

**CITY OF BROOKLYN
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2002



**Auditor of State
Betty Montgomery**

CITY OF BROOKLYN
CUYAHOGA COUNTY

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**CITY OF BROOKLYN
CUYAHOGA COUNTY**

SCHEDULE OF FEDERAL AWARDS EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2002

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed Through Cuyahoga County Board of Commissioners:</i>			
CDBG ADA Compliance for Municipal Buildings	CE 12484-01	14.218	\$ 27,661
CDBG Reconstruction of Parking Lot Facility	CE 12483-01	14.218	<u>69,538</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 97,199</u>
<u>U.S. Department of Justice</u>			
<i>Direct Program:</i>			
Bulletproof Vest Partnership Grant	N/A	16.607	\$ 11,211
<i>Passed Through Ohio Office of Criminal Justice:</i>			
Local Law Enforcement Block Grant	2002-LE-LEB-3567	16.592	<u>\$ 478</u>
Total U.S. Department of Justice			<u>\$ 11,689</u>
<u>U.S. Department of Transportation</u>			
<i>Passed Through Ohio Department of Transportation:</i>			
<i>Highway Planning and Construction Cluster:</i>			
Highway Planning and Construction Grant	N/A	20.205	<u>\$ 748,669</u>
Total Highway Planning and Construction Cluster			<u>\$ 748,669</u>
<i>Passed Through Ohio Department of Public Safety:</i>			
<i>Passed Through University Hospitals of Cleveland:</i>			
State and Community Highway Safety Grant	N/A	20.604	<u>\$ 12,538</u>
Total U.S. Department of Transportation			<u>\$ 761,207</u>
<u>U.S. Federal Emergency Management Agency</u>			
<i>Direct Program:</i>			
Assistance to Firefighters for Wellness and Fitness Grant	N/A	83.554	<u>\$ 23,468</u>
Total U.S. Federal Emergency Management Agency			<u>\$ 23,468</u>
Grand Total			<u><u>\$ 893,563</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**CITY OF BROOKLYN
CUYAHOGA COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2002**

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the City's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B -- MATCHING REQUIREMENTS

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

N/A – Not Applicable

CFDA – Catalog of Federal Domestic Assistance



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Brooklyn
Cuyahoga County
7619 Memphis Avenue
Brooklyn, Ohio 44144

To the Members of City Council:

We have audited the financial statements of the City of Brooklyn, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2002, and have issued our report thereon dated May 19, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated May 19, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated May 19, 2003.

This report is intended solely for the information and use of management, City Council and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

May 19, 2003



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

City of Brooklyn
Cuyahoga County
7619 Memphis Avenue
Brooklyn, Ohio 44144

Compliance

We have audited the compliance of the City of Brooklyn, Cuyahoga County, Ohio, (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2002. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2002.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated May 19, 2003.

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of the City of Brooklyn, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2002, and have issued our report thereon dated May 19, 2003. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information and use of management, City Council, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Betty Montgomery
Auditor of State

May 19, 2003

CITY OF BROOKLYN
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED DECEMBER 31, 2002

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Highway Planning and Construction Cluster – Highway Planning and Construction Grant CFDA # 20.205
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number	
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None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

City of Brooklyn, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2002

Prepared by:

Gale W. Fisk
Director of Finance

City of Brooklyn, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2002

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Mayor
Kenneth E. Patton

The City of
Brooklyn Ohio
FOUNDED 1867

Council
John E. Frey
Thomas E. Coyne
Gregory L. Frey
Rita M. Brown
Kathleen M. Pucci
Colleen Coyne-Gallagher
Richard H. Balbier

May 19, 2003

City Council and
Citizens of Brooklyn:

We are pleased to submit the City of Brooklyn's fourteenth Comprehensive Annual Financial Report (CAFR) prepared by the Mayor and the City Finance Office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the data as presented is accurate in all material respects and is presented in a manner designed to set forth fairly the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included. This report will provide the taxpayers of the City of Brooklyn with comprehensive financial data to inform them of the City of Brooklyn's financial status. Copies will be made available to major corporate taxpayers, the Brooklyn Branch of the Cuyahoga County Public Library, financial rating services and other interested parties. In addition, the City plans to publish its second Popular Annual Financial Report (PAFR) to provide residents a more easily read and understood explanation for those without a financial or accounting background.

The comprehensive annual financial report is presented in three sections as follows:

1. The Introductory Section, which contains a Table of Contents, Letter of Transmittal, Organizational Chart of the City, a list of the City's principal officials, and the GFOA Certificate of Achievement.
2. The Financial Section, which begins with the Independent Accountants' Report and includes the General Purpose Financial Statements and Notes which provide an overview of the City's financial position and operating results, and the Combining Statements and Schedules of the Individual Funds and Account Groups that provide detailed information relative to the General Purpose Financial Statements.
3. The Statistical Section, which presents various tables reflecting social and economic information, financial trends and the fiscal capacity of the City of Brooklyn.

REPORTING ENTITY

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

The Brooklyn City School District and the Brooklyn Library have not been included in the accompanying financial statements because the City is not financially accountable for either entity and neither entity is fiscally dependent on the City.

The Southwest Council of Governments, the Parma Community General Hospital Association, and the Northeast Ohio Public Energy Council are reported as jointly governed organizations.

City of Brooklyn

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

Founded by German immigrants in 1818, Brooklyn Township was set apart from Cleveland Township, which is now known as "Old Brooklyn". On August 5, 1867, Brooklyn Village became incorporated, eventually becoming a chartered home rule City on January 1, 1952. According to the latest population figures, Brooklyn has approximately 11,700 residents.

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

As a result of changes to the City Charter (November 1999), the Council President now chairs Council Meetings. The charter change also created the positions of "Magistrate" and "Prosecutor".

The Mayor is also responsible for the preparation and submission of the annual estimate of receipts and expenditures, and of appropriation measures. The Mayor keeps Council advised of the City's financial condition. He also is the chief peace officer. Directors of Law, Finance, Public Safety, Public Service, and the Police Chief, Fire Chief and Recreation Commissioner serve at the pleasure of the Mayor and report directly to him. Brooklyn also maintains a certified Building Department with a full-time Chief Building Official as its head.

The City provides a full range of municipal services, including full-time police, fire and emergency medical services, senior citizen programs, recreation programs, street maintenance and repair, residential refuse collection and disposal, curbside recycling, building, planning and zoning, as well as other administrative functions.

ECONOMIC CONDITION AND OUTLOOK

The City of Brooklyn has a longstanding reputation for encouraging growth and development of its thriving industrial and commercial base. Exceptional working relationships have been forged between the City Administration, business and industry. A Chamber of Commerce was inaugurated in Brooklyn in 2002. Thanks to a targeted economic development program, which has included expansion of the retail, commercial and industrial sectors, the City's financial condition remains excellent.

Property tax revenues remained stable. Gross income tax collection was down by 1.2 percent. Gross income tax collection in 2001 was \$10.913 million, while the gross income tax collection was \$10.782 million for 2002.

Considering the general economic situation in the U.S. since June of 2001, those results were better than expected. Most cities, counties and states have experienced a downward trend in their economic mix since the attack on the World Trade Center. This is also true with the Cleveland area. Many cities in the area had reduced revenue and drew down fund balances to maintain city services. The State of Ohio has had to pass four corrective bills to reduce expenditures during the current biennium because of declining revenues. Although Brooklyn was also affected, action taken by current businesses and the addition of new businesses helped stabilize its income.

The City's number one corporate entity, American Greetings, restructured to increase its effectiveness. Only a small number of positions were eliminated at its Brooklyn Headquarters. The restructuring improved operations and profits. KeyBank has also restructured and eliminated some positions from its Brooklyn operations site. Because Brooklyn is its main operating site, personnel were moved from other locations to Brooklyn reducing the overall impact. The Plain Dealer, the largest newspaper in the state, maintains a large, new distribution plant in the City.

Three new restaurants were constructed at I-480 and Tiedeman Road during the year. Carrabba's Italian Grill, Cracker Barrel and Panera Bread Company all opened in the fall. A Max & Erma's is under construction at the site and will be completed by May. Ohio Savings Bank will move into a new building called the Brooklyn Corporate Center by June 2003. This site will be their new processing center. The payroll for this site is estimated at \$3.3 million. Progressive Insurance will use the remaining portion of the building for a branch office with about 60 employees assigned. These new developments should help offset possible losses in City revenues the recession may create in the upcoming year.

The City managed very well in 2002 despite the slow growth predicted by most economists for early 2002. General fund revenues on a cash basis came within \$38,000 of the original projection finishing at \$13.239 million. Consequently, the general fund balance was increased by approximately \$700,000 on a budget basis. Revenues from municipal income tax have increased every year from 1992 to 2000. In 2001, that pattern was broken and collections declined by \$7,000. In 2002, the net collection decreased by 1.2 percent.

The disarming of Iraq and establishment of a transitional government for that nation brings further uncertainty. At the very least, that action will probably delay the predicted recovery. If the recession continues for the next six months as currently predicted, the City will be better positioned than most other governments in the area. The fund balances built up over the last two years will allow for the maintenance of the services residents have come to expect. The 2003 budget has been conservatively fashioned in case a further downturn in municipal income tax collections results from economic conditions. The administration and City Council will continue to manage its resources well and take further action as new information dictates.

The maintenance of our commercial properties and housing stock is key to holding our property values. Additionally the following commercial construction projects were completed in 2002:

- ❖ The Westside Automotive Group Jaguar / Volvo / Land Rover New Car Dealership.
- ❖ Cracker Barrel 11,400 square foot restaurant at Key Commons.
- ❖ Carrabba's Italian Grill 7,300 square foot restaurant at Key Commons.
- ❖ Panera Bread Company 5,800 square foot restaurant at Key Commons.
- ❖ The Hampton Inn 81 room hotel at Cascade Crossing.
- ❖ Perkins Restaurant 5,400 square feet on Tiedeman Road.

Max & Erma's 6,400 square foot restaurant at Key Commons and the 75,000 square foot Brooklyn Corporate Center will be complete by the summer of 2003. Capital Properties continues to renovate the former Mr. Gasket complex on Brookpark Road, with approximately 300,000 square feet occupied by Total Technical Institute, Kronheim's and Vendors Exchange. Capital Properties hopes to renovate and lease an additional 150,000 square feet in 2003.

The value of new construction, additions, and alterations, according to building permit records for 2002, was \$18,156,149, which reflects a decrease of approximately 6 percent from 2001. In 2002, 870 permits (building, plumbing, electrical, and hvac) were issued generating \$172,785 in fees. A total of 593 contractor registrations were issued in the amount of \$44,475 and 238 miscellaneous permits (demolition, signs, street opening, obstruction, etc.) were issued generating \$18,937. In 2002, the Building Department collected \$240,061 in total revenue, an increase of approximately 10 percent over 2001. In 2001, the Building Department experienced an increase of about 90 percent from 2000.

Inspections conducted by building department officials during 2002 were as follows: 292 residential inspections; 215 commercial inspections; 73 residential electrical inspections; and 97 commercial electrical inspections. In addition, department officials conducted 21 residential consultations and 29 commercial consultations; performed 146 property maintenance inspections, 219 property maintenance re-inspections; and issued 15 citations to Brooklyn Mayor's Court.

Neff and Associates continues as the City of Brooklyn's Class Two Certified Plans Examiner, examining commercial building plans as required by the Ohio Board of Building Standards. Fees totaling \$23,332 were paid directly to the firm by clients during 2002. The three percent assessment to the Ohio Board of Building Standards (Department of Commerce) levied on all commercial work, totaled \$4,379, including \$708 collected by Neff and Associates for plans examination fees.

Considerable home improvements were made to the City's housing stock during 2002 with the following being the most popular: concrete, asphalt, and masonry work; roofing; siding, decks, fences; new garage construction, and renovation of existing structures; glass block window installation; and replacement of existing windows. The number and dollar value of these types of permits is indicative of strong reinvestment in existing housing and is a positive testament to the City's aggressive property maintenance efforts. The estimated value of residential additions and improvements is \$1,884,000.

Thanks to the City's location along Interstate 480, retail outlets on Ridge and Brookpark Roads and retail services such as hotels and restaurants on Tiedeman Road, continue to enjoy solid business. Expansion along these major corridors is anticipated during the coming years.

INFRASTRUCTURE

The City of Brooklyn has prided itself on an aggressive street maintenance program. Over the past two years that program included major reconstruction of one of the main east-west routes in the City. Biddulph Road was reconstructed. The eastern section from Ridge Road to the corporate line was completed by the time school opened in 2001 at a cost of \$246,000. A portion of that project was funded by a Public Works Commission Grant.

The larger western section, running from Tiedeman Road to Ridge Road, was started in 2001 and was 75 percent completed prior to winter weather. The remainder was completed early in the spring of 2002. A large portion of the funding for this part of the project, \$1,747,000, was provided by a federal grant through the Ohio Department of Transportation. The total cost on this portion was approximately \$2.484 million with the City contributing \$492,000 and Cuyahoga County approximately \$245,000.

Other street and traffic improvements included the repaving of Ridge Road from I-480 to Memphis Road, a Cuyahoga County project costing approximately \$1.1 million. The City portion was about \$175,000. Tiedeman Road was repaired and Winter Lane was repaved at a cost of about \$275,000. The traffic signals at Brookpark/Tiedeman and Brookpark/Ridge were also upgraded with new controllers and loop detectors to improve traffic flow at both of these very busy intersections. The cost was approximately \$20,000 per intersection.

Several sewer projects were also completed in 2002. A small project on the Pepper Ridge storm sewer was completed at a cost of \$15,000. The Ridge Road/Woodhaven project completed another phase of improvements to eliminate basement flooding in this area. Storm and sanitary sewers in this section of Ridge Road were also cross connected and had to be corrected before the next phase of repaving on Ridge Road. The cost of this project was \$372,000. Finally, a 30 foot section of the Memphis Villas storm outfall had collapsed several years ago and property owners were experiencing major erosion. This problem was corrected. The project cost \$275,000.

The City also undertook a project to make City Hall compliant with handicap access guidelines. This included a new parking area, new sidewalk and entrance and the remodeling of five bathrooms. A portion of the project was funded by Community Development Block Grant (CDBG) monies. The project was initiated in 2001 and finished in the spring of 2002. The total cost of this project was approximately \$177,000. A second CDBG project to repave the parking lot on the east side of the recreation center was completed in 2002 for about \$96,000. CDBG contributed \$116,000 to these projects.

ADMINISTRATIVE IMPROVEMENTS

At the beginning of the year a new Windows based financial management system was installed and implemented. The cost was less than \$55,000. This networked system upgrades financial controls and information. The City further expanded computer capabilities by installing a city-wide network for all administrative offices. A fiber optic ring was installed by Adelphia at no cost to the City. Cabling for all offices was strung. The equipment and software to implement the network is now in place. This action will allow for expanded service and convenience for residents and will update the City's abilities to operate in today's business environment.

SERVICE INITIATIVES

City crews processed 4,193 tons of solid waste, recyclables, and white goods. Over 15.5 percent was recycled. The municipal landfill processed 4,193 tons of solid waste in 249 days of operation with a daily average of 16.84 tons. The City landfill is the lone remaining municipally owned and operated landfill in Cuyahoga County. While other municipalities pay over \$30.00/ton to have their solid waste hauled out of the County, Brooklyn's tipping fee to the Ohio Environmental Protection Agency (OEPA) is \$1.75/ton and \$1.00 to Cuyahoga County.

URS Corporation conducted its Groundwater Monitoring Program of the Sanitary Landfill at a cost of \$14,845 as required by the Ohio Environmental Protection Agency. The leachate collection system at the landfill monitored more than 390.86 cubic feet into the Northeast Ohio Regional Sewer district sanitary system during 2002 at a cost of \$10,397.

A portion of the closure and post closure reserve within the general fund continued to be maintained through Key Trust Company of Ohio according to the Ohio EPA's instructions. As of December 31, 2002, the reserve for the landfill closure and post closure care is \$2,544,955.

The Recycling Department processed 680 tons of recyclable material (steel, aluminum, glass, plastic and newspaper) in 2002 and generated \$11,759 in revenue. The Service Garage recycled 150 tires, 4 tons of phone books, 5.5 tons of mixed paper, 3.2 tons of motor oil and 54.8 tons of appliances. This diversion means that 45 days of landfill space was saved for future use.

RECREATION

The City has long had one of the finest ice rinks in the Cleveland Metropolitan area and has hosted some of the top amateur hockey venues in the region. Brooklyn was again the host of the Greater Cleveland High School Hockey League Baron Cup Division I and II Championship Games and the Ohio High School Athletic Association Sectional, District and Regional matches during the State Ice Hockey Tournament. Other youth hockey tournaments, precision competitions, figure skating exhibitions and figure skating and hockey clinics are held at the recreation center throughout the year. New bleachers were installed this past year as the first step in a program that will continue over the next three to four years to update the center. Rink netting was also added to improve safety.

The indoor/outdoor pool complex hosted swim meets and a competitive swim camp. The outdoor pool was sandblasted and painted. In 2003, this area will be upgraded with new HVAC reconfiguration of the pool to enhance the ability to hold competitive swim meets and a family changing area.

Brooklyn also has a wonderful inventory of parks and outdoor recreation space. Memorial Park extends southward from City Hall and the Senior Community Center and includes a children's play area, a wading pool, a fountain, baseball and softball fields, three picnic pavilions and a nature trail. Those using the Old Stone Pavilion can now enjoy the addition of lights and electrical outlets that increases their picnicking pleasure. Visitors to the park can enjoy the Backyard Fun Area, which includes tennis courts, basketball courts, a synthetic turf putting green and an in-line skating rink. During the summer months, the Grande Pavilion was the site of four outdoor musical concerts, two community CPR courses and two family entertainment programs. The City also owns and operates Marquardt Park and Brock Playground. A Cleveland Metro Park site which is part of Cleveland's "Emerald Necklace" provides additional park and natural recreation land.

Stepping into the 21st century, the Recreation Department maintains a Web Site for the following programs:

Youth Soccer	www.eteamz.com/brooklynsoccer
Men's and Women's Premier Softball League	www.eteamz.com/brooklynsoftball
Learn-to-Skate	www.angelfire.com/sports/brooklynskating
Barracuda Swim Team	www.eteamz.com/brooklynbarracudas

PUBLIC SAFETY

The Brooklyn Police Department responded to 12,315 complaints in 2002, issued 5,594 citations and 1,271 parking tickets. The majority of complaints continue to be property theft and damage to property, disorderly conduct, and motor vehicle accidents. Our jail housed 1,422 prisoners in 2002. Mayor's Court generated \$683,102 through fines and waivers for the City. The Juvenile Diversion Program is a community based program designed to sanction and assist certain juvenile misdemeanor and status/unruly offenders. For 2002, 39 juveniles participated in the program.

Our D.A.R.E. (Drug Abuse Resistance Education) Program reaches the students of both our public and private schools covering elementary and junior high students. These classes are conducted by two Brooklyn Police Officers trained by the D.A.R.E. Organization. During the summer months three Brooklyn Officers are assigned to Bicycle Patrol in an effort to interact with our residents and their concerns along with more extensive patrol in shopping areas.

The City purchased four new police cruisers through the State Cooperative Program, of which one vehicle was purchased and three were obtained with a capital lease. The Police Department continues to upgrade necessary equipment along with providing continued education for our police officers and dispatchers.

The "RU OKAY" program was implemented for public safety for senior citizens in the fall of 2002. This computerized system makes a daily call to interested residents. If there is no response from the resident an "Alert" is initiated and a follow up call is made by the Police Department. Action continues from that point if there is still no response to ascertain the well being of the resident.

The Brooklyn Fire Department set all time highs in all run categories with 797 fire runs and 1,580 emergency medical calls, for a total of 2,377 emergency responses in the year 2002. This represents a 10 percent increase over last year's record service level. Over \$157,000 in revenue was generated from ambulance billing. Fire loss in the City was an all time low of \$21,800. The Fire Department underwent an Insurance Services Officer (ISO) comprehensive evaluation in 2002 and improved its rating from 4 to 3. This improvement places the Brooklyn Fire Department in the top 3 percent of the nearly 45,000 fire departments the ISO evaluates nationwide.

The 1989 American LaFrance (Engine #1) was refurbished. A new hand held thermal imager was purchased to replace the obsolete Cairns helmet-mounted thermal imager. The department was successful in obtaining a FEMA Fire Act Grant in the amount of \$30,000 to develop and implement a wellness/fitness program. The department applied for and received a \$22,500 grant for Firefighter operations and safety to be used in 2003.

SENIOR ACTIVITIES

During 2002 the Brooklyn Senior Center had 26,100 people sign-in at the Center for a variety of programs and activities geared to making the later years healthy, active and rewarding. Two of the most popular programs offered to residents for an annual fee of \$10 are Snow Removal (899 participants) and Grass Cutting (674 participants).

