

# *Annual Report* 2012



**City of Brook Park, Ohio**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2012**

# **City of Brook Park, Ohio**

## **Comprehensive Annual Financial Report For the Year Ended December 31, 2012**

**Issued by: Finance Department**

**Gregory M. Cingle, CPA, Finance Director**

**Martin S. Healy, Assistant Finance Director**

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## **INTRODUCTORY SECTION**

# City of Brook Park, Ohio

## Comprehensive Annual Financial Report For the Year Ended December 31, 2012

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# *City of Brook Park*

*Finance Department*

Gregory M. Cingle  
Finance Director

Martin S. Healy  
Assistant Finance Director

June 26, 2013

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, 2012.

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. Since 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 Ciuni & Panichi, 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, 2012, 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 unmodified opinion on the financial statements of the City for the fiscal year ended December 31, 2012, and that the financial statements are fairly presented in conformity with GAAP. The report of the independent auditor is presented as the first component of the financial section of this report.

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

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*6161 Engle Road • Brook Park, Ohio 44142*  
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## **Profile of the Government**

The city of Brook Park, incorporated in 1967, is located in the Southwest portion of Cuyahoga County, 13 miles from Downtown Cleveland, with the cities of Parma to the east, Berea to the west and Middleburg Heights to the south. Brook Park is an easily accessible suburban community that abuts Cleveland Hopkins Airport on the Northwest boundary and has ready access to Interstates 71 and 480 and the Ohio Turnpike. 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 as well as provide a wide variety of municipal services, such as police and fire services, street services, sewer services and recreation services.

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

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

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

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

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

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

## **Factors Affecting Financial Condition**

**I. Economic Conditions and Outlook.** In general, overall economic activity increased at a modest to moderate pace, according to the Federal Reserve:

- Slight to moderate gains in consumer spending.
- Motor vehicle sales increased moderately in several markets.
- Manufacturing activity increased across most of the country.
- Residential real estate activity increased at a strong pace.
- Commercial real estate grew at a modest to moderate rate.

The Northeast Ohio region saw declines in the unemployment rate and increases in total employment. According to Sandra Pianalto, President of the Cleveland Federal Reserve, the economy appears to be on a steady growth path as consumer spending and business optimism both are improving. As of now, she's predicting economic growth of 3 percent and unemployment of 7 percent by the end of 2014.

Factors affecting local economic conditions and outlook are as follows:

- There are approximately 94 homes in foreclosure and 50-60 homes that are vacant and/or abandoned. In 2011, there were 52 homes in foreclosure and 20 homes that were vacant and/or abandoned.
- Gas prices rose to an average of over \$3.50/gallon.
- There were 21 businesses that closed in 2012.

**On a Positive Note:** In an effort to prevent a protracted recession, federal and state governments have been proactive in creating and initiating programs to stimulate the economy and generate new employment opportunities. A few noteworthy successes include:

- An extension of the payroll tax cuts was approved by the House and Senate.
- Federal tax credits for energy efficiency improvements were extended.
- The Dow Jones Industrial Average had noticeable gains.
- Real GDP increased 2.2 percent in 2012.
- The Federal Reserve continued to keep interest rates at record lows.

**II. Local Economic Activity.** The City continues to exercise significant energy to sustain its existing economic base and pursue new business opportunities.

- Ohio State Highway Patrol purchased a building on W. 140<sup>th</sup> Street, bringing 65 jobs to the City. There is a possibility that an additional 35 jobs could be added.
- Ohio Crematory filled a vacant building on Brookpark Road, creating five jobs.
- Direct Detail renovated a building on W. 137<sup>th</sup> Street and generated four-five jobs.
- Holiday Inn Express on Snow Road added a third floor and renovated the lobby.

**III. Major Economic Initiatives.** The City continued to focus on business retention, redevelopment opportunities, infrastructure improvements and prospecting for new business investment in the community.

**Retention Activity:**

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

- Ford Motor Company: Renovation in Engine Plant No. 1 is underway to retrofit the facility to begin building the new 2.0-liter, 4-cylinder EcoBoost engine. The \$200 million in new investment will bring approximately 450 jobs. Production is scheduled to begin in late 2014. The continued improvement in economic conditions will be a major factor in Ford's success.
- NASA Glenn: As part of President Obama's proposed budget, Glenn received good news on the programmatic level. Included in the proposed budget is funding for two major programs; Cryogenic Propellant Storage and Transfer (CPST) Technology Flight Demonstration and Solar Electric Propulsion (SEP). In the area of space technology, Glenn leads the CPST mission and develops the system and technology required to accelerate development of a SEP module that will be a key system to enable the robotic system in the proposed NASA asteroid redirect mission. CPST and SEP will benefit other NASA science and exploration missions. Passage of the budget is expected in the summer of 2013. If the budget is approved, employment and subcontractor levels are projected to remain stable, approximately 1,500 individuals each.

**Redevelopment Opportunities:**

- Since acquiring the north side of Brookpark Road from the City of Cleveland in 1998, there has been over \$45 million of private funding invested into this area, with more private investment scheduled for 2013. The City will continue to meet with building owners and developers to find creative opportunities for new projects along this important corridor.
- The City's continues to rely on the first-ever Master Plan that was finalized in 2012. The Plan will assist in providing ideas for redevelopment, land use and zoning updates.

**Infrastructure:**

- The Brookpark Road resurfacing project with the Cities of Cleveland and Parma is nearing completion. Approximately \$3 million will be invested, with the majority of the funding coming from grants awarded by ODOT and OPWC. In addition to resurfacing a vital roadway throughout the City and County, work included curb and catch basin repairs.
- The Sheldon Road water main replacement project was completed.
- The West 150<sup>th</sup> street and sewer improvement project (Phase I) and the West 150<sup>th</sup> sewer improvement project (Phase II) were completed.
- Heatherwood Drive, Grayfriar Drive and W. 151<sup>st</sup> Street capital repairs were completed.

**Future Projects:**

- Ganley Chevrolet is building a new dealership on Brookpark Road. Employment potential is 60-75 new jobs.
- Cuyahoga Machine is constructing a new 15,000 sq. ft. facility, where they will manufacture and repair hydraulic cylinders. Employment estimates are 20-25 new jobs.
- CDW Grinding, a steel manufacturer, is considering a multi-million dollar investment in their business.

The above initiatives are imperative to the City's economic development strategy and long-term success. Each of these projects will help enhance the City's ability to attract additional investment into the community.

## Cash Management Policies and Practices

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

## Risk Management

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

## 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, 2011. 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. This report conformed to program standards and 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 21 years. We believe that our current CAFR continues to meet the requirements for the Certificate of Achievement, and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgement.** The finance department, with the efficient and dedicated service of its entire staff, prepared this CAFR. We would like to express special appreciation to the independent accounting firm of James G. Zupka, CPA, Inc., who contributed significantly to the preparation of this report. In addition, we would like to thank the Mayor and each member of City council for their support, which has allowed the finance department to operate at the level that the residents of the City demand and deserve.

Respectfully submitted,



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, 2011

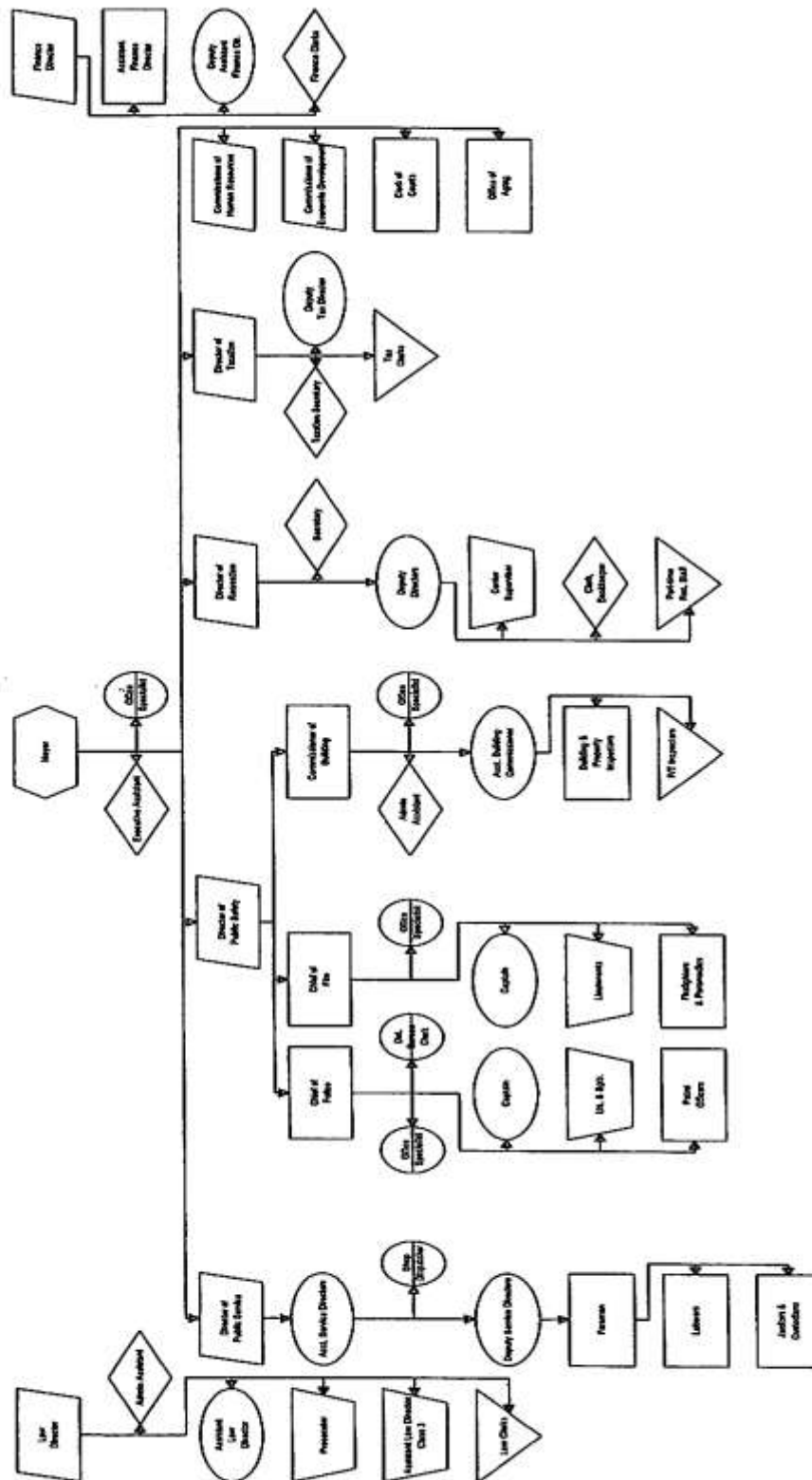
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



*Christopher P. Morinell*  
President

*Jeffrey R. Enos*  
Executive Director

# City of Brook Park Administration



# City of Brook Park, Ohio

## Elected Officials

**December 31, 2012**

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Mayor	Mark J. Elliott
Council Member – President	Michael Gammella
Council Member – At-Large	Carl J. Burgio
Council Member – At-Large	Danny V. Colonna
Council Member – At-Large	Richard A. Salvatore
Council Member – Ward 1	Michael J. Lane
Council Member – Ward 2	Patti Astorino
Council Member – Ward 3	Barry Kirksey
Council Member – Ward 4	Brian Higgins
Finance Director	Gregory M. Cingle
Law Director	Neal M. Jamison



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## **FINANCIAL SECTION**

## **Independent Auditor's Report**

Members of the City Council  
Brook Park, Ohio

### **Report on the Financial Statements**

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 (the "City") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***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, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 3 to the financial statements, during 2012, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* and as a result restated their December 31, 2011 net position of governmental activities due to a reclassification of debt issuance costs as an expense in the period incurred rather than amortizing over the life of the debt. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Members of the City Council  
Brook Park, Ohio

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Cini & Panichi, Inc.*

Cleveland, Ohio  
June 26, 2013

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# City of Brook Park, Ohio

## Management's Discussion and Analysis (Unaudited)

### **For the Year Ended December 31, 2012**

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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, 2012. 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 2012 are:

- Revenue from municipal income and other taxes totaled \$17,768,862.
- Total assets increased by \$1,543,842 or a 1.62 percent increase over 2011.
- Total net position decreased by \$358,305 or a 0.43 percent decrease over 2011.
- Total capital assets increased by \$1,964,153 or a 2.71 percent increase over 2011.
- Total outstanding long-term liabilities increased by \$1,532,904. This was a 20.15 percent increase over 2011 which is attributed to the City's inception of capital leases and the increase in the retirement incentive payable in 2012.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,005,956, a decrease of \$1,415,836 in comparison with the prior year's amount. Approximately 5.84 percent of this total amount, \$818,143, is available for spending at the government's discretion (unassigned fund balance) without externally or internally imposed constraints.
- At the end of the current fiscal year, the General Fund's unassigned fund balance was \$1,172,557, or 5.50 percent of General Fund expenditures (not including other financing uses).

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

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

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

# City of Brook Park, Ohio

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

### **For the Year Ended December 31, 2012**

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

##### *Statement of Net Position and Statement of Activities*

While the CAFR contains information about the funds used by the City to provide services to our citizens, the *Statement of Net Position* and the *Statement of Activities* provide a view of the City's monetary transactions and answer the question, "How did the City do financially during 2012?" These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 position and the changes in net position. The changes in net position are important because it tells the reader whether the financial position of the City has improved or diminished. When evaluating the overall position of the City, non-financial information should also be considered, such as: changes in the City's tax base, amendments to property and income tax laws, condition of capital assets, etc.

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

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

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position (Assets and Deferred Outflows of Resources minus Liabilities and Deferred Inflows of Resources)
- Program Revenues and Expenses
- General Revenues
- Net Position 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 19. Fund financial statements provide detailed information about the City's major funds based on the restrictions on the use of monies. The City has established many funds to account for the multitude of services, facilities and infrastructure improvements provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City, the major funds are the General and Capital Improvements Funds. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.



# City of Brook Park, Ohio

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

### **For the Year Ended December 31, 2012**

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#### *Governmental Funds*

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the near-term financing requirements of a government. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets and deferred outflows of resources 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 Position* and the *Statement of Activities*) and governmental funds.

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

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

#### *Proprietary Funds*

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

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

The basic proprietary fund financial statements can be found starting on page 24.

#### *Fiduciary Funds*

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

# City of Brook Park, Ohio

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

### **For the Year Ended December 31, 2012**

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#### **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 28.

#### **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 basic financial statements, the combining statements, referred to earlier in connection with nonmajor governmental funds, are presented along with individual detailed budgetary comparisons for all nonmajor funds. This information can be found starting on page 67.

#### **The City as a Whole**

As noted earlier, the *Statement of Net Position* 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 position for 2012 as compared to 2011.

**Table 1  
Net Position**

	<u>2012</u>	<u>2011*</u>
<b>ASSETS</b>		
Current and other assets	\$22,209,772	\$22,630,083
Capital assets, net	<u>74,521,470</u>	<u>72,557,317</u>
<b>Total Assets</b>	<u>96,731,242</u>	<u>95,187,400</u>
 <b>LIABILITIES</b>		
Current and other liabilities	3,124,084	2,485,238
Long-term liabilities:		
Due within one year	1,941,252	1,509,210
Due in more than one year	<u>7,198,771</u>	<u>6,097,909</u>
<b>Total Liabilities</b>	<u>12,264,107</u>	<u>10,092,357</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	1,587,107	1,856,710
 <b>NET POSITION</b>		
Net investment in capital assets	69,659,655	69,624,618
Restricted	9,215,250	8,493,873
Unrestricted	<u>4,005,123</u>	<u>5,119,842</u>
<b>Total Net Position</b>	<u>\$82,880,028</u>	<u>\$83,238,333</u>

\* Restated

## City of Brook Park, Ohio

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

#### **For the Year Ended December 31, 2012**

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An additional portion of the City's net position, 11.16 percent, represents resources that are subject to external restrictions on how they are to be used. Unrestricted net position, \$4,005,123, may be used to meet the City's ongoing obligations to citizens and creditors.

Total assets increased by \$1,543,842 during the current year. The following factors were responsible for the change in total assets:

- Investment in the infrastructure of the City continued in 2012. The West 150<sup>th</sup> street and sewer improvement project (Phase I), the West 150<sup>th</sup> sewer improvement project (Phase II) and the Sheldon Road water main repair project were completed in 2012.
- Street and capital projects that were finished in 2012 included Heatherwood Drive, Grayfriar Drive and W. 151<sup>st</sup> Street.
- Capital assets that were purchased in 2012 included:
  1. Automated rubbish system (\$1,507,841)
  2. 10 new vehicles with equipment for the police department (\$329,680)
  3. Rescue squad for the fire department (\$139,787)
  4. Truck mounted lateral launch system for the sewers and drains department (\$49,206)
  5. Control panels for the pump stations (\$22,620)
- Infrastructure upgrades are as follows:
  1. Investment in public playgrounds and ballfields
- The City obtained Ohio Public Works Commission (OPWC) grant and loan funds for the West 150<sup>th</sup> street and sewer improvement project (Phase I). The total project costs will be shared by OPWC (67 percent) and a joint cooperative between the City and the city of Cleveland (33 percent). A signed agreement was executed to share the local portion costs of the project, with the city of Cleveland being responsible for 65 percent and the City assuming the remaining balance, 35 percent. Per the agreement, the City will pay the full annual debt service requirements and then be reimbursed by the city of Cleveland for their above referenced agreed upon share of the local costs. The City has created an intergovernmental receivable in the amount of \$1,077,005 to account for the city of Cleveland's share. This project was completed in 2012.
- The West 150<sup>th</sup> sewer improvement project (Phase II) was established to help alleviate a large percentage of flooding within the City. The project will have profound impacts on the efficiency of the sanitary system that services over two-thirds of the City. The project was completed in 2012.
- The City issued short-term bond anticipation notes with an interest rate of 1.0 percent and a maturity date of October 2, 2013. The funds are being used to construct and install new sanitary sewers along Engle Road between Snow Road and Holland Road and an underground overflow storage chamber. Details of the bond issuance are discussed on page 16 of the Management's Discussion and Analysis.

## City of Brook Park, Ohio

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

#### **For the Year Ended December 31, 2012**

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- Construction is near completion on Brookpark Road (SR-17) from approximately 1,000 feet west of the Brookpark Road/SR 237 intersection to West 130<sup>th</sup> Street in the cities of Brook Park, Cleveland and Parma. Construction includes, but is not limited to, asphaltic resurfacing, joint repair, replacement of defective base, curb ramps, aprons and curbs, adjustment of castings and repairs of defective catch basins. Total cost of the project is estimated at a little over \$3 million. Project funding sources include dollars from the ODOT Urban Paving Program and Ohio Public Works.

Total liabilities increased by \$2,171,750. This increase is primarily due to an increase in long-term liabilities as a result of the City's inception of capital leases and increases in the recognition of the retirement incentive payable in 2012.

The largest portion of the City's net position (84.05 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 along with related deferred outflows/inflows of resources. 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 and related deferred outflows/inflows of resources, it should be noted that resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate those liabilities and related deferred inflows of resources.

The City continues to make concerted efforts to continue to maximize the return on investments of its cash and cash equivalents. Since the Federal Reserve Board kept the Fed Funds Rate low throughout 2012, the City continued to be proactive in its investment strategy. By utilizing short-term certificates of deposit and money market funds, the City achieves a balanced investment portfolio. The strategy is to maximize current returns, hedge against future declining market environments and protect the principal of each investment.

## City of Brook Park, Ohio

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

#### **For the Year Ended December 31, 2012**

Table 2 shows the changes in net assets for 2012 as compared with 2011.

**Table 2**  
**Changes in Net Position**

	<u>2012</u>	<u>2011*</u>
<b>REVENUES</b>		
Program Revenues:		
Charges for services	\$ 3,442,848	\$ 3,365,532
Operating grants and contributions	1,019,384	961,013
Capital grants and contributions	1,976,629	1,877,545
Total Program Revenues	<u>6,438,861</u>	<u>6,204,090</u>
General Revenues:		
Property taxes	1,986,778	1,994,242
Municipal income and other taxes	17,768,862	17,801,257
Grants and entitlements	878,135	1,393,561
Investment income	7,157	4,702
All other revenues	57,328	2,428
Total General Revenues	<u>20,698,260</u>	<u>21,196,190</u>
<b>Total Revenues</b>	<u>27,137,121</u>	<u>27,400,280</u>
<b>EXPENSES</b>		
Program Expenses:		
Security of persons and property	11,068,045	11,430,668
General government	5,957,703	5,047,013
Public works	3,501,691	3,547,146
Leisure time activities	2,305,024	2,562,792
Transportation	3,213,847	2,486,308
Community development	1,035,202	1,428,069
Public health and welfare	314,932	412,809
Interest and fiscal charges	98,982	46,100
<b>Total Expenses</b>	<u>27,495,426</u>	<u>26,960,905</u>
Change in Net Position	(358,305)	439,375
Net Position - Beginning of Year, Restated	<u>83,238,333</u>	<u>82,798,958</u>
<b>Net Position - End of Year</b>	<u><u>\$82,880,028</u></u>	<u><u>\$83,238,333</u></u>

\*Restated

#### *Governmental Activities*

Several revenue sources fund the City's governmental activities, with City income tax being the largest contributor. The City's income tax rate is two percent on gross income and has not changed since 1991. Residents of the City who work in other communities and pay the withholding tax to those municipalities receive a 100 percent tax credit of up to two percent on their City income tax. During 2012, the revenues generated from municipal income tax and other miscellaneous taxes amounted to \$17,768,862. The 0.18 percent decrease in income tax collections from 2011 to 2012 can mostly be attributed to withholding taxes. The decrease in withholding tax was due to reduction of employment within the City.

