grants and contributions	563,220	660,991	-
General revenues:			
Property taxes	2,954,239	2,866,014	2,741,358
Municipal taxes	22,159,579	21,964,703	21,656,942
Grants and entitlements not restricted to specific programs	2,280,824	3,266,535	8,908,485
Investment earnings	778,295	289,315	257,922
Gain on disposal of capital assets	1,120	5,954	8,532
Total	<u>\$ 32,058,016</u>	<u>\$ 32,874,382</u>	<u>\$ 39,121,910</u>
Expenses:			
General government	\$ 5,704,200	\$ 7,379,928	\$ 10,675,655
Security of persons and property	11,345,186	9,776,933	9,075,363
Public health and welfare	317,628	253,214	226,005
Transportation	3,526,640	3,311,938	510,314
Leisure time activities	3,043,950	3,634,961	2,497,528
Community development	1,755,056	2,119,789	1,538,318
Public works	3,356,143	2,532,212	2,717,718
Interest and fiscal charges	193,895	214,990	283,376
Total	<u>\$ 29,242,698</u>	<u>\$ 29,223,965</u>	<u>\$ 27,524,277</u>

Source: City of Brook Park, Finance Department

## City of Brook Park, Ohio

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

#### **Last Ten Years**

#### **Table 2**

<u>Fiscal Year</u>	<u>Security of Persons and Property</u>	<u>Public Health and Welfare</u>	<u>Leisure Time Activities</u>	<u>Community Development</u>	<u>Public Works</u>	<u>Transportation</u>	<u>General Government</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
1996	\$ 6,672,289	\$ 451,417	\$ 1,740,681	\$ 618,358	\$ 2,595,549	\$ 2,592,654	\$ 4,304,361	\$ 4,127,103	\$ 1,793,593	\$ 24,896,005
1997	7,262,073	446,249	1,874,024	632,546	2,590,499	2,248,459	5,797,821	1,900,673	1,780,793	24,533,137
1998	7,045,008	416,006	1,730,140	1,027,633	2,290,909	2,124,088	8,725,781	2,260,661	1,780,308	27,400,534
1999	7,380,513	87,907	1,864,092	5,338,407	2,151,915	2,965,659	4,680,187	1,180,151	1,771,841	27,420,672
2000	7,814,646	249,197	2,083,257	9,086,412	2,347,347	1,685,505	4,186,348	2,647,853	1,759,338	31,859,903
2001	8,148,858	230,450	2,278,621	2,907,431	2,441,957	1,599,714	6,178,149	4,817,482	1,753,862	30,356,524
2002	9,059,154	236,480	2,383,237	1,669,826	2,673,386	2,432,753	3,979,782	3,340,489	1,765,300	27,540,407
2003	9,402,099	226,005	2,483,022	2,141,842	2,747,140	2,890,366	4,223,424	11,736,127	1,806,995	37,657,020
2004	9,749,944	239,884	2,519,902	1,474,557	2,915,119	2,523,547	4,382,641	6,192,857	1,812,920	31,811,371
2005	10,191,511	314,991	2,536,300	1,535,699	2,929,810	2,633,551	6,133,747	5,690,763	2,029,807	33,996,179

## City of Brook Park, Ohio

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

#### Last Ten Years

**Table 3**

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Income Taxes</u>	<u>Other Local Taxes</u>	<u>Inter Governmental</u>	<u>Charges for Services</u>	<u>Licenses and Permits</u>	<u>Fines and Forfeitures</u>	<u>Special Assess - ments</u>	<u>Invest - ment Income</u>	<u>Other</u>	<u>Total</u>
1996	\$ 3,154,163	\$ 16,572,422	\$ 336,336	\$ 2,252,131	\$ 258,796	\$ 277,327	\$ 171,234	\$ 38,197	\$ 509,858	\$ 866,575	\$ 24,437,039
1997	2,733,477	15,240,112	358,883	2,296,365	324,719	276,414	204,388	4,316	455,250	193,196	22,087,120
1998	2,500,251	16,199,230	398,698	2,342,767	567,046	423,115	318,339	4,002	524,987	410,584	23,689,019
1999	2,419,819	18,160,744	471,405	2,508,214	792,883	411,274	263,719	5,273	846,565	2,569,900	28,449,796
2000	2,449,696	19,903,518	485,140	2,477,455	1,554,955	388,490	319,222	3,618	881,096	485,082	28,948,272
2001	2,502,658	18,570,711	447,917	2,443,476	1,659,130	547,312	357,076	4,317	615,732	325,499	27,473,828
2002	2,446,419	20,521,265	346,705	2,261,918	2,121,999	413,044	311,830	4,282	298,621	609,329	29,335,412
2003	2,381,452	21,904,475	281,358	8,905,015	1,714,850	468,381	364,412	4,282	257,922	845,019	37,127,166
2004	2,493,335	21,880,786	349,222	3,867,885	1,689,473	397,508	444,678	4,280	289,315	1,252,209	32,668,691
2005	2,601,395	21,465,211	349,022	2,784,225	1,726,212	396,603	398,155	19,637	778,295	690,124	31,208,879