Meals-on-wheels delivered 394 meals to residents recently discharged from area hospitals or nursing homes. The new Home Bound Meal Program was set up for seniors requiring long term meal delivery. In its first year 3,105 meals were delivered. The 14-passenger senior van transported 4,202 seniors to doctor's offices, hospitals, grocery stores, banks and the Senior Center.

Health screenings for blood pressure, cholesterol, blood sugar, glaucoma, flu shots, prostate, mammograms, skin cancer and vascular conditions were conducted at the Senior Center throughout 2002. An Alzheimer and bereavement support group is also offered. Tax preparation is available during the months of February, March and April.

A diversified menu of recreational activities also plays an integral part in the Center's daily operations. Some of these activities include art classes, country line dancing, bingo, bocce ball, cards, ceramics, choral group, knitting, exercise, films, dinner dances, weekly luncheons (which served 4,359 luncheons), speakers, pool tournaments, ping pong, quilting, tole painting and bus trips. This year the Center also sponsored tours of local residential holiday lighting displays.

FINANCIAL INFORMATION

Internal Accounting

In the preparation of its annual report, the City utilizes the modified accrual basis of accounting for governmental funds. When using the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. This timing enables management to improve the quality of its decision making process by providing more consistent, comparable information regarding the current and past operations and financial position of the City.

Development of the City's accounting system includes consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefit likely to be derived from its implementation, and (2) the valuation of costs and benefits requires estimates and judgments by management.

The Director of Finance is responsible for evaluating the City's internal control methods and for developing procedures to enhance internal control. He is further responsible for working closely with auditors to ensure the City's internal controls are followed and adapted to any recommendations from the Auditor of State's Local Government Services or from the Audit division. To ensure those responsibilities continue to be met, the City replaced its eight year old funds management system with a new Windows based, networked system which was fully implemented by February 15, 2002.

Budgetary Control

Budgetary control is maintained by an encumbrance of purchase amounts prior to the release of purchase orders to vendors. Accounts receivable and accounts payable operations are fully computerized. These improvements have measurably streamlined departmental tasks and allow the Mayor and Finance Director to better analyze financial trends and comparisons.

The City utilizes a cash accounting system throughout the year. The Mayor and Department Heads approve every purchase order, and the Director of Finance attests that monies are available for payment of the expenditures on every purchase order prior to its release to a vendor. The Mayor is responsible for the preparation and submission of the annual estimate of receipts and expenditures (tax budget) and of appropriation measures and keeps Council fully advised of the financial condition and needs of the City. The Mayor and Council are provided with monthly cash reports. The Finance Director furnishes quarterly written reports to the Mayor and Council. A mid-year review provides information so that corrective action may be taken if revenues or expenditures are not in consonance with original projections. An end of year review provides additional data on the actual outcomes for the year and is used in setting the budget for the next year.

The City adopts a temporary appropriation spending measure on or before January 1 of each year for the period January 1 through December 31. A permanent appropriation spending measure is adopted prior to April 1st and amended, if necessary, throughout the year. All disbursements and transfers of cash between funds require appropriation authority. Appropriations are controlled by object codes within department and fund.

General Government Function

The following schedule represents the summary of General, Special Revenue, Debt Service and Capital Projects funds' revenues for the years ended December 31, 2001 and 2002 and the amount and percentage increases (decreases) in relation to the prior year's revenues.

Governmental revenues for 2002 declined by \$683,793 when compared to 2001. Revenues declined from \$18,592,002 received in 2001 to \$17,908,209 received in 2002.

Revenues generated from taxes declined by \$86,720, or .67 percent. A decline in municipal income tax was due to the large amount of refunds processed in 2002.

Fines, licenses and permits declined because of the lower amount of collections through the Mayor's Court. The 2001 collections were a record high. The 2002 collections were the second best on record but about \$32,000 below the previous year.

Intergovernmental revenues declined from \$3,007,322 to \$2,441,584. This decline was mainly due to the reconstruction of Biddulph Road. A large portion of the project was completed in 2001 with resulting revenue from federal sources paid. The project was completed in 2002 with the remainder due from all sources collected. Additionally, a change in the estate tax laws for the state of Ohio resulted in a \$106,000 decline in inheritance tax.

Revenue from interest declined because of the economy and the lowest interest rates in three decades. This 33.29 percent decline was expected. Economists had projected a rising interest rate environment for 2002. That did not happen and in fact rates declined from the already low levels of 2001.

Rent increased by a whopping 449 percent because of a change in collection for payments on billboards along the interstate highway. The City received a lump sum five-year payment instead of annual installments.

Other revenue declined because of a difference in the handling of Workers Compensation costs. In 2001 the City received a sizable refund. In 2002 the City was given a 75 percent rate reduction. Thus in 2001 revenue increased while in 2002 expenditures decreased.

2002 REVENUES

	2001 Amount	2002 Amount	Percent of Total	Change	Percent Change
Revenues					
Taxes	\$13,032,655	\$12,945,935	72.29%	(\$86,720)	(0.67%)
Charges for Services	836,209	880,019	4.91	43,810	5.24
Fines, Licenses and Permits	945,521	913,412	5.10	(32,109)	(3.40)
Intergovernmental	3,007,322	2,441,584	13.63	(565,738)	(18.81)
Special Assessments	96,027	97,278	0.54	1,251	1.30
Contributions	37,002	36,812	0.21	(190)	(0.51)
Interest	254,194	169,578	0.95	(84,616)	(33.29)
Rent	50,502	277,502	1.55	227,000	449.49
Other	332,570	146,089	0.82	(186,481)	(56.07)
<i>Total Revenues</i>	<u>\$18,592,002</u>	<u>\$17,908,209</u>	<u>100.00%</u>	<u>(\$683,793)</u>	<u>(3.68%)</u>

The schedule listed below represents a summary of the General, Special Revenue, Debt Service and Capital Projects funds expenditures for the years ended December 31, 2001 and 2002, and the amount and percentage of increases (decreases) in relation to the prior years expenditures.

General government expenditures increased by 14.68 percent from \$1,078,961 to \$1,237,345. This increase was due to the implementation of a new financial management system, the adding of a City-wide computer network, a 4 percent salary increase and a 30 percent increase in insurance costs.

Security of persons and property expenditures increased by \$609,579, or 9.72 percent, resulting from a 4 percent salary increase, several grants to police for operations and equipment, a FEMA grant to fire, and the assignment of park security to the police fund.

Leisure time activities expenditures increased by \$264,286, or 16.11 percent, because of personnel reclassifications and 4 percent salary increases.

Capital outlays decreased by \$125,154 or 4.67 percent. Capital improvements, excluding Biddulph Road, for 2001 were reduced to lower expenditures for that year. In 2002 those expenditures returned to normal levels resulting in a \$500,000 increase in that fund. Expenditures for the reconstruction of Biddulph Road were substantially lower in 2002 as that project was completed in the spring. The combination of these two events resulted in an overall reduction.

Principal retirement expenditures increased by \$83,871 or 16.19 percent mainly due to new capital leases paid in 2002.

Interest and fiscal charges expenditures decreased by \$60,712 or 15.63 percent due to lower interest rates on note debt.

2002 EXPENDITURES

	2001 Amount	2002 Amount	Percent of Total	Change	Percent Change
Expenditures					
Current:					
General Government	\$1,078,961	\$1,237,345	6.94%	\$158,384	14.68%
Security of Persons and Property	6,272,853	6,882,432	38.60	609,579	9.72
Transportation	483,164	441,473	2.48	(41,691)	(8.63)
Community Environment	1,359,695	1,329,200	7.46	(30,495)	(2.24)
Basic Utility Services	2,522,773	2,545,154	14.28	22,381	0.89
Leisure Time Activities	1,640,474	1,904,760	10.69	264,286	16.11
Capital Outlay	2,679,727	2,554,573	14.33	(125,154)	(4.67)
Debt Service:					
Principal Retirement	518,114	601,985	3.38	83,871	16.19
Interest and Fiscal Charges	388,338	327,626	1.84	(60,712)	(15.63)
<i>Total Expenditures</i>	<u>\$16,944,099</u>	<u>\$17,824,548</u>	<u>100.00%</u>	<u>\$880,449</u>	<u>5.20%</u>

General Fund Balance

The general fund balance increased from \$5.709 million on December 31, 2001 to \$6.199 million on a GAAP basis as of December 31, 2002. This is an 8.6 percent increase. Last year the balance increased by 42 percent. General economic conditions resulted in lowered fund balances for many governmental entities. The City of Brooklyn was able to at least achieve a small increase in fund balance by tightly controlling expenditures.

DEBT ADMINISTRATION

In 2002, the City retired \$270,000 in general obligation bonds, \$75,000 in special assessment bonds, \$54,970 in OPWC loans, and \$134,241 for the Honeywell loan. The amount outstanding for general obligation bonds is \$3,417,806; for special assessment bonds, \$160,000; for OPWC loans, \$687,125; and for the Honeywell loan for the Energy Conservation project \$925,263. The City's legal debt margin within the overall limitation was \$34,209,125, and the unvoted legal debt margin was \$15,197,471.

At December 31, 2002, the City had \$2,650,000 in outstanding general obligation one-year notes for various capital improvements.

The City maintains an “A2” credit from Moody’s Investors Service, Inc. All bonds of the City are backed by its full faith and credit. On March 1, 1999, the City refunded the outstanding various purpose improvement bonds, series 1992, dated June 1, 1992, in advance of their stated maturity dates. During 2002, the refunded various purpose improvement bonds were fully defeased.

The City expects that its aggressive debt reduction initiatives will enable greater fund allocation to facilities and infrastructure repair and allow these improvements to be paid in cash rather than with borrowed money.

CHARTER TAX RATE LIMITATION

Article VIII, Section 2, of the City Charter relates to the limitation on the rate at which Council may levy property taxes without a vote of the people. It provides that the maximum total property tax rate that may be levied without a vote of the electors for all City purposes is twelve mills. Within that twelve-mill maximum, the City is first required to levy any amount necessary to provide for debt service on all notes and bonds of the City outstanding from time to time, and issued without a vote of the electors. After provisions have been made for the payment of debt service, whether from this unvoted property tax or from other sources, the Charter provides that an amount shall be levied each year sufficient to provide the amounts for police and firefighter pensions. The City may levy up to six mills for current operating expenses from the remaining amount within the twelve-mill limit. In addition, Council is permitted to levy up to one mill for street lighting purposes.

CASH MANAGEMENT

The City adheres strictly to the regulations set forth in the Ohio Revised Code to ensure the safety of its investments. All deposits are made under contracts with local banking institutions.

A majority of the City’s deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least one hundred and five percent of the public funds on deposit. Trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions, hold the collateral.

RISK MANAGEMENT

The City of Brooklyn has a personal service contract with the Edward H. Sutton Insurance Agency for risk management and has Jackson, Dieken & Associates as their insurance agents. In 2002, the total cost for insurance premiums and bonds was \$144,602.

The City carries a \$3,000,000 comprehensive general liability insurance policy with no deductible and \$9,000,000 umbrella over its comprehensive general liability and business auto and law enforcement liability insurance policies. The City also carries a \$1,000,000 general law enforcement liability insurance policy with no deductible. Other coverage carried by the City includes building/contents, scheduled equipment, business auto, scheduled properties, public employees blanket bond, public officials bonds, public officials’ liability, and fire department malpractice liability. A \$50,000 blanket bond covers all employees of the City of Brooklyn, while certain individuals in policy-making roles are covered by separate, higher limit bond coverage. City safety forces are covered by separate liability coverage.

The City pays the Ohio Bureau of Workers' Compensation System (OBWC) a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. In 2002, the City paid \$44,526 to the OBWC as part of the group rating. The City has undertaken a more active posture on claims management including monitoring the effects of lost time claims. A transitional work program has also been instituted. All of these actions are aimed at controlling Worker's Compensation costs.

FIXED ASSETS

The fixed assets of the City are used in the performance of general governmental functions. As of December 31, 2002, the general fixed assets of the City amounted to \$33,410,812. Amounts represent either actual or estimated historical costs of the assets. See the appropriate schedules for analysis of fixed assets by function and activity included in the report.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government of Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Brooklyn, Ohio, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2001.

In order to be awarded a Certificate of Achievement a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, which conforms to program standards. These reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting, and its award represents a significant accomplishment by a government and its management.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the requirements and standards of the Certificate of Achievement Program. Thus, we are submitting the 2002 Comprehensive Annual Financial Report to the GFOA for award consideration.

INDEPENDENT AUDIT

State statutes require the City to have an annual examination by an independent auditor. The Auditor of State for the State of Ohio was selected to render an opinion on the City's financial statements as of December 31, 2002. The Independent Accountants' Report on the general-purpose financial statements is included in the financial section of this report.

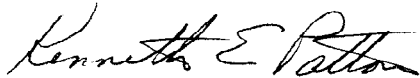
ACKNOWLEDGMENTS

The publication of this report significantly increases the accountability of the City of Brooklyn to the taxpayers. The preparation of a comprehensive annual financial report on a timely basis was made possible by the dedicated service of personnel from the Finance and Mayor's Offices, as well as key employees and department heads from the various municipal departments. All employees have our sincere appreciation for their contributions made in the preparation of this report.

A special note of appreciation is expressed to both the Local Government Services and Audit Divisions of the State Auditors Office for their assistance with this financial report. Mr. Mark Podolak created the design of our 2002 Comprehensive Annual Financial Report cover and inserts.

Without the positive leadership and cooperation exhibited by the Administration and Council, preparation of this report would not have been possible. Special thanks go to Brooklyn residents and taxpayers for entrusting us with the administration of their local government.

Respectfully Submitted,

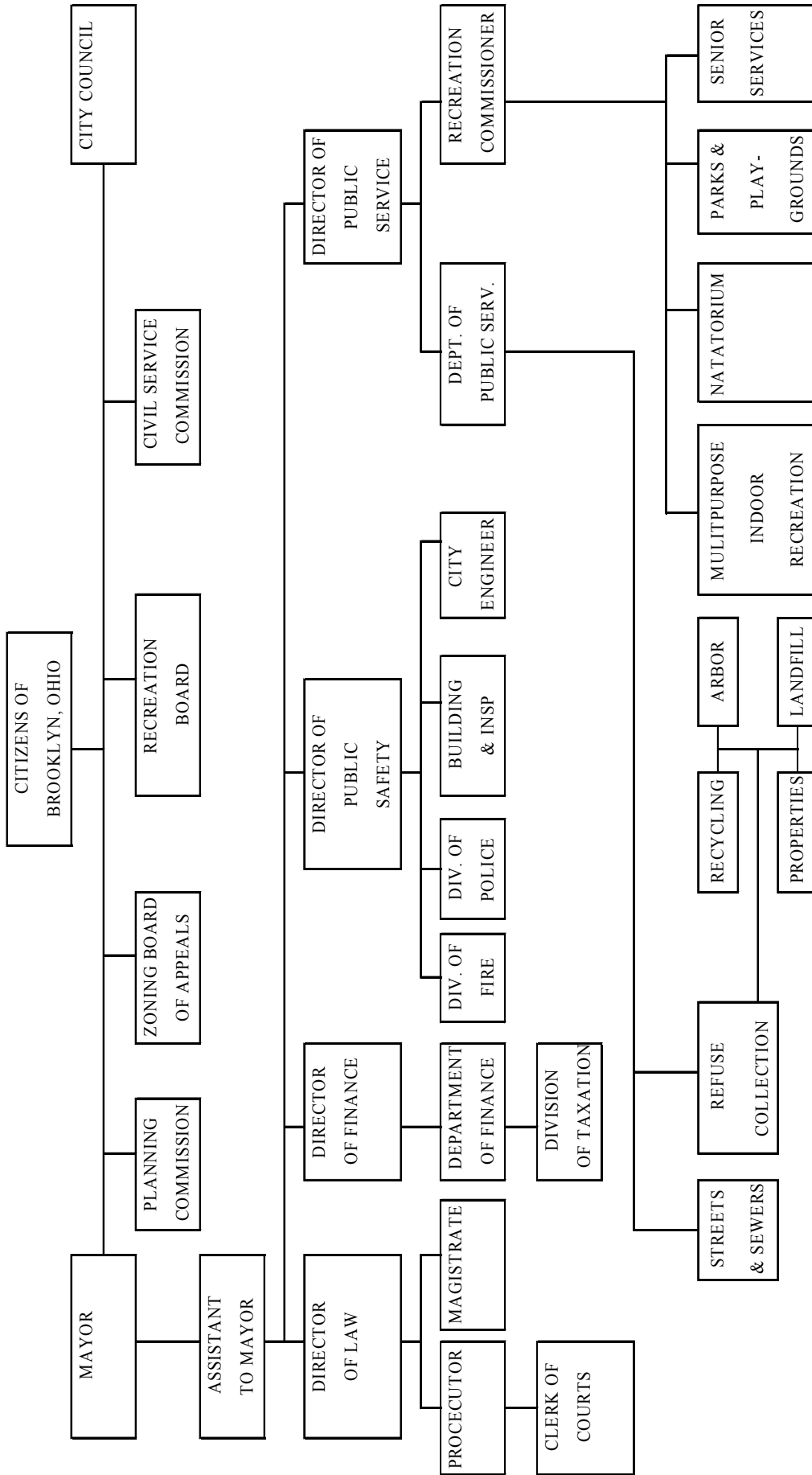


Kenneth E. Patton
Mayor



Gale W. Fisk
Director of Finance

CITY OF BROOKLYN, OHIO
ORGANIZATION CHART



CITY OF BROOKLYN, OHIO

Principal Officials

Mayor

Kenneth E. Patton

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

John E. Frey
Gregory L. Frey
Thomas E. Coyne
Rita M. Brown
Kathleen M. Pucci
Colleen B. Coyne-Gallagher
Richard H. Balbier

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

Thomas O. Shaper
Ronald Balbier
Marisa A. Marniella
Kenneth E. Patton
Robert A. Kappler
Gale W. Fisk
Alfred M. Sforzo
Thomas J. Ockington
Jack T. Murphy
Daniel W. Smetana

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Brooklyn,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

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



William Patrick Haste

President

Jeffrey R. Emer

Executive Director



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

City of Brooklyn
Cuyahoga County
7619 Memphis Avenue
Brooklyn, Ohio 44144

To the Members of City Council:

We have audited the accompanying general-purpose financial statements of the City of Brooklyn, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Brooklyn, Cuyahoga County, Ohio as of December 31, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements. In our opinion, it is fairly stated in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

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

Betty Montgomery
Auditor of State

May 19, 2003

GENERAL PURPOSE FINANCIAL STATEMENTS

City of Brooklyn, Ohio
Combined Balance Sheet
All Fund Types and Account Groups
December 31, 2002

	Governmental Fund		
	General	Special Revenue	Debt Service
<i>Assets and Other Debits</i>			
Assets			
Equity in Pooled Cash and Cash Equivalents	\$3,113,852	\$935,979	\$352,458
Cash and Cash Equivalents:			
with Fiscal Agents	0	1,086	0
in Segregated Accounts	14,940	0	0
Receivables:			
Taxes	1,838,237	769,697	366,522
Accounts	10,126	0	0
Interfund	0	0	0
Intergovernmental	498,752	203,841	17,115
Accrued Interest	31,204	0	0
Special Assessment	0	0	189,329
Materials and Supplies Inventory	33,482	0	0
Prepaid Items	107,973	0	0
Restricted Assets:			
Cash and Cash Equivalents in Segregated Accounts	451,467	0	0
Cash and Cash Equivalents with a Trustee	2,093,488	0	0
Fixed Assets	0	0	0
Other Debits			
Amount Available in Debt Service			
Fund for Retirement of General Obligation Bonds	0	0	0
Amount to be Provided from			
General Government Resources	0	0	0
Amount Available for Landfill Closure and Postclosure Care	0	0	0
<i>Total Assets and Other Debits</i>	<u><u>\$8,193,521</u></u>	<u><u>\$1,910,603</u></u>	<u><u>\$925,424</u></u>

Types	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Capital Projects	Agency			
\$1,476,416	\$73,726	\$0	\$0	\$5,952,431
0	0	0	0	1,086
0	28,564	0	0	43,504
169,638	0	0	0	3,144,094
0	0	0	0	10,126
135,000	0	0	0	135,000
90,629	0	0	0	810,337
0	0	0	0	31,204
15,358	0	0	0	204,687
0	0	0	0	33,482
0	0	0	0	107,973
0	0	0	0	451,467
0	0	0	0	2,093,488
0	0	33,410,812	0	33,410,812
0	0	0	352,458	352,458
0	0	0	8,660,797	8,660,797
0	0	0	2,544,955	2,544,955
<u>\$1,887,041</u>	<u>\$102,290</u>	<u>\$33,410,812</u>	<u>\$11,558,210</u>	<u>\$57,987,901</u>

(continued)