## City of Brook Park, Ohio

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

#### **For the Year Ended December 31, 2012**

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City income tax revenue of 15 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 \$27,137,121 in total revenue, income tax and other miscellaneous taxes account for 65.48 percent of the total. Property taxes of \$1,986,778 account for 7.32 percent of total revenue. Charges for services totaling \$3,442,848 account for 12.69 percent of total revenue, which constituted a 2.30 percent increase from the \$3,365,532 reported for 2011. Grants and entitlements decreased by \$515,426. This decrease can be attributed to the decrease in shared taxes provided by the State in 2012 when compared to 2011.

The combination of income tax, property tax, charges for services and intergovernmental funding was not sufficient to fund all of the expenses in the governmental activities. The City monitors its sources of revenues very closely for fluctuations. For the most part, minimal increases in functional expenses are a direct result of the City's conscious effort to control costs in a declining economic environment. The largest program functions for the City relate to security of persons and property and general government. During 2012, security of persons and property accounted for 40.25 percent of program expenses, and 21.67 percent of program expenses related to general government. In 2012, the overall increase in expenses was \$534,521. This minimal increase in expenses was achieved primarily through controlling departmental expenditures and declining healthcare claims.

Currently there are 39 full-time sworn officers in the police department. During 2012, the department purchased ten new 2013 Ford Interceptor SUV's.

The fire department consists of 34 full-time firefighters. The department handled 2,896 calls for assistance, of which approximately 2,447 were for EMS, with the balance attributed to fire and fire-related incidents. Total calls for assistance constituted an increase of about 7.20 percent over 2011.

#### *Program Expenses*

For the year ended December 31, 2012, the City's total cost of services was \$27,495,426, with a net cost of services totaling \$21,056,565.

## City of Brook Park, Ohio

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

#### **For the Year Ended December 31, 2012**

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Table 3 itemizes fiscal year 2012 program expenses by specific function.

**Table 3**  
**Program Expenses**

	Total Cost of Services 2012	Net Cost of Services 2012
Security of persons and property	\$11,068,045	\$ 10,055,769
General government	5,957,703	5,320,935
Public works	3,501,691	3,501,691
Transportation	3,213,847	326,517
Leisure time activities	2,305,024	1,800,907
Community development	1,035,202	(346,755)
Public health and welfare	314,932	298,519
Interest and fiscal charges	98,982	98,982
Total cost of service	<u>\$27,495,426</u>	<u>\$ 21,056,565</u>

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

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

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

#### *Governmental Funds*

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned 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 19.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,005,956. Of that amount, \$818,143 constitutes unassigned fund balances that are available for spending at the government's discretion without externally or internally imposed constraints. The remaining balance is restricted, committed, or assigned to indicate that it is not available for new spending.

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

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

#### **For the Year Ended December 31, 2012**

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##### *General Fund*

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance for the General Fund was \$4,483,731, of which \$1,172,557 was unassigned. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to fund expenditures (not included other financing uses). Unassigned fund balance represents 5.50 percent of total General Fund expenditures, while total fund balance represents 21.03 percent of that same amount.

The said fund balance decreased by \$859,441 during 2012. Decreases in State funding of shared taxes was the main contributor for the decrease in the General Fund's balance.

##### *Capital Improvements Fund*

The Capital Improvements Fund accounts for fund transfers and the portion of municipal income tax constrained by City 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 \$5,194,260, of which \$1,137,274 was assigned. The said fund balance decreased by \$985,325 during 2012. This decrease is mainly due to the increased percentage of completion on various capital improvement projects and final completion of the above mentioned capital projects.

##### **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, cash 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 except agency funds. City council is provided with a detailed line item budget for all departments; and after discussions at regularly held council meetings that are open to the public, the budget is adopted at the department level by object. Within each object, appropriations can be transferred between line items with the approval of the finance director and the respective department head. Council must approve any revisions in the budget that alter object level totals or total appropriations for any department or fund. During the course of fiscal year 2012, the City amended its General Fund budget various times. The finance department watches all department expenditures closely to monitor compliance with allocated budgets and provides monthly reports to City council that depicts monthly and year-to-date activity.

For the General Fund, the final budget basis revenue was \$21.6 million as compared to the original budget estimate of \$21.4 million. The final budget was higher than the original budget due to higher than expected income tax and licenses and permits revenues. The final appropriations of \$22.5 million were sufficient to meet the actual expenditures for the year, \$21.0 million. Final appropriations exceeded original appropriations mainly due to increases in estimates for utility costs, professional services, overtime and transfers. The City's ending budgetary fund balance was \$1,756,863 higher than the final budgeted amount primarily due to conservative revenue and expenditure budgetary practices.



## City of Brook Park, Ohio

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

#### **For the Year Ended December 31, 2012**

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

##### *Capital Assets*

As of December 31, 2012, the City had \$74.7 million invested in land, construction in progress, buildings and improvements, improvements other than buildings, machinery and equipment, furniture and fixtures, vehicles and infrastructure. Table 4 shows fiscal year 2012 balances of capital assets, net of depreciation, as compared to 2011.

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

	2012	2011
Land	\$ 4,925,383	\$ 4,905,795
Construction in progress	4,828,766	18,401,462
Buildings and improvements	9,371,402	9,747,244
Improvements other than buildings	1,198,563	1,305,913
Machinery and equipment	2,479,241	2,005,627
Furniture and fixtures	40,363	47,868
Vehicles	3,538,653	2,724,491
Infrastructure:		
Streets	34,465,703	19,961,827
Sewers	12,869,879	13,279,674
Water Lines	803,517	177,416
Total Capital Assets	<u>\$ 74,521,470</u>	<u>\$ 72,557,317</u>

Except for construction in progress, streets and water lines, the balances for the above capital assets remained practically unchanged. As previously mentioned, numerous vehicles were purchased in 2012 and many capital projects were completed or nearing completion.

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

##### *Debt*

On December 31, 2012, the City had \$6,691,047 in outstanding debt, with \$1,513,554 of that debt due within one year.

Table 5 summarizes general obligation bonds, capital leases, OPWC loan, OWDA loan and short-term bond anticipation notes.

## City of Brook Park, Ohio

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

#### **For the Year Ended December 31, 2012**

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

	<u>2012</u>	<u>2011</u>
General obligation bonds	\$ 2,504,004	\$ 2,790,729
Capital leases	1,616,919	2,403
OPWC Loan	1,817,897	1,921,271
Short-term bond anticipation notes	752,227	-
Total outstanding debt	<u>\$ 6,691,047</u>	<u>\$ 4,714,403</u>

As of December 31, 2012, the City's overall legal debt margin was \$47,404,702, with an unvoted debt margin of \$23,761,811. In 2012, the City entered into two capital lease agreements for the purchase of rubbish vehicles and emergency vehicles. In addition, the City issued \$750,000 in short-term bond anticipation notes with an interest rate of 1.0 percent and a maturity date of October 2, 2013. These notes were issued for the construction and installation of sanitary sewers along Engle Road between Snow Road and Holland Road. More detailed information about the City's debt liabilities is presented in Note 8 and Note 20 of the basic financial statements.

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

Management of the City continues to be extremely concerned with the general financial condition of the current economy. Ford's Casting Plant and Engine Plant #2 are now closed. As discussed in the Transmittal Letter of this report, Engine Plant #1 will begin producing Ford's new 2-liter, 4-cylinder EcoBoost engine, which will boost employment. Management and Ford officials will continue to meet frequently to discuss current operating conditions and to strategize for new business alternatives that will keep the Brook Park Ford facility competitive in their corporate structure, resulting in a long-term existence within the City.

The passage of the President's proposed budget in its current form should cause the employment levels at NASA Glenn to remain stable (see the Transmittal Letter in this report for further discussion). Glenn is the largest taxpayer in the City and management frequently communicates with Glenn officials to discuss the current and future state of their operation.

Multiple small businesses (21) closed in 2012 and many other businesses have decreased in size, resulting in reduced municipal income tax withholding collections (discussed earlier in this report).

The lack of significant growth in income tax collections, substantial reductions in receipts of state shared taxes distributed by the state of Ohio and the volatility in the current economic environment have created a major challenge to balance the City's budget and protect the financial stability of the community. Management is prepared to meet this challenge and will continue to provide full disclosure of the financial position of the City to its residents.

#### **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 Position

**December 31, 2012**

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	Governmental Activities
<b>ASSETS</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 14,451,868
Cash and Cash Equivalents:	
With Escrow Agents	168,924
Materials and Supplies Inventory	162,724
Accounts Receivable	240,752
Accrued Interest Receivable	452
Intergovernmental Receivable	2,442,103
Prepaid Items	231,563
Municipal Income Taxes Receivable	2,682,910
Property Taxes Receivable	1,740,207
Special Assessments Receivable	88,269
Nondepreciable Capital Assets	9,754,149
Depreciable Capital Assets	64,767,321
<b>Total Assets</b>	<b>96,731,242</b>
<b>LIABILITIES</b>	
Accounts Payable	197,581
Contracts Payable	254,131
Accrued Wages and Benefits	949,845
Intergovernmental Payable	377,795
Matured Compensated Absences Payable	133,620
Accrued Interest Payable	16,858
Retainage Payable	229,574
Claims Payable	212,453
Notes Payable	752,227
Long-term Liabilities:	
Due within one year	1,941,252
Due in more than one year	7,198,771
<b>Total Liabilities</b>	<b>12,264,107</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	1,587,107
<b>Total Deferred Inflows of Resources</b>	<b>1,587,107</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	69,659,655
Restricted for:	
Debt Services	730,029
Capital Projects	5,201,068
Economic Development	456,696
Street Paving and Repair	1,646,532
Other Purposes	1,180,925
Unrestricted	4,005,123
<b>Total Net Position</b>	<b>\$ 82,880,028</b>

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, 2012**

		Program Revenues			Net (Expense)
			Operating	Capital	Revenue and
	Expenses	Charges for	Grants and	Grants and	Changes in Net
		Services	Contributions	Contributions	Position
					Governmental
					Activities
<b>Governmental activities:</b>					
Security of Persons and Property					
Police and Others	\$ 7,145,809	\$ 677,810	\$ 10,399	\$ -	\$ (6,457,600)
Fire	3,922,236	313,599	2,500	7,968	(3,598,169)
Public Health and Welfare	314,932	16,413	-	-	(298,519)
Leisure Time Activities	2,305,024	504,117	-	-	(1,800,907)
Community Development	1,035,202	1,352,244	-	29,713	346,755
Public Works	3,501,691	-	-	-	(3,501,691)
Transportation	3,213,847	-	948,382	1,938,948	(326,517)
General Government	5,957,703	578,665	58,103	-	(5,320,935)
Interest and Fiscal Charges	98,982	-	-	-	(98,982)
<b>Total Governmental activities</b>	<b>\$ 27,495,426</b>	<b>\$ 3,442,848</b>	<b>\$ 1,019,384</b>	<b>\$ 1,976,629</b>	<b>(21,056,565)</b>
<b>General Revenues:</b>					
Property Taxes levied for:					
General Purposes					1,647,240
Other Purposes					339,538
Municipal Income and Other Taxes levied for:					
General Purposes					15,941,383
Capital Outlay					1,827,479
Grants & Entitlements not restricted to specific programs					878,135
Investment Income					7,157
All Other Revenues					57,328
<b>Total General Revenues</b>					<b>20,698,260</b>
Change in Net Position					(358,305)
Net Position - Beginning of Year, as Restated					83,238,333
<b>Net Position - End of Year</b>					<b>\$ 82,880,028</b>

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

# City of Brook Park, Ohio

## Balance Sheet - Governmental Funds

**December 31, 2012**

	<b>General Fund</b>	<b>Capital Improvements</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 3,567,745	\$ 5,814,981	\$ 3,571,571	\$ 12,954,297
Cash and Cash Equivalents:				
With Escrow Agents	-	168,924	-	168,924
Materials and Supplies Inventory	162,724	-	-	162,724
Accrued Interest Receivable	274	-	178	452
Accounts Receivable	240,752	-	-	240,752
Intergovernmental Receivable	524,965	373,896	1,543,242	2,442,103
Prepaid Items	103,277	-	-	103,277
Municipal Income Taxes Receivable	2,304,610	378,300	-	2,682,910
Property Taxes Receivable	1,422,410	-	317,797	1,740,207
Special Assessments Receivable	-	-	88,269	88,269
<b>Total Assets</b>	<b>\$ 8,326,757</b>	<b>\$ 6,736,101</b>	<b>\$ 5,521,057</b>	<b>\$ 20,583,915</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 186,141	\$ -	\$ 11,440	\$ 197,581
Accrued Wages and Benefits	522,685	-	427,160	949,845
Contracts Payable	-	254,131	-	254,131
Intergovernmental Payable	367,313	-	10,482	377,795
Matured Compensated Absences Payable	133,620	-	-	133,620
Retirement Incentive Payable	84,664	-	-	84,664
Accrued Interest Payable	-	1,870	-	1,870
Retainage Payable	-	229,574	-	229,574
Notes Payable	-	752,227	-	752,227
<b>Total Liabilities</b>	<b>1,294,423</b>	<b>1,237,802</b>	<b>449,082</b>	<b>2,981,307</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	1,297,224	-	289,883	1,587,107
Unavailable Revenue - Delinquent Property Taxes	125,186	-	27,914	153,100
Unavailable Revenue - Income Taxes	655,141	113,507	-	768,648
Unavailable Revenue - Other	471,052	190,532	426,213	1,087,797
<b>Total Deferred Inflows of Resources</b>	<b>2,548,603</b>	<b>304,039</b>	<b>744,010</b>	<b>3,596,652</b>
<b>Fund Balances:</b>				
Nonspendable	266,001	-	-	266,001
Restricted	-	920,929	3,059,885	3,980,814
Committed	2,767,778	3,136,057	1,002,633	6,906,468
Assigned	277,395	1,137,274	619,861	2,034,530
Unassigned (Deficit)	1,172,557	-	(354,414)	818,143
<b>Total Fund Balances (Deficit)</b>	<b>4,483,731</b>	<b>5,194,260</b>	<b>4,327,965</b>	<b>14,005,956</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 8,326,757</b>	<b>\$ 6,736,101</b>	<b>\$ 5,521,057</b>	<b>\$ 20,583,915</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 Position of Governmental Activities

**December 31, 2012**

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**Total Governmental Funds Balance** \$ 14,005,956

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

Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds 74,521,470

Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenues in the funds:

Delinquent property taxes	\$ 153,100	
Municipal income and other taxes	768,648	
Special assessments	88,269	
Intergovernmental	901,686	
Charges for services	97,842	
Total		2,009,545

The prepayment of the City's net OPEB amount is a result of the City's annual OPEB expenses exceeding the annual OPEB cost. 98,734

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due. (14,988)

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 funds are included in Governmental Activities in the Statement of Net Position. 1,314,670

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

General obligation bonds	(2,480,000)	
OPWC loans	(1,817,897)	
Unamortized bond premiums	(24,004)	
Judgments payable	(289,000)	
Capital leases	(1,616,919)	
Retirement incentive payable	(938,235)	
Compensated absences	(1,889,304)	
Total		(9,055,359)

**Net Position of Governmental Activities** \$ 82,880,028

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, 2012**

	General Fund	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 1,620,091	\$ -	\$ 332,751	\$ 1,952,842
Municipal Income Taxes	15,767,169	1,836,530	-	17,603,699
Other Taxes	213,567	-	-	213,567
Intergovernmental	809,168	1,726,564	1,002,021	3,537,753
Interest	6,364	-	808	7,172
Licenses and Permits	689,562	-	-	689,562
Fines and Forfeitures	247,373	-	161,097	408,470
Rentals	3,550	-	-	3,550
Charges for Services	1,867,450	-	-	1,867,450
Contributions and Donations	62,597	128,223	-	190,820
Special Assessments	-	25,615	59,451	85,066
All Other Revenues	139,213	51,383	281,123	471,719
<b>Total Revenues</b>	<b>21,426,104</b>	<b>3,768,315</b>	<b>1,837,251</b>	<b>27,031,670</b>
<b>EXPENDITURES</b>				
Security of Persons and Property:				
Police and Others	5,832,527	-	1,317,550	7,150,077
Fire	3,864,111	-	-	3,864,111
Public Health and Welfare	203,727	-	106,014	309,741
Leisure Time Activities	1,900,860	-	130,972	2,031,832
Community Development	918,759	13,429	105,328	1,037,516
Public Works	2,820,750	-	-	2,820,750
Transportation	413,285	3,025,636	804,630	4,243,551
General Government	5,363,701	192,181	841	5,556,723
Capital Outlay	-	2,968,253	-	2,968,253
Debt Service:	-	-	-	-
Principal Retirement	-	-	388,374	388,374
Interest and Fiscal Charges	-	1,127	89,577	90,704
Bond Issuance Costs	-	2,491	-	2,491
<b>Total Expenditures</b>	<b>21,317,720</b>	<b>6,203,117</b>	<b>2,943,286</b>	<b>30,464,123</b>
Excess of Revenues (Under) Expenditures	108,384	(2,434,802)	(1,106,035)	(3,432,453)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	5,175	5,071	-	10,246
Inception of Capital Lease	-	2,006,371	-	2,006,371
Transfers In	1,000,000	1,000,000	1,534,965	3,534,965
Transfers Out	(1,973,000)	(1,561,965)	-	(3,534,965)
<b>Total Other Financing Sources (Uses)</b>	<b>(967,825)</b>	<b>1,449,477</b>	<b>1,534,965</b>	<b>2,016,617</b>
Net Change in Fund Balances	(859,441)	(985,325)	428,930	(1,415,836)
Fund Balances - Beginning of Year	5,343,172	6,179,585	3,899,035	15,421,792
<b>Fund Balances - End of Year</b>	<b>\$ 4,483,731</b>	<b>\$ 5,194,260</b>	<b>\$ 4,327,965</b>	<b>\$ 14,005,956</b>

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, 2012**

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**Net Change in Fund Balances-Total Governmental Funds** \$ (1,415,836)

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

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

Capital Outlay	\$ 4,977,116	
Depreciation	<u>(2,972,264)</u>	
Total		2,004,852

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (40,699)

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

Delinquent property taxes	33,936	
Municipal income and other taxes	(48,404)	
Special assessments	(758)	
Intergovernmental	110,371	
Charges for services	<u>10,306</u>	
Total		105,451

Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the inception of capital leases. (2,006,371)

Repayment of bond and loan principal and capital leases are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 780,229

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	300,588	
Judgments payable	100,000	
Accrued interest on bonds	(7,512)	
Annual OPEB cost	71,808	
Amortization of bond premiums	1,725	
Retirement incentive payable	<u>(668,867)</u>	
Total		(202,258)

Internal Service funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of Internal Service funds are reported in the Governmental Activities. 416,327

**Change in Net Position of Governmental Activities** \$ (358,305)

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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 1,623,035	\$ 1,620,091	\$ 1,620,091	\$ -
Income Taxes	15,403,308	15,844,762	15,844,762	-
Other Taxes	317,000	335,182	335,182	-
Intergovernmental	999,447	931,290	838,029	(93,261)
Interest	6,167	6,606	6,606	-
Licenses and Permits	593,438	688,057	688,932	875
Fines and Forfeitures	229,653	242,053	242,053	-
Rentals	3,550	3,550	3,550	-
Charges for Services	1,935,154	1,754,633	1,745,231	(9,402)
Contributions and Donations	67,588	62,597	62,597	-
All Other Revenues	186,731	147,117	139,213	(7,904)
<b>Total Revenues</b>	<u>21,365,071</u>	<u>21,635,938</u>	<u>21,526,246</u>	<u>(109,692)</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	9,800,226	9,794,863	9,493,658	301,205
Public Health and Welfare	206,916	218,051	205,934	12,117
Leisure Time Activities	2,238,026	2,207,779	1,939,267	268,512
Community Development	836,597	957,050	898,340	58,710
Public Works	3,080,185	3,064,704	2,805,884	258,820
Transportation	648,276	650,633	420,166	230,467
General Government	5,177,414	5,619,756	5,219,319	400,437
<b>Total Expenditures</b>	<u>21,987,640</u>	<u>22,512,836</u>	<u>20,982,568</u>	<u>1,530,268</u>
Excess of Revenues Over (Under) Expenditures	(622,569)	(876,898)	543,678	1,420,576
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	5,175	5,175	5,175	-
Transfer In	-	1,000,000	1,000,000	-
Transfers Out	(1,024,000)	(2,024,000)	(1,973,000)	51,000
<b>Total Other Financing Sources (Uses)</b>	<u>(1,018,825)</u>	<u>(1,018,825)</u>	<u>(967,825)</u>	<u>51,000</u>
Net Change in Fund Balance	(1,641,394)	(1,895,723)	(424,147)	1,471,576
Cash Fund Balance - Beginning of Year	2,998,040	2,998,040	2,998,040	-
Current Year Encumbrances	-	-	285,287	285,287
<b>Cash Fund Balance - End of Year</b>	<u>\$ 1,356,646</u>	<u>\$ 1,102,317</u>	<u>\$ 2,859,180</u>	<u>\$ 1,756,863</u>

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

# City of Brook Park, Ohio

## Statement of Net Position Proprietary Fund

**December 31, 2012**

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	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 1,497,571
Prepaid Items	29,552
<b>Total Assets</b>	<b>1,527,123</b>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Claims Payable	212,453
<b>Total Liabilities</b>	<b>212,453</b>
<b>NET POSITION</b>	
Unrestricted	1,314,670
<b>Total Net Position</b>	<b>\$ 1,314,670</b>

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 Net Position Proprietary Fund

**For The Year Ended December 31, 2012**

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	<b>Governmental Activities Internal Service Fund</b>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 2,189,556
<b>Total Operating Revenues</b>	<u>2,189,556</u>
<b>OPERATING EXPENSES</b>	
Fringe Benefits	<u>1,773,229</u>
Change in Net Position	416,327
Net Position - Beginning of Year	<u>898,343</u>
<b>Net Position- End of Year</b>	<u><u>\$ 1,314,670</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, 2012**

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	<b>Governmental Activities Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Charges for Services	\$ 2,189,556
Cash Payments for Claims	(1,819,078)
Net Cash Provided by Operating Activities	<u>370,478</u>
 Net Increase in Cash and Cash Equivalents	 370,478
 Cash and Cash Equivalents - Beginning of Year	 <u>1,127,093</u>
<b>Cash and Cash Equivalents - End of Year</b>	<b><u>\$ 1,497,571</u></b>
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 416,327
Adjustments:	
(Increase) Decrease in Assets:	
Prepaid Items	1,412
Increase (Decrease) in Liabilities:	
Claims Payable	(47,261)
<b>Net Cash Provided by Operating Activities</b>	<b><u>\$ 370,478</u></b>

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

# City of Brook Park, Ohio

## Statement of Fiduciary Net Position Fiduciary Funds

**December 31, 2012**

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	<b>Agency Funds</b>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 874,598
Cash and Cash Equivalents:	
in Segregated Accounts	25,857
Intergovernmental Receivable	45,415
Total Assets	<u>\$ 945,870</u>
<b>Liabilities</b>	
Deposits Held and Due to Others	<u>\$ 945,870</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, 2012**

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

The City of Brook Park (the City) 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, 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, is 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

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

# City of Brook Park, Ohio

## Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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

##### *Jointly Governed Organizations (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 elects 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 2012, the City of Brook Park contributed \$106,013 of property tax levies and intergovernmental revenue to the Health Center.

