

**CITY OF BARBERTON
SUMMIT COUNTY, OHIO**

SUPPLEMENTAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018



88 East Broad Street
Columbus, Ohio 43215
IPARReport@ohioauditor.gov
(800) 282-0370

Members of Council
City of Barberton
104 Third Street NW
Barberton, Ohio 44203

We have reviewed the *Independent Auditor's Report* of the City of Barberton, Summit County, prepared by Julian & Grube, Inc., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

September 13, 2019

This page intentionally left blank.

**CITY OF BARBERTON
SUMMIT COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGES</u>
Schedule of Expenditures of Federal Awards and Notes	1
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	2 – 3
Independent Auditor’s Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance and the Schedule of Expenditures of Federal Awards Required by the <i>Uniform Guidance</i>	4 – 5
Schedule of Findings 2 <i>CFR</i> § 200.515.....	6 – 7
Corrective Action Plan 2 <i>CFR</i> § 200.511(c)	8
Summary Schedule of Prior Audit Findings 2 <i>CFR</i> § 200.511(b).....	9

**CITY OF BARBERTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH / ENTITY GRANT NUMBER	PASSED THROUGH TO SUBRECIPIENTS	(A) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Direct</i>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	B-13-MC-39-0028	\$ -	\$ 2,023
Community Development Block Grants/Entitlement Grants	14.218	B-14-MC-39-0028	21,141	177,572
(B) Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-39-0028	34,991	46,338
(B) Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-39-0028	4,828	205,038
(B) Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-39-0028	127,577	370,301
Total CDBG - Entitlement Grants Cluster:			<u>188,537</u>	<u>801,272</u>
Total U.S. Department of Housing and Urban Development			<u>188,537</u>	<u>801,272</u>
U.S. DEPARTMENT OF JUSTICE				
<i>Direct</i>				
Bulletproof Vest Partnership Program	16.607	N/A	-	2,312
Public Safety Partnership and Community Policing Grants	16.710	N/A	-	164,946
Total U.S. Department of Justice			<u>-</u>	<u>167,258</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Direct</i>				
Assistance to Firefighters Grant	97.044	EMW-2016-FO-01041	-	181,271
Assistance to Firefighters Grant	97.044	EMW-2016-FV-00807	-	178,182
Total Assistance to Firefighters Grants			<u>-</u>	<u>359,453</u>
Total U.S. Department of Homeland Security			<u>-</u>	<u>359,453</u>
Total Federal Financial Assistance			<u>\$ 188,537</u>	<u>\$ 1,327,983</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

- (A) This schedule includes the federal award activity of the City of Barberton under programs of the federal government for the year ended December 31, 2018 and is prepared in accordance with the cash basis of accounting. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. Code Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Barberton, it is not intended to and does not represent the financial position, changes in net position, or cash flows of the City of Barberton.
- (B) The City passes certain Federal awards received from various agencies to other governments or not-for-profit agencies (subrecipients). As Note A describes, the City reports expenditures of Federal awards to subrecipients when paid in cash. As a subrecipient, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.
- (C) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The City has not elected to use the 10% de minimis indirect cost rate.



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Required by *Government Auditing Standards***

City of Barberton
Summit County
576 West Park Avenue, Room 106
Barberton, Ohio 44203

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Barberton, Summit County, Ohio, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Barberton's basic financial statements and have issued our report thereon dated June 20, 2019, wherein we noted as discussed in Note 3, the City of Barberton adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City of Barberton's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City of Barberton's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City of Barberton's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency. We consider finding 2018-001 to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the City of Barberton's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2018-001.

City of Barberton's Response to Finding

The City of Barberton's response to the finding identified in our audit is described in the accompanying corrective action plan. We did not subject the City of Barberton's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City of Barberton's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City of Barberton's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
June 20, 2019



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance and the Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*

City of Barberton
Summit County
576 West Park Avenue, Room 106
Barberton, Ohio 44203

Report on Compliance for the Major Federal Program

We have audited the City of Barberton's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Barberton's major federal program for the year ended December 31, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City of Barberton's major federal program.

Management's Responsibility

The City of Barberton's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the City of Barberton's compliance for the City of Barberton's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Barberton's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City of Barberton's major program. However, our audit does not provide a legal determination of the City of Barberton's compliance.

Opinion on the Major Federal Program

In our opinion, the City of Barberton complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2018.

Report on Internal Control Over Compliance

The City of Barberton's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City of Barberton's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City of Barberton's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Barberton, Summit County, Ohio, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Barberton's basic financial statements. We issued our unmodified report thereon dated June 20, 2019. Our opinion also explained that the City of Barberton adopted *Governmental Accounting Standard No. 75* during the year. We conducted our audit to opine on the City of Barberton's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.
June 20, 2019

**CITY OF BARBERTON
SUMMIT COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2018**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Community Development Block Grants – Entitlement Grants Cluster
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

**CITY OF BARBERTON
SUMMIT COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2018**

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

Finding Number	2018-001
----------------	----------

Noncompliance/Significant Deficiency - Interfund Transfers:

Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16 provide that no transfer can be made from one fund of a subdivision to any other fund, except for purposes defined by statute. Therefore, transferring cash restricted for one purpose to a fund with a different restricted purpose potentially permits expenditures in violation of the originating fund's restricted purpose.

The City transferred \$200,000 from the Infrastructure Improvement Reserve fund (a nonmajor capital project fund), to both the General fund and the Emergency Reserve fund (a special revenue fund which is part of the General Fund on a GAAP basis). The City also transferred \$6,000 from the Local Law Enforcement fund to the City Grant fund, (both nonmajor special revenue funds).

These transfers do not meet the requirements of Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16. Transfers must meet the Ohio Revised Code requirements.

The audited financial statements, notes to the financial statements and City fund balances have been adjusted to properly reflect this adjustment.

We recommend the City review the provisions set forth in the Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

None

City of Barberton

Finance Department

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2018

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2018-001	The City will work to provide a sound fiscal environment and has implemented additional policies and procedures to help with financial statement presentation.	2019	Jeremy Flaker, Finance Director

**CITY OF BARBERTON
SUMMIT COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
DECEMBER 31, 2018**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2017-001	2017	<u>Significant Deficiency - Financial Statement Presentation</u> – In general, an accounting and information system should be designed to provide City Council with accurate and timely information to enable well-informed business decisions to be made. Multiple audit adjustments were made to the financial statements for the year ending December 31, 2017, to properly state financial statement amounts.	Not Corrected	Repeated as finding 2018-001 as financial statement adjustments were posted to the 2018 financial report.

CITY OF BARBERTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018

PREPARED BY:

JEREMY FLAKER
DIRECTOR OF FINANCE

*104 THIRD STREET NW
BARBERTON, OHIO 44203*

INTRODUCTORY SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF BARBERTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Title Page	i-iv
Table of Contents	i-iv
Letter of Transmittal	v-ix
List of Principal City Officials	x
Organizational Chart	xi
Certificate of Achievement for Excellence in Financial Reporting.....	xii

II. FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT	1-2
MANAGEMENT’S DISCUSSION AND ANALYSIS	3-13
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16-17
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	21
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis): General Fund.....	22
Statement of Fund Net Position - Proprietary Funds	23
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.....	24-25
Statement of Cash Flows - Proprietary Funds	26-29
Statement of Fiduciary Assets and Liabilities - Fiduciary Funds	30
Notes to the Basic Financial Statements	31-84

BASIC FINANCIAL STATEMENTS (CONTINUED):

Required Supplementary Information:

Schedule of the City's Proportionate Share of the Net Pension Liability/Net Pension Asset:	
Ohio Public Employees Retirement System (OPERS).....	86
Ohio Police and Fire (OP&F) Pension Fund.....	87
Schedule of City Contributions:	
Ohio Public Employees Retirement System (OPERS).....	88-89
Ohio Police and Fire (OP&F) Pension Fund.....	90-91
Schedule of the City's Proportionate Share of the Net OPEB Liability:	
Ohio Public Employees Retirement System (OPERS)	92
Ohio Police and Fire (OP&F) Pension Fund.....	93
Schedule of City OPEB Contributions:	
Ohio Public Employees Retirement System (OPERS)	94 - 95
Ohio Police and Fire (OP&F) Pension Fund.....	96 - 97
Notes to Required Supplementary Information	98

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Combining Statements and Individual Fund Schedules - Governmental Funds:

Fund Descriptions - Governmental Funds	100-102
Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual (Non-GAAP Budgetary Basis)	
General Fund	103-105
Income Tax Fund	106
General Liability Loss Fund.....	107
Emergency Reserve Fund.....	108
Fire Prevention and Education Fund	109
Combining Balance Sheet - Nonmajor Governmental Funds.....	110
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balances - Nonmajor Governmental Funds	111
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	112-118
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balances - Nonmajor Special Revenue Funds	120-126
Schedules of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual (Non-GAAP Budgetary Basis):	
Street Construction, Maintenance and Repair Fund.....	127
State Highway Improvement Fund.....	128
Permissive License Tax Fund.....	129
Residential Street Fund	130
Fire Capital Levy Fund	131
Animal Control Fund.....	132
Probation Services Fund.....	133
Court Computer Fund.....	134
Court Special Projects Capital Fund.....	135
Indigent Drivers Alcohol Treatment Fund	136
Sports Complex Operating Fund	137
Parks Recreation Improvement Fund	138
Gas and Oil Royalty Fund.....	139
D.A.R.E. Program Fund	140

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES (CONTINUED):

Mandatory Drug Fines Fund	141
Local Law Enforcement Trust Fund.....	142
Parks Revolving Loan Fund	143
Sidewalk Improvement Program Fund.....	144
City Grant Fund	145
Federal Emergency Management Agency Fund.....	146
Rental Registration Program Fund	147
Community Development Block Grant Fund.....	148
Tax Increment Financing Fund	149
Project Impact Fund	150
Beautification Fund	151
Senior Center Trust Fund	152
Fire Pension Fund.....	153
Police Pension Fund	154
Court Special Projects Operating Fund	155
Computer Legal Research Fund	156
Business Incentive Program Fund.....	157
Vacant Property Registration Fund	158
General Obligation Bond Retirement Fund.....	159
 Combining Balance Sheet - Nonmajor Capital Projects Funds	 160
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	161
 Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Infrastructure Improvement Reserve Fund	162
Street Capital Improvements Fund	163
 Combining Statements and Individual Fund Schedules - Proprietary Funds:	
Fund Descriptions - Proprietary Funds.....	164
Schedules of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis):	
Water Fund.....	165
Sewer Fund.....	166
Solid Waste Fund	167
Storm Water Fund	168
Combining Statement of Net Position - Internal Service Funds	169
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	170
Combining Statement of Cash Flows - Internal Service Funds	171
Schedules of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis):	
Health Insurance Fund.....	172
Internal Allocation Fund.....	173
Fund Descriptions - Agency Funds	174
Combining Statement of Changes in Assets and Liabilities - Agency Funds.....	175

III. STATISTICAL SECTION

Statistical Section Table of Contents	177
Net Position by Component - Last Ten Years.....	178-179
Changes in Net Position - Last Ten Years.....	180-183
Fund Balances, Governmental Funds - Last Ten Years	184-185
Changes in Fund Balances, Governmental Funds - Last Ten Years	186-187
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years.....	188-189
Direct and Overlapping Property Tax Rates - Last Ten Years.....	190
Principal Taxpayers - Real Property Tax - Current Year and Nine Years Ago	191
Principal Taxpayers - Public Utility Property Tax - Current Year and Nine Years Ago	192
Real and Public Utility Property Tax Levies and Collections - Last Ten Years	193
Income Tax Revenue Base and Collections - Last Ten Years	194-195
Ratios of Outstanding Debt by Type - Last Ten Years	196-197
Ratio of General Bonded Debt to Assessed Value and Bonded Debt Per Capita - Last Ten Years	198
Direct and Overlapping Governmental Activities Debt as of December 31, 2018.....	199
Computation of Legal Debt Margin - Last Ten Years.....	200-201
Pledged Revenue Coverage - Sewer Fund - Last Eight Years	202
Pledged Revenue Coverage - Water Fund - Last Ten Years.....	203
Demographic and Economic Statistics - Last Ten Years	204
Principal Employers - Current and Nine Years Ago	205
Full-Time-Equivalent City Employees by Function /Program - Last Ten Years	206-207
Operating Indicators by Function - Last Ten Years	208-209
Capital Assets Statistics by Function - Last Ten Years.....	210-211

City of Barberton

Finance Department

June 20, 2019

To the Citizens of Barberton,
Honorable Mayor and Members of City Council,
City of Barberton, Ohio

The Comprehensive Annual Financial Report (CAFR) of the City of Barberton, Ohio (City) is hereby presented. This CAFR represents the official report of the City of Barberton's operations and financial position for the year ended December 31, 2018, and has been developed to accurately detail the status of the City finances to Barberton residents and elected officials, investment banks and underwriters and all other interested parties. This report is presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments". It is intended to provide all pertinent and necessary information to the citizens of Barberton.

Responsibility for the accuracy of the data contained herein, for the completeness and fairness of the presentation and for all disclosure rests with the City's management. To the best of the City's knowledge, the financial and other data contained in this report fairly present the financial position and results of operations of the City. All necessary disclosures to enable the citizens and other readers to understand the City's financial activities are included in this report.

The City is responsible for establishing and maintaining an internal control structure designed to protect its assets from loss, theft or misuse. Furthermore, the accounting system must be adequate to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

The City is required by state law to have an annual financial and compliance audit performed by the Auditor of State's Office or his/her designee. The City continues to receive an unmodified opinion. The Independent Auditor's Report on the City's financial statements is included in the Financial Section of this report.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2018 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

This transmittal letter is designed to provide historical information about the City, as well as compliment the required Management's Discussion and Analysis (MD&A). Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The City's MD&A, which focuses on the government-wide statements, can be found immediately following the Independent Auditor's Report.

Finance Department

*104 Third Street, N.W. • Barberton, Ohio 44203 • Office: (330) 848-6775 • Fax: (330) 848-6725
www.cityofbarberton.com*

Community Profile

The City of Barberton is located in northeast Ohio, adjacent to the City of Akron and approximately 75 miles south of Cleveland. Incorporated in 1891, Barberton operates under a charter form of government which was adopted by its voters in 1973. The City is governed by an elected Mayor and a nine-member City Council. Founded by industrialist Ohio Columbus Barber, Barberton earned the nickname of the Magic City because of its early rapid growth. Today, Barberton covers an area of approximately nine square miles and is the fourth largest city in Summit County with a population of approximately 26,800.

The City provides a full range of municipal services mandated by statute or charter, including police and fire protection, parks, recreation, street maintenance, planning, zoning and other general government services. Health services are provided by the Summit County Health Department. In addition, water, sanitary sewer, storm water management and solid waste disposal services are provided under the enterprise fund concept with user charges set to ensure adequate coverage of operating expenses, payments on outstanding debt and adequate infrastructure maintenance, repair and replacement and expansion.

Economic Condition and Outlook

Local Economy

The City's economy has historically been associated with the manufacturing industry. Major industries with headquarters or divisions within Barberton's boundaries include manufacturers of fossil fuel and nuclear power generating equipment, automobile components, energy products management systems and producers of chemical products. The City's largest employer accounts for approximately 15 percent of the City's total income tax collections.

Employment in the City has been relatively steady over the last several years. Employment levels have remained between 11,800 and 12,100 over the last six years after falling from a high of 12,900 in 2006 and 2007.

Civilian Labor Force Estimates

December 2018 <u>Area Name</u>	Civilian <u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	Unemployment <u>Rate</u>
Barberton	12,600	11,900	700	5.7
Summit County	272,800	259,200	13,600	5.0
Ohio Seasonally Adjusted	5,758,00	5,490,000	267,000	4.6
U.S. Seasonally Adjusted	163,240,000	156,945,000	6,294,000	3.9

Source: Ohio Department of Job and Family Services

Due to the continuing slow economic recovery throughout Ohio, the City will continue to have difficulty balancing its budget for the near future. Income tax, the City's largest source of General Fund operating revenue, continued to remain stagnant, though showing signs of slight recovery in 2018. State of Ohio budget reductions have resulted in cuts to local government support such as the local government fund subsidy. Personal services costs (wages and benefits) are driven by bargaining unit contracts and health care costs. Operating costs, such as fuel, electric and gas power costs continue to be a growing burden. Infrastructure (streets, waterlines, sewer lines and storm water construction), vehicles (police cruisers and snow plows, for example), and other capital replacement requirements are ongoing.