City of Brooklyn, Ohio
Combined Balance Sheet
All Fund Types and Account Groups (continued)
December 31, 2002

	Governmental Fund		
	General	Special Revenue	Debt Service
Liabilities, Fund Equity and Other Credits			
Liabilities			
Accounts Payable	\$96,814	\$7,663	\$0
Interfund Payable	0	0	0
Accrued Wages	382,360	10,478	0
Compensated Absences Payable	12,796	946	0
Intergovernmental Payable	267,727	54,216	0
Deferred Revenue	1,234,334	930,751	572,966
Undistributed Monies	0	0	0
Deposits Held and Due to Others	0	0	0
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
Honeywell Loan Payable	0	0	0
Capital Lease Obligation Payable	0	0	0
Landfill Closure and Postclosure Care	0	0	0
Police Pension Liability	0	0	0
OPWC Loans Payable	0	0	0
General Obligation Bonds Payable	0	0	0
Special Assessment Debt with Governmental Commitment	0	0	0
<i>Total Liabilities</i>	<u>1,994,031</u>	<u>1,004,054</u>	<u>572,966</u>
Fund Equity and Other Credits			
Investment in General Fixed Assets	0	0	0
Fund Balance:			
Reserved for Encumbrances	89,477	43,636	0
Reserved for Landfill Closure and Postclosure Care	2,544,955	0	0
Unreserved, Undesignated (Deficit)	3,565,058	862,913	352,458
<i>Total Fund Equity (Deficit) and Other Credits</i>	<u>6,199,490</u>	<u>906,549</u>	<u>352,458</u>
<i>Total Liabilities, Fund Equity and Other Credits</i>	<u><u>\$8,193,521</u></u>	<u><u>\$1,910,603</u></u>	<u><u>\$925,424</u></u>

See accompanying notes to the general purpose financial statements

Types	Fiduciary	Account Groups			Totals (Memorandum Only)
	Fund Type	General Fixed Assets	General Long-Term Obligations		
Capital Projects	Agency				
\$109,288	\$0	\$0	\$0	\$0	\$213,765
135,000	0	0	0	0	135,000
0	0	0	0	0	392,838
0	0	0	1,658,437	1,672,179	1,672,179
0	12,228	0	223,551	557,722	557,722
27,711	0	0	0	2,765,762	2,765,762
0	16,359	0	0	16,359	16,359
0	73,703	0	0	73,703	73,703
28,710	0	0	0	28,710	28,710
2,650,000	0	0	0	2,650,000	2,650,000
0	0	0	925,263	925,263	925,263
0	0	0	337,119	337,119	337,119
0	0	0	4,092,105	4,092,105	4,092,105
0	0	0	56,804	56,804	56,804
0	0	0	687,125	687,125	687,125
0	0	0	3,417,806	3,417,806	3,417,806
0	0	0	160,000	160,000	160,000
<u>2,950,709</u>	<u>102,290</u>	<u>0</u>	<u>11,558,210</u>	<u>18,182,260</u>	
0	0	33,410,812	0	33,410,812	
178,130	0	0	0	311,243	
0	0	0	0	2,544,955	
<u>(1,241,798)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,538,631</u>	
<u>(1,063,668)</u>	<u>0</u>	<u>33,410,812</u>	<u>0</u>	<u>39,805,641</u>	
<u>\$1,887,041</u>	<u>\$102,290</u>	<u>\$33,410,812</u>	<u>\$11,558,210</u>	<u>\$57,987,901</u>	

City of Brooklyn, Ohio
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended December 31, 2002*

	General	Special Revenue
Revenues		
Municipal Income Tax	\$9,008,376	\$0
Property and Other Taxes	1,001,116	758,243
Charges for Services	880,019	0
Fines, Licenses and Permits	852,846	60,566
Intergovernmental	879,196	718,272
Special Assessments	0	0
Contributions and Donations	36,812	0
Interest	159,448	6,840
Rent	277,502	0
Other	135,894	0
<i>Total Revenues</i>	<u>13,231,209</u>	<u>1,543,921</u>
Expenditures		
Current:		
General Government	1,221,277	16,068
Security of Persons and Property	5,976,859	905,573
Transportation	0	441,473
Community Environment	1,135,953	193,247
Basic Utility Services	2,413,193	131,961
Leisure Time Activities	1,904,760	0
Capital Outlay	0	0
Debt Service:		
Principal Retirement	0	802
Interest and Fiscal Charges	0	2,440
<i>Total Expenditures</i>	<u>12,652,042</u>	<u>1,691,564</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>579,167</u>	<u>(147,643)</u>
Other Financing Sources (Uses)		
Proceeds of Sale of Fixed Assets	11,688	0
Inception of Capital Lease	0	0
Transfers In	0	110,445
Transfers Out	(100,608)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(88,920)</u>	<u>110,445</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	490,247	(37,198)
<i>Fund Balances (Deficit) Beginning of Year, Restated (See Note 3)</i>	<u>5,709,243</u>	<u>943,747</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$6,199,490</u>	<u>\$906,549</u>

See accompanying notes to the general purpose financial statements

Debt Service	Capital Projects	Totals (Memorandum Only)
\$0	\$1,773,707	\$10,782,083
54,368	350,125	2,163,852
0	0	880,019
0	0	913,412
34,228	809,888	2,441,584
74,595	22,683	97,278
0	0	36,812
1,060	2,230	169,578
0	0	277,502
0	10,195	146,089
<u>164,251</u>	<u>2,968,828</u>	<u>17,908,209</u>
0	0	1,237,345
0	0	6,882,432
0	0	441,473
0	0	1,329,200
0	0	2,545,154
0	0	1,904,760
0	2,554,573	2,554,573
399,970	201,213	601,985
<u>168,099</u>	<u>157,087</u>	<u>327,626</u>
<u>568,069</u>	<u>2,912,873</u>	<u>17,824,548</u>
<u>(403,818)</u>	<u>55,955</u>	<u>83,661</u>
0	0	11,688
0	404,091	404,091
321,250	0	431,695
<u>0</u>	<u>(331,087)</u>	<u>(431,695)</u>
<u>321,250</u>	<u>73,004</u>	<u>415,779</u>
(82,568)	128,959	499,440
<u>435,026</u>	<u>(1,192,627)</u>	<u>5,895,389</u>
<u>\$352,458</u>	<u>(\$1,063,668)</u>	<u>\$6,394,829</u>

City of Brooklyn, Ohio
*Combined Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types
For the Year Ended December 31, 2002*

	General Fund			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues				
Municipal Income Tax	\$8,728,151	\$8,667,734	\$9,018,377	\$350,643
Property and Other Taxes	1,063,377	875,069	997,722	122,653
Charges for Services	891,650	898,562	879,860	(18,702)
Fines, Licenses and Permits	896,950	900,672	903,310	2,638
Intergovernmental	892,668	1,000,476	861,045	(139,431)
Special Assessments	0	0	0	0
Contributions and Donations	34,000	38,730	36,962	(1,768)
Interest	227,400	225,826	131,716	(94,110)
Rent	290,000	287,993	277,502	(10,491)
Other	252,400	323,807	132,072	(191,735)
<i>Total Revenues</i>	<u>13,276,596</u>	<u>13,218,869</u>	<u>13,238,566</u>	<u>19,697</u>
Expenditures				
Current:				
General Government	1,310,991	1,304,491	1,196,648	107,843
Security of Persons and Property	6,132,435	6,140,907	5,931,524	209,383
Transportation	0	0	0	0
Community Environment	1,797,840	1,808,340	1,143,912	664,428
Basic Utility Services	2,527,571	2,513,571	2,341,575	171,996
Leisure Time Activities	2,087,262	2,088,262	1,877,018	211,244
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>13,856,099</u>	<u>13,855,571</u>	<u>12,490,677</u>	<u>1,364,894</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(579,503)</u>	<u>(636,702)</u>	<u>747,889</u>	<u>1,384,591</u>
Other Financing Sources (Uses)				
Proceeds of Sale of Fixed Assets	15,000	15,000	11,688	(3,312)
Proceeds of Notes	0	0	0	0
Advances In	0	0	25,000	25,000
Advances Out	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	(103,000)	(103,000)	(100,608)	2,392
<i>Total Other Financing Sources (Uses)</i>	<u>(88,000)</u>	<u>(88,000)</u>	<u>(63,920)</u>	<u>24,080</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(667,503)</u>	<u>(724,702)</u>	<u>683,969</u>	<u>1,408,671</u>
<i>Fund Balances Beginning of Year</i>	4,751,395	4,751,395	4,751,395	0
Prior Year Encumbrances Appropriated	72,223	72,223	72,223	0
<i>Fund Balances End of Year</i>	<u>\$4,156,115</u>	<u>\$4,098,916</u>	<u>\$5,507,587</u>	<u>\$1,408,671</u>

Special Revenue Funds				Debt Service Fund			
Budget		Actual	Variance with Final Budget Positive (Negative)	Budget		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
752,974	819,026	758,243	(60,783)	341,819	380,464	361,068	(19,396)
0	0	0	0	0	0	0	0
24,570	59,895	62,289	2,394	0	0	0	0
759,000	561,940	789,848	227,908	30,000	19,762	34,228	14,466
0	0	0	0	88,000	57,969	74,595	16,626
0	0	0	0	0	0	0	0
14,100	13,702	6,806	(6,896)	8,000	5,270	1,060	(4,210)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>1,550,644</u>	<u>1,454,563</u>	<u>1,617,186</u>	<u>162,623</u>	<u>467,819</u>	<u>463,465</u>	<u>470,951</u>	<u>7,486</u>
20,360	20,360	16,337	4,023	0	0	0	0
933,451	944,202	932,211	11,991	0	0	0	0
593,695	598,695	445,876	152,819	0	0	0	0
382,520	252,112	198,694	53,418	0	0	0	0
165,000	165,000	146,477	18,523	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	802	802	0	4,009,971	2,759,970	2,759,970	0
0	2,440	2,440	0	244,910	244,911	244,799	112
<u>2,095,026</u>	<u>1,983,611</u>	<u>1,742,837</u>	<u>240,774</u>	<u>4,254,881</u>	<u>3,004,881</u>	<u>3,004,769</u>	<u>112</u>
<u>(544,382)</u>	<u>(529,048)</u>	<u>(125,651)</u>	<u>403,397</u>	<u>(3,787,062)</u>	<u>(2,541,416)</u>	<u>(2,533,818)</u>	<u>7,598</u>
0	0	0	0	0	0	0	0
0	0	0	0	2,775,000	1,827,999	2,130,000	302,001
0	0	0	0	0	0	0	0
0	0	(25,000)	(25,000)	0	0	0	0
167,408	152,456	110,445	(42,011)	919,000	605,381	321,250	(284,131)
0	0	0	0	0	0	0	0
<u>167,408</u>	<u>152,456</u>	<u>85,445</u>	<u>(67,011)</u>	<u>3,694,000</u>	<u>2,433,380</u>	<u>2,451,250</u>	<u>17,870</u>
(376,974)	(376,592)	(40,206)	336,386	(93,062)	(108,036)	(82,568)	25,468
752,193	752,193	752,193	0	435,026	435,026	435,026	0
129,482	129,482	129,482	0	0	0	0	0
<u>\$504,701</u>	<u>\$505,083</u>	<u>\$841,469</u>	<u>\$336,386</u>	<u>\$341,964</u>	<u>\$326,990</u>	<u>\$352,458</u>	<u>\$25,468</u>

(continued)

City of Brooklyn, Ohio
*Combined Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types (continued)
For the Year Ended December 31, 2002*

	Capital Projects Funds			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues				
Municipal Income Tax	\$1,992,954	\$1,911,688	\$1,753,869	(\$157,819)
Property and Other Taxes	80,000	80,000	43,425	(36,575)
Charges for Services	0	0	0	0
Fines, Licenses and Permits	0	0	0	0
Intergovernmental	748,669	748,222	905,715	157,493
Special Assessments	8,000	28,771	22,683	(6,088)
Contributions and Donations	0	0	0	0
Interest	8,000	8,000	2,370	(5,630)
Rent	0	0	0	0
Other	0	7,813	10,466	2,653
<i>Total Revenues</i>	<u>2,837,623</u>	<u>2,784,494</u>	<u>2,738,528</u>	<u>(45,966)</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Transportation	0	0	0	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Capital Outlay	3,049,168	3,049,168	2,679,079	370,089
Debt Service:				
Principal Retirement	162,366	1,384,241	1,384,241	0
Interest and Fiscal Charges	52,631	121,381	121,381	0
<i>Total Expenditures</i>	<u>3,264,165</u>	<u>4,554,790</u>	<u>4,184,701</u>	<u>370,089</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(426,542)</u>	<u>(1,770,296)</u>	<u>(1,446,173)</u>	<u>324,123</u>
Other Financing Sources (Uses)				
Proceeds of Sale of Fixed Assets	0	0	0	0
Proceeds of Notes	617,203	750,000	520,000	(230,000)
Advances In	0	0	360,000	360,000
Advances Out	0	0	(360,000)	(360,000)
Transfers In	0	0	0	0
Transfers Out	(331,087)	(331,087)	(331,087)	0
<i>Total Other Financing Sources (Uses)</i>	<u>286,116</u>	<u>418,913</u>	<u>188,913</u>	<u>(230,000)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(140,426)</u>	<u>(1,351,383)</u>	<u>(1,257,260)</u>	<u>94,123</u>
<i>Fund Balances Beginning of Year</i>	1,273,709	1,273,709	1,273,709	0
Prior Year Encumbrances Appropriated	1,186,127	1,186,127	1,186,127	0
<i>Fund Balances End of Year</i>	<u>\$2,319,410</u>	<u>\$1,108,453</u>	<u>\$1,202,576</u>	<u>\$94,123</u>

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)			
Budget		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$10,721,105	\$10,579,422	\$10,772,246	\$192,824
2,238,170	2,154,559	2,160,458	5,899
891,650	898,562	879,860	(18,702)
921,520	960,567	965,599	5,032
2,430,337	2,330,400	2,590,836	260,436
96,000	86,740	97,278	10,538
34,000	38,730	36,962	(1,768)
257,500	252,798	141,952	(110,846)
290,000	287,993	277,502	(10,491)
252,400	331,620	142,538	(189,082)
<u>18,132,682</u>	<u>17,921,391</u>	<u>18,065,231</u>	<u>143,840</u>
1,331,351	1,324,851	1,212,985	111,866
7,065,886	7,085,109	6,863,735	221,374
593,695	598,695	445,876	152,819
2,180,360	2,060,452	1,342,606	717,846
2,692,571	2,678,571	2,488,052	190,519
2,087,262	2,088,262	1,877,018	211,244
3,049,168	3,049,168	2,679,079	370,089
4,172,337	4,145,013	4,145,013	0
297,541	368,732	368,620	112
<u>23,470,171</u>	<u>23,398,853</u>	<u>21,422,984</u>	<u>1,975,869</u>
<u>(5,337,489)</u>	<u>(5,477,462)</u>	<u>(3,357,753)</u>	<u>2,119,709</u>
15,000	15,000	11,688	(3,312)
3,392,203	2,577,999	2,650,000	72,001
0	0	385,000	385,000
0	0	(385,000)	(385,000)
1,086,408	757,837	431,695	(326,142)
(434,087)	(434,087)	(431,695)	2,392
<u>4,059,524</u>	<u>2,916,749</u>	<u>2,661,688</u>	<u>(255,061)</u>
(1,277,965)	(2,560,713)	(696,065)	1,864,648
7,212,323	7,212,323	7,212,323	0
1,387,832	1,387,832	1,387,832	0
<u>\$7,322,190</u>	<u>\$6,039,442</u>	<u>\$7,904,090</u>	<u>\$1,864,648</u>

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Note 1 - Description of the City and Reporting Entity

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

Reporting Entity

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

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

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

The City is associated with three jointly governed organizations, the Southwest Council of Governments, the Parma Community General Hospital Association, and the Northeast Ohio Public Energy Council. A jointly governed organization is managed by representatives from each of the governments that create the organization, but there is no ongoing financial interest nor responsibility on the part of the participating governments. These organizations are presented in Note 18.

Note 2 - Summary of Significant Accounting Policies

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

A. *Basis of Presentation - Fund Accounting*

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types under the broad fund categories: governmental and fiduciary. Each category in turn, is divided into separate "fund types." The City uses the following fund types and account groups:

Governmental Fund Types - Governmental funds are those through which most governmental functions typically are financed. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The following are the City's governmental fund types:

General Fund - This fund is the operating fund of the City and is used to account 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 general laws of Ohio.

Special Revenue Funds - These funds are established to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund - This fund is used to account for the accumulation of financial resources for, and the payment of general obligation and special assessment debt principal, interest and related cost.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Fund Types - Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City only utilizes agency funds. The City's agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Account Groups - To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group accounts for all general fixed assets of the City.

General Long-Term Obligations Account Group - This account group accounts for all unmatured long-term indebtedness of the City.

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) of net current assets.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental funds.

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

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

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, interest, grants, fees and rentals.

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

Property taxes for which there is an enforceable legal claim as of December 31, 2002, but which were levied to finance year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

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 the governmental funds.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. All funds, other than the agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level for all funds. Any budgetary modifications at this level may only be made by resolution of the City Council. The Director of Finance is authorized to transfer appropriations between line items within an object of any department.

Tax Budget At the last Council meeting in May, the Mayor presents the annual operating budget for the following year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 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 all or part of previously authorized taxes and reviews estimated revenue. 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 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 ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the Finance Director determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificated of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect when final appropriations were passed by Council.

Appropriations A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the object level for all funds. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations may not exceed current estimated resources, as certified. During the year, several supplemental appropriation measures were passed. None of these supplemental appropriations had any significant affect on the original appropriations. The amounts reported as original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

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

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 forward to the succeeding year and is not reappropriated.

D. Cash and Cash Equivalents

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

The City has segregated bank accounts for monies held separate from the City's central bank accounts. These depository accounts are presented as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the City treasury.

During 2002, the City's investments were limited to non-negotiable certificates of deposit, repurchase agreements, Freddie MAC Discount Notes, Federal National Mortgage Association Bonds, and Victory United States Government Obligations Money Market Mutual Funds. Investments are reported at fair value, except for non-negotiable certificates of deposit and repurchase agreements which are reported at cost. Fair value is based on quoted market prices or for investments in open-end mutual funds fair value is determined by the fund's share price.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2002 amounted to \$159,448, which includes \$46,833 assigned from other City funds.

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

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

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2002, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure in the year in which the services are consumed.

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

F. Inventory

Inventories are presented at cost on a first-in, first-out basis and are recorded as expenditures in the governmental funds when used. Inventory consists of expendable supplies held for consumption.

G. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent cash and cash equivalents in segregated accounts and cash and cash equivalents with a trustee that will be used for future expenditures relating to the landfill closure.

H. Fixed Assets and Depreciation

General fixed assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized (recorded and accounted for) in the general fixed assets account group. Infrastructure fixed assets such as streets, storm sewers and drains, and traffic signals and signs are not capitalized by the City and are not reported as part of the general fixed assets account group.

All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are capitalized at their estimated fair market values as of the date received. The City maintains a threshold of one thousand dollars. The City has elected not to record depreciation in the general fixed assets account group.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the asset's life are not capitalized.

I. Interfund Balances

Short-term interfund loans are classified as "interfund receivables/payables." Interfund balances are included in Note 9.

J. 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. The City records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service.

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

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group.

K. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, landfill closure and postclosure care, capital lease obligations, long-term loans and bonds and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Payments made more than sixty days after year end are generally considered not to have been made with current expendable available financial resources. Bonds and capital leases are recognized as a liability of the general long-term obligations account group until due.

Under Ohio law, a debt retirement fund may be created and used for the payment of all debt principal and interest. Generally accepted accounting principles require the allocation of the debt liability amount to the capital projects funds and the general long term obligations account group, with principal and interest payments on short-term notes being recorded in the fund which received the note proceeds and on matured general long term debt being reported in the debt service fund. To comply with GAAP reporting requirements, the City's debt retirement fund has been split among the appropriate funds and the account group. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

L. Fund Balance Reserves

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

M. Interfund Transactions

During the normal course of operations, the City has transactions between funds. Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. 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.

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

O. Total Columns on the General Purpose Financial Statements

The "Totals" columns on the general purpose financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cashflows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 3 - Restatement of Prior Year Fund Balances

As of December 31, 2001, it was determined that an accounts payable was incorrectly recorded in the Groeger trust special revenue fund instead of the capital improvements capital project fund. As a result, the special revenue fund balance of \$940,353 as of December 31, 2001 was understated by \$3,394 and restated to \$943,747 and the capital projects fund balance of (\$1,189,233) was overstated by \$3,394 and restated to (\$1,192,627).