##### Southwest Regional Communications

The Southwest Regional Communications is a jointly-governed organization between the City and three other communities. Formed as a Regional Council of Governments as permitted under Ohio Revised Code Section 167.01, the intent of the Southwest Regional Communications is to establish, own, operate, maintain, and administer, a regional communications network for public safety and public service purposes for the mutual benefit of the participating communities. This organization is controlled by a governing body consisting of each participating community's mayor or his/her delegate or representative. The degree of control exercised by any member is limited to its representation on the governing board. All members agree to contribute the sums of money on a shared basis as agreed per the requirements set forth in the Articles of Understanding. In accordance with GASB Statement No. 14, the City does not have an equity interest in the organization.

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

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to 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.

# City of Brook Park, Ohio

## Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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

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

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

The statement of net position 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 position 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.

###### *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.



# City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

## **For The Year Ended December 31, 2012**

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

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

##### *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 and deferred outflows of resources are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities and deferred inflows of resources are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources compared to liabilities and deferred inflows of resources 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.

##### *Capital Improvements Fund*

The Capital Improvements Fund accounts for that portion of municipal income tax allocated 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, committed, or assigned to a particular purpose.

##### *Proprietary Funds*

Proprietary fund reporting focuses on the determination of operating income, changes in net position, 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.

# City of Brook Park, Ohio

## Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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

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

###### *Fiduciary Funds*

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

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

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

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

###### *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 deferred outflows of resources and current liabilities and deferred inflows of resources 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 reconciliations 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 deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

# City of Brook Park, Ohio

## Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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

##### ***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 outflows/inflows of resources, 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. The available period for the City is sixty days after year-end.

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

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

##### *Deferred Outflows/Inflows of Resources*

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The City did not have any deferred outflows of resources as of December 31, 2012.

# City of Brook Park, Ohio

## Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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

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

###### *Deferred Outflows/Inflows of Resources (continued)*

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance year 2013 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, intergovernmental grants, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

###### *Expenses/Expenditures*

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

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

##### ***E. 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.

# City of Brook Park, Ohio

## Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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

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

###### *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 d 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 2012. The amounts reported in the budgetary statements as final reflect the amounts in the final amended official certificate of estimated resources issued during 2012.

###### *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.

###### *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.

# City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

## **For The Year Ended December 31, 2012**

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

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

##### *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 part of restricted, committed, and assigned fund balances for subsequent-year expenditures of governmental funds.

#### ***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 "equity in pooled cash and cash equivalents" on the balance sheet.

The City has segregated bank accounts for monies held separate from the City's cash pool. These depository accounts are presented on the Statement of Fiduciary Net Position as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City's treasury.

Cash held for the City by a bank for the payment of capital lease expenditures as they become due is included on the financial statements as "cash and cash equivalents with escrow agents."

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).

# City of Brook Park, Ohio

## Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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

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

In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of December 31, 2012:

The portfolio was limited to the State Treasury Asset Reserve of Ohio (STAR Ohio).

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 STAR Ohio, 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 income account on the Statement of Activities.

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

During the year, the City invested in STAR Ohio, an investment pool managed by the State Treasurer's office which allows governments within the State to pool their funds for investment purposes. STAR Ohio 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 STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2012.

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

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

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

# City of Brook Park, Ohio

## Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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

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

Payments made to vendors for services that will benefit periods beyond December 31, 2012, are recorded as prepaid items using the allocation method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

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

Receivables at December 31, 2012 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 position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and disposals 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



# City of Brook Park, Ohio

## Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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

##### ***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 position.

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

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

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

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

# City of Brook Park, Ohio

## Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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

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

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

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

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

*Committed* – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City’s Council. Those committed amounts cannot be used for any other purpose unless the City’s Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

*Unassigned* – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In the other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

# City of Brook Park, Ohio

## Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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

##### ***O. Net Position***

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position 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 along with any related deferred outflows/inflows of resources. The restricted component of net position is reported 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 position are available. As of December 31, 2012, the City did not have net position restricted by enabling legislation.

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

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for the self-insurance program. 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.

##### ***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 extraordinary nor special items had occurred in 2012.

# City of Brook Park, Ohio

## Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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

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

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

#### **Note 3: Changes in Accounting Principles and Prior Period Adjustments**

##### **Changes in Accounting Principles**

GASB Statement Number 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2011 and have been implemented by the City.

GASB Statement Number 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 and have been implemented by the City.

GASB Statement Number 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements which does not conflict with or contradict GASB pronouncements. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 and have been implemented by the City.

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 and have been implemented by the City.

GASB Statement Number 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2011 and have been implemented by the City.

# City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

## **For The Year Ended December 31, 2012**

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### **Note 3: Changes in Accounting Principles and Prior Period Adjustments (continued)**

#### **Changes in Accounting Principles (continued)**

GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012 and have been implemented by the City.

#### **Prior Period Adjustments**

In prior periods, the City had reported assets related to unamortized debt issuance costs in the Governmental Activities entity-wide financial statements. GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*, has reclassified debt issuance costs as an expense in the period incurred rather than amortizing the costs over the life of the debt. The implementation of GASB Statement Number 65 requires a restatement of prior period's net position as follows:

	Governmental Activities
Net Position, December 31, 2011	<u>\$ 83,302,120</u>
Prior Period Adjustment:	
Unamortized Bond Issuance Costs	(63,787)
Restated Net Position, December 31, 2011	<u><u>\$ 83,238,333</u></u>

# City of Brook Park, Ohio

## Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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

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

The Statements of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and 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 part of restricted, committed, and assigned fund balances (GAAP);
- (d) Investment are recorded at fair value (GAAP) rather than at cost (budget); and
- (e) Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

<u>Net Change in Fund Balance</u>	
	<u>General</u>
GAAP Basis	\$ (859,441)
<u>Increase (Decrease) Due to:</u>	
Revenue Accruals	148,392
Expenditure Accruals	(37,312)
Funds with Separate Legally Adopted Budget	609,501
Outstanding Encumbrances	<u>(285,287)</u>
Budget Basis	<u>\$ (424,147)</u>

# City of Brook Park, Ohio

## Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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#### **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 account including, but not limited to, passbook accounts.

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

1. United States Treasury notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair 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 (STAR Ohio).

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

## City of Brook Park, Ohio

### Notes to the Basic Financial Statements (continued)

#### **For The Year Ended December 31, 2012**

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

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. The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by eligible securities pledged to and deposited either within the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose fair value at all times shall be at least one hundred and five percent of the deposits being secured.

At year-end, the carrying amount of the City's deposits was \$9,494,831 (including \$4,030 of petty cash and \$25,857 of segregated accounts) and the bank balance was \$9,628,774. As of December 31, 2012, the City's bank balances were fully covered by Federal depository insurance.

##### ***Investments***

Investments are reported at fair value. As of December 31, 2012, the City had the following investments:

	Fair- Value	Credit Rating (*)	Investment Maturities (in Years)
<u>Investment Type</u>			<u>&lt;1</u>
STAR Ohio	\$ 5,857,492	AAAm	\$ 5,857,492
Total Investments	5,857,492		<u>\$ 5,857,492</u>
Carrying Amount of Deposits	9,490,801		
Petty Cash	4,030		
Total Cash and Investments	<u>\$ 15,352,323</u>		

\* Credit Ratings were obtained from Standard & Poor's, respectively, for all investments.



## City of Brook Park, Ohio

### Notes to the Basic Financial Statements (continued)

#### **For The Year Ended December 31, 2012**

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

###### ***Investments (continued)***

*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's investment policy also limits security purchases to those that mature in five years unless specifically matched to a specific cash flow. To date, no investments have been purchased with a life greater than 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 the portfolio be diversified both by types of investment and issuer. The investments of the City are registered and the credit rating provided by Standard & Poor's is provided in the table above.

*Concentration of Credit Risk* is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The City's investment in STAR Ohio represents 100.00 percent of the City's total investments.

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

Receivables at December 31, 2012 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 2012. Real property taxes are payable annually or semiannually. The first payment is due December 31, with the remainder payable by June 20.

## City of Brook Park, Ohio

### Notes to the Basic Financial Statements (continued)

#### **For The Year Ended December 31, 2012**

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

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

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. The tangible personal property tax has been phased out and the City is only receiving residual amounts from delinquent tangible personal property taxes. 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 Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City of Brook Park. The County Fiscal Officer periodically remits to the City its portion of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2012, was \$4.75 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2011 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$ 463,273,160
Public Utility	9,584,670
Total	<u>\$ 472,857,830</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 eighty-five and fifteen percent, respectively.

## City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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

##### ***B. Income Tax (continued)***

The Capital Improvement Capital Projects Fund further allocates income taxes to other capital projects funds, as transfers, through the budgetary process. On a cash basis, total income tax receipts for 2012 were \$17,694,985.

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

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Local government funds	\$ 289,349
Auto registration fees	94,569
Homestead and rollback	127,184
CAT tax reimbursement	2,468
Estate tax	31,494
Gasoline and excise tax	342,277
Public utility reimbursement	336
Permissive tax	3,400
City of Cleveland (share of OPWC loan)	1,077,005
City of Cleveland (misc. reimbursement)	22,694
OPWC	296,226
ODOT	49,985
Fines and forfeitures	20,449
Miscellaneous reimbursements	<u>84,667</u>
Total	<u><u>\$ 2,442,103</u></u>

*This space has been intentionally left blank.*

# City of Brook Park, Ohio

## Notes to the Basic Financial Statements (continued)

### For The Year Ended December 31, 2012

#### Note 7: Capital Assets

	Balances 12/31/2011	Additions	Disposals	Balances 12/31/2012
<b>Governmental Activities</b>				
Nondepreciable Assets:				
Land	\$ 4,905,795	\$ 19,588	\$ -	\$ 4,925,383
Construction in progress	18,401,462	2,997,028	(16,569,724)	4,828,766
Total Nondepreciable Assets	23,307,257	3,016,616	(16,569,724)	9,754,149
Depreciable Assets:				
Buildings and Improvements	17,683,525	-	(20,698)	17,662,827
Improvements Other than Buildings	3,001,748	21,250	-	3,022,998
Machinery and Equipment	4,212,669	845,521	(13,500)	5,044,690
Furniture and Fixtures	204,643	-	-	204,643
Vehicles	7,828,044	1,266,592	(256,549)	8,838,087
Infrastructure:				
Streets	29,036,734	15,753,441	-	44,790,175
Sewers	20,489,739	-	-	20,489,739
Water Lines	464,543	643,420	-	1,107,963
Total Depreciable Assets	82,921,645	18,530,224	(290,747)	101,161,122
Less Accumulated Depreciation				
Buildings and Improvements	(7,936,281)	(371,220)	16,076	(8,291,425)
Improvements Other than Buildings	(1,695,835)	(128,600)	-	(1,824,435)
Machinery and Equipment	(2,207,042)	(363,582)	5,175	(2,565,449)
Furniture and Fixtures	(156,775)	(7,505)	-	(164,280)
Vehicles	(5,103,553)	(424,678)	228,797	(5,299,434)
Infrastructure:				
Streets	(9,074,907)	(1,249,565)	-	(10,324,472)
Sewers	(7,210,065)	(409,795)	-	(7,619,860)
Water Lines	(287,127)	(17,319)	-	(304,446)
Total Accumulated Depreciation	(33,671,585)	(2,972,264)	250,048	(36,393,801)
Total Depreciable Assets, Net	49,250,060	15,557,960	(40,699)	64,767,321
Governmental Activities Capital Assets, Net	\$72,557,317	\$18,574,576	\$ (16,610,423)	\$74,521,470

Depreciation was charged to governmental activities as follows:

Security of Persons and Property:	
Police and Others	\$ 173,250
Fire	248,106
Public Health and Welfare	5,586
Leisure Time Activities	352,083
Community Development	13,388
Public Works	765,990
Transportation	1,328,687
General Government	85,174
Total Depreciation Expense	<u>\$ 2,972,264</u>

# City of Brook Park, Ohio

## Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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

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

	Original Issuance Date	Interest Rate	Original Issuance Amount
General Obligation Bonds:			
Laich Street Improvements	2004	2% - 3.7%	\$ 775,000
Aerospace Parkway Improvements	2004	2% - 3.7%	1,480,000
Heatherwood Dr. Reconstruction	2011	2% - 3.4%	905,000
Sheldon Rd. Waterline Replacement	2011	2% - 3.4%	800,000

Changes in long-term debt activity for the year ended December 31, 2012 was as follows:

	Balances 12/31/2011	Issued	Retired	Balances 12/31/2012	Amounts Due in One Year
General Obligation Bonds:					
Laich Street Improvements	\$ 570,000	\$ -	\$ 35,000	\$ 535,000	\$ 35,000
Aerospace Parkway Improvements	490,000	-	155,000	335,000	165,000
Heatherwood Drive Reconstruction	905,000	-	50,000	855,000	50,000
Sheldon Rd. Waterline Replacement	800,000	-	45,000	755,000	45,000
Total General Obligation Bonds	<u>2,765,000</u>	<u>-</u>	<u>285,000</u>	<u>2,480,000</u>	<u>295,000</u>
Capitalized Lease Agreements:					
Automated Rubbish Vehicles and Cans	-	1,536,900	230,549	1,306,351	208,863
Police Sedans	-	469,471	158,903	310,568	154,090
Copiers	2,403	-	2,403	-	-
Total Capital Leases	<u>2,403</u>	<u>2,006,371</u>	<u>391,855</u>	<u>1,616,919</u>	<u>362,953</u>
Other Long-term Obligations:					
Unamortized Bond Premiums	25,729	-	1,725	24,004	-
OPWC Loan - W. 150th Project	1,803,132	-	97,467	1,705,665	97,467
OPWC Loan - Smith/Hummel Rd	118,139	-	5,907	112,232	5,907
Judgments Payable (see Note 17)	389,000	-	100,000	289,000	100,000
Retirement Incentive Payable	313,824	1,415,370	706,295	1,022,899	576,398
Accrued Compensated Absences	2,189,892	481,906	782,494	1,889,304	503,527
Total Other Long-term Obligations	<u>4,839,716</u>	<u>1,897,276</u>	<u>1,693,888</u>	<u>5,043,104</u>	<u>1,283,299</u>
Total Governmental Long-term Liabilities	<u>\$7,607,119</u>	<u>\$3,903,647</u>	<u>\$2,370,743</u>	<u>\$9,140,023</u>	<u>\$1,941,252</u>

## City of Brook Park, Ohio

### Notes to the Basic Financial Statements (continued)

#### **For The Year Ended December 31, 2012**

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

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

During 2005, the Ohio Public Works Commission (OPWC) approved a loan to the City to finance a portion of the West 150<sup>th</sup> Street Improvement project. OPWC committed up to \$1,949,332 at a zero percent interest rate for twenty years. The City and the City of Cleveland have an agreement to share the debt service requirements of the OPWC loan. The City will pay 100 percent of the annual debt service requirements and the City of Cleveland will reimburse the City 65 percent of the annual debt service requirement. The City has recorded an intergovernmental receivable in the amount of \$1,077,005 to recognize the City of Cleveland's share of the loan.

During 2010, the Ohio Public Works Commission (OPWC) approved a loan to the City to finance a portion of the Smith/Hummel Sewer Improvement Project Phase II. OPWC has committed up to \$573,140 at a zero percent interest rate for twenty years. As of December 31, 2012, the City has completed the project but only utilized \$118,139 of total \$573,140 in loan proceeds from OPWC.

During 2011, the City issued \$1,705,000 in various purpose improvement bonds, series 2011 with interest rates ranging from 2.00 percent to 3.40 percent over the life of the bonds. The proceeds from these bonds were used to finance the reconstruction of Heatherwood Drive (\$905,000) and a waterline replacement on Sheldon Road (\$800,000). The bonds will mature in 2026.

The City offered employees participation in an Early Retirement Incentive Plan (the Plan). Participation was open to eligible employees under the Ohio Public Employees Retirement System (OPERS). The Plan allows the City to pay the cost, as determined by OPERS, of three years of eligible service credit for each eligible employee. To participate in the Plan, each eligible employee had to notify the City during the period June 1, 2011 through May 31, 2012. As of December 31, 2012, the Plan's liability is \$1,022,899, of which \$84,664 is recorded as a liability on the governmental fund financial statements. The Plan liability will be paid out of the General Fund.

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

See Notes 9 and 17 for additional information on capital leases and judgments, respectively.

The City's overall legal debt margin was \$47,404,702 at December 31, 2012.

## City of Brook Park, Ohio

### Notes to the Basic Financial Statements (continued)

#### **For The Year Ended December 31, 2012**

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

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2012 are as follows:

Year	General Obligation Bonds		OPWC Loans	Total
	Principal	Interest	Principal	
2013	\$ 295,000	\$ 81,085	\$ 103,374	\$ 479,459
2014	305,000	71,985	103,374	480,359
2015	140,000	62,400	103,374	305,774
2016	145,000	58,450	103,374	306,824
2017	145,000	54,125	103,374	302,499
2018-2022	810,000	196,793	516,870	1,523,663
2023-2027	640,000	52,720	516,865	1,209,585
2028-2031	-	-	267,292	267,292
Total	<u>\$ 2,480,000</u>	<u>\$ 577,558</u>	<u>\$ 1,817,897</u>	<u>\$ 4,875,455</u>

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

###### 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.

	Governmental Activities
Assets:	
Machinery and equipment	\$ 932,651
Less: accumulated depreciation	(121,275)
Total	<u>\$ 811,376</u>
Vehicles	\$ 4,335,749
Less: accumulated depreciation	(1,468,652)
Total	<u>\$ 2,867,097</u>

## City of Brook Park, Ohio

### Notes to the Basic Financial Statements (continued)

#### **For The Year Ended December 31, 2012**

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

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2012, were as follows:

<u>Year</u>	<u>Payments</u>
2013	\$ 389,452
2014	389,451
2015	230,549
2016	230,548
2017	230,549
2018	230,549
Total Minimum Lease Payments	1,701,098
Less: Amount Representing Interest	(84,179)
Present Value of Minimum Lease Payment	<u><u>\$1,616,919</u></u>

##### **Operating Leases**

In prior years, the City entered into a noncancelable operating lease for various copiers. Total costs for the lease was \$18,000 for the year ended December 31, 2013. The future minimum lease payments for these leases are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2013	\$ 18,000
2014	18,000
2015	6,000
Total	<u><u>\$ 42,000</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.



# City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

## **For The Year Ended December 31, 2012**

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

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

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting [www.opers.org/investments/cafr.shtml](http://www.opers.org/investments/cafr.shtml), writing to OPERS, 277 E. Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2012, the members of all three plans were required to contribute 10.00 percent of their annual covered salaries. The City's contribution rate of 14.00 percent was allocated to fund pension benefits for members of the Traditional Plan and the Combined Plan. The pension allocation for the Traditional Plan was 10.00 percent during calendar year 2012. The pension allocation for the Combined Plan was 7.95 percent during calendar year 2012. The City's required pension contributions for the Traditional Pension and Combined plans for the years ended December 31, 2012, 2011, and 2010 were \$631,442, \$681,567, and \$634,821, respectively; 89.32 percent has been contributed for 2012 and 100 percent has been contributed for 2011 and 2010.

