

2016

ANNUAL REPORT



CITY OF BROOK PARK, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

City of Brook Park, Ohio

Comprehensive Annual Financial Report For the Year Ended December 31, 2016

Issued by: Finance Department

Gregory M. Cingle, CPA, Finance Director

Martin S. Healy, Assistant Finance Director

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INTRODUCTORY SECTION

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City of Brook Park

Finance Department

Gregory M. Cingle
Finance Director

Martin S. Healy
Assistant Finance Director

June 14, 2017

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, 2016.

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 compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP and protect the government's assets from loss, theft or misuse. 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 James G. Zupka, C.P.A., Inc. 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, 2016, 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, 2016, 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.

Profile of the Government

The City, 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 the 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 the 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 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. Once certified, 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, the U.S. economic growth continues at a moderate pace. Some of the factors are as follows:

- The 2016 calendar year realized job growth of over 2 million jobs.
- The Federal Reserve raised the federal funds rate in December of 2016 by .25%.
- Oil prices began to increase in 2016.
- Many of the major market indexes realized healthy gains in 2016.
- Estimated GDP growth averaged 1.6% for the year.
- The U.S. residential real estate market continued to make a steady recovery in 2016.

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

- The City worked closely with the Greater Cleveland Regional Transit Authority (GCRTA) and the city of Cleveland to expend \$9 million to redevelop the GCRTA Brookpark Road Rapid Station. This station is one of the busiest in Northeast Ohio. Ribbon cutting for the new facility is scheduled for March 2017.
- As a member of the First Suburbs Development Coalition (FSDC), Brook Park will continue to work toward finding meaningful programs that can be administered by the FSDC. Capitalizing on recent changes in state law, each of the 16 member FSDC communities banded together to create the Advanced Energy District (AED) to provide assistance for financing energy-saving improvements for commercial and industrial businesses located within the AED.
- The City is partnering with the Small Business Association (SBA) and Cuyahoga County (County) to leverage its development funds for small and medium-sized businesses. Specifically, the City is partnering with the SBA and the County to assist the R.L. Wurz Company in building a corporate headquarters and distribution facility within the Brookpark Road corridor. Demolition of existing obsolete structures is anticipated in the second quarter of 2017 and construction of the new facility is expected to commence before the fourth quarter of 2017. SBA will be working with other small businesses in the industrial and commercial sector to finance plant expansions.
- Work continues with the cities of Cleveland, Parma, Berea and Olmsted Falls to create an Aerotropolis centered around Cleveland Hopkins Airport. The goal of the project is to enhance and generate new economic activity within designated areas of each of the communities.
- Ganley Chevrolet, Mini Cooper and Acura have completed construction of new dealerships on Brookpark Road. Approximately 225 jobs have been created.
- Cuyahoga Machine completed construction of its 15,000 square foot facility, where it will manufacture and repair hydraulic cylinders and heavy industrial equipment utilized in the steel making, mining and heavy construction industries. Twenty to twenty-five new jobs were created by Cuyahoga Machine as a result of this project, generating a \$750,000 per annum base payroll.

The City also provided Cuyahoga Machine a \$50,000 economic development grant to assist in the purchase of a high-end CNC programmable lathe to facilitate continued expansion of Cuyahoga Machine's workforce and facility. As a result, Cuyahoga Machine has agreed to guaranty its base payroll for 15 years, to expend \$200,000 to increase its facilities and to expand its workforce by two employees.

- The City provided a \$50,000 job retention, creation and economic development grant to Weston and Boss Pro Carting to demolish an obsolete industrial foundry and construct a state-of-the art 50,000 square foot warehouse/commercial steel and concrete building for the home of Boss Pro Carting.
- CED Engineering relocated to Apollo Parkway within the City, adding approximately \$3 million in new payroll.
- The City is currently working to site a \$70 million investment by an international automotive stamping plant on 30 acres of land. Payroll for the facility is estimated to be at least \$25 million. The firm's Board of Directors is currently analyzing the project and a decision to proceed is anticipated in late March or April of 2017.
- The City is also currently working with Jobs Ohio and the Team NEO to site a Canadian industrial entity in the recently vacated 50,000 square foot Joy Global facility. A strong likelihood of success is anticipated as the facility meets the substantial gantry crane requirements of the prospective buyer.
- The City continues to work with the Mazzella companies to site its 30-acre headquarters and manufacturing complex. Estimated project budget is \$10 million and approximately 100 new jobs will be created in the City if successful.
- The City is working closely with an international industrialist who has submitted an offer to purchase approximately 200 acres of unused industrial land and buildings from Ford Motor Company for redevelopment as an advanced manufacturing center.

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

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:** Engine Plant No. 1 has been retrofitted to facilitate the production of Ford's 2.0-liter, 4 and 6-cylinder EcoBoost engines. Completion of the \$200 million retrofit has allowed Ford to maximize production of the EcoBoost engine. Engine Plant No. 1 is currently operating at 110% of capacity.
- **NASA Glenn ("Glenn"):** President Obama's last proposed budget included funding for two major programs: Cryogenic Propellant Storage and Transfer (CPST) 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. President Trump recently signed a \$19.5 billion bill authorizing funding for NASA.

Redevelopment Opportunities:

- The City will take title to and demolish a dilapidated property on Brookpark Road and is currently working with Kotecki Monuments to plan and finance a new showroom facility.
- The City recently issued a \$50,000 renovation grant to the owners of the property located at 1600 Brookpark Road to demolish dilapidated structures, install new fencing and improve landscaping as incentive for a five-year lease extension by Blue Line Equipment Rental, a national heavy industrial and construction equipment lessor.
- E.L. Mustee, long time plumbing fixture manufacturer, completed its 66,793 square foot distribution facility on West 161st Street.
- The City is working to attract an international high-end vacuum cleaning manufacturer to site and construct a 50,000 square foot manufacturing, distribution and headquarters facility.
- The City continues to utilize the Master Plan (Plan) that was finalized in 2012. The Plan assists in providing ideas for redevelopment, land use and zoning updates.

Infrastructure:

- The Brookpark Road resurfacing project with the cities of Cleveland and Parma is complete. Approximately \$3 million was invested, with the majority of the funding coming from grants awarded by ODOT and OPWC.
- The 2016 Sidewalk repair program commenced.
- In 2016, West 150th St. sanitary sewer improvement project (Phase III) was substantially completed and the West 150th St. sanitary sewer improvement project (Phase IV) commenced.
- Reconstruction of Fry Road and Michael Drive (Phase V) began in 2016.
- The 2015 sidewalk repair program and the Holland Road/Sylvia Drive intersection repair project were substantially completed.

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, 2015. 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 25 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. for their assistance in preparing this report. In addition, we would like to thank the Mayor and each member of Brook Park 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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Brook Park
Ohio**

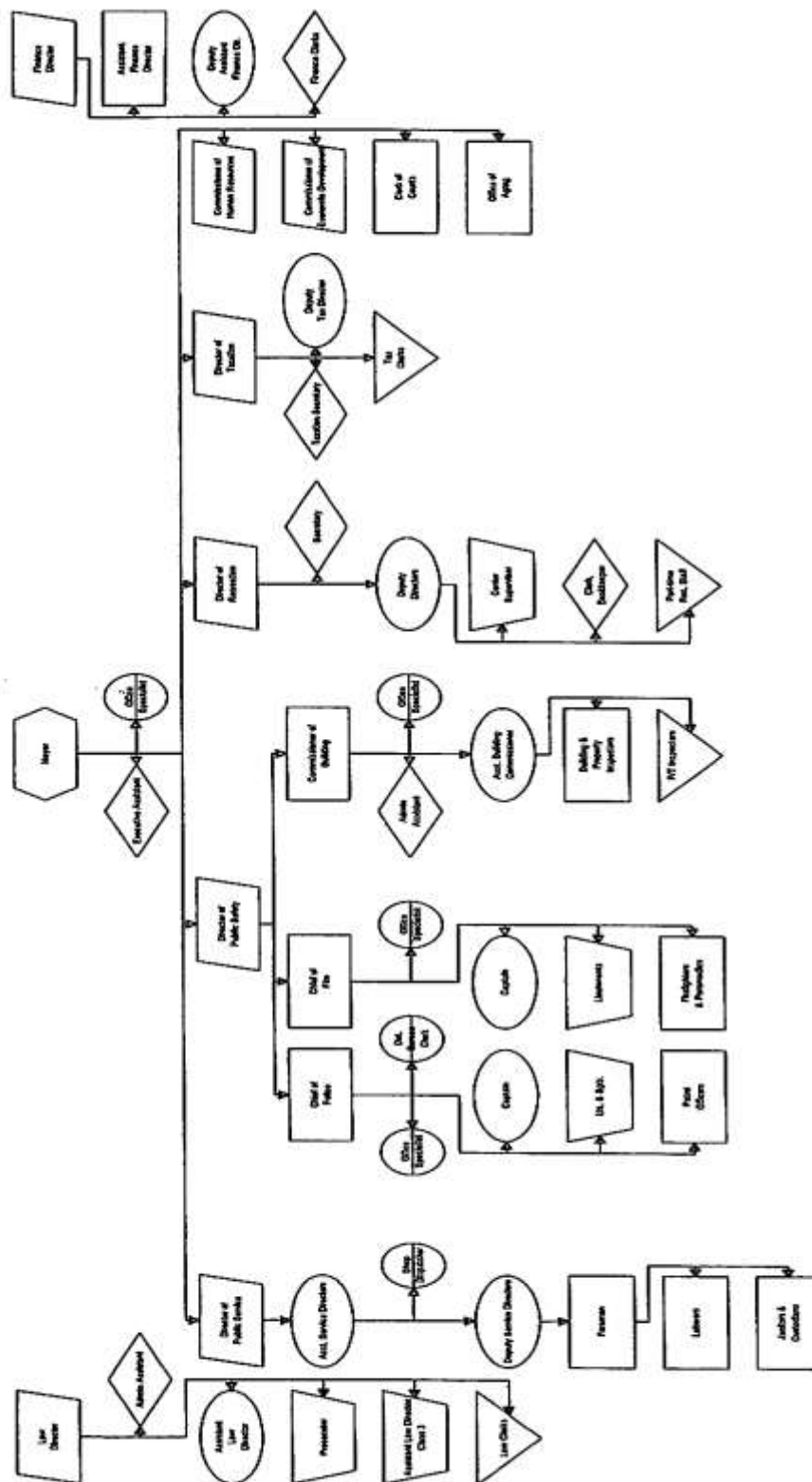
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015



Executive Director/CEO

City of Brook Park Administration



City of Brook Park, Ohio

Elected Officials

December 31, 2016

Mayor	Thomas J. Coyne
Council Member – President	Jim Astorino
Council Member – At-Large	Carl J. Burgio
Council Member – At-Large	Julie A. McCormick
Council Member – At-Large	Richard A. Salvatore
Council Member – Ward 1	Tom Troyer
Council Member – Ward 2	Jim Mencini
Council Member – Ward 3	Jan Powers
Council Member – Ward 4	Richard D. Scott
Finance Director	Gregory M. Cingle
Law Director	Carol Horvath

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FINANCIAL SECTION

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

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

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of Brook Park
Brook Park, Ohio

The Honorable Dave Yost
Auditor of State
State of 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, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2016, 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 of Brook Park as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension Liabilities and Pension Contributions, as listed in the table of contents, 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.

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.

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 14, 2017, 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.

A handwritten signature in black ink that reads "James G. Zupka, CPA, Inc." The signature is written in a cursive, flowing style.

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

June 14, 2017

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City of Brook Park, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2016

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, 2016. 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 2016 are:

- Revenue from municipal income and other taxes totaled \$19,608,280.
- Total assets and deferred outflows of resources increased by \$4,851,194 or a 4.54 percent increase from 2015.
- Total net position increased by \$982,289 or a 1.41 percent increase from 2015.
- Total capital assets increased by \$252,995 or a 0.33 percent increase from 2015.
- Total outstanding long-term liabilities and deferred inflows of resources increased by \$3,868,895. This was a 10.45 percent increase from 2015, which is mainly attributed to the City's net pension liability after the implementation of GASB 68.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,173,868, an increase of \$233,804 in comparison with the prior year's amount. Approximately 24.62 percent of this total amount, or \$4,720,915, 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 \$4,787,899, or 25.53 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, 2016

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 2016?" 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, 2016

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 inflows 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 19 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 budgetary 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, 2016

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 29.

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 required supplementary information and 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 73.

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 2016 as compared to 2015.

Table 1
Net Position

	2016	2015
ASSETS		
Current and other assets	\$ 27,176,165	\$ 26,603,584
Net pension asset	13,212	9,623
Capital assets, net	77,690,843	77,437,848
Total Assets	104,880,220	104,051,055
DEFERRED OUTFLOWS OF RESOURCES		
Pension	6,760,438	2,738,419
LIABILITIES		
Current and other liabilities	1,212,875	1,770,305
Long-term liabilities:		
Due within one year	1,062,847	1,101,296
Due in more than one year		
Net pension liability	24,270,057	21,096,949
Other amounts	10,798,025	11,371,173
Total Liabilities	37,343,804	35,339,723
DEFERRED INFLOWS OF RESOURCES		
Property taxes	1,618,218	1,583,016
Pension	1,934,391	104,779
Total Deferred Inflows of Resources	3,552,609	1,687,795
NET POSITION		
Net investment in capital assets	67,797,950	66,736,815
Restricted	10,094,025	10,698,321
Unrestricted	(7,147,730)	(7,673,180)
Total Net Position	\$ 70,744,245	\$ 69,761,956

City of Brook Park, Ohio

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

For the Year Ended December 31, 2016

In 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board (GASB) standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
- 2 Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or are satisfied through paid time-off or termination payments, i.e. sick and vacation leave. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates and return on investments affect the balance of the net pension liability and local government. In the event that contributions, investment returns and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

City of Brook Park, Ohio

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

For the Year Ended December 31, 2016

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows. As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

Net position may serve over time as useful indicator of a government's financial position. The City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the close of 2016 by \$70,744,245. Due to the implementation of GASB 68 and the addition of the City's net pension liability of \$24,270,057, the City's unrestricted net position was a negative \$7,147,730.

The largest portion of the City's total net position (95.84 percent) reflects its net 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.

Total assets increased by \$829,165 during the current year. The following factors were responsible for the change in total assets:

- Investment in the infrastructure of the City continued in 2016. The Railroad Crossing Quiet Zone project was completed.
- The City started multiple new reconstruction projects, including reconstruction of Fry Rd. and Michael Rd.
- The Smith Rd. sanitary sewer improvement was completed in November 2016.
- Capital equipment and vehicles that were purchased or encumbered to be purchased in 2016 included:
 1. Ford F150 Pickup Truck (\$36,253)
 2. Salt Truck (\$120,780)
 3. Leaf Trailer (50,770)

Total liabilities increased by \$2,004,081, which is primarily due to an increase in net pension liability from 2015.

City of Brook Park, Ohio

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

For the Year Ended December 31, 2016

Table 2 shows the changes in net position for 2016 as compared with 2015.

Table 2
Changes in Net Position

	2016	2015
REVENUES		
Program Revenues:		
Charges for services	\$ 3,613,822	\$ 3,749,320
Operating grants and contributions	1,287,512	1,144,355
Capital grants and contributions	585,456	1,341,603
Total Program Revenues	5,486,790	6,235,278
General Revenues:		
Property taxes	1,836,353	1,769,793
Municipal income and other taxes	19,608,280	19,570,562
Grants and entitlements	618,590	716,253
Investment income	62,985	19,345
All other revenues	16,088	1,265
Total General Revenues	22,142,296	22,077,218
Total Revenues	27,629,086	28,312,496
EXPENSES		
Program Expenses:		
Security of persons and property	12,063,794	10,659,035
General government	4,756,377	4,548,339
Public works	3,228,252	3,080,342
Leisure time activities	1,567,408	1,508,908
Transportation	2,946,070	3,081,564
Community development	1,637,055	1,160,879
Public health and welfare	209,629	230,016
Interest and fiscal charges	238,212	230,077
Total Expenses	26,646,797	24,499,160
Change in Net Position	982,289	3,813,336
Net Position - Beginning of Year	69,761,956	65,948,620
Net Position - End of Year	\$ 70,744,245	\$ 69,761,956

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 2016, the revenues generated from municipal income tax and other miscellaneous taxes amounted to \$19,608,280. The 0.19 percent increase in income tax collections from 2015 to 2016 can mostly be attributed to withholding and net profit tax collections.

In 2016 capital grants and contribution decreased by \$756,147 or 56.36 percent due to the completion of multiple capital projects by the City.

City of Brook Park, Ohio

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

For the Year Ended December 31, 2016

For 2016, City income tax revenue of 20 percent is earmarked for specific capital improvements. These revenues are allocated by City ordinance, providing that a substantial portion of the City's income tax collections be set aside for roads, city facilities and other capital requirements.

Of the \$27,629,086 in total revenue, municipal income tax and other taxes accounted for 70.98 percent, property taxes accounted for 6.65 percent, charges for services accounted for 13.08 percent, and operating grants and contributions accounted for 4.66 percent of total revenue.

The combination of municipal income tax, property tax, charges for services, intergovernmental funding and operating grants and contributions were 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, slight increases in total 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 2016, security of persons and property accounted for 45.27 percent of program expenses, and 17.85 percent of program expenses related to general government. In 2016, the overall increase in expenses was \$2,147,637 or 8.77 percent. This increase in expenses was mainly due to increases in security of persons and property and general government.

Currently there are 36 full-time sworn officers in the police department. The department wrote 5,886 tickets in 2016, which constituted a 26.05 percent decrease over tickets written in 2015.

The fire department consists of 30 full-time firefighters. The department handled 3,079 calls for assistance in 2016, of which approximately 2,639 were for emergency medical services (EMS), with the balance attributed to fire and fire-related incidents. Total calls for assistance represented an increase of nearly 2.02 percent over 2015.

Program Expenses

For the year ended December 31, 2016, the City's total cost of services was \$26,646,797, with a net cost of services totaling \$21,160,007.

Table 3 itemizes fiscal year 2016 program expenses by specific function.

Table 3
Program Expenses

	Total Cost of Services 2016	Net Cost of Services 2016
Security of persons and property	\$12,063,794	\$ 10,670,084
General government	4,756,377	4,070,234
Public works	3,228,252	2,640,675
Transportation	2,946,070	2,053,470
Leisure time activities	1,567,408	1,326,391
Community development	1,637,055	(48,468)
Public health and welfare	209,629	209,409
Interest and fiscal charges	238,212	238,212
Total cost of service	<u>\$26,646,797</u>	<u>\$ 21,160,007</u>

City of Brook Park, Ohio

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

For the Year Ended December 31, 2016

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

As referenced, 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 \$19,173,868. Of that amount, \$4,720,915 constitutes unassigned fund balances that are available for spending at the government's discretion without externally or internally imposed constraints. The remaining balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending.

General Fund

The General Fund is the chief operating fund of the City. As of December 31, 2016, the total fund balance for the General Fund was \$9,748,997, of which \$4,787,899 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 including other financing uses). Unassigned fund balance represents 25.53 percent of total General Fund expenditures, while total fund balance represents 51.98 percent of that same amount.