Real property assessed values have begun to recover after dropping off from \$391.0 million in tax year 2009 to \$323.7 million in tax year 2018. General Fund property tax revenues have fallen from \$1.21 million in 2009 to \$0.85 million in 2018.

Despite the budgetary challenges over the last several years, there are development projects taking place that are intended to help restore Barberton's long-term economic stability. The Barberton Community Development Corporation (BCDC) is a tax exempt, non-political agency founded for the purpose of enhancing the City's tax base by providing opportunities to create or retain jobs in the City of Barberton. The BCDC, through business financing, gap loans, construction of infrastructure and redevelopment projects have assisted over 300 businesses, facilitating over \$105 million in private sector investment. The Barberton Community Foundation invests up to \$4 million in a revolving loan fund administered by BCDC. The BCDC, in collaboration with the City and the Barberton Community Foundation (BCF) have retained or created more than 3,000 jobs generating more than \$1.5 million annually in income and property taxes.

In October of 2011, the BCDC was awarded \$1,000,000 from the Small Business Administration to assist businesses in the City of Barberton. Within a two-year period of time, the BCDC had loaned almost the full \$1,000,000 of the available SBA funds. 2016 brought the approval of the largest loan in the history of the organization. Through a special PRI fund at the BCF, the BCDC was able to issue a \$2,500,000 loan to attract a global business to the City of Barberton. Within the next three years, the company will relocate over 100 new jobs to the city. In addition, the Development Finance Authority was able to assist with PACE financing in 2018 which, helped the company with energy efficient upgrades.

The City Planning Department with Clean Ohio Assistance Fund ("COAF") assistance conducted asbestos abatement and other clean-up along with an environmental assessment of the former Seiberling Industrial property. The City and the Barberton Land Improvement Company (BLIC) are partnering to redevelop the property into commercial or industrial end uses. The BLIC, a wholly owned subsidiary of the BCDC acquired the former Seiberling Tire and Rubber Company property in February 2012. Since the acquisition, the BLIC has started renovations to the 400,000 plus square foot facility and has successfully executed eleven leases. Once fully renovated, the City of Barberton will have ample office and manufacturing space available to accommodate the needs of area businesses as they expand. To date, approximately \$2.7 million has been invested in the facility. Through the BCDC and BLIC business attraction efforts, they have 14 active leases at various properties and additional space will be available for future growth. In addition, the BCDC has assisted approximately 70 active loan clients throughout the City of Barberton.

In 2013, the BLIC acquired the former Shamrock motel and nightclub. Both structures have been razed and the land was sold to the City of Barberton in 2018 for future development.

In 2014, Mayor William Judge proposed and City Council approved a new "Business Incentive Program". The program offers monetary incentives to businesses occupying new and or existing industrial, commercial, or retail buildings where such occupancy creates new jobs and or eliminates blight from the community to enhance economic development and saves or creates new jobs. Funding comes from income tax revenues and may include Barberton Community Foundation grants.

Long-Term Financial Planning

Although the City continues to pursue grants and low-interest loans for capital improvements, with reduced operating reserves the City has been required to raise user charges, license and permit fees as well as cutting expenses. An example of this effort is that the full-time staffing levels have been reduced from 257 employees in 2005 to 215 at the end of 2018. The result of the staffing reductions and other cuts has helped minimize expenditure growth in the General Fund, the City's major (non-utility) operating fund.

Major Initiatives

At the November 2013 general election, the Citizens of Barberton approved a one-quarter of a percent increase in the city income tax. The additional revenue (11.11% of total income tax receipts) is restricted to paving and reconstructing streets. The increase raised approximately \$1.4 million in 2018 for street improvements.

As a result of this tax increase, construction began on the 9th Street N.E. Improvement project in 2016. The \$1,710,000 project included the complete reconstruction of the street including curbs, storm sewers, water and sewer lines. The project was financed by the issuance of \$1,710,000 in General Obligation Bond Anticipation Notes. The notes will be retired by using a portion of the additional income tax. The project was completed in early 2017.

The City was also awarded \$8.8 million in federal grants from Akron Metropolitan Transportation Study (AMATS). These grant monies will be used for various projects in the City. Those projects include reconstruction of the intersection at Wooster Road North and State Street, reconstruction of Wooster Road West from Second Street Northwest to Hudson Run Road, resurfacing Van Buren Avenue, resurfacing West Waterloo Road, resurfacing Norton Avenue, and resurfacing Wooster Road North from Burt Street to Norton Avenue. These projects are scheduled to begin in 2021/2022.

A major reconstruction of 31st Street between Wooster Road West and City of Norton Corporation limit has been under way including an Ohio Public Works Commission (OPWC) no interest loan to help finance the waterline portion. At December 31, 2015 the waterline portion, estimated at \$2.164 million, was substantially completed.

The roadway reconstruction portion continued through 2016. Roadway funding includes an OPWC grant and ODOT reimbursements for engineering costs, right-of-way and easement expenses and direct construction contractor payments. The project is estimated was \$4.38 million and completed in late 2016.

Design work has also been completed on additional sewage plant improvements financed with a 20-year, low interest loan, also through OWDA. This project is estimated at approximately \$2.8 million.

OWDA and the EPA are also funding with a low interest loan the improvements to the water intake structure and equipment at the Wolf Creek Reservoir. The project is expected to cost approximately \$3.24 million with \$790,000 in loan forgiveness (an EPA grant). The balance of \$2.44 million will be repaid by the City with water user charges over a 30-year period beginning July of 2015.

The Highlands is a single-family housing development on the site of the former Highland Junior High School, the development covers one city block. The development plan calls for a total of 10 new homes to be built. Currently 7 have been constructed and are occupied. Design and preparation continues for the remaining 3 lots. Houses are expected to be priced in the \$130,000 to \$140,000 range.

The East New Haven is a single-family housing development expansion of the original New Haven allotment off of Fairland Road. This expansion will occur in three phases. The first phase was under construction in 2018. The second phase is set to begin in 2019 and the final phase beginning in spring of 2020. The expansion has a total of 154 buildable lots with the houses expected to be priced in the \$175,000 to \$225,000 range.

The City has looked to regionalism as a way to reduce taxpayers cost while maintaining or improving the level of service. The City has purchased the City of Norton's sanitary sewer system from Summit County. The City has agreed to pay Summit County \$175,000 per year for ten years. The City of Barberton will own, operate and maintain the system. City of Norton customers will be billed and pay for costs of the sewer system.

During 2016, the Barberton City Council authorized the Mayor to enter into agreement with the City of Norton to authorize the transfer of the Nash Heights Sewer Project to Barberton. This included the transfer of an OWDA loan for the Nash Heights Sewer project. Total cost of the project exceeds \$8 million. Debt service on the OWDA loan will be paid by the City of Norton.

The City of Barberton, Copley Township and the City of Norton entered into an agreement for the purpose of creating a shared dispatch safety service center. The Southwest Summit Council of Governments was created to share in the costs of operating and maintaining the dispatch center with the expectation that sharing the services will result in lower dispatch costs and improved service for each member community. Operation of the center began January 2014. Dispatch employees of each organization were hired by the Southwest Summit Communications Center (SWSCOM). Each organization contributed equally to equip and start up the center. Since operational, each member is billed quarterly for their share of the budgeted expenditures. The City of Barberton's share was \$852,662 for 2018 operations. The City also absorbed the City of Norton Building Department in 2015. This process not only eliminates duplication but allows for expanded services to businesses and residents.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Barberton, Ohio for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2017. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Barberton, Ohio, has received Certificates of Achievement for the last 28 consecutive years (1990-2017). We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to GFOA for award consideration.

Acknowledgements

The publication of this report could not have been accomplished without the efforts of the Finance Department staff. I would also like to express my appreciation to the other city departments directly involved in the preparation of the report and every City employee and manager for their dedicated service to the Citizens of Barberton throughout the year.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeremy Flaker', with a long horizontal flourish extending to the right.

Jeremy Flaker
Director of Finance

**CITY OF BARBERTON, OHIO
LIST OF PRINCIPAL CITY OFFICIALS
AS OF DECEMBER 31, 2018**

Elected Officials (Four-year terms):

ADMINISTRATION AND MUNICIPAL COURT:

Mayor	William B. Judge	12/31/2019
Director of Finance	Jeremy Flaker	12/31/2019
Director of Law	Lisa Okolish Miller	12/31/2019
Municipal Court Judge (Presiding)	David Fish	12/31/2019
Municipal Court Judge	Todd McKenney	12/31/2021
Clerk of Municipal Court	Diana Stevenson	12/31/2019

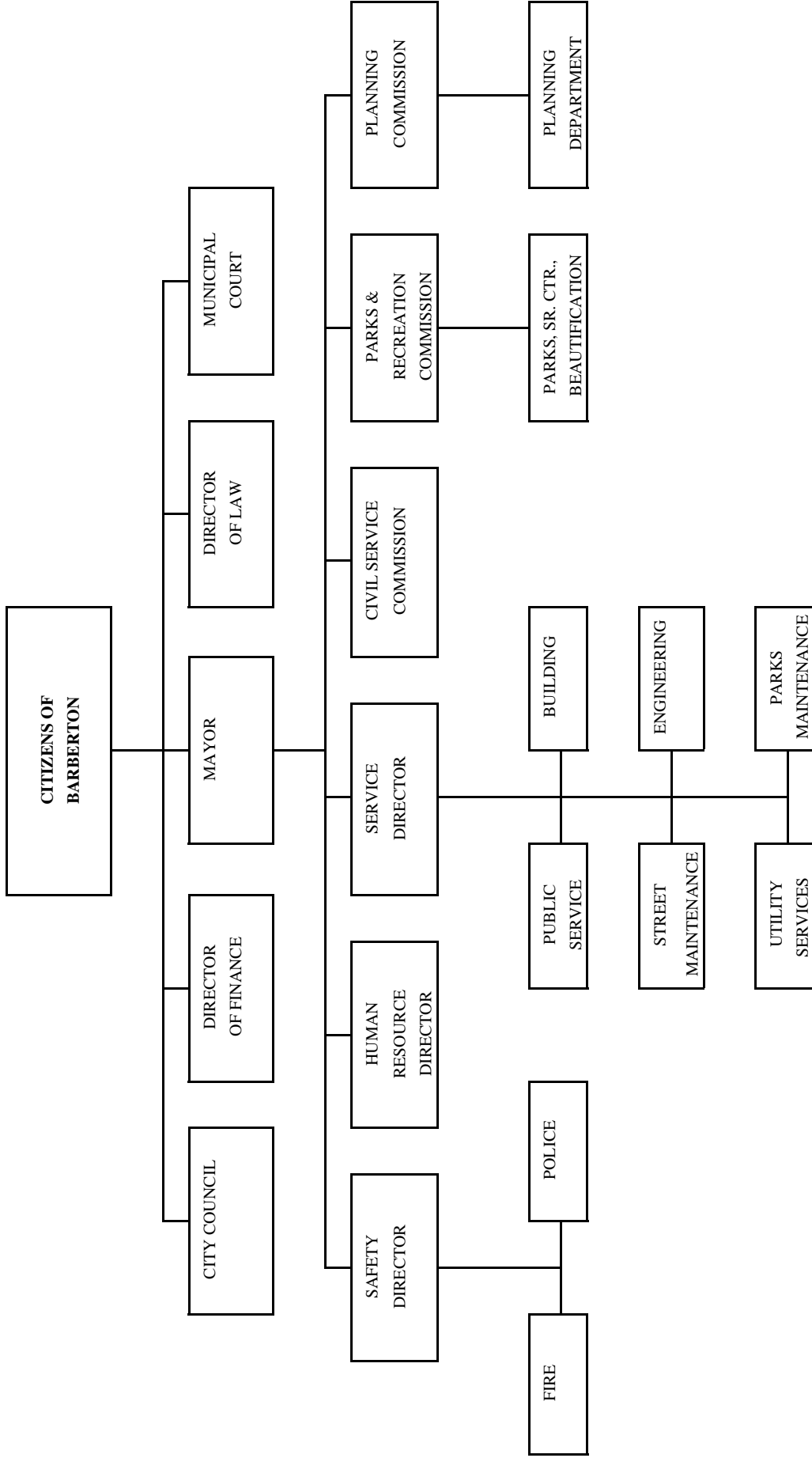
CITY COUNCIL:

President	Craig Megyes	12/31/2021
Members:		
At-Large	Shorter Griffin, Jr.	12/31/2021
At-Large	Carla S. Debevec	12/31/2021
Ward 1	Shannon C. Wokojance	12/31/2019
Ward 2	Nina Angeloff	12/31/2019
Ward 3	Elwood Palmer	12/31/2019
Ward 4	Patricia Zarle	12/31/2019
Ward 5	Joyce Colburn	12/31/2019
Ward 6	Carol A. Frey	12/31/2019

Mayor's Staff (Appointed):

Service Director	Michael Vinay
Safety/Human Resources Director	Elizabeth Daugherty
Utilities Director	Denny Weaver (Interim)
Building Commissioner	Vacant
Department Heads:	
Police Chief	Vince Morber
Fire Chief	Kim Baldwin
City Engineer	Vacant
Planning Director	Joseph Stefan
Parks Director	Lisa McLean

CITY OF BARBERTON, OHIO
ORGANIZATIONAL CHART
 December 31, 2018





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Baraberton
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK



Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

City of Barberton
Summit County
576 West Park Avenue, Room 106
Barberton, Ohio 44203

To the Members of Council and Mayor:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Barberton, Summit County, Ohio, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Barberton's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City of Barberton's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City of Barberton's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Barberton, Summit County, Ohio, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2018, the City of Barberton adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* and schedules of net pension and other post-employment benefit assets and liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City of Barberton's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2019, on our consideration of the City of Barberton's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Barberton's internal control over financial reporting and compliance.



Julian & Grube, Inc.
June 20, 2019

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

The management's discussion and analysis for the City of Barberton's financial statements provides an overview of the City's financial activities as of December 31, 2018. The intent of this discussion is to provide a narrative that helps to explain and describe the City's financial performance as a whole. To obtain a more detailed understanding, please review the transmittal letter, the notes to the basic financial statements and the basic financial statements in conjunction with this analysis. The Statistical Section can also provide valuable current and historical information.

Financial Summary

The financial summary for 2018 follows:

- The total assets and deferred outflows of the City of Barberton exceeded its liabilities and deferred inflows of resources at December 31, 2018 by \$50,341,675 (net position). Of this amount, \$5,808,184 is considered restricted for various purposes such as capital projects and court operations. Another \$72,164,680 represents the net investment in capital assets and the remaining unrestricted net position is a deficit of \$27,631,189.
- Total net position increased \$4,358,930 from 2017's restated net position. Net position of business-type activities increased \$5,962,616, or 13.93 percent, while the net position of governmental activities decreased \$1,603,686, or 50.26 percent.
- The total cost of the City's service programs was \$41,797,555, while total revenues amounted to \$46,156,485. Of these amounts the governmental activities represented \$26,787,144 (64.09%) of the expenses and \$25,183,458 (54.56%) of the revenues. The business-type activities represented the remaining \$15,010,411 (35.91%) of expenses and \$20,973,027 (45.44%) of revenues.
- At the end of 2018, the fund balance for the general fund was \$3,182,320 on a modified accrual basis. This balance provides the City with the equivalent of approximately 64 working days of expenditures.

Using this Comprehensive Annual Financial Report

This report consists of a series of financial statements and explanatory notes to those statements. These statements are prepared and organized in a manner that allows the reader to look at the financial activities of the City of Barberton as a whole and also allows the reader to obtain a more detailed view of specific city operations, if they prefer.

The statement of net position and the statement of activities provide information from a summary perspective showing the results of the operations for the year 2018 and how they impacted the financial condition of the City as a whole.

Fund financial statements provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant fund with all other nonmajor funds presented in total in one column.

Reporting the City of Barberton as a Whole

Statement of Net Position and Statement of Activities

The statement of net position and the statement of activities provide summary information concerning the financial position and operations of the City as an entity. They provide a good resource for an overall evaluation of the City's financial performance "on one page." These statements include all non-fiduciary assets, liabilities and deferred inflows and outflows of resources using the accrual basis of accounting. This method takes into account all revenues when they are earned and all expenses when they are incurred. These transactions are booked when they occur and not when the actual cash is received for revenues or when invoices are paid for expenses.