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

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

## City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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

##### ***B. Ohio Police and Fire Pension Fund (continued)***

Plan members are required to contribute 10.00 percent of their annual covered salary, while the City is required to contribute 19.50 percent and 24.0 percent for police officers and firefighters, respectively. The portion of the City's contributions to fund pension obligations was 12.75 percent for police officers and 17.25 percent for firefighters. The City's contributions for pension obligations to the OP&F for police and firefighters were \$388,484 and \$517,304 for the year ended December 31, 2012, \$395,232 and \$538,686 for the year ended December 31, 2011, and \$405,512 and \$538,555 for the year ended December 31, 2010, respectively; 72.91 percent for police and 74.86 for firefighters has been contributed for 2012. The full amount has been contributed for 2011 and 2010.

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

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

*Plan Description* - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans; the Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan is a defined contribution plan; and 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.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend the OPEB Plan is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting [www.opers.org/investments/cafr.shtml](http://www.opers.org/investments/cafr.shtml), writing to OPERS, 277 E. Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

# City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

## **For The Year Ended December 31, 2012**

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

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

*Funding Policy* - The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care coverage. The 2012 local government employer contribution rate was 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for local government employers. Active members do not make contributions to the OPEB Plan.

OPERS' Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.00 percent during calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent during calendar year 2012. Effective January 1, 2013, the portion of employer contributions allocated to health care was lowered to 1.00 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's actual employer contributions for December 31, 2012, 2011 and 2010 which were used to fund post-employment benefits were \$252,577, \$272,627, and \$363,727, respectively; 89.32 percent has been contributed for 2012 and 100 percent has been contributed for 2011 and 2010.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

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

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

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

## City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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

##### ***B. Ohio Police and Fire Pension Fund (continued)***

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 E. Town Street, Columbus, OH 43215-5164. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

*Funding Policy* - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50 percent and 24.00 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50 percent of covered payroll for police employer units and 24.00 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 Trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2012, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of the Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$205,668 and \$202,423 for the year ended December 31, 2012, \$209,240 and \$210,790 for the year ended December 31, 2011, and \$214,683 and \$210,739 for the year ended December 31, 2010, respectively; 72.91 percent for police and 74.86 for firefighters has been contributed for 2012 and 100 percent for 2011 and 2010.

# City of Brook Park, Ohio

## Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

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#### **Note 13: Other Postemployment Benefits**

##### Plan Description

The City provides post-employment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its union contracts. The activity of the plan is reported in the City's General Fund as part of the general government expenditure function.

##### Benefits Provided

The City provides post-employment health care and life insurance benefits to its retirees. To be eligible for benefits, a retiree must have qualified under the following union contracts with the City:

- Fraternal Order of Police, Lodge No. 15 representing Patrol Officers
- Ohio Patrolmen Benevolent Association representing Sergeants and Lieutenants
- Brook Park Fire Fighters Association and IAFF Local 1141 representing Firefighters

Post-employment benefits include reimbursement of costs associated with health care coverage up to \$400 per month and a life insurance benefit of \$5,000 which the City provides the premium payment. Dependents of eligible retirees will continue to receive the post-employment benefits at the time of the retiree's death. To receive the reimbursement of health care costs, the retiree must have retired on or before December 31, 2007.

As of December 31, 2011 (the latest information available), 107 retirees and dependents are currently receiving the post-employment benefits mentioned above.

##### Funding Policy

The City's annual contributions to the plan are negotiated through the union contracts of the City. For the fiscal year ended December 31, 2012, the City contributed \$319,749 to the plan. The plan requires no matching contributions from the employees during their period of employment.

##### Annual OPEB Costs and Net OPEB Obligation

The City's latest actuarial valuation performed for the plan was as of December 31, 2011 (the latest information available) to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended December 31, 2011. For 2012, the City's annual OPEB cost (expense) of \$247,941 was less than the actual employer contribution for the fiscal year and the net OPEB amount has been recorded as a prepayment on the government-wide financial statements. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2012, 2011 and 2010 are as follows:

# City of Brook Park, Ohio

## Notes to the Basic Financial Statements (continued)

### **For The Year Ended December 31, 2012**

#### **Note 13: Other Postemployment Benefits (continued)**

##### **Annual OPEB Costs and Net OPEB Obligation (continued)**

Fiscal Year Ended	Annual Required Contribution	Interest on Net OPEB Obligation	Adjustment to the ARC	Annual OPEB Cost	Employer Contribution	% of Annual OPEB Cost Contributed	Change in Net OPEB Obligation	Net OPEB Obligation Balance
December 31, 2010	\$ 243,278	\$ (79)	\$ 111	\$ 243,310	\$ 236,179	97.07%	\$ 7,131	\$ 5,162
December 31, 2011	233,199	206	(298)	233,107	265,195	113.77%	(32,088)	(26,926)
December 31, 2012	247,433	(1,077)	1,585	247,941	319,749	128.96%	(71,808)	(98,734)

#### ***Funded Status and Funding Progress***

The funded status of the plan as of December 31, 2011 (the latest information available), was as follows:

	2011	2010	2009
Actuarial Accrued Liability (AAL)	\$ 3,962,769	\$ 4,213,588	\$ 4,209,513
Actuarial Value of Plan Assets	-	-	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 3,962,769	\$ 4,213,588	\$ 4,209,513
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%	0.00%	0.00%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

#### ***Actuarial Methods and Assumptions***

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

In the December 31, 2011 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions include a discount rate (interest rate) of 4.00 percent and a healthcare cost trend rate (which is the anticipated rate of future increases in health care costs due to inflation) of 3.00 percent which applies to uncapped reimbursements only and equals approximate historical increase in uncapped reimbursements. The actuarial value of assets was zero as a result of the City's pay-as-you-go funding of the plan and premiums are paid when due. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at December 31, 2011, was 27 years.

## City of Brook Park, Ohio

### Notes to the Basic Financial Statements (continued)

#### **For The Year Ended December 31, 2012**

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##### **Note 14: Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the year, the City contracted with Wichert Insurance Services, Inc. to manage its insurance coverage. The City's insurance carrier for all coverages is Selective Insurance Co. of America. The coverage limits, on December 31, 2012, per occurrence for all types of coverage are as follows:

<b><u>Type of Coverage</u></b>	<b><u>Coverage</u></b>
Property:	
Blanket building and contents	\$ 46,954,743
Extra expense	1,000,000
General liability:	
Commercial general liability, which includes:	1,000,000
Employee benefits	
Employers liability (Ohio stop gap)	
Automotive liability	1,000,000
Excess liability:	
Umbrella (coverage is over all underlying liabilities)	10,000,000
Other types of coverages:	
Contractors equipment	1,194,286
EDP equipment	346,585
Employee dishonesty	100,000
Valuable papers	100,000
Accounts receivable	100,000
Law enforcement	11,000,000
Public Officials	11,000,000
Flood	10,000,000
Earthquake	11,000,000

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

The City provides a medical plan for full time employees and their families. The plan is self-funded for fiscal year 2012 and administered by a third party organization. All covered employees also received prescription drug coverage, vision and dental plans. Full time employees are covered by a \$25,000 term life insurance policy.

## City of Brook Park, Ohio

### Notes to the Basic Financial Statements (continued)

#### **For The Year Ended December 31, 2012**

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##### **Note 14: Risk Management (continued)**

For the plan, the preferred provider prices all claims which are then submitted to the third party administrator. The third party administrator reviews and processes the claims, which the City then pays. The City has stop loss coverage of \$500,000 in the aggregate. In 2012, the City funded the self-insurance reserve \$515 per month for single coverage and \$1,380 per month for family coverage. These rates are paid by the fund from which the employee's compensation is paid and include medical, prescription, dental and vision coverage.

The claims liability of \$212,453 as estimated by the third party administrator and reported in the Self-Insurance Fund at December 31, 2012 is based on the requirements of the GASB Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. The liability represents the self-funded plan's portion of claims that remained outstanding at December 31, 2012. Changes in the fund's claim liability amount for the years ended 2010, 2011, and 2012 are as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Year End</u>
2010	\$ 126,287	\$ 2,481,439	\$ (2,247,526)	\$ 360,200
2011	360,200	1,749,651	(1,850,137)	259,714
2012	259,714	1,773,229	(1,820,490)	212,453

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 15: Construction and Other Significant Commitments**

At December 31, 2012, the City's significant contractual construction commitments consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Remaining on Contract</u>
Brook Park Road Resurfacing	\$ 3,915,337	\$ 3,081,904	\$ 833,433
2011 Roads Program	645,767	477,541	168,226
2012 Roads Program	1,139,632	1,122,743	16,889
Engle Road Improvements	243,010	115,849	127,161
Total	<u>\$ 5,943,746</u>	<u>\$ 4,798,037</u>	<u>\$ 1,145,709</u>



## City of Brook Park, Ohio

### Notes to the Basic Financial Statements (continued)

#### **For The Year Ended December 31, 2012**

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##### **Note 15: Construction and Other Significant Commitments (continued)**

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of December 31, 2012, the City's commitments for encumbrances in the governmental funds were as follows:

	Encumbrances Outstanding
Major Funds:	
General	\$ 271,230
Capital Improvements	923,962
Nonmajor Funds:	
Special Revenue Funds	34,573
Total	<u>\$ 1,229,765</u>

##### **Note 16: Interfund Transfers**

Interfund transfers for the year ended December 31, 2012, consisted of the following:

Transfer To	Transfer From		Total
	General Fund	Capital Improvements Fund	
General Fund	\$ -	\$ 1,000,000	\$ 1,000,000
Capital Improvements Fund	1,000,000	-	1,000,000
Non-Major Governmental Funds	973,000	561,965	1,534,965
Total	<u>\$ 1,973,000</u>	<u>\$ 1,561,965</u>	<u>\$ 3,534,965</u>

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

# City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

## **For The Year Ended December 31, 2012**

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### **Note 17: 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, 2012.

#### **B. Litigation**

In March 2011, the City reached a settlement with a property owner wherein the City agreed to pay \$874,000. The City has paid \$585,000 of this settlement as of December 31, 2012. The remaining settlement will be paid over the next three years concluding in 2015. The outstanding amount of the settlement has been recorded as a liability on the City's government-wide statements.

There are additional claims and lawsuits that are pending against the City. The amount of the liability from these claims and lawsuits, 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, 2012.

### **Note 18: Accountability**

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

There are fund deficits in the Police Pension and Fire Pension Special Revenue Funds of \$164,376 and \$190,038, 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

## Notes to the Basic Financial Statements (continued)

### For The Year Ended December 31, 2012

#### Note 19: Fund Balances

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

Fund Balances	General	Capital Improvements	Other Governmental Funds	Total
<i>Nonspendable</i>				
Prepaid Items	\$ 103,277	\$ -	\$ -	\$ 103,277
Materials and Supplies Inventories	162,724	-	-	162,724
<i>Total Nonspendable</i>	<u>266,001</u>	<u>-</u>	<u>-</u>	<u>266,001</u>
<i>Restricted for</i>				
Other Law Enforcement	-	-	619,899	619,899
Streets and Highways	-	-	1,334,325	1,334,325
Debt Service	-	-	1,105,661	1,105,661
Capital Improvements	-	311,856	-	311,856
Sheldon Road Water Main Replacement	-	131,409	-	131,409
Street Programs	-	477,664	-	477,664
<i>Total Restricted</i>	<u>-</u>	<u>920,929</u>	<u>3,059,885</u>	<u>3,980,814</u>
<i>Committed to</i>				
Income Tax Allocation - Capital	-	2,171,339	-	2,171,339
Admissions Tax	461,225	-	-	461,225
Hotel and Motel Tax	380,033	-	-	380,033
Property Insurance	1,351,575	-	-	1,351,575
Retiree Accrued Benefits	574,945	-	-	574,945
Economic Development	-	-	456,696	456,696
Brook Park Road Corridor	-	-	284,310	284,310
Special Recreation	-	-	261,627	261,627
Capital Improvements	-	293,210	-	293,210
Ditch Cleaning Program	-	224,069	-	224,069
Street Programs	-	447,439	-	447,439
<i>Total Committed</i>	<u>2,767,778</u>	<u>3,136,057</u>	<u>1,002,633</u>	<u>6,906,468</u>
<i>Assigned to</i>				
Park Concessions	12,002	-	-	12,002
Food Pantry	1,914	-	-	1,914
Debt Service	-	-	619,861	619,861
Purchases on Order	263,479	-	-	263,479
Sound Insulation Program	-	1,137,274	-	1,137,274
<i>Total Assigned</i>	<u>277,395</u>	<u>1,137,274</u>	<u>619,861</u>	<u>2,034,530</u>
<i>Unassigned (Deficit)</i>	<u>1,172,557</u>	<u>-</u>	<u>(354,414)</u>	<u>818,143</u>
<b>Total Fund Balances</b>	<u><u>\$ 4,483,731</u></u>	<u><u>\$ 5,194,260</u></u>	<u><u>\$ 4,327,965</u></u>	<u><u>\$ 14,005,956</u></u>

## City of Brook Park, Ohio

### Notes to the Basic Financial Statements (continued)

#### **For The Year Ended December 31, 2012**

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##### **Note 20: Short-Term Obligations**

Changes in short-term debt activity for the year ended December 31, 2012 was as follows:

	Balances 12/31/2011	Issued	Retired	Balances 12/31/2012
Sanitary Sewer Improvement Notes, Series 2012	\$ -	\$ 750,000	\$ -	\$ 750,000
Unamortized Note Premium	-	2,970	743	2,227
Total Governmental Short-term Liabilities	<u>\$ -</u>	<u>\$ 752,970</u>	<u>\$ 743</u>	<u>\$ 752,227</u>

On October 3, 2012, the City issued \$750,000 in bond anticipation notes at an interest rate of 1.00 percent with a maturity date of October 2, 2013. These bond anticipation notes were issued to finance the construction and installation of the sanitary sewer system along Engle Road between Snow Road and Holland Road. As of December 31, 2012, the City has not utilized any of the proceeds for capital related projects.

# City of Brook Park, Ohio

## Combining Statements and Individual Fund Schedules Non-Major Governmental Funds

### **For The Year Ended December 31, 2012**

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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 restricted 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 restricted for maintenance and repair of state highways within the City.

##### *Permissive Tax Fund*

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

##### *Economic Development Fund*

The Economic Development Fund accounts for parking fees and proceeds received from the sale of City owned property committed for expenditures essential to the development of 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 committed 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 committed by participation fees and facility rentals.

##### *Law Enforcement Fund*

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

##### *Community Diversion Fund*

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

## City of Brook Park, Ohio

### Combining Statements and Individual Fund Schedules Non-Major Governmental Funds

#### **For The Year Ended December 31, 2012**

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

##### *Retiree Accrued Benefits Fund*

The Retiree Accrued Benefits Fund accounts for funds allocated to pay for the accrued compensated absences paid out to employees upon retirement. Due to the implementation of GASB Statement No. 54, the fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

##### *Police Pension Fund*

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

##### *Fire Pension Fund*

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

##### *Southwest General Health Center Fund*

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

##### *Continuing Training Program*

The Continuing Training Program Fund accounts for restricted funds to provide for the training of the City's safety forces.

#### **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, 2012**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 2,923,054	\$ 648,517	\$ 3,571,571
Accrued Interest Receivable	178	-	178
Intergovernmental Receivable	466,237	1,077,005	1,543,242
Property Taxes Receivable	317,797	-	317,797
Special Assessments Receivable	-	88,269	88,269
<b>Total Assets</b>	<u><u>\$ 3,707,266</u></u>	<u><u>\$1,813,791</u></u>	<u><u>\$ 5,521,057</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 11,440	\$ -	\$ 11,440
Accrued Wages and Benefits	427,160	-	427,160
Intergovernmental Payable	10,482	-	10,482
<b>Total Liabilities</b>	<u><u>449,082</u></u>	<u><u>-</u></u>	<u><u>449,082</u></u>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	289,883	-	289,883
Unavailable Revenue - Delinquent Property Taxes	27,914	-	27,914
Unavailable Revenue - Other	337,944	88,269	426,213
<b>Total Deferred Inflows of Resources</b>	<u><u>655,741</u></u>	<u><u>88,269</u></u>	<u><u>744,010</u></u>
<b>Fund Balances:</b>			
Restricted	1,954,224	1,105,661	3,059,885
Committed	1,002,633	-	1,002,633
Assigned	-	619,861	619,861
Unassigned (Deficit)	(354,414)	-	(354,414)
<b>Total Fund Balances</b>	<u><u>2,602,443</u></u>	<u><u>1,725,522</u></u>	<u><u>4,327,965</u></u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u><u>\$ 3,707,266</u></u>	<u><u>\$1,813,791</u></u>	<u><u>\$ 5,521,057</u></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, 2012**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>			
Property Taxes	\$ 332,751	\$ -	\$ 332,751
Intergovernmental	1,002,021	-	1,002,021
Interest	808	-	808
Fines and Forfeitures	161,097	-	161,097
Special Assessments	-	59,451	59,451
All Other Revenues	281,123	-	281,123
<b>Total Revenues</b>	<u>1,777,800</u>	<u>59,451</u>	<u>1,837,251</u>
<b>EXPENDITURES</b>			
Security of Persons and Property:			
Police and Others	1,317,550	-	1,317,550
Public Health and Welfare	106,014	-	106,014
Leisure Time Activities	130,972	-	130,972
Community Development	105,328	-	105,328
Transportation	804,630	-	804,630
General Government	-	841	841
Debt Service:			
Principal Retirement	-	388,374	388,374
Interest and Fiscal Charges	-	89,577	89,577
<b>Total Expenditures</b>	<u>2,464,494</u>	<u>478,792</u>	<u>2,943,286</u>
Excess of Revenues Over (Under) Expenditures	<u>(686,694)</u>	<u>(419,341)</u>	<u>(1,106,035)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer In	1,147,448	387,517	1,534,965
<b>Total Other Financing Sources (Uses)</b>	<u>1,147,448</u>	<u>387,517</u>	<u>1,534,965</u>
Net Change in Fund Balances	460,754	(31,824)	428,930
Fund Balances - Beginning of Year	2,141,689	1,757,346	3,899,035
<b>Fund Balances - End of Year</b>	<u>\$ 2,602,443</u>	<u>\$1,725,522</u>	<u>\$ 4,327,965</u>



# City of Brook Park, Ohio

## Combining Balance Sheet Non-Major Special Revenue Funds

**December 31, 2012**

	Street Maintenance	State Highway	Permissive Tax	Economic Development	Brook Park Road Corridor
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 384,782	\$ 396,822	\$ 459,887	\$ 462,326	\$ 284,310
Accrued Interest Receivable	42	44	51	-	-
Intergovernmental Receivable	404,083	32,763	3,400	-	-
Property Taxes Receivable	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 788,907</u>	<u>\$ 429,629</u>	<u>\$ 463,338</u>	<u>\$ 462,326</u>	<u>\$ 284,310</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 1,470	\$ -	\$ 4,340	\$ 5,630	\$ -
Accrued Wages and Benefits	19,085	-	-	-	-
Intergovernmental Payable	10,447	-	-	-	-
<b>Total Liabilities</b>	<u>31,002</u>	<u>-</u>	<u>4,340</u>	<u>5,630</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>					
Property Taxes	-	-	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-	-	-
Unavailable Revenue - Other	288,792	23,415	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>288,792</u>	<u>23,415</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Restricted	469,113	406,214	458,998	-	-
Committed	-	-	-	456,696	284,310
Unassigned (Deficit)	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<u>469,113</u>	<u>406,214</u>	<u>458,998</u>	<u>456,696</u>	<u>284,310</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 788,907</u>	<u>\$ 429,629</u>	<u>\$ 463,338</u>	<u>\$ 462,326</u>	<u>\$ 284,310</u>

(Continued)

# City of Brook Park, Ohio

## Combining Balance Sheet Non-Major Special Revenue Funds (Continued)

**December 31, 2012**

	Special Recreation	Law Enforcement	DWI Enforcement & Education	Federal Forfeiture	Community Diversion
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 261,627	\$ 215,418	\$ 18,896	\$ 374,338	\$ 6,026
Accrued Interest Receivable	-	-	-	41	-
Intergovernmental Receivable	-	204	50	-	-
Property Taxes Receivable	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 261,627</u>	<u>\$ 215,622</u>	<u>\$ 18,946</u>	<u>\$ 374,379</u>	<u>\$ 6,026</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	-	-	49
Intergovernmental Payable	-	-	-	-	35
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84</u>
<b>Deferred Inflows of Resources:</b>					
Property Taxes	-	-	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-	-	-
Unavailable Revenue - Other	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Restricted	-	215,622	18,946	374,379	5,942
Committed	261,627	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<u>261,627</u>	<u>215,622</u>	<u>18,946</u>	<u>374,379</u>	<u>5,942</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 261,627</u>	<u>\$ 215,622</u>	<u>\$ 18,946</u>	<u>\$ 374,379</u>	<u>\$ 6,026</u>