During 2016, the said fund balance increased by \$877,741 or 9.89 percent. This increase is due to the City's continued efforts to control expenditures and transfers out within the constraints of the revenue received.

Capital Improvements Fund

The Capital Improvements Fund accounts for intergovernmental revenue in the form of grants as well as the portion of municipal income tax allocated by City Council for the purpose of improving, constructing, maintaining and purchasing those items necessary to enhance the operation of the City. As of December 31, 2016, the total fund balance for the Capital Improvements Fund was \$3,454,559, of which \$3,049,098 was committed due to constraints imposed by Council and \$405,461 was restricted by external constraints. The said fund balance decreased by \$301,673 during 2016, mainly due to the continued spend down of bond proceeds received in 2013 for various capital projects.

City of Brook Park, Ohio

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

For the Year Ended December 31, 2016

City Budget

The City's budget is prepared according to Ohio law and accounts for certain transactions on a basis of cash receipts, cash disbursements and encumbrances. The most significant budgeted fund is the General Fund. Except for agency funds, an annual appropriation budget is legally required to be prepared for all funds of the City. City Council is provided with a detailed line item budget for all departments. 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 2016, the City amended its General Fund budget twice. 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 plus other financing sources was \$23,194,515 as compared to the original budget estimate plus other financing sources of \$22,547,272. The final budget was higher than the original budget due to higher than expected income tax collections and fines and forfeitures. The final appropriations plus other financing uses of \$23,492,227 were sufficient to meet the actual expenditures plus other financing uses for the year, \$21,856,969 million.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2016, the City had \$77,690,843 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 2016 balances of capital assets, net of depreciation, as compared to 2015.

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

	2016	2015
Land	\$ 4,896,683	\$ 4,896,683
Construction in progress	4,366,746	5,534,872
Buildings and improvements	8,127,164	8,538,855
Improvements other than buildings	865,787	918,609
Machinery and equipment	1,411,889	1,615,051
Furniture and fixtures	23,331	28,621
Vehicles	2,400,147	2,601,357
Infrastructure:		
Streets	37,613,145	39,145,095
Sewers	17,263,580	13,416,046
Water Lines	722,371	742,659
Total Capital Assets	<u>\$ 77,690,843</u>	<u>\$ 77,437,848</u>

In 2016, several vehicles were disposed of and several capital projects were completed or nearing completion.

City of Brook Park, Ohio

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

For the Year Ended December 31, 2016

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 City Council, the projects are bid 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, 2016, the City had \$9,892,993 in outstanding debt, with \$785,012 of that debt due within one year.

Table 5 summarizes general obligation bonds, capital leases, and OPWC loans.

Table 5
Outstanding Debt at Year End

	2016	2015
General obligation bonds	\$ 6,654,127	\$ 7,060,299
Capital leases	449,965	719,597
OPWC loans	2,788,901	2,921,137
Total outstanding debt	<u>\$ 9,892,993</u>	<u>\$ 10,701,033</u>

As of December 31, 2016, the City's overall legal debt margin was \$36,690,612, with an unvoted debt margin of \$16,226,570.

More detailed information about the City's debt liabilities is presented in Note 8 of the basic financial statements.

Current Financial Related Activities

Local officials and Ford executives 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. In addition, discussions will continue on how to best develop the vacant acreage on the campus.

NASA Glenn, the largest taxpayer in the City, continues to be a tremendous asset to the community and region. City officials will continue to meet with Glenn administrators to discuss the current and future state of their facility.

In closing, local officials continue to work through the economic challenges facing the City and remain committed to providing full disclosure of the City's financial position to its residents.

City of Brook Park, Ohio

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

For the Year Ended December 31, 2016

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, at the City of Brook Park, 6161 Engle Rd., Brook Park, Ohio, (216) 433-1300, or e-mail to info@cityofbrookpark.com.

City of Brook Park, Ohio
Statement of Net Position
December 31, 2016

	Governmental Activities
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 20,055,322
Materials and Supplies Inventory	208,139
Accounts Receivable	193,998
Accrued Interest Receivable	6,998
Intergovernmental Receivable	1,605,816
Prepaid Items	257,024
Municipal Income Taxes Receivable	3,064,788
Property Taxes Receivable	1,698,354
Special Assessments Receivable	85,726
Net Pension Asset	13,212
Nondepreciable Capital Assets	9,263,429
Depreciable Capital Assets	68,427,414
Total Assets	104,880,220
DEFERRED OUTFLOWS OF RESOURCES	
Pension	6,760,438
Total Deferred Outflows of Resources	6,760,438
LIABILITIES	
Accounts Payable	393,608
Contracts Payable	251,557
Accrued Wages and Benefits	286,581
Matured Compensated Absences Payable	25,110
Accrued Interest Payable	23,155
Retainage Payable	133,849
Claims Payable	99,015
Long-term Liabilities:	
Due within one year	1,062,847
Due in more than one year:	
Net Pension Liability (See Note 11)	24,270,057
Other amounts due in more than one year	10,798,025
Total Liabilities	37,343,804
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	1,618,218
Pension	1,934,391
Total Deferred Inflows of Resources	3,552,609
NET POSITION	
Net Investment in Capital Assets	67,797,950
Restricted for:	
Debt Services	3,726,530
Capital Projects	2,148,752
Economic Development	800,811
Street Paving and Repair	2,284,811
Recreation	403,637
Public Safety	509,594
Other Purposes	219,890
Unrestricted	(7,147,730)
Total Net Position	\$ 70,744,245

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, 2016

		Program Revenues		Net (Expense)
		Operating	Capital	Revenue and
		Grants and	Grants and	Changes in Net
		Contributions	Contributions	Position
	Expenses	Charges for		Governmental
		Services		Activities
Governmental activities:				
Security of Persons and Property				
Police and Others	\$ 7,276,838	\$ 785,989	\$ 54,296	\$ (6,436,553)
Fire	4,786,956	529,925	23,500	(4,233,531)
Public Health and Welfare	209,629	220	-	(209,409)
Leisure Time Activities	1,567,408	241,017	-	(1,326,391)
Community Development	1,637,055	1,395,370	290,153	48,468
Public Works	3,228,252	-	2,121	(2,640,675)
Transportation	2,946,070	3,000	889,600	(2,053,470)
General Government	4,756,377	658,301	27,842	(4,070,234)
Interest and Fiscal Charges	238,212	-	-	(238,212)
Total Governmental activities	\$ 26,646,797	\$ 3,613,822	\$ 1,287,512	\$ 585,456
				(21,160,007)
General Revenues:				
Property Taxes levied for:				
General Purposes				1,529,974
Other Purposes				306,379
Municipal Income and Other Taxes levied for:				
General Purposes				16,782,957
Capital Outlay				2,825,323
Grants & Entitlements not restricted to specific programs				618,590
Investment Income				62,985
All Other Revenues				16,088
Total General Revenues				22,142,296
Change in Net Position				982,289
Net Position - Beginning of Year				69,761,956
Net Position - End of Year				\$ 70,744,245

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, 2016

	General Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 8,157,370	\$ 3,553,592	\$ 5,156,669	\$ 16,867,631
Materials and Supplies Inventory	208,139	-	-	208,139
Accrued Interest Receivable	5,002	-	1,996	6,998
Accounts Receivable	152,104	-	-	152,104
Intergovernmental Receivable	321,699	-	1,284,117	1,605,816
Prepaid Items	125,647	-	-	125,647
Municipal Income Taxes Receivable	2,486,848	577,940	-	3,064,788
Property Taxes Receivable	1,386,472	-	311,882	1,698,354
Special Assessments Receivable	-	27,739	57,987	85,726
Total Assets	12,843,281	4,159,271	6,812,651	23,815,203
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Accounts Payable	\$ 287,107	\$ 63,774	\$ 42,727	\$ 393,608
Accrued Wages and Benefits	182,812	-	103,769	286,581
Contracts Payable	-	251,557	-	251,557
Matured Compensated Absences Payable	25,110	-	-	25,110
Retainage Payable	-	114,921	18,928	133,849
Total Liabilities	495,029	430,252	165,424	1,090,705
Deferred Inflows of Resources:				
Property Taxes	1,321,087	-	297,131	1,618,218
Unavailable Revenue - Delinquent Property Taxes	65,385	-	14,751	80,136
Unavailable Revenue - Income Taxes	986,883	246,721	-	1,233,604
Unavailable Revenue - Other	225,900	27,739	365,033	618,672
Total Deferred Inflows of Resources	2,599,255	274,460	676,915	3,550,630
Fund Balances:				
Nonspendable	333,786	-	-	333,786
Restricted	-	405,461	3,621,517	4,026,978
Committed	1,987,936	3,049,098	1,287,283	6,324,317
Assigned	2,639,376	-	1,128,496	3,767,872
Unassigned (Deficit)	4,787,899	-	(66,984)	4,720,915
Total Fund Balances	9,748,997	3,454,559	5,970,312	19,173,868
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,843,281	\$ 4,159,271	\$ 6,812,651	\$ 23,815,203

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

City of Brook Park, Ohio

Reconciliation of Total Governmental Funds Balances to Net Position of Governmental Activities December 31, 2016

Total Governmental Funds Balance	\$ 19,173,868
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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	77,690,843
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenues in the funds:

Delinquent property taxes	\$ 80,136	
Municipal income and other taxes	1,233,604	
Special assessments	85,726	
Intergovernmental	528,039	
Charges for services	4,907	
Total	<u>1,932,412</u>	1,932,412

The prepayment of the City's net OPEB amount is a result of the City's annual OPEB expenses exceeding the annual OPEB cost.	106,629
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In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.	(23,155)
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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.	3,155,318
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The net pension liability/asset is not due and payable in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	6,760,438	
Deferred Inflows - Pension	(1,934,391)	
Net Pension Liability/Asset	<u>(24,256,845)</u>	
Total		(19,430,798)

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	(6,430,000)	
OPWC loans	(2,788,901)	
Unamortized bond premiums	(224,127)	
Capital leases	(449,965)	
Accrued compensated absences	<u>(1,967,879)</u>	
Total		<u>(11,860,872)</u>

Net Position of Governmental Activities	\$ <u>70,744,245</u>
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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, 2016

	General Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 1,526,625	\$ -	\$ 305,621	\$ 1,832,246
Municipal Income Taxes	16,265,690	2,789,801	-	19,055,491
Other Taxes	375,180	-	-	375,180
Intergovernmental	638,406	576,005	963,522	2,177,933
Interest	48,037	-	14,948	62,985
Licenses and Permits	706,759	-	44,500	751,259
Fines and Forfeitures	714,542	-	962	715,504
Rentals	90,176	-	-	90,176
Charges for Services	1,662,569	-	-	1,662,569
Contributions and Donations	38,735	-	-	38,735
Special Assessments	-	2,561	60,793	63,354
All Other Revenues	275,655	4,590	396,083	676,328
Total Revenues	22,342,374	3,372,957	1,786,429	27,501,760
EXPENDITURES				
Security of Persons and Property:				
Police and Others	5,834,997	-	666,885	6,501,882
Fire	3,583,663	-	689,798	4,273,461
Public Health and Welfare	109,081	-	94,827	203,908
Leisure Time Activities	1,203,169	-	60,861	1,264,030
Community Development	833,158	43,138	797,087	1,673,383
Public Works	2,247,868	244,252	-	2,492,120
Transportation	528,894	136,563	645,256	1,310,713
General Government	4,415,617	207,930	628	4,624,175
Capital Outlay	-	3,732,345	414,299	4,146,644
Debt Service:				
Principal Retirement	-	-	541,847	541,847
Interest and Fiscal Charges	-	-	257,212	257,212
Total Expenditures	18,756,447	4,364,228	4,168,700	27,289,375
Excess of Revenues (Under) Expenditures	3,585,927	(991,271)	(2,382,271)	212,385
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	1,808	-	-	1,808
OPWC Loans Issued	-	19,611	-	19,611
Transfers In	-	1,717,884	2,040,007	3,757,891
Transfers Out	(2,709,994)	(1,047,897)	-	(3,757,891)
Total Other Financing Sources (Uses)	(2,708,186)	689,598	2,040,007	21,419
Net Change in Fund Balances	877,741	(301,673)	(342,264)	233,804
Fund Balances - Beginning of Year	8,871,256	3,756,232	6,312,576	18,940,064
Fund Balances - End of Year	\$ 9,748,997	\$ 3,454,559	\$ 5,970,312	\$ 19,173,868

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, 2016

Net Change in Fund Balances-Total Governmental Funds **\$ 233,804**

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	\$ 3,713,275	
Depreciation	<u>(3,378,530)</u>	
Total		334,745

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. (81,750)

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

Delinquent property taxes	4,102	
Municipal income and other taxes	177,609	
Special assessments	(4,149)	
Intergovernmental	(45,506)	
Charges for services	<u>(4,730)</u>	
Total		127,326

Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the issuance of OPWC loans. (19,611)

Repayment of bond and loan principal are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 811,479

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows 1,892,808

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (2,869,920)

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

Accrued compensated absences	(196,443)	
Accrued interest on bonds	2,828	
Annual OPEB cost	(133,759)	
Amortization of bond premiums	<u>16,172</u>	
Total		(311,202)

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. 864,610

Change in Net Position of Governmental Activities **\$ 982,289**

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 – Budget (Non-GAAP Budgetary Basis) and Actual

General Fund

For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 1,432,729	\$ 1,526,625	\$ 1,526,625	\$ -
Municipal Income Taxes	16,442,104	16,731,657	16,728,786	(2,871)
Other Taxes	345,000	362,771	362,771	-
Intergovernmental	604,776	613,779	644,411	30,632
Interest	41,913	44,660	44,660	-
Licenses and Permits	679,371	729,980	734,577	4,597
Fines and Forfeitures	704,232	750,384	750,384	-
Rentals	84,629	90,176	90,176	-
Charges for Services	1,528,342	1,628,504	1,628,504	-
Contributions and Donations	36,352	34,129	38,735	4,606
All Other Revenues	271,674	303,892	264,157	(39,735)
Total Revenues	<u>22,171,122</u>	<u>22,816,557</u>	<u>22,813,786</u>	<u>(2,771)</u>
Expenditures:				
Current:				
Security of Persons and Property	9,701,076	9,729,228	9,564,519	164,709
Public Health and Welfare	105,537	111,037	108,796	2,241
Leisure Time Activities	1,254,394	1,273,168	1,224,881	48,287
Community Development	924,325	893,687	849,619	44,068
Public Works	2,322,470	2,443,310	2,320,033	123,277
Transportation	617,434	610,152	510,476	99,676
General Government	5,236,132	5,219,433	4,419,934	799,499
Total Expenditures	<u>20,161,368</u>	<u>20,280,015</u>	<u>18,998,258</u>	<u>1,281,757</u>
Excess of Revenues Over (Under) Expenditures	2,009,754	2,536,542	3,815,528	1,278,986
Other Financing Sources (Uses)				
Sale of Capital Assets	-	1,808	1,808	-
Transfer In	376,150	376,150	22,750	(353,400)
Transfers Out	(3,396,144)	(3,212,212)	(2,858,812)	353,400
Total Other Financing Sources (Uses)	<u>(3,019,994)</u>	<u>(2,834,254)</u>	<u>(2,834,254)</u>	<u>-</u>
Net Change in Fund Balance	(1,010,240)	(297,712)	981,274	1,278,986
Cash Fund Balance - Beginning of Year	6,916,271	6,916,271	6,916,271	-
Current Year Encumbrances	232,172	232,172	232,172	-
Cash Fund Balance - End of Year	<u>\$ 6,138,203</u>	<u>\$ 6,850,731</u>	<u>\$ 8,129,717</u>	<u>\$ 1,278,986</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, 2016

	Governmental Activities
	Internal Service Fund
ASSETS	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 3,187,691
Accounts Receivable	41,894
Prepaid Items	24,748
Total Assets	3,254,333
LIABILITIES	
Current Liabilities:	
Claims Payable	99,015
Total Liabilities	99,015
NET POSITION	
Unrestricted	3,155,318
Total Net Position	\$ 3,155,318

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, 2016

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES	
Charges for Services	\$ 2,517,201
Total Operating Revenues	2,517,201
OPERATING EXPENSES	
Fringe Benefits	1,652,591
Total Operating Expense	1,652,591
Change in Net Position	864,610
Net Position - Beginning of Year	2,290,708
Net Position- End of Year	\$ 3,155,318

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, 2016

	Governmental Activities
	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Charges for Services	\$ 2,517,201
Cash Payments for Claims	(1,741,980)
Net Cash Provided by Operating Activities	<u>775,221</u>
Net Increase in Cash and Cash Equivalents	775,221
Cash and Cash Equivalents - Beginning of Year	2,412,470
Cash and Cash Equivalents - End of Year	<u><u>\$ 3,187,691</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 864,610
Adjustments:	
(Increase) in Assets:	
Accounts Receivable	(41,894)
Prepaid Items	11,365
(Decrease) in Liabilities:	
Claims Payable	(58,860)
Net Cash Provided by Operating Activities	<u><u>\$ 775,221</u></u>

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

City of Brook Park, Ohio

Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2016

	Agency Funds
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 112,454
Cash and Cash Equivalents:	
in Segregated Accounts	<u>43,691</u>
Total Assets	<u><u>\$ 156,145</u></u>
 Liabilities	
Deposits Held and Due to Others	<u><u>\$ 156,145</u></u>

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

Notes to Basic Financial Statements

City of Brook Park, Ohio

Notes to the Basic Financial Statements

For The Year Ended December 31, 2016

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.

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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 1: The Reporting Entity (continued)

Jointly Governed Organizations (continued)

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 2016, the City of Brook Park contributed \$94,827 of property tax levies and intergovernmental revenue to the Health Center.

Southwest Regional Communications Network Council of Governments

The Southwest Regional Communications Network Council of Governments is a jointly-governed organization between the City and seven other communities. Formed as a Regional Council of Governments as permitted under Ohio Revised Code Section 167.01, the intent of this organization 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 as amended by GASB Statement No. 61, the City does not have an equity interest in the organization. Financial information may be obtained by writing to the Network Council, at 17401 Holland Road, Brook Park, Ohio 44142.

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 position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net 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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

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.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and 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 and/or the general laws of Ohio.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Capital Improvements Fund

The Capital Improvements Fund accounts for intergovernmental revenues, bond proceeds, and the 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.

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, assets held for the Southwest Regional Communication jointly governed organization, and employees' share of pension contributions.

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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 2: Summary of Significant Accounting Policies (continued)

C. Measurement Focus (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and 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.

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 of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

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 represent 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. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The deferred outflows of resources related to pension are explained in Note 11.

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 until that time. For the City, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance year 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and 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, special assessments, and intergovernmental revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 11)

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:

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgetary Process (continued)

Tax Budget

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

Estimated Resources

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

On or about January 1 the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the Finance Director determines that revenue to be collected will be greater than or less than the prior estimates and the budget commission considers 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 2016. The amounts reported in the budgetary statements as final reflect the amounts in the final amended official certificate of estimated resources issued during 2016.