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

From the statement of net position, you can determine what the City's current financial position is by subtracting total liabilities and deferred inflows of resources (what the City owes) from total assets and deferred outflows of resources (what the City owns). Over time, increases or decreases in the City's net position are one indicator of whether the City's financial health is improving or deteriorating. From the statement of activities, the reader can determine the cost of various government services and how much of that cost is financed by taxpayers, where the City gets its money from and how it is used, whether the City is better or worse off financially and why, and will the City be able to finance services in the future. Other non-financial factors such as changes in the City's property tax base, income tax base and the condition of the City's capital assets should also be considered when assessing the overall financial health of the City.

Reporting on the Most Significant Funds of the City of Barberton

Fund Financial Statements

The analysis of the City's major funds begins on page 11. Fund financial reports give a detailed accounting of the activities within the funds. The City currently has 49 funds, as presented in this report. These funds are in existence to provide a multitude of services to the citizens of Barberton. For example, some funds provide for police and fire protection, street repair and maintenance as well as water, sewer, storm water and solid waste disposal services. In addition, a number of funds serve a variety of other purposes ranging from accounting for the City's construction of capital and infrastructure assets to providing health care benefits to the City's employees. Each fund is in some ways an entity unto itself. Each fund has a designated revenue stream and specific uses for the monies within the fund.

In this report, the focus is on the four major funds; the general fund, the water fund, the sewer fund and the solid waste fund.

Governmental Funds

All of the City's major activities (excluding the utilities) are reported in the governmental funds, which focus on how money flows into and out of these funds and also depicts the balances available for future expenditures. These funds are reported using an accounting method called modified accrual accounting. This method reports cash and like-cash items and shows the level of financial resources that are available to provide general government services in the near future. Examples of these services include police and fire protection, operations of the Municipal Court and street and park maintenance. The relationship (or difference) between governmental activities (reported in the statement of net position and the statement of activities) and the governmental funds is reconciled in the financial statements.

Proprietary Funds

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match, except for any internal service fund allocations.

Fiduciary Funds

Agency funds are used to account for resources held for the benefit of parties outside the City. Agency funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the City's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)*

Statement of Net Position

As noted earlier, the statement of net position looks at the City as a whole and therefore, can be a useful indicator of the City's financial position. The table below provides a summary of the City's net position for 2018 compared to 2017. The net position at December 31, 2017 has been restated as described in Note 3.

	Governmental Activities		Business-Type Activities		Total	
	<u>2018</u>	<u>Restated 2017</u>	<u>2018</u>	<u>Restated 2017</u>	<u>2018</u>	<u>Restated 2017</u>
<u>Assets</u>						
Other assets	\$ 16,287,045	\$ 16,406,680	\$ 14,178,604	\$ 14,854,475	\$ 30,465,649	\$ 31,261,155
Capital assets, net	<u>34,420,758</u>	<u>34,229,762</u>	<u>70,152,150</u>	<u>60,311,144</u>	<u>104,572,908</u>	<u>94,540,906</u>
Total assets	<u>50,707,803</u>	<u>50,636,442</u>	<u>84,330,754</u>	<u>75,165,619</u>	<u>135,038,557</u>	<u>125,802,061</u>
<u>Deferred outflows of resources</u>						
Unamortized deferred charges	134,505	146,826	66,350	72,429	200,855	219,255
Pension	3,887,972	5,602,104	1,114,222	2,326,515	5,002,194	7,928,619
OPEB	<u>2,088,861</u>	<u>68,780</u>	<u>265,306</u>	<u>38,126</u>	<u>2,354,167</u>	<u>106,906</u>
Total deferred outflows of resources	<u>6,111,338</u>	<u>5,817,710</u>	<u>1,445,878</u>	<u>2,437,070</u>	<u>7,557,216</u>	<u>8,254,780</u>
<u>Liabilities</u>						
Current liabilities	1,311,850	1,848,646	771,824	1,740,629	2,083,674	3,589,275
Long-term liabilities:						
Due within one year	1,502,274	1,692,542	1,642,595	1,524,629	3,144,869	3,217,171
Net pension liability	21,925,037	23,923,046	4,155,207	5,938,071	26,080,244	29,861,117
Net OPEB liability	19,284,518	16,109,525	2,857,500	2,610,803	22,142,018	18,720,328
Other amounts	<u>7,638,674</u>	<u>7,932,924</u>	<u>26,298,659</u>	<u>22,900,197</u>	<u>33,937,333</u>	<u>30,833,121</u>
Total liabilities	<u>51,662,353</u>	<u>51,506,683</u>	<u>35,725,785</u>	<u>34,714,329</u>	<u>87,388,138</u>	<u>86,221,012</u>
<u>Deferred inflows of resources</u>						
Property taxes	1,239,970	1,260,961	-	-	1,239,970	1,260,961
Pension	1,929,717	495,417	1,060,451	96,706	2,990,168	592,123
OPEB	<u>399,696</u>	<u>-</u>	<u>236,126</u>	<u>-</u>	<u>635,822</u>	<u>-</u>
Total deferred inflows of resources	<u>3,569,383</u>	<u>1,756,378</u>	<u>1,296,577</u>	<u>96,706</u>	<u>4,865,960</u>	<u>1,853,084</u>
<u>Net Position</u>						
Net investment in capital assets	29,233,478	28,253,025	42,931,202	36,274,959	72,164,680	64,527,984
Restricted	5,486,221	5,126,680	321,963	321,963	5,808,184	5,448,643
Unrestricted	<u>(33,132,859)</u>	<u>(30,188,614)</u>	<u>5,501,105</u>	<u>6,194,732</u>	<u>(27,631,754)</u>	<u>(23,993,882)</u>
Total net position	<u>\$ 1,586,840</u>	<u>\$ 3,191,091</u>	<u>\$ 48,754,270</u>	<u>\$ 42,791,654</u>	<u>\$ 50,341,110</u>	<u>\$ 45,982,745</u>

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)*

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$19,231,836 to \$3,191,091 for governmental activities and \$45,364,331 to \$42,791,654 for business-type activities.

Total assets increased in 2018 by \$9,236,496 (7.34%). This increase is primarily due to higher capital asset balances for the business-type activities as the City continued various water and sewer improvement projects during the year.

Total liabilities increased \$1,167,126 (1.35%) in 2018. Most of this increase is reflected in the long-term liabilities for the business-type activities due to the issuance of debt obligations to finance capital improvements.

Total net position increased \$4,358,930 or 9.48%. The net investment in capital assets of \$72,164,680 represents the City's net capital assets, less any outstanding borrowings used to acquire those assets. Another \$5,808,184 represents net position that is subject to external restrictions on its use. The remaining balance of unrestricted net position is a deficit of \$27,631,189. The deficit is a result of reporting the City's share of the pension systems' net pension liability/net pension asset and deferred inflows and outflows of resources related to pensions.

(THIS SPACE IS INTENTIONALLY LEFT BLANK)

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)*

Statement of Activities

The table below shows the changes in net position for fiscal years 2018 and 2017. The net position at December 31, 2017 has been restated as described in Note 3.

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	Restated <u>2017</u>	<u>2018</u>	Restated <u>2017</u>	<u>2018</u>	Restated <u>2017</u>
Revenues						
Program revenues:						
Charges for services	\$ 4,408,519	\$ 4,248,120	\$ 14,343,738	\$ 13,992,859	\$ 18,752,257	\$ 18,240,979
Operating grants and contributions	2,765,416	2,501,122	-	-	2,765,416	2,501,122
Capital grants and contributions	<u>1,176,486</u>	<u>650,158</u>	<u>6,447,180</u>	<u>130,976</u>	<u>7,623,666</u>	<u>781,134</u>
Total program revenues	<u>8,350,421</u>	<u>7,399,400</u>	<u>20,790,918</u>	<u>14,123,835</u>	<u>29,141,339</u>	<u>21,523,235</u>
General revenues:						
Property taxes	1,245,695	1,248,301	-	-	1,245,695	1,248,301
Income taxes	13,326,241	12,621,247	-	-	13,326,241	12,621,247
Unrestricted grants and entitlements	1,640,479	1,247,376	-	26,550	1,640,479	1,273,926
Investment earnings	348,608	296,114	-	-	348,608	296,114
Other	<u>272,014</u>	<u>212,021</u>	<u>182,109</u>	<u>104,975</u>	<u>454,123</u>	<u>316,996</u>
Total general revenues	<u>16,833,037</u>	<u>15,625,059</u>	<u>182,109</u>	<u>131,525</u>	<u>17,015,146</u>	<u>15,756,584</u>
Total revenues	<u>25,183,458</u>	<u>23,024,459</u>	<u>20,973,027</u>	<u>14,255,360</u>	<u>46,156,485</u>	<u>37,279,819</u>
Expenses						
Program expenses:						
General government	6,460,971	5,934,454	-	-	6,460,971	5,934,454
Public safety	13,941,625	12,924,756	-	-	13,941,625	12,924,756
Transportation	3,053,474	3,011,919	-	-	3,053,474	3,011,919
Community environment	1,817,164	1,472,044	-	-	1,817,164	1,472,044
Leisure time activity	1,379,825	1,373,446	-	-	1,379,825	1,373,446
Interest and fiscal charges	134,085	135,044	-	-	134,085	135,044
Water	-	-	5,977,374	6,267,581	5,977,374	6,267,581
Sewer	-	-	6,340,368	6,201,994	6,340,368	6,201,994
Solid waste	-	-	875,458	1,864,795	875,458	1,864,795
Storm water	-	-	<u>1,817,211</u>	<u>837,744</u>	<u>1,817,211</u>	<u>837,744</u>
Total expenses	<u>26,787,144</u>	<u>24,851,663</u>	<u>15,010,411</u>	<u>15,172,114</u>	<u>41,797,555</u>	<u>40,023,777</u>
Change in net position before transfers	(1,603,686)	(1,827,204)	5,962,616	(916,754)	4,358,930	(2,743,958)
Transfers	-	(5,472)	-	5,472	-	-
Change in net position	(1,603,686)	(1,832,676)	5,962,616	(911,282)	4,358,930	(2,743,958)
Net position at beginning of year (restated)	<u>3,191,091</u>	<u>N/A</u>	<u>42,791,654</u>	<u>N/A</u>	<u>45,982,745</u>	<u>N/A</u>
Net position at end of year	<u>\$ 1,587,405</u>	<u>\$ 3,191,091</u>	<u>\$ 48,754,270</u>	<u>\$ 42,791,654</u>	<u>\$ 50,341,675</u>	<u>\$ 45,982,745</u>

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)*

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$106,906 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1,846,374.

Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Total 2018 program expenses under GASB 75	\$ 26,787,144	\$ 15,010,411
OPEB expense under GASB 75	(1,588,687)	(257,687)
2018 contractually required contributions	<u>34,079</u>	<u>2,044</u>
Adjusted 2018 program expenses	25,232,536	14,754,768
Total 2017 program expenses under GASB 45	<u>24,851,663</u>	<u>15,172,114</u>
Increase (decrease) in program expenses not related to OPEB	<u>\$ 380,873</u>	<u>\$ (417,346)</u>

Governmental Activities

The City's funding for governmental activities comes from a variety of sources, the most significant being the municipal income tax. The City levies an income tax of 2 and ¼ percent on all income earned within the City as well as on the income of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent on the income taxes paid to another municipality by residents of Barberton, up to 2 and ¼ percent of the income. On a full accrual basis, the City received \$13,326,241 in income taxes revenue, or 52.92 percent of the total governmental revenues in 2018, compared to \$12,621,247 and 54.82 percent in 2017. The increase in income taxes revenue in 2018 was a result of higher collections on business income and withholding taxes, as well as an increase in taxes receivable at year-end.

Intergovernmental revenue (i.e., state shared support) represents the City's third largest source of general revenue for the governmental activities. In 2018, the City received \$1,640,479 in unrestricted grants and entitlements or 6.51 percent of total revenues. The other main source of general revenue is property taxes, which accounted for 4.95 percent of total revenues in 2018.

Program revenues include charges for services and operating and capital grants and contributions that are restricted for specific purposes. Program revenues increased \$951,021 in 2018 compared to the prior year, mostly in capital grants and contributions. The City received additional grant funding in 2018 for roadway improvements and capital acquisitions for the fire department.

The City's governmental activity expenses totaled \$26,787,144 in 2018, which represents an increase of \$1,935,481 or 7.79 percent from 2017. As illustrated in the table above, most of this increase is a result of implementing GASB 75. Public safety (police and fire protection) and general government (city council, mayor, finance, service director, etc.) represent the largest portion of governmental activities expenses at 52.05 percent and 24.12 percent, respectively.

The public safety classification consists of the Police Department and the Fire Department. As of December 31, 2018, the City employed 41 full-time police officers and 41 full-time firefighters. Public safety expenses totaled \$13,941,625 compared to \$12,924,756 in 2017, an increase of 7.87 percent.

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)*

Expenses for community environment include those related to the community development block grant program and the clean Ohio and neighborhood stabilization programs. These operations are primarily financed by direct charges to users and operating grants and contributions. In 2018, community environment expenses accounted for 6.78% of total governmental activities expenses, up slightly from 5.92% in 2017.

Transportation accounted for 11.40 percent of total governmental activities expenses. Transportation expenses were 1.38 percent higher in 2018 than they were in 2017. The transportation classification consists of the City's Street Department and the Paint and Signal Division. In addition, the City has several funds established that are used to pay private contractors for road resurfacing and general street maintenance. As of December 31, 2018, the City employed 16 full-time employees in the Street Department and 1 full-time employee in the Signal Division.

Leisure time activities expenses make up 5.15% of governmental activities expenses. These expenses include the City's recreation programs, parks maintenance, and the operations of the sports complex.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	Total Cost of Services <u>2018</u>	Net Cost of Services <u>2018</u>	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2017</u>
Program Expenses:				
General government	\$ 6,460,971	\$ 3,513,569	\$ 5,934,454	\$ 3,008,123
Public safety	13,941,625	12,584,523	12,924,756	11,992,009
Transportation	3,053,474	1,034,724	3,011,919	1,138,284
Community environment	1,817,164	133,070	1,472,044	133,924
Leisure time activities	1,379,825	1,036,752	1,373,446	1,044,879
Interest and fiscal charges	<u>134,085</u>	<u>134,085</u>	<u>135,044</u>	<u>135,044</u>
Total Expenses	<u>\$ 26,787,144</u>	<u>\$ 18,436,723</u>	<u>\$ 24,851,663</u>	<u>\$ 17,452,263</u>

The dependence upon general revenues for governmental activities is apparent, with 68.83 percent of expenses supported through taxes and other general revenues in 2018 and 70.23 percent in 2017.

Business-Type Activities

The City of Barberton Utility Department provides water, sewer, storm water and solid waste disposal (garbage collection) services. Sanitary sewer services are provided to approximately 11,698 customers in and around the Barberton area. Sewer billing rates are set by City Council based on the recommendation of the Service and Utilities Directors. In 2018, the rates were established at \$4.80 per thousand gallons of metered water for residential and commercial users. The sewer treatment plant was originally constructed in 1960 and then completely overhauled in 1988. The City has made several improvements to the plant since 1988 with additional upgrades in 2002 and 2012, and current improvement underway which are expected to be completed in 2019.

Water distribution and treatment services are provided to approximately 11,587 customers in and around the Barberton area. Water billing rates are set by the Service Director. In 2018, the rates were established at \$6.73 per thousand gallons for residential and commercial users. Over the past year, improvements and upgrades to the water treatment plant, distribution infrastructure and treatment process equipment have continued.

The City established a storm water management fund to account for storm drainage run-off maintenance, repair and replacement costs. Rates were established at and remain \$5.00 per parcel per month for residential properties. The City Engineer's office establishes rates for commercial and industrial users based on run-off surface areas.

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2018 (UNAUDITED)

The City also contracts for solid waste disposal (garbage collection). The City, in addition to billing and collecting garbage user fees, acts as an agent between the successful competitive bidder for pickup service and City customers. In 2018, the monthly rate charged was \$19.00.

Revenues for the business-type activities are derived primarily from user charges. In 2018, charges for services revenue was \$14,343,738, an increase of 2.51% from 2017. Total expenses for all the business-type activities amounted to \$15,010,411 in 2018, compared to \$15,172,114 in 2017, a decrease of 1.07%. Net position of the business-type activities increased \$5,962,616 or 13.93% from 2017's restated net position.