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<b>Police Pension</b>	<b>Fire Pension</b>	<b>Southwest General Health Center</b>	<b>Continuing Training Program</b>	<b>Nonmajor Special Revenue Funds</b>
\$ 27,827	\$ 25,785	\$ -	\$ 5,010	\$ 2,923,054
-	-	-	-	178
9,526	9,526	6,685	-	466,237
110,837	110,837	96,123	-	317,797
<u>\$ 148,190</u>	<u>\$ 146,148</u>	<u>\$ 102,808</u>	<u>\$ 5,010</u>	<u>\$ 3,707,266</u>
\$ -	\$ -	\$ -	\$ -	\$ 11,440
192,203	215,823	-	-	427,160
-	-	-	-	10,482
<u>192,203</u>	<u>215,823</u>	<u>-</u>	<u>-</u>	<u>449,082</u>
101,082	101,082	87,719	-	289,883
9,755	9,755	8,404	-	27,914
9,526	9,526	6,685	-	337,944
<u>120,363</u>	<u>120,363</u>	<u>102,808</u>	<u>-</u>	<u>655,741</u>
-	-	-	5,010	1,954,224
-	-	-	-	1,002,633
<u>(164,376)</u>	<u>(190,038)</u>	<u>-</u>	<u>-</u>	<u>(354,414)</u>
<u>(164,376)</u>	<u>(190,038)</u>	<u>-</u>	<u>5,010</u>	<u>2,602,443</u>
<u>\$ 148,190</u>	<u>\$ 146,148</u>	<u>\$ 102,808</u>	<u>\$ 5,010</u>	<u>\$ 3,707,266</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, 2012

	Street Maintenance	State Highway	Permissive Tax	Economic Development	Brook Park Road Corridor	Special Recreation
<b>REVENUES</b>						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	807,321	65,459	47,498	-	-	-
Interest	226	271	311	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
All Other Revenues	-	-	-	29,713	-	184,416
<b>Total Revenues</b>	<u>807,547</u>	<u>65,730</u>	<u>47,809</u>	<u>29,713</u>	<u>-</u>	<u>184,416</u>
<b>EXPENDITURES</b>						
Security of Persons and Property	-	-	-	-	-	-
Public Health Services	-	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-	130,972
Community Environment	-	-	-	105,328	-	-
Transportation	761,834	13,505	29,291	-	-	-
<b>Total Expenditures</b>	<u>761,834</u>	<u>13,505</u>	<u>29,291</u>	<u>105,328</u>	<u>-</u>	<u>130,972</u>
Excess of Revenues Over (Under) Expenditures	<u>45,713</u>	<u>52,225</u>	<u>18,518</u>	<u>(75,615)</u>	<u>-</u>	<u>53,444</u>
<b>OTHER FINANCING SOURCES</b>						
Transfer In	-	-	-	174,448	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,448</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>45,713</u>	<u>52,225</u>	<u>18,518</u>	<u>98,833</u>	<u>-</u>	<u>53,444</u>
Fund Balances - Beginning of Year	423,400	353,989	440,480	357,863	284,310	208,183
<b>Fund Balances - End of Year</b>	<u>\$ 469,113</u>	<u>\$406,214</u>	<u>\$ 458,998</u>	<u>\$ 456,696</u>	<u>\$ 284,310</u>	<u>\$ 261,627</u>

<b>Law Enforcement</b>	<b>DWI Enforcement &amp; Education</b>	<b>Federal Forfeiture</b>	<b>Community Diversion</b>	<b>Police Pension</b>	<b>Fire Pension</b>	<b>Southwest General Health Center</b>	<b>Continuing Training Program</b>	<b>Nonmajor Special Revenue Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ 120,421	\$ 120,421	\$ 91,909	\$ -	\$ 332,751
-	-	-	-	34,187	34,187	13,369	-	1,002,021
-	-	-	-	-	-	-	-	808
3,881	1,595	155,621	-	-	-	-	-	161,097
8,559	-	257	900	27,572	29,706	-	-	281,123
<u>12,440</u>	<u>1,595</u>	<u>155,878</u>	<u>900</u>	<u>182,180</u>	<u>184,314</u>	<u>105,278</u>	<u>-</u>	<u>1,777,800</u>
12,030	375	55,787	1,196	566,864	681,298	-	-	1,317,550
-	-	-	-	-	-	106,014	-	106,014
-	-	-	-	-	-	-	-	130,972
-	-	-	-	-	-	-	-	105,328
-	-	-	-	-	-	-	-	804,630
<u>12,030</u>	<u>375</u>	<u>55,787</u>	<u>1,196</u>	<u>566,864</u>	<u>681,298</u>	<u>106,014</u>	<u>-</u>	<u>2,464,494</u>
<u>410</u>	<u>1,220</u>	<u>100,091</u>	<u>(296)</u>	<u>(384,684)</u>	<u>(496,984)</u>	<u>(736)</u>	<u>-</u>	<u>(686,694)</u>
-	-	-	-	412,000	561,000	-	-	1,147,448
-	-	-	-	412,000	561,000	-	-	1,147,448
<u>410</u>	<u>1,220</u>	<u>100,091</u>	<u>(296)</u>	<u>27,316</u>	<u>64,016</u>	<u>(736)</u>	<u>-</u>	<u>460,754</u>
215,212	17,726	274,288	6,238	(191,692)	(254,054)	736	5,010	2,141,689
<u>\$ 215,622</u>	<u>\$ 18,946</u>	<u>\$ 374,379</u>	<u>\$ 5,942</u>	<u>\$(164,376)</u>	<u>\$(190,038)</u>	<u>\$ -</u>	<u>\$ 5,010</u>	<u>\$2,602,443</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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 1,623,035	\$ 1,620,091	\$ 1,620,091	\$ -
Income Taxes	15,403,308	15,844,762	15,844,762	-
Other Taxes	317,000	335,182	335,182	-
Intergovernmental	999,447	931,290	838,029	(93,261)
Interest	6,167	6,606	6,606	-
Licenses and Permits	593,438	688,057	688,932	875
Fines and Forfeitures	229,653	242,053	242,053	-
Rentals	3,550	3,550	3,550	-
Charges for Services	1,935,154	1,754,633	1,745,231	(9,402)
Contributions and Donations	67,588	62,597	62,597	-
All Other Revenues	186,731	147,117	139,213	(7,904)
<b>Total Revenues</b>	<b>21,365,071</b>	<b>21,635,938</b>	<b>21,526,246</b>	<b>(109,692)</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Correctional Facility				
Personal Services	116,343	101,343	91,108	10,235
Contractual Services	15,159	17,559	16,780	779
Supplies and Materials	17,555	21,755	19,668	2,087
Total Correctional Facility	149,057	140,657	127,556	13,101
School Guards				
Personal Services	94,669	94,669	83,672	10,997
Fire Department				
Personal Services	3,773,000	3,648,000	3,611,948	36,052
Travel and Education	5,474	7,313	7,150	163
Contractual Services	144,300	147,861	126,006	21,855
Supplies and Materials	84,575	115,075	106,380	8,695
Total Fire Department	4,007,349	3,918,249	3,851,484	66,765
Police Department				
Personal Services	3,818,039	3,858,619	3,770,243	88,376
Travel and Education	7,026	9,499	9,487	12
Contractual Services	164,219	169,408	146,626	22,782
Supplies and Materials	200,160	208,160	183,243	24,917
Total Police Department	4,189,444	4,245,686	4,109,599	136,087

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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Animal Control				
Personal Services	56,861	72,381	64,560	7,821
Travel and Education	250	2,638	2,638	-
Contractual Services	44,227	56,839	52,852	3,987
Supplies and Materials	21,447	21,447	13,227	8,220
Total Animal Control	122,785	153,305	133,277	20,028
Safety Director				
Personal Services	120,692	120,692	119,078	1,614
Travel and Education	50	116	116	-
Contractual Services	955	889	543	346
Supplies and Materials	1,079	1,079	191	888
Total Safety Director	122,776	122,776	119,928	2,848
Safety Building				
Personal Services	509,334	499,334	476,415	22,919
Travel and Education	500	500	25	475
Contractual Services	120,783	120,783	108,051	12,732
Supplies and Materials	1,663	7,663	6,635	1,028
Total Safety Building	632,280	628,280	591,126	37,154
Safety Town				
Personal Services	4,871	4,871	4,871	-
Contractual Services	1,875	2,175	2,175	-
Supplies and Materials	700	1,450	686	764
Total Safety Town	7,446	8,496	7,732	764
Street Lighting				
Contractual Services	376,654	377,634	377,634	-
Supplies and Materials	5,235	6,255	3,358	2,897
Total Street Lighting	381,889	383,889	380,992	2,897
Traffic Lights				
Contractual Services	65,217	65,217	56,243	8,974
Supplies and Materials	-	3,555	3,555	-
Total Traffic Lights	65,217	68,772	59,798	8,974

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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Disaster Services				
Personal Services	13,369	15,339	14,748	591
Travel and Education	-	300	264	36
Contractual Services	1,659	1,659	1,504	155
Supplies and Materials	12,286	12,786	11,978	808
Total Disaster Services	27,314	30,084	28,494	1,590
Total Security of Persons and Property	9,800,226	9,794,863	9,493,658	301,205
Public Health & Welfare				
County Board of Health				
Contractual Services	82,007	82,007	77,524	4,483
Office of Aging				
Personal Services	92,483	102,218	99,628	2,590
Contractual Services	1,298	2,698	2,396	302
Supplies and Materials	31,128	31,128	26,386	4,742
Total Office of Aging	124,909	136,044	128,410	7,634
Total Public Health and Welfare	206,916	218,051	205,934	12,117
Leisure Time Activities				
Recreation Commission				
Personal Services	15,466	15,466	15,310	156
Recreation Center				
Personal Services	821,960	821,960	774,811	47,149
Travel and Education	500	1,452	1,452	-
Contractual Services	641,123	635,506	490,315	145,191
Supplies and Materials	70,600	75,265	75,265	-
Other Expenses	-	750	670	80
Total Recreation Center	1,534,183	1,534,933	1,342,513	192,420
Home Day Celebration				
Personal Services	19,627	21,004	20,976	28
Contractual Services	27,850	29,548	29,548	-
Supplies and Materials	2,350	4,528	4,427	101
Total Home Day Celebration	49,827	55,080	54,951	129

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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Parks and Play Grounds				
Personal Services	326,662	253,070	213,142	39,928
Travel and Education	50	50	-	50
Contractual Services	87,097	86,921	74,963	11,958
Supplies and Materials	137,205	149,523	129,663	19,860
Other Expenses	250	250	-	250
Total Parks and Play Grounds	551,264	489,814	417,768	72,046
Public Recreation				
Contractual Services	71,013	83,926	80,165	3,761
Supplies and Materials	16,273	28,560	28,560	-
Total Public Recreation	87,286	112,486	108,725	3,761
Total Leisure Time Activities	2,238,026	2,207,779	1,939,267	268,512
Community Development				
Planning Commission				
Personal Services	15,165	15,165	15,011	154
Community Development				
Personal Services	89,067	89,067	70,597	18,470
Travel and Education	250	250	-	250
Contractual Services	2,230	2,230	1,492	738
Supplies and Materials	829	829	285	544
Total Community Development	92,376	92,376	72,374	20,002
Board of Zoning Appeals				
Personal Services	18,198	18,748	18,509	239
Building Department				
Personal Services	442,526	473,936	460,945	12,991
Travel and Education	1,611	1,611	340	1,271
Contractual Services	27,686	57,686	51,073	6,613
Supplies and Materials	9,617	9,617	7,388	2,229
Other Expenses	150	900	556	344
Total Building Department	481,590	543,750	520,302	23,448

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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Tree and Tree Lawns				
Personal Services	218,574	256,051	242,844	13,207
Travel and Education	50	50	46	4
Contractual Services	2,780	20,350	20,156	194
Supplies and Materials	7,864	10,560	9,098	1,462
Total Tree and Tree Lawns	229,268	287,011	272,144	14,867
Total Community Development	836,597	957,050	898,340	58,710
Public Works				
Service Director				
Personal Services	439,592	399,592	358,766	40,826
Travel and Education	350	350	73	277
Contractual Services	9,304	11,165	11,165	-
Supplies and Materials	8,339	6,478	4,823	1,655
Total Service Director	457,585	417,585	374,827	42,758
Service Building				
Personal Services	75,340	76,859	75,463	1,396
Contractual Services	188,325	188,325	144,430	43,895
Supplies and Materials	74,925	104,925	81,079	23,846
Total Service Building	338,590	370,109	300,972	69,137
Sanitation Department				
Personal Services	808,001	788,001	745,169	42,832
Travel and Education	200	200	45	155
Contractual Services	14,350	40,492	40,492	-
Supplies and Materials	542,404	529,262	496,726	32,536
Total Sanitation Department	1,364,955	1,357,955	1,282,432	75,523
Sewers, Drains, and Pump Stations				
Personal Services	726,814	726,814	708,704	18,110
Travel and Education	250	250	45	205
Contractual Services	75,523	75,523	54,342	21,181
Supplies and Materials	116,468	116,468	84,562	31,906
Total Sewers, Drains, and Pump Stations	919,055	919,055	847,653	71,402
Total Public Works	3,080,185	3,064,704	2,805,884	258,820

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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Transportation				
Street Cleaning				
Personal Services	9,879	9,879	8,737	1,142
Contractual Services	100	1,450	1,450	-
Supplies and Materials	3,460	2,110	849	1,261
Total Street Cleaning	13,439	13,439	11,036	2,403
Traffic Signs				
Personal Services	31,029	31,029	30,189	840
Travel and Education	50	50	-	50
Supplies and Materials	550	2,907	2,753	154
Total Traffic Signs	31,629	33,986	32,942	1,044
Snow Removal				
Personal Services	117,528	117,528	92,649	24,879
Contractual Services	900	900	-	900
Supplies and Materials	484,780	484,780	283,539	201,241
Total Snow Removal	603,208	603,208	376,188	227,020
Total Transportation	648,276	650,633	420,166	230,467
General Government				
City Council				
Personal Services	138,966	138,966	137,551	1,415
Travel and Education	2,983	2,983	2,532	451
Contractual Services	7,785	12,785	12,376	409
Supplies and Materials	1,400	1,400	681	719
Total City Council	151,134	156,134	153,140	2,994
Clerk of Council				
Personal Services	111,164	111,164	93,304	17,860
Travel and Education	500	1,017	1,017	-
Contractual Services	1,080	1,063	1,022	41
Supplies and Materials	260	760	626	134
Total Clerk of Council	113,004	114,004	95,969	18,035

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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Mayor's Court				
Personal Services	110,492	112,332	111,238	1,094
Travel and Education	500	660	660	-
Contractual Services	9,492	8,905	1,938	6,967
Supplies and Materials	589	1,016	1,016	-
Total Mayor's Court	121,073	122,913	114,852	8,061
Municipal Court				
Contractual Services	31,550	31,550	16,931	14,619
Civil Service Commission				
Personal Services	30,548	30,548	28,134	2,414
Travel and Education	-	241	241	-
Contractual Services	7,922	7,681	7,213	468
Supplies and Materials	2,669	2,669	275	2,394
Total Civil Service Commission	41,139	41,139	35,863	5,276
Mayor's Office				
Personal Services	275,944	275,944	266,762	9,182
Travel and Education	3,500	6,674	6,674	-
Contractual Services	6,644	6,644	5,213	1,431
Supplies and Materials	17,152	15,578	9,239	6,339
Total Mayor's Office	303,240	304,840	287,888	16,952
Human Resources				
Personal Services	106,837	106,837	104,331	2,506
Travel and Education	891	891	350	541
Contractual Services	13,425	17,342	13,064	4,278
Supplies and Materials	119	202	202	-
Total Human Resources	121,272	125,272	117,947	7,325
Public Properties				
Personal Services	299,054	299,054	295,194	3,860
Travel and Education	300	300	-	300
Contractual Services	7,388	7,388	5,746	1,642
Supplies and Materials	1,928	11,678	9,060	2,618
Total Public Properties	308,670	318,420	310,000	8,420

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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Legal Department				
Personal Services	282,040	282,040	269,355	12,685
Travel and Education	500	500	160	340
Contractual Services	1,693	1,693	1,170	523
Supplies and Materials	298	298	205	93
Total Legal Department	284,531	284,531	270,890	13,641
Finance Department				
Personal Services	346,379	353,319	349,907	3,412
Travel and Education	3,589	3,589	3,485	104
Contractual Services	85,763	85,763	74,480	11,283
Supplies and Materials	5,626	5,626	5,319	307
Total Finance Department	441,357	448,297	433,191	15,106
Tax Department				
Personal Services	261,842	261,842	239,854	21,988
Travel and Education	2,324	2,324	1,043	1,281
Contractual Services	52,419	52,419	47,103	5,316
Supplies and Materials	15,323	16,748	14,050	2,698
Other Expenses	170,000	170,000	158,924	11,076
Total Tax Department	501,908	503,333	460,974	42,359
Tax Review Board				
Personal Services	6,402	6,402	6,338	64
Retirees				
Personal Services	287,203	353,000	319,749	33,251
Mechanics				
Personal Services	615,997	622,997	612,777	10,220
Travel and Education	1,771	2,271	1,585	686
Contractual Services	574	574	365	209
Supplies and Materials	4,400	4,400	3,635	765
Total Mechanics	622,742	630,242	618,362	11,880
Engineering				
Contractual Services	52,000	52,000	48,000	4,000

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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Lands and Buildings				
Personal Services	1,847	15,701	13,219	2,482
Contractual Services	156,033	177,533	171,063	6,470
Supplies and Materials	20,343	26,443	26,443	-
Total Lands and Buildings	178,223	219,677	210,725	8,952
Other General Government				
Personal Services	773,898	1,014,854	1,000,309	14,545
Travel and Education	6,088	19,153	19,153	-
Contractual Services	569,360	602,344	436,973	165,371
Supplies and Materials	259,620	265,151	256,269	8,882
Other Expenses	3,000	6,500	5,796	704
Total Other General Government	1,611,966	1,908,002	1,718,500	189,502
Total General Government	5,177,414	5,619,756	5,219,319	400,437
<b>Total Expenditures</b>	<b>21,987,640</b>	<b>22,512,836</b>	<b>20,982,568</b>	<b>1,530,268</b>
Excess of Revenues Over (Under) Expenditures	(622,569)	(876,898)	543,678	1,420,576
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	5,175	5,175	5,175	-
Transfer In	-	1,000,000	1,000,000	-
Transfers Out	(1,024,000)	(2,024,000)	(1,973,000)	51,000
<b>Total Other Financing Sources (Uses)</b>	<b>(1,018,825)</b>	<b>(1,018,825)</b>	<b>(967,825)</b>	<b>51,000</b>
Net Change in Fund Balance	(1,641,394)	(1,895,723)	(424,147)	1,471,576
Cash Fund Balance - Beginning of Year	2,998,040	2,998,040	2,998,040	-
Current Year Encumbrances	-	-	285,287	285,287
<b>Cash Fund Balance - End of Year</b>	<b>\$ 1,356,646</b>	<b>\$ 1,102,317</b>	<b>\$ 2,859,180</b>	<b>\$ 1,756,863</b>

# City of Brook Park, Ohio

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual Capital Improvements Fund For The Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Income Taxes	\$ 1,766,692	\$ 1,850,223	\$ 1,850,223	\$ -
Intergovernmental	2,589,683	2,597,277	1,546,562	(1,050,715)
Contributions and Donations	50,443	128,223	128,223	-
Special Assessments	23,201	25,615	25,615	-
All Other Revenues	9,980	51,383	51,383	-
<b>Total Revenues</b>	<u>4,439,999</u>	<u>4,652,721</u>	<u>3,602,006</u>	<u>(1,050,715)</u>
<b>Expenditures:</b>				
Current:				
Community Development				
Contractual Services	198,298	255,421	254,421	1,000
Public Works				
Sewers and Drains				
Contractual Services	235,990	1,661	1,661	-
Transportation				
Street Paving and Repair				
Contractual Services	3,382,978	4,608,176	3,374,995	1,233,181
Supplies and Materials	-	3,300	3,300	-
<b>Total Transportation</b>	<u>3,382,978</u>	<u>4,611,476</u>	<u>3,378,295</u>	<u>1,233,181</u>
General Government				
Income Tax Department				
Personal Services	41,253	41,253	37,433	3,820
Travel and Education	410	410	184	226
Contractual Services	9,233	9,233	7,474	1,759
Supplies and Materials	336	336	225	111
Other	30,000	30,000	28,046	1,954
<b>Total Income Tax Department</b>	<u>81,232</u>	<u>81,232</u>	<u>73,362</u>	<u>7,870</u>
Land and Buildings:				
Contractual Services	-	1,234,480	245,980	988,500
Supplies and Materials	-	3,000	-	3,000
<b>Total Land and Buildings</b>	<u>-</u>	<u>1,237,480</u>	<u>245,980</u>	<u>991,500</u>
<b>Total General Government</b>	<u>81,232</u>	<u>1,318,712</u>	<u>319,342</u>	<u>999,370</u>