## City of Brook Park, Ohio

### Real Property Tax Levies and Collections

#### Last Ten Years

**Table 4**

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Collections</u>	<u>Percentage of Current Collections To Current Levy</u>	<u>Prior Year Collections</u>	<u>Total Collections(1)</u>	<u>Percentage of Total Collections To Current Levy</u>
1996	\$ 1,754,351	\$ 1,725,468	98%	\$ 13,948	\$ 1,739,416	99%
1997	1,758,508	1,741,889	99%	66,982	1,808,871	103%
1998	1,843,108	1,784,451	97%	40,309	1,824,760	99%
1999	1,690,292	1,660,990	98%	97,942	1,758,932	104%
2000	1,859,481	1,828,985	98%	57,773	1,886,758	101%
2001	2,132,394	2,051,067	96%	49,844	2,100,911	98%
2002	2,054,015	1,985,572	97%	110,757	2,096,329	102%
2003	2,069,493	1,971,073	95%	44,834	2,015,907	97%
2004	2,103,008	2,002,323	95%	60,839	2,063,163	98%
2005	2,199,007	2,065,256	94%	61,074	2,126,330	97%

Source: Cuyahoga County Auditor

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

## City of Brook Park, Ohio

### Tangible Personal Property Tax Levies And Collections

#### Last Ten Years

**Table 5**

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Collections</u>	<u>Percentage of Current Collections To Current Levy</u>	<u>Prior Year Collections</u>	<u>Total Collections</u>	<u>Percentage of Total Collections To Current Levy</u>
1996	\$ 1,179,689	\$ 1,176,862	100%	\$ 55,354	\$ 1,232,216	104%
1997	1,058,648	1,053,557	100%	28,236	1,081,793	102%
1998	967,652	961,428	99%	66,519	1,027,947	106%
1999	774,814	765,819	99%	49,791	815,610	105%
2000	762,706	753,188	99%	8,763	761,951	100%
2001	635,316	630,494	99%	21,605	652,099	103%
2002	588,172	578,030	98%	5,691	583,721	99%
2003	566,213	556,638	98%	11,138	567,776	100%
2004	603,316	589,946	98%	14,775	604,721	100%
2005	622,546	617,509	99%	33,698	651,207	104%

Source: Cuyahoga County Auditor

## City of Brook Park, Ohio

### Assessed Valuations and Estimated True Values

#### Last Ten Years

**Table 6**

<u>Collection Year</u>	<u>Residential/ Agricultural Real Property</u>	<u>Other Real Property</u>	<u>Public Utility Tangible</u>	<u>Tangible Personal Property</u>	<u>Total</u>	<u>Estimated True Value Real Property</u>
1996	\$ 213,911,360	\$ 123,347,310	\$ 21,062,580	\$ 198,421,460	\$ 556,742,710	\$ 963,596,200
1997	214,626,670	123,180,780	20,955,230	214,501,234	573,263,914	965,164,143
1998	237,651,020	120,981,070	20,039,900	192,481,495	571,153,485	1,024,663,114
1999	237,845,240	119,285,820	19,966,380	175,936,785	553,034,225	1,020,374,457
2000	238,021,220	132,374,750	18,632,750	172,180,824	561,209,544	1,058,274,200
2001	266,452,600	167,037,360	18,890,960	159,067,518	611,448,438	1,238,542,743
2002	265,952,730	154,479,690	14,372,580	132,327,007	567,132,007	1,201,235,486
2003	265,876,430	154,084,030	14,367,430	122,445,643	556,773,533	1,199,887,029
2004	288,926,640	144,414,500	13,492,460	118,219,380	565,052,980	1,238,117,543
2005	289,201,130	151,477,000	13,754,000	125,239,739	579,671,869	1,259,080,371