The City's Funds

The City's governmental fund financial statements begin on page 18. Governmental funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues and other financing sources of \$26,486,707 and expenditures and other financing uses of \$26,639,389.

The general fund is the chief operating fund of the City of Barberton. During 2018, the City's general fund's fund balance decreased \$760,548 or 19.29% as expenditures continue to exceed revenues. Total general fund revenues increased \$1,092,350 or 6.56%. The general fund's primary source of revenue is the municipal income tax, comprising 64.52 percent of total general fund revenues in 2018. Income tax revenues increased in 2018 by \$227,147 (2.02%). Intergovernmental revenues increased nearly \$400,000, primarily due to electric tax reimbursements from the State and Joint Economic Development Zone reimbursements from the City of Norton.

General fund expenditures in 2018 of \$18,042,800 represents an increase of \$1,120,167 or 6.62%. This overall increase is primarily a result of higher salaries and wages, as well as increasing costs for employee benefits such as pension contributions and health insurance.

The City's proprietary fund financial statements start on page 23. These funds are accounted for on an accrual basis. All enterprise funds had operating revenues of \$14,448,442 and operating expenses of \$14,611,419, resulting in an operating loss of \$162,977. Operating revenues for both the water and solid waste funds were sufficient to meet the operating expenses in 2018, while the sewer fund experienced an operating loss. Operating expenses were comparable to prior year amounts, whereas operating revenues (primarily charges for services) increased slightly. Net position increased for all three funds as the sewer funds received capital contributions of approximately \$6.4 million which more than covered the operating loss. The overall increase in net position was \$406,069 or 1.96% for the water fund, \$5,209,973 (31.44%) for the sewer fund, and \$381,419 (18.79%) for the solid waste fund.

Budgeting Highlights

The City's budget is prepared according to the laws of the State of Ohio and is based on accounting for certain transactions on a cash basis for receipts, expenditures and encumbrances. The most significant budgeted fund is the general fund. The legal level of control is established by City Council at the personal services, operating and capital expenditure level for each department within the general fund and at the personal services, operating, and capital expenditures level for all other funds. Any budget modifications at these levels may only be made through an ordinance of City Council. City policy permits fund transfers within management control levels with the approval of the department head and the Director of Finance. During the course of 2018, City Council amended appropriations and department managers adjusted budgets several times as needed to provide timely services.

In addition to monitoring fund balances on a daily basis, the Finance Department closely examines the budget through the preparation of monthly financial statements and budgetary analysis reports. Furthermore, line-item reports are reviewed on a regular basis by the Finance Director and the department heads to ensure the entire operation of the City is within the approved budget levels.

For the general fund, the 2018 original budgeted revenues and other financing sources were \$17,470,845. This was increased slightly to \$17,527,667 in the final budget. The actual revenue collections were \$17,703,088 or \$175,421 (1.00%) more than the final budget.

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)*

During 2018, the City increased general fund appropriations from \$17,967,349 in the original budget to \$18,249,199 in the final budget, primarily to appropriate additional funds for fire department personnel costs. Actual expenditures of \$17,616,964 were \$632,235 (3.46%) less than the final budget. All general fund departments other than planning came in below budget in both personal services and operating costs which contributed to the positive variance in expenditures. The most notable variances were for the police department (\$173,384), parks maintenance (\$86,299) and fire department (\$74,674).

Capital Assets and Debt Administration

**Capital Assets at December 31
(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 6,063,298	\$ 5,763,298	\$ 1,043,728	\$ 1,043,728	\$ 7,107,026	\$ 6,807,026
Construction in progress	365,526	2,150,428	4,210,049	6,464,398	4,575,575	8,614,826
Buildings	2,270,171	2,522,643	31,439,507	32,854,395	33,709,678	35,377,038
Vehicles and equipment	3,453,108	3,387,605	1,973,202	1,195,605	5,426,310	4,583,210
Infrastructure						
Street subsystem	21,267,851	19,344,878	-	-	21,267,851	19,344,878
Storm sewer subsystem	-	-	2,036,006	2,240,007	2,036,006	2,240,007
Traffic signals subsystem	1,000,804	1,060,910	-	-	1,000,804	1,060,910
Water lines	-	-	9,760,108	9,829,884	9,760,108	9,829,884
Sewer lines	-	-	19,689,550	6,683,127	19,689,550	6,683,127
Totals	<u>\$ 34,420,758</u>	<u>\$ 34,229,762</u>	<u>\$ 70,152,150</u>	<u>\$ 60,311,144</u>	<u>\$104,572,908</u>	<u>\$ 94,540,906</u>

Total capital assets at December 31, 2018 amounted to \$104,572,908, which is an increase of \$10,032,002 or 10.61% from 2017. Additional information regarding the City's capital assets can be found in Note 7 in the notes to the basic financial statements.

For the governmental activities, the most significant asset additions during the year were for various street infrastructure improvement projects, amounting to approximately \$1 million.

For the business-type activities, most of the additions to capital assets were for sewer operations. The Nash Heights sanitary sewer improvements project was completed in 2018 at a final cost of approximately \$7.1 million. The City also assumed operation of the City of Norton's sewer system in 2018. Norton transferred its sewer infrastructure, valued at about \$6.4 million, to the City in 2018.

Debt

Outstanding debt as of December 31, 2018 was \$32,382,689. This balance reflects an increase of \$2,547,905 from the prior year. Significant new debt issuances included an OWDA loan of \$2,115,879 and an OPWC loan of \$1,622,346 for the Norton Nash Heights Sewer improvements. The City also rolled over prior year bond anticipation notes of \$1,385,000 while retiring \$655,000. The City began drawing on an OWDA loan for water treatment plant upgrades. \$834,217 was distributed to the City in 2018. Additional information regarding the City's debt obligations can be found in Notes 9 and 10 in the notes to the basic financial statements.

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)*

The following table presents the City's outstanding debt obligations at December 31, 2018 and 2017.

	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General obligation bonds	\$ 3,826,925	\$ 4,214,140	\$ 788,075	\$ 850,861	\$ 4,615,000	\$ 5,065,001
Revenue bonds	-	-	4,775,000	5,310,000	4,775,000	5,310,000
Capital leases	447,760	369,423	-	23,732	447,760	393,155
Notes payable	985,000	1,540,000	400,000	500,000	1,385,000	2,040,000
Loans payable	-	-	19,709,929	15,626,628	19,709,929	15,626,628
Other debt	-	-	1,450,000	1,400,000	1,450,000	1,400,000
Total long-term obligations	<u>\$ 5,259,685</u>	<u>\$ 6,123,563</u>	<u>\$ 27,123,004</u>	<u>\$ 23,711,221</u>	<u>\$ 32,382,689</u>	<u>\$ 29,834,784</u>

Economic Factors and the 2018 General Fund Budget

Some of the economic trends impacting Barberton that were considered in developing the 2019 budget include the following:

- Barberton's seasonally adjusted unemployment rate for December 2018 was 5.7 percent, compared to 5.0 percent for Summit County, 4.6 percent for the State of Ohio, and 3.9 percent for the United States.
- 2018 income tax revenue amounted to approximately \$13.3 million compared to \$12.6 million in 2017. Income tax receipts through April 2019 are about 15 percent above April 2018 year to date collections.
- Although rebounding slightly each of the past two years, Barberton's assessed real property values have decreased approximately \$61.4 million, or about 15.3% since 2009. A full reappraisal of real property is conducted every six years, and values are updated every third year following each sexennial reappraisal. The latest reappraisal occurred in 2014 and resulted in a decrease in real property values of approximately \$5.6 million or 1.6%.
- General fund budgeted revenues for 2019 are \$17,555,408 and budgeted expenditures are \$17,252,851.

Despite the City's cost cutting efforts over the last few years, balancing the budget for the foreseeable future will continue to be difficult. Other revenues such as shared support from the State are estimated to decline while personal services and operating costs such as fuel, electric and gas power continue to increase. Capital replacement continues to be difficult as federal and state grants are reduced or eliminated. As an alternative, the City has pursued and been awarded several no or low-interest state agency loans to assist in improving and maintaining its utility and some roadway infrastructure. It is anticipated that further cost containment efforts, service reductions, and/or revenue enhancement actions may be necessary through the remainder of 2019 and into 2020 and beyond.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate accountability for the resources it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 104 Third Street NW, Barberton, Ohio 44203 or you may call us at 330-848-6775 or visit our website at www.cityofbarberton.com/249/Finance-Department.

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF BARBERTON, OHIO

STATEMENT OF NET POSITION

DECEMBER 31, 2018

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 10,462,432	\$ 12,390,493	\$ 22,852,925
Cash and cash equivalents in segregated accounts . .	165,453	-	165,453
Receivables:			
Property taxes	1,347,337	-	1,347,337
Income taxes	2,703,762	-	2,703,762
Accounts	138,446	1,379,780	1,518,226
Intergovernmental	1,224,940	-	1,224,940
Accrued interest	64,812	-	64,812
Internal balance	34,483	(34,483)	-
Prepayments	89,882	91,895	181,777
Materials and supplies inventory	-	294,108	294,108
Net pension asset	55,498	56,811	112,309
Capital assets:			
Nondepreciable capital assets	6,428,824	5,253,777	11,682,601
Depreciable capital assets, net	27,991,934	64,898,373	92,890,307
Total capital assets, net	<u>34,420,758</u>	<u>70,152,150</u>	<u>104,572,908</u>
Total assets	<u>50,707,803</u>	<u>84,330,754</u>	<u>135,038,557</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding . . .	134,505	66,350	200,855
Pension	3,887,972	1,114,222	5,002,194
OPEB	2,088,861	265,306	2,354,167
Total deferred outflows of resources	<u>6,111,338</u>	<u>1,445,878</u>	<u>7,557,216</u>
Liabilities:			
Accounts payable	454,324	420,242	874,566
Contracts payable	110,380	164,294	274,674
Accrued wages and benefits payable	255,588	139,972	395,560
Intergovernmental payable	236,077	28,033	264,110
Accrued interest payable	35,870	19,283	55,153
Claims payable	219,611	-	219,611
Long-term liabilities:			
Due within one year	1,502,274	1,642,595	3,144,869
Due in more than one year:			
Net pension liability	21,925,037	4,155,207	26,080,244
Net OPEB liability	19,284,518	2,857,500	22,142,018
Other amounts due in more than one year	7,638,674	26,298,659	33,937,333
Total liabilities	<u>51,662,353</u>	<u>35,725,785</u>	<u>87,388,138</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	1,239,970	-	1,239,970
Pension	1,929,717	1,060,451	2,990,168
OPEB	399,696	236,126	635,822
Total deferred inflows of resources	<u>3,569,383</u>	<u>1,296,577</u>	<u>4,865,960</u>
Net position:			
Net investment in capital assets	29,233,478	42,931,202	72,164,680
Restricted for:			
Capital projects	820,986	-	820,986
Street construction, maintenance and repair	458,500	-	458,500
Court	3,393,409	-	3,393,409
Recreation	1,453	-	1,453
Community development and improvements	84,825	-	84,825
Law enforcement	614,936	-	614,936
Fire capital	53,163	-	53,163
Miscellaneous grants	58,949	-	58,949
Sewer replacement and improvement	-	321,963	321,963
Unrestricted (deficit)	<u>(33,132,294)</u>	<u>5,501,105</u>	<u>(27,631,189)</u>
Total net position	<u>\$ 1,587,405</u>	<u>\$ 48,754,270</u>	<u>\$ 50,341,675</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 6,460,971	\$ 2,908,581	\$ 38,821	\$ -
Public safety	13,941,625	797,712	199,937	359,453
Transportation	3,053,474	115,463	1,086,254	817,033
Community environment	1,817,164	446,044	1,238,050	-
Leisure time activities	1,379,825	140,719	202,354	-
Interest and fiscal charges	134,085	-	-	-
Total governmental activities	<u>26,787,144</u>	<u>4,408,519</u>	<u>2,765,416</u>	<u>1,176,486</u>
Business-type activities:				
Water	5,977,374	6,270,430	-	43,622
Sewer	6,340,368	5,078,913	-	6,403,558
Storm water	875,458	808,201	-	-
Solid waste	1,817,211	2,186,194	-	-
Total business-type activities	<u>15,010,411</u>	<u>14,343,738</u>	<u>-</u>	<u>6,447,180</u>
Total primary government	<u>\$ 41,797,555</u>	<u>\$ 18,752,257</u>	<u>\$ 2,765,416</u>	<u>\$ 7,623,666</u>

General revenues:

- Property taxes levied for:
 - General purposes
 - Fire capital levy
 - Police pension
 - Fire pension
- Municipal income taxes levied for:
 - General purposes
 - Capital outlay
- Grants and entitlements not restricted to specific programs
- Investment earnings
- Other

Total general revenues

Change in net position

Net position at beginning of year (restated) . .

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue
and Changes in Net Position**

Governmental Activities	Business-type Activities	Total
\$ (3,513,569)	\$ -	\$ (3,513,569)
(12,584,523)	-	(12,584,523)
(1,034,724)	-	(1,034,724)
(133,070)	-	(133,070)
(1,036,752)	-	(1,036,752)
(134,085)	-	(134,085)
<u>(18,436,723)</u>	<u>-</u>	<u>(18,436,723)</u>
-	336,678	336,678
-	5,142,103	5,142,103
-	(67,257)	(67,257)
-	368,983	368,983
<u>-</u>	<u>5,780,507</u>	<u>5,780,507</u>
<u>(18,436,723)</u>	<u>5,780,507</u>	<u>(12,656,216)</u>
853,300	-	853,300
215,861	-	215,861
88,267	-	88,267
88,267	-	88,267
11,995,446	-	11,995,446
1,330,795	-	1,330,795
1,640,479	-	1,640,479
348,608	-	348,608
272,014	182,109	454,123
<u>16,833,037</u>	<u>182,109</u>	<u>17,015,146</u>
(1,603,686)	5,962,616	4,358,930
<u>3,191,091</u>	<u>42,791,654</u>	<u>45,982,745</u>
<u>\$ 1,587,405</u>	<u>\$ 48,754,270</u>	<u>\$ 50,341,675</u>

CITY OF BARBERTON, OHIO

*BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018*

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and investments.	\$ 2,393,955	\$ 7,212,532	\$ 9,606,487
Cash and cash equivalents in segregated accounts	165,453	-	165,453
Receivables:			
Property taxes	922,546	424,791	1,347,337
Income taxes.	2,554,736	149,026	2,703,762
Accounts.	50,195	79,516	129,711
Intergovernmental	629,684	595,256	1,224,940
Accrued interest	64,812	-	64,812
Due from other funds	133,484	-	133,484
Prepayments	77,799	12,083	89,882
Total assets	<u>\$ 6,992,664</u>	<u>\$ 8,473,204</u>	<u>\$ 15,465,868</u>
Liabilities:			
Accounts payable.	\$ 300,041	\$ 82,271	\$ 382,312
Contracts payable.	-	110,380	110,380
Accrued wages and benefits payable	231,962	23,626	255,588
Compensated absences payable	120,182	-	120,182
Intergovernmental payable	230,780	5,297	236,077
Due to other funds	-	133,484	133,484
Total liabilities	<u>882,965</u>	<u>355,058</u>	<u>1,238,023</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year.	848,939	391,031	1,239,970
Delinquent property tax revenue not available.	73,607	33,760	107,367
Accrued interest not available	27,847	-	27,847
Income tax revenue not available	1,595,945	29,191	1,625,136
Intergovernmental revenue not available	381,041	343,055	724,096
Total deferred inflows of resources	<u>2,927,379</u>	<u>797,037</u>	<u>3,724,416</u>
Fund balances:			
Nonspendable	77,799	12,083	89,882
Restricted.	-	6,013,478	6,013,478
Committed	101,595	1,333,006	1,434,601
Assigned	206,559	-	206,559
Unassigned (deficit)	2,796,367	(37,458)	2,758,909
Total fund balances.	<u>3,182,320</u>	<u>7,321,109</u>	<u>10,503,429</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,992,664</u>	<u>\$ 8,473,204</u>	<u>\$ 15,465,868</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2018*