Continued



## City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual  
Capital Improvements Fund (continued)  
**For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Capital Outlay				
Building Department	-	576	576	-
Council	-	1,632	1,632	-
Finance Department	-	3,769	3,769	-
Fire Department	7,100	84,906	84,906	-
Lands and Buildings	55	302,095	292,116	9,979
Legal Department	137	6,139	6,139	-
Mayor's Court	-	18,188	18,188	-
Mayor's Office	-	3,480	3,480	-
Mechanics	165	12,479	12,479	-
Parks and Playgrounds	95	114,260	113,557	703
Police Department	3,656	158,860	156,286	2,574
Recreation Center	-	36,894	36,890	4
Safety Building	27,716	27,716	27,716	-
Sanitation	-	253,047	251,286	1,761
Service Building	-	28,956	28,956	-
Sewers and Drains	2,072	171,994	171,994	-
Snow Removal	-	18,419	9,344	9,075
Street Paving and Repair	3,238	44,042	43,058	984
Tax Department	-	1,761	1,761	-
Trees and Tree Lawns	-	4,006	4,006	-
Total Capital Outlay	44,234	1,293,219	1,268,139	25,080
<b>Total Expenditures</b>	<b>3,942,732</b>	<b>7,480,489</b>	<b>5,221,858</b>	<b>2,258,631</b>
Excess of Revenues Over (Under) Expenditures	497,267	(2,827,768)	(1,619,852)	1,207,916
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	5,071	5,071	5,071	-
General Obligation Bond Proceeds	-	750,000	750,000	-
Premium on Debt Issuance	-	479	479	-
Transfers In	-	1,000,000	1,000,000	-
Transfers Out	(387,517)	(1,561,965)	(1,561,965)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(382,446)</b>	<b>193,585</b>	<b>193,585</b>	<b>-</b>
Net Change in Fund Balance	114,821	(2,634,183)	(1,426,267)	1,207,916
Cash Fund Balance - Beginning of Year	6,317,286	6,317,286	6,317,286	-
Current Year Encumbrances	-	-	923,962	923,962
<b>Cash Fund Balance - End of Year</b>	<b>\$ 6,432,107</b>	<b>\$ 3,683,103</b>	<b>\$ 5,814,981</b>	<b>\$ 2,131,878</b>

## 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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 805,250	\$ 808,166	\$ 808,166	\$ -
Interest	133	253	253	-
<b>Total Revenues</b>	<u>805,383</u>	<u>808,419</u>	<u>808,419</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Street Paving and Repair				
Personal Services	684,849	695,143	688,570	6,573
Travel and Education	-	45	45	-
Contractual Services	5,700	5,655	5,170	485
Supplies and Materials	100,202	100,202	76,349	23,853
<b>Total Expenditures</b>	<u>790,751</u>	<u>801,045</u>	<u>770,134</u>	<u>30,911</u>
Net Change in Fund Balance	14,632	7,374	38,285	30,911
Cash Fund Balance - Beginning of Year	340,252	340,252	340,252	-
Current Year Encumbrances	-	-	6,245	6,245
<b>Cash Fund Balance - End of Year</b>	<u>\$ 354,884</u>	<u>\$ 347,626</u>	<u>\$ 384,782</u>	<u>\$ 37,156</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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 65,291	\$ 65,527	\$ 65,527	\$ -
Interest	164	297	297	-
<b>Total Revenues</b>	<u>65,455</u>	<u>65,824</u>	<u>65,824</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Street Paving and Repair				
Supplies and Materials	51,833	51,833	13,545	38,288
<b>Total Expenditures</b>	<u>51,833</u>	<u>51,833</u>	<u>13,545</u>	<u>38,288</u>
Net Change in Fund Balance	13,622	13,991	52,279	38,288
Cash Fund Balance - Beginning of Year	344,503	344,503	344,503	-
Current Year Encumbrances	-	-	40	40
<b>Cash Fund Balance - End of Year</b>	<u>\$ 358,125</u>	<u>\$ 358,494</u>	<u>\$ 396,822</u>	<u>\$ 38,328</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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 46,971	\$ 47,788	\$ 47,788	\$ -
Interest	208	349	349	-
<b>Total Revenues</b>	<u>47,179</u>	<u>48,137</u>	<u>48,137</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Street Paving and Repair				
Supplies and Materials	50,000	50,000	29,810	20,190
<b>Total Expenditures</b>	<u>50,000</u>	<u>50,000</u>	<u>29,810</u>	<u>20,190</u>
Net Change in Fund Balance	(2,821)	(1,863)	18,327	20,190
Cash Fund Balance - Beginning of Year	438,835	438,835	438,835	-
Current Year Encumbrances	-	-	2,725	2,725
<b>Cash Fund Balance - End of Year</b>	<u>\$ 436,014</u>	<u>\$ 436,972</u>	<u>\$ 459,887</u>	<u>\$ 22,915</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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
All Other Revenues	\$ 29,714	\$ 29,714	\$ 29,713	\$ (1)
<b>Total Revenues</b>	<u>29,714</u>	<u>29,714</u>	<u>29,713</u>	<u>(1)</u>
<b>Expenditures:</b>				
Current:				
Community Development				
Contractual Services	158,714	158,384	141,131	17,253
Supplies and Materials	-	330	330	-
<b>Total Expenditures</b>	<u>158,714</u>	<u>158,714</u>	<u>141,461</u>	<u>17,253</u>
Excess of Revenues Over (Under) Expenditures	(129,000)	(129,000)	(111,748)	17,252
<b>Other Financing Sources</b>				
Transfers In	-	174,447	174,448	1
<b>Total Other Financing Sources</b>	<u>-</u>	<u>174,447</u>	<u>174,448</u>	<u>1</u>
Net Change in Fund Balance	(129,000)	45,447	62,700	17,253
Cash Fund Balance - Beginning of Year	389,841	389,841	389,841	-
Current Year Encumbrances	-	-	9,785	9,785
<b>Cash Fund Balance - End of Year</b>	<u>\$ 260,841</u>	<u>\$ 435,288</u>	<u>\$ 462,326</u>	<u>\$ 27,038</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, 2012**

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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -
Cash Fund Balance - Beginning of Year	284,310	284,310	284,310	-
<b>Cash Fund Balance - End of Year</b>	<u><u>\$ 284,310</u></u>	<u><u>\$ 284,310</u></u>	<u><u>\$ 284,310</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  
Special Recreation Fund  
**For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
All Other Revenues	\$ 176,525	\$ 184,416	\$ 184,416	\$ -
<b>Total Revenues</b>	<u>176,525</u>	<u>184,416</u>	<u>184,416</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Leisure Time Activities				
Public Recreation				
Travel and Education	-	1,219	1,219	-
Contractual Services	52,170	52,170	52,157	13
Supplies and Materials	85,359	83,578	79,479	4,099
Other	2,500	2,500	2,033	467
Capital Outlay	-	562	-	562
<b>Total Expenditures</b>	<u>140,029</u>	<u>140,029</u>	<u>134,888</u>	<u>5,141</u>
Net Change in Fund Balance	36,496	44,387	49,528	5,141
Cash Fund Balance - Beginning of Year	211,218	211,218	211,218	-
Current Year Encumbrances	-	-	881	881
<b>Cash Fund Balance - End of Year</b>	<u>\$ 247,714</u>	<u>\$ 255,605</u>	<u>\$ 261,627</u>	<u>\$ 6,022</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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 26,010	\$ 3,677	\$ 3,677	\$ -
All Other Revenues	4,560	8,559	8,559	-
<b>Total Revenues</b>	<u>30,570</u>	<u>12,236</u>	<u>12,236</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police and Others				
Travel and Education	5,000	5,000	-	5,000
Contractual Services	12,500	12,500	10,825	1,675
Supplies and Materials	11,500	11,500	5,472	6,028
Capital Outlay	-	10,000	-	10,000
<b>Total Expenditures</b>	<u>29,000</u>	<u>39,000</u>	<u>16,297</u>	<u>22,703</u>
Net Change in Fund Balance	1,570	(26,764)	(4,061)	22,703
Cash Fund Balance - Beginning of Year	215,212	215,212	215,212	-
Current Year Encumbrances	-	-	4,267	4,267
<b>Cash Fund Balance - End of Year</b>	<u>\$ 216,782</u>	<u>\$ 188,448</u>	<u>\$ 215,418</u>	<u>\$ 26,970</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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and Forfeitures	\$ 1,517	\$ 1,606	\$ 1,606	\$ -
<b>Total Revenues</b>	<u>1,517</u>	<u>1,606</u>	<u>1,606</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police and Others				
Travel and Education	-	56	56	-
Supplies and Materials	3,459	3,084	-	3,084
Other	-	319	319	-
<b>Total Expenditures</b>	<u>3,459</u>	<u>3,459</u>	<u>375</u>	<u>3,084</u>
Net Change in Fund Balance	(1,942)	(1,853)	1,231	3,084
Cash Fund Balance - Beginning of Year	17,665	17,665	17,665	-
<b>Cash Fund Balance - End of Year</b>	<u>\$ 15,723</u>	<u>\$ 15,812</u>	<u>\$ 18,896</u>	<u>\$ 3,084</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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest	\$ 128	\$ 272	\$ 272	\$ -
All Other Revenues	76,035	155,621	155,621	-
<b>Total Revenues</b>	<u>76,163</u>	<u>155,893</u>	<u>155,893</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police and Others				
Travel and Education	-	5,000	2,275	2,725
Contractual Services	250	250	45	205
Supplies and Materials	27,117	12,973	4,953	8,020
Other	-	59,144	59,144	-
<b>Total Expenditures</b>	<u>27,367</u>	<u>77,367</u>	<u>66,417</u>	<u>10,950</u>
Net Change in Fund Balance	48,796	78,526	89,476	10,950
Cash Fund Balance - Beginning of Year	274,232	274,232	274,232	-
Current Year Encumbrances	-	-	10,630	10,630
<b>Cash Fund Balance - End of Year</b>	<u><u>\$ 323,028</u></u>	<u><u>\$ 352,758</u></u>	<u><u>\$ 374,338</u></u>	<u><u>\$ 21,580</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, 2012**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
All Other Revenues	\$ 1,200	\$ 900	\$ 900	\$ -
<b>Total Revenues</b>	<u>1,200</u>	<u>900</u>	<u>900</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police and Others				
Personal Services	2,886	2,886	1,095	1,791
Contractual Services	100	100	17	83
Supplies and Materials	250	250	-	250
<b>Total Expenditures</b>	<u>3,236</u>	<u>3,236</u>	<u>1,112</u>	<u>2,124</u>
Net Change in Fund Balance	(2,036)	(2,336)	(212)	2,124
Cash Fund Balance - Beginning of Year	6,238	6,238	6,238	-
<b>Cash Fund Balance - End of Year</b>	<u>\$ 4,202</u>	<u>\$ 3,902</u>	<u>\$ 6,026</u>	<u>\$ 2,124</u>

## City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual  
Retiree Accrued Benefits Fund  
**For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police and Others:				
Personal Services	\$ 183,925	\$ 224,205	\$ 224,205	\$ -
Fire				
Personal Services	86,084	104,936	104,936	-
Total Security of Persons & Property	270,009	329,141	329,141	-
Public Health and Welfare				
Office of Aging				
Personal Services	6,038	7,360	7,360	-
Leisure Time Activities				
Parks & Playgrounds				
Personal Services	28,278	34,471	34,471	-
Community Development				
Building Department				
Personal Services	11,010	13,421	13,421	-
Public Works				
Sanitation				
Personal Services	42,523	51,836	51,836	-
Sewers and Drains				
Personal Services	30,516	37,199	37,199	-
Total Public Works	73,039	89,035	89,035	-

Continued

## City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual  
Retiree Accrued Benefits Fund (continued)  
**For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Transportation				
Street Cleaning				
Personal Services	6,074	7,404	7,404	-
Traffic Signs				
Personal Services	15,842	19,311	19,311	-
Total Transportation	21,916	26,715	26,715	-
General Government				
Clerk of Council				
Personal Services	22,089	26,926	26,926	-
Income Tax				
Personal Services	33,544	40,890	40,890	-
Mechanics				
Personal Services	29,289	35,703	35,703	-
Public Properties				
Personal Services	4,790	5,839	5,839	-
Total General Government	89,712	109,358	109,358	-
<b>Total Expenditures</b>	<b>500,002</b>	<b>609,501</b>	<b>609,501</b>	<b>-</b>
Net Change in Fund Balance	(500,002)	(609,501)	(609,501)	-
Cash Fund Balance - Beginning of Year	1,318,066	1,318,066	1,318,066	-
<b>Cash Fund Balance - End of Year</b>	<b>\$ 818,064</b>	<b>\$ 708,565</b>	<b>\$ 708,565</b>	<b>\$ -</b>

## 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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 121,406	\$ 120,421	\$ 120,421	\$ -
Intergovernmental	34,031	34,187	34,187	-
All Other Revenues	-	27,572	27,572	-
<b>Total Revenues</b>	<u>155,437</u>	<u>182,180</u>	<u>182,180</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police and Others				
Personal Services	589,540	589,540	571,872	17,668
<b>Total Expenditures</b>	<u>589,540</u>	<u>589,540</u>	<u>571,872</u>	<u>17,668</u>
Excess of Revenues Over (Under) Expenditures	(434,103)	(407,360)	(389,692)	17,668
<b>Other Financing Sources</b>				
Transfers In	436,000	436,000	412,000	(24,000)
<b>Total Other Financing Sources</b>	<u>436,000</u>	<u>436,000</u>	<u>412,000</u>	<u>(24,000)</u>
Net Change in Fund Balance	1,897	28,640	22,308	(6,332)
Cash Fund Balance - Beginning of Year	5,519	5,519	5,519	-
<b>Cash Fund Balance - End of Year</b>	<u>\$ 7,416</u>	<u>\$ 34,159</u>	<u>\$ 27,827</u>	<u>\$ (6,332)</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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 121,406	\$ 120,421	\$ 120,421	\$ -
Intergovernmental	34,031	34,187	34,187	-
All Other Revenues	-	29,706	29,706	-
<b>Total Revenues</b>	<u>155,437</u>	<u>184,314</u>	<u>184,314</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Fire				
Personal Services	747,348	747,348	729,537	17,811
<b>Total Expenditures</b>	<u>747,348</u>	<u>747,348</u>	<u>729,537</u>	<u>17,811</u>
Excess of Revenues Over (Under) Expenditures	(591,911)	(563,034)	(545,223)	17,811
<b>Other Financing Sources</b>				
Transfers In	588,000	588,000	561,000	(27,000)
<b>Total Other Financing Sources</b>	<u>588,000</u>	<u>588,000</u>	<u>561,000</u>	<u>(27,000)</u>
Net Change in Fund Balance	(3,911)	24,966	15,777	(9,189)
Cash Fund Balance - Beginning of Year	10,008	10,008	10,008	-
<b>Cash Fund Balance - End of Year</b>	<u>\$ 6,097</u>	<u>\$ 34,974</u>	<u>\$ 25,785</u>	<u>\$ (9,189)</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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 92,163	\$ 91,909	\$ 91,909	\$ -
Intergovernmental	13,230	13,369	13,369	-
<b>Total Revenues</b>	<u>105,393</u>	<u>105,278</u>	<u>105,278</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Public Health and Welfare				
Contractual Services	106,129	106,014	106,014	-
<b>Total Expenditures</b>	<u>106,129</u>	<u>106,014</u>	<u>106,014</u>	<u>-</u>
Net Change in Fund Balance	(736)	(736)	(736)	-
Cash Fund Balance - Beginning of Year	736	736	736	-
<b>Cash Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



## City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual  
Continuing Training Program Fund  
**For The Year Ended December 31, 2012**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
All Other Revenues	\$ 860	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<u>860</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property				
Police and Others				
Travel and Education	3,040	3,040	-	3,040
<b>Total Expenditures</b>	<u>3,040</u>	<u>3,040</u>	<u>-</u>	<u>3,040</u>
Net Change in Fund Balance	(2,180)	(3,040)	-	3,040
Cash Fund Balance - Beginning of Year	5,010	5,010	5,010	-
<b>Cash Fund Balance - End of Year</b>	<u>\$ 2,830</u>	<u>\$ 1,970</u>	<u>\$ 5,010</u>	<u>\$ 3,040</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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 63,354	\$ 63,354	\$ 63,354	\$ -
Special Assessments	58,400	59,451	59,451	-
<b>Total Revenues</b>	<u>121,754</u>	<u>122,805</u>	<u>122,805</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
General Government				
Contractual Services	850	850	841	9
Debt Service:				
Principal	420,694	420,694	388,374	32,320
Interest & Fiscal Charges	89,577	89,577	89,577	-
<b>Total Expenditures</b>	<u>511,121</u>	<u>511,121</u>	<u>478,792</u>	<u>32,329</u>
Excess of Revenues Over (Under) Expenditures	(389,367)	(388,316)	(355,987)	32,329
<b>Other Financing Sources</b>				
Transfers In	387,517	387,517	387,517	-
<b>Total Other Financing Sources</b>	<u>387,517</u>	<u>387,517</u>	<u>387,517</u>	<u>-</u>
Net Change in Fund Balance	(1,850)	(799)	31,530	32,329
Cash Fund Balance - Beginning of Year	616,987	616,987	616,987	-
<b>Cash Fund Balance - End of Year</b>	<u>\$ 615,137</u>	<u>\$ 616,188</u>	<u>\$ 648,517</u>	<u>\$ 32,329</u>

## City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Equity-  
Budget (Non-GAAP Budgetary Basis) and Actual  
Self Insured Medical Benefits Fund  
**For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services	\$ 2,103,257	\$ 2,189,556	\$ 2,189,556	\$ -
<b>Total Revenues</b>	<u>2,103,257</u>	<u>2,189,556</u>	<u>2,189,556</u>	<u>-</u>
<b>Expenses</b>				
Current:				
Fringe Benefits	2,089,973	2,089,973	1,827,382	262,591
<b>Total Expenses</b>	<u>2,089,973</u>	<u>2,089,973</u>	<u>1,827,382</u>	<u>262,591</u>
Net Change in Fund Equity	13,284	99,583	362,174	262,591
Cash Fund Equity - Beginning of Year	1,127,093	1,127,093	1,127,093	-
Current Year Encumbrances	-	-	8,304	8,304
<b>Cash Fund Equity - End of Year</b>	<u>\$ 1,140,377</u>	<u>\$ 1,226,676</u>	<u>\$ 1,497,571</u>	<u>\$ 270,895</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.

##### *Payroll Deduction Employees' Share Fund*

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

##### *Radio Tower Replacement Fund*

The Radio Tower Replacement Fund accounts for resources received from participating entities of the Southwest Regional Communications jointly governed organization, with the City of Brook Park acting as the fiscal agent. These resources are accumulated for the future replacement of the radio tower.

##### *Pension Employee Withholding Fund*

The Pension Employee Withholding Fund accounts for employees' pension contributions which are to be distributed to the pension agencies.