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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 2: Summary of Significant Accounting Policies (continued)

E. Budgetary Process (continued)

Lapsing of Appropriations

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

Budgeted Level of Expenditure

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

Encumbrances

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

Investments are reported at fair value which is based on quoted market prices. Non-participating contracts such as non-negotiable certificates of deposits are reported at cost.

During fiscal year 2016, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 2: Summary of Significant Accounting Policies (continued)

F. Pooled Cash and Cash Equivalents (continued)

STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79 "Certain External Investment Pools and Pool Participants." The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2016, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

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

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 in the nonspendable component of fund balance which indicates they are unavailable for appropriation even though they are a component of reported assets. Inventory consists of expendable supplies.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2016, 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, 2016 consist of taxes, intergovernmental, accounts (billings for user charged services), special assessments, and accrued interest on investments. All are deemed collectible in full.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 2: Summary of Significant Accounting Policies (continued)

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

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 would be offset by a component of fund balance. 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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 2: Summary of Significant Accounting Policies (continued)

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. Pensions

For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

N. 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.

O. 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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 2: Summary of Significant Accounting Policies (continued)

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. These amounts are assigned by the City Council. In the general fund, assigned amounts would represent intended uses established by policies of the City Council or a City official delegated that authority by City Charter or ordinance, or by State statute. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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.

P. 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. As of December 31, 2016, the City did not have net position restricted by enabling legislation.

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

Q. 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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 2: Summary of Significant Accounting Policies (continued)

R. 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.

S. 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.

T. 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 2016.

U. 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

For the fiscal year ended December 31, 2016, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

GASB Statement No. 72, *Fair Value Measurement of Application*. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurement. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The City implemented these changes in the fiscal year 2016 financial statements; however, there was no effect on the beginning net position/fund balance.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 3: Changes in Accounting Principles (continued)

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also clarifies the application of certain provisions of GASB Statements 67 and 68. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the City.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the City.

GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The implementation of GASB Statement No. 77 did not have an effect the beginning net position/fund balance.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the City.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. The City implemented these changes in the fiscal year 2016 financial statements; however, there was no effect on the beginning net position/fund balance.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

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) 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	\$ 877,741
<u>Increase (Decrease) Due to:</u>	
Revenue Accruals	614,162
Expenditure Accruals	(276,669)
Funds with Separate Legally Adopted Budget	(1,788)
Outstanding Encumbrances	<u>(232,172)</u>
Budget Basis	<u><u>\$ 981,274</u></u>

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

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, 2016

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.

A. 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 \$9,453,251 (including \$4,030 of petty cash, \$43,691 of segregated accounts and \$12,439 in STAR Plus) and the bank balance was \$9,918,857. As of December 31, 2016, \$306,130 of the City's bank balances were covered by Federal depository insurance and the remaining \$9,612,727 was exposed to custodial credit risk because it was uninsured and collateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

B. Investments

Investments are reported at fair value. As of December 31, 2016, the City had the following investments:

<u>Investment Type</u>	<u>NAV</u>	<u>Credit Rating (*)</u>	<u>Investment Maturities (in Years)</u>
			<1
STAR Ohio	\$ 10,758,216	AAAm	\$ 10,758,216
Total Investments	10,758,216		<u>\$ 10,758,216</u>

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

The City has categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 5: Deposits and 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, 2016 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 2015. Real property taxes are payable annually or semiannually. The first payment is due December 31, with the remainder payable by June 20.

Taxes collected on tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year.

Tangible personal property used in business (except for public utilities) is currently assessed for *ad valorem* taxation purposes at 25 percent of its true value. The tangible personal property tax has been phased out and the City is only receiving residual amounts from delinquent tangible personal property taxes.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 6: Receivables (continued)

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, 2016, was \$4.75 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2016 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	\$ 397,429,920
Public Utility	11,850,930
Total	<u>\$ 409,280,850</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 Improvements Capital Projects Funds, at eighty and twenty percent, respectively.

The Capital Improvements Capital Projects Fund further allocates income taxes to other project-based capital projects funds, as transfers, through the budgetary process.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 6: Receivables (continued)

C. *Intergovernmental*

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Local government funds	\$ 200,825
Auto registration fees	90,643
Homestead and rollback	111,874
Gasoline and excise tax	337,211
Permissive tax	3,790
City of Cleveland (share of OPWC loan)	823,593
Fines and forfeitures	29,960
Miscellaneous reimbursements	<u>7,920</u>
Total	<u>\$ 1,605,816</u>

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 7: Capital Assets

	Balances 12/31/2015	Additions	Disposals	Balances 12/31/2016
Governmental Activities				
Nondepreciable Assets:				
Land	\$ 4,896,683	\$ -	\$ -	\$ 4,896,683
Construction in progress	5,534,872	3,323,986	(4,492,112)	4,366,746
Total Nondepreciable Assets	10,431,555	3,323,986	(4,492,112)	9,263,429
Depreciable Assets:				
Buildings and Improvements	17,914,794	-	(58,909)	17,855,885
Improvements Other than Buildings	3,125,084	68,539	-	3,193,623
Machinery and Equipment	5,152,220	112,947	(73,956)	5,191,211
Furniture and Fixtures	210,094	-	-	210,094
Vehicles	8,487,582	207,803	-	8,695,385
Infrastructure:				
Streets	53,970,619	198,915	-	54,169,534
Sewers	22,283,226	4,293,197	-	26,576,423
Water Lines	1,107,963	-	-	1,107,963
Total Depreciable Assets	112,251,582	4,881,401	(132,865)	117,000,118
Less Accumulated Depreciation				
Buildings and Improvements	(9,375,939)	(357,593)	4,811	(9,728,721)
Improvements Other than Buildings	(2,206,475)	(121,361)	-	(2,327,836)
Machinery and Equipment	(3,537,169)	(288,457)	46,304	(3,779,322)
Furniture and Fixtures	(181,473)	(5,290)	-	(186,763)
Vehicles	(5,886,225)	(409,013)	-	(6,295,238)
Infrastructure:				
Streets	(14,825,524)	(1,730,865)	-	(16,556,389)
Sewers	(8,867,180)	(445,663)	-	(9,312,843)
Water Lines	(365,304)	(20,288)	-	(385,592)
Total Accumulated Depreciation	(45,245,289)	(3,378,530)	51,115	(48,572,704)
Total Depreciable Assets, Net	67,006,293	1,502,871	(81,750)	68,427,414
Governmental Activities Capital Assets, Net	\$ 77,437,848	\$ 4,826,857	\$ (4,573,862)	\$ 77,690,843

Depreciation was charged to governmental activities as follows:

Security of Persons and Property:	
Police and Others	\$ 168,598
Fire	173,231
Public Health and Welfare	5,586
Leisure Time Activities	321,143
Community Development	10,593
Public Works	817,536
Transportation	1,693,843
General Government	188,000
Total Depreciation Expense	\$ 3,378,530

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

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
Heatherwood Dr. Reconstruction	2011	2% - 3.4%	905,000
Sheldon Rd. Waterline Replacement	2011	2% - 3.4%	800,000
Various Purpose Improvement Bonds:			
Engle Road Resurfacing	2013	2% - 4.75%	1,835,000
Engle Road Sanitary Sewer Replacement	2013	2% - 4.75%	1,965,000
Smith Road Sanitary Sewer	2013	2% - 4.75%	1,720,000

Changes in long-term debt activity for the year ended December 31, 2016 was as follows:

	Balances 12/31/2015	Issued	Retired	Balances 12/30/2016	Amounts Due in One Year
General Obligation Bonds:					
Laich Street Improvements	\$ 425,000	\$ -	\$ 40,000	\$ 385,000	\$ 40,000
Heatherwood Drive Reconstruction	700,000	-	55,000	645,000	55,000
Sheldon Rd. Waterline Replacement	615,000	-	50,000	565,000	50,000
Various Purpose Improvement Bonds, Series 2013:					
Engle Road Resurfacing Project	1,645,000	-	105,000	1,540,000	105,000
Engle Road Sanitary Sewer Replacement Project	1,830,000	-	75,000	1,755,000	75,000
Smith Road Sanitary Sewer Project	1,605,000	-	65,000	1,540,000	65,000
Total General Obligation Bonds	6,820,000	-	390,000	6,430,000	390,000
Capitalized Lease Agreements:					
Automated Rubbish Vehicles and Cans	669,303	-	219,338	449,965	223,081
Safety Forces Vehicles	50,294	-	50,294	-	-
Total Capital Leases	719,597	-	269,632	449,965	223,081

(continued)

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 8: Long-Term Obligations (continued)

	Balances 12/31/2015	Issued	Retired	Balances 12/30/2016	Amounts Due in One Year
Other Long-term Obligations:					
Unamortized Bond Premiums	\$ 240,299	\$ -	\$ 16,172	\$ 224,127	\$ 16,171
OPWC Loan - W. 150th Project	1,413,264	-	97,467	1,315,797	97,467
OPWC Loan - Smith/Hummel Rd	94,511	-	5,907	88,604	5,907
OPWC Loan Payable - Smith Rd. Sanitary Sewer	783,214	19,611	-	802,825	20,071
City of Berea OPWC loan - Eastland Rd.	630,148	-	48,473	581,675	32,315
Accrued Compensated Absences	1,771,436	486,260	289,817	1,967,879	277,835
Net Pension Liability:					
OPERS	5,797,054	1,153,100	-	6,950,154	-
OP&F	15,299,895	2,020,008	-	17,319,903	-
Total Net Pension Liability:	21,096,949	3,173,108	-	24,270,057	-
Total Other Long-term Obligations	26,029,821	3,678,979	457,836	29,250,964	449,766
Total Governmental Long-term Liabilities	\$ 33,569,418	\$ 3,678,979	\$ 1,117,468	\$ 36,130,929	\$ 1,062,847

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 paid from the General Obligation Debt Service Fund.

During 2005, the Ohio Public Works Commission (OPWC) approved a loan to the City to finance a portion of the West 150th Street Improvement project. 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 \$823,593 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. 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.

On October 1, 2013, the City issued \$5,520,000 in various purpose improvement bonds, series 2013 with interest rates ranging from 2.00 percent to 4.75 percent over the life of the bonds. The proceeds from these bonds were used to finance the Engle Road resurfacing project (\$1,835,000), the Engle Road sanitary sewer replacement project (\$1,965,000), and the Smith Road sanitary sewer project (\$1,720,000). The bonds will be fully matured in 2033.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 8: Long-Term Obligations (continued)

During 2015, the Ohio Public Works Commission (OPWC) approved a loan to the City of Berea to finance the Eastland Road Reconstruction Project. OPWC has committed up to \$1,900,900 at a zero percent interest rate for twenty years. The City, the City of Berea and the City of Middleburg Heights have an agreement to share the debt service requirements of the OPWC loan. The City of Berea will pay 100 percent of the annual debt service requirements; the City will reimburse the City of Berea 34 percent of the annual debt service requirement; the City of Middleburg Heights will reimburse the City of Berea 43 percent of the annual debt service requirement.

At the end of the year, the City has an outstanding Smith Rd. Sanitary Sewer Improvement Project Phase III provided through the Ohio Public Works Commission (OPWC) loan funding. OPWC has committed up to \$802,825 at a zero percent interest rate for twenty years.

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. See Note 11 for additional information on Net Pension Liability.

The City's overall legal debt margin was \$36,690,612 at December 31, 2016.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2016 are as follows:

Year	General Obligation Bonds		OPWC Loans	Total
	Principal	Interest	Principal	
2017	\$ 390,000	\$ 247,988	\$ 155,760	\$ 793,748
2018	415,000	238,763	175,831	829,594
2019	415,000	226,026	175,830	816,856
2020	425,000	213,013	175,831	813,844
2021	450,000	199,543	175,830	825,373
2022-2026	2,385,000	728,345	879,148	3,992,493
2027-2031	1,430,000	290,400	732,947	2,453,347
2032-2036	520,000	33,363	297,653	851,016
2037	-	-	20,071	20,071
Total	<u>\$ 6,430,000</u>	<u>\$ 2,177,441</u>	<u>\$ 2,788,901</u>	<u>\$ 11,396,342</u>

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 9: Capital Leases

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

	Governmental Activities
Assets:	
Machinery and equipment	\$ 932,651
Less: accumulated depreciation	(456,187)
Total	<u>\$ 476,464</u>
 Vehicles	 \$ 4,363,809
Less: accumulated depreciation	(2,680,890)
Total	<u>\$ 1,682,919</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2016, were as follows:

Year	Payments
2017	230,549
2018	230,549
Less: Amount Representing Interest	(11,233)
Present Value of Minimum Lease Payment	<u>\$ 449,865</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 for base employees, thirteen hours for firefighters, and ten hours for police patrol. Each employee with the City is paid for four 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, 2016

Note 11: Defined Benefit Pension Plans

A. Net Pension Liability

The net pension liability/asset reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

B. Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate 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 and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 11: Defined Benefit Pension Plans (continued)

B. Plan Description – Ohio Public Employees Retirement System (OPERS)(continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 11: Defined Benefit Pension Plans (continued)

B. Plan Description – Ohio Public Employees Retirement System (OPERS)(continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$653,403 for 2016.

C. Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. 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 and detailed information about OP&F fiduciary net position. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 11: Defined Benefit Pension Plans (continued)

C. Plan Description – Ohio Police & Fire Pension Fund (OP&F) (continued)

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
2016 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2016 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$1,239,405 for 2016.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 11: Defined Benefit Pension Plans (continued)

D. Pension Liabilities, Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Police	OP&F Fire	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.048064%	0.024994%	0.143730%	0.151611%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.040125%	0.027150%	0.128843%	0.140389%	
Change in Proportionate Share	-0.007939%	0.002156%	-0.014887%	-0.011222%	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 6,950,154	\$ (13,212)	\$ 8,288,580	\$ 9,031,323	\$ 24,256,845
Pension Expense	\$ 976,558	\$ 6,966	\$ 843,141	\$ 959,842	\$ 2,786,507

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F Police	OP&F Fire	Total
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$2,048,614	\$1,349,063	\$1,469,953	\$4,867,630
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-	-	-
City contributions subsequent to the measurement date	653,403	584,465	654,940	1,892,808
Total Deferred Outflows of Resources	\$2,702,017	\$1,933,528	\$2,124,893	\$6,760,438
Deferred Inflows of Resources				
Differences between expected and actual experience	\$140,319	\$23,274	\$25,360	\$188,953
Changes in proportion and differences between City contributions and proportionate share of contributions	632,325	634,668	478,445	1,745,438
Total Deferred Inflows of Resources	\$772,644	\$657,942	\$503,805	\$1,934,391

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 11: Defined Benefit Pension Plans (continued)

D. Pension Liabilities, Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

\$1,892,808 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F Police	OP&F Fire	Total
2017	\$155,942	\$228,474	\$290,007	\$674,423
2018	188,608	228,474	290,007	\$707,089
2019	471,903	228,476	290,007	\$990,386
2020	462,791	156,555	211,644	\$830,990
2021	(829)	(126,771)	(97,072)	(224,672)
Thereafter	(2,445)	(24,087)	(18,445)	(44,977)
Total	<u>\$1,275,970</u>	<u>\$691,121</u>	<u>\$966,148</u>	<u>\$2,933,239</u>

E. Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

The total pension asset in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 8.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 11: Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions – OPERS (continued)

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.40 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.28 %

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 11: Defined Benefit Pension Plans (continued)

E. Actuarial Assumptions – OPERS (continued)

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

City's proportionate share of the net pension liability/(asset)	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Traditional Pension Plan	\$ 11,073,296	\$ 6,950,154	\$3,472,418
Combined Plan	\$ (272)	\$ (13,212)	(\$23,621)

F. Changes between Measurement Date and Report Date

In October 2016, the OPERS Board adopted certain assumption changes, which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

G. Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 11: Defined Benefit Pension Plans (continued)

G. Actuarial Assumptions – OP&F (continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2015 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	120.00 %	

* levered 2x

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 11: Defined Benefit Pension Plans (continued)

G. Actuarial Assumptions – OP&F (continued)

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	22,842,632	17,319,903	12,641,608

Note 12: Post-Employment 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.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 12: Post-Employment Benefits (continued)

A. Ohio Public Employees Retirement System (continued)

OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 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 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees (OPERS Board) in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, State and Local employers contributed at a rate of 14.00 percent of earnable salary and Public Safety and Law Enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.00 percent during calendar year 2016.

As recommended by the OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.00 percent for both plans. The Board 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 employer contribution as a percentage of covered payroll deposited to the RMA for participants in the Member-Directed Plan for 2016 was 4.0 percent. The City's actual employer contributions for December 31, 2016, 2015 and 2014 which were used to fund post-employment benefits were \$108,910, \$102,020, and \$127,105, respectively; 100 percent has been contributed for 2016, 2015 and 2014.

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 benefit 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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 12: Post-Employment Benefits (continued)

B. Ohio Police and Fire Pension Fund (continued)

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.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, OH 43215-5164. That report is also available on OP&F's website at 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. The portion of employer contributions allocated to health care was 0.50 percent of covered payroll from January 1, 2016 thru December 31, 2016. 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 \$15,292 and \$13,846 for the year ended December 31, 2016, \$14,548 and \$12,815 for the year ended December 31, 2015, and \$16,737 and \$14,030 for the year ended December 31, 2014, respectively. The full amount has been contributed for 2016, 2015 and 2014.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

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, 2015 (the latest information available), 126 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, 2016, the City contributed \$118,212 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, 2015 (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, 2016. For 2016, the City's annual OPEB cost (expense) of \$118,212 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 2016, 2015 and 2014 are as follows:

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, 2014	249,883	(5,012)	46,247	291,118	267,522	91.89%	23,596	(140,234)
December 31, 2015	268,256	(5,996)	(19,953)	242,307	342,461	141.33%	(100,154)	(240,388)
December 31, 2016	268,256	(5,996)	(10,289)	251,971	118,212	46.91%	133,759	(106,629)

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 13: Other Postemployment Benefits (continued)

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2015 (the latest information available), was as follows:

	2015	2013	2012
Actuarial Accrued Liability (AAL)	\$ 4,064,370	\$ 3,980,994	\$ 4,147,692
Unfunded Actuarial Accrued Liability (UAAL)	\$ 4,064,370	\$ 3,980,994	\$ 4,147,692
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, 2015 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, 2015, was 23 years.

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, 2016, per occurrence for all types of coverage are as follows:

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 14: Risk Management (continued)

<u>Type of Coverage</u>	<u>Coverage</u>
Property:	
Blanket building and contents	\$ 50,022,202
Business income and extra expense	Actual Loss
	Sustained-12 mos.
General liability:	
Commercial general liability, which includes:	2,000,000
Employee benefits	1,000,000
Employers liability (Ohio stop gap)	1,000,000
Automotive liability	1,000,000
Excess liability:	
Umbrella, which includes:	10,000,000
All underlying liabilities	
Public officials and law enforcement	
Other types of coverages:	
Contractors equipment	1,190,325
EDP equipment	346,585
Employee dishonesty	1,000,000
Valuable papers	100,000
Accounts receivable	100,000
Law enforcement	1,000,000
Public Officials	1,000,000
Flood	Each Occurrence 5,000,000
	Aggregate 10,000,000
Earthquake	Each Occurrence 5,000,000
	Aggregate 10,000,000

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 2016 and administered by a third party organization. All covered employees also received prescription drug coverage, vision and dental plans. Full time employees are covered by a \$25,000 term life insurance policy.