Note 4 - Fund Deficits

The following funds had deficit fund balances at December 31, 2002:

Capital Projects Funds:	
Tiedeman Road	\$996,624
Street and Sidewalk Repair	384,117
Issue II	171,964
Biddulph Road	362,995

The deficits in the capital projects funds were the result of the issuance of short-term bond anticipation notes which are used to finance the project until bonds are issued. Once bonds are issued and the liability is reported in the general long-term obligations account group rather than in the fund, the deficit fund balances will be eliminated.

Note 5 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures for all funds (budget) rather than as a reservation of fund balance for governmental fund types (GAAP).
4. Short-term note proceeds and note principal retirement for governmental funds are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. State statute permits short-term note principal and interest to be repaid from the debt service fund (budget) as opposed to the fund that received the proceeds (GAAP). Debt service fund resources used to pay both principal and interest have been allocated accordingly.
6. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements on a fund type basis:

Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses All Governmental Fund Types				
	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	\$490,247	(\$37,198)	(\$82,568)	\$128,959
Net Adjustment for Revenue Accruals	(49,126)	73,675	0	(634,802)
Unrecorded Cash	56,483	(410)	0	411
Revenue for Debt Transactions	0	0	306,700	(306,700)
Advances In	25,000	0	0	360,000
Notes Proceeds	0	0	2,130,000	520,000
Net Adjustment for Expenditure Accruals	305,978	44,439	0	(3,127,988)
Advances Out	0	(25,000)	0	(360,000)
Principal Retirement	0	0	(2,360,000)	2,360,000
Interest and Fiscal Charges	0	0	(76,700)	76,700
Encumbrances	(144,613)	(95,712)	0	(273,840)
Budget Basis	\$683,969	(\$40,206)	(\$82,568)	(\$1,257,260)

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Note 6 - Deposits and Investments

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

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

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

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

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the finance director or, if the securities are not represented by certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of custodial credit risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

Deposits At year-end, the carrying amount of the City's deposits was \$6,434,576 and the bank balance was \$6,603,590. Of the bank balance:

1. \$348,962 was covered by federal depository insurance.
2. \$6,254,628 was uncollateralized and uninsured. Although the securities were held by the pledging financial institutions trust department or agent in the City's name and all State 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.

Investments Investments are classified under guidelines of GASB Statement No. 3 into three categories. Category 1 includes investments that are insured or registered or are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. The Victory United States Government Obligations Money Market Mutual Funds are unclassified since they are not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Amount	Fair Value
Freddie MAC Discount Notes	\$499,879	\$499,879	\$499,879
Federal National Mortgage Association Bonds	500,000	500,000	500,000
	\$999,879	999,879	999,879
Victory United States Government Obligations			
Money Market Mutual Funds		1,107,521	1,107,521
Total		\$2,107,400	\$2,107,400

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	\$8,541,976	\$0
Freddie MAC Discount Notes	(499,879)	499,879
Federal National Mortgage Association Bonds	(500,000)	500,000
Victory United States Government Obligations		
Money Market Mutual Funds	(1,107,521)	1,107,521
GASB Statement No. 3	\$6,434,576	\$2,107,400

Note 7 - Receivables

Receivables at December 31, 2002, consisted primarily of municipal income taxes, property taxes, accounts, interfund activity, intergovernmental receivables, accrued interest, and special assessments. All receivables are considered fully collectible.

A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2002 for real and public utility property taxes represents collections of the 2001 taxes. Property tax payments received during 2002 for tangible personal property (other than public utility property) and for 2002 taxes.

2002 real property taxes are levied after October 1, 2002, on the assessed value as of January 1, 2002, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2002 real property taxes are collected in and intended to finance 2003.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2002 public utility property taxes which became a lien December 31, 2001, are levied after October 1, 2002, and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after October 1, 2001, on the values as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are 25 percent of true value for capital assets and 24 percent for inventory.

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

The full tax rate for all City operations for the year ended December 31, 2002, was \$5.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2002 property tax receipts were based as follows:

Real Estate:	
Residential/Agriculture	\$286,326,280
Tangible Personal Property:	
Public Utility	19,451,050
General Tangible Personal Property	74,455,744
Total Valuation	<u>\$380,233,074</u>

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Brooklyn. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2002 and for which there is an enforceable legal claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2002 operations. The receivable is offset by deferred revenue.

B. Income Taxes

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

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, effective January 1, 2002 through March 31, 2002, eighty-eight percent of income tax was credited to the general fund and twelve percent to the capital improvements capital projects fund. By City ordinance, effective April 1, 2002 through June 30 2002, eighty-six percent was credited to the general fund and fourteen percent to the capital improvements capital projects fund. By City ordinance, effective July 1, 2002 through December 31, 2002 eighty-five percent of the income tax proceeds were credited to the general fund and fifteen percent of the income tax proceeds were credited to the capital improvements capital projects fund. By City Ordinance, effective September 1, 1997 through December 31, 2002, fifty percent of gross income tax receipts collected from the Plain Dealer Printing and Distributing Center were credited to the Tiedeman Road capital projects fund, with the remaining fifty percent credited to general fund and the capital improvements capital projects fund in accordance with the City ordinances above.

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

C. Intergovernmental Receivable

A summary of intergovernmental receivables as of December 31, 2002, follows:

	<u>Amount</u>
General Fund	
Local Government	\$415,965
Homestead and Rollback	39,363
Local Government Revenue Assistance	25,224
Grants	281
Liquor Licenses	7,705
Hotel Excise Tax	1,154
Prisoner Housing	9,060
<i>Total General Fund</i>	<u>498,752</u>
Special Revue Funds	
Street Maintenance and Repair	136,997
State Highway	11,106
Street Lighting	5,134
Motor Vehicle License Tax	12,880
D.A.R.E.	6,917
Police Pension	13,692
Fire Pension	17,115
<i>Total Special Revue Funds</i>	<u>203,841</u>
Debt Service Fund	
Bond Retirement	<u>17,115</u>
Capital Projects Fund	
Biddulph Road	<u>90,629</u>
<i>Total Intergovernmental Receivables</i>	<u><u>\$810,337</u></u>

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Note 8 - Fixed Assets

A summary of changes in general fixed assets at December 31, 2002, were as follows:

	Balance 12/31/01	Additions	Deletions	Balance 12/31/02
Land	\$2,611,037	\$0	\$0	\$2,611,037
Buildings	13,736,788	0	0	13,736,788
Improvements Other than Buildings	8,779,539	320,266	0	9,099,805
Machinery and Equipment	3,912,611	258,067	78,580	4,092,098
Vehicles	3,514,746	530,388	174,050	3,871,084
Construction in Progress	77,652	94,229	171,881	0
Total	\$32,632,373	\$1,202,950	\$424,511	\$33,410,812

Note 9 - Interfund Balances

At December 31, 2002, the capital improvements capital projects fund had an interfund receivable and the Biddulph road capital projects fund had an interfund payable, in the amount of \$135,000.

Note 10 - Risk Management

The City of Brooklyn is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. During 2002, the City contracted through the Municipal Insurance Alliance Agency of Ohio for various types of insurance as follows:

Company	Type	Coverage
Edward H. Sutton Insurance	Blanket Property, and Contents, Replacement	\$20,636,463
	Earthquake Coverage	500,000
	General Liability	3,000,000
	Automobile Liability	1,000,000
	Umbrella Liability	9,000,000
	Public Officials Liability	1,000,000
	Police Professional Liability	1,000,000
	Inland Marine	2,799,509
	Crime Coverage	5,000
	Employee Dishonesty	50,000
	Steam Boiler/Machinery	10,000,000
Great American Insurance	Public Officials Bond	50,000

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

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

Workers' Compensation coverage is provided by the State. The City pays the Ohio Bureau of Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. In the past, the City of Brooklyn was rated as an individual public entity. The City has now qualified for and joined the Ohio Municipal Treasurer's Association Group Rating Plan (GRP) allowing the City to take advantage of the more favorable group rating and premium discount available through the association.

The City participates in the Ohio Municipal League Group Rating Plan (OML) for worker's compensation. The intent of the OML is to achieve the benefit of a reduced premium for the participants, foster safer working environments and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the OML. The workers' compensation experience of the participating cities is calculated as one experience and a common premium rate is applied to all cities in the OML. Each participant pays its workers' compensation premium to the State based on the rate for the OML rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the OML. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the OML. Participation in the OML is limited to cities that can meet the OML's selection criteria. The firm of Gates McDonald & Company provides administrative, cost control and actuarial services to the OML.

Note 11 - Compensated Absences

The criteria for determining vacation and sick leave liabilities are derived from negotiated agreements and State laws. Employees earn ten to thirty days of vacation per year, depending upon length of service. Earned vacation time is paid upon termination of employment.

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

As of December 31, 2002, the liability for unpaid compensated absences was \$1,672,179 for the entire City.

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Note 12 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Ohio Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2002 employer contribution rate for the City was 8.55 percent of covered payroll, decreased from 9.25 percent in 2001. Contributions are authorized by State statute. The City's required contributions to OPERS for the years ended December 31, 2002, 2001, and 2000 were \$391,980, \$409,776, and \$279,454, respectively. The full amount has been contributed for 2001 and 2000. 73.43 percent has been contributed for 2002, with the remainder being reported as a liability in the general long-term obligations account group.

B. Ohio Police and Fire Pension Fund

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

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 11.75 percent for police and 16.25 percent for firefighters. For 2001, the City contributions were 12 percent for police and 16.75 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters were \$232,862 and \$292,755 for the year ended December 31, 2002, \$223,616 and \$285,433 for the year ended December 31, 2001, \$224,743 and \$298,979 for the year ended December 31, 2000. The full amount has been contributed for 2001 and 2000. 72.55 percent and 72.83 percent, respectively, have been contributed for 2002 with the remainder being reported as a liability in the general long-term obligations account group.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2002, the unfunded liability of the City was \$56,804 payable in semi-annual payments through the year 2035. This is an accounting liability of the City which will not vary. The liability is reported in the general long-term obligations account group.

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Note 13 - Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System of Ohio (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2002 employer contribution rate was 13.55 percent of covered payroll; 5.00 percent was the portion that was used to fund health care for 2002. For 2001, the contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2001, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually.

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

The number of active contributing participants was 402,041. The City's actual contributions for 2002 which were used to fund postemployment benefits were \$229,228. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2001, (the latest information available) were \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$16.4 billion and \$4.8 billion, respectively.

B. Ohio Police and Fire Pension Fund

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

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2002. For 2001 the percent used to fund healthcare was 7.5 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

The City's actual contributions for 2002 that were used to fund postemployment benefits were \$153,590 for police and \$139,622 for fire. The OP&F's total health care expenses for the year ended December 31, 2001, (the latest information available) were \$122,298,771, which was net of member contributions of \$6,874,699. The number of OP&F participants eligible to receive health care benefits as of December 31, 2001, was 13,174 for police and 10,239 for firefighters.

Note 14 - Long-Term Obligations

Changes in long-term obligations of the City during 2002 are as follows:

	<u>Outstanding 12/31/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 12/31/02</u>
General Long-Term Obligations:				
1999 Various 3.30% - 4.45% \$4,440,000 Refunding Bonds	\$3,687,806	\$0	(\$270,000)	\$3,417,806
1994 4.15% - 6.00% \$645,000 Special Assessment Bonds	235,000	0	(75,000)	160,000
1992 0% \$1,099,400 OPWC Loan	742,095	0	(54,970)	687,125
1998 5.27% \$1,400,171 Honeywell Loan	1,059,504	0	(134,241)	925,263
Capital Leases	0	404,091	(66,972)	337,119
Police Pension \$70,770 (Note 12)	57,606	0	(802)	56,804
Landfill (Note 15)	5,442,805	0	(1,350,700)	4,092,105
Intergovernmental Payable	357,088	223,551	(357,088)	223,551
Compensated Absences	<u>1,541,895</u>	<u>116,542</u>	<u>0</u>	<u>1,658,437</u>
Total General Long-Term Obligations	<u>\$13,123,799</u>	<u>\$744,184</u>	<u>(\$2,309,773)</u>	<u>\$11,558,210</u>

General obligation bonds are the direct obligation of the City and will be paid from the debt service fund using property tax revenues. Special assessment bonds will be paid from special assessment proceeds levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The Ohio Public Works Commission (OPWC) Loans will be paid by revenues transferred from the general fund. The Honeywell loan will be paid by income tax revenues from the capital improvements capital projects fund. Capital leases will be paid from the capital improvements capital projects fund.

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

The police pension liability will be paid from levied taxes in the police pension special revenue fund. The landfill will be paid for using designated general fund revenues which are for landfill closure and postclosure care. During 2002 a re-evaluation of the landfill total yearly post-closure cost estimate and landfill closure and postclosure care liability was completed and resulted in a decrease in the value. (See Note 15) The intergovernmental payable represents employer pension obligations paid outside the available period. Compensated absences and the intergovernmental pension obligation will be paid by the fund from which the employee's salary is paid.

On March 18, 1999, the City issued \$4,440,000 in general obligation bonds with interest rates varying from 3.30 percent to 4.45 percent, for the purpose of advance refunding \$3,945,000 of 1992 various purpose bonds. As of December 31, 2002, the refunded various purpose improvement bonds are considered fully defeased. The balance outstanding for the bonds is \$3,417,806 as of December 31, 2002.

The City's overall legal debt margin was \$34,209,125 at December 31, 2002. The unvoted legal debt margin was \$15,197,471. Principal and interest requirements to retire the long-term general obligation bonds, special assessment bonds, Ohio Public Water Commission (OPWC) loan, Honeywell loan and police pension obligation as of December 31, 2002, are as follows:

	General Obligation Bonds		Special Assessment Bonds		OPWC
	Principal	Interest	Principal	Interest	Loan Principal
2003	\$290,000	\$141,585	\$75,000	\$9,540	\$54,970
2004	295,000	130,855	85,000	5,100	54,970
2005	310,000	119,645	0	0	54,970
2006	320,000	107,710	0	0	54,970
2007	335,000	95,070	0	0	54,970
2008-2012	1,867,806	254,349	0	0	274,850
2013-2017	0	0	0	0	137,425
Total	<u>\$3,417,806</u>	<u>\$849,214</u>	<u>\$160,000</u>	<u>\$14,640</u>	<u>\$687,125</u>

	Honeywell Loan		Police Pension		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$141,499	\$45,373	\$837	\$2,405	\$562,306	\$198,903
2004	149,139	37,734	873	2,369	584,982	176,058
2005	157,191	29,682	910	2,332	523,071	151,659
2006	165,677	21,195	949	2,293	541,596	131,198
2007	174,622	12,251	990	2,252	565,582	109,573
2008-2012	137,125	3,028	5,627	10,584	2,285,408	267,961
2013-2017	0	0	6,943	9,267	144,368	9,267
2018-2022	0	0	8,569	7,641	8,569	7,641
2023-2027	0	0	10,574	5,636	10,574	5,636
2028-2032	0	0	13,049	3,161	13,049	3,161
2033-2035	0	0	7,483	478	7,483	478
Total	<u>\$925,253</u>	<u>\$149,263</u>	<u>\$56,804</u>	<u>\$48,418</u>	<u>\$5,246,988</u>	<u>\$1,061,535</u>

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Industrial Development Revenue Bonds

The City has issued industrial development revenue bonds in the aggregate outstanding principal amount of \$985,000 at December 31, 2002 for facilities used by private corporations. The City is not obligated in any way to pay debt charges on the bonds from any of its funds, and therefore they have been excluded from the City's debt presentation. There has not been and is not any condition of default under the bonds or the related financing documents.

Note 15 - Landfill Closure and Postclosure Care

State and federal laws and regulations require the City to place a final cover on its Sanitary Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. During 2002 a re-evaluation of the landfill total yearly postclosure cost estimate and landfill closure and postclosure care liability was completed. The re-evaluation was approved by the Ohio Environmental Protection Agency. The \$4,092,105 reported as landfill closure and postclosure care liability at December 31, 2002, represents the cumulative amount reported to date based on the use of 66.57 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$2,055,165 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2002. The City expects to close the landfill in the year 2037. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

The City had restricted \$451,467 in segregated accounts and an additional \$2,093,488 with a trustee to provide a total of \$2,544,955 for the landfill closure and postclosure care costs as of December 31, 2002.

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Note 16- Note Debt

The City's note activity, including amounts outstanding, interest rates and the capital projects funds in which the note liability is reported is as follows:

	Outstanding 12/31/01	Additions	Reductions	Outstanding 12/31/02
Capital Improvements Fund				
2001 3.25%	\$675,000	\$0	(\$675,000)	\$0
2002 1.50%	0	650,000	0	650,000
<i>Total Capital Improvements</i>	<u>675,000</u>	<u>650,000</u>	<u>(675,000)</u>	<u>650,000</u>
Street and Sidewalk Repair Fund				
2001 3.25%	435,000	0	(435,000)	0
2002 1.50%	0	380,000	0	380,000
<i>Total Street and Sidewalk Repair</i>	<u>435,000</u>	<u>380,000</u>	<u>(435,000)</u>	<u>380,000</u>
Issue II Fund				
2001 3.25%	250,000	0	(250,000)	0
2002 1.50%	0	175,000	0	175,000
<i>Total Issue II Funds</i>	<u>250,000</u>	<u>175,000</u>	<u>(250,000)</u>	<u>175,000</u>
Tiedeman Road Fund				
2001 3.25%	1,250,000	0	(1,250,000)	0
2002 1.50%	0	1,100,000	0	1,100,000
<i>Total Tiedeman</i>	<u>1,250,000</u>	<u>1,100,000</u>	<u>(1,250,000)</u>	<u>1,100,000</u>
Biddulph Road Fund				
2001 3.25%	1,000,000	0	(1,000,000)	0
2002 1.50%	0	345,000	0	345,000
<i>Total Biddulph Road Fund</i>	<u>1,000,000</u>	<u>345,000</u>	<u>(1,000,000)</u>	<u>345,000</u>
Total Notes	<u><u>\$3,610,000</u></u>	<u><u>\$2,650,000</u></u>	<u><u>(\$3,610,000)</u></u>	<u><u>\$2,650,000</u></u>

All of the notes are backed by the full faith and credit of the City of Brooklyn and mature within one year. The note liability is reflected in the fund which received the proceeds.

The notes are generally issued in anticipation of long-term bond financing and are refinanced until such bonds are issued.

Note 17 - Capital Leases

In 2002, the City entered into new capitalized leases for the acquisition of police cars, salt trucks, and network cabling. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. General fixed assets acquired by lease have been capitalized in the general fixed asset account group in the amount of \$404,901, which represents the present value of the lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group.

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2002:

Year	General Long-Term Obligations
2003	\$101,090
2004	101,090
2005	64,466
2006	64,465
2007	32,231
Total	363,342
<i>Less: Amount representing interest</i>	<i>(26,223)</i>
Present Value of Minimum Payments	\$337,119

Capital lease payments have been reclassified and are reflected as debt service in the general purpose financial statements for the capital improvements capital projects fund. These expenditures are reflected as programs/function expenditures on a budgetary basis.

Note 18 - Jointly Governed Organizations

A. Southwest Council of Governments

The Southwest Council of Governments helps foster cooperation between municipalities in areas effecting health, safety, welfare, education, economic conditions and regional development. The board is comprised of one member from each of the sixteen participating entities. The board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board. In 2002, the City contributed \$7,500 which represented 5.25 percent of total contributions.

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

B. Parma Community General Hospital Association

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

City of Brooklyn
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Additions to the hospital have been financed by the issuance of hospital revenue bonds. The bonds are backed solely by the revenues of the hospital. The Cities have no responsibility for the payment of bonds, nor is there any ongoing financial interest or responsibility by the City to the hospital.

Because there is no ongoing equity interest, there is no requirement to disclose the investment in the jointly governed organization in the general fixed assets account group. The City of Brooklyn has made no contributions to the hospital during the year. The hospital's financial statements may be obtained by contacting the Parma Community General Hospital, Parma, Ohio.

C. Northeast Ohio Public Energy Council (NOPEC)

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 100 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Brooklyn did not contribute to NOPEC during 2002. Financial information can be obtained by contacting Dan DiLiberto, Board Chairman, 1615 Clark Avenue, Cleveland, Ohio, 44109.

Note 19 - Contingencies

A. Grants

The City received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with 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, 2002.

B. Litigation

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

**COMBINING, INDIVIDUAL FUND AND
ACCOUNT GROUP STATEMENTS
AND SCHEDULES**

GENERAL FUND

To account for real estate taxes, income tax revenue and resources traditionally associated with general governmental operations that are not required to be accounted for by another fund.