# City of Brook Park

## Combining Statement of Assets and Liabilities Agency Funds

**December 31, 2012**

	Cash Bonds Held	Mayor's Court	Board of Building Standards	Payroll Deduction Employees' Share	Radio Tower Replacement	Pension Employee Withholding	Total
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$89,786	\$ -	\$ 9,316	\$ 10,286	\$ 719,217	\$ 45,993	\$874,598
Cash and Cash Equivalents:							
in Segregated Accounts	-	25,857	-	-	-	-	25,857
Intergovernmental Receivable	-	-	-	-	45,415	-	45,415
Total Assets	<u>\$89,786</u>	<u>\$ 25,857</u>	<u>\$ 9,316</u>	<u>\$ 10,286</u>	<u>\$ 764,632</u>	<u>\$ 45,993</u>	<u>\$945,870</u>
<b>Liabilities</b>							
Deposits Held and Due to Others	\$89,786	\$ 25,857	\$ 9,316	\$ 10,286	\$ 764,632	\$ 45,993	\$945,870
Total Liabilities	<u>\$89,786</u>	<u>\$ 25,857</u>	<u>\$ 9,316</u>	<u>\$ 10,286</u>	<u>\$ 764,632</u>	<u>\$ 45,993</u>	<u>\$945,870</u>

# City of Brook Park, Ohio

## Combining Statement of Changes in Assets and Liabilities Agency Funds

### For The Year Ended December 31, 2012

	Balance 12/31/2011	Additions	Deletions	Balance 12/31/2012
<b>Cash Bonds Held</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 51,648	\$ 73,258	\$ 35,120	\$ 89,786
<b>Liabilities</b>				
Deposits Held	\$ 51,648	\$ 73,258	\$ 35,120	\$ 89,786
<b>Mayor's Court</b>				
<b>Assets</b>				
Cash and Cash Equivalents: in Segregated Accounts	\$ 19,829	\$ 338,604	\$ 332,576	\$ 25,857
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 19,829	\$ 338,604	\$ 332,576	\$ 25,857
<b>Board of Building Standards</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 4,772	\$ 4,553	\$ 9	\$ 9,316
<b>Liabilities</b>				
Deposits Held	\$ 4,772	\$ 4,553	\$ 9	\$ 9,316
<b>Payroll Deduction Employees' Share</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 9,504	\$ 99,035	\$ 98,253	\$ 10,286
<b>Liabilities</b>				
Deposits Held	\$ 9,504	\$ 99,035	\$ 98,253	\$ 10,286
<b>Radio Tower Replacement</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 672,342	\$ 46,875	\$ -	\$ 719,217
Intergovernmental Receivable	19,456	45,415	19,456	45,415
Total Assets	\$ 691,798	\$ 92,290	\$ 19,456	\$ 764,632
<b>Liabilities</b>				
Deposits Held	\$ 691,798	\$ 92,290	\$ 19,456	\$ 764,632
<b>Pension Employee Withholding</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 45,993	\$ -	\$ 45,993
<b>Liabilities</b>				
Deposits Held	\$ -	\$ 45,993	\$ -	\$ 45,993
<b>Total - All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 738,266	\$ 269,714	\$ 133,382	\$ 874,598
Cash and Cash Equivalents: in Segregated Accounts	19,829	338,604	332,576	25,857
Intergovernmental Receivable	19,456	45,415	19,456	45,415
Total Assets	\$ 777,551	\$ 653,733	\$ 485,414	\$ 945,870
<b>Liabilities</b>				
Deposits Held	\$ 777,551	\$ 653,733	\$ 485,414	\$ 945,870

## **STATISTICAL SECTION**

# City of Brook Park, Ohio

## Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2 – S7
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	S8 - S13
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S14–S17
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S18-S19
<b>Operating Information</b> These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S20-S23

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



## City of Brook Park, Ohio

Net Position by Component  
Accrual Basis of Accounting

### **Last Ten Fiscal Years**

**Table 1**

	2003	2004	2005	2006	2007	2008	2009	2010	Restated 2011	2012
Governmental activities:										
Net investment in										
Capital assets	\$46,861,418	\$47,583,487	\$52,402,275	\$52,981,641	\$55,327,938	\$63,019,962	\$66,056,261	\$69,340,252	\$69,624,618	\$69,659,655
Restricted for:										
Capital projects	5,584,361	7,874,313	4,691,061	9,786,661	12,272,001	10,585,857	6,705,275	5,173,026	5,358,279	5,201,068
Debt service	360,131	459,283	434,576	436,703	459,559	541,282	574,620	651,203	634,751	730,029
Other purposes	-	794,726	578,019	548,690	2,094,496	272,025	366,682	501,409	615,393	1,180,925
Special revenues	1,901,028	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	1,604,073	1,341,950	507,980	357,863	456,696
Street paving and repair	-	-	-	-	-	1,079,360	1,240,057	1,402,084	1,527,587	1,646,532
Unrestricted	11,813,192	13,458,738	14,684,243	13,281,656	9,634,437	6,171,898	5,585,468	5,286,791	5,119,842	4,005,123
Total net position - governmental activities	<u>\$66,520,130</u>	<u>\$70,170,547</u>	<u>\$72,790,174</u>	<u>\$77,035,351</u>	<u>\$79,788,431</u>	<u>\$83,274,457</u>	<u>\$81,870,313</u>	<u>\$82,862,745</u>	<u>\$83,238,333</u>	<u>\$82,880,028</u>

# City of Brook Park, Ohio

## Changes in Net Position Accrual Basis of Accounting

### Last Ten Fiscal Years

**Table 2**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Program revenues:										
Charges for services										
General government	\$ 3,042,445	\$ 1,265,925	\$ 833,257	\$ 615,951	\$ 539,909	\$ 618,514	\$ 483,471	\$ 551,319	\$ 565,523	\$ 578,665
Security of persons and property	867,879	1,036,569	954,234	1,020,166	949,365	1,000,487	1,350,977	1,262,634	922,977	991,409
Public health and welfare	1,274	1,292	1,342	6,971	6,996	6,375	25,956	20,622	18,294	16,413
Transportation	-	-	-	-	-	-	46,222	13,218	-	-
Leisure time activities	381,847	386,834	472,138	502,615	498,148	551,417	603,543	589,582	543,853	504,117
Community development	1,231,005	1,093,248	990,994	1,026,504	1,142,305	1,246,241	1,313,937	1,257,755	1,310,136	1,352,244
Public works	-	-	-	-	-	-	109,097	26,060	4,749	-
Total charges for services	<u>5,524,450</u>	<u>3,783,868</u>	<u>3,251,965</u>	<u>3,172,207</u>	<u>3,136,723</u>	<u>3,423,034</u>	<u>3,933,203</u>	<u>3,721,190</u>	<u>3,365,532</u>	<u>3,442,848</u>
Operating grants and contributions										
General government	-	-	-	-	-	-	-	9,000	7,035	58,103
Security of persons and property	12,243	37,002	54,307	44,511	30,099	21,103	3,004	35,846	16,893	12,899
Public health and welfare	-	-	14,467	10,768	10,580	-	-	-	-	-
Transportation	-	-	-	23,287	23,474	973,759	949,509	949,074	937,085	948,382
Community development	11,978	-	-	-	-	-	-	-	-	-
Public works	-	-	-	142,135	182,117	-	-	-	-	-
Total operating grants and contributions	<u>24,221</u>	<u>37,002</u>	<u>68,774</u>	<u>220,701</u>	<u>246,270</u>	<u>994,862</u>	<u>952,513</u>	<u>993,920</u>	<u>961,013</u>	<u>1,019,384</u>
Capital grants and contributions										
General government	-	-	-	-	-	34,842	-	-	185,500	-
Security of persons and property	-	-	-	-	-	1,749	103,500	3,000	117,755	7,968
Transportation	-	-	453,674	98,188	1,396,638	5,370,901	1,156,966	-	1,267,992	1,938,948
Leisure time activities	-	-	-	-	-	-	-	35,000	-	-
Community development	-	660,991	109,546	141,101	665,925	65,645	-	-	306,298	29,713
Public works	-	-	-	-	-	-	183,223	3,958,586	-	-
Total capital grants and contributions	<u>-</u>	<u>660,991</u>	<u>563,220</u>	<u>239,289</u>	<u>2,062,563</u>	<u>5,473,137</u>	<u>1,443,689</u>	<u>3,996,586</u>	<u>1,877,545</u>	<u>1,976,629</u>
Total program revenues	<u>5,548,671</u>	<u>4,481,861</u>	<u>3,883,959</u>	<u>3,632,197</u>	<u>5,445,556</u>	<u>9,891,033</u>	<u>6,329,405</u>	<u>8,711,696</u>	<u>6,204,090</u>	<u>6,438,861</u>

Continued

## City of Brook Park, Ohio

### Changes in Net Position (continued) Accrual Basis of Accounting

#### Last Ten Fiscal Years

**Table 2**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
General government	10,675,655	7,379,928	5,743,052	4,752,217	5,183,964	5,319,134	5,200,887	4,979,667	5,047,013	5,957,703
Security of persons and property	9,075,363	9,776,933	11,422,459	11,396,843	12,258,151	11,325,203	12,524,620	12,160,835	11,430,668	11,068,045
Public health and welfare	226,005	253,214	317,628	332,619	566,718	483,130	393,134	542,592	412,809	314,932
Transportation	510,314	3,311,938	3,550,660	2,635,279	2,618,477	2,766,466	2,504,805	2,613,821	2,486,308	3,213,847
Leisure time activities	2,497,528	3,634,961	3,064,683	2,940,351	2,928,253	2,866,895	2,818,681	2,581,318	2,562,792	2,305,024
Community development	1,538,318	2,119,789	1,767,010	1,770,697	2,125,890	2,701,221	1,507,000	1,790,631	1,428,069	1,035,202
Public works	2,717,718	2,532,212	3,379,002	4,277,913	4,380,006	4,351,316	4,308,772	3,537,459	3,547,146	3,501,691
Interest and fiscal charges	283,376	214,990	193,895	57,224	70,405	54,951	47,563	44,829	46,100	98,982
Total primary government expenses	<u>27,524,277</u>	<u>29,223,965</u>	<u>29,438,389</u>	<u>28,163,143</u>	<u>30,131,864</u>	<u>29,868,316</u>	<u>29,305,462</u>	<u>28,251,152</u>	<u>26,960,905</u>	<u>27,495,426</u>
Net (expense)/revenue	<u>(21,975,606)</u>	<u>(24,742,104)</u>	<u>(25,554,430)</u>	<u>(24,530,946)</u>	<u>(24,686,308)</u>	<u>(19,977,283)</u>	<u>(22,976,057)</u>	<u>(19,539,456)</u>	<u>(20,756,815)</u>	<u>(21,056,565)</u>
General revenues										
Property taxes	2,741,358	2,866,014	2,954,239	4,521,976	2,261,148	2,331,911	2,134,450	2,026,186	1,994,242	1,986,778
Municipal income taxes	21,656,942	21,964,703	22,159,579	20,655,175	21,321,660	18,358,018	17,343,214	17,029,564	17,801,257	17,768,862
Grants and entitlements										
not restricted to specific programs	8,908,485	3,266,535	2,280,824	2,453,114	2,695,712	2,087,153	1,944,138	2,016,732	1,393,561	878,135
Investment earnings	257,922	289,315	778,295	1,112,436	1,135,195	686,197	150,111	29,733	4,702	7,157
All other revenues	8,532	5,954	1,120	33,422	25,673	30	-	4,603	2,428	57,328
Total general revenues	<u>33,573,239</u>	<u>28,392,521</u>	<u>28,174,057</u>	<u>28,776,123</u>	<u>27,439,388</u>	<u>23,463,309</u>	<u>21,571,913</u>	<u>21,106,818</u>	<u>21,196,190</u>	<u>20,698,260</u>
Change in net position	<u><u>\$11,597,633</u></u>	<u><u>\$ 3,650,417</u></u>	<u><u>\$ 2,619,627</u></u>	<u><u>\$ 4,245,177</u></u>	<u><u>\$ 2,753,080</u></u>	<u><u>\$ 3,486,026</u></u>	<u><u>\$(1,404,144)</u></u>	<u><u>\$ 1,567,362</u></u>	<u><u>\$ 439,375</u></u>	<u><u>\$ (358,305)</u></u>

## City of Brook Park, Ohio

### Fund Balances, Governmental Funds Modified Accrual Basis of Accounting

#### Last Ten Fiscal Years

**Table 3**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 370,218	\$ 283,312	\$ 266,001
Committed	-	-	-	-	-	-	-	3,763,449	3,229,970	2,767,778
Assigned	-	-	-	-	-	-	-	1,109,427	414,414	277,395
Unassigned	-	-	-	-	-	-	-	684,449	1,415,476	1,172,557
Reserved	425,788	495,738	489,431	509,811	654,598	561,726	581,663	-	-	-
Unreserved	11,730,682	11,023,224	11,521,684	11,018,809	9,058,619	4,905,898	3,445,039	-	-	-
Total general fund	12,156,470	11,518,962	12,011,115	11,528,620	9,713,217	5,467,624	4,026,702	5,927,543	5,343,172	4,483,731
All other governmental funds:										
Restricted	-	-	-	-	-	-	-	3,793,076	4,316,404	3,980,814
Committed	-	-	-	-	-	-	-	3,747,047	3,568,496	4,138,690
Assigned	-	-	-	-	-	-	-	2,669,474	2,639,466	1,757,135
Unassigned (Deficit)	-	-	-	-	-	-	-	(455,619)	(445,746)	(354,414)
Reserved	1,040,000	1,815,210	763,151	652,675	1,869,385	3,897,002	2,354,819	-	-	-
Unreserved:										
Designated:										
Accrued retiree benefits	-	-	-	-	1,315,162	1,049,591	1,534,236	-	-	-
Undesignated, reported in:										
Special revenue	1,385,264	3,007,938	3,049,015	1,560,280	1,374,871	2,527,419	2,551,083	-	-	-
Debt service	408,175	417,283	434,576	436,703	459,559	460,119	493,635	-	-	-
Capital project	4,653,507	6,119,652	4,037,983	9,223,506	10,441,047	7,272,257	5,770,241	-	-	-
Total all other governmental funds	7,486,946	11,360,083	8,284,725	11,873,164	15,460,024	15,206,388	12,704,014	9,753,978	10,078,620	9,522,225
Total governmental funds	<u>\$19,643,416</u>	<u>\$22,879,045</u>	<u>\$20,295,840</u>	<u>\$23,401,784</u>	<u>\$25,173,241</u>	<u>\$20,674,012</u>	<u>\$16,730,716</u>	<u>\$15,681,521</u>	<u>\$15,421,792</u>	<u>\$14,005,956</u>

# City of Brook Park, Ohio

## Changes in Fund Balances, Governmental Funds Modified Basis of Accounting

### Last Ten Fiscal Years

**Table 4**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues:</b>										
Property Taxes	\$ 2,381,452	\$ 2,493,335	\$ 2,601,395	\$ 3,360,471	\$ 2,759,724	\$ 2,338,903	\$ 2,223,343	\$2,031,983	\$ 2,002,050	\$ 1,952,842
Income Taxes	21,904,475	21,880,786	21,465,211	20,648,297	21,582,162	17,999,769	16,863,883	16,959,103	17,465,889	17,603,699
Other Taxes	281,358	349,222	349,022	260,397	359,472	358,969	274,922	271,452	325,486	213,567
Intergovernmental	8,905,015	3,867,885	2,784,225	2,871,206	4,938,245	8,224,555	4,553,194	6,508,356	3,772,270	3,537,753
Interest	257,922	289,315	778,295	1,112,436	1,135,195	684,229	240,545	33,181	4,893	7,172
Licenses and Permits	468,381	397,508	396,603	393,337	433,795	465,318	411,410	547,492	705,694	689,562
Fines and Forfeitures	364,412	444,678	398,155	384,660	395,605	358,033	294,582	531,713	350,017	408,470
Rentals	-	-	-	-	-	2,775	3,000	2,500	1,975	3,550
Charges for Services	1,714,850	1,689,473	1,726,212	1,733,112	1,833,367	1,979,578	2,273,175	2,360,691	1,984,816	1,867,450
Contributions and Donations	-	-	-	-	-	18,307	22,176	15,208	219,725	190,820
Special Assessments	4,282	4,280	19,637	119,767	105,473	83,419	84,655	82,933	85,071	85,066
All Other Revenues	845,019	1,252,209	690,124	694,520	499,629	599,053	521,282	478,617	700,243	471,719
<b>Total Revenues</b>	<b>37,127,166</b>	<b>32,668,691</b>	<b>31,208,879</b>	<b>31,578,203</b>	<b>34,042,667</b>	<b>33,112,908</b>	<b>27,766,167</b>	<b>29,823,229</b>	<b>27,618,129</b>	<b>27,031,670</b>
<b>Expenditures:</b>										
<b>Current:</b>										
Security of persons and property	9,402,099	9,672,735	10,289,356	10,793,884	11,703,939	11,984,162	11,981,074	11,588,747	11,540,053	11,014,188
Public health and welfare	226,005	239,884	314,991	324,927	559,409	490,831	404,083	433,317	408,973	309,741
Leisure time activities	2,483,022	2,519,902	2,536,300	2,628,688	2,634,424	2,532,652	2,418,962	2,176,888	2,243,478	2,031,832
Community development	2,141,842	1,474,557	1,535,699	1,657,861	1,127,745	2,710,605	1,758,463	1,168,046	1,942,284	1,037,516
Public works	2,747,140	2,915,119	2,929,810	3,068,509	4,048,769	3,891,294	3,600,960	2,942,100	3,052,788	2,820,750
Transportation	2,890,366	2,523,547	2,633,551	1,582,956	1,807,115	2,014,481	1,593,031	1,560,812	1,643,494	4,243,551
General government	4,223,424	4,382,641	6,231,592	4,740,737	4,848,012	5,263,908	5,100,208	4,826,362	4,791,064	5,556,723
Capital Outlay	11,736,127	7,738,958	5,690,763	3,660,098	5,964,107	10,833,340	5,437,258	5,420,568	3,648,548	2,968,253
<b>Debt Service:</b>										
Principal retirement	1,517,000	1,612,000	1,852,000	165,000	170,000	170,000	175,000	228,733	287,467	388,374
Interest and fiscal charges	289,995	200,920	177,807	69,496	66,196	62,625	58,375	53,477	48,075	90,704
Bond issuance costs	-	-	-	-	-	-	-	-	64,143	2,491
<b>Total expenditures</b>	<b>37,657,020</b>	<b>33,280,263</b>	<b>34,191,869</b>	<b>28,692,156</b>	<b>32,929,716</b>	<b>39,953,898</b>	<b>32,527,414</b>	<b>30,399,050</b>	<b>29,670,367</b>	<b>30,464,123</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(529,854)</b>	<b>(611,572)</b>	<b>(2,982,990)</b>	<b>2,886,047</b>	<b>1,112,951</b>	<b>(6,840,990)</b>	<b>(4,761,247)</b>	<b>(575,821)</b>	<b>(2,052,238)</b>	<b>(3,432,453)</b>

Continued

## City of Brook Park, Ohio

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

#### **Last Ten Fiscal Years**

**Table 4**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other financing sources (uses):										
Notes issued	-	2,255,000	-	-	-	-	-	-	-	-
General Obligation Bond issued	-	-	-	-	-	-	-	-	1,705,000	-
OWDA Loan issued	-	-	-	-	-	-	339,187	-	-	-
OPWC loans issued	-	-	-	-	-	1,678,203	271,129	92,896	25,243	-
Premium on Debt issuance	-	-	-	-	-	-	-	-	25,873	-
Capital leases	668,230	354,053	373,287	185,639	631,381	650,985	157,445	-	-	2,006,371
Sale of capital assets	94,312	15,004	26,498	34,258	27,125	12,573	50,190	8,660	36,393	10,246
Transfers in	3,811,180	4,753,525	4,737,090	4,666,838	3,949,538	1,209,598	2,313,639	3,423,113	1,390,040	3,534,965
Transfers out	(3,811,180)	(4,753,525)	(4,737,090)	(4,666,838)	(3,949,538)	(1,209,598)	(2,313,639)	(3,423,113)	(1,390,040)	(3,534,965)
Total other financing sources (uses)	762,542	2,624,057	399,785	219,897	658,506	2,341,761	817,951	101,556	1,792,509	2,016,617
Net change in fund balances	\$ 232,688	\$ 2,012,485	\$ (2,583,205)	\$ 3,105,944	\$ 1,771,457	\$ (4,499,229)	\$ (3,943,296)	\$ (474,265)	\$ (259,729)	\$ (1,415,836)
Debt service as a percentage of noncapital expenditures	6.96%	6.01%	6.93%	0.89%	0.84%	0.79%	0.85%	1.11%	1.29%	1.92%

## City of Brook Park, Ohio

### Assessed Valuations and Estimated True Values

#### **Last Ten Years**

**Table 5**

<u>Collection Year</u>	<u>Residential/ Agricultural Real Property</u>	<u>Other Real Property</u>	<u>Public Utility Tangible</u>	<u>Tangible Personal Property</u>	<u>Total</u>	<u>Estimated True Value of Real Property</u>	<u>Direct Tax Rate</u>
2003	\$ 265,876,430	\$ 154,084,030	\$ 14,367,430	\$ 122,445,643	\$ 556,773,533	\$ 1,199,887,029	\$ 4.80
2004	288,926,640	144,414,500	13,492,460	118,219,380	565,052,980	1,238,117,543	4.80
2005	289,201,130	151,477,000	13,754,000	125,239,739	579,671,869	1,259,080,371	4.80
2006	290,141,140	157,113,310	12,380,180	129,294,459	588,929,089	1,280,280,628	4.80
2007	313,620,240	159,071,900	11,951,610	84,910,572	569,554,322	1,238,161,570	4.75
2008	314,329,200	142,446,360	8,447,320	58,744,121	523,967,001	1,305,073,029	4.75
2009	315,453,260	169,275,580	8,664,680	29,901,423	523,294,943	1,384,939,543	4.75
2010	290,810,300	148,270,160	9,019,390	-	448,099,850	1,254,515,600	4.75
2011	291,898,930	171,886,210	9,310,360	-	473,095,500	1,325,100,400	4.75
2012	291,695,680	171,577,480	9,584,670	-	472,857,830	1,323,637,600	4.75

**Source:** Cuyahoga County Fiscal Officer

Note: In Collection Year 2010, tangible personal property taxes were completely phased out. Therefore, this tax will no longer be levied.

## City of Brook Park, Ohio

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

### Last Ten Years

**Table 6**

Collection Year	City of Brook Park			Berea City School District	Southwest Vocational School	Cuyahoga County Commissioners	Special (2) Taxing Districts	Total Tax Levy
	General Fund	Special Funds (1)	Total Levy					
2003	\$ 3.85	\$ 0.95	\$ 4.80	\$ 69.80	\$ 2.40	\$ 11.72	\$ 5.88	\$ 94.60
2004	3.85	0.95	4.80	69.80	2.40	13.52	5.88	96.40
2005	3.85	0.95	4.80	69.80	2.40	13.52	6.78	97.30
2006	3.85	0.95	4.80	74.90	2.40	13.42	6.78	102.30
2007	3.85	0.90	4.75	74.90	2.40	13.42	6.78	102.25
2008	3.85	0.90	4.75	74.90	2.40	13.42	6.78	102.25
2009	3.85	0.90	4.75	74.90	2.40	13.32	7.28	102.65
2010	3.85	0.90	4.75	74.90	2.40	13.32	7.58	102.95
2011	3.85	0.90	4.75	75.00	2.40	13.22	7.58	102.95
2012	3.85	0.90	4.75	78.90	2.40	13.22	7.58	106.85

**Source:** Cuyahoga County Auditor

(1) – Southwest General Hospital, Police & Firemen Pension Fund, and Tri City Senior Center. Tri City Senior Center was not renewed in 2007 and is excluded after the 2006 rate.

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



## City of Brook Park, Ohio

### Real Property Tax Levies And Collections

#### Last Ten Years

#### Table 7a

<u>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>
2003	\$2,069,493	\$1,971,073	95%	\$ 44,834	\$ 2,015,907	97%
2004	2,103,008	2,002,323	95%	60,839	2,063,162	98%
2005	2,199,007	2,065,256	94%	61,074	2,126,330	97%
2006	2,169,941	2,111,420	97%	131,737	2,243,157	103%
2007	2,275,106	2,197,527	97%	57,903	2,255,430	99%
2008	2,293,775	2,222,011	97%	77,522	2,299,533	100%
2009	2,310,821	2,234,522	97%	51,048	2,285,570	99%
2010	2,199,507	2,134,591	97%	65,000	2,199,591	100%
2011	2,219,407	2,114,938	95%	71,669	2,186,607	99%
2012	2,225,730	2,072,366	93%	73,996	2,146,362	96%

**Source:** Cuyahoga County Fiscal Officer

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

Note: The County does not identify delinquent collections by the year for which the tax was levied. Therefore, total collections could exceed 100 percent.