Total governmental fund balances		\$ 10,503,429
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		34,420,758
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds.		
Delinquent property taxes receivable	\$ 107,367	
Municipal income taxes receivable	1,625,136	
Intergovernmental receivable	724,096	
Accrued interest receivable	27,847	
Total	<u>2,484,446</u>	2,484,446
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	55,498	
Deferred outflows of resources	3,887,972	
Deferred inflows of resources	(1,929,717)	
Net pension liability	(21,925,037)	
Total	<u>(19,911,284)</u>	(19,911,284)
The net OPEB liability is not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources	2,088,861	
Deferred inflows of resources	(399,696)	
Net OPEB liability	(19,284,518)	
Total	<u>(17,595,353)</u>	(17,595,353)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(3,761,081)	
General obligation bonds payable	(3,826,925)	
Notes payable	(985,000)	
Capital lease obligation	(447,760)	
Total	<u>(9,020,766)</u>	(9,020,766)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		134,505
On the statement of net position interest is accrued on outstanding bonds and loans payable, whereas in governmental funds interest is accrued when due.		(35,870)
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position.		573,057
An internal balance is recorded in governmental activities to reflect underpayments to the internal service funds by the business-type activities.		34,483
Net position of governmental activities		<u>\$ 1,587,405</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Property and other taxes.	\$ 850,403	\$ 391,552	\$ 1,241,955
Municipal income taxes.	11,450,415	1,432,982	12,883,397
Charges for services.	1,425,084	246,032	1,671,116
Licenses and permits	589,207	-	589,207
Fines and forfeitures	72,191	1,017,470	1,089,661
Intergovernmental.	1,768,148	3,430,011	5,198,159
Special assessments	37,807	3,659	41,466
Investment income.	326,410	24,142	350,552
Contributions and donations.	-	35,489	35,489
Other	1,227,587	355,629	1,583,216
Total revenues	<u>17,747,252</u>	<u>6,936,966</u>	<u>24,684,218</u>
Expenditures:			
Current:			
General government	5,206,927	842,257	6,049,184
Public safety	11,368,297	259,880	11,628,177
Transportation	121,794	1,526,047	1,647,841
Community environment	508,622	1,194,264	1,702,886
Leisure time activities	764,502	337,165	1,101,667
Capital outlay.	37,345	2,164,760	2,202,105
Debt service:			
Principal retirement.	34,549	1,564,953	1,599,502
Interest and fiscal charges	764	105,603	106,367
Debt issuance costs.	-	14,260	14,260
Total expenditures	<u>18,042,800</u>	<u>8,009,189</u>	<u>26,051,989</u>
Excess of expenditures over revenues.	<u>(295,548)</u>	<u>(1,072,223)</u>	<u>(1,367,771)</u>
Other financing sources (uses):			
Note issuance	-	985,000	985,000
Sale of capital assets.	-	10,934	10,934
Capital lease transaction.	-	305,624	305,624
Transfers in	-	487,400	487,400
Transfers (out).	(465,000)	(122,400)	(587,400)
Premium on bond issuance	-	13,531	13,531
Total other financing sources (uses)	<u>(465,000)</u>	<u>1,680,089</u>	<u>1,215,089</u>
Net change in fund balances	(760,548)	607,866	(152,682)
Fund balances at beginning of year	<u>3,942,868</u>	<u>6,713,243</u>	<u>10,656,111</u>
Fund balances at end of year	<u>\$ 3,182,320</u>	<u>\$ 7,321,109</u>	<u>\$ 10,503,429</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018*

Net change in fund balances - total governmental funds		\$ (152,682)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital asset additions	\$ 2,185,493	
Current year depreciation	<u>(1,994,497)</u>	
Total		190,996
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	3,740	
Municipal income taxes	442,844	
Intergovernmental revenues	43,666	
Investment income	<u>(1,944)</u>	
Total		488,306
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		1,599,502
In the statement of activities, interest is accrued on outstanding bonds, loans and capital leases, whereas in governmental funds, an interest expenditure is reported when due. Higher interest expense is reported in the statement of activities due to the following:		
Increase in accrued interest payable	(14,668)	
Amortization of deferred amounts on refunding	<u>(12,321)</u>	
Total		(26,989)
Proceeds from capital lease transactions and the issuance of notes are recorded as an other financing source in the governmental funds; however, in the statement of activities they are not reported as revenue as they increase liabilities on the statement of net position.		
		(1,290,624)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,895,368	
OPEB	<u>34,079</u>	
		1,929,447
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(3,013,074)	
OPEB	<u>(1,588,687)</u>	
		(4,601,761)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		295,822
Internal service funds used by management to charge the cost of insurance, postage and gasoline to individual funds are not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenues (expenses) of the internal service funds are allocated among the governmental activities.		
		<u>(35,703)</u>
Change in net position of governmental activities		<u>\$ (1,603,686)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other taxes	\$ 839,247	\$ 841,978	\$ 850,403	\$ 8,425
Municipal income taxes	10,855,693	10,891,000	11,000,000	109,000
Charges for services	1,402,838	1,407,400	1,421,486	14,086
Licenses and permits	581,511	583,402	589,241	5,839
Fines and forfeitures	73,412	73,651	74,388	737
Intergovernmental	1,142,534	1,146,250	1,157,722	11,472
Special assessments	37,311	37,432	37,807	375
Investment income	345,370	346,493	349,961	3,468
Other	1,196,919	1,200,812	1,212,830	12,018
Total revenues	<u>16,474,835</u>	<u>16,528,418</u>	<u>16,693,838</u>	<u>165,420</u>
Expenditures:				
Current:				
General government	4,961,921	5,065,321	4,799,659	265,662
Public safety	11,338,463	11,482,463	11,234,405	248,058
Transportation	137,222	143,222	122,713	20,509
Community environment	616,475	620,325	608,170	12,155
Leisure time activities	865,658	890,258	778,150	112,108
Capital outlay	12,291	12,291	38,554	(26,263)
Debt service:				
Principal retirement	34,552	34,552	34,549	3
Interest and fiscal charges	767	767	764	3
Total expenditures	<u>17,967,349</u>	<u>18,249,199</u>	<u>17,616,964</u>	<u>632,235</u>
Excess of expenditures over revenues	<u>(1,492,514)</u>	<u>(1,720,781)</u>	<u>(923,126)</u>	<u>797,655</u>
Other financing sources (uses):				
Transfers in	996,010	999,249	1,009,250	10,001
Total other financing sources (uses)	<u>996,010</u>	<u>999,249</u>	<u>1,009,250</u>	<u>10,001</u>
Net change in fund balances	(496,504)	(721,532)	86,124	807,656
Fund balance at beginning of year	\$2,059,821	2,059,821	2,059,821	-
Prior year encumbrances appropriated	176,205	176,205	176,205	-
Fund balance at end of year	<u>\$ 1,739,522</u>	<u>\$ 1,514,494</u>	<u>\$ 2,322,150</u>	<u>\$ 807,656</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Solid Waste	Nonmajor Fund	Total	
Assets:						
Current assets:						
Equity in pooled cash and investments	\$ 6,441,274	\$ 1,599,275	\$ 2,666,410	\$ 1,361,571	\$ 12,068,530	\$ 855,945
Receivables:						
Accounts	658,265	539,177	104,340	77,998	1,379,780	8,735
Prepayments	39,806	50,127	-	1,962	91,895	-
Materials and supplies inventory	213,375	80,733	-	-	294,108	-
Total current assets	<u>7,352,720</u>	<u>2,269,312</u>	<u>2,770,750</u>	<u>1,441,531</u>	<u>13,834,313</u>	<u>864,680</u>
Noncurrent assets:						
Net pension asset	28,634	23,754	1,457	2,966	56,811	-
Restricted assets:						
Equity in pooled cash and investments	-	321,963	-	-	321,963	-
Capital assets:						
Nondepreciable capital assets	3,763,199	1,071,002	-	419,576	5,253,777	-
Depreciable capital assets, net	26,401,926	36,424,883	-	2,071,564	64,898,373	-
Total noncurrent assets	<u>30,193,759</u>	<u>37,841,602</u>	<u>1,457</u>	<u>2,494,106</u>	<u>70,530,924</u>	<u>-</u>
Total assets	<u>37,546,479</u>	<u>40,110,914</u>	<u>2,772,207</u>	<u>3,935,637</u>	<u>84,365,237</u>	<u>864,680</u>
Deferred outflows of resources:						
Unamortized deferred charges on debt refunding	60,266	6,084	-	-	66,350	-
Pension	595,854	433,708	30,508	54,152	1,114,222	-
OPEB	157,421	88,781	8,019	11,085	265,306	-
Total deferred outflows of resources	<u>813,541</u>	<u>528,573</u>	<u>38,527</u>	<u>65,237</u>	<u>1,445,878</u>	<u>-</u>
Liabilities:						
Current liabilities:						
Accounts payable	94,358	155,625	163,567	6,692	420,242	72,012
Contracts payable	82,629	60,123	-	21,542	164,294	-
Accrued wages and benefits payable	70,110	56,631	3,879	9,352	139,972	-
Intergovernmental payable	14,056	11,435	763	1,779	28,033	-
Accrued interest payable	10,722	8,561	-	-	19,283	-
Claims payable	-	-	-	-	-	219,611
Current portion of general obligation bonds	60,026	6,060	-	-	66,086	-
Current portion of revenue bonds	550,000	-	-	-	550,000	-
Current portion of compensated absences	78,051	67,761	3,809	6,456	156,077	-
Current portion of OWDA loans	178,006	367,385	-	-	545,391	-
Current portion of OPWC loans	75,041	-	-	-	75,041	-
Current portion of due to Summit County	-	175,000	-	-	175,000	-
Current portion of due to City of Norton	-	75,000	-	-	75,000	-
Total current liabilities	<u>1,212,999</u>	<u>983,581</u>	<u>172,018</u>	<u>45,821</u>	<u>2,414,419</u>	<u>291,623</u>
Long-term liabilities:						
General obligation bonds	655,784	66,205	-	-	721,989	-
Revenue bonds	4,225,000	-	-	-	4,225,000	-
Compensated absences	331,140	287,484	16,161	27,388	662,173	-
OWDA loans	4,705,235	9,355,720	-	-	14,060,955	-
OPWC loans	1,967,718	3,060,824	-	-	5,028,542	-
Due to Summit County	-	1,050,000	-	-	1,050,000	-
Due to City of Norton	-	150,000	-	-	150,000	-
Net pension liability	2,094,313	1,737,425	106,535	216,934	4,155,207	-
Net OPEB liability	1,440,241	1,194,812	73,263	149,184	2,857,500	-
Notes payable	-	400,000	-	-	400,000	-
Total long-term liabilities	<u>15,419,431</u>	<u>17,302,470</u>	<u>195,959</u>	<u>393,506</u>	<u>33,311,366</u>	<u>-</u>
Total liabilities	<u>16,632,430</u>	<u>18,286,051</u>	<u>367,977</u>	<u>439,327</u>	<u>35,725,785</u>	<u>291,623</u>
Deferred inflows of resources:						
Pension	505,489	463,736	25,714	65,512	1,060,451	-
OPEB	107,288	110,872	5,458	12,508	236,126	-
Total deferred inflows of resources	<u>612,777</u>	<u>574,608</u>	<u>31,172</u>	<u>78,020</u>	<u>1,296,577</u>	<u>-</u>
Net position:						
Net investment in capital assets	17,725,952	22,735,652	-	2,469,598	42,931,202	-
Restricted for replacement and improvement	-	321,963	-	-	321,963	-
Unrestricted	3,388,861	(1,278,787)	2,411,585	1,013,929	5,535,588	573,057
Total net position	<u>\$ 21,114,813</u>	<u>\$ 21,778,828</u>	<u>\$ 2,411,585</u>	<u>\$ 3,483,527</u>	<u>48,788,753</u>	<u>\$ 573,057</u>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds					(34,483)	
Net position of business-type activities					<u>\$ 48,754,270</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018*

Business-type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Fund</u>	<u>Total</u>
Operating revenues:					
Charges for services	\$ 6,270,430	\$ 5,078,913	\$ 2,186,194	\$ 808,201	\$ 14,343,738
Other	60,835	37,134	2,162	4,573	104,704
Total operating revenues.	<u>6,331,265</u>	<u>5,116,047</u>	<u>2,188,356</u>	<u>812,774</u>	<u>14,448,442</u>
Operating expenses:					
Personal services	3,338,415	2,741,422	171,784	368,917	6,620,538
Contract services.	398,118	769,859	1,636,995	152,205	2,957,177
Materials and supplies.	1,123,262	956,375	6,324	99,531	2,185,492
Claims	-	-	-	-	-
Other.	24,285	9,387	2,742	737	37,151
Depreciation	895,875	1,660,467	-	254,719	2,811,061
Total operating expenses.	<u>5,779,955</u>	<u>6,137,510</u>	<u>1,817,845</u>	<u>876,109</u>	<u>14,611,419</u>
Operating income (loss)	<u>551,310</u>	<u>(1,021,463)</u>	<u>370,511</u>	<u>(63,335)</u>	<u>(162,977)</u>
Nonoperating revenues (expenses):					
Interest and fiscal charges	(211,012)	(214,337)	-	(172)	(425,521)
Special assessments	23,215	43,282	10,908	-	77,405
Debt issuance costs	(1,066)	(1,067)	-	-	(2,133)
Total nonoperating revenues (expenses)	<u>(188,863)</u>	<u>(172,122)</u>	<u>10,908</u>	<u>(172)</u>	<u>(350,249)</u>
Income (loss) before capital contributions and transfers	362,447	(1,193,585)	381,419	(63,507)	(513,226)
Transfers in.	-	-	-	-	-
Capital contributions	43,622	6,403,558	-	-	6,447,180
Change in net position	406,069	5,209,973	381,419	(63,507)	5,933,954
Net position at beginning of year (restated) .	<u>20,708,744</u>	<u>16,568,855</u>	<u>2,030,166</u>	<u>3,547,034</u>	
Net position at end of year.	<u>\$ 21,114,813</u>	<u>\$ 21,778,828</u>	<u>\$ 2,411,585</u>	<u>\$ 3,483,527</u>	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					<u>28,662</u>
Change in net position of business-type activities.					<u>\$ 5,962,616</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Governmental
Activities -
Internal
Service Funds**

\$ 4,885,349
37

4,885,386

16,345
54,264
425,724
4,493,655
2,439

-

4,992,427

(107,041)

-

-

-

-

(107,041)

100,000

-

(7,041)

580,098

\$ 573,057

CITY OF BARBERTON, OHIO

*STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018*

Business-type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Fund</u>	<u>Total</u>
Cash flows from operating activities:					
Cash received from customers	\$ 6,214,726	\$ 5,075,267	\$ 2,133,531	\$ 793,465	\$ 14,216,989
Cash received from other operations	60,835	37,134	2,162	4,573	104,704
Cash payments for personal services	(2,981,375)	(2,485,579)	(144,025)	(321,618)	(5,932,597)
Cash payments for contract services.	(482,662)	(744,266)	(1,729,041)	(38,009)	(2,993,978)
Cash payments for materials and supplies.	(1,097,036)	(892,535)	(13,716)	(210,307)	(2,213,594)
Cash payments for claims	-	-	-	-	-
Cash payments for other expenses.	(23,571)	(7,925)	-	-	(31,496)
 Net cash provided by (used in) operating activities	 1,690,917	 982,096	 248,911	 228,104	 3,150,028
Cash flows from noncapital financing activities:					
Intergovernmental grants	-	-	-	26,550	26,550
Cash received from transfers in	-	-	-	-	-
Special assessments	23,215	43,282	10,908	-	77,405
 Net cash provided by noncapital financing activities	 23,215	 43,282	 10,908	 26,550	 103,955
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(2,628,397)	(4,444,800)	-	(11,058)	(7,084,255)
Capital contributions.	-	4,061	-	-	4,061
Principal retirement	(801,065)	(1,114,506)	-	(23,732)	(1,939,303)
Note issuance	-	400,000	-	-	400,000
Loan issuance	834,217	4,206,343	-	-	5,040,560
Interest and fiscal charges	(206,700)	(210,570)	-	(603)	(417,873)
Debt issuance costs	(1,066)	(1,067)	-	-	(2,133)
 Net cash used in capital and related financing activities	 (2,803,011)	 (1,160,539)	 -	 (35,393)	 (3,998,943)
 Net increase (decrease) in cash and investments	 (1,088,879)	 (135,161)	 259,819	 219,261	 (744,960)
 Cash and investments at beginning of year	 7,530,153	 2,056,399	 2,406,591	 1,142,310	 13,135,453
Cash and investments at end of year	\$ 6,441,274	\$ 1,921,238	\$ 2,666,410	\$ 1,361,571	\$ 12,390,493