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Tax	\$8,728,151	\$8,667,734	\$9,018,377	\$350,643
Property and Other Taxes	1,063,377	875,069	997,722	122,653
Charges for Services	891,650	898,562	879,860	(18,702)
Fines, Licenses and Permits	896,950	900,672	903,310	2,638
Intergovernmental	892,668	1,000,476	861,045	(139,431)
Contributions and Donations	34,000	38,730	36,962	(1,768)
Interest	227,400	225,826	131,716	(94,110)
Rent	290,000	287,993	277,502	(10,491)
Other	252,400	323,807	132,072	(191,735)
<i>Total Revenues</i>	13,276,596	13,218,869	13,238,566	19,697
Expenditures				
Current:				
General Government:				
Income Tax:				
Personal Services	95,720	102,895	97,683	5,212
Materials and Supplies	32,961	32,961	26,893	6,068
Contractual Services	6,500	7,700	7,473	227
Capital Outlay	1,000	1,000	30	970
Total Income Tax	136,181	144,556	132,079	12,477
Council:				
Personal Services	102,168	102,168	97,869	4,299
Materials and Supplies	1,950	1,950	1,025	925
Contractual Services	15,750	11,250	4,198	7,052
Total Council	119,868	115,368	103,092	12,276
Mayor:				
Personal Services	241,838	231,463	217,051	14,412
Materials and Supplies	7,406	11,106	9,578	1,528
Contractual Services	8,300	8,300	8,067	233
Capital Outlay	4,165	2,465	1,343	1,122
Other	7,233	7,233	5,654	1,579
Total Mayor	\$268,942	\$260,567	\$241,693	\$18,874

(continued)

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Legal:				
Personal Services	\$219,906	\$216,806	\$210,779	\$6,027
Materials and Supplies	1,227	1,327	1,327	0
Contractual Services	56,460	60,460	52,905	7,555
Other	195	195	75	120
Total Legal	277,788	278,788	265,086	13,702
Finance:				
Personal Services	304,061	299,261	290,274	8,987
Materials and Supplies	9,152	10,952	10,366	586
Contractual Services	37,250	37,250	25,797	11,453
Capital Outlay	30,015	30,015	14,379	15,636
Total Finance	380,478	377,478	340,816	36,662
Civil Service:				
Personal Services	9,990	9,990	9,561	429
Materials and Supplies	1,521	1,521	182	1,339
Contractual Services	5,100	5,100	3,780	1,320
Total Civil Service	16,611	16,611	13,523	3,088
Engineering:				
Personal Services	108,123	108,123	99,399	8,724
Contractual Services	3,000	3,000	960	2,040
Total Engineering	111,123	111,123	100,359	10,764
Total General Government	1,310,991	1,304,491	1,196,648	107,843
Security of Persons and Property:				
Public Safety:				
Personal Services	3,056,958	3,044,430	3,007,869	36,561
Materials and Supplies	94,878	129,878	103,841	26,037
Contractual Services	438,731	457,731	456,594	1,137
Capital Outlay	10,630	10,630	10,630	0
Other	4,323	4,323	2,548	1,775
Total Public Safety	\$3,605,520	\$3,646,992	\$3,581,482	\$65,510

(continued)

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire Department:				
Personal Services	\$2,360,374	\$2,327,374	\$2,245,088	\$82,286
Materials and Supplies	50,603	50,603	32,242	18,361
Contractual Services	67,072	67,072	48,501	18,571
Capital Outlay	48,866	48,866	24,211	24,655
Total Fire Department	2,526,915	2,493,915	2,350,042	143,873
Total Security of Persons and Property	6,132,435	6,140,907	5,931,524	209,383
Community Environment:				
Public Lands and Buildings:				
Personal Services	75,624	84,624	81,801	2,823
Materials and Supplies	25,017	25,017	21,579	3,438
Contractual Services	741,161	737,651	619,440	118,211
Capital Outlay	36,847	37,357	23,640	13,717
Total Public Lands and Buildings	878,649	884,649	746,460	138,189
Public Service:				
Personal Services	139,402	139,402	137,085	2,317
Materials and Supplies	2,800	2,800	1,750	1,050
Contractual Services	250	250	25	225
Total Public Service	142,452	142,452	138,860	3,592
Building Department:				
Personal Services	176,222	180,722	175,729	4,993
Materials and Supplies	3,794	3,794	2,996	798
Contractual Services	16,000	16,000	5,126	10,874
Total Building Department	196,016	200,516	183,851	16,665
Recycling:				
Personal Services	51,885	51,685	50,140	1,545
Materials and Supplies	16,088	12,538	8,150	4,388
Contractual Services	12,750	16,500	16,451	49
Total Recycling	80,723	80,723	74,741	5,982
Landfill:				
Contractual Services	500,000	500,000	0	500,000
Total Community Environment	\$1,797,840	\$1,808,340	\$1,143,912	\$664,428

(continued)

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Basic Utility Services:				
Garage:				
Personal Services	\$2,164,754	\$2,139,754	\$2,076,461	\$63,293
Materials and Supplies	93,764	134,564	134,564	0
Contractual Services	113,736	113,936	51,538	62,398
Capital Outlay	155,317	125,317	79,012	46,305
Total Basic Utility Services	2,527,571	2,513,571	2,341,575	171,996
Leisure Time Activities:				
Recreation Center:				
Personal Services	766,283	746,283	682,033	64,250
Materials and Supplies	67,549	80,549	60,016	20,533
Contractual Services	119,701	119,701	94,530	25,171
Capital Outlay	9,370	11,370	7,551	3,819
Total Recreation Center	962,903	957,903	844,130	113,773
Indoor/Outdoor Pool:				
Personal Services	458,049	439,699	427,464	12,235
Materials and Supplies	58,378	81,728	62,994	18,734
Contractual Services	76,016	76,016	61,023	14,993
Capital Outlay	5,000	5,000	3,573	1,427
Total Indoor/Outdoor Pool	597,443	602,443	555,054	47,389
Parks:				
Personal Services	82,135	80,635	72,805	7,830
Materials and Supplies	27,700	27,700	26,482	1,218
Contractual Services	55,425	55,425	37,708	17,717
Capital Outlay	6,500	9,000	8,145	855
Total Parks	171,760	172,760	145,140	27,620
Senior Services:				
Personal Services	262,847	258,147	255,166	2,981
Materials and Supplies	11,079	15,779	13,081	2,698
Contractual Services	77,703	77,703	61,307	16,396
Capital Outlay	1,527	1,527	1,382	145
Other	2,000	2,000	1,758	242
Total Senior Services	355,156	355,156	332,694	22,462
Total Leisure Time Activities	\$2,087,262	\$2,088,262	\$1,877,018	\$211,244

(continued)

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<i>Total Expenditures</i>	<u>\$13,856,099</u>	<u>\$13,855,571</u>	<u>\$12,490,677</u>	<u>\$1,364,894</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(579,503)</u>	<u>(636,702)</u>	<u>747,889</u>	<u>1,384,591</u>
Other Financing Sources (Uses)				
Proceeds of Sale of Fixed Assets	15,000	15,000	11,688	(3,312)
Advances In	0	0	25,000	25,000
Transfers Out	<u>(103,000)</u>	<u>(103,000)</u>	<u>(100,608)</u>	<u>2,392</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(88,000)</u>	<u>(88,000)</u>	<u>(63,920)</u>	<u>24,080</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(667,503)</u>	<u>(724,702)</u>	<u>683,969</u>	<u>1,408,671</u>
<i>Fund Balance Beginning of Year</i>	4,751,395	4,751,395	4,751,395	0
Prior Year Encumbrances Appropriated	<u>72,223</u>	<u>72,223</u>	<u>72,223</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,156,115</u></u>	<u><u>\$4,098,916</u></u>	<u><u>\$5,507,587</u></u>	<u><u>\$1,408,671</u></u>

SPECIAL REVENUE FUNDS

Special revenue funds are established to account for the proceeds of specific revenues sources (other than for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

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

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

Community Development Block Grant Fund - This fund accounts for revenues received from the federal government and City matching funds and expenditures as prescribed under the Community Development Block Grant Program.

Street Lighting Fund - This fund accounts for property taxes levied to pay for street lighting expenditures within the City.

Motor Vehicle License Tax Fund - This fund accounts for the City's share of motor vehicle license tax levied by the County.

Recycling and Litter Fund - This fund accounts for monies received from the State to be used for litter prevention and the recycling program in the City.

D.A.R.E. Fund - This fund accounts for monies used to educate the public regarding drug abuse and drug abuse prevention.

Bullet Proof Vest Fund - This fund accounts for revenues received from the federal government and expenditures as prescribed under the Bullet Proof Vest Partnership Grant Program.

FEMA Fire Act Fund - This fund accounts for revenues received from the federal government and expenditures as prescribed under the Federal Emergency Management Agency's Assistance to Firefighters Grant Program for Wellness and Fitness.

Law Enforcement Fund - This fund accounts for monies received from fines from convictions related to drug cases used for the education of the community.

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

Police Pension Fund - This fund accounts for property taxes collected to pay the City's share of police pension benefits.

(continued)

SPECIAL REVENUE FUNDS (continued)

Fire Pension Fund - This fund accounts for property taxes collected to pay the City's share of fire pension benefits.

Underground Storage Tank Fund - This fund accounts for monies transferred for potential expenditures related to the City's underground storage tanks.

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

Court Computer Fund - This fund accounts for fines collected to be used to update court computer systems.

Juvenile Diversion Fund - This fund accounts for monies received from Cuyahoga County to be used to establish or expend community policing programs.

City of Brooklyn, Ohio
Combining Balance Sheet
All Special Revenue Funds
December 31, 2002

	Street Maintenance and Repair	State Highway	Community Development Block Grant	Street Lighting
Assets				
Equity in Pooled Cash and Cash Equivalents	\$276,551	\$72,027	\$82,511	\$203,451
Cash and Cash Equivalents with Fiscal Agents	0	0	1,086	0
Receivables:				
Taxes	0	0	0	91,632
Intergovernmental	136,997	11,106	0	5,134
<i>Total Assets</i>	<u>\$413,548</u>	<u>\$83,133</u>	<u>\$83,597</u>	<u>\$300,217</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$1,671	\$0	\$0	\$0
Accrued Wages	9,254	0	0	0
Compensated Absences Payable	946	0	0	0
Intergovernmental Payable	37,580	1,952	0	0
Deferred Revenue	102,305	8,293	0	96,766
<i>Total Liabilities</i>	<u>151,756</u>	<u>10,245</u>	<u>0</u>	<u>96,766</u>
Fund Equity				
Fund Balance:				
Reserved for Encumbrances	2,169	14,003	0	0
Unreserved, Undesignated	259,623	58,885	83,597	203,451
<i>Total Fund Equity</i>	<u>261,792</u>	<u>72,888</u>	<u>83,597</u>	<u>203,451</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$413,548</u>	<u>\$83,133</u>	<u>\$83,597</u>	<u>\$300,217</u>

(continued)

City of Brooklyn, Ohio
Combining Balance Sheet
All Special Revenue Funds (continued)
December 31, 2002

	Motor Vehicle License Tax	Recycling and Litter	D.A.R.E.	Bullet Proof Vest
Assets				
Equity in Pooled Cash and Cash Equivalents	\$57,722	\$3,344	\$35,432	\$853
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Intergovernmental	12,880	0	6,917	0
<i>Total Assets</i>	<u>\$70,602</u>	<u>\$3,344</u>	<u>\$42,349</u>	<u>\$853</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$5,958	\$0	\$34	\$0
Accrued Wages	0	0	1,224	0
Compensated Absences Payable	0	0	0	0
Intergovernmental Payable	14,298	0	211	0
Deferred Revenue	7,598	0	6,917	0
<i>Total Liabilities</i>	<u>27,854</u>	<u>0</u>	<u>8,386</u>	<u>0</u>
Fund Equity				
Fund Balance:				
Reserved for Encumbrances	42	0	0	853
Unreserved, Undesignated	42,706	3,344	33,963	0
<i>Total Fund Equity</i>	<u>42,748</u>	<u>3,344</u>	<u>33,963</u>	<u>853</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$70,602</u>	<u>\$3,344</u>	<u>\$42,349</u>	<u>\$853</u>

Law Enforcement	Mandatory Drug Law	Police Pension	Fire Pension	Underground Storage Tank	Groeger Trust
\$11,982	\$33,012	\$14,016	\$14,274	\$29,628	\$39,726
0	0	0	0	0	0
0	0	293,218	384,847	0	0
0	0	13,692	17,115	0	0
<u>\$11,982</u>	<u>\$33,012</u>	<u>\$320,926</u>	<u>\$416,236</u>	<u>\$29,628</u>	<u>\$39,726</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	306,910	401,962	0	0
0	0	306,910	401,962	0	0
0	26,300	0	0	0	0
11,982	6,712	14,016	14,274	29,628	39,726
11,982	33,012	14,016	14,274	29,628	39,726
<u>\$11,982</u>	<u>\$33,012</u>	<u>\$320,926</u>	<u>\$416,236</u>	<u>\$29,628</u>	<u>\$39,726</u>

(continued)

City of Brooklyn, Ohio
Combining Balance Sheet
All Special Revenue Funds (continued)
December 31, 2002

	Court Computer	Juvenile Diversion	Totals
Assets			
Equity in Pooled Cash and Cash Equivalents	\$59,592	\$1,858	\$935,979
Cash and Cash Equivalents with Fiscal Agents	0	0	1,086
Receivables:			
Taxes	0	0	769,697
Intergovernmental	0	0	203,841
<i>Total Assets</i>	<u>\$59,592</u>	<u>\$1,858</u>	<u>\$1,910,603</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$7,663
Accrued Wages	0	0	10,478
Compensated Absences Payable	0	0	946
Intergovernmental Payable	175	0	54,216
Deferred Revenue	0	0	930,751
<i>Total Liabilities</i>	<u>175</u>	<u>0</u>	<u>1,004,054</u>
Fund Equity			
Fund Balance:			
Reserved for Encumbrances	269	0	43,636
Unreserved, Undesignated	59,148	1,858	862,913
<i>Total Fund Equity</i>	<u>59,417</u>	<u>1,858</u>	<u>906,549</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$59,592</u>	<u>\$1,858</u>	<u>\$1,910,603</u>

City of Brooklyn, Ohio
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Year Ended December 31, 2002*

	Street Maintenance and Repair	State Highway	Community Development Block Grant
Revenues			
Property and Other Taxes	\$0	\$0	\$0
Fines, Licenses and Permits	0	0	0
Intergovernmental	385,192	30,235	116,173
Interest	4,278	1,200	0
<i>Total Revenues</i>	<u>389,470</u>	<u>31,435</u>	<u>116,173</u>
Expenditures			
Current:			
General Government	0	0	0
Security of Persons and Property	0	0	0
Transportation	388,563	26,879	0
Community Environment	0	0	193,097
Basic Utility Services	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>388,563</u>	<u>26,879</u>	<u>193,097</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	907	4,556	(76,924)
Other Financing Sources			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	907	4,556	(76,924)
<i>Fund Balances Beginning of Year</i>	<u>260,885</u>	<u>68,332</u>	<u>160,521</u>
<i>Fund Balances End of Year</i>	<u><u>\$261,792</u></u>	<u><u>\$72,888</u></u>	<u><u>\$83,597</u></u>

(continued)

City of Brooklyn, Ohio
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds (continued)
For the Year Ended December 31, 2002*

	Street Lighting	Motor Vehicle License Tax	Recycling and Litter
Revenues			
Property and Other Taxes	\$108,320	\$0	\$0
Fines, Licenses and Permits	0	0	0
Intergovernmental	17,114	32,984	3,344
Interest	0	730	0
<i>Total Revenues</i>	<u>125,434</u>	<u>33,714</u>	<u>3,344</u>
Expenditures			
Current:			
General Government	0	0	0
Security of Persons and Property	0	0	0
Transportation	0	26,031	0
Community Environment	0	0	0
Basic Utility Services	131,961	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>131,961</u>	<u>26,031</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(6,527)	7,683	3,344
Other Financing Sources			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(6,527)	7,683	3,344
<i>Fund Balances Beginning of Year</i>	<u>209,978</u>	<u>35,065</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$203,451</u></u>	<u><u>\$42,748</u></u>	<u><u>\$3,344</u></u>

<u>D.A.R.E</u>	<u>Bullet Proof Vest</u>	<u>FEMA Fire Act</u>	<u>Law Enforcement</u>	<u>Mandatory Drug Law</u>
\$0	\$0	\$0	\$0	\$0
0	0	0	5,230	32,476
31,803	11,211	23,467	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>31,803</u>	<u>11,211</u>	<u>23,467</u>	<u>5,230</u>	<u>32,476</u>
0	0	0	0	0
37,627	20,195	26,075	4,753	5,754
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>37,627</u>	<u>20,195</u>	<u>26,075</u>	<u>4,753</u>	<u>5,754</u>
(5,824)	(8,984)	(2,608)	477	26,722
<u>7,000</u>	<u>9,837</u>	<u>2,608</u>	<u>0</u>	<u>0</u>
1,176	853	0	477	26,722
<u>32,787</u>	<u>0</u>	<u>0</u>	<u>11,505</u>	<u>6,290</u>
<u>\$33,963</u>	<u>\$853</u>	<u>\$0</u>	<u>\$11,982</u>	<u>\$33,012</u>

(continued)

City of Brooklyn, Ohio
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds (continued)
For the Year Ended December 31, 2002*

	Police Pension	Fire Pension	Underground Storage Tank
Revenues			
Property and Other Taxes	\$288,855	\$361,068	\$0
Fines, Licenses and Permits	0	0	0
Intergovernmental	23,955	30,794	0
Interest	0	0	0
<i>Total Revenues</i>	<u>312,810</u>	<u>391,862</u>	<u>0</u>
Expenditures			
Current:			
General Government	0	0	0
Security of Persons and Property	368,559	430,450	0
Transportation	0	0	0
Community Environment	0	0	0
Basic Utility Services	0	0	0
Debt Service:			
Principal Retirement	802	0	0
Interest and Fiscal Charges	2,440	0	0
<i>Total Expenditures</i>	<u>371,801</u>	<u>430,450</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(58,991)	(38,588)	0
Other Financing Sources			
Transfers In	<u>60,000</u>	<u>31,000</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	1,009	(7,588)	0
<i>Fund Balances Beginning of Year</i>	<u>13,007</u>	<u>21,862</u>	<u>29,628</u>
<i>Fund Balances End of Year</i>	<u><u>\$14,016</u></u>	<u><u>\$14,274</u></u>	<u><u>\$29,628</u></u>

Groeger Trust	Court Computer	Juvenile Diversion	Totals
\$0	\$0	\$0	\$758,243
0	22,860	0	60,566
0	0	12,000	718,272
632	0	0	6,840
632	22,860	12,000	1,543,921
0	16,068	0	16,068
0	0	12,160	905,573
0	0	0	441,473
150	0	0	193,247
0	0	0	131,961
0	0	0	802
0	0	0	2,440
150	16,068	12,160	1,691,564
482	6,792	(160)	(147,643)
0	0	0	110,445
482	6,792	(160)	(37,198)
39,244	52,625	2,018	943,747
\$39,726	\$59,417	\$1,858	\$906,549

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance and Repair Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$355,000	\$355,267	\$402,296	\$47,029
Interest	10,000	9,733	4,278	(5,455)
<i>Total Revenues</i>	<u>365,000</u>	<u>365,000</u>	<u>406,574</u>	<u>41,574</u>
Expenditures				
Current:				
Transportation:				
Street Maintenance and Repair:				
Personal Services	249,260	248,260	245,690	2,570
Materials and Supplies	150,869	151,869	123,449	28,420
Contractual Services	58,486	58,486	1,900	56,586
Capital Outlay	54,800	54,800	7,767	47,033
<i>Total Expenditures</i>	<u>513,415</u>	<u>513,415</u>	<u>378,806</u>	<u>134,609</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(148,415)	(148,415)	27,768	176,183
<i>Fund Balance Beginning of Year</i>	202,266	202,266	202,266	0
Prior Year Encumbrances Appropriated	<u>14,655</u>	<u>14,655</u>	<u>14,655</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$68,506</u></u>	<u><u>\$68,506</u></u>	<u><u>\$244,689</u></u>	<u><u>\$176,183</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$28,500	\$28,597	\$31,623	\$3,026
Interest	2,500	2,403	1,200	(1,203)
<i>Total Revenues</i>	<u>31,000</u>	<u>31,000</u>	<u>32,823</u>	<u>1,823</u>
Expenditures				
Current:				
Transportation:				
Garage:				
Personal Services	11,780	2,780	115	2,665
Materials and Supplies	7,000	13,000	8,078	4,922
Contractual Services	3,375	11,375	11,375	0
Capital Outlay	25,125	25,125	21,429	3,696
<i>Total Expenditures</i>	<u>47,280</u>	<u>52,280</u>	<u>40,997</u>	<u>11,283</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(16,280)	(21,280)	(8,174)	13,106
<i>Fund Balance Beginning of Year</i>	<u>64,246</u>	<u>64,246</u>	<u>64,246</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$47,966</u>	<u>\$42,966</u>	<u>\$56,072</u>	<u>\$13,106</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$219,000	\$74,767	\$116,173	\$41,406
Expenditures				
Current:				
Community Environment:				
Community Development Block Grant:				
Contractual Services	129,967	20,673	1,890	18,783
Capital Outlay	220,553	199,439	191,207	8,232
<i>Total Expenditures</i>	350,520	220,112	193,097	27,015
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(131,520)	(145,345)	(76,924)	68,421
Other Financing Sources				
Transfers In	41,408	41,408	0	(41,408)
<i>Excess of Revenues and Other</i>				
<i>Financing Sources Under Expenditures</i>	(90,112)	(103,937)	(76,924)	27,013
<i>Fund Balance Beginning of Year</i>	46,054	46,054	46,054	0
Prior Year Encumbrances Appropriated	114,467	114,467	114,467	0
<i>Fund Balance End of Year</i>	\$70,409	\$56,584	\$83,597	\$27,013