Sources: Cuyahoga County Auditor

## City of Brook Park, Ohio

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

**Last Ten Years**

**Table 7**

Collection Year	City of Brook Park				Berea City School District	Southwest Vocational School	Cuyahoga County Commissioners	Special (2) Taxing Districts	Total Tax Levy
	General Fund	Special Funds (1)	Debt Service	Total Levy					
1996	3.72	1.65	0.13	5.50	57.00	2.50	12.32	5.48	82.80
1997	3.72	1.65	0.13	5.50	57.00	2.50	12.32	5.48	82.80
1998	3.69	0.65	0.16	4.50	57.90	2.40	12.12	5.88	82.80
1999	3.69	0.65	0.16	4.50	58.00	2.40	10.82	5.88	81.60
2000	3.69	0.95	0.16	4.80	63.90	2.40	10.82	5.88	87.80
2001	3.85	0.95	0.00	4.80	63.80	2.40	11.72	5.88	88.60
2002	3.85	0.95	0.00	4.80	63.80	2.40	11.72	5.88	88.60
2003	3.85	0.95	0.00	4.80	69.80	2.40	11.72	5.88	94.60
2004	3.85	0.95	0.00	4.80	69.80	2.40	13.52	5.88	96.40
2005	3.85	0.95	0.00	4.80	69.80	2.40	13.52	6.78	97.30

Source: Cuyahoga County Auditor

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

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

## City of Brook Park, Ohio

### Special Assessment Collections

#### Last Ten Years

**Table 8**

<u>Fiscal Year</u>	<u>Special Assessment Current Tax Levy</u>	<u>Total Amount Collected</u>	<u>Total Amount Delinquent</u>	<u>Percentage Collected</u>
1996	\$ 4,726	\$ 4,282	\$ 488	91%
1997	5,211	4,409	3,424	85%
1998	4,282	4,051	4,032	95%
1999	4,282	5,401	5,995	126%
2000	4,282	4,282	2,768	100%
2001	6,334	6,253	3,108	99%
2002	4,282	5,247	582	122%
2003	4,282	4,282	-	100%
2004	4,282	4,281	1	100%
2005	61,933	19,637	46,186	32%

Source: Cuyahoga County Auditor



## City of Brook Park, Ohio

### Municipal Income Tax Collections By Source – GAAP Basis

#### Last Ten Years

**Table 9**

<u>Withheld Year</u>	<u>Individual Tax</u>	<u>Business Direct Tax</u>	<u>Municipal Direct Tax</u>	<u>Income Tax Collections</u>
1996	\$ 13,404,663	\$ 955,222	\$ 2,212,537	\$ 16,572,422
1997	13,127,632	972,900	1,139,580	15,240,112
1998	14,001,050	914,183	1,283,997	16,199,230
1999	15,899,371	957,531	1,303,842	18,160,744
2000	17,549,260	985,249	1,369,009	19,903,518
2001	16,435,339	1,023,869	1,111,503	18,570,711
2002	18,655,101	830,330	1,035,834	20,521,265
2003	19,684,382	778,618	1,441,475	21,904,475
2004	19,904,248	686,738	1,289,800	21,880,786
2005	19,356,185	733,870	1,375,156	21,465,211

## City of Brook Park, Ohio

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

#### Last Ten Years

**Table 10**

<u>Ratio of Net Bonded Debt Net General Year</u>	<u>Net General Bonded Debt (1)</u>	<u>Assessed Value (2)</u>	<u>Population (3)</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Debt per Capita</u>
1996	\$ 11,500,775	\$ 556,743	22,821	2.06%	503.96
1997	10,558,959	573,264	22,821	1.84%	462.69
1998	9,492,284	571,153	22,821	1.66%	415.95
1999	8,302,721	553,034	22,821	1.50%	363.82
2000	7,019,728	561,210	21,218	1.25%	330.84
2001	5,700,453	611,448	21,218	0.93%	268.66
2002	4,427,214	567,132	21,218	0.78%	209.00
2003	5,425,825	556,773	21,218	0.97%	255.72
2004	3,544,717	565,053	21,218	0.63%	167.06
2005	1,675,424	579,672	21,218	0.29%	78.96