**Governmental
Activities -
Internal
Service Funds**

\$ 4,893,474
37
(16,345)
(54,264)
(432,366)
(4,704,772)
(2,439)

(316,675)

-
100,000
-

100,000

-
-
-
-
-
-
-

-

(216,675)

1,072,620

\$ 855,945

-- Continued

CITY OF BARBERTON, OHIO

*STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2018*

Business-type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Fund</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 551,310	\$ (1,021,463)	\$ 370,511	\$ (63,335)	\$ (162,977)
Adjustments:					
Depreciation	895,875	1,660,467	-	254,719	2,811,061
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
(Increase) decrease in materials and supplies inventory	(7,812)	55,488	-	-	47,676
(Increase) decrease in accounts receivable	(8,882)	(2,184)	(49,921)	(13,999)	(74,986)
(Increase) decrease in prepayments.	(11,398)	5,481	-	24	(5,893)
(Increase) in net pension asset.	(17,485)	(13,674)	(890)	(1,725)	(33,774)
Decrease in deferred outflows - pension	533,509	580,864	27,144	70,776	1,212,293
(Increase) in deferred outflows - OPEB	(138,969)	(72,099)	(7,081)	(9,031)	(227,180)
Increase (decrease) in accounts payable	(85,216)	28,464	161,372	5,196	109,816
(Decrease) in contracts payable	-	-	(260,810)	(1,800)	(262,610)
Increase in accrued wages and benefits	6,445	1,773	1,630	1,477	11,325
Increase in intergovernmental payable	1,618	607	283	272	2,780
Increase (decrease) in compensated absences payable	(4,242)	29,814	7,819	25,402	58,793
(Decrease) in claims payable	-	-	-	-	-
(Decrease) in net pension liability	(779,509)	(860,757)	(39,611)	(102,987)	(1,782,864)
Increase in net OPEB liability.	176,702	52,464	9,007	8,524	246,697
Increase in deferred inflows - pension	471,683	425,979	24,000	42,083	963,745
Increase in deferred inflows - OPEB	107,288	110,872	5,458	12,508	236,126
Net cash provided by (used in) operating activities.	<u>\$ 1,690,917</u>	<u>\$ 982,096</u>	<u>\$ 248,911</u>	<u>\$ 228,104</u>	<u>\$ 3,150,028</u>
Reconciliation of cash and investments:					
Equity in pooled cash and investments	\$ 6,441,274	\$ 1,599,275	\$ 2,666,410	\$ 1,361,571	\$ 12,068,530
Restricted equity in pooled cash and investments	-	321,963	-	-	321,963
Total cash and investments	<u>\$ 6,441,274</u>	<u>\$ 1,921,238</u>	<u>\$ 2,666,410</u>	<u>\$ 1,361,571</u>	<u>\$ 12,390,493</u>

Non-cash transactions:

At December 31, 2018, the Water fund purchased \$82,629 in capital assets on account, consisting of contracts payable. At December 31, 2017, the Water fund purchased \$647,461 in capital assets on account, consisting of \$60,471 in accounts payable and \$586,990 in contracts payable. The Water fund had capital contributions in 2018 consisting of loan forgiveness in the amount of \$43,622.

At December 31, 2018, the Sewer fund purchased \$60,123 in capital assets on account, consisting of contracts payable. At December 31, 2017, the Sewer fund purchased \$348,518 in capital assets on account, consisting of \$7,301 in accounts payable and \$341,217 in contracts payable. The Sewer fund received donated capital assets in 2018 with an acquisition value of \$6,399,497.

At December 31, 2018, the Storm Water nonmajor enterprise fund purchased \$21,542 in capital assets on account, consisting of contracts payable.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Governmental
Activities -
Internal
Service Funds**

\$ (107,041)

-

-

8,125

-

-

-

(6,642)

-

-

-

-

(211,117)

-

-

-

-

\$ (316,675)

\$ 855,945

-

\$ 855,945

CITY OF BARBERTON, OHIO

*STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
DECEMBER 31, 2018*

	<u>Agency</u>
Assets:	
Equity in pooled cash and investments.	\$ 405,395
Liabilities:	
Deposits held and due to others	\$ 405,395

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - DESCRIPTION OF THE CITY

The City of Barberton, Ohio (the "City") was incorporated in 1891 under the laws of the State of Ohio. The City operates under a "Mayor-Council" form of government as provided by its charter adopted on November 6, 1973. Elected officials include nine Council members, Director of Finance, a Director of Law and a Mayor.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. 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. For the City of Barberton this includes police, fire, municipal court, park and recreation department, water, sewage and sanitary services, street and sewer maintenance and any other departments or funds for which the nature and significance of their relationship with the City are such that exclusion would cause the financial statements to be misleading or incomplete.

Included as part of the City's primary government in the determination of the City's reporting entity is the Barberton Municipal Court (the "Court"). Although the Court's territorial jurisdiction extends beyond the boundaries of the City and the Judges of the Court are separately elected, the Court's operations are not legally separate from the City. In addition, the City is responsible for budgeting and appropriating funds for the operation of the Court and is ultimately responsible for any operating deficits sustained by the Court. The City's share of the fines collected by the Court, along with its shares of the Court's administrative and operating costs, is recorded in the City's general fund.

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 organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the financial statements incomplete or misleading. The City has no component units.

The City participates in two related organizations, the Barberton Community Development Corporation and the Barberton Community Foundation. These organizations are described in Note 16 to the basic financial statements. The City participates in one jointly governed organization, the Southwest Summit Council of Governments. This organization is described in Note 17 to the basic financial statements.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Basis of Presentation - Fund Accounting

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

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for services. Operating expenses for the enterprise funds include personnel and other expenses related to sewer, water, storm water and solid waste operations and operating expenses for the internal service fund include claims and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The agency funds do not report a measurement focus as they do not report operations.

C. Fund Accounting

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

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Barberton and/or the general laws of Ohio.

Other governmental funds of the City are used to account for (a) financial resources that are restricted or committed to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted or committed to expenditure for principal and interest.

Proprietary funds - Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise funds - The enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Water fund - This fund accounts for revenues generated from the charges for the treatment and provisions of water to the residents and commercial users of the City.

Sewer fund - This fund accounts for the sanitary sewer services provided to the residents and commercial users of the City. The costs of providing these services are financed primarily through user charges.

Solid waste fund - This fund accounts for refuse and recycling collection services provided to residential users of the City.

The City's nonmajor enterprise fund accounts for storm drainage runoff services to City residents.

Internal service funds - The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds account for a self-insurance program for employee medical and surgical claims and the purchasing of central supplies such as gasoline and postage.

Fiduciary funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. The City's agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The City's agency funds account for deposits held by the City on behalf of external parties.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

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

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

E. Basis of Accounting

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

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

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income taxes, State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), fines and forfeitures, interest, grants and reimbursements.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 12 and 13 for deferred outflows of resources related the City's net pension liability and net OPEB liability, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance 2019 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 12 and 13 for deferred inflows of resources related to the City's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

F. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. Annual budgets were adopted for all City funds during 2018.

The major documents prepared are the alternative tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the personal services, operating, and capital expenditure level for all funds of the City. Any budget modifications at these levels may only be made through an ordinance of Council. Budgetary statements are presented beyond that legal level of control for information purposes only.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Director of Finance. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate 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 at the time final appropriations were passed by Council.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance 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.

G. Cash, Cash Equivalents and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary 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 investments" on the financial statements.

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

During 2018, investments were limited to federal agency securities, U.S. Treasury money market accounts, U.S. Treasury Bills, negotiable certificates of deposit, commercial paper and the State Treasury Asset Reserve of Ohio (STAR Ohio).

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2018 amounted to \$326,410 which includes \$280,204 assigned from other City funds.

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

An analysis of the City's investment accounts at year end is provided in Note 4.

H. Materials and Supplies Inventory

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

I. Restricted Assets

Certain cash and investments are classified as restricted cash on the financial statements because these funds are being held by a trustee as designated by the bond indenture. Restricted assets at December 31, 2018 consist of \$321,963 held by the City for sewer replacement and improvement.

J. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The City maintains a capitalization threshold of \$5,000. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

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

<u>Description</u>	<u>Years</u>
Infrastructure	25 - 80
Buildings	10 - 40
Vehicles and equipment	3 - 25

The City's infrastructure consists of street subsystems, traffic signal subsystems, storm sewer lines, water lines and sewer lines. The City reports all infrastructure, including that acquired prior to 1980.

K. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees wage rates at year end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for employees as soon as they are hired to work with the City.

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

L. Prepayments

Payments made to vendors for services that will benefit periods beyond December 31, 2018, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, loans, notes and leases are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

N. Unamortized Bond Premiums and Discounts/Accounting Gain or Loss/Bond Issuance Costs

Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an addition to the face amount of the bonds. Bond discounts are presented as a reduction to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred inflow or outflow of resources on the statement of net position.

Bond premiums and discounts and gains/losses from refunding are recognized in the current period on the governmental fund financial statements. Bond issuance costs are expended/expensed when they occur.

O. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans to cover deficit cash balances are classified as "due to/from other funds". These amounts are eliminated on the statement of net position, except for the net residual amount due between governmental and business-type activities which is presented as an internal balance.

P. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Q. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of notes receivable in the general fund.

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. City Council has by ordinance authorized the Director of Finance to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

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

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

R. Estimates

The preparation of the BFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the BFS and accompanying notes. Actual results may differ from those estimates.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

S. Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities less deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

T. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from contributions of capital assets, or from grants or contributions of resources restricted to capital acquisition and construction.

U. Pensions/Other Postemployment Benefits (OPEB)

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

V. Fair Value Measurements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For fiscal year 2018, the City has implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", GASB Statement No. 85, "Omnibus 2017" and GASB Statement No. 86, "Certain Debt Extinguishments".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 effected the City's postemployment benefit plan disclosures, as presented in Note 13 to the basic financial statements, and added required supplementary information which is presented after the notes to the basic financial statements.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the City.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the City.

A net position restatement is required in order to implement GASB Statement No 75. The governmental activities and business-type activities at January 1, 2018 have been restated as follows:

	Business-type Activities - Enterprise Funds				
	Governmental Activities	Water Fund	Sewer Fund	Solid Waste Fund	Nonmajor Fund
Net position as previously reported	\$ 19,231,836	\$ 21,953,831	\$ 17,694,521	\$ 2,093,484	\$ 3,685,640
Deferred outflows - payments subsequent to measurement date	68,780	18,452	16,682	938	2,054
Net OPEB liability	<u>(16,109,525)</u>	<u>(1,263,539)</u>	<u>(1,142,348)</u>	<u>(64,256)</u>	<u>(140,660)</u>
Restated net position at January 1, 2018	<u>\$ 3,191,091</u>	<u>\$ 20,708,744</u>	<u>\$ 16,568,855</u>	<u>\$ 2,030,166</u>	<u>\$ 3,547,034</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available. The restatement had no effect on fund balances.

B. Deficit Fund Balances

Fund balances at December 31, 2018 included the following individual fund deficit:

<u>Nonmajor funds</u>	<u>Deficit</u>
Community development block grant	\$ 37,458

The general fund is liable for any deficit in this fund and provides transfers when cash is required. The deficit fund balance resulted from advance spending of approved grant monies and adjustments for accrued liabilities.

Contrary to Ohio Revised Code Section 5705.10, the City had a negative cash balance in the community development block grant fund of \$133,484. For GAAP purposes, this amount has been reported as a fund liability (See Note 5.B).

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Non-Compliance

The City had non-compliance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16 due to the improper transferring of restricted monies between funds.

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

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

7. High grade commercial paper for a period not to exceed 270 days in an amount not to exceed twenty-five percent of the City's interim monies available for investment; and,
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and,
3. Obligations of the City.

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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits with Financial Institutions

At December 31, 2018, the carrying amount of all City deposits was \$2,145,737 and the bank balance of all City deposits was \$2,782,745. Of the bank balance, \$1,557,744 was covered by the FDIC and \$1,225,001 was potentially exposed to custodial credit risk as discussed below because those deposits were uninsured and could be uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of December 31, 2018, the City had the following investments and maturities:

Measurement/ <u>Investment type</u>	Measurement <u>Amount</u>	<u>Investment Maturities</u>				
		6 months or <u>less</u>	7 to 12 <u>months</u>	13 to 18 <u>months</u>	19 to 24 <u>months</u>	Greater than <u>24 months</u>
<i>Fair value:</i>						
FFCB Notes	\$ 540,410	\$ -	\$ -	\$ -	\$ -	\$ 540,410
FHLB Notes	3,842,900	-	1,220,069	-	-	2,622,831
FHLMC Notes	5,607,360	1,050,181	2,474,041	-	882,134	1,201,004
FNMA Notes	3,973,130	997,770	259,126	473,294	2,242,940	-
Commercial Paper	2,696,877	1,987,868	709,009	-	-	-
Negotiable CDs	3,865,308	348,899	736,613	487,776	970,830	1,321,190
U.S. Treasury Bill	509,062	509,062	-	-	-	-
U.S. Treasury Money Market	15,557	15,557	-	-	-	-
<i>Amortized cost:</i>						
STAR Ohio	227,432	227,432	-	-	-	-
Total	<u>\$ 21,278,036</u>	<u>\$ 5,136,769</u>	<u>\$ 5,398,858</u>	<u>\$ 961,070</u>	<u>\$ 4,095,904</u>	<u>\$ 5,685,435</u>

The U.S. Treasury money market investments are valued using quoted market prices in active markets (Level 1 inputs). The City's other investments measured at fair value are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs). The weighted average maturity of investments is 1.46 years.

Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk by requiring the consideration of market conditions and cash flow requirements in determining the term of an investment.

Credit Risk: STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The City's investments in commercial paper and negotiable CDs were not rated. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in Ohio law that prohibits payments for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

The following table includes the percentage of each investment type held by the City at December 31, 2018:

<u>Investment type</u>	Measurement	
	<u>Amount</u>	<u>% of Total</u>
FFCB Notes	\$ 540,410	2.54
FHLB Notes	3,842,900	18.06
FHLMC Notes	5,607,360	26.35
FNMA Notes	3,973,130	18.68
Commercial Paper	2,696,877	12.67
Negotiable CDs	3,865,308	18.17
U.S. Treasury Bill	509,062	2.39
U.S. Treasury Money Market	15,557	0.07
STAR Ohio	227,432	1.07
Total	<u>\$ 21,278,036</u>	<u>100.00</u>

C. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2018:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,145,737
Investments	21,278,036
Total	<u>\$ 23,423,773</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 10,627,885
Business type activities	12,390,493
Agency funds	405,395
Total	<u>\$ 23,423,773</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2018, consisted of the following:

<u>Transfer to</u>	<u>Transfers from</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonmajor governmental funds	\$ 365,000	\$ 122,400	\$ 487,400
Internal service funds	100,000	-	100,000
Total	<u>\$ 465,000</u>	<u>\$ 122,400</u>	<u>\$ 587,400</u>

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 5 - INTERFUND TRANSACTIONS – (Continued)

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

Transfers between governmental funds and transfers between enterprise funds are eliminated on the government-wide financial statements.

- B.** Interfund balances at December 31, 2018 as reported on the fund financial statements consist of \$133,484 due to the general fund from nonmajor governmental funds. The purpose of the due to/from other funds is to cover the negative cash balance at year end in the community development block grant fund. The interfund balance will be repaid once the anticipated revenues are received.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2018, consisted primarily of municipal income taxes, property and other taxes, accounts (fees and billings for user charged services), interest and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full and are expected to be received within one year.

A. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Fiscal Officer at 35 percent of appraised market value. All property is required to be revalued every six years. 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.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 6 - RECEIVABLES - (Continued)

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Barberton. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2018 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow since the current taxes were not levied to finance 2018 operations. The collection of delinquent taxes has also been offset by a deferred inflow since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as a deferred inflow of resources.