For the plan, the preferred provider prices all claims which are then submitted to the third party administrator. The third party administrator reviews and processes the claims, which the City then pays. The City has stop loss coverage of \$500,000 in the aggregate. In 2016, the City funded the self-insurance reserve \$549 per month for single coverage and \$1,471 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.

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 14: Risk Management (continued)

The claims liability of \$99,015 as estimated by the third party administrator and reported in the Self-Insurance Fund at December 31, 2016 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, 2016. Changes in the fund's claim liability amount for the years ended 2014, 2015, and 2016 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>
2014	\$ 70,989	\$ 1,917,031	\$ (1,812,185)	\$ 175,835
2015	175,835	2,003,922	(2,021,882)	157,875
2016	157,875	1,484,467	(1,741,357)	99,015

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, 2016, the City's significant contractual construction commitments consisted of:

<u>Project</u>	<u>Amount</u>	<u>Paid</u>	<u>on Contract</u>
Sylvia Dr. Reconstruction	\$ 1,088,147	\$ 1,038,222	\$ 49,925
Smith Rd Sanitary Sewer Impr.	1,789,704	1,485,231	304,473
Michael Rd. Reconstruction	531,920	414,299	117,621
Total	<u>\$ 3,409,771</u>	<u>\$ 2,937,752</u>	<u>\$ 472,019</u>

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, 2016, the City's commitments for encumbrances in the governmental funds were as follows:

	<u>Encumbrances Outstanding</u>
Major Funds:	
General	\$ 228,406
Capital Improvements	1,875,998
Nonmajor Funds:	
Special Revenue Funds	909,964
Total	<u>\$ 3,014,368</u>

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 16: Interfund Transfers

Interfund transfers for the year ended December 31, 2016, consisted of the following:

Transfer To	Transfer From		Total
	General Fund	Capital Improvements Fund	
Capital Improvements Fund	\$ 1,717,884	\$ -	\$ 1,717,884
Non-Major Governmental Funds	992,110	1,047,897	2,040,007
Total	<u>\$ 2,709,994</u>	<u>\$ 1,047,897</u>	<u>\$ 3,757,891</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.

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, 2016.

B. Litigation

There are 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, 2016.

Note 18: Accountability

Fund Equity Deficit - Special Revenue Funds

There is fund deficit in the Police Pension and Fire Pension Special Revenue Funds of \$30,806 and \$36,178, 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 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, 2016

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 Fund	Capital Improvements Fund	Other Governmental Funds	Total
<i>Nonspendable</i>				
Prepaid Items	\$ 125,647	\$ -	\$ -	\$ 125,647
Materials and Supplies Inventories	208,139	-	-	208,139
<i>Total Nonspendable</i>	<u>333,786</u>	<u>-</u>	<u>-</u>	<u>333,786</u>
<i>Restricted for</i>				
Other Law Enforcement	-	-	521,751	521,751
Professional Development	-	-	13,983	13,983
Streets and Highways	-	-	1,998,725	1,998,725
Southwest General Hospital	-	-	12,878	12,878
FEMA	-	-	54,663	54,663
CDBG	-	-	36,582	36,582
Debt Service	-	-	982,935	982,935
Capital Improvements	-	214,400	-	214,400
W. 150th Sewer Improvements Phase	-	141,155	-	141,155
Snow Rd. Resurfacing	-	49,906	-	49,906
<i>Total Restricted</i>	<u>-</u>	<u>405,461</u>	<u>3,621,517</u>	<u>4,026,978</u>
<i>Committed to</i>				
Income Tax Allocation - Capital	-	1,400,005	-	1,400,005
Admissions Tax	421,634	-	-	421,634
Hotel and Motel Tax	377,968	-	-	377,968
Property Insurance	1,185,791	-	-	1,185,791
Retiree Accrued Benefits	2,543	-	-	2,543
Economic Development	-	-	800,811	800,811
Brook Park Road Corridor	-	-	82,835	82,835
Special Recreation	-	-	403,637	403,637
Ditch Cleaning Program	-	224,069	-	224,069
Sound Insulation Program	-	441,802	-	441,802
Street Programs	-	983,222	-	983,222
<i>Total Committed</i>	<u>1,987,936</u>	<u>3,049,098</u>	<u>1,287,283</u>	<u>6,324,317</u>
<i>Assigned to</i>				
Fiscal Year 2017 Appropriations	2,610,411	-	-	2,610,411
Park Concessions	12,399	-	-	12,399
Debt Service	-	-	1,128,496	1,128,496
Purchases on Order	14,016	-	-	14,016
Other	2,550	-	-	2,550
<i>Total Assigned</i>	<u>2,639,376</u>	<u>-</u>	<u>1,128,496</u>	<u>3,767,872</u>
<i>Unassigned (Deficit)</i>	<u>4,787,899</u>	<u>-</u>	<u>(66,984)</u>	<u>4,720,915</u>
Total Fund Balances	<u><u>\$ 9,748,997</u></u>	<u><u>\$ 3,454,559</u></u>	<u><u>\$ 5,970,312</u></u>	<u><u>\$ 19,173,868</u></u>

City of Brook Park, Ohio

Notes to the Basic Financial Statements (continued)

For The Year Ended December 31, 2016

Note 20: Tax Abatement Disclosure

The City of Brook Park provides tax incentive programs through Ohio Revised Code Chapter 3735.65-70 and/or Chapter 5709 (Community Re-Investment Act (CRA)) and through a payroll tax rebate program. The city established its CRA and has amended its program twice so that the entire city is covered by the CRA.

The CRA program provides the city with an important economic development tool to stimulate growth and redevelopment in its industrial, commercial and residential bases. The abate program provides a direct incentive property tax exemption for improvements to real estate within the City. Improvements to residential property (not containing more than 2 residential units) valued exceeding \$2,500 are available to receive a 10 year, 100% property tax abatement for the increase in assessed value resulting from the improvement. Remodeling in excess of \$5,000 to residential multi-family, commercial & industrial properties are eligible to receive a 12 year 100% abatement from the increase in assessed value resulting from the improvement. Likewise, construction of new commercial or industrial improvements (excluding properties primarily used in retail sales) are eligible for a 100%, fifteen (15) year abatement of real property taxes arising from the increase in assessed value resulting from the improvement. All CRA property tax abatements are reported to the State of Ohio on an annual basis.

Below is the information relevant to the disclosure of the CRA property tax abatement program for the year ended December 31, 2016:

Property	Date Certified	Project Type	Project Invoice	Value Subject to Exemption	Number of Jobs
Horchy	1/13/2014	Residential	\$ 72,100	all	n/a
Kuharik	11/26/2016	Residential	38,315	all	n/a
Bogdan R.E.	10/21/2015	Commercial	1,750,000	all	17
Lakeview Motor	7/24/2015	Commercial	3,900,000	all	15
18301 Brookpark	8/1/2016	Commercial	2,300,000	all	15

In the past the city has offered an income tax rebate (up to 50% for a defined period (up to five (5) years)) to entities with established multimillion dollar payrolls who agree to maintain established and negotiated payrolls for a defined period of years (7 years or longer). Like rebates have been offered to businesses with multi-million dollar payrolls in order to keep the business from relocating out of city due to a competitive rebate offer or to entice a business to relocate to our City by matching an income tax rebate offered by a competitive jurisdiction. No income tax rebates have been authorized by the City in the past four (4) years.

City of Brook Park, Ohio

Required Supplementary Information

Schedule of the City's Proportionate Share of the Net Pension Liability

Ohio Public Employees Retirement System

Last Three Years (1)

Traditional Plan	2015	2014	2013
City's Proportion of the Net Pension Liability	0.040125%	0.048064%	0.048064%
City's Proportionate Share of the Net Pension Liability	\$6,950,154	\$5,797,055	\$5,666,119
City's Covered-Employee Payroll	\$4,993,992	\$5,912,167	\$6,018,854
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	139.17%	98.05%	94.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%
Combined Plan	2015	2014	2013
City's Proportion of the Net Pension (Asset)	0.027150%	0.024994%	0.024994%
City's Proportionate Share of the Net Pension (Asset)	(\$13,212)	(\$9,623)	(\$2,623)
City's Covered-Employee Payroll	\$98,792	\$92,050	\$106,362
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	13.37%	10.45%	2.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	116.90%	114.83%	104.33%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date
which is the prior year end.

City of Brook Park, Ohio

Requires Supplementary Information

Schedule of the City's Proportionate Share of the Net Pension Liability

Ohio Police and Fire Pension Fund

Last Three Years (1)

Police	2015	2014	2013
City's Proportion of the Net Pension Liability	0.1288433%	0.1437298%	0.1437298%
City's Proportionate Share of the Net Pension Liability	\$8,288,580	\$7,445,803	\$7,000,092
City's Covered-Employee Payroll	\$2,916,400	\$3,354,032	\$3,061,875
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	284.21%	222.00%	228.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	71.71%	73.00%
Fire	2015	2014	2013
City's Proportion of the Net Pension Liability	0.1403890%	0.1516112%	0.1516112%
City's Proportionate Share of the Net Pension Liability	\$9,031,323	\$7,854,092	\$7,383,941
City's Covered-Employee Payroll	\$2,569,609	\$2,812,226	\$2,830,504
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	351.47%	279.28%	260.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	71.71%	73.00%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date
which is the prior year end.

City of Brook Park, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System
Last Four Years (1)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions</u>				
Traditional Plan	643,693	\$599,279	\$709,460	\$782,451
Combined Plan	<u>9,710</u>	<u>\$11,855</u>	<u>\$11,046</u>	<u>13,827</u>
Total Required Contributions	\$653,403	\$611,134	\$720,506	\$796,278
Contributions in Relation to the Contractually Required Contribution	<u>(\$653,403)</u>	<u>(\$611,134)</u>	<u>(\$720,506)</u>	<u>(\$796,278)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered-Employee Payroll</u>				
Traditional Plan	\$5,364,109	\$4,993,992	\$5,912,167	\$6,018,854
Combined Plan	\$80,913	\$98,792	\$92,050	\$106,362
<u>Pension Contributions as a Percentage of Covered-Employee Payroll</u>				
Traditional Plan	12.00%	12.00%	12.00%	13.00%
Combined Plan	12.00%	12.00%	12.00%	13.00%

(1) – Information prior to 2013 is not available.

City of Brook Park, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Contractually Required Contributions</u>										
Police	584,465	\$554,116	\$637,266	\$481,633	\$388,484	\$395,232	\$405,512	\$440,584	\$417,361	\$390,851
Fire	654,940	\$603,858	\$660,873	\$572,611	\$517,304	\$538,686	\$538,555	\$561,992	\$559,327	\$543,814
Total Required Contributions	\$1,239,405	\$1,157,974	\$1,298,139	\$1,054,244	\$905,788	\$933,918	\$944,067	\$1,002,576	\$976,688	\$934,665
<u>Contributions in Relation to the Contractually Required Contribution</u>	(\$1,239,405)	(\$1,157,974)	(\$1,298,139)	(\$1,054,244)	(\$905,788)	(\$933,918)	(\$944,067)	(\$1,002,576)	(\$976,688)	(\$934,665)
<u>Contribution Deficiency / (Excess)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered-Employee Payroll</u>										
Police	\$3,076,130	\$2,916,400	\$3,354,032	\$3,061,875	\$3,046,933	\$3,099,859	\$3,180,486	\$3,455,561	\$3,273,420	\$3,065,498
Fire	\$2,786,978	\$2,569,609	\$2,812,226	\$2,830,504	\$2,998,864	\$3,122,817	\$3,122,058	\$3,257,925	\$3,242,475	\$3,152,545
<u>Pension Contributions as a Percentage of Covered-Employee Payroll</u>										
Police	19.00%	19.00%	19.00%	[1]	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%
Fire	23.50%	23.50%	23.50%	[1]	17.25%	17.25%	17.25%	17.25%	17.25%	17.25%

[1] – The portion of the City's contributions to fund pension obligations from January 1, 2013 thru May 31, 2013, for both police officers and firefighters was 14.81 percent and 19.31 percent, respectively. The portion of the City's contributions to fund pension obligations from June 1, 2013 thru December 31, 2013 for both police officers and firefighters was 16.65 percent and 21.15 percent, respectively.

City of Brook Park, Ohio

Required Supplementary Information

Schedule of Funding Progress OPEB

December 31, 2016

Valuation Date 1	Actuarial Value of Assets (AVA) 2	Actuarial Accrued Liability (AAL) 3	Unfunded Actuarial Accrued Liability (UAAL) (3)-(2) 4	Funded Ratio (2)/(3) 5
January 1, 2009	\$ 0	\$ 4,209,513	\$ 4,209,513	0%
January 1, 2010	\$ 0	\$ 4,213,588	\$ 4,213,588	0%
January 1, 2011	\$ 0	\$ 3,962,769	\$ 3,962,769	0%
January 1, 2012	\$ 0	\$ 4,120,492	\$ 4,120,492	0%
January 1, 2013	\$ 0	\$ 4,147,692	\$ 4,147,692	0%
January 1, 2014	\$ 0	\$ 3,980,994	\$ 3,980,994	0%
January 1, 2016	\$ 0	\$ 4,064,370	\$ 4,064,370	0%

Source:

- Actuarial Valuation Report on Other Post-Employment Benefits (OPEB) Funded Status for the fiscal year ending December 31, 2015 (latest available)
- Refer to Note 13 of the Basic Financial Statements for more information on the City's OPEB Plan.

City of Brook Park, Ohio

Notes to the Required Supplementary Information For The Year Ended December 31, 2016

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014, 2015 and 2016.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014, 2015 and 2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014, 2015 and 2016.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014, 2015 and 2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

City of Brook Park, Ohio

Fund Descriptions

Non-Major Governmental Funds

For The Year Ended December 31, 2016

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.

CDBG Fund

The CDBG Fund accounts for funds received from the Community Development Block Grant passed through from the Cuyahoga County. The grant funds were utilized for the W. 147th/Elm Street road project.

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.

City of Brook Park, Ohio

Fund Descriptions

Non-Major Governmental Funds

For The Year Ended December 31, 2016

Non-Major Special Revenue Funds (continued)

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.

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.

Continuing Training Program Fund

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

FEMA Fund

The FEMA Fund accounts for restricted funds that are used to reimburse costs incurred as a result of a natural disaster.

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.

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, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 3,868,831	\$ 1,287,838	\$ 5,156,669
Accrued Interest Receivable	1,996	-	1,996
Intergovernmental Receivable	460,524	823,593	1,284,117
Property Taxes Receivable	311,882	-	311,882
Special Assessments Receivable	-	57,987	57,987
Total Assets	<u>4,643,233</u>	<u>2,169,418</u>	<u>6,812,651</u>
Liabilities:			
Accounts Payable	\$ 42,727	\$ -	\$ 42,727
Accrued Wages and Benefits	103,769	-	103,769
Retainage Payable	18,928	-	18,928
Total Liabilities	<u>165,424</u>	<u>-</u>	<u>165,424</u>
Deferred Inflows of Resources:			
Property Taxes	297,131	-	297,131
Unavailable Revenue - Delinquent Property Taxes	14,751	-	14,751
Unavailable Revenue - Other	307,046	57,987	365,033
Total Deferred Inflows of Resources	<u>618,928</u>	<u>57,987</u>	<u>676,915</u>
Fund Balances:			
Restricted	2,638,582	982,935	3,621,517
Committed	1,287,283	-	1,287,283
Assigned	-	1,128,496	1,128,496
Unassigned (Deficit)	(66,984)	-	(66,984)
Total Fund Balances	<u>3,858,881</u>	<u>2,111,431</u>	<u>5,970,312</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,643,233</u>	<u>\$ 2,169,418</u>	<u>\$ 6,812,651</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, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES			
Property Taxes	\$ 305,621	\$ -	\$ 305,621
Intergovernmental	963,522	-	963,522
Interest	14,948	-	14,948
Licenses and Permits	44,500	-	44,500
Fines and Forfeitures	962	-	962
Special Assessments	-	60,793	60,793
All Other Revenues	396,083	-	396,083
Total Revenues	1,725,636	60,793	1,786,429
EXPENDITURES			
Security of Persons and Property:			
Police and Others	666,885	-	666,885
Fire	689,798	-	689,798
Public Health and Welfare	94,827	-	94,827
Leisure Time Activities	60,861	-	60,861
Community Development	797,087	-	797,087
Transportation	645,256	-	645,256
General Government	-	628	628
Capital Outlay	414,299	-	414,299
Debt Service:			
Principal Retirement	-	541,847	541,847
Interest and Fiscal Charges	-	257,212	257,212
Total Expenditures	3,369,013	799,687	4,168,700
Excess of Revenues Over (Under) Expenditures	(1,643,377)	(738,894)	(2,382,271)
OTHER FINANCING SOURCES			
Transfer In	995,000	1,045,007	2,040,007
Total Other Financing Sources	995,000	1,045,007	2,040,007
Net Change in Fund Balances	(648,377)	306,113	(342,264)
Fund Balances - Beginning of Year	4,507,258	1,805,318	6,312,576
Fund Balances - End of Year	\$ 3,858,881	\$ 2,111,431	\$ 5,970,312

City of Brook Park, Ohio
Combining Balance Sheet
Non-Major Special Revenue Funds
December 31, 2016

	Street Maintenance	State Highway	Permissive Tax	Economic Development	Brook Park Road Corridor
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 1,055,611	\$ 629,893	\$ 194,138	\$ 814,208	\$ 82,835
Accrued Interest Receivable	945	564	174	-	-
Intergovernmental Receivable	395,765	32,089	3,790	-	-
Property Taxes Receivable	-	-	-	-	-
Total Assets	1,452,321	662,546	198,102	814,208	82,835
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 1,609	\$ -	\$ -	\$ 13,397	\$ -
Accrued Wages and Benefits	7,621	-	-	-	-
<i>Total Liabilities</i>	<i>9,230</i>	<i>-</i>	<i>18,928</i>	<i>13,397</i>	<i>-</i>
Deferred Inflows of Resources:					
Property Taxes	-	-	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-	-	-
Unavailable Revenue - Other	264,630	21,456	-	-	-
<i>Total Deferred Inflows of Resources</i>	<i>264,630</i>	<i>21,456</i>	<i>-</i>	<i>-</i>	<i>-</i>
Fund Balances:					
Restricted	1,178,461	641,090	179,174	-	-
Committed	-	-	-	800,811	82,835
Unassigned (Deficit)	-	-	-	-	-
<i>Total Fund Balances (Deficit)</i>	<i>1,178,461</i>	<i>641,090</i>	<i>179,174</i>	<i>800,811</i>	<i>82,835</i>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,452,321	\$ 662,546	\$ 198,102	\$ 814,208	\$ 82,835

(Continued)

City of Brook Park, Ohio
Combining Balance Sheet
Non-Major Special Revenue Funds
December 31, 2016