## City of Brook Park, Ohio

### Tangible Personal Property Tax Levies And Collections

#### Last Ten Years

#### Table 7b

<u>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>
2003	\$ 566,213	\$ 556,638	98%	\$ 11,138	\$ 567,776	100%
2004	603,316	589,946	98%	14,775	604,721	100%
2005	622,546	617,509	99%	33,698	651,207	105%
2006	407,294	405,424	100%	14,359	419,783	103%
2007	291,696	284,344	97%	1,031,518	1,315,862	451%
2008	139,575	139,418	100%	16,815	156,233	112%
2009	5,822	5,819	100%	24,757	30,576	525%
2010	3,070	3,070	100%	-	3,070	100%
2011	-	-	0%	984	984	0%
2012	-	-	0%	152	152	0%

**Source:** Cuyahoga County Fiscal Officer

Note: In 2010, tangible personal property taxes were completely phased out. Therefore, this tax will no longer be levied.

## City of Brook Park, Ohio

### Principal Taxpayers - Real Estate Tax

**2012 and 2003**

**Table 8**

Name of Taxpayer	December 31, 2012	
	Assessed Value (1)	Percent of Total Assessed Value
MWP Company	\$ 30,269,800	6.40%
Ford Motor Company	28,396,700	6.01%
Cleveland Electric Illuminating	26,756,900	5.66%
Tech Park Limited Partnership	23,620,800	5.00%
CP-Snow Prop, LLC	13,520,100	2.86%
Laich, Walter	13,300,000	2.81%
CP-Cleveland ADC, LLC	12,610,600	2.67%
Brookgate Associates, LLC	12,263,900	2.59%
Holland Gardens Delaware, LLC	10,383,600	2.20%
Brook Park Station, LLC	10,140,000	2.14%
Total	<u>\$ 181,262,400</u>	<u>38.34%</u>

Name of Taxpayer	December 31, 2003	
	Assessed Value (1)	Percent of Total Assessed Value
Ford Motor Company	\$ 27,760,310	5.00%
MWP Company	7,590,200	1.40%
Tech Park Limited Partnership	7,222,140	1.30%
Cleveland Electric Illuminating	6,673,840	1.20%
The Ohio Bell Telephone	4,016,820	0.70%
Ch/Equity	2,936,610	0.50%
Foseco, Inc.	2,291,630	0.40%
Eastland Properties Association Limited Partnership	1,785,020	0.30%
Fairfield Inn by Marriott	1,765,580	0.30%
Sandelmand Sanford & Susan Trs.	1,710,250	0.30%
Total	<u>\$ 63,752,400</u>	<u>11.40%</u>

**Source:** Cuyahoga County Fiscal Officer  
(1) Excludes Public Utilities

## City of Brook Park, Ohio

### Municipal Income Tax Revenues By Source Modified Accrual Basis of Accounting

#### **Last Ten Years**

**Table 9**

<u>Withheld Year</u>	<u>Individual Tax</u>	<u>Municipal Direct Tax</u>	<u>Business Direct Tax</u>	<u>Income Tax Collections</u>
2003	\$19,684,382	\$ 778,618	\$1,441,475	\$ 21,904,475
2004	19,904,248	686,738	1,289,800	21,880,786
2005	19,356,185	733,870	1,375,156	21,465,211
2006	18,530,174	726,347	1,391,776	20,648,297
2007	19,251,983	684,848	1,645,331	21,582,162
2008	16,200,253	655,380	1,144,136	17,999,769
2009	14,835,940	688,482	1,339,461	16,863,883
2010	14,904,762	610,161	1,444,180	16,959,103
2011	15,407,196	754,473	1,304,220	17,465,889
2012	15,348,105	681,180	1,574,414	17,603,699

**Source:** City Financial Records

## City of Brook Park, Ohio

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

#### Last Ten Years

**Table 10**

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	General Obligation Notes	OPWC Loans	OWDA Loan	Lease Purchase Agreements			
2003	\$3,319,000	\$ -	\$ -	\$ -	\$ 1,461,052	\$ 4,780,052	1.10%	\$ 225
2004	3,962,000	-	-	-	1,446,808	5,408,808	1.25%	255
2005	2,110,000	-	-	-	1,277,147	3,387,147	0.78%	160
2006	1,945,000	-	-	-	1,075,745	3,020,745	0.70%	142
2007	1,775,000	-	-	-	1,146,912	2,921,912	0.67%	138
2008	1,605,000	-	1,678,203	-	1,142,044	4,425,247	1.02%	209
2009	1,430,000	-	1,949,332	339,187	650,507	4,369,026	1.01%	206
2010	1,250,000	-	1,993,495	-	222,556	3,466,051	0.75%	180
2011	2,765,000	-	1,921,271	-	2,403	4,688,674	1.02%	244
2012	2,480,000	750,000	1,817,897	-	1,616,919	6,664,816	1.45%	347

**Source:** City Financial Records

- Population and Personal Income data are presented on Table 15
- The OPWC Loans are in the City's name; however, \$1,077,005 of the total outstanding at December 31, 2012 will be reimbursed by the City of Cleveland.
- The funding structure of the OWDA Loan was changed from a loan to grant during 2010. Therefore, the City is no longer required to repay the \$339,187.

## City of Brook Park, Ohio

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

**Last Ten Years**

**Table 11**

<u>Year</u>	<u>Net General Bonded Debt (1)</u>	<u>Assessed Value</u>	<u>Population (2)</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Debt per Capita</u>
2003	\$ 5,425,825	\$ 556,773,533	21,218	0.97%	\$ 255.72
2004	3,544,717	565,052,980	21,218	0.63%	167.06
2005	1,675,424	579,671,869	21,218	0.29%	78.96
2006	1,508,297	588,929,089	21,218	0.26%	71.09
2007	1,315,441	569,554,322	21,218	0.23%	62.00
2008	3,965,128	523,967,001	21,218	0.76%	186.88
2009	3,875,391	523,294,943	21,218	0.74%	182.65
2010	1,663,883	448,099,850	19,212	0.37%	86.61
2011	2,931,328	473,095,500	19,212	0.62%	152.58
2012	4,939,294	472,857,830	19,212	1.04%	257.09

(1) Net general bonded debt equals the amount of debt payable from the City's full faith and credit minus the debt service fund balance available to pay general obligation debt

(2) Source: 2000 and 2010 U.S. Census

## City of Brook Park, Ohio

### Computation of Direct and Overlapping Debt

**December 31, 2012**

**Table 12**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	(1) <u>Percentage Applicable to City of Brook Park</u>	<u>Amount Applicable to City of Brook Park</u>
Direct Debt:			
City of Brook Park			
General Obligation Bonds	\$ 2,480,000	100.00%	\$ 2,480,000
OPWC Loan	1,817,897	100.00%	1,817,897
Capital Leases	1,616,919	100.00%	1,616,919
Total Direct Debt	<u>5,914,816</u>		<u>5,914,816</u>
Overlapping Debt:			
Berea City School District	10,760,000	30.18%	3,246,990
Cleveland City School District	159,744,118	0.43%	691,464
Cuyahoga County	341,075,645	1.52%	5,181,456
Regional Transit Authority	129,495,000	1.52%	1,967,225
Total Overlapping Debt	<u>641,074,763</u>		<u>11,087,135</u>
Total	<u>\$ 646,989,579</u>		<u>\$ 17,001,951</u>

**Source:** Cuyahoga County Fiscal Officer

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

# City of Brook Park, Ohio

## Legal Debt Margin

### Last Ten Fiscal Years

**Table 13**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Assessed Valuation	<u>\$ 556,773,533</u>	<u>\$ 565,052,980</u>	<u>\$ 579,671,869</u>	<u>\$ 588,929,089</u>	<u>\$ 569,554,322</u>	<u>\$ 523,967,001</u>	<u>\$ 523,294,943</u>	<u>\$ 448,099,850</u>	<u>\$ 473,095,500</u>	<u>\$ 472,857,830</u>
Overall debt limit - 10.5% of assessed value	58,461,221	59,330,563	60,865,546	61,837,554	59,803,204	55,016,535	54,945,969	49,675,028	49,675,028	49,650,072
Gross indebtedness	3,319,000	3,962,000	2,110,000	1,945,000	1,775,000	1,605,000	1,430,000	3,243,495	4,686,271	5,047,897
Less: debt outside limitation	(3,319,000)	-	-	-	-	-	-	(1,235,389)	(1,140,359)	(1,077,005)
Less: amount available in debt service fund	(408,175)	(417,283)	(434,576)	(436,703)	(459,559)	(460,119)	(493,635)	(1,802,168)	(1,757,346)	(1,725,522)
Net debt within 10.5% limit	<u>-</u>	<u>3,544,717</u>	<u>1,675,424</u>	<u>1,508,297</u>	<u>1,315,441</u>	<u>1,144,881</u>	<u>936,365</u>	<u>205,938</u>	<u>1,788,566</u>	<u>2,245,370</u>
Legal Debt Margin	<u>\$ 58,461,221</u>	<u>\$ 55,785,846</u>	<u>\$ 59,190,122</u>	<u>\$ 60,329,257</u>	<u>\$ 58,487,763</u>	<u>\$ 53,871,654</u>	<u>\$ 54,009,604</u>	<u>\$ 49,469,090</u>	<u>\$ 47,886,462</u>	<u>\$ 47,404,702</u>
Debt Limit - 5.5% of assessed unvoted value	\$ 30,622,544	\$ 31,077,914	\$ 31,881,953	\$ 32,391,100	\$ 31,325,488	\$ 28,818,185	\$ 28,781,222	\$ 24,645,492	\$ 26,020,253	\$ 26,007,181
Gross indebtedness authorized by council:	3,319,000	3,962,000	2,110,000	1,945,000	1,775,000	1,605,000	1,430,000	3,243,495	4,686,271	5,047,897
Less: debt outside limitation	(3,319,000)	-	-	-	-	-	-	(1,235,389)	(1,140,359)	(1,077,005)
Less: amount available in debt service fund	(408,175)	(417,283)	(434,576)	(436,703)	(459,559)	(460,119)	(493,635)	(1,802,168)	(1,757,346)	(1,725,522)
Net debt within 5.5% limit	<u>-</u>	<u>3,544,717</u>	<u>1,675,424</u>	<u>1,508,297</u>	<u>1,315,441</u>	<u>1,144,881</u>	<u>936,365</u>	<u>205,938</u>	<u>1,788,566</u>	<u>2,245,370</u>
Unvoted debt margin	<u>\$ 30,622,544</u>	<u>\$ 27,533,197</u>	<u>\$ 30,206,529</u>	<u>\$ 30,882,803</u>	<u>\$ 30,010,047</u>	<u>\$ 27,673,304</u>	<u>\$ 27,844,857</u>	<u>\$ 24,439,554</u>	<u>\$ 24,231,687</u>	<u>\$ 23,761,811</u>

**Source:** Cuyahoga County Fiscal Officer and City Financial Records



## City of Brook Park, Ohio

### Principal Employers

#### Current Year and 2007

**Table 14**

<u>Employer</u>	2012	
	<u>Employees</u>	<u>Percentage of</u>
Department of the Interior	1,725	8.43%
Ford Motor Company	1,192	5.82%
Marc Glassman Inc.	523	2.56%
Berea City School District	340	1.66%
City of Brook Park	348	1.70%
Vesuvius USA Corp.	258	1.26%
Credit First National	240	1.17%
Lakefront Lines, Inc.	240	1.17%
Malley's Candies, Inc.	228	1.11%
PNC Bank	104	0.52%
Total	5,198	25.40%
Total City Employment	20,467	100.00%

<u>Employer</u>	2007	
	<u>Employees</u>	<u>Percentage of</u>
Ford Motor Company	1,999	9.27%
Department of the Interior	1,500	6.95%
Marc Glassman Inc.	669	3.10%
National City Corporation	434	2.01%
City of Brook Park	386	1.79%
Berea City School District	311	1.44%
Foseco Metallurgical Inc.	285	1.32%
SGT Inc.	180	0.83%
Analex Corporation	135	0.63%
Zin Technologies	134	0.62%
Total	6,033	27.96%
Total City Employment	21,574	100.00%

**Source:** City Income Tax Department. Information prior to 2007 is not available.

# City of Brook Park, Ohio

## Demographic and Economic Statistics

### Last Ten Years

**Table 15**

Year	Population (1)	Total Personal Income (4)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)
2003	21,218	\$ 433,080,598	\$ 20,411	\$ 46,333	39.8	7,505	6.7%
2004	21,218	433,080,598	20,411	46,333	39.8	7,801	6.5%
2005	21,218	433,080,598	20,411	46,333	39.8	7,511	6.5%
2006	21,218	433,080,598	20,411	46,333	39.8	7,526	5.4%
2007	21,218	433,080,598	20,411	46,333	39.8	7,713	6.1%
2008	21,218	433,080,598	20,411	46,333	39.8	7,157	7.1%
2009	21,218	433,080,598	20,411	46,333	39.8	7,181	8.9%
2010	19,212	459,704,736	23,928	53,264	43.8	7,099	9.5%
2011	19,212	459,704,736	23,928	53,264	43.8	7,017	7.1%
2012	19,212	459,704,736	23,928	53,264	43.8	7,122	6.6%

(1) Source: 2000 and 2010 U. S. Census

(2) Source: Ohio Department of Education Website

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

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

## City of Brook Park, Ohio

### Full Time Employees by Function/Program

#### Last Ten Years

**Table 16**

	2003	2004	2005	2006	2007	2008	2009 (2)	2010	2011	2012
Function/program:										
General government:										
Council	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.50
Finance	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00
Tax	6.00	5.00	5.00	5.00	5.00	6.00	4.50	4.00	3.00	3.50
Law	2.00	2.00	2.00	2.00	1.00	2.00	2.00	2.00	1.00	1.50
Mayor's office	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00
Human resources	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Civil service	1.00	1.00	1.00	1.00	1.00	1.00	0.50	0.50	-	0.50
Clerk of courts	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Security of persons and property:										
Safety department	12.00	11.00	11.00	11.00	11.00	11.00	10.00	11.00	9.00	9.00
Animal warden	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.50
Police	45.00	45.00	45.00	44.00	44.00	44.00	44.00	43.00	39.00	39.00
Police administration	-	-	-	2.00	2.00	2.00	1.00	1.00	1.00	1.00
Property maintenance	5.00	5.00	5.00	4.00	5.00	5.00	3.50	4.00	4.00	3.00
Fire	40.00	40.00	40.00	40.00	36.00	40.00	42.00	37.00	34.00	34.00
Fire administration	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	-
Public health and welfare:										
Office of aging	1.00	-	1.00	1.00	1.00	3.00	2.50	2.50	2.50	1.50
Leisure time activities:										
Recreation	9.00	9.00	9.00	9.00	9.00	8.00	9.00	7.50	7.00	6.00
Community development:										
Building	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	4.00
Economic development	3.00	3.00	3.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Transportation:										
Service	61.00	60.00	58.00	59.00	56.00	53.00	50.50	43.50	43.00	40.50
Public works:										
Service	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	3.00
Service dispatch	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Totals	212.00	208.00	206.00	206.00	199.00	203.00	196.50	181.00	166.50	159.50

**Source:** City Payroll Records

(1) Starting in 2009, the City is reflecting permanent part-time employees as .5 persons

# City of Brook Park, Ohio

## Operating Indicators by Function/Program

### Last Ten Years

**Table 17**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function/program:										
General government:										
Council and clerk										
Number of ordinances passed	97	105	93	83	85	110	87	55	66	60
Number of resolutions passed	33	30	37	30	22	37	24	21	27	40
Finance department:										
Number of checks/vouchers issued (excluding payroll)	6,594	6,550	6,378	6,446	6,023	5,891	5,666	5,115	5,016	4,877
Number of purchase orders issued	N/A	2,353	2,167	2,079	1,928	1,865	1,507	1,349	1,344	1,320
Number of W-2 forms issued	419	402	402	382	382	382	385	351	335	348
City W-2 wages (in millions)	13	13	13	13	13	12	14	14	13	13
Agency ratings - Fitch	AA-3	AA-3	AA-3	AA-3	AA-3	AA-3	AA-3	AA	AA	AA
Income tax department:										
Number of individual returns	9,360	9,040	8,824	8,587	10,119	10,427	10,256	10,572	10,379	10,022
Number of business returns	1,586	1,529	1,538	1,582	1,658	1,682	1,615	1,668	1,659	1,758
Number of business withholding accounts	1,552	1,539	1,554	1,470	1,554	1,580	1,561	1,591	1,476	1,552
Civil service:										
Number of exams given	7	1	-	4	2	3	1	2	6	4
Building department										
Number of permits issued	1,076	1,188	904	1,570	1,553	1,257	1,331	1,439	1,401	1,330
Security of persons and property:										
Police:										
Number of traffic citations issued	3,111	3,808	4,038	3,337	5,403	4,197	3,463	2,853	2,203	2,389
Number of parking citations issued	1,491	1,860	1,375	1,773	1,784	1,844	1,444	2,125	2,197	2,412
Number of criminal arrests	252	190	212	208	254	462	531	814	1,078	928
Animal warden service calls responded to per annual report	111	83	64	81	75	127	163	187	129	768

## City of Brook Park, Ohio

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

#### Last Ten Years

**Table 17**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Security of persons and property:										
Fire:										
EMS calls	1,946	2,172	2,240	2,230	2,092	1,981	2,102	2,190	2,282	2,447
Fire and fire-related calls	521	395	359	388	435	359	423	418	411	449
Hydrants tested	1,204	1,204	1,204	1,204	1,250	1,250	1,250	1,250	1,250	1,250
Leisure time activities:										
Recreation:										
Number of memberships	6,815	7,031	7,220	7,576	7,653	7,961	7,746	4,762	3,968	3,358
Community development:										
Parking fees collected due to										
Economic development dept.	\$923,268	\$855,278	\$855,840	\$827,354	\$962,131	\$1,061,234	\$1,051,743	\$995,999	\$976,591	\$975,500
Public works:										
Refuse disposal per year (tons)	10,870	10,848	13,470	13,020	12,867	9,138	9,858	10,901	10,930	10,870
Refuse disposal costs per year	\$409,506	\$424,033	\$417,180	\$436,085	\$419,775	\$ 411,540	\$ 468,255	\$386,998	\$378,919	\$361,016
Percentage of waste recycled	6.67%	6.25%	4.60%	4.25%	6.21%	4.12%	2.41%	2.00%	4.00%	9.00%
Transportation:										
Snowfall in inches	98.60	95.80	108.40	34.60	75.70	85.20	85.20	58.40	69.50	38.90
Cost of salt purchased	\$407,933	\$264,719	\$464,333	\$151,524	\$281,519	\$ 379,808	\$ 238,218	\$222,818	\$100,124	\$127,428
Asphalt used in road maintenance (tons)	280	512	387	240	165	125	425	348	76	272
Concrete used in road maintenance (yards)	324	365	300	300	300	300	590	110	244	179
Number of trees removed	200	200	248	157	144	131	98	78	207	175
Number of trees planted	190	150	125	110	124	105	102	80	8	15
Senior citizen driveway plowing participants	1,222	1,264	1,367	1,320	1,366	1,368	1,312	1,210	1,140	1,096

**Source:** Information was provided from the various departments within the City

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

N/A- Information is not available

## City of Brook Park, Ohio

### Capital Assets Statistics by Function/Program

#### Last Ten Years

#### Table 18

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function/program:										
General government:										
City Hall square footage	16,880	16,880	16,880	16,880	16,880	16,880	16,880	16,880	16,880	16,880
Other departmental vehicles	11	11	11	14	14	13	12	12	12	12
Security of persons and property:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Square footage of Police (and Fire) building	16,072	16,072	16,072	16,072	16,072	16,072	16,072	16,072	16,072	16,072
Number of vehicles	46	45	52	45	36	33	33	33	33	41
Number of street lights	2,565	2,565	2,565	2,565	2,565	2,565	2,565	2,565	2,565	2,565
Number of traffic lights	49	49	49	49	49	49	44	44	44	44
Fire:										
Stations	3	3	3	3	3	3	3	3	2	2
Square footage of station	16,072	16,072	16,072	16,072	16,072	16,072	16,072	16,072	16,072	16,072
Square footage of station - Ruple	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807
Number of Vehicles	14	15	16	14	15	15	15	15	14	14
Leisure time activities:										
Recreation:										
Number of Parks	7	7	7	7	7	7	7	7	7	7
Number of Pools	2	2	2	2	2	2	2	2	2	2
Number of Diving Tanks	1	1	1	1	1	1	1	1	1	1
Square footage of Recreation Center	105,300	105,300	105,300	105,300	105,300	105,300	105,300	105,300	105,300	105,300
Public works:										
Streets (miles)	46	46	46	46	46	46	46	46	46	46
Service vehicles	76	70	70	74	74	74	74	74	74	74

**Source:** Information is provided from the City's capital asset records

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