The full tax rate for all City operations for the year ended December 31, 2018 was \$4.25 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2018 property tax receipts were based are as follows:

Real property	\$ 323,685,570
Public utility property	<u>15,557,340</u>
Total assessed value	<u>\$ 339,242,910</u>

B. Municipal Income Taxes

The City levies a municipal income tax of 2 and ¼ percent on all income earned within the City as well as on income of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent on income earned outside of the City and paid to another municipality. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually. Ohio law requires all City income tax rates above 1% to be voted by residents of the City. Additional increases in the income tax rate would require voter approval.

C. Intergovernmental Receivables

A summary of the intergovernmental receivables follows:

<u>Governmental activities:</u>	<u>Amounts</u>
Local government State support	\$ 388,859
Motor vehicle and gas tax	365,011
Bullet proof vest reimbursements	406
School cop reimbursement	23,460
School patrol reimbursement	28,570
C.O.P.S. grant	24,083
Homestead and rollback	98,759
Joint Economic Development Zone reimbursements	67,096
Summit County Land Bank Grant	25,000
CDBG reimbursements	174,192
Other grants and entitlements	<u>29,504</u>
Total	<u>\$ 1,224,940</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 7 - CAPITAL ASSETS

A. Capital asset activity for the year ended December 31, 2018, was as follows:

<u>Governmental activities:</u>	<u>Balance</u>		<u>Additions</u>		<u>Disposals</u>		<u>Balance</u>
	<u>12/31/17</u>						<u>12/31/18</u>
<i>Capital assets, not being depreciated:</i>							
Land	\$ 5,763,298	\$	300,000	\$	-	\$	6,063,298
Construction in progress	<u>2,150,428</u>		<u>204,778</u>		<u>(1,989,680)</u>		<u>365,526</u>
Total capital assets, not being depreciated	<u>7,913,726</u>		<u>504,778</u>		<u>(1,989,680)</u>		<u>6,428,824</u>
<i>Capital assets, being depreciated:</i>							
Buildings	7,771,100		27,325		-		7,798,425
Vehicles and equipment	13,862,329		632,677		(700,963)		13,794,043
Infrastructure:							
Street subsystem	32,658,062		3,010,393		-		35,668,455
Traffic signals subsystem	<u>1,815,949</u>		<u>-</u>		<u>-</u>		<u>1,815,949</u>
Total capital assets, being depreciated	<u>56,107,440</u>		<u>3,670,395</u>		<u>(700,963)</u>		<u>59,076,872</u>
Less: accumulated depreciation:							
Buildings	(5,248,457)		(279,797)		-		(5,528,254)
Vehicles and equipment	(10,474,724)		(567,174)		700,963		(10,340,935)
Infrastructure:							
Street subsystem	(13,313,184)		(1,087,420)		-		(14,400,604)
Traffic signal subsystem	<u>(755,039)</u>		<u>(60,106)</u>		<u>-</u>		<u>(815,145)</u>
Total accumulated depreciation	<u>(29,791,404)</u>		<u>(1,994,497)</u>		<u>700,963</u>		<u>(31,084,938)</u>
Total capital assets being depreciated, net	<u>26,316,036</u>		<u>1,675,898</u>		<u>-</u>		<u>27,991,934</u>
Governmental activities capital assets, net	<u>\$ 34,229,762</u>	\$	<u>2,180,676</u>	\$	<u>(1,989,680)</u>	\$	<u>34,420,758</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 70,377
Public safety	478,324
Transportation	1,250,275
Community environment	32,258
Leisure time activities	<u>163,263</u>
Total depreciation expense	<u>\$ 1,994,497</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 7 - CAPITAL ASSETS - (Continued)

B. Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance			Balance
<u>Business-type activities:</u>	<u>12/31/17</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/18</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,043,728	\$ -	\$ -	\$ 1,043,728
Construction in progress	<u>6,464,398</u>	<u>2,110,115</u>	<u>(4,364,464)</u>	<u>4,210,049</u>
Total capital assets, not being depreciated	<u>7,508,126</u>	<u>2,110,115</u>	<u>(4,364,464)</u>	<u>5,253,777</u>
<i>Capital assets, being depreciated:</i>				
Buildings	58,146,463	39,500	-	58,185,963
Vehicles and equipment	5,357,448	1,014,066	(56,469)	6,315,045
Infrastructure				
Water lines	17,092,054	315,339	-	17,407,393
Sewer lines	19,622,448	13,537,511	-	33,159,959
Storm sewer lines	<u>7,141,158</u>	<u>-</u>	<u>-</u>	<u>7,141,158</u>
Total capital assets, being depreciated	<u>107,359,571</u>	<u>14,906,416</u>	<u>(56,469)</u>	<u>122,209,518</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(25,292,068)	(1,454,388)	-	(26,746,456)
Vehicles and equipment	(4,161,843)	(236,469)	56,469	(4,341,843)
Infrastructure				
Water lines	(7,262,170)	(385,115)	-	(7,647,285)
Sewer lines	(12,939,321)	(531,088)	-	(13,470,409)
Storm sewer lines	<u>(4,901,151)</u>	<u>(204,001)</u>	<u>-</u>	<u>(5,105,152)</u>
Total accumulated depreciation	<u>(54,556,553)</u>	<u>(2,811,061)</u>	<u>56,469</u>	<u>(57,311,145)</u>
Total capital assets, being depreciated, net	<u>52,803,018</u>	<u>12,095,355</u>	<u>-</u>	<u>64,898,373</u>
Business-type activities capital assets, net	<u>\$ 60,311,144</u>	<u>\$ 14,205,470</u>	<u>\$ (4,364,464)</u>	<u>\$ 70,152,150</u>

Depreciation expense was charged to functions/programs of the City as follows:

Water	\$ 895,875
Sewer	1,660,467
Storm water	<u>254,719</u>
Total depreciation expense	<u>\$ 2,811,061</u>

NOTE 8 - CAPITAL LEASES

The City has entered into capital lease agreements for various equipment and vehicles. The lease payments are paid from the general fund, storm water fund (a nonmajor enterprise fund) and the following nonmajor governmental funds: street construction, maintenance and repair fund, fire capital levy fund and the local law enforcement trust fund.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 8 - CAPITAL LEASES - (Continued)

The lease agreements meet the criteria of a capital lease as defined by GASB Statement No. 62, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments in governmental funds have been reclassified and are reflected as debt service expenditures in the financial statements. In enterprise funds a liability has been recorded.

Capital assets consisting of vehicles and equipment have been capitalized in the statement of net position in the amount of \$1,746,284 in governmental activities. A liability of \$447,760 is reported on the statement of net position at year end, which represents the remaining amount of principal payments outstanding on the leases. The governmental funds made payments of \$227,287 and \$6,879 in principal and interest, respectively, during 2018.

For the business-type activities, capital assets consisting of vehicles and equipment have been capitalized in the statement of net position in the amount of \$581,788. There is no liability remaining on the leases. The enterprise funds made payments of \$23,732 and \$603 in principal and interest, respectively, during 2018.

The net capital assets acquired through the capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Asset:		
Equipment and vehicles	\$ 1,746,284	\$ 581,788
Less: accumulated depreciation	<u>(852,516)</u>	<u>(357,688)</u>
Total	<u>\$ 893,768</u>	<u>\$ 224,100</u>

The lease agreements provide for minimum, annual payments as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2019	\$ 148,578
2020	111,840
2021	111,841
2022	111,840
2023	<u>-</u>
Total	484,099
Less: amount representing interest	<u>(36,339)</u>
Present value of net minimum lease payments	<u>\$ 447,760</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 9 - NOTES PAYABLE

Changes in the City's note activity for the year ended December 31, 2018, were as follows:

	<u>Balance</u> <u>12/31/2017</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/2018</u>
<u>Governmental fund notes</u>				
Street improvement notes - 1.49%	\$ 555,000	\$ -	\$ (555,000)	\$ -
<u>Enterprise fund notes</u>				
Sewer radio metering equipment - 1.49%	\$ 100,000	\$ -	\$ (100,000)	\$ -

The notes were issued in anticipation of long-term bond financing and will be refinanced until such bonds are issued. The notes were issued April 20, 2017 and matured April 20, 2018.

NOTE 10 - LONG-TERM OBLIGATIONS

The original issue date, interest rate, original issue amount and date of maturity of each of the City's debt issues follows:

<u>Debt issue</u>	<u>Year</u> <u>Issued</u>	<u>Interest</u> <u>Rate</u>	<u>Original</u> <u>Issue Amount</u>	<u>Year of</u> <u>Maturity</u>
Governmental Activities				
<u>General Obligation Bonds:</u>				
Various Purpose Improvement	2009	2.00-4.70%	\$ 2,310,000	2018
Various Purpose Improvement Refunding	2016	1.95%	1,660,534	2029
Street Improvement	2016	1.85%	2,745,000	2026
<u>Bond Anticipation Notes</u>				
Street Improvement	2018	3.00%	985,000	2019
Business-Type Activities				
<u>General Obligation Bonds:</u>				
Various Purpose Improvement	2009	2.00-4.70%	1,140,000	2018
Various Purpose Improvement Refunding	2016	1.95%	819,466	2029
<u>Revenue Bonds:</u>				
Waterworks System Revenue, Refunding	2014	2.34%	6,850,000	2026
<u>Bond Anticipation Notes:</u>				
Sewer Radio Metering Equipment	2018	3.00%	400,000	2019

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Business-Type Activities (Continued) <u>Debt issue</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Year of Maturity</u>
<u>OWDA Loans:</u>				
Wastewater Treatment Plant Improvements	2011	2.16%	\$ 2,388,322	2030
Elevated Water Storage Tank	2012	2.00%	3,260,439	2032
Wastewater Treatment Plant Improvements	2014	3.37%	2,819,428	2035
Snyder Avenue Pump Station Improvements	2014	3.37%	2,390,246	2035
Wolf Creek Dam Intake Extension	2014	2.00%	2,454,501	2044
Norton Nash Heights Sewer & Pump Station	2017	1.70%	3,989,282	2048
Frashure Park Package Plant Elimination	2017	3.06%	55,129	2023
Brentwood Package Plant Elimination	2017	3.06%	87,692	2023
Wastewater Treatment Plant Improvements	2018	2.14%	25,297	2039
Water Treatment Plant Reconstruction	2018	2.90%	834,217	2040
<u>OPWC Loans:</u>				
Summit Road Water Main Project	2011	0.00%	875,664	2044
31st Street Waterline Replacement	2013	0.00%	1,514,561	2033
Nash Heights Sanitary Sewer Project	2017	0.00%	3,060,824	2048
<u>Due to Summit County:</u>				
Sanitary Sewer Facilities	2016	0.00%	1,750,000	2025
<u>Due to City of Norton:</u>				
Sanitary Sewer Facilities	2018	0.00%	300,000	2021

The following tables present the changes in long-term obligations during the year. The long-term obligations at December 31, 2017 have been restated as described in Note 3.

	<u>Restated Balance 12/31/17</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance 12/31/18</u>	<u>Amounts Due in One Year</u>
Governmental activities:					
<u>General Obligation Bonds:</u>					
Various Purpose Improvement Bonds	\$ 103,780	\$ -	\$ (103,780)	\$ -	-
Various Purpose Refunding Bonds	1,620,360	-	(23,435)	1,596,925	133,914
Street Improvement Bonds	2,490,000	-	(260,000)	2,230,000	260,000
Total General Obligation Bonds	4,214,140	-	(387,215)	3,826,925	393,914
<u>Bond Anticipation Notes</u>					
Street Improvement	985,000	985,000	(985,000)	985,000	-
<u>Other Obligations:</u>					
Capital Leases	369,423	305,624	(227,287)	447,760	133,681
Compensated Absences	4,056,903	984,163	(1,159,803)	3,881,263	974,679
Net Pension Liability	23,923,046	-	(1,998,009)	21,925,037	-
Net OPEB Liability	16,109,525	3,174,993	-	19,284,518	-
Total Other Obligations	44,458,897	4,464,780	(3,385,099)	45,538,578	1,108,360
Total Governmental Activities	\$ 49,658,037	\$ 5,449,780	\$ (4,757,314)	\$ 50,350,503	\$ 1,502,274

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Business-Type Activities:	Restated Balance			Balance	Amounts Due in
	<u>12/31/17</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/18</u>	<u>One Year</u>
<u>General Obligation Bonds:</u>					
Various Purpose - Series 2009	\$ 51,220	\$ -	\$ (51,220)	\$ -	\$ -
Various Purpose Refunding	799,641	-	(11,566)	788,075	66,086
Total General Obligation Bonds	850,861	-	(62,786)	788,075	66,086
<u>Revenue Bonds:</u>					
Waterworks System Revenue Bonds, Refunding	5,310,000	-	(535,000)	4,775,000	550,000
<u>Bond Anticipation Notes:</u>					
Sewer Radio Metering Equipment	400,000	400,000	(400,000)	400,000	-
<u>Other Obligations:</u>					
OWDA Loans	12,024,498	3,118,214	(536,366)	14,606,346	545,391
OPWC Loans	3,556,278	1,622,346	(75,041)	5,103,583	75,041
Capital Leases	23,732	-	(23,732)	-	-
Compensated Absences	759,457	238,899	(180,106)	818,250	156,077
Due to Summit County	1,400,000	-	(175,000)	1,225,000	175,000
Due to City of Norton	-	300,000	(75,000)	225,000	75,000
Net Pension Liability	5,938,071	-	(1,782,864)	4,155,207	-
Net OPEB Liability	2,610,803	246,697	-	2,857,500	-
Total Business-Type Activities	\$ 32,873,700	\$ 5,926,156	\$ (3,845,895)	\$ 34,953,961	\$ 1,642,595

The net pension liability and net OPEB liability are liquidated by the fund from which the employee is paid, which for the governmental activities is primarily the general fund. See Note 8 for more information on capital leases and Note 12 and Note 13 for more information on the net pension liability and net OPEB liability, respectively.

General Obligation Bonds

All bonds are secured by the full faith and credit of the City. General obligation bonds will be paid from the street capital improvement fund and the fire capital levy fund (both nonmajor governmental funds). The business-type activities revenue bonds and general obligation bonds will be paid from charges for services revenues in the enterprise funds.

On June 9, 2016, the City issued \$2,480,000 in Various Purpose Refunding Bonds in order to advance refund a portion of the outstanding 2009 bond issue. The City used the proceeds from the refunding to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. The refunded debt is considered defeased and the applicable liability has been removed from the financial statements. At December 31, 2018, the principal amount of defeased debt outstanding was \$2,195,000.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Bond Anticipation Notes

These notes are general obligation notes which are secured by the full faith and credit of the City. The notes were issued in anticipation of the issuance of bonds, for the purpose of paying the costs of road and street improvements and sewer equipment upgrades. Prior to the issuance of the financial statements, the 2018 note issue was refinanced and replaced by debt with a maturity that extends at least one year beyond the date of the balance sheet (see Note 21); therefore, the notes are reported in the government-wide statements as a long-term liability.

Compensated Absences

The compensated absences liability for governmental activities will be paid out of the general fund and the following nonmajor funds: street construction, maintenance and repair, community development block grant and beautification funds. For business-type activities, the liability will be paid from the water, sewer, solid waste and storm water enterprise funds.

Revenue Bonds

On April 1, 2006, the City issued \$9,305,000 in Waterworks System Improvement Revenue Bonds. The City issued refunding revenue bonds in 2014 to advance refund the outstanding 2006 revenue bond issue. The City used the proceeds from the refunding issue to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunding debt. The refunded debt is considered defeased and the applicable liability has been removed from the financial statements. At December 31, 2018, the principal amount of defeased debt outstanding was \$4,610,000.

The City has pledged future water customer revenues, net of specified operating expenses, to finance water system improvements. The water revenue bonds are payable solely from water customer net revenues and are payable through 2026. Annual principal and interest payments on the bonds are expected to require approximately 45.55% of net revenues. The total principal and interest remaining to be paid on the water revenue bonds is \$5,290,970. Principal and interest paid for the current year and net customer revenues were \$659,220 and \$1,447,185, respectively.

OWDA Loans

The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund capital improvements to the City's wastewater treatment plant, a water storage tank, pump station improvements, a dam intake extension and a plant elimination project. The amount due to the OWDA is payable solely from sewer and water fund revenues. The loan agreements function similar to a line-of-credit agreement and require semi-annual payments based on the permissible borrowings rather than the actual amount loaned.