	CDBG	Special Recreation	Law Enforcement	DWI Enforcement & Education	Federal Forfeiture	Community Diversion
ASSETS						
Equity in Pooled Cash and Cash Equivalents	\$ 36,582	\$ 411,177	\$ 156,666	\$ 23,220	\$ 349,576	\$ 12,157
Accrued Interest Receivable	-	-	-	-	313	-
Intergovernmental Receivable	-	-	-	-	-	-
Property Taxes Receivable	-	-	-	-	-	-
Total Assets	36,582	411,177	156,666	23,220	349,889	12,157
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ -	\$ 7,540	\$ -	\$ -	\$ 20,181	\$ -
Accrued Wages and Benefits	-	-	-	-	-	-
Total Liabilities	-	7,540	-	-	20,181	-
Deferred Inflows of Resources:						
Property Taxes	-	-	-	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-	-	-	-
Unavailable Revenue - Other	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
Fund Balances:						
Restricted	36,582	-	156,666	23,220	329,708	12,157
Committed	-	403,637	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-
Total Fund Balances (Deficit)	36,582	403,637	156,666	23,220	329,708	12,157
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 36,582	\$ 411,177	\$ 156,666	\$ 23,220	\$ 349,889	\$ 12,157

Continuing Training Program	FEMA	Police Pension	Fire Pension	Southwest General Health Center	Total Nonmajor Special Revenue Funds
\$ 6,063	\$ 54,663	\$ 14,138	\$ 15,026	\$ 12,878	\$ 3,868,831
-	-	-	-	-	1,996
7,920	-	7,084	7,084	6,792	460,524
-	-	108,037	108,037	95,808	311,882
<u>13,983</u>	<u>54,663</u>	<u>129,259</u>	<u>130,147</u>	<u>115,478</u>	<u>4,643,233</u>
-	-	\$ -	\$ -	\$ -	\$ 42,727
-	-	44,944	51,204	-	103,769
<u>-</u>	<u>-</u>	<u>44,944</u>	<u>51,204</u>	<u>-</u>	<u>165,424</u>
-	-	102,942	102,942	91,247	297,131
-	-	5,095	5,095	4,561	14,751
-	-	7,084	7,084	6,792	307,046
<u>-</u>	<u>-</u>	<u>115,121</u>	<u>115,121</u>	<u>102,600</u>	<u>618,928</u>
13,983	54,663	-	-	12,878	2,638,582
-	-	-	-	-	1,287,283
-	-	(30,806)	(36,178)	-	(66,984)
<u>13,983</u>	<u>54,663</u>	<u>(30,806)</u>	<u>(36,178)</u>	<u>12,878</u>	<u>3,858,881</u>
<u>\$ 13,983</u>	<u>\$ 54,663</u>	<u>\$ 129,259</u>	<u>\$ 130,147</u>	<u>\$ 115,478</u>	<u>\$ 4,643,233</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, 2016

	Street Maintenance	State Highway	Permissive Tax	Economic Development	Brook Park Road Corridor	CDBG	Special Recreation
REVENUES							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	792,312	64,242	50,948	-	-	-	-
Interest	6,283	3,719	2,767	-	-	-	-
Fees, Licenses, and Permits	-	-	-	44,500	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-
All Other Revenues	-	-	-	290,153	-	-	94,434
Total Revenues	<u>798,595</u>	<u>67,961</u>	<u>53,715</u>	<u>334,653</u>	<u>-</u>	<u>-</u>	<u>94,434</u>
EXPENDITURES							
Security of Persons and Property:							
Police and Others	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Public Health and Welfare	-	-	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-	-	60,861
Community Environment	-	-	-	797,087	-	-	-
Transportation	632,090	4,708	8,458	-	-	-	-
Capital Outlay	-	-	414,299	-	-	-	-
Total Expenditures	<u>632,090</u>	<u>4,708</u>	<u>422,757</u>	<u>797,087</u>	<u>-</u>	<u>-</u>	<u>60,861</u>
Excess of Revenues Over (Under) Expenditures	<u>166,505</u>	<u>63,253</u>	<u>(369,042)</u>	<u>(462,434)</u>	<u>-</u>	<u>-</u>	<u>33,573</u>
OTHER FINANCING SOURCES							
Transfer In	-	-	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>166,505</u>	<u>63,253</u>	<u>(369,042)</u>	<u>(462,434)</u>	<u>-</u>	<u>-</u>	<u>33,573</u>
Fund Balances - Beginning of Year	<u>1,011,956</u>	<u>577,837</u>	<u>548,216</u>	<u>1,263,245</u>	<u>82,835</u>	<u>36,582</u>	<u>370,064</u>
Fund Balances - End of Year	<u>\$ 1,178,461</u>	<u>\$641,090</u>	<u>\$ 179,174</u>	<u>\$ 800,811</u>	<u>\$ 82,835</u>	<u>\$ 36,582</u>	<u>\$ 403,637</u>

Law Enforcement	DWI Enforcement & Education	Federal Forfeiture	Community Diversion	Continuing Training Program	FEMA	Police Pension	Fire Pension	Southwest General Health Center	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,750	\$ 105,750	\$ 94,121	\$ 305,621
-	-	-	3,300	10,800	-	14,168	14,168	13,584	963,522
-	-	2,179	-	-	-	-	-	-	14,948
-	-	-	-	-	-	-	-	-	44,500
-	962	-	-	-	-	-	-	-	962
1,720	-	9,776	-	-	-	-	-	-	396,083
1,720	962	11,955	3,300	10,800	-	119,918	119,918	107,705	1,725,636
4,882	-	46,103	214	2,160	-	613,526	-	-	666,885
-	-	-	-	-	-	-	689,798	-	689,798
-	-	-	-	-	-	-	-	94,827	94,827
-	-	-	-	-	-	-	-	-	60,861
-	-	-	-	-	-	-	-	-	797,087
-	-	-	-	-	-	-	-	-	645,256
-	-	-	-	-	-	-	-	-	414,299
4,882	-	46,103	214	2,160	-	613,526	689,798	94,827	3,369,013
(3,162)	962	(34,148)	3,086	8,640	-	(493,608)	(569,880)	12,878	(1,643,377)
-	-	-	-	-	-	490,000	505,000	-	995,000
-	-	-	-	-	-	490,000	505,000	-	995,000
(3,162)	962	(34,148)	3,086	8,640	-	(3,608)	(64,880)	12,878	(648,377)
159,828	22,258	363,856	9,071	5,343	54,663	(27,198)	28,702	-	4,507,258
\$ 156,666	\$ 23,220	\$ 329,708	\$ 12,157	\$ 13,983	\$ 54,663	\$ (30,806)	\$ (36,178)	\$ 12,878	\$3,858,881

City of Brook Park, Ohio

Fund Descriptions

Agency Funds

For The Year Ended December 31, 2016

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

The Pension Employee Withholding Fund accounts for employees' pension portion, which is to be distributed to other agencies.

City Withholding Fund

The City Withholding Fund accounts for City's pension portion, which is to be distributed to other agencies.

City of Brook Park, Ohio

Combining Statement of Assets and Liabilities

Agency Funds

December 31, 2016

	Cash Bonds Held	Mayor's Court	Board of Building Standards	Payroll Deduction Employees' Share	City Withholding	Pension Employee Withholding	Total
Assets							
Equity in Pooled Cash and Cash Equivalents	\$75,009	\$ -	\$ 3,079	\$ 34,237	\$ 3	\$ 126	\$ 112,454
Cash and Cash Equivalents: in Segregated Accounts	-	43,691	-	-	-	-	43,691
Total Assets	<u>\$75,009</u>	<u>\$ 43,691</u>	<u>\$ 3,079</u>	<u>\$ 34,237</u>	<u>\$ 3</u>	<u>\$ 126</u>	<u>\$ 156,145</u>
Liabilities							
Deposits Held and Due to Others	<u>\$75,009</u>	<u>\$ 43,691</u>	<u>\$ 3,079</u>	<u>\$ 34,237</u>	<u>\$ 3</u>	<u>\$ 126</u>	<u>\$ 156,145</u>

City of Brook Park, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended December 31, 2016

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016
Cash Bonds Held				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 62,509</u>	<u>\$ 26,110</u>	<u>\$ 13,610</u>	<u>\$ 75,009</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 62,509</u>	<u>\$ 26,110</u>	<u>\$ 13,610</u>	<u>\$ 75,009</u>
Mayor's Court				
Assets				
Cash and Cash Equivalents: in Segregated Accounts	<u>\$ 88,178</u>	<u>\$ -</u>	<u>\$ 44,487</u>	<u>\$ 43,691</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 88,178</u>	<u>\$ -</u>	<u>\$ 44,487</u>	<u>\$ 43,691</u>
Board of Building Standards				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 7,743</u>	<u>\$ 4,806</u>	<u>\$ 9,470</u>	<u>\$ 3,079</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 7,743</u>	<u>\$ 4,806</u>	<u>\$ 9,470</u>	<u>\$ 3,079</u>
Payroll Deduction Employees' Share				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 26,066</u>	<u>\$ 92,950</u>	<u>\$ 84,779</u>	<u>\$ 34,237</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 26,066</u>	<u>\$ 92,950</u>	<u>\$ 84,779</u>	<u>\$ 34,237</u>
Radio Tower Replacement				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ 383,162</u>	<u>\$ -</u>	<u>\$ 383,162</u>	<u>\$ -</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 383,162</u>	<u>\$ -</u>	<u>\$ 383,162</u>	<u>\$ -</u>
Pension Employee Withholding				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ 126</u>	<u>\$ -</u>	<u>\$ 126</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ -</u>	<u>\$ 126</u>	<u>\$ -</u>	<u>\$ 126</u>
City Withholding				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 3</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 3</u>
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 479,480	\$ 123,995	\$ 491,021	\$ 112,454
Cash and Cash Equivalents: in Segregated Accounts	<u>88,178</u>	<u>-</u>	<u>44,487</u>	<u>43,691</u>
Total Assets	<u>\$ 567,658</u>	<u>\$ 123,995</u>	<u>\$ 535,508</u>	<u>\$ 156,145</u>
Liabilities				
Deposits Held and Due to Others	<u>\$ 567,658</u>	<u>\$ 123,995</u>	<u>\$ 535,508</u>	<u>\$ 156,145</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 1,432,729	\$ 1,526,625	\$ 1,526,625	\$ -
Income Taxes	16,442,104	16,731,657	16,728,786	(2,871)
Other Taxes	345,000	362,771	362,771	-
Intergovernmental	604,776	613,779	644,411	30,632
Interest	41,913	44,660	44,660	-
Licenses and Permits	679,371	729,980	734,577	4,597
Fines and Forfeitures	704,232	750,384	750,384	-
Rentals	84,629	90,176	90,176	-
Charges for Services	1,528,342	1,628,504	1,628,504	-
Contributions and Donations	36,352	34,129	38,735	4,606
All Other Revenues	271,674	303,892	264,157	(39,735)
Total Revenues	22,171,122	22,816,557	22,813,786	(2,771)
Expenditures:				
Current:				
Security of Persons and Property				
Correctional Facility				
Personal Services	236,380	162,745	144,546	18,199
Contractual Services	15,120	22,120	19,317	2,803
Supplies and Materials	16,228	18,160	15,026	3,134
Total Correctional Facility	267,728	203,025	178,889	24,136
School Guards				
Personal Services	87,317	82,317	80,316	2,001
Total School Guards	87,317	82,317	80,316	2,001
Fire Department				
Personal Services	3,398,512	3,467,904	3,433,879	34,025
Travel and Education	7,000	10,900	6,777	4,123
Contractual Services	126,191	115,358	106,986	8,372
Supplies and Materials	83,845	89,678	89,678	-
Total Fire Department	3,615,548	3,683,840	3,637,320	46,520
Police Department				
Personal Services	3,854,265	4,005,236	4,003,070	2,166
Travel and Education	7,420	8,121	3,601	4,520
Contractual Services	135,725	138,425	135,214	3,211
Supplies and Materials	135,643	147,687	147,687	-
Total Police Department	4,133,053	4,299,469	4,289,572	9,897

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Animal Control				
Personal Services	89,456	89,456	88,253	1,203
Travel and Education	400	400	-	400
Contractual Services	15,054	15,054	13,821	1,233
Supplies and Materials	7,424	7,424	4,156	3,268
Total Animal Control	112,334	112,334	106,230	6,104
Safety Director				
Personal Services	124,578	128,417	126,194	2,223
Contractual Services	379	379	134	245
Supplies and Materials	50	50	-	50
Other Expenses	-	1,925	1,925	-
Total Safety Director	125,007	130,771	128,253	2,518
Safety Building				
Personal Services	303,364	486,002	474,169	11,833
Travel and Education	100	205	30	175
Contractual Services	509,976	179,976	133,674	46,302
Supplies and Materials	4,190	5,190	4,877	313
Total Safety Building	817,630	671,373	612,750	58,623
Safety Town				
Contractual Services	2,150	2,154	2,154	-
Supplies and Materials	535	50	-	50
Total Safety Town	2,685	2,204	2,154	50
Street Lighting				
Contractual Services	450,192	443,106	431,321	11,785
Supplies and Materials	5,057	7,143	7,143	-
Total Street Lighting	455,249	450,249	438,464	11,785
Traffic Lights				
Contractual Services	59,009	68,130	68,032	98
Total Traffic Lights	59,009	68,130	68,032	98

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Disaster Services				
Personal Services	13,387	13,387	10,668	2,719
Contractual Services	2,062	4,838	4,838	-
Supplies and Materials	10,067	7,291	7,033	258
Total Disaster Services	25,516	25,516	22,539	2,977
Total Security of Persons and Property	9,701,076	9,729,228	9,564,519	164,709
Public Health & Welfare				
County Board of Health				
Contractual Services	79,061	79,579	79,579	-
Total County Board of Health	79,061	79,579	79,579	-
Office of Aging				
Personal Services	23,236	24,968	23,855	1,113
Contractual Services	490	1,917	1,917	-
Supplies and Materials	2,750	4,573	3,445	1,128
Total Office of Aging	26,476	31,458	29,217	2,241
Total Public Health and Welfare	105,537	111,037	108,796	2,241
Leisure Time Activities				
Recreation Commission				
Personal Services	15,935	9,593	9,574	19
Total Recreation Commission	15,935	9,593	9,574	19
Recreation Center				
Personal Services	470,806	501,586	486,600	14,986
Travel and Education	100	208	208	-
Contractual Services	288,067	269,735	242,624	27,111
Supplies and Materials	23,811	42,035	42,035	-
Other Expenses	750	750	686	64
Total Recreation Center	783,534	814,314	772,153	42,161
Home Day Celebration				
Personal Services	18,080	14,118	14,118	-
Contractual Services	41,427	44,084	43,889	195
Supplies and Materials	2,260	3,901	3,586	315
Total Home Day Celebration	61,767	62,103	61,593	510

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Parks and Play Grounds				
Personal Services	193,816	199,595	197,636	1,959
Travel and Education	150	150	94	56
Contractual Services	71,328	73,680	71,200	2,480
Supplies and Materials	84,380	71,749	63,754	7,995
Total Parks and Play Grounds	349,674	345,174	332,684	12,490
Public Recreation				
Personal Services	15,239	13,739	22,782	(9,043)
Contractual Services	23,995	24,571	24,571	-
Supplies and Materials	4,250	3,674	1,424	2,250
Total Public Recreation	43,484	41,984	48,777	(6,793)
Total Leisure Time Activities	1,254,394	1,273,168	1,224,781	48,387
Community Development				
Planning Commission				
Personal Services	15,624	10,082	9,982	100
Supplies and Materials	200	200	186	14
Total Planning Commission	15,824	10,282	10,168	114
Community Development				
Personal Services	116,027	116,027	109,247	6,780
Travel and Education	750	750	720	30
Contractual Services	719	719	21	698
Supplies and Materials	200	200	27	173
Total Community Development	117,696	117,696	110,015	7,681
Board of Zoning Appeals				
Personal Services	18,749	12,053	11,501	552
Supplies and Materials	250	250	216	34
Total Board of Zoning Appeals	18,999	12,303	11,717	586
Building Department				
Personal Services	505,035	490,035	480,200	9,835
Travel and Education	1,000	1,673	1,673	-
Contractual Services	52,684	42,684	41,683	1,001
Supplies and Materials	7,184	6,485	3,210	3,275
Other Expenses	1,250	526	526	-
Total Building Department	567,153	541,403	527,292	14,111

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Tree and Tree Lawns				
Personal Services	181,673	181,673	167,337	14,336
Travel and Education	100	100	-	100
Contractual Services	15,000	15,200	10,655	4,545
Supplies and Materials	7,880	15,030	12,435	2,595
Total Tree and Tree Lawns	204,653	212,003	190,427	21,576
Total Community Development	924,325	893,687	849,619	44,068
Public Works				
Service Director				
Personal Services	124,600	128,439	126,078	2,361
Contractual Services	21,315	21,315	20,768	547
Supplies and Materials	2,136	2,136	74	2,062
Total Service Director	148,051	151,890	146,920	4,970
Service Building				
Personal Services	82,832	89,567	89,567	-
Contractual Services	153,632	153,632	132,738	20,894
Supplies and Materials	79,006	71,622	33,911	37,711
Total Service Building	315,470	314,821	256,216	58,605
Sanitation Department				
Personal Services	511,422	511,422	504,236	7,186
Contractual Services	1,812	37,587	37,587	-
Supplies and Materials	451,805	478,530	457,720	20,810
Total Sanitation Department	965,039	1,027,539	999,543	27,996
Sewers, Drains, and Pump Stations				
Personal Services	742,472	755,172	740,456	14,716
Travel and Education	100	100	98	2
Contractual Services	67,119	72,157	72,157	-
Supplies and Materials	84,219	121,631	104,643	16,988
Total Sewers, Drains, and Pump Stations	893,910	949,060	917,354	31,706
Total Public Works	2,322,470	2,443,310	2,320,033	123,277

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, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Transportation				
Street Cleaning				
Personal Services	86,658	88,799	87,623	1,176
Travel and Education	100	100	45	55
Supplies and Materials	4,102	4,102	3,183	919
Total Street Cleaning	90,860	93,001	90,851	2,150
Traffic Signs				
Personal Services	70,243	70,820	70,352	468
Supplies and Materials	4,092	4,092	3,481	611
Total Traffic Signs	74,335	74,912	73,833	1,079
Snow Removal				
Personal Services	80,815	75,815	57,626	18,189
Contractual Services	792	792	360	432
Supplies and Materials	370,632	365,632	287,806	77,826
Total Snow Removal	452,239	442,239	345,792	96,447
Total Transportation	617,434	610,152	510,476	99,676
General Government				
City Council				
Personal Services	144,567	144,567	144,567	-
Travel and Education	2,000	2,000	-	2,000
Contractual Services	27,092	21,026	19,561	1,465
Supplies and Materials	2,500	2,500	-	2,500
Total City Council	176,159	170,093	164,128	5,965
Clerk of Council				
Personal Services	98,265	99,864	93,884	5,980
Travel and Education	750	2,000	-	2,000
Contractual Services	1,750	6,225	2,886	3,339
Supplies and Materials	750	750	-	750
Total Clerk of Council	101,515	108,839	96,770	12,069