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

**City of Brook Park, Ohio**

Legal Debt Margin

**December 31, 2005**

**Table 11**

Total Assessed Valuation		\$ <u>579,671,869</u>
Overall Debt Limitation – 10.5% of Assessed Valuation		\$ <u>60,865,546</u>
Gross Indebtedness	\$ 2,110,000	
Less:Debt Outside Limitation	<u>-</u>	
Debt Within 10.5% Limitation	2,110,000	
Less:Amount Available in Debt Service Funds	<u>434,576</u>	
Net Debt Within 10.5% Limitation		\$ <u>1,675,424</u>
Legal Debt Margin Within 10.5% Limitation		\$ <u>59,190,122</u>

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Unvoted Debt Limitation – 5.5% of Assessed Valuation		\$ <u>31,881,953</u>
Gross Indebtedness Authorized by Council	\$ 2,110,000	
Less:Debt Outside Limitation	<u>-</u>	
Debt Within 5.5% Limitation	2,110,000	
Less:Amount Available in Debt Service Funds	<u>434,576</u>	
Net Debt Within 5.5% Limitation		\$ <u>1,675,424</u>
Legal Debt Margin Within 5.5% Limitation		\$ <u>30,206,529</u>

## City of Brook Park, Ohio

### Computation of Direct and Overlapping Debt

**December 31, 2005**

**Table 12**

<u>Jurisdiction</u>	<u>Net Debt Outstanding (1)</u>	(2) <u>Percentage Applicable To City of Brook Park</u>	<u>Amount Applicable to City of Brook Park</u>
City of Brook Park	\$ 1,675,424	100.0%	\$ 1,675,424
Berea City School District%	10,990,000	37.51%	4,122,349
Cuyahoga County%	231,365,971	1.89%	4,372,817
Regional Transit Authority	<u>139,790,000</u>	1.89%	<u>2,642,031</u>
Total	\$ <u>383,821,395</u>		\$ <u>12,812,621</u>

Source: Cuyahoga County Auditor

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

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

## City of Brook Park, Ohio

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

**Last Ten Years**

**Table 13**

<u>Year</u>	<u>Debt Service On General Obligation Bonded Debt</u>	<u>Total General Government Expenditures</u>	<u>Ratio</u>
1996	\$ 1,057,000	\$ 24,896,005	4.25
1997	1,107,000	24,533,137	4.51
1998	1,162,000	27,400,534	4.24
1999	1,222,000	27,420,672	4.46
2000	1,292,000	31,859,903	4.05
2001	1,357,000	30,356,524	4.47
2002	1,437,000	27,540,407	5.22
2003	1,517,000	37,657,020	4.03
2004	1,612,000	31,811,371	5.07
2005	1,852,000	33,996,179	5.45

Sources: City of Brook Park, Finance Department

## City of Brook Park, Ohio

### Demographic Statistics

**December 31, 2005**

**Table 14**

<u>Year</u>	(1) <u>Population</u>	(2) <u>School Enrollment</u>
1996	22,821	8,040
1997	22,821	7,901
1998	22,821	7,927
1999	22,821	7,980
2000	21,218	7,891
2001	21,218	7,820
2002	21,218	7,653
2003	21,218	7,505
2004	21,218	7,801
2005	21,218	7,511

Sources:

- (1) U.S. Bureau of Census
- (2) Berea City School District

## City of Brook Park, Ohio

### Property Value, Construction And Bank Deposits

#### Last Ten Years

#### Table 15

<u>Year</u>	<u>Estimated True Value Real Property</u>	<u>Residential Construction Value (1)</u>	<u>Commercial Construction Value (1)</u>	<u>Industrial Construction Value (1)</u>	<u>Domestic Bank Deposits In County (2)</u>
1996	\$ 963,596,200	\$ 2,193,343	\$ 410,000	\$ 1,629,857	\$ 27,068,211
1997	965,164,143	2,076,143	1,673,514	178,000	53,941,971
1998	1,024,663,114	914,885	1,200,371	252,343	58,904,596
1999	1,020,374,457	1,237,057	3,224,800	6,273,057	57,816,942
2000	1,058,274,200	1,845,714	12,362,914	6,308,257	61,942,764
2001	1,238,542,743	1,026,171	880,543	3,035,429	63,893,769
2002	1,201,235,486	889,257	920,114	846,686	95,761,917
2003	1,199,887,029	495,685	1,461,300	2,510,500	97,911,285
2004	1,238,117,543	550,829	9,684,714	14,487,429	101,838,959
2005	1,259,080,371	6,749,600	28,048,857	4,574,143	109,071,512