The City has pledged future sewer and water customer revenues to repay the loans. The loans are payable solely from sewer and water fund revenues and are payable through 2048. Annual principal and interest payments on the loan for the sewer fund and water fund are expected to require approximately 87.68% and 31.10%, respectively, of available net revenues. The total principal and interest remaining to be paid on the loans is approximately \$11,073,091 for the sewer fund and \$5,471,356 for the water fund. Six of the ten loans, having an outstanding balance of \$6,929,345, have not been closed out as of December 31, 2018, therefore the future annual debt service principal and interest requirements are not available. Principal and interest paid for the current year totaled \$560,265 for the sewer fund and \$245,069 for the water fund.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

OPWC Loans

The City has obtained loans from the Ohio Public Works Commission (OPWC) to help fund water main improvements, a waterline replacement project and sewer plant improvements. The interest-free loans are paid from the water and sewer fund in semi-annual installments over a twenty to thirty year period. The Nash Heights Sanitary Sewer Project, with an outstanding balance of \$3,060,824, has not been closed out as of December 31, 2018; therefore, the annual principal and interest requirements are not available.

Due to Summit County

On January 6, 2016, the City entered into an agreement with Summit County to purchase the sanitary sewer facilities within the City of Norton. The purchase price of \$1,750,000 is payable in ten annual interest-free payments of \$175,000 in the years 2016 through 2025.

Due to City of Norton

The City has entered into an agreement to acquire the sanitary sewer facilities from the City of Norton. The \$300,000 obligation is payable in four annual interest-free payments of \$75,000 in the years 2018 through 2021.

Principal and interest requirements to retire the outstanding debt at December 31, 2018, are as follows:

Year Ending December 31,	<u>Governmental Activities</u>		
	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 393,914	\$ 72,395	\$ 466,309
2020	398,914	64,974	463,888
2021	403,914	57,460	461,374
2022	412,262	49,854	462,116
2023	420,610	42,089	462,699
2024 - 2028	1,639,962	93,355	1,733,317
2029	157,349	3,068	160,417
Total	<u>\$ 3,826,925</u>	<u>\$ 383,195</u>	<u>\$ 4,210,120</u>

Year Ending December 31,	<u>Business-Type Activities</u>					
	<u>General Obligation Bonds</u>			<u>Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 66,086	\$ 15,367	\$ 81,453	\$ 550,000	\$ 111,735	\$ 661,735
2020	66,086	14,079	80,165	565,000	98,865	663,865
2021	66,086	12,790	78,876	575,000	85,644	660,644
2022	67,738	11,501	79,239	590,000	72,189	662,189
2023	69,390	10,181	79,571	605,000	58,383	663,383
2024 - 2028	375,038	29,865	404,903	1,890,000	89,154	1,979,154
2029	77,651	1,514	79,165	-	-	-
Total	<u>\$ 788,075</u>	<u>\$ 95,297</u>	<u>\$ 883,372</u>	<u>\$ 4,775,000</u>	<u>\$ 515,970</u>	<u>\$ 5,290,970</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	Business-Type Activities					
	OWDA Loans			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 363,741	\$ 194,469	\$ 558,210	\$ 75,041	\$ -	\$ 75,041
2020	373,853	185,061	558,914	75,041	-	75,041
2021	384,260	175,380	559,640	75,041	-	75,041
2022	394,972	165,419	560,391	75,041	-	75,041
2023	405,999	155,169	561,168	75,041	-	75,041
2024 - 2028	2,207,092	611,351	2,818,443	375,203	-	375,203
2029 - 2033	2,080,628	318,509	2,399,137	375,203	-	375,203
2034 - 2038	896,113	94,994	991,107	375,203	-	375,203
2039 - 2043	470,494	36,248	506,742	375,203	-	375,203
2044 - 2046	99,849	1,499	101,348	166,742	-	166,742
Total	<u>\$ 7,677,001</u>	<u>\$ 1,938,099</u>	<u>\$ 9,615,100</u>	<u>\$ 2,042,759</u>	<u>\$ -</u>	<u>\$ 2,042,759</u>

Year Ending December 31,	Business-Type Activities					
	Due to Summit County			Due to City of Norton		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 175,000	\$ -	\$ 175,000	\$ 75,000	\$ -	\$ 75,000
2020	175,000	-	175,000	75,000	-	75,000
2021	175,000	-	175,000	75,000	-	75,000
2022	175,000	-	175,000	-	-	-
2023	175,000	-	175,000	-	-	-
2024 - 2025	350,000	-	350,000	-	-	-
Total	<u>\$ 1,225,000</u>	<u>\$ -</u>	<u>\$ 1,225,000</u>	<u>\$ 225,000</u>	<u>\$ -</u>	<u>\$ 225,000</u>

Legal Debt Margin

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2018, the City's total debt margin was \$31,032,010 and the unvoted debt margin was \$14,043,360.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 11 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City purchases fire and extended coverage insurance on all buildings and contents to \$90,665,707 with a variety of deductibles beginning at \$10,000. Coverage is purchased on City vehicles for a combined single limit liability of \$1,000,000. The City purchases general liability insurance coverage with a \$1,000,000 limit per occurrence. The City also has an umbrella policy which provides an additional \$10,000,000 in coverage over and above listed policies.

No settlements exceeded the insurance coverage in the last three years. There has been no significant reduction in coverage from the prior year.

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

The City has elected to provide employee medical, dental, prescription drug and vision benefits through a self-insurance program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks for loss in this program. The plan provides a medical/surgical plan with a \$100 single and \$300 family deductible. The City uses a third party administrator to review, process, and pay all claims, on behalf of the City.

The City purchases stop-loss coverage for claims in excess of \$100,000 per employee with an aggregate of \$1,000,000 per year. The City pays into the self-insurance internal service fund \$1,236 for family coverage or \$683 for individual coverage per employee per month which represents the entire premium required for the non-bargaining, dispatch, police and fire employees. For AFSCME employees the City pays \$755 for single coverage and \$1,367 for family coverage. The City also pays \$208 for both single and family coverage for AFSCME employees for prescription, vision, hearing and dental benefits. These premiums are paid by the fund that pays the wage or salary of the employee and is based on historical cost information. AFSCME participating employees contribute 5% of total cost for single (\$48) and family (\$87) coverage per month. All other covered employees paid 15% of the total cost for single (\$60-\$121) and family (\$120-\$218) coverage per month.

The claims liability of \$219,611 reported in the internal service fund at December 31, 2018 is estimated by a third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. The claims liability is expected to be paid within one year. Changes in the fund's claims liability amounts in 2017 and 2018 are:

	Balance at Beginning of Year	Current Claims	Claims Payments	Balance at End of Year
2018	\$ 430,728	\$ 4,493,655	\$ (4,704,772)	\$ 219,611
2017	346,102	4,173,950	(4,089,324)	430,728

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS’ Traditional Pension Plan.

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

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.25%.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

	State and Local	Public Safety	Law Enforcement
2018 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2018 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits	0.0 %	0.0 %	0.0 %
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$1,049,241 for 2018. Of this amount, \$29,654 is reported as intergovernmental payable.

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

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit.

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

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

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	Police	Firefighters
2018 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2018 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,376,878 for 2018. Of this amount, \$17,456 is reported as intergovernmental payable.

Net Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2017, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.05200900%	0.08219700%	0.01673200%	0.28498600%	
Proportion of the net pension liability/asset current measurement date	0.05236100%	0.08197000%	0.02062600%	0.29109500%	
Change in proportionate share	0.00035200%	-0.00022700%	0.00389400%	0.00610900%	
Proportionate share of the net pension liability	\$ 8,214,426	\$ -	\$ -	\$ 17,865,818	\$ 26,080,244
Proportionate share of the net pension asset	-	(111,589)	(720)	-	(112,309)
Pension expense	1,716,338	18,015	(234)	2,169,106	3,903,225

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ 8,390	\$ -	\$ 1,399	\$ 271,126	\$ 280,915
Changes of assumptions	981,678	9,751	86	778,508	1,770,023
Changes in employer's proportionate percentage/difference between employer contributions	76,970	-	-	448,168	525,138
City contributions subsequent to the measurement date	992,966	46,170	10,104	1,376,878	2,426,118
Total deferred outflows of resources	<u>\$ 2,060,004</u>	<u>\$ 55,921</u>	<u>\$ 11,589</u>	<u>\$ 2,874,680</u>	<u>\$ 5,002,194</u>
Deferred inflows of resources					
Differences between expected and actual experience	\$ 161,881	\$ 33,243	\$ -	\$ 32,318	\$ 227,442
Net difference between projected and actual earnings on pension plan investments	1,763,532	17,607	203	618,023	2,399,365
Changes in employer's proportionate percentage/difference between employer contributions	92,970	-	-	270,391	363,361
Total deferred inflows of resources	<u>\$ 2,018,383</u>	<u>\$ 50,850</u>	<u>\$ 203</u>	<u>\$ 920,732</u>	<u>\$ 2,990,168</u>

\$2,426,118 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2019.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2019	\$ 710,179	\$ (5,598)	\$ 161	\$ 489,877	\$ 1,194,619
2020	(160,299)	(6,078)	155	327,393	161,171
2021	(776,564)	(10,020)	129	(313,526)	(1,099,981)
2022	(724,661)	(9,607)	133	(234,200)	(968,335)
2023	-	(3,424)	194	246,745	243,515
Thereafter	-	(6,372)	510	60,781	54,919
Total	\$ (951,345)	\$ (41,099)	\$ 1,282	\$ 577,070	\$ (414,092)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	7.50%
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The most recent experience study was completed for the five-year period ended December 31, 2015.

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed income	23.00 %	2.20 %
Domestic equities	19.00	6.37
Real estate	10.00	5.26
Private equity	10.00	8.97
International equities	20.00	7.88
Other investments	18.00	5.26
Total	<u>100.00 %</u>	<u>5.66 %</u>

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.50%, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 14,586,727	\$ 8,214,426	\$ 2,901,847
Combined Plan	60,658	(111,588)	(146,726)
Member-Directed Plan	(413)	(720)	(1,031)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below. The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the investment rate of return from 8.25% to 8.00%, (b) projected salary increases decreased from 4.25% - 11.00% to 3.75% - 10.50%, (c) payroll increases decreased from 3.75% to 3.25%, (d) inflation assumptions decreased from 3.25% to 2.75% and (e) Cost of Living Adjustments (COLAs) decreased from 2.60% to 2.20%.

Valuation date	January 1, 2017
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25%
Inflation assumptions	2.75%
Cost of living adjustments	2.20% and 3.00% simple

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

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The most recent experience study was completed for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2017 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy and Guidelines. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2017 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.22 %	5.39 %
Non-US Equity	16.00	4.41	5.59
Private Markets	8.00	6.67	8.08
Core Fixed Income *	23.00	1.57	2.71
High Yield Fixed Income	7.00	2.94	4.71
Private Credit	5.00	6.93	7.26
Global Inflation			
Protected Securities *	17.00	0.98	2.52
Master Limited Partnerships	8.00	7.50	7.93
Real Assets	8.00	6.88	7.24
Private Real Estate	12.00	5.58	6.34
Total	120.00 %		

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total pension liability was calculated using the discount rate of 8.00%. A discount rate of 8.25% was used in the prior measurement period. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 24,766,704	\$ 17,865,818	\$ 12,237,508

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution was \$4,041 for 2018. Of this amount, \$114 is reported as intergovernmental payable.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City's net OPEB liability is not known.

The City's contractually required contribution to OP&F was \$32,082 for 2018. Of this amount, \$407 is reported as intergovernmental payable.

Net OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportion of the net OPEB liability prior measurement date	0.05141100%	0.28498600%	
Proportion of the net OPEB liability current measurement date	<u>0.05202000%</u>	<u>0.29109500%</u>	
Change in proportionate share	<u>0.00060900%</u>	<u>0.00610900%</u>	
Proportionate share of the net OPEB liability	\$ 5,648,989	\$ 16,493,029	\$ 22,142,018
OPEB expense	\$ 499,725	\$ 1,346,649	\$ 1,846,374

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 4,400	\$ -	\$ 4,400
Changes of assumptions	411,307	1,609,369	2,020,676
Changes in employer's proportionate percentage/ difference between employer contributions	60,778	231,625	292,403
City contributions subsequent to the measurement date	4,041	32,082	36,123
Total deferred outflows of resources	<u>\$ 480,526</u>	<u>\$ 1,873,076</u>	<u>\$ 2,353,602</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 83,184	\$ 83,184
Net difference between projected and actual earnings on pension plan investments	420,812	108,565	529,377
Changes in employer's proportionate percentage/ difference between employer contributions	23,261	-	23,261
Total deferred inflows of resources	<u>\$ 444,073</u>	<u>\$ 191,749</u>	<u>\$ 635,822</u>

\$36,123 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2019.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2019	\$ 111,486	\$ 229,849	\$ 341,335
2020	111,486	229,849	341,335
2021	(85,358)	229,849	144,491
2022	(105,202)	229,849	124,647
2023	-	256,989	256,989
Thereafter	-	472,860	472,860
Total	\$ 32,412	\$ 1,649,245	\$ 1,681,657

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

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

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$ 7,504,925	\$ 5,648,989	\$ 4,147,555

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 5,404,878	\$ 5,648,989	\$ 5,901,149

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income*	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	120.00 %	

Note: Assumptions are geometric.

*levered 2x

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

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - The total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$ 20,616,493	\$ 16,493,029	\$ 13,320,215

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
Year					
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 12,812,086	\$ 16,493,029	\$ 21,453,708

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS

A. Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service. Current policy credits vacation leave on January 1 of each year for all full time employees. Vacation accumulation may not exceed one week at year end except for 1) firefighters who can carry-over two weeks, and 2) special approval by the department head for additional time to be carried over. Any unused excess is eliminated from the employee's leave balance. In case of death, termination, lay-off, or retirement, an employee (or their estate) is paid for his unused vacation to a maximum of the one week carry-over from the previous year plus any current year accrual which depends on number of years of service. Employees with a minimum of 12 to 15 years of service (depending on the bargaining unit) may "bank" any amount of unused vacation leave, up to a maximum accumulation of 108 to 120 days to be paid upon retirement except for 1) firefighters with more than 10 years can bank up to 912 hours at retirement, 2) non-bargaining workers who can bank up to 90 days at retirement and 3) AFSCME workers who can bank up to 75 days at retirement.

Sick leave is earned for all full time employees at the rate of 4.6 hours per 80 hours, except for firefighters working 24 hour shifts earn 8.3 hours per 80 hours. Employees, at the time of retirement, are paid for up to 480-1,200 hours of unused sick leave (depending on bargaining unit).

Employees also receive a tenure payment of 14.4 hours (or 1.8 days) - 17.3 hours up to various maximum amounts (depending on bargaining unit) for each year of service with the City.

B. Life Insurance

The City provides a life insurance benefit for retired employees based on the negotiated rate in force at the time of their retirement. There is no retiree life insurance coverage provided for any police or fire personnel who retire on or after December 31, 2013, nor AFSCME employees who retire on or after December 31, 2014. The cost of retirees' life insurance is recognized as an expenditure/expense when the insurance premiums are paid.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues and other sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures and other uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
3. In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
4. Investments are reported at fair value (GAAP basis) rather than cost (budget basis);
5. 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; and,
6. Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for the general fund.

Net Change in Fund Balance

	<u>General</u>
Budget basis	\$ 86,124
Net adjustment for revenue accruals	(28,575)
Net adjustment for expenditure accruals	418,526
Net adjustment for other financing sources (uses)	(1,009,250)
Funds budgeted elsewhere	(453,701)
Adjustment for encumbrances	<u>226,328</u>
GAAP basis	<u>\$ (760,548)</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the fire prevention and education fund, income tax fund, general liability loss fund and emergency reserve fund.

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 16 - RELATED ORGANIZATIONS

A. Barberton Community Development Corporation

The City participates in the Barberton Community Development Corporation (the “Corporation”). The City appoints a voting majority of the governing board of the Corporation; however, the City cannot influence the Corporation’s operation nor does the Corporation represent a potential financial benefit for or burden to the City.

B. Barberton Community Foundation

The City participates in the Barberton Community Foundation (the “Foundation”). The City initially appointed a voting majority of the Foundation. The City Council has limited veto abilities over subsequent nominees to the Foundation Board and therefore has limited influence on the Foundation’s operation. In 2018, the City received \$51,393 in grants from the Foundation.

NOTE 17 - JOINTLY GOVERNED ORGANIZATION

The Southwest Summit Council of Governments (the