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Mayor's Court				
Personal Services	150,770	152,359	152,359	-
Travel and Education	1,000	887	846	41
Contractual Services	9,598	14,598	18,622	(4,024)
Supplies and Materials	2,900	1,424	1,424	-
Total Mayor's Court	164,268	169,268	173,251	(3,983)
Municipal Court				
Contractual Services	5,000	-	-	-
Total Mayor's Court	5,000	-	-	-
Civil Service Commission				
Personal Services	30,809	30,809	28,474	2,335
Contractual Services	2,243	1,243	-	1,243
Supplies and Materials	1,575	1,575	452	1,123
Total Civil Service Commission	34,627	33,627	28,926	4,701
Mayor's Office				
Personal Services	271,708	266,208	266,059	149
Travel and Education	3,054	7,084	2,965	4,119
Contractual Services	5,058	9,858	7,427	2,431
Supplies and Materials	6,001	13,001	11,059	1,942
Total Mayor's Office	285,821	296,151	287,510	8,641
Human Resources				
Personal Services	102,841	104,215	104,187	28
Travel and Education	500	723	635	88
Contractual Services	4,613	11,813	11,590	223
Supplies and Materials	500	500	500	-
Total Human Resources	108,454	117,251	116,912	339
Public Properties				
Personal Services	255,443	259,484	258,671	813
Travel and Education	250	250	-	250
Contractual Services	5,185	7,185	7,032	153
Supplies and Materials	9,553	9,553	9,001	552
Total Public Properties	270,431	276,472	274,704	1,768

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Legal Department				
Personal Services	269,521	269,521	262,019	7,502
Travel and Education	250	250	40	210
Contractual Services	1,598	1,774	1,774	-
Supplies and Materials	586	410	235	175
Total Legal Department	271,955	271,955	264,068	7,887
Finance Department				
Personal Services	380,597	388,332	387,389	943
Travel and Education	4,600	7,850	3,501	4,349
Contractual Services	85,246	85,246	80,935	4,311
Supplies and Materials	6,345	6,345	5,068	1,277
Total Finance Department	476,788	487,773	476,893	10,880
Tax Department				
Personal Services	232,027	247,894	229,665	18,229
Travel and Education	324	750	750	-
Contractual Services	60,114	60,114	48,927	11,187
Supplies and Materials	13,744	19,708	15,189	4,519
Other Expenses	780,000	597,743	297,900	299,843
Total Tax Department	1,086,209	926,209	592,431	333,778
Retirees				
Personal Services	325,000	288,000	132,326	155,674
Total Retirees	325,000	288,000	132,326	155,674
Mechanics				
Personal Services	594,597	601,469	599,784	1,685
Travel and Education	1,500	1,544	1,544	-
Contractual Services	525	525	-	525
Travel and Education	3,259	3,215	2,453	762
Total Mechanics	599,881	606,753	603,781	2,972
Engineering				
Contractual Services	48,000	48,000	48,000	-
Total Engineering	48,000	48,000	48,000	-

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Lands and Buildings				
Personal Services	-	3,121	3,041	80
Contractual Services	162,815	138,270	105,190	33,080
Supplies and Materials	12,203	26,748	26,748	-
Total Lands and Buildings	175,018	168,139	134,979	33,160
Other General Government				
Personal Services	318,313	311,559	311,503	56
Travel and Education	18,740	18,740	18,740	-
Contractual Services	478,621	623,794	414,958	208,836
Supplies and Materials	291,332	278,615	261,858	16,757
Other Expenses	-	18,195	18,195	-
Total Other General Government	1,107,006	1,250,903	1,025,254	225,649
Total General Government	5,236,132	5,219,433	4,419,933	799,500
Total Expenditures	20,161,368	20,280,015	18,998,157	1,281,858
Excess of Revenues Over (Under) Expenditures	2,009,754	2,536,542	3,815,629	1,279,087
Other Financing Sources (Uses)				
Sale of Capital Assets	-	1,808	1,808	-
Transfer In	376,150	376,150	22,750	(353,400)
Transfers Out	(3,396,144)	(3,212,212)	(2,858,812)	353,400
Total Other Financing Sources (Uses)	(3,019,994)	(2,834,254)	(2,834,254)	-
Net Change in Fund Balance	(1,010,240)	(297,712)	981,375	1,279,087
Cash Fund Balance - Beginning of Year	6,916,271	6,916,271	6,916,271	-
Current Year Encumbrances	232,172	232,172	232,172	-
Cash Fund Balance - End of Year	\$ 6,138,203	\$ 6,850,731	\$ 8,129,818	\$ 1,279,087

See accompanying notes to the basic financial statements.

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income Taxes	\$ 2,857,896	\$ 2,902,703	\$ 2,905,575	\$ 2,872
Intergovernmental	3,941,767	1,027,573	578,757	(448,816)
Special Assessments	170	2,561	2,561	-
All Other Revenues	4,163	4,590	4,590	-
Total Revenues	6,803,996	3,937,427	3,491,483	(445,944)
Expenditures:				
Community Development				
Contractual Services	2,240	67,846	58,698	9,148
Total Community Development	2,240	67,846	58,698	9,148
Public Works				
Sewers and Drains				
Contractual Services	354,153	300,700	300,700	-
Supplies and Materials	2,000	1,681	1,681	-
Total Public Works	356,153	302,381	302,381	-
Transportation				
Street Paving and Repair				
Contractual Services	303,389	248,213	241,063	7,150
Supplies and Materials	2,000	2,448	1,248	1,200
Total Transportation	305,389	250,661	242,311	8,350
General Government				
Income Tax Department				
Personal Services	50,640	54,607	50,145	4,462
Travel and Education	81	149	149	-
Contractual Services	15,003	15,003	10,780	4,223
Supplies and Materials	150	82	29	53
Other	195,000	151,033	72,871	78,162
Total Income Tax Department	260,874	220,874	133,974	86,900
Land and Buildings:				
Contractual Services	63,069	10,183	10,183	-
Total Land and Buildings	63,069	10,183	10,183	-
Total General Government	323,943	231,057	144,157	86,900

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Capital Outlay				
Animal Warden	36,439	37,393	24,417	12,976
Building Department	28,482	28,482	23,715	4,767
Community Development	17,983	17,983	-	17,983
Council	10,544	10,544	7,659	2,885
Finance Department	5,160	5,160	4,188	972
Fire Department	267,201	267,201	243,644	23,557
Lands and Buildings	923,396	403,890	366,737	37,153
Legal Department	3,265	3,265	2,393	872
Mayor's Court	-	553	361	192
Mayor's Office	4,660	5,680	5,312	368
Mechanics	25,000	25,000	16,325	8,675
Parks and Playgrounds	268,000	54,987	54,986	1
Police Department	245,166	245,166	232,687	12,479
Recreation Center	157,555	136,236	89,812	46,424
Safety Building	5,000	42,416	42,416	-
Sanitation	345,048	345,003	255,086	89,917
Service Building	7,944	7,304	5,765	1,539
Sewers and Drains	2,554,393	2,076,469	1,609,118	467,351
Snow Removal	254,405	254,405	200,288	54,117
Street Cleaning	-	37,339	37,339	-
Street Paving and Repair	5,220,006	2,614,249	2,607,311	6,938
Tax Department	1,192	1,192	778	414
Trees and Tree Lawns	60,000	60,000	39,179	20,821
Total Capital Outlay	10,440,839	6,679,917	5,869,516	810,401
Total Expenditures	11,428,564	7,531,862	6,617,063	914,799
Excess of Revenues Over (Under) Expenditures	(4,624,568)	(3,594,435)	(3,125,580)	468,855
Other Financing Sources (Uses)				
General Obligation Bonds Issued	1,275,000	-	-	-
OPWC Loans Issued	184,864	154,189	154,189	-
Transfers In	2,232,842	3,352,684	3,348,184	(4,500)
Transfers Out	(1,522,599)	(2,682,697)	(2,678,197)	4,500
Total Other Financing Sources (Uses)	2,170,107	824,176	824,176	-
Net Change in Fund Balance	(2,454,461)	(2,770,259)	(2,301,404)	468,855
Cash Fund Balance - Beginning of Year	3,982,769	3,982,769	3,982,769	-
Current Year Encumbrances	-	-	1,872,231	1,872,231
Cash Fund Balance - End of Year	\$ 1,528,308	\$ 1,212,510	\$ 3,553,596	\$ 2,341,086

See accompanying notes to the basic financial statements.

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 765,967	\$ 791,529	\$ 791,529	\$ -
Interest	576	5,666	5,666	-
Total Revenues	<u>766,543</u>	<u>797,195</u>	<u>797,195</u>	<u>-</u>
Expenditures:				
Current:				
Transportation				
Street Paving and Repair				
Personal Services	503,835	535,318	528,355	6,963
Supplies and Materials	213,921	242,526	200,159	42,367
Total Transportation	<u>717,756</u>	<u>777,844</u>	<u>728,514</u>	<u>49,330</u>
Capital Outlay				
Contractual Services	900,000	839,912	-	839,912
Total Capital Outlay	<u>900,000</u>	<u>839,912</u>	<u>-</u>	<u>839,912</u>
Total Expenditures	<u>1,617,756</u>	<u>1,617,756</u>	<u>728,514</u>	<u>889,242</u>
Net Change in Fund Balance	(851,213)	(820,561)	68,681	889,242
Cash Fund Balance - Beginning of Year	893,664	893,664	893,664	-
Current Year Encumbrances	-	-	93,266	93,266
Cash Fund Balance - End of Year	<u>\$ 42,451</u>	<u>\$ 73,103</u>	<u>\$ 1,055,611</u>	<u>\$ 982,508</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 62,106	\$ 64,178	\$ 64,178	\$ -
Interest	421	3,363	3,363	-
Total Revenues	<u>62,527</u>	<u>67,541</u>	<u>67,541</u>	<u>-</u>
Expenditures:				
Current:				
Transportation				
Street Paving and Repair				
Supplies and Materials	103,331	103,331	5,666	97,665
Total Expenditures	<u>103,331</u>	<u>103,331</u>	<u>5,666</u>	<u>97,665</u>
Net Change in Fund Balance	(40,804)	(35,790)	61,875	97,665
Cash Fund Balance - Beginning of Year	567,060	567,060	567,060	-
Current Year Encumbrances	-	-	958	958
Cash Fund Balance - End of Year	<u>\$ 526,256</u>	<u>\$ 531,270</u>	<u>\$ 629,893</u>	<u>\$ 98,623</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 43,841	\$ 50,958	\$ 50,958	\$ -
Interest	483	2,793	2,793	-
Total Revenues	<u>44,324</u>	<u>53,751</u>	<u>53,751</u>	<u>-</u>
Expenditures:				
Current:				
Transportation				
Street Paving and Repair				
Contractual Services	548,000	534,538	526,411	8,127
Supplies and Materials	2,000	15,462	15,462	-
Total Expenditures	<u>550,000</u>	<u>550,000</u>	<u>541,873</u>	<u>8,127</u>
Net Change in Fund Balance	(505,676)	(496,249)	(488,122)	8,127
Cash Fund Balance - Beginning of Year	545,877	545,877	545,877	-
Current Year Encumbrances	-	-	136,383	136,383
Cash Fund Balance - End of Year	<u>\$ 40,201</u>	<u>\$ 49,628</u>	<u>\$ 194,138</u>	<u>\$ 144,510</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees, Licenses, and Permits	\$ 34,575	\$ 44,500	\$ 44,500	\$ -
All Other Revenues	140,900	290,153	290,153	-
Total Revenues	<u>175,475</u>	<u>334,653</u>	<u>334,653</u>	<u>-</u>
Expenditures:				
Current:				
Community Development				
Contractual Services	801,067	549,110	549,110	-
Supplies and Materials	5,000	5,000	3,746	1,254
Total Community Development	<u>806,067</u>	<u>554,110</u>	<u>552,856</u>	<u>1,254</u>
Capital Outlay				
Contractual Services	651,800	747,157	745,867	1,290
Total Capital Outlay	<u>651,800</u>	<u>747,157</u>	<u>745,867</u>	<u>1,290</u>
Total Expenditures	<u>1,457,867</u>	<u>1,301,267</u>	<u>1,298,723</u>	<u>2,544</u>
Excess of Revenues Over (Under) Expenditures	(1,282,392)	(966,614)	(964,070)	2,544
Other Financing Sources				
Sale of Capital Assets	-	-	-	-
Transfers In	500,000	-	-	-
Total Other Financing Sources	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(782,392)	(966,614)	(964,070)	2,544
Cash Fund Balance - Beginning of Year	1,263,485	1,263,485	1,263,485	-
Current Year Encumbrances	-	-	514,793	514,793
Cash Fund Balance - End of Year	<u>\$ 481,093</u>	<u>\$ 296,871</u>	<u>\$ 814,208</u>	<u>\$ 517,337</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Community Development				
Contractual Services	-	25,000	25,000	-
Total Expenditures	-	25,000	25,000	-
Net Change in Fund Balance	-	(25,000)	(25,000)	-
Cash Fund Balance - Beginning of Year	82,835	82,835	82,835	-
Current Year Encumbrances	-	-	25,000	25,000
Cash Fund Balance - End of Year	<u>\$ 82,835</u>	<u>\$ 57,835</u>	<u>\$ 82,835</u>	<u>\$ 25,000</u>

City of Brook Park, Ohio

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget (Non-GAAP Budgetary Basis) and Actual

CDBG Fund

For The Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Community Development				
Contractual Services	2,506	2,506	2,506	-
Total Expenditures	<u>2,506</u>	<u>2,506</u>	<u>2,506</u>	<u>-</u>
Excess of Revenues Over				
(Under) Expenditures	<u>(2,506)</u>	<u>(2,506)</u>	<u>(2,506)</u>	<u>-</u>
Net Change in Fund Balance	(2,506)	(2,506)	(2,506)	-
Cash Fund Balance - Beginning of Year	39,088	39,088	39,088	-
Cash Fund Balance - End of Year	<u>\$ 36,582</u>	<u>\$ 36,582</u>	<u>\$ 36,582</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
All Other Revenues	\$ 105,000	\$ 94,081	\$ 94,434	\$ 353
Total Revenues	<u>105,000</u>	<u>94,081</u>	<u>94,434</u>	<u>353</u>
Expenditures:				
Current:				
Leisure Time Activities				
Public Recreation				
Parks & Playground				
Contractual Services	14,750	14,750	9,006	5,744
Supplies and Materials	82,059	79,559	58,637	20,922
Other	2,200	4,700	3,908	792
Total Expenditures	<u>99,009</u>	<u>99,009</u>	<u>71,551</u>	<u>27,458</u>
Net Change in Fund Balance	5,991	(4,928)	22,883	27,811
Cash Fund Balance - Beginning of Year	378,864	378,864	378,864	-
Current Year Encumbrances	-	-	9,430	9,430
Cash Fund Balance - End of Year	<u>\$ 384,855</u>	<u>\$ 373,936</u>	<u>\$ 411,177</u>	<u>\$ 37,241</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 500	\$ 638	\$ 638	\$ -
All Other Revenues	150	1,082	1,082	-
Total Revenues	<u>650</u>	<u>1,720</u>	<u>1,720</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police and Others				
Travel and Education	5,000	5,000	1,846	3,154
Contractual Services	1,000	1,000	-	1,000
Supplies and Materials	55,000	55,000	53,036	1,964
Total Expenditures	<u>61,000</u>	<u>61,000</u>	<u>54,882</u>	<u>6,118</u>
Net Change in Fund Balance	(60,350)	(59,280)	(53,162)	6,118
Cash Fund Balance - Beginning of Year	159,828	159,828	159,828	-
Current Year Encumbrances	-	-	50,000	50,000
Cash Fund Balance - End of Year	<u>\$ 99,478</u>	<u>\$ 100,548</u>	<u>\$ 156,666</u>	<u>\$ 56,118</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 926	\$ 962	\$ 962	\$ -
Total Revenues	<u>926</u>	<u>962</u>	<u>962</u>	<u>-</u>
Net Change in Fund Balance	926	962	962	-
Cash Fund Balance - Beginning of Year	22,258	22,258	22,258	-
Cash Fund Balance - End of Year	<u><u>\$ 23,184</u></u>	<u><u>\$ 23,220</u></u>	<u><u>\$ 23,220</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

Federal Forfeiture Fund

For The Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 266	\$ 1,999	\$ 1,999	\$ -
All Other Revenues	29,600	9,776	9,776	-
Total Revenues	<u>29,866</u>	<u>11,775</u>	<u>11,775</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police and Others				
Travel and Education	16,000	16,000	5,181	10,819
Contractual Services	2,725	2,725	-	2,725
Supplies and Materials	5,000	5,000	54	4,946
Capital Outlay	102,037	102,037	100,823	1,214
Total Expenditures	<u>125,762</u>	<u>125,762</u>	<u>106,058</u>	<u>19,704</u>
Net Change in Fund Balance	(95,896)	(113,987)	(94,283)	19,704
Cash Fund Balance - Beginning of Year	363,723	363,723	363,723	-
Current Year Encumbrances	-	-	80,136	80,136
Cash Fund Balance - End of Year	<u>\$ 267,827</u>	<u>\$ 249,736</u>	<u>\$ 349,576</u>	<u>\$ 99,840</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,100	\$ 3,300	\$ 3,300	\$ -
Total Revenues	<u>2,100</u>	<u>3,300</u>	<u>3,300</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police and Others				
Personal Services	1,159	1,159	185	974
Travel and Education	132	132	29	103
Contractual Services	100	100	-	100
Total Expenditures	<u>1,391</u>	<u>1,391</u>	<u>214</u>	<u>1,177</u>
Net Change in Fund Balance	709	1,909	3,086	1,177
Cash Fund Balance - Beginning of Year	9,071	9,071	9,071	-
Cash Fund Balance - End of Year	<u>\$ 9,780</u>	<u>\$ 10,980</u>	<u>\$ 12,157</u>	<u>\$ 1,177</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Security of Persons and Property				
Police and Others:				
Personal Services	\$ 33,757	\$ 34,577	\$ 34,577	\$ -
Fire				
Personal Services	33,330	34,139	34,139	-
Total Security of Persons & Property	67,087	68,716	68,716	-
Community Development				
Building Department				
Personal Services	3,719	3,809	3,809	-
Total Community Development	3,719	3,809	3,809	-
Public Works				
Sewers and Drains				
Personal Services	11,457	11,735	11,735	-
Total Public Works	11,457	11,735	11,735	-
Transportation				
Street Cleaning				
Personal Services	33,146	33,952	33,952	-
Total Transportation	33,146	33,952	33,952	-
Total Expenditures	115,409	118,212	118,212	-
Excess of Revenues Over				
(Under) Expenditures	(115,409)	(118,212)	(118,212)	-
Other Financing Sources				
Transfers In	150,000	120,000	120,000	-
Total Other Financings Sources	150,000	120,000	120,000	-
Net Change in Fund Balance	34,591	1,788	1,788	-
Cash Fund Balance - Beginning of Year	25,865	25,865	25,865	-
Cash Fund Balance - End of Year	\$ 60,456	\$ 27,653	\$ 27,653	\$ -