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Property and Other Taxes	\$114,139	\$116,655	\$108,320	(\$8,335)
Intergovernmental	0	0	17,114	17,114
<i>Total Revenues</i>	<u>114,139</u>	<u>116,655</u>	<u>125,434</u>	<u>8,779</u>
Expenditures				
Current:				
Basic Utility Services:				
Street Lighting:				
Contractual Services	160,000	160,000	146,477	13,523
Other	5,000	5,000	0	5,000
<i>Total Expenditures</i>	<u>165,000</u>	<u>165,000</u>	<u>146,477</u>	<u>18,523</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(50,861)	(48,345)	(21,043)	27,302
<i>Fund Balance Beginning of Year</i>	<u>224,494</u>	<u>224,494</u>	<u>224,494</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$173,633</u>	<u>\$176,149</u>	<u>\$203,451</u>	<u>\$27,302</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License Tax Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$29,500	\$28,234	\$31,390	\$3,156
Interest	800	766	730	(36)
<i>Total Revenues</i>	<u>30,300</u>	<u>29,000</u>	<u>32,120</u>	<u>3,120</u>
Expenditures				
Current:				
Transportation:				
Motor Vehicle License Tax:				
Materials and Supplies	23,042	23,042	20,115	2,927
Contractual Services	4,000	4,000	0	4,000
Capital Outlay	5,958	5,958	5,958	0
<i>Total Expenditures</i>	<u>33,000</u>	<u>33,000</u>	<u>26,073</u>	<u>6,927</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,700)	(4,000)	6,047	10,047
<i>Fund Balance Beginning of Year</i>	<u>31,377</u>	<u>31,377</u>	<u>31,377</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$28,677</u></u>	<u><u>\$27,377</u></u>	<u><u>\$37,424</u></u>	<u><u>\$10,047</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recycling and Litter Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$0	\$0	\$28,344	\$28,344
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	28,344	28,344
Other Financing Uses				
Advances Out	<u>0</u>	<u>0</u>	<u>(25,000)</u>	<u>(25,000)</u>
<i>Excess of Revenues Over Expenditures and Other Financing Uses</i>	0	0	3,344	3,344
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$3,344</u>	<u>\$3,344</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
D.A.R.E. Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$29,000	\$27,000	\$61,481	\$34,481
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	<u>37,693</u>	<u>37,693</u>	<u>37,112</u>	<u>581</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(8,693)	(10,693)	24,369	35,062
Other Financing Sources				
Transfers In	<u>5,000</u>	<u>9,000</u>	<u>7,000</u>	<u>(2,000)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(3,693)	(1,693)	31,369	33,062
<i>Fund Balance Beginning of Year</i>	<u>4,063</u>	<u>4,063</u>	<u>4,063</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$370</u></u>	<u><u>\$2,370</u></u>	<u><u>\$35,432</u></u>	<u><u>\$33,062</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bullet Proof Vest Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$12,000	\$12,000	\$11,211	(\$789)
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Capital Outlay	<u>40,000</u>	<u>21,048</u>	<u>21,048</u>	<u>0</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(28,000)	(9,048)	(9,837)	(789)
Other Financing Sources				
Transfers In	<u>28,000</u>	<u>9,048</u>	<u>9,837</u>	<u>789</u>
<i>Excess of Revenues and Other</i>				
<i>Financing Sources Over Expenditures</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA Fire Act Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	<u>\$27,000</u>	<u>\$23,075</u>	<u>\$23,467</u>	<u>\$392</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Contractual Services	20,000	16,425	16,425	0
Capital Outlay	<u>10,000</u>	<u>9,650</u>	<u>9,650</u>	<u>0</u>
<i>Total Expenditures</i>	<u>30,000</u>	<u>26,075</u>	<u>26,075</u>	<u>0</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(3,000)	(3,000)	(2,608)	392
Other Financing Sources				
Transfers In	<u>3,000</u>	<u>3,000</u>	<u>2,608</u>	<u>(392)</u>
<i>Excess of Revenues and Other</i>				
<i>Financing Sources Over Expenditures</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$1,500	\$5,315	\$5,353	\$38
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Materials and Supplies	4,000	5,000	4,753	247
Enforcement and Education:				
Contractual Services	4,500	4,500	0	4,500
<i>Total Expenditures</i>	8,500	9,500	4,753	4,747
<i>Excess of Revenues Over (Under) Expenditures</i>	(7,000)	(4,185)	600	4,785
<i>Fund Balance Beginning of Year</i>	11,382	11,382	11,382	0
<i>Fund Balance End of Year</i>	\$4,382	\$7,197	\$11,982	\$4,785

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mandatory Drug Law Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines, Licenses and Permits	\$600	\$32,110	\$32,476	\$366
Expenditures				
Current:				
Security of Persons and Property:				
Mandatory Drug Law:				
Materials and Supplies	2,000	4,000	3,117	883
Capital Outlay	3,000	29,000	28,937	63
<i>Total Expenditures</i>	5,000	33,000	32,054	946
<i>Excess of Revenues Over (Under) Expenditures</i>	(4,400)	(890)	422	1,312
<i>Fund Balance Beginning of Year</i>	6,290	6,290	6,290	0
<i>Fund Balance End of Year</i>	\$1,890	\$5,400	\$6,712	\$1,312

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Taxes	\$285,371	\$311,787	\$288,855	(\$22,932)
Intergovernmental	20,000	1,000	23,955	22,955
<i>Total Revenues</i>	<u>305,371</u>	<u>312,787</u>	<u>312,810</u>	<u>23</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	365,240	369,868	368,559	1,309
Debt Service:				
Principal Retirement	0	802	802	0
Interest and Fiscal Charges	0	2,440	2,440	0
<i>Total Debt Service</i>	<u>0</u>	<u>3,242</u>	<u>3,242</u>	<u>0</u>
<i>Total Expenditures</i>	<u>365,240</u>	<u>373,110</u>	<u>371,801</u>	<u>1,309</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(59,869)	(60,323)	(58,991)	1,332
Other Financing Sources				
Transfers In	59,000	59,000	60,000	1,000
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(869)	(1,323)	1,009	2,332
<i>Fund Balance Beginning of Year</i>	<u>13,007</u>	<u>13,007</u>	<u>13,007</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$12,138</u>	<u>\$11,684</u>	<u>\$14,016</u>	<u>\$2,332</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2002

	<u>Original</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Property and Other Taxes	\$353,464	\$390,584	\$361,068	(\$29,516)
Intergovernmental	27,000	0	30,794	30,794
<i>Total Revenues</i>	380,464	390,584	391,862	1,278
Expenditures				
Current:				
Security of Persons and Property:				
Fire Pension:				
Personal Services	433,000	433,000	430,450	2,550
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(52,536)	(42,416)	(38,588)	3,828
Other Financing Sources				
Transfers In	31,000	31,000	31,000	0
<i>Excess of Revenues and Other</i>				
<i>Financing Sources Under Expenditures</i>	(21,536)	(11,416)	(7,588)	3,828
<i>Fund Balance Beginning of Year</i>	21,862	21,862	21,862	0
<i>Fund Balance End of Year</i>	<u>\$326</u>	<u>\$10,446</u>	<u>\$14,274</u>	<u>\$3,828</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Underground Storage Tank Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Community Environment:				
Underground Storage Tank:				
Contractual Services	<u>30,000</u>	<u>30,000</u>	<u>5,597</u>	<u>24,403</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(30,000)	(30,000)	(5,597)	24,403
<i>Fund Balance Beginning of Year</i>	<u>35,225</u>	<u>35,225</u>	<u>35,225</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,225</u></u>	<u><u>\$5,225</u></u>	<u><u>\$29,628</u></u>	<u><u>\$24,403</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Groeger Trust Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Interest	\$800	\$800	\$598	(\$202)
Expenditures				
Current:				
Community Environment:				
Groeger Trust:				
Contractual Services	<u>2,000</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	(1,200)	(1,200)	598	1,798
<i>Fund Balance Beginning of Year</i>	<u>39,244</u>	<u>39,244</u>	<u>39,244</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$38,044</u></u>	<u><u>\$38,044</u></u>	<u><u>\$39,842</u></u>	<u><u>\$1,798</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Computer Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines, Licenses and Permits	\$22,470	\$22,470	\$24,460	\$1,990
Expenditures				
Current:				
General Government:				
Courts:				
Materials and Supplies	3,000	9,000	8,957	43
Contractual Services	2,000	2,000	1,120	880
Capital Outlay	15,360	9,360	6,260	3,100
<i>Total Expenditures</i>	<u>20,360</u>	<u>20,360</u>	<u>16,337</u>	<u>4,023</u>
<i>Excess of Revenues Over Expenditures</i>	2,110	2,110	8,123	6,013
<i>Fund Balance Beginning of Year</i>	50,665	50,665	50,665	0
Prior Year Encumbrances Appropriated	<u>360</u>	<u>360</u>	<u>360</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$53,135</u></u>	<u><u>\$53,135</u></u>	<u><u>\$59,148</u></u>	<u><u>\$6,013</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Juvenile Diversion Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$12,000	\$12,000	\$12,000	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Juvenile Diversion:				
Materials and Supplies	2,018	2,018	160	1,858
Contractual Services	12,000	12,000	12,000	0
<i>Total Expenditures</i>	<u>14,018</u>	<u>14,018</u>	<u>12,160</u>	<u>1,858</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(2,018)	(2,018)	(160)	1,858
<i>Fund Balance Beginning of Year</i>	<u>2,018</u>	<u>2,018</u>	<u>2,018</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$1,858</u></u>	<u><u>\$1,858</u></u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$752,974	\$819,026	\$758,243	(\$60,783)
Fines, Licenses and Permits	24,570	59,895	62,289	2,394
Intergovernmental	759,000	561,940	789,848	227,908
Interest	14,100	13,702	6,806	(6,896)
<i>Total Revenues</i>	<u>1,550,644</u>	<u>1,454,563</u>	<u>1,617,186</u>	<u>162,623</u>
Expenditures				
Current:				
General Government:				
Court Computer Fund	20,360	20,360	16,337	4,023
Security of Persons and Property:				
D.A.R.E. Fund	37,693	37,693	37,112	581
Bullet Proof Vest Fund	40,000	21,048	21,048	0
FEMA Fire Act Fund	30,000	26,075	26,075	0
Law Enforcement Fund	8,500	9,500	4,753	4,747
Mandatory Drug Law Fund	5,000	33,000	32,054	946
Police Pension Fund	365,240	369,868	368,559	1,309
Fire Pension Fund	433,000	433,000	430,450	2,550
Juvenile Diversion Fund	14,018	14,018	12,160	1,858
Total Security of Persons and Property	<u>933,451</u>	<u>944,202</u>	<u>932,211</u>	<u>11,991</u>
Transportation:				
Street Maintenance and Repair Fund	513,415	513,415	378,806	134,609
State Highway Fund	47,280	52,280	40,997	11,283
Motor Vehicle License Tax Fund	33,000	33,000	26,073	6,927
Total Transportation	<u>593,695</u>	<u>598,695</u>	<u>445,876</u>	<u>152,819</u>
Community Environment:				
Community Development Block Grant Fund	350,520	220,112	193,097	27,015
Underground Storage Tank Fund	30,000	30,000	5,597	24,403
Groeger Trust Fund	2,000	2,000	0	2,000
Total Community Environment	<u>382,520</u>	<u>252,112</u>	<u>198,694</u>	<u>53,418</u>
Basic Utility Services:				
Street Lighting Fund	\$165,000	\$165,000	\$146,477	\$18,523

(continued)

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt Service:				
Principal Retirement	\$0	\$802	\$802	\$0
Interest and Fiscal Charges	0	2,440	2,440	0
Total Debt Service	0	3,242	3,242	0
<i>Total Expenditures</i>	2,095,026	1,983,611	1,742,837	240,774
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(544,382)	(529,048)	(125,651)	403,397
Other Financing Sources (Uses)				
Advances Out	0	0	(25,000)	(25,000)
Transfers In	167,408	152,456	110,445	(42,011)
<i>Total Other Financing Sources (Uses)</i>	167,408	152,456	85,445	(67,011)
<i>Excess of Revenues and Other</i>				
<i>Financing Sources Under Expenditures</i>				
<i>and Other Financing Uses</i>	(376,974)	(376,592)	(40,206)	336,386
<i>Fund Balances Beginning of Year</i>	752,193	752,193	752,193	0
Prior Year Encumbrances Appropriated	129,482	129,482	129,482	0
<i>Fund Balances End of Year</i>	\$504,701	\$505,083	\$841,469	\$336,386

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related costs. Since there is only one debt service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented.

General Obligation Bond Retirement Fund - This fund accounts for accumulation of resources to pay principal and interest on general obligation and special assessment debt.

CAPITAL PROJECTS FUNDS

Capital projects funds are established to account for financial resources to be used for the construction or acquisition of major capital facilities.

Capital Improvements Fund - This fund accounts for tax revenues and special assessments expended for various capital projects of the City.

Tiedeman Road Fund - This fund accounts for tax revenues for the widening and improvement of Tiedeman Road.

Street and Sidewalk Repair Fund - This fund accounts for the monies used to improve the streets and sidewalks within the City. During 2002, the only activity within this fund was for note repayment. The original payment was made from the debt service fund as it is shown on a budgetary basis. However, for GAAP reporting purpose the payment is reclassified to the fund reporting the notes payable.

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

Biddulph Road Fund - This fund accounts for federal grant monies received from the Ohio Department of Transportation plus City and County matching funds used for the improvement of Biddulph Road.

City of Brooklyn, Ohio
Combining Balance Sheet
All Capital Projects Funds
December 31, 2002

	Capital Improvements	Tiedeman Road
Assets		
Equity in Pooled Cash and Cash Equivalents	\$1,326,077	\$115,293
Receivables:		
Taxes	169,638	0
Interfund	135,000	0
Intergovernmental	0	0
Special Assessment	15,358	0
	<u>\$1,646,073</u>	<u>\$115,293</u>
<i>Total Assets</i>	<u>\$1,646,073</u>	<u>\$115,293</u>
 Liabilities		
Accounts Payable	\$109,288	\$0
Interfund Payable	0	0
Deferred Revenue	27,711	0
Accrued Interest Payable	7,042	11,917
Notes Payable	650,000	1,100,000
	<u>794,041</u>	<u>1,111,917</u>
<i>Total Liabilities</i>	<u>794,041</u>	<u>1,111,917</u>
 Fund Equity		
Fund Balance:		
Reserved for Encumbrances	178,130	0
Unreserved, Undesignated (Deficit)	673,902	(996,624)
	<u>852,032</u>	<u>(996,624)</u>
<i>Total Fund Equity (Deficit)</i>	<u>852,032</u>	<u>(996,624)</u>
 <i>Total Liabilities and Fund Equity</i>	 <u>\$1,646,073</u>	 <u>\$115,293</u>

Street and Sidewalk Repair	Issue II	Biddulph Road	Totals
\$0	\$4,932	\$30,114	\$1,476,416
0	0	0	169,638
0	0	0	135,000
0	0	90,629	90,629
0	0	0	15,358
<u>\$0</u>	<u>\$4,932</u>	<u>\$120,743</u>	<u>\$1,887,041</u>
\$0	\$0	\$0	\$109,288
0	0	135,000	135,000
0	0	0	27,711
4,117	1,896	3,738	28,710
<u>380,000</u>	<u>175,000</u>	<u>345,000</u>	<u>2,650,000</u>
<u>384,117</u>	<u>176,896</u>	<u>483,738</u>	<u>2,950,709</u>
0	0	0	178,130
<u>(384,117)</u>	<u>(171,964)</u>	<u>(362,995)</u>	<u>(1,241,798)</u>
<u>(384,117)</u>	<u>(171,964)</u>	<u>(362,995)</u>	<u>(1,063,668)</u>
<u>\$0</u>	<u>\$4,932</u>	<u>\$120,743</u>	<u>\$1,887,041</u>

City of Brooklyn, Ohio
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Year Ended December 31, 2002*

	Capital Improvements	Tiedeman Road
Revenues		
Municipal Income Tax	\$1,524,599	\$249,108
Property and Other Taxes	46,937	234,050
Intergovernmental	0	0
Special Assessments	22,683	0
Interest	0	2,230
Other	9,425	0
<i>Total Revenues</i>	<u>1,603,644</u>	<u>485,388</u>
Expenditures		
Capital Outlay	1,860,654	0
Debt Service:		
Principal Retirement	201,213	0
Interest and Fiscal Charges	71,119	29,625
<i>Total Expenditures</i>	<u>2,132,986</u>	<u>29,625</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(529,342)</u>	<u>455,763</u>
Other Financing Sources (Uses)		
Inception of Capital Lease	404,091	0
Transfers Out	(9,837)	(321,250)
<i>Total Other Financing Sources (Uses)</i>	<u>394,254</u>	<u>(321,250)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(135,088)</u>	<u>134,513</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>987,120</u>	<u>(1,131,137)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$852,032</u></u>	<u><u>(\$996,624)</u></u>

Street and Sidewalk Repair	Issue II	Biddulph Road	Totals
\$0	\$0	\$0	\$1,773,707
69,138	0	0	350,125
0	3,094	806,794	809,888
0	0	0	22,683
0	0	0	2,230
0	770	0	10,195
<u>69,138</u>	<u>3,864</u>	<u>806,794</u>	<u>2,968,828</u>
0	0	693,919	2,554,573
0	0	0	201,213
<u>10,280</u>	<u>5,658</u>	<u>40,405</u>	<u>157,087</u>
<u>10,280</u>	<u>5,658</u>	<u>734,324</u>	<u>2,912,873</u>
<u>58,858</u>	<u>(1,794)</u>	<u>72,470</u>	<u>55,955</u>
0	0	0	404,091
<u>0</u>	<u>0</u>	<u>0</u>	<u>(331,087)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>73,004</u>
58,858	(1,794)	72,470	128,959
<u>(442,975)</u>	<u>(170,170)</u>	<u>(435,465)</u>	<u>(1,192,627)</u>
<u>(\$384,117)</u>	<u>(\$171,964)</u>	<u>(\$362,995)</u>	<u>(\$1,063,668)</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Tax	\$1,722,954	\$1,641,688	\$1,488,844	(\$152,844)
Special Assessments	8,000	28,771	22,683	(6,088)
Other	0	7,813	9,696	1,883
<i>Total Revenues</i>	<u>1,730,954</u>	<u>1,678,272</u>	<u>1,521,223</u>	<u>(157,049)</u>
Expenditures				
Capital Outlay:				
Capital Improvements:				
Capital Outlay	1,876,233	1,876,233	1,693,365	182,868
Debt Service:				
Principal Retirement	134,241	134,241	134,241	0
Interest and Fiscal Charges	52,631	52,631	52,631	0
<i>Total Debt Service</i>	<u>186,872</u>	<u>186,872</u>	<u>186,872</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,063,105</u>	<u>2,063,105</u>	<u>1,880,237</u>	<u>182,868</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(332,151)</u>	<u>(384,833)</u>	<u>(359,014)</u>	<u>25,819</u>
Other Financing Sources (Uses)				
Advances In	0	0	360,000	360,000
Transfers Out	(9,837)	(9,837)	(9,837)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(9,837)</u>	<u>(9,837)</u>	<u>350,163</u>	<u>360,000</u>
<i>Excess of Revenues and Other</i>				
<i>Financing Sources Under</i>				
<i>Expenditures and Other Financing Uses</i>	(341,988)	(394,670)	(8,851)	385,819
<i>Fund Balance Beginning of Year</i>	1,001,021	1,001,021	1,001,021	0
Prior Year Encumbrances Appropriated	60,067	60,067	60,067	0
<i>Fund Balance End of Year</i>	<u>\$719,100</u>	<u>\$666,418</u>	<u>\$1,052,237</u>	<u>\$385,819</u>