(1) Cuyahoga County Auditor

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

## City of Brook Park, Ohio

Principal Taxpayers – Real Property (Excluding Public Utilities)

**December 31, 2005**

**Table 16**

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Real Property</u>	<u>Percentage of Total Assessed Valuation</u>
Ford Motor Co.	\$ 24,647,560	5.6%	4.2%
MWP Company	9,242,415	2.1%	1.6%
Tech Park Limited Partnership	6,691,860	1.5%	1.2%
Park N Fly	5,904,465	1.3%	1.0%
CP - Snow Prop, LLC	3,786,230	0.9%	0.7%
LIT/Equity Cleveland, LLC	2,781,135	0.6%	0.5%
Laich, Walter	2,770,040	0.6%	0.5%
Brookgate Associates LLC	2,319,800	0.5%	0.4%
Foseco Metallurgical Inc.	2,291,625	0.5%	0.4%
Sandelman Sandford Trs.	<u>2,135,000</u>	<u>0.5%</u>	<u>0.3%</u>
	\$ <u>62,570,130</u>	<u>14.1%</u>	<u>10.8%</u>
Total Real Property Assessed Valuation	\$ <u>440,678,130</u>		

Source: Cuyahoga County Auditor  
(1) Excludes Public Utilities



## City of Brook Park, Ohio

Principal Taxpayers – Personal Property (Excluding Public Utilities)

**December 31, 2005**

**Table 17**

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Personal Property</u>	<u>Percentage of Total Assessed Valuation</u>
Ford Motor Company	\$ 68,720,910	54.9%	11.9%
Marc Glassman, Inc.	11,756,420	9.4%	2.0%
Hawk Corp.	2,930,990	2.3%	0.5%
Foseco, Inc.	2,157,170	1.7%	0.4%
Metro Imports, Inc.	2,011,200	1.6%	0.3%
Sam's East, Inc.	1,905,550	1.5%	0.3%
Nationsrent USA	1,797,820	1.4%	0.3%
Varbros LLC	1,743,500	1.4%	0.3%
Global Exchange Services, Inc.	1,546,290	1.2%	0.3%
Bettcher Manufacturing LLC	<u>1,467,920</u>	<u>1.2%</u>	<u>0.3%</u>
	\$ <u>96,037,770</u>	<u>76.6%</u>	<u>16.6%</u>
Total Personal Property Assessed Valuation	\$ <u>125,239,739</u>		

Source: Cuyahoga County Auditor

**City of Brook Park, Ohio**

Principal Taxpayers – Public Utility Property

**December 31, 2005**

**Table 18**

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Public Utility Property</u>	<u>Percentage of Total Assessed Valuation</u>
Cleveland Electric Illuminating Company	\$ 6,328,000	46.0%	1.1%
The Ohio Bell Telephone Company	2,584,442	18.8%	0.5%
The East Ohio Gas Company	<u>752,742</u>	<u>5.5%</u>	<u>0.1%</u>
	\$ <u>9,665,184</u>	<u>70.3%</u>	<u>1.7%</u>
Total Public Utility Property Assessed Valuation	\$ <u><u>13,754,000</u></u>		

Source: Cuyahoga County Auditor

## City of Brook Park, Ohio

### Miscellaneous Statistics

**December 31, 2005**

**Table 19**

Date of Incorporation	January 4, 1961		
Effective Date of Charter	January 1, 1967	Education: Berea City School District:	
Form of Government	Mayor/Council	Elementary Schools (including Berea Children's Home)	7
		Middle Schools	2
Area:	8.8 sq. miles	High Schools	2
Miles to Streets:		Vocational Schools	1
State Routes	12.5 miles	Per Pupil Cost	\$10,336
County Routes	13.5 miles	Number of Teachers	532
City Streets	46.0 miles	2005 Student Enrollment	7,511
Number of Street Lights	2,565		
Fire Protection:		Recreation and Culture:	
Number of Stations	3	Number of Parks	7
Number of Firemen and officers	40	Number of Playgrounds	8
		Swimming Pools	2
Police Protection:		Diving Tanks	1
Number of Stations	1	Recreation Centers	1
Number of Policemen and officers	44	Public Libraries	1
City Employees:		Number of Traffic Lights	49
Number of Full Time Employees	204		
Number of Part Time Employees	167	Public Transportation: Cuyahoga Regional Transit Authority	
Municipal Water Department	Served by the City of Cleveland		





**Auditor of State  
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**CITY OF BROOK PARK**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 6, 2006**