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, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 1,000	\$ 2,880	\$ 2,880	\$ -
Total Revenues	<u>1,000</u>	<u>2,880</u>	<u>2,880</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Travel and Education	\$ 3,000	\$ 3,000	\$ 2,160	\$ 840
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>2,160</u>	<u>840</u>
Net Change in Fund Balance	(2,000)	(120)	720	840
Cash Fund Balance - Beginning of Year	5,343	5,343	5,343	-
Cash Fund Balance - End of Year	<u>\$ 3,343</u>	<u>\$ 5,223</u>	<u>\$ 6,063</u>	<u>\$ 840</u>

City of Brook Park, Ohio

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

FEMA Fund

For The Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Cash Fund Balance - Beginning of Year	54,663	54,663	54,663	-
Cash Fund Balance - End of Year	<u>\$ 54,663</u>	<u>\$ 54,663</u>	<u>\$ 54,663</u>	<u>\$ -</u>

City of Brook Park, Ohio

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

Police Pension Fund

For The Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 98,673	\$ 105,750	\$ 105,750	\$ -
Intergovernmental	14,522	14,168	14,168	-
Total Revenues	<u>113,195</u>	<u>119,918</u>	<u>119,918</u>	<u>-</u>
Expenditures:				
Current:				
Security of Persons and Property				
Police and Others				
Personal Services	632,491	645,118	644,691	427
Total Expenditures	<u>632,491</u>	<u>645,118</u>	<u>644,691</u>	<u>427</u>
Excess of Revenues Over (Under) Expenditures	(519,296)	(525,200)	(524,773)	427
Other Financing Sources				
Transfers In	475,000	490,000	490,000	-
Total Other Financing Sources	<u>475,000</u>	<u>490,000</u>	<u>490,000</u>	<u>-</u>
Net Change in Fund Balance	(44,296)	(35,200)	(34,773)	427
Cash Fund Balance - Beginning of Year	48,911	48,911	48,911	-
Cash Fund Balance - End of Year	<u>\$ 4,615</u>	<u>\$ 13,711</u>	<u>\$ 14,138</u>	<u>\$ 427</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 98,673	\$ 105,750	\$ 105,750	\$ -
Intergovernmental	14,522	14,168	14,168	-
Total Revenues	<u>113,195</u>	<u>119,918</u>	<u>119,918</u>	<u>-</u>
Expenditures:				
Current:				
Fire				
Personal Services	722,206	722,732	721,358	1,374
Total Expenditures	<u>722,206</u>	<u>722,732</u>	<u>721,358</u>	<u>1,374</u>
Excess of Revenues Over (Under) Expenditures	(609,011)	(602,814)	(601,440)	1,374
Other Financing Sources				
Transfers In	505,000	505,000	505,000	-
Total Other Financing Sources	<u>505,000</u>	<u>505,000</u>	<u>505,000</u>	<u>-</u>
Net Change in Fund Balance	(104,011)	(97,814)	(96,440)	1,374
Cash Fund Balance - Beginning of Year	111,466	111,466	111,466	-
Cash Fund Balance - End of Year	<u>\$ 7,455</u>	<u>\$ 13,652</u>	<u>\$ 15,026</u>	<u>\$ 1,374</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, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 87,706	\$ 101,333	\$ 94,121	\$ (7,212)
Intergovernmental	13,627	6,372	13,584	7,212
Total Revenues	<u>101,333</u>	<u>107,705</u>	<u>107,705</u>	<u>-</u>
Expenditures:				
Current:				
Public Health and Welfare				
Contractual Services	101,333	107,705	94,827	12,878
Total Expenditures	<u>101,333</u>	<u>107,705</u>	<u>94,827</u>	<u>12,878</u>
Net Change in Fund Balance	-	-	12,878	12,878
Cash Fund Balance - Beginning of Year	-	-	-	-
Cash Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,878</u>	<u>\$ 12,878</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 63,353	\$ 63,353	\$ 63,353	\$ -
Special Assessments	58,400	60,793	60,793	-
Total Revenues	<u>121,753</u>	<u>124,146</u>	<u>124,146</u>	<u>-</u>
Expenditures:				
Current:				
General Government				
Contractual Services	850	850	628	222
Total General Government	<u>850</u>	<u>850</u>	<u>628</u>	<u>222</u>
Debt Service:				
Principal	541,846	541,846	541,846	-
Interest & Fiscal Charges	<u>257,213</u>	<u>257,213</u>	<u>257,213</u>	<u>-</u>
Total Expenditures	<u>799,909</u>	<u>799,909</u>	<u>799,687</u>	<u>222</u>
Excess of Revenues Over (Under) Expenditures	(678,156)	(675,763)	(675,541)	222
Other Financing Sources				
Transfers In	<u>676,751</u>	<u>1,045,007</u>	<u>1,045,007</u>	<u>-</u>
Total Other Financing Sources	<u>676,751</u>	<u>1,045,007</u>	<u>1,045,007</u>	<u>-</u>
Net Change in Fund Balance	(1,405)	369,244	369,466	222
Cash Fund Balance - Beginning of Year	<u>918,372</u>	<u>918,372</u>	<u>918,372</u>	<u>-</u>
Cash Fund Balance - End of Year	<u>\$ 916,967</u>	<u>\$ 1,287,616</u>	<u>\$ 1,287,838</u>	<u>\$ 222</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 1,955,115	\$ 2,517,201	\$ 2,517,201	\$ -
Total Revenues	<u>1,955,115</u>	<u>2,517,201</u>	<u>2,517,201</u>	<u>-</u>
Expenses				
Current:				
Fringe Benefits	1,955,363	1,955,363	1,740,980	214,383
Contractual Services	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total Expenses	<u>1,956,363</u>	<u>1,956,363</u>	<u>1,741,980</u>	<u>214,383</u>
Net Change in Fund Equity	(1,248)	560,838	775,221	214,383
Cash Fund Equity - Beginning of Year	<u>2,412,470</u>	<u>2,412,470</u>	<u>2,412,470</u>	<u>-</u>
Cash Fund Equity - End of Year	<u>\$ 2,411,222</u>	<u>\$ 2,973,308</u>	<u>\$ 3,187,691</u>	<u>\$ 214,383</u>

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STATISTICAL SECTION

City of Brook Park, Ohio

Statistical Section

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.

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

	2007	2008	2009	2010	Restated 2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in										
Capital assets	\$55,327,938	\$63,019,962	\$66,056,261	\$69,340,252	\$69,624,618	\$69,659,655	\$68,500,606	\$67,365,271	\$66,736,815	\$ 67,797,950
Restricted for:										
Capital projects	12,272,001	10,585,857	6,705,275	5,173,026	5,358,279	3,309,139	3,377,216	5,257,973	1,841,871	2,148,752
Debt service	459,559	541,282	574,620	651,203	634,751	730,029	747,956	803,224	3,994,770	3,726,530
Other purposes	2,094,496	272,025	366,682	501,409	615,393	1,180,925	1,257,622	1,270,567	1,156,438	219,890
Recreation	-	-	-	-	-	-	-	-	-	403,637
Public Safety	-	-	-	-	-	-	-	-	-	509,594
Economic development	-	1,604,073	1,341,950	507,980	357,863	456,696	449,730	304,469	1,263,245	800,811
Street paving and repair	-	1,079,360	1,240,057	1,402,084	1,527,587	1,646,532	1,778,891	2,023,577	2,441,997	2,284,811
Unrestricted	9,634,437	6,171,898	5,585,468	5,286,791	5,119,842	5,897,052	6,066,741	6,952,423	(7,673,180)	(7,147,730)
Total net position - governmental activities	<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>	<u>\$82,178,762</u>	<u>\$83,977,504</u>	<u>\$69,761,956</u>	<u>\$ 70,744,245</u>

Note: A portion of the 2012 net position was reclassified between restricted and unrestricted. This reclass did not affect the total 2012 net position.

City of Brook Park, Ohio

Changes in Net Position

Accrual Basis of Accounting

Last Ten Fiscal Years

Table 2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program revenues:										
Charges for services										
General government	\$ 539,909	\$ 618,514	\$ 483,471	\$ 551,319	\$ 565,523	\$ 578,665	\$ 824,690	\$ 694,869	\$ 796,582	\$ 658,301
Security of persons and property	949,365	1,000,487	1,350,977	1,262,634	922,977	991,409	721,429	1,257,395	1,225,940	1,315,914
Public health and welfare	6,996	6,375	25,956	20,622	18,294	16,413	16,966	5,229	190	220
Transportation	-	-	46,222	13,218	-	-	9,028	4,266	4,706	3,000
Leisure time activities	498,148	551,417	603,543	589,582	543,853	504,117	459,719	312,411	244,830	241,017
Community development	1,142,305	1,246,241	1,313,937	1,257,755	1,310,136	1,352,244	1,357,232	1,350,029	1,477,072	1,395,370
Public works	-	-	109,097	26,060	4,749	-	-	-	-	-
Total charges for services	3,136,723	3,423,034	3,933,203	3,721,190	3,365,532	3,442,848	3,389,064	3,624,199	3,749,320	3,613,822
Operating grants and contributions										
General government	-	-	-	9,000	7,035	58,103	10,292	21,137	37,576	27,842
Security of persons and property	30,099	21,103	3,004	35,846	16,893	12,899	119,180	48,522	98,194	77,796
Public health and welfare	10,580	-	-	-	-	-	-	-	-	-
Transportation	23,474	973,759	949,509	949,074	937,085	948,382	920,547	897,051	950,483	889,600
Leisure time activities	-	-	-	-	-	-	12,000	-	-	-
Community development	-	-	-	-	-	-	-	3,360	25,744	290,153
Public works	182,117	-	-	-	-	-	23,764	24,751	32,358	2,121
Total operating grants and contributions	246,270	994,862	952,513	993,920	961,013	1,019,384	1,085,783	994,821	1,144,355	1,287,512
Capital grants and contributions										
General government	-	34,842	-	-	185,500	-	-	1,420,975	58,288	-
Security of persons and property	-	1,749	103,500	3,000	117,755	7,968	-	-	-	-
Transportation	1,396,638	5,370,901	1,156,966	-	1,267,992	1,938,948	5,971	95,581	-	-
Leisure time activities	-	-	-	35,000	-	-	-	-	-	-
Community development	665,925	65,645	-	-	306,298	29,713	-	150,000	-	-
Public works	-	-	183,223	3,958,586	-	-	59,447	476,965	1,283,315	585,456
Total capital grants and contributions	2,062,563	5,473,137	1,443,689	3,996,586	1,877,545	1,976,629	65,418	2,143,521	1,341,603	585,456
Total program revenues	5,445,556	9,891,033	6,329,405	8,711,696	6,204,090	6,438,861	4,540,265	6,762,541	6,235,278	5,486,790

Continued

City of Brook Park, Ohio

Changes in Net Position (continued)

Accrual Basis of Accounting

Last Ten Fiscal Years

Table 2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
General government	5,183,964	5,319,134	5,200,887	4,979,667	5,047,013	5,957,703	4,614,338	4,902,511	4,548,339	4,756,377
Security of persons and property	12,258,151	11,325,203	12,524,620	12,160,835	11,430,668	11,068,045	11,287,480	10,985,542	10,659,035	12,063,794
Public health and welfare	566,718	483,130	393,134	542,592	412,809	314,932	313,017	278,394	230,016	209,629
Transportation	2,618,477	2,766,466	2,504,805	2,613,821	2,486,308	3,213,847	3,083,726	3,210,908	3,081,564	2,946,070
Leisure time activities	2,928,253	2,866,895	2,818,681	2,581,318	2,562,792	2,305,024	2,198,184	2,095,119	1,508,908	1,567,408
Community development	2,125,890	2,701,221	1,507,000	1,790,631	1,428,069	1,035,202	886,092	1,088,706	1,160,879	1,637,055
Public works	4,380,006	4,351,316	4,308,772	3,537,459	3,547,146	3,501,691	3,230,274	3,218,651	3,080,342	3,228,252
Interest and fiscal charges	70,405	54,951	47,563	44,829	46,100	98,982	264,510	284,964	230,077	238,212
Total primary government expenses	<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>	<u>25,877,621</u>	<u>26,064,795</u>	<u>24,499,160</u>	<u>26,646,797</u>
Net (expense)/revenue	<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>	<u>(21,337,356)</u>	<u>(19,302,254)</u>	<u>(18,263,882)</u>	<u>(21,160,007)</u>
General revenues										
Property taxes	2,261,148	2,331,911	2,134,450	2,026,186	1,994,242	1,986,778	1,807,889	1,684,574	1,769,793	1,836,353
Municipal income taxes	21,321,660	18,358,018	17,343,214	17,029,564	17,801,257	17,768,862	18,134,634	18,556,361	19,570,562	19,608,280
Grants and entitlements										
not restricted to specific programs	2,695,712	2,087,153	1,944,138	2,016,732	1,393,561	878,135	615,425	790,071	716,253	618,590
Investment income	1,135,195	686,197	150,111	29,733	4,702	7,157	2,045	4,746	19,345	62,985
All other revenues	25,673	30	-	4,603	2,428	57,328	76,097	65,244	1,265	16,088
Total general revenues	<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>	<u>20,636,090</u>	<u>21,100,996</u>	<u>22,077,218</u>	<u>22,142,296</u>
Change in net position	<u>\$ 2,753,080</u>	<u>\$ 3,486,026</u>	<u>\$(1,404,144)</u>	<u>\$ 1,567,362</u>	<u>\$ 439,375</u>	<u>\$ (358,305)</u>	<u>\$ (701,266)</u>	<u>\$ 1,798,742</u>	<u>\$ 3,813,336</u>	<u>\$ 982,289</u>

City of Brook Park, Ohio
Fund Balances, Governmental Funds
Modified Accrual Basis of Accounting
Last Ten Fiscal Years

Table 3

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ 370,218	\$ 283,312	\$ 266,001	\$ 261,923	\$ 273,738	\$ 295,958	\$ 333,786
Committed	-	-	-	3,763,449	3,229,970	2,767,778	1,874,885	1,481,623	1,661,168	1,987,936
Assigned	-	-	-	1,109,427	414,414	277,395	266,035	250,794	216,578	2,639,376
Unassigned	-	-	-	684,449	1,415,476	3,064,486	3,070,287	3,375,377	6,697,552	4,787,899
Reserved	654,598	561,726	581,663	-	-	-	-	-	-	-
Unreserved	9,058,619	4,905,898	3,445,039	-	-	-	-	-	-	-
Total general fund	9,713,217	5,467,624	4,026,702	5,927,543	5,343,172	6,375,660	5,473,130	5,381,532	8,871,256	9,748,997
All other governmental funds:										
Restricted	-	-	-	3,793,076	4,316,404	3,980,814	6,967,254	6,231,265	5,247,066	4,026,978
Committed	-	-	-	3,747,047	3,568,496	2,246,761	4,091,320	4,055,013	3,957,344	4,336,381
Assigned	-	-	-	2,669,474	2,639,466	1,757,135	859,276	891,596	891,596	1,128,496
Unassigned (Deficit)	-	-	-	(455,619)	(445,746)	(354,414)	(102,722)	(153,258)	(27,198)	(66,984)
Reserved	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	1,374,871	2,527,419	2,551,083	-	-	-	-	-	-	-
Debt service	459,559	460,119	493,635	-	-	-	-	-	-	-
Capital project	10,441,047	7,272,257	5,770,241	-	-	-	-	-	-	-
Total all other governmental funds	15,460,024	15,206,388	12,704,014	9,753,978	10,078,620	7,630,296	11,815,128	11,024,616	10,068,808	9,424,871
Total governmental funds	\$25,173,241	\$20,674,012	\$16,730,716	\$15,681,521	\$15,421,792	\$14,005,956	\$17,288,258	\$16,406,148	\$18,940,064	\$19,173,868

Note: In 2011, the City implemented GASB Statement No. 54. As a result, the 2010 fund balances were reclassified to reflect the effects of GASB Statement No.54.

City of Brook Park, Ohio

Changes in Fund Balances, Governmental Funds

Modified Accrual Basis of Accounting

Last Ten Fiscal Years

Table 4

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Property Taxes	\$ 2,759,724	\$ 2,338,903	\$ 2,223,343	\$2,031,983	\$ 2,002,050	\$ 1,952,842	\$ 1,827,212	\$ 1,735,105	\$ 1,777,005	\$ 1,832,246
Income Taxes	21,582,162	17,999,769	16,863,883	16,959,103	17,465,889	17,603,699	17,577,172	18,097,977	19,271,134	19,055,491
Other Taxes	359,472	358,969	274,922	271,452	325,486	213,567	338,001	345,238	344,687	375,180
Intergovernmental	4,938,245	8,224,555	4,553,194	6,508,356	3,772,270	3,537,753	1,861,096	3,952,536	2,969,726	2,177,933
Interest	1,135,195	684,229	240,545	33,181	4,893	7,172	2,045	4,746	19,345	62,985
Licenses and Permits	433,795	465,318	411,410	547,492	705,694	689,562	739,328	699,901	855,440	751,259
Fines and Forfeitures	395,605	358,033	294,582	531,713	350,017	408,470	268,370	535,859	851,371	715,504
Rentals	-	2,775	3,000	2,500	1,975	3,550	3,850	1,650	87,998	90,176
Charges for Services	1,833,367	1,979,578	2,273,175	2,360,691	1,984,816	1,867,450	1,785,589	1,773,668	1,688,949	1,662,569
Contributions and Donations	-	18,307	22,176	15,208	219,725	190,820	91,648	72,075	35,724	38,735
Special Assessments	105,473	83,419	84,655	82,933	85,071	85,066	85,512	82,455	82,987	63,354
All Other Revenues	499,629	599,053	521,282	478,617	700,243	471,719	722,235	443,236	472,446	676,328
Total Revenues	<u>34,042,667</u>	<u>33,112,908</u>	<u>27,766,167</u>	<u>29,823,229</u>	<u>27,618,129</u>	<u>27,031,670</u>	<u>25,302,058</u>	<u>27,744,446</u>	<u>28,456,812</u>	<u>27,501,760</u>
Expenditures:										
Current:										
Security of persons and property	11,703,939	11,984,162	11,981,074	11,588,747	11,540,053	11,014,188	11,017,683	10,799,690	10,162,731	10,775,343
Public health and welfare	559,409	490,831	404,083	433,317	408,973	309,741	307,431	272,808	218,934	203,908
Leisure time activities	2,634,424	2,532,652	2,418,962	2,176,888	2,243,478	2,031,832	1,878,129	1,841,553	1,196,974	1,264,030
Community development	1,127,745	2,710,605	1,758,463	1,168,046	1,942,284	1,037,516	895,478	1,372,890	1,149,580	1,673,383
Public works	4,048,769	3,891,294	3,600,960	2,942,100	3,052,788	2,820,750	2,456,099	2,795,928	2,275,222	2,492,120
Transportation	1,807,115	2,014,481	1,593,031	1,560,812	1,643,494	4,243,551	2,427,129	1,250,950	1,212,767	1,310,713
General government	4,848,012	5,263,908	5,100,208	4,826,362	4,791,064	5,556,723	6,957,185	5,589,126	4,546,852	4,624,175
Capital Outlay	5,964,107	10,833,340	5,437,258	5,420,568	3,648,548	2,968,253	1,270,804	3,985,506	5,578,459	4,146,644
Debt Service:										
Principal retirement	170,000	170,000	175,000	228,733	287,467	388,374	398,374	608,374	764,579	541,847
Interest and fiscal charges	66,196	62,625	58,375	53,477	48,075	90,704	84,467	314,141	282,883	257,212
Bond issuance costs	-	-	-	-	64,143	2,491	115,166	-	-	-
Total expenditures	<u>32,929,716</u>	<u>39,953,898</u>	<u>32,527,414</u>	<u>30,399,050</u>	<u>29,670,367</u>	<u>30,464,123</u>	<u>27,807,945</u>	<u>28,830,966</u>	<u>27,388,981</u>	<u>27,289,375</u>
Excess of revenues over (under) expenditures	<u>1,112,951</u>	<u>(6,840,990)</u>	<u>(4,761,247)</u>	<u>(575,821)</u>	<u>(2,052,238)</u>	<u>(3,432,453)</u>	<u>(2,505,887)</u>	<u>(1,086,520)</u>	<u>1,067,831</u>	<u>212,385</u>