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Tiedeman Road Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Tax	\$270,000	\$270,000	\$265,025	(\$4,975)
Property and Other Taxes	80,000	80,000	43,425	(36,575)
Interest	8,000	8,000	2,370	(5,630)
<i>Total Revenues</i>	358,000	358,000	310,820	(47,180)
Expenditures	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	358,000	358,000	310,820	(47,180)
Other Financing Uses				
Transfers Out	(321,250)	(321,250)	(321,250)	0
<i>Excess of Revenues Over (Under) Expenditures and Other Financing Uses</i>	36,750	36,750	(10,430)	(47,180)
<i>Fund Balance Beginning of Year</i>	125,723	125,723	125,723	0
<i>Fund Balance End of Year</i>	\$162,473	\$162,473	\$115,293	(\$47,180)

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$601	\$3,094	\$2,493
Other	0	0	770	770
<i>Total Revenues</i>	0	601	3,864	3,263
Expenditures				
Capital Outlay:				
Issue II:				
Capital Outlay	77,218	77,218	5,471	71,747
Debt Service:				
Principal Retirement	5,625	250,000	250,000	0
Interest and Fiscal Charges	0	13,750	13,750	0
<i>Total Debt Service</i>	5,625	263,750	263,750	0
<i>Total Expenditures</i>	82,843	340,968	269,221	71,747
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(82,843)	(340,367)	(265,357)	75,010
Other Financing Sources				
Proceeds of Notes	117,203	250,000	175,000	(75,000)
<i>Excess of Revenues and Other</i>				
<i>Financing Sources Over</i>				
<i>(Under) Expenditures</i>	34,360	(90,367)	(90,357)	10
<i>Fund Balance Beginning of Year</i>	12,446	12,446	12,446	0
Prior Year Encumbrances Appropriated	82,843	82,843	82,843	0
<i>Fund Balance End of Year</i>	\$129,649	\$4,922	\$4,932	\$10

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Biddulph Road Fund
For the Year Ended December 31, 2002

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$748,669	\$747,621	\$902,621	\$155,000
Expenditures				
Capital Outlay:				
Biddulph Road:				
Capital Outlay	1,095,717	1,095,717	980,243	115,474
Debt Service:				
Principal Retirement	22,500	1,000,000	1,000,000	0
Interest and Fiscal Charges	0	55,000	55,000	0
Total Debt Service	22,500	1,055,000	1,055,000	0
<i>Total Expenditures</i>	1,118,217	2,150,717	2,035,243	115,474
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(369,548)	(1,403,096)	(1,132,622)	270,474
Other Financing Sources (Uses)				
Proceeds of Notes	500,000	500,000	345,000	(155,000)
Advances Out	0	0	(360,000)	(360,000)
<i>Total Other Financing Sources (Uses)</i>	500,000	500,000	(15,000)	(515,000)
<i>Excess of Revenues and Other</i>				
<i>Financing Sources Over (Under)</i>				
<i>Expenditures and Other Financing Uses</i>	130,452	(903,096)	(1,147,622)	(244,526)
<i>Fund Balance Beginning of Year</i>	134,519	134,519	134,519	0
Prior Year Encumbrances Appropriated	1,043,217	1,043,217	1,043,217	0
<i>Fund Balance End of Year</i>	\$1,308,188	\$274,640	\$30,114	(\$244,526)

City of Brooklyn, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Capital Projects Funds
For the Year Ended December 31, 2002

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Tax	\$1,992,954	\$1,911,688	\$1,753,869	(\$157,819)
Property and Other Taxes	80,000	80,000	43,425	(36,575)
Intergovernmental	748,669	748,222	905,715	157,493
Special Assessments	8,000	28,771	22,683	(6,088)
Interest	8,000	8,000	2,370	(5,630)
Other	0	7,813	10,466	2,653
<i>Total Revenues</i>	<u>2,837,623</u>	<u>2,784,494</u>	<u>2,738,528</u>	<u>(45,966)</u>
Expenditures				
Capital Outlay:				
Capital Improvements Fund	1,876,233	1,876,233	1,693,365	182,868
Issue II Fund	77,218	77,218	5,471	71,747
Biddulph Road Fund	1,095,717	1,095,717	980,243	115,474
Total Capital Outlay	<u>3,049,168</u>	<u>3,049,168</u>	<u>2,679,079</u>	<u>370,089</u>
Debt Service:				
Principal Retirement	162,366	1,384,241	1,384,241	0
Interest and Fiscal Charges	52,631	121,381	121,381	0
Total Debt Service	<u>214,997</u>	<u>1,505,622</u>	<u>1,505,622</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,264,165</u>	<u>4,554,790</u>	<u>4,184,701</u>	<u>370,089</u>
<i>Excess of Revenues</i> <i>Under Expenditures</i>	<u>(426,542)</u>	<u>(1,770,296)</u>	<u>(1,446,173)</u>	<u>324,123</u>
Other Financing Sources (Uses)				
Proceeds of Notes	617,203	750,000	520,000	(230,000)
Advances In	0	0	360,000	360,000
Advances Out	0	0	(360,000)	(360,000)
Transfers Out	(331,087)	(331,087)	(331,087)	0
<i>Total Other Financing Sources (Uses)</i>	<u>286,116</u>	<u>418,913</u>	<u>188,913</u>	<u>(230,000)</u>
<i>Excess of Revenues and Other</i> <i>Financing Sources Under</i> <i>Expenditures and Other Financing Uses</i>	<u>(140,426)</u>	<u>(1,351,383)</u>	<u>(1,257,260)</u>	<u>94,123</u>
<i>Fund Balances Beginning of Year</i>	1,273,709	1,273,709	1,273,709	0
Prior Year Encumbrances Appropriated	<u>1,186,127</u>	<u>1,186,127</u>	<u>1,186,127</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$2,319,410</u>	<u>\$1,108,453</u>	<u>\$1,202,576</u>	<u>\$94,123</u>

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for the individuals, private organizations, other governments, and/or other funds. The following is the City's fiduciary fund type:

AGENCY FUNDS

These funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

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

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

Mayor's Court Fund - This fund accounts for the activities within the mayor's court.

City of Brooklyn, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2002

	Balance 12/31/01	Additions	Reductions	Balance 12/31/02
Required Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$99,753	\$23,775	\$49,825	\$73,703
Liabilities				
Deposits Held and Due to Others	\$99,753	\$23,775	\$49,825	\$73,703
 Building Assessment Fees				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$87	\$4,465	\$4,529	\$23
Liabilities				
Intergovernmental Payable	\$87	\$4,465	\$4,529	\$23
 Mayor's Court				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$81,529	\$1,092,431	\$1,145,396	\$28,564
Liabilities				
Intergovernmental Payable	\$9,120	\$12,205	\$9,120	\$12,205
Due to Other Funds	45,531	0	45,531	0
Undistributed Monies	26,878	1,080,226	1,090,745	16,359
Total Liabilities	\$81,529	\$1,092,431	\$1,145,396	\$28,564

(continued)

City of Brooklyn, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (continued)
For the Year Ended December 31, 2002

	Balance 12/31/01	Additions	Reductions	Balance 12/31/02
Totals - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$99,840	\$28,240	\$54,354	\$73,726
Cash and Cash Equivalents in Segregated Accounts	81,529	1,092,431	1,145,396	28,564
<i>Total Assets</i>	<u>\$181,369</u>	<u>\$1,120,671</u>	<u>\$1,199,750</u>	<u>\$102,290</u>
Liabilities				
Intergovernmental Payable	\$9,207	\$16,670	\$13,649	\$12,228
Due to Other Funds	45,531	0	45,531	0
Undistributed Monies	26,878	1,080,226	1,090,745	16,359
Deposits Held and Due to Others	99,753	23,775	49,825	73,703
<i>Total Liabilities</i>	<u>\$181,369</u>	<u>\$1,120,671</u>	<u>\$1,199,750</u>	<u>\$102,290</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

The general fixed assets account group is used to account for all land, buildings, improvements other than buildings, machinery and equipment, and vehicles.

City of Brooklyn, Ohio
Schedule of Changes in General Fixed Assets
By Function
For the Year Ended December 31, 2002

	General Fixed Assets 12/31/01	Additions	Deletions	Transfers	General Fixed Assets 12/31/02
General Government					
Council	\$6,928	\$0	\$0	\$0	\$6,928
Mayor	65,119	10,465	1,330	0	74,254
Finance	71,140	0	1,995	0	69,145
Income Tax	12,076	0	0	0	12,076
Civil Service	1,470	0	0	0	1,470
Buildings and Lands	4,147,493	304,687	0	0	4,452,180
<i>Total General Government</i>	<u>4,304,226</u>	<u>315,152</u>	<u>3,325</u>	<u>0</u>	<u>4,616,053</u>
Security of Persons and Property					
Police Department	884,790	133,187	38,734	3,550	982,793
Fire Department	1,898,806	111,883	0	0	2,010,689
<i>Total Security of Persons and Property</i>	<u>2,783,596</u>	<u>245,070</u>	<u>38,734</u>	<u>3,550</u>	<u>2,993,482</u>
Transportation					
Service Department	1,028,637	203,365	54,414	0	1,177,588
Community Environment					
Service Garage	1,047,717	0	12,686	(49,454)	985,577
Library	3,463,642	0	0	0	3,463,642
Building\Service Department	56,058	0	0	0	56,058
<i>Total Community Environment</i>	<u>4,567,417</u>	<u>0</u>	<u>12,686</u>	<u>(49,454)</u>	<u>4,505,277</u>
Basic Utility					
Refuse Collection	5,619,331	174,384	76,926	0	5,716,789
Recycling	253,008	0	43,168	0	209,840
<i>Total Basic Utility</i>	<u>5,872,339</u>	<u>174,384</u>	<u>120,094</u>	<u>0</u>	<u>5,926,629</u>
Leisure Time Activities					
Multi-Purpose Center	3,189,074	103,302	16,934	(22,944)	3,252,498
Parks	3,604,462	6,283	0	0	3,610,745
Natatorium	5,151,062	28,767	4,593	20,549	5,195,785
Senior Community Center	2,053,908	32,398	1,850	48,299	2,132,755
<i>Total Leisure Time Activities</i>	<u>13,998,506</u>	<u>170,750</u>	<u>23,377</u>	<u>45,904</u>	<u>14,191,783</u>
Construction in Progress	77,652	94,229	171,881	0	0
<i>Total General Fixed Assets</i>	<u>\$32,632,373</u>	<u>\$1,202,950</u>	<u>\$424,511</u>	<u>\$0</u>	<u>\$33,410,812</u>

City of Brooklyn, Ohio
Schedule of General Fixed Assets
By Function and Type
December 31, 2002

	<u>Totals</u>	<u>Land</u>	<u>Buildings</u>
General Government			
Council	\$6,928	\$0	\$0
Mayor	74,254	0	0
Finance	69,145	0	0
Income Tax	12,076	0	0
Civil Service	1,470	0	0
Buildings and Lands	<u>4,452,180</u>	<u>518,880</u>	<u>2,388,158</u>
<i>Total General Government</i>	<u>4,616,053</u>	<u>518,880</u>	<u>2,388,158</u>
Security of Persons and Property			
Police Department	982,793	0	0
Fire Department	<u>2,010,689</u>	<u>0</u>	<u>0</u>
<i>Total Security of Persons and Property</i>	<u>2,993,482</u>	<u>0</u>	<u>0</u>
Transportation			
Service Department	<u>1,177,588</u>	<u>13,878</u>	<u>77,500</u>
Community Environment			
Service Garage	985,577	0	0
Library	3,463,642	250,800	3,184,880
Building\Service Department	<u>56,058</u>	<u>0</u>	<u>0</u>
<i>Total Community Environment</i>	<u>4,505,277</u>	<u>250,800</u>	<u>3,184,880</u>
Basic Utility			
Refuse Collection	5,716,789	24,113	644,892
Recycling	<u>209,840</u>	<u>0</u>	<u>0</u>
<i>Total Basic Utility</i>	<u>5,926,629</u>	<u>24,113</u>	<u>644,892</u>
Leisure Time Activities			
Multi-Purpose Center	3,252,498	230,775	1,969,496
Parks	3,610,745	865,706	82,188
Natatorium	5,195,785	445,985	3,936,484
Senior Community Center	<u>2,132,755</u>	<u>260,900</u>	<u>1,453,190</u>
<i>Total Leisure Time Activities</i>	<u>14,191,783</u>	<u>1,803,366</u>	<u>7,441,358</u>
<i>Total General Fixed Assets</i>	<u>\$33,410,812</u>	<u>\$2,611,037</u>	<u>\$13,736,788</u>

Improvements Other Than Buildings	Machinery and Equipment	Vehicles
\$0	\$6,928	\$0
0	74,254	0
0	69,145	0
0	12,076	0
0	1,470	0
<u>1,220,098</u>	<u>302,220</u>	<u>22,824</u>
<u>1,220,098</u>	<u>466,093</u>	<u>22,824</u>
2,032	475,837	504,924
<u>119,866</u>	<u>320,950</u>	<u>1,569,873</u>
<u>121,898</u>	<u>796,787</u>	<u>2,074,797</u>
<u>62,856</u>	<u>152,035</u>	<u>871,319</u>
25,262	923,458	36,857
0	27,962	0
<u>0</u>	<u>32,902</u>	<u>23,156</u>
<u>25,262</u>	<u>984,322</u>	<u>60,013</u>
4,129,515	426,518	491,751
<u>0</u>	<u>58,201</u>	<u>151,639</u>
<u>4,129,515</u>	<u>484,719</u>	<u>643,390</u>
428,767	578,981	44,479
2,301,134	344,186	17,531
611,543	201,773	0
<u>198,732</u>	<u>83,202</u>	<u>136,731</u>
<u>3,540,176</u>	<u>1,208,142</u>	<u>198,741</u>
<u>\$9,099,805</u>	<u>\$4,092,098</u>	<u>\$3,871,084</u>

City of Brooklyn, Ohio
Schedule of General Fixed Assets
By Source
December 31, 2002

General Fixed Assets

Land	\$2,611,037
Buildings	13,736,788
Improvements Other Than Buildings	9,099,805
Machinery and Equipment	4,092,098
Vehicles	<u>3,871,084</u>

Total General Fixed Assets \$33,410,812

Investment in General Fixed Assets

General Fund	\$11,825,658
Special Revenue Funds	530,672
Capital Projects Funds	20,576,477
Confiscation/Forfeiture	31,472
Donations (Land for Library)	<u>446,533</u>

Total General Fixed Assets \$33,410,812

STATISTICAL SECTION

The following statistical tables reflect social and economic data, financial trends and fiscal capacity of the City.

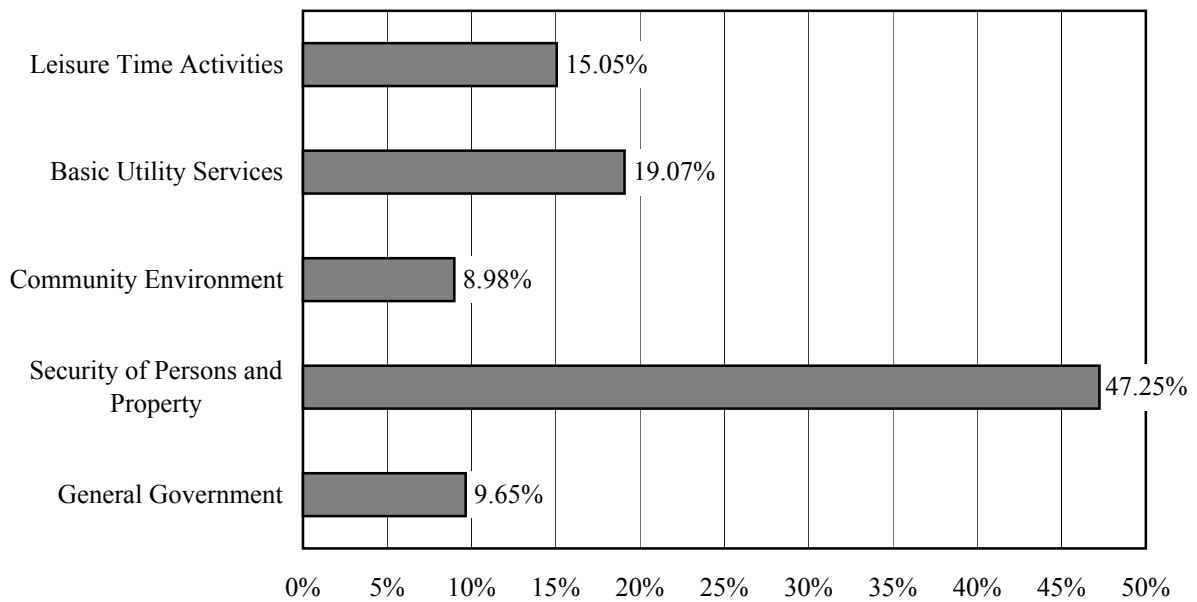
City of Brooklyn, Ohio
General Fund Expenditures by Function
Last Ten Years

Year	General Government	Security of Persons and Property	Transportation	Community Environment	Basic Utility Services
2002	\$1,221,277	\$5,976,859	\$0	\$1,135,953	\$2,413,193
2001	1,064,570	5,442,991	0	1,201,188	2,365,675
2000	1,168,470	5,184,646	68,097	1,147,939	2,301,167
1999	1,247,688	4,517,054	205,855	1,118,372	1,655,063
1998	949,312	4,059,687	115,397	1,072,429	1,717,031
1997	1,027,956	3,954,969	154,459	800,904	1,638,609
1996	962,574	3,904,239	221,122	737,378	1,550,268
1995	1,034,509	3,747,031	186,877	723,173	1,510,813
1994	1,082,341	3,630,872	16,553	717,056	1,532,447
1993	1,091,146	3,492,578	35,681	646,348	1,452,173

Source: City Financial Records

Leisure Time Activities	Capital Outlay	Debt Service	Total
\$1,904,760	\$0	\$0	\$12,652,042
1,640,474	0	0	11,714,898
1,673,426	0	0	11,543,745
1,724,163	0	0	10,468,195
1,673,353	0	0	9,587,209
1,787,422	0	0	9,364,319
1,660,200	12,355	42,021	9,090,157
1,530,327	0	56,028	8,788,758
1,532,241	0	56,028	8,567,538
1,513,164	0	55,027	8,286,117

General Fund Expenditures by Function for 2002



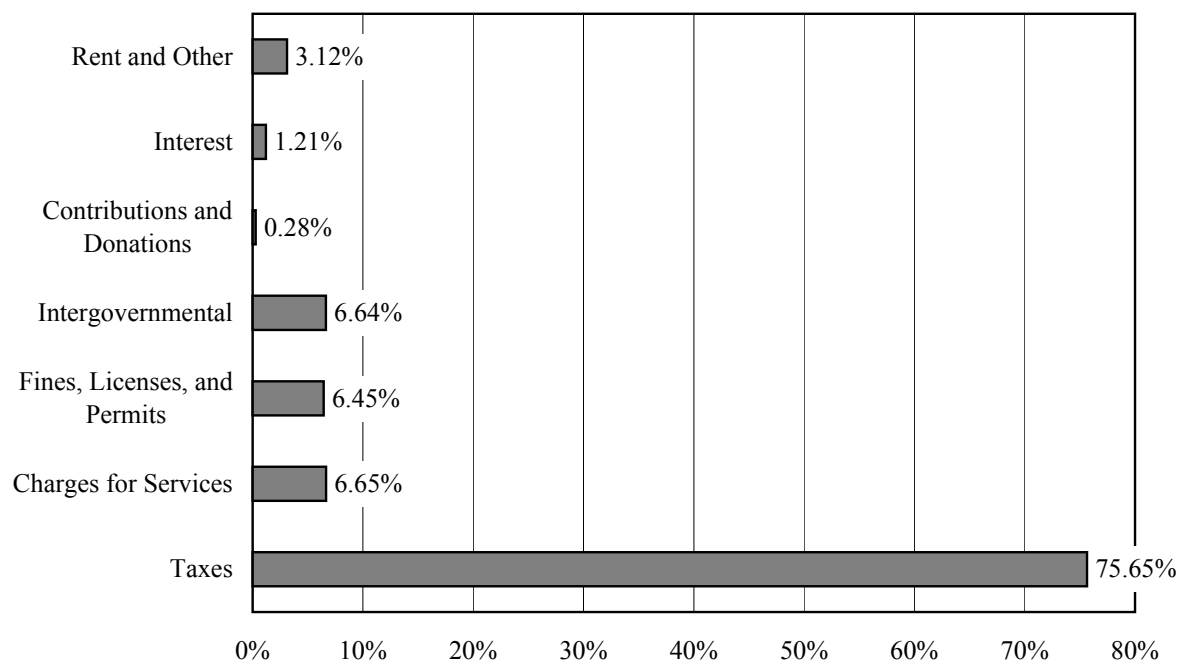
City of Brooklyn, Ohio
General Fund Revenues By Source
Last Ten Years

<u>Year</u>	<u>Taxes</u>	<u>Charges for Services</u>	<u>Fines, Licenses and Permits</u>	<u>Intergovernmental</u>	<u>Contributions and Donations</u>	<u>Interest</u>
2002	\$10,009,492	\$880,019	\$852,846	\$879,196	\$36,812	\$159,448
2001	10,118,300	836,209	916,495	1,104,302	37,002	229,054
2000	8,808,639	918,360	753,411	1,001,783	0	383,075
1999	8,858,944	854,820	626,383	874,972	0	284,608
1998	8,462,727	861,648	565,746	921,345	0	244,862
1997	7,848,835	892,169	546,739	789,292	0	218,455
1996	7,496,161	863,650	413,260	1,111,143	0	227,497
1995	7,477,931	763,567	275,418	710,984	0	257,487
1994	7,329,139	813,717	325,476	652,135	0	234,169
1993	6,802,236	691,390	336,440	703,926	0	239,472

Source: City Financial Records

<u>Rent and Other</u>	<u>Total</u>
\$413,396	\$13,231,209
364,610	13,605,972
113,735	11,979,003
216,570	11,716,297
626,892	11,683,220
123,939	10,419,429
88,811	10,200,522
98,770	9,584,157
110,477	9,465,113
112,804	8,886,268

General Fund Revenues By Source for 2002



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

<u>Collection Year</u>	<u>Current Tax Levy (2)</u>	<u>Current Tax Collections (2)</u>	<u>Percent Collected</u>	<u>Delinquent Tax Collections</u>
2002	\$1,645,513	\$1,587,957	96.50%	\$67,587
2001	1,664,679	1,636,000	98.28	27,767
2000	1,515,926	1,489,947	98.29	28,823
1999	1,490,848	1,469,088	98.54	48,664
1998	1,456,512	1,435,508	98.56	21,910
1997	1,424,790	1,336,244	93.79	12,556
1996	1,413,607	1,362,146	96.36	9,654
1995	1,396,635	1,378,207	98.68	12,000
1994	1,171,419	1,151,489	98.30	18,691
1993	1,090,304	1,068,330	97.98	24,824

Source: Cuyahoga County, Ohio; County Auditor

- (1) Information for Real and Public Utility Only
- (2) State Reimbursements of Rollback and Homestead Exemptions are included
- (3) Penalties and interest are included, since by Ohio law they become part of tax obligation as assessment occurs

<u>Total Tax Collections</u>	<u>Percent of Total Collections to Current Tax Levy</u>	<u>Outstanding Delinquent Taxes (3)</u>	<u>Percent of Outstanding Delinquent Taxes to Current Tax Levy</u>
\$1,655,544	100.60%	\$48,317	2.93%
1,663,767	99.95	36,853	2.21
1,518,770	100.19	25,810	1.70
1,517,752	101.80	50,560	3.39
1,457,418	100.06	74,433	5.11
1,348,800	94.67	41,543	2.92
1,371,800	97.04	70,328	4.98
1,390,207	99.54	45,659	3.27
1,170,180	99.89	28,628	2.44
1,093,154	100.26	28,508	2.61

City of Brooklyn, Ohio
Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Years

Year	Real Property		Public Utility Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2002	\$286,326,280	\$818,075,086	\$19,451,050	\$22,103,466	\$74,455,744	\$297,822,976
2001	283,815,680	810,901,942	20,934,340	23,789,022	75,714,966	302,859,864
2000	278,237,680	794,964,800	29,854,130	33,925,147	67,099,234	268,396,936
1999	250,158,120	714,737,486	32,288,580	36,691,568	72,851,158	291,404,632
1998	239,814,090	685,183,114	32,734,230	37,197,989	78,470,390	313,881,560
1997	235,266,210	672,189,171	33,266,860	37,803,250	81,459,237	325,836,948
1996	229,560,670	655,887,629	33,152,460	37,673,250	79,736,096	318,944,384
1995	224,075,970	640,217,057	34,815,390	39,562,943	74,590,629	298,362,516
1994	184,001,820	525,719,486	32,927,670	37,417,807	49,587,402	198,349,608
1993	168,415,620	481,187,486	33,492,830	38,060,034	45,022,549	180,090,196

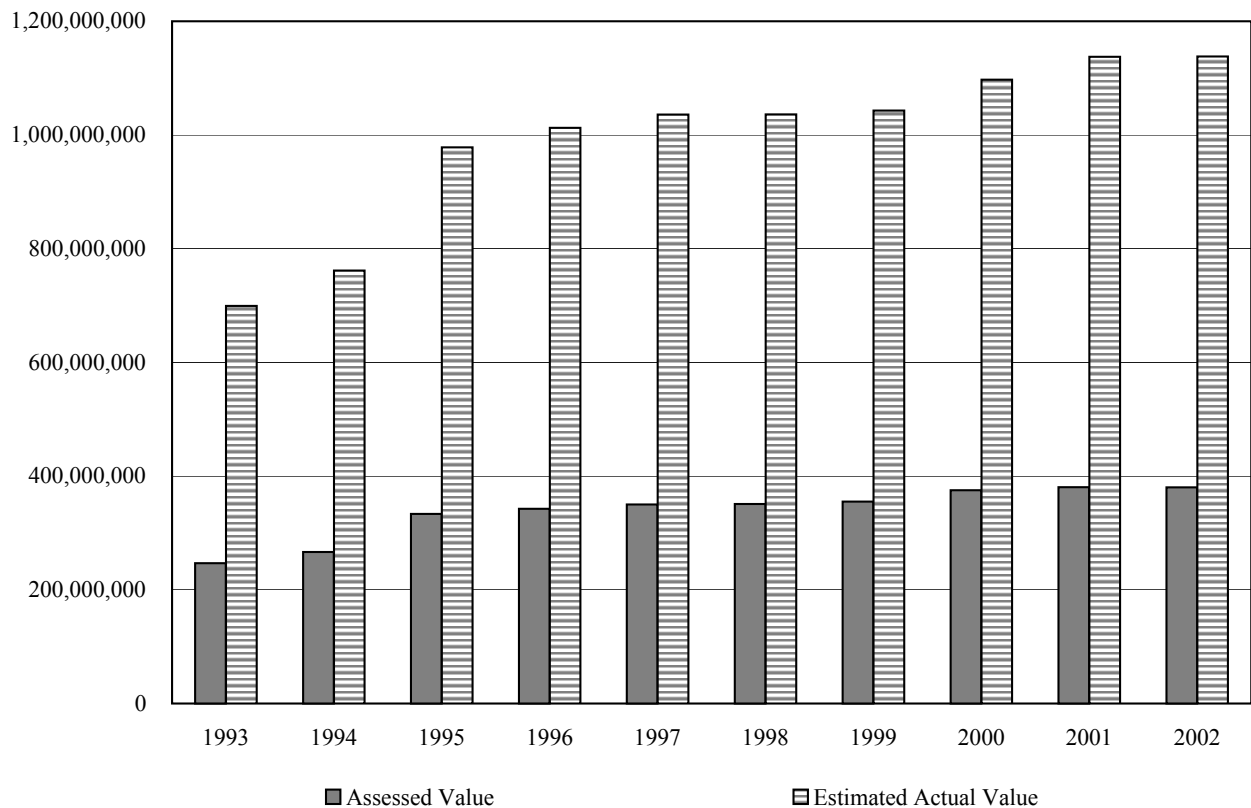
Source: Cuyahoga County, Ohio; County Auditor

Estimated actual value is calculated by dividing the assessed value by the assessment percentage. The percentages for 2002 were 35 percent for real property, 88 percent for public utility tangible and 25 percent of actual value for capital assets and 24 percent for inventory for tangible personal.

Totals

Assessed Value	Estimated Actual Value	Ratio
\$380,233,074	\$1,138,001,528	33%
380,464,986	1,137,550,828	33
375,191,044	1,097,286,883	34
355,297,858	1,042,833,686	34
351,018,710	1,036,262,663	34
349,992,307	1,035,829,369	34
342,449,226	1,012,505,263	34
333,481,989	978,142,516	34
266,516,892	761,486,901	35
246,930,999	699,337,716	35

Assessed Valuation and Estimated Actual Value of Taxable Property



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

Year	City of Brooklyn				Brooklyn City School District	Polaris Joint Vocational School District	Cuyahoga County	Total Direct and Overlapping Governments
	General Fund	Special Revenue Funds	Debt Service Fund	Total City				
2002	\$2.30	\$2.10	\$1.00	\$5.40	\$43.40	\$2.40	\$17.60	\$68.80
2001	2.30	2.10	1.00	5.40	43.40	2.40	17.60	68.80
2000	2.30	2.10	1.00	5.40	40.00	2.40	16.70	64.50
1999	2.30	2.10	1.00	5.40	40.00	2.40	16.70	64.50
1998	2.30	2.10	1.00	5.40	39.80	2.40	18.00	65.60
1997	2.30	2.10	1.00	5.40	39.90	2.40	18.00	65.70
1996	2.30	2.10	1.00	5.40	40.20	2.40	18.00	66.00
1995	2.30	2.10	1.00	5.40	41.10	2.40	18.20	67.10
1994	2.30	2.10	1.00	5.40	39.70	2.40	17.80	65.30
1993	3.30	1.10	1.00	5.40	39.70	2.40	17.80	65.30

Source: Cuyahoga County, Ohio; County Auditor

City of Brooklyn, Ohio
Special Assessment
Billings and Collections
Last Eight Years (1)

Collection Year	Total Billed	Amount Collected	Percent Collected
2002	\$97,759	\$97,278	99.51%
2001	99,255	96,027	96.75
2000	99,171	97,163	97.98
1999	98,076	98,085	100.01
1998	96,864	95,422	98.51
1997	90,410	88,966	98.40
1996	83,122	98,008	117.91
1995	87,688	80,446	91.74

Source: Cuyahoga County, Ohio; County Auditor

(1) Prior to 1995 the City had no special assessment debt.

Collections represent amounts for bonded debt only.

City of Brooklyn, Ohio
*Ratio of General Bonded Debt to Assessed Value and
 Net Bonded Debt Per Capita
 Last Ten Years*

Year	Population (1)	Assessed Value (2)	Gross General Bonded Debt	Debt Service Monies Available
2002	11,700	\$380,223,074	\$3,417,806	\$352,458
2001	11,700	380,464,986	3,687,806	435,026
2000	11,586	375,191,044	3,952,806	478,677
1999	11,774	355,297,858	4,207,806	24,547
1998	11,774	351,018,710	3,945,000	21,823
1997	11,774	349,992,307	4,115,000	21,267
1996	11,774	342,449,226	4,275,000	6,685
1995	11,706	333,481,989	4,425,000	8,432
1994	11,706	266,516,892	4,570,000	19,595
1993	11,706	246,930,999	4,700,000	5,431

Sources: (1) U.S. Census Bureau
 (2) Cuyahoga County, Ohio; County Auditor

Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net General Bonded Debt Per Capita
\$3,065,348	0.81%	\$262
3,252,780	0.86	278
3,474,129	0.93	300
4,183,259	1.18	355
3,923,177	1.12	333
4,093,733	1.17	348
4,268,315	1.25	363
4,416,568	1.32	377
4,550,405	1.71	389
4,694,569	1.90	401

City of Brooklyn, Ohio
*Ratio of Annual Debt Service Expenditures for
 General Bonded Debt to Total General Fund Expenditures
 Last Ten Years*

Year	Debt Service Expenditures			Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
	Principal	Interest and Fiscal Charges	Total Debt Service		
2002	\$270,000	\$151,305	\$421,305	\$12,652,042	3.33 %
2001	265,000	160,580	425,580	11,714,898	3.63
2000	255,000	169,505	424,505	11,543,745	3.68
1999	190,000	131,832	321,832	10,468,195	3.07
1998	170,000	255,174	425,174	9,587,209	4.43
1997	160,000	255,175	415,175	9,364,319	4.43
1996	150,000	274,085	424,085	9,090,157	4.67
1995	145,000	282,930	427,930	8,788,758	4.87
1994	130,000	290,860	420,860	8,567,538	4.91
1993	125,000	298,484	423,484	8,286,117	5.11

Source: Cuyahoga County, Ohio; County Auditor

City of Brooklyn, Ohio
Computation of Direct and Overlapping Debt
 December 31, 2002

	<u>General Tax Supported Debt Outstanding</u>	<u>Overlapping Percentage Applicable to Brooklyn (1)</u>	<u>Amount Applicable to Brooklyn</u>
<u>Direct:</u>			
City of Brooklyn	<u>\$3,417,806</u>	100.00%	<u>\$3,417,806</u>
<u>Overlapping:</u>			
Cuyahoga County	200,162,636	1.32	2,642,147
Regional Transit Authority	<u>136,310,000</u>	1.32	<u>1,799,292</u>
Total Overlapping	<u>336,472,636</u>		<u>4,441,439</u>
Total	<u><u>\$339,890,442</u></u>		<u><u>\$7,859,245</u></u>

Source: Cuyahoga County, Ohio; County Auditor

(1) Overlapping percentages were calculated by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

City of Brooklyn, Ohio
Computation of Legal Debt Margin
December 31, 2002

Assessed Valuation		<u><u>\$380,233,074</u></u>
Overall Debt Limitation		
10.5% of Assessed Valuation		39,924,473
Gross Indebtedness (Total Voted and Unvoted Debt)		
Refunding Bonds	3,417,806	
Special Assessment Bonds	160,000	
Honeywell Loan	925,623	
Bond Anticipation Notes	2,650,000	
OPWC Loans	687,125	
<i>Total</i>	<u>7,840,554</u>	
Exemptions:		
Special Assessment Bonds	160,000	
Honeywell Loan	925,623	
OPWC Loans	687,125	
<i>Total</i>	<u>1,772,748</u>	
Debt Within 10.5% Limitation	6,067,806	
Less: Amount Available in Debt Service Fund	<u>352,458</u>	
Net Debt Within 10.5% Limitation		<u>5,715,348</u>
Overall Debt Margin Within 10.5% Limitation		<u><u>\$34,209,125</u></u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation		\$20,912,819
Gross indebtedness authorized by Council	7,840,554	
Less: Debt Outside Limitation:		
Special Assessments	160,000	
Honeywell Loan	925,623	
OPWC Loans	687,125	
<i>Total</i>	<u>1,772,748</u>	
Debt Within 5.5% Limitation	6,067,806	
Less: Amount Available in Debt Service Fund	<u>352,458</u>	
Net Debt Within 5.5% Limitation		<u>5,715,348</u>
Legal Debt Margin Within 5.5% Limitation		<u><u>\$15,197,471</u></u>

Source: Cuyahoga County Auditor and City Financial Records

City of Brooklyn, Ohio
Construction, Bank Deposits and Property Value
Last Ten Years

Year	Number of Building Permits (1)	Dollar Value of Building Permits Issued (1)	Bank Deposits (2) (In Thousands)	Estimated Property Value (3)
2002	870	\$18,156,149	\$95,761,917	\$1,138,001,528
2001	895	19,291,426	63,893,769	1,137,550,828
2000	761	13,307,375	61,942,764	1,097,286,883
1999	854	34,309,721	57,816,942	1,042,833,686
1998	705	10,725,085	58,904,596	1,036,262,663
1997	824	21,213,356	53,941,971 (A)	1,035,829,369
1996	810	23,476,122	27,068,211	1,012,505,263
1995	687	8,580,906	22,458,573	978,142,516
1994	693	18,934,205	20,885,453	761,486,901
1993	431	28,071,370	14,802,135	699,337,716

Source: (1) Brooklyn Building Department
(2) Federal Reserve Bank of Cleveland
(3) Cuyahoga County Auditor's Office

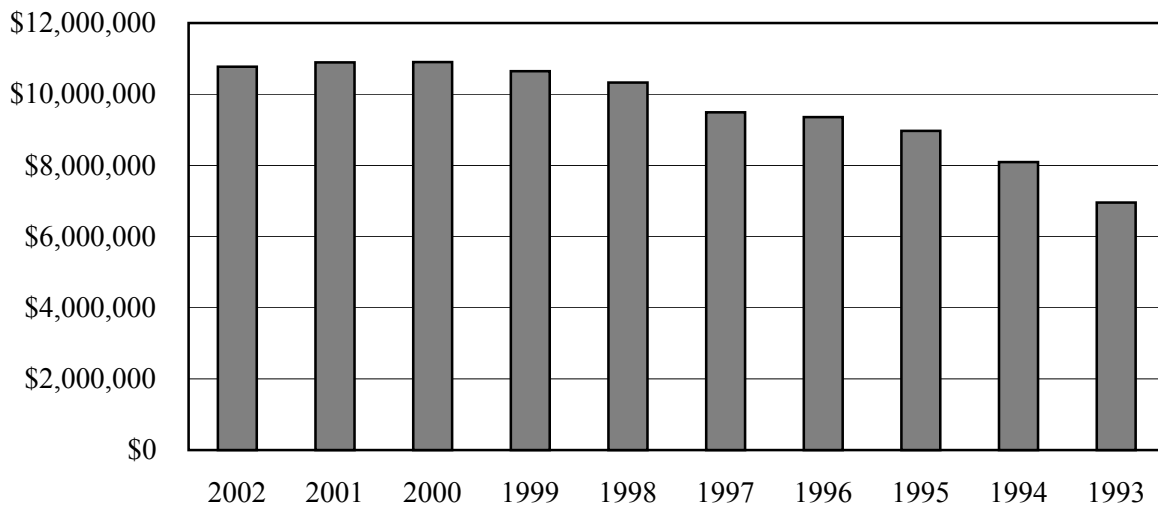
(A) Large increase in deposits due to Key Bank becoming a single
Charter in 1997.

City of Brooklyn, Ohio
Municipal Income Tax Revenue
Last Ten Years

Collection Year	Municipal Income Tax Revenue
2002	\$10,772,246
2001	10,895,066
2000	10,902,091
1999	10,646,288
1998	10,325,818
1997	9,492,680
1996	9,355,857
1995	8,970,318
1994	8,092,601
1993	6,954,654

Source: City Financial Records (Budget Basis)

Municipal Income Tax Revenue



City of Brooklyn, Ohio
Ten Largest Municipal Income Tax Withholding Accounts
December 31, 2002

Taxpayer	Municipal Income Tax Withholding
American Greetings Corporation	\$2,363,445
Keybank National Association	1,785,251
Plain Dealer Publishing Company	472,877
Arrow International, Incorporated	398,463
Wal-Mart/Sams Club	206,102
USF Holland, Incorporated	178,955
Mail-Well Corporation	172,284
AGCM, Incorporated	171,305
McDonald Investments, Incorporated	170,325
City of Brooklyn	169,622
Total	\$6,088,629

Source: City Financial Records

City of Brooklyn, Ohio

Demographic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Cuyahoga County (3)</u>
2002	11,700	1,372	6.6 %
2001	11,700	1,401	4.6
2000	11,586	1,390	4.5
1999	11,774	1,417	4.5
1998	11,774	1,349	4.5
1997	11,774	1,383	4.5
1996	11,774	1,301	5.0
1995	11,706	1,301	4.7
1994	11,706	1,256	5.8
1993	11,706	1,279	6.8

- Sources:
- (1) Even years from U.S. Census Bureau
Remainder estimated by City
 - (2) Brooklyn City School District Board of Education
 - (3) Ohio Bureau of Employment Services
Labor Market Information Services

City of Brooklyn, Ohio
Miscellaneous Statistics (continued)
 December 31, 2002

Airport: Cleveland Hopkins International Airport
 (within 10 minutes driving distance)

Urban Center: Downtown Cleveland
 (within 10 minutes driving distance)

Shopping Areas: Five retail areas located within municipal boundaries.
 Approximately 10 minutes to downtown retail center.
 Parmatown and Great Northern Malls; 10 to 15 minutes away.
 Three home improvement stores within municipal boundaries.

Cable Television: Americast
 Adelphia

Hospitals: Deaconess Hospital
 Parma Community General Hospital
 MetroHealth Center
 Kaiser Permanente

Education:	Brooklyn High School	9-12	38 Classrooms
	Brooklyn Middle School	6-8	18 Classrooms
	Brookridge Elementary	3-5	14 Classrooms
	Roadoan Elementary	K-2	13 Classrooms
	St. Thomas More Elementary School	K-8	18 Classrooms
	Heritage Christian Baptist School	K-12	13 Classrooms

Libraries: Cuyahoga County Public Library
 Brooklyn Branch

Recreation: One Natatorium and Outdoor Swim Complex
 One Multi-Purpose Indoor Recreation Center
 Two Commons (Park) Areas
 Three Picnic Pavilions
 One Memorial Park
 One Marquard Park
 Three Playgrounds
 One Playground with Integrated Learning Centers - Pre-school/School Age
 Four Baseball Diamonds
 Two Basketball Courts
 Four Tennis Courts
 One Press Box/Concessions
 One Community Senior-Center
 Two Bocci Ball Courts
 Two Horseshoe Pits
 One Volleyball Sand Court
 Two Nature Trails (North/South)
 One In-Line Skating Facility



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

CITY OF BROOKLYN

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 5, 2003**