Continued

City of Brook Park, Ohio

Changes in Fund Balances, Governmental Funds (continued)

Modified Accrual Basis of Accounting

Last Ten Fiscal Years

Table 4

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other financing sources (uses):										
General Obligation Bond issued	-	-	-	-	1,705,000	-	5,520,000	-	-	-
OWDA Loan issued	-	-	339,187	-	-	-	-	-	-	-
OPWC loans issued	-	1,678,203	271,129	92,896	25,243	-	-	-	1,429,520	19,611
Premium on Debt issuance	-	-	-	-	25,873	-	253,973	-	-	-
Capital leases	631,381	650,985	157,445	-	-	2,006,371	-	150,879	-	-
Sale of capital assets	27,125	12,573	50,190	8,660	36,393	10,246	14,216	53,531	36,565	1,808
Transfers in	3,949,538	1,209,598	2,313,639	3,423,113	1,390,040	3,534,965	2,817,504	2,010,532	3,726,485	3,757,891
Transfers out	(3,949,538)	(1,209,598)	(2,313,639)	(3,423,113)	(1,390,040)	(3,534,965)	(2,817,504)	(2,010,532)	(3,726,485)	(3,757,891)
Total other financing sources (uses)	658,506	2,341,761	817,951	101,556	1,792,509	2,016,617	5,788,189	204,410	1,466,085	21,419
Net change in fund balances	<u>\$ 1,771,457</u>	<u>\$ (4,499,229)</u>	<u>\$ (3,943,296)</u>	<u>\$ (474,265)</u>	<u>\$ (259,729)</u>	<u>\$ (1,415,836)</u>	<u>\$ 3,282,302</u>	<u>\$ (882,110)</u>	<u>\$ 2,533,916</u>	<u>\$ 233,804</u>
Debt service as a percentage of noncapital expenditures	0.84%	0.79%	0.85%	1.11%	1.29%	1.88%	1.97%	3.73%	4.77%	3.39%

City of Brook Park, Ohio

Assessed Valuations and Estimated True Values

Last Ten Years

Table 5

Collection Year	Residential/ Agricultural Real Property	Other Real Property	Public Utility Tangible	Tangible Personal Property	Total	Estimated True Value of Real Property	Direct Tax Rate
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
2013	256,589,630	153,158,610	10,334,750	-	420,082,990	1,170,709,257	4.75
2014	256,527,620	153,604,430	11,308,840	-	421,440,890	1,171,805,857	4.75
2015	256,334,940	149,203,660	11,718,840	-	417,257,440	1,158,681,714	4.75
2016	250,842,440	146,587,480	11,850,930	-	409,280,850	1,135,514,057	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	Polaris Vocational School	Cuyahoga County Commissioners	Special (2) Taxing Districts	Total Tax Levy
	General Fund	Special Funds (1)	Total Levy					
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
2013	3.85	0.90	4.75	78.90	2.40	13.22	7.58	106.85
2014	3.85	0.90	4.75	78.80	2.40	14.05	8.48	108.48
2015	3.85	0.90	4.75	78.00	2.40	14.05	9.38	108.58
2016	3.85	0.90	4.75	82.20	3.09	14.05	9.38	113.47

Source: Cuyahoga County Fiscal Officer

(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>
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%
2013	1,998,706	1,908,141	95%	59,236	1,967,377	98%
2014	1,985,143	1,802,931	91%	66,265	1,869,196	94%
2015	1,968,424	1,847,043	94%	31,346	1,878,389	95%
2016	1,937,631	1,840,233	95%	45,838	1,886,071	97%

Source: Cuyahoga County Fiscal Officer

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

Note: The County is aware of the requirement to report delinquent tax collections by levy year rather than by collection year. The County's current computer system tracks levy amounts by either current levy or delinquent levy. Once amounts become part of the delinquent levy, the ability to track information by levy year is lost. The County is looking at options to provide this information in the future.

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>
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%
2013	-	-	0%	67	67	0%
2014	-	-	0%	-	-	0%
2015	-	-	0%	-	-	0%
2016	-	-	0%	-	-	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. Refer to the Note provided in Table 7a which provides an explanation for the percentages of total collections exceeding the current levies.

City of Brook Park, Ohio

Principal Taxpayers - Real Estate Tax 2016 and 2007

Table 8

Name of Taxpayer	December 31, 2016	
	Assessed Value (1)	Percent of Total Assessed Value
Cleveland Electric Illum Co	\$ 9,626,900	2.35%
M.W.P. Company	8,138,670	1.98%
Ford Motor Engine Plt.	5,239,500	1.28%
CP-Snow Prop, LLC	4,690,500	1.14%
Laich, Walter	4,615,380	1.13%
Techpark Ltd Partnership	3,851,630	0.94%
Brook Park Station, LLC	3,549,010	0.87%
CP-Cleveland ADC, LLC and Chavez	3,227,460	0.79%
Ford Motor Co.	2,940,010	0.72%
KW Real Estate/Cleveland Company, LLC	2,295,450	0.56%
Total	<u>\$ 48,174,510</u>	<u>11.76%</u>

Name of Taxpayer	December 31, 2007	
	Assessed Value (1)	Percent of Total Assessed Value
Ford Motor Company	\$ 30,069,700	5.03%
City of Cleveland	11,545,420	2.04%
Tech Park Limited Partnership	9,674,950	1.71%
M.W.P. Company	7,353,470	1.30%
Eastland Properties Association Limited Partnership	3,668,280	0.65%
Deborah Salzberg Succ. Trs.	3,017,670	0.53%
Foseco, Inc.	2,291,630	0.41%
Fairfield Inn by Marriott	1,765,580	0.31%
AAA Apartments	1,715,600	0.30%
Sandelmand Sanford & Susan Trs.	1,710,240	0.30%
Total	<u>\$ 72,812,540</u>	<u>12.58%</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>
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
2013	15,290,038	708,829	1,578,305	17,577,172
2014	15,607,541	693,255	1,797,181	18,097,977
2015	16,689,291	861,607	1,720,236	19,271,134
2016	16,601,871	854,375	1,599,245	19,055,491

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	Percentage of Personal Income	Per Capita
	General Obligation Bonds (1)	General Obligation Notes (1)	OPWC Loans	OWDA Loan	Lease Purchase Agreements			
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
2013	7,977,641	-	1,714,523	-	1,253,966	10,946,130	2.38%	570
2014	7,456,470	-	1,611,149	-	984,644	10,052,263	2.19%	523
2015	7,060,299	-	2,921,137	-	719,597	10,701,033	2.33%	557
2016	6,654,127	-	2,788,901	-	449,965	9,892,993	2.24%	526

(1) – Amounts include associated premiums

Source: City Financial Records

- Population and Personal Income data are presented on Table 15
- The OPWC Loans are in the City's name; however, \$823,593 of the total outstanding at December 31, 2016 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>
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
2013	9,044,156	420,082,990	19,212	2.15%	470.76
2014	8,180,104	421,440,890	19,212	1.94%	425.78
2015	8,832,362	417,257,440	19,212	2.12%	459.73
2016	7,781,562	409,280,850	18,809	1.90%	413.71

(1) Net general bonded debt equals the amount of the City's total debt payable, including unamortized premiums, minus the debt service fund balance available to pay general obligation debt

(2) Source: 2000, 2010, and 2015 U.S. Census

City of Brook Park, Ohio

Computation of Direct and Overlapping Debt

December 31, 2016

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 (2)			
General Obligation Bonds	\$ 6,654,127	100.00%	\$ 6,654,127
OPWC Loan	2,788,901	100.00%	2,788,901
Capital Leases	449,965	100.00%	449,965
Total Direct Debt	<u>9,892,993</u>		<u>9,892,993</u>
Overlapping Debt:			
Berea City School District	6,185,000	26.74%	1,653,892
Cleveland City School District	119,303,326	0.47%	566,541
Cuyahoga County	226,090,000	1.49%	3,364,232
Regional Transit Authority	3,910,000	1.49%	58,181
Total Overlapping Debt	<u>355,488,326</u>		<u>5,642,846</u>
Total	<u>\$ 365,381,319</u>		<u>\$ 15,535,839</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.
- (2) Amounts include associated premiums.

City of Brook Park, Ohio

Legal Debt Margin

Last Ten Fiscal Years

Table 13

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed Valuation	<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>	<u>\$ 420,082,990</u>	<u>\$ 421,440,890</u>	<u>\$ 417,257,440</u>	<u>\$ 409,280,850</u>
Overall debt limit - 10.5% of assessed value	59,803,204	55,016,535	54,945,969	49,675,028	49,675,028	49,650,072	44,108,714	44,251,293	43,812,031	42,974,489
Gross indebtedness	1,775,000	1,605,000	1,430,000	3,243,495	4,686,271	5,047,897	9,419,523	8,811,149	8,327,775	9,218,901
Less: debt outside limitation	-	-	-	(1,235,389)	(1,140,359)	(1,077,005)	(1,013,652)	(950,299)	(886,946)	(823,593)
Less: amount available in debt service fund	<u>(459,559)</u>	<u>(460,119)</u>	<u>(493,635)</u>	<u>(1,802,168)</u>	<u>(1,757,346)</u>	<u>(1,725,522)</u>	<u>(1,901,974)</u>	<u>(1,872,159)</u>	<u>(1,805,318)</u>	<u>(2,111,431)</u>
Net debt within 10.5% limit	<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>	<u>6,503,897</u>	<u>5,988,691</u>	<u>5,635,511</u>	<u>6,283,877</u>
Legal Debt Margin	<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>	<u>\$ 37,604,817</u>	<u>\$ 38,262,602</u>	<u>\$ 38,176,520</u>	<u>\$ 36,690,612</u>
Debt Limit - 5.5% of assessed unvoted value	\$ 31,325,488	\$ 28,818,185	\$ 28,781,222	\$ 24,645,492	\$ 26,020,253	\$ 26,007,181	\$ 23,104,564	\$ 23,179,249	\$ 22,949,159	\$ 22,510,447
Gross indebtedness authorized by council:	1,775,000	1,605,000	1,430,000	3,243,495	4,686,271	5,047,897	9,419,523	8,811,149	8,327,775	8,637,226
Less: debt outside limitation	-	-	-	(1,235,389)	(1,140,359)	(1,077,005)	(1,013,652)	(950,299)	(886,946)	(823,593)
Less: amount available in debt service fund	<u>(459,559)</u>	<u>(460,119)</u>	<u>(493,635)</u>	<u>(1,802,168)</u>	<u>(1,757,346)</u>	<u>(1,725,522)</u>	<u>(1,901,974)</u>	<u>(1,872,159)</u>	<u>(1,805,318)</u>	<u>2,111,431</u>
Net debt within 5.5% limit	<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>	<u>6,503,897</u>	<u>5,988,691</u>	<u>5,635,511</u>	<u>6,283,877</u>
Unvoted debt margin	<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>	<u>\$ 16,600,667</u>	<u>\$ 17,190,558</u>	<u>\$ 17,313,648</u>	<u>\$ 16,226,570</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>	2016	
	<u>Employees</u>	<u>Percentage of</u>
Department of the Interior	1,646	7.54%
Ford Motor Company	1,596	7.31%
Marc Glassman Inc.	537	2.46%
Day Star Staffing (Malley's)	392	1.79%
Credit First National	319	1.46%
City of Brook Park	302	1.38%
Malley's Candies	289	1.32%
Bernie Moreno Companies	279	1.28%
Berea City School District	258	1.18%
Lakefront Lines, Inc.	252	1.15%
Total	5,870	26.87%
Total City Employment	21,840	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.

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)
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%
2013	19,212	459,704,736	23,928	53,264	43.8	6,681	7.2%
2014	19,212	459,704,736	23,928	53,264	43.8	6,361	5.3%
2015	19,212	459,704,736	23,928	49,366	43.8	6,491	5.5%
2016	19,212	450,944,064	23,472	47,906	43.8	6,537	5.5%

(1) Source: 2000, 2010, and 2015 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

	2007	2008	2009 (1)	2010	2011	2012	2013	2014	2015	2016
Function/program:										
General government:										
Council	2.00	2.00	2.00	2.00	2.00	1.50	1.00	1.00	1.00	1.00
Finance	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Tax	5.00	6.00	4.50	4.00	3.00	3.50	3.00	3.00	3.00	3.00
Law	1.00	2.00	2.00	2.00	1.00	1.50	1.00	1.00	1.00	1.00
Mayor's office	3.00	3.00	2.00	2.00	2.00	2.00	3.00	2.00	2.00	3.00
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	0.50	0.50	-	0.50	-	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	11.00	11.00	10.00	11.00	9.00	9.00	11.00	8.00	6.00	6.00
Animal warden	2.00	2.00	2.00	1.00	1.00	1.50	1.00	1.50	1.50	1.50
Police	44.00	44.00	44.00	43.00	39.00	39.00	41.00	38.00	36.00	36.00
Police administration	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Property maintenance	5.00	5.00	3.50	4.00	4.00	3.00	4.00	4.00	3.00	3.00
Fire	36.00	40.00	42.00	37.00	34.00	34.00	36.00	33.00	30.00	30.00
Fire administration	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
Public health and welfare:										
Office of aging	1.00	3.00	2.50	2.50	2.50	1.50	-	-	-	-
Leisure time activities:										
Recreation	9.00	8.00	9.00	7.50	7.00	6.00	6.00	7.00	6.00	5.00
Community development:										
Building	6.00	6.00	6.00	6.00	5.00	4.00	4.00	5.00	5.00	5.00
Economic development	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Transportation:										
Service	56.00	53.00	50.50	43.50	43.00	40.50	36.00	39.00	31.00	36.00
Public works:										
Service	5.00	5.00	5.00	5.00	4.00	3.00	3.00	1.00	1.00	1.00
Service dispatch	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Totals	199.00	203.00	196.50	181.00	166.50	159.50	159.00	153.00	136.00	141.00

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function/program:										
General government:										
Council and clerk										
Number of ordinances passed	85	110	87	55	66	60	55	75	44	67
Number of resolutions passed	22	37	24	21	27	40	27	24	26	37
Finance department:										
Number of checks/vouchers issued										
(excluding payroll)	6,023	5,891	5,666	5,115	5,016	4,877	4,444	4,260	3,893	3,617
Number of purchase orders issued	1,928	1,865	1,507	1,349	1,344	1,320	1,226	1,151	1,035	1,037
Number of W-2 forms issued	382	382	385	351	335	348	377	374	322	302
City W-2 wages (in millions)	13	12	14	14	13	13	12	12	12	11
Agency ratings - Fitch	AA-3	AA-3	AA-3	AA	AA	AA	AA-	AA-	AA-	AA-
Income tax department:										
Number of individual returns	10,119	10,427	10,256	10,572	10,379	10,022	9,970	9,984	10,085	10,473
Number of business returns	1,658	1,682	1,615	1,668	1,659	1,758	1,779	1,810	1,922	1,820
Number of business withholding accounts	1,554	1,580	1,561	1,591	1,476	1,552	1,480	1,554	1,568	1,553
Civil service:										
Number of exams given	2	3	1	2	6	4	5	2	1	2
Building department										
Number of permits issued	1,553	1,257	1,331	1,439	1,401	1,330	1,408	1,392	1,510	1,309
Security of persons and property:										
Police:										
Number of traffic citations issued	5,403	4,197	3,463	2,853	2,203	2,389	2,338	4,900	7,959	5,886
Number of parking citations issued	1,784	1,844	1,444	2,125	2,197	2,412	1,619	1,850	2,279	2,257
Number of criminal arrests	254	462	531	814	1,078	928	731	684	707	487
Animal warden service calls responded to per annual report	75	127	163	187	129	768	1,209	1,171	1,095	1,177

City of Brook Park, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 17

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Security of persons and property:										
Fire:										
EMS calls	2,092	1,981	2,102	2,190	2,282	2,447	2,204	2,549	2,572	2,639
Fire and fire-related calls	435	359	423	418	411	449	423	429	446	440
Hydrants tested	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,149	1,206	1,206
Leisure time activities:										
Recreation:										
Number of memberships	7,653	7,961	7,746	4,762	3,968	3,358	2,153	2,653	3,100	3,187
Community development:										
Parking fees collected due to										
Economic development dept.	\$962,131	\$1,061,234	\$1,051,743	\$995,999	\$976,591	\$975,500	\$968,732	\$965,031	\$985,439	\$985,758
Public works:										
Refuse disposal per year (tons)	12,867	9,138	9,858	10,901	10,930	10,870	7,129	7,423	9,483	9,734
Refuse disposal costs per year	\$419,775	\$ 411,540	\$ 468,255	\$386,998	\$378,919	\$361,016	\$272,325	\$298,457	\$340,659	\$ 357,231
Percentage of waste recycled	6.21%	4.12%	2.41%	2.00%	4.00%	9.00%	10.42%	15.44%	10.00%	12.79%
Transportation:										
Snowfall in inches	75.70	85.20	85.20	58.40	69.50	38.90	68.10	64.60	60.00	68
Cost of salt purchased	\$281,519	\$ 379,808	\$ 238,218	\$222,818	\$100,124	\$127,428	\$167,207	\$188,632	\$213,392	\$ 201,121
Asphalt used in road maintenance										
(tons)	165	125	425	348	76	272	336	211	283	173
Concrete used in road maintenance										
(yards)	300	300	590	110	244	179	290	161	202	261
Number of trees removed	144	131	98	78	207	175	213	109	84	183
Number of trees planted	124	105	102	80	8	15	100	-	-	-
Senior citizen driveway plowing										
participants	1,366	1,368	1,312	1,210	1,140	1,096	1,149	-	-	-

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	14	13	12	12	12	12	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	36	33	33	33	33	41	34	30	30	33
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	44	44	44	44	44	44	44	44
Fire:										
Stations	3	3	3	3	2	2	2	2	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	15	15	15	15	14	14	13	14	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	74	74	74	74	74	74	74	74	74	75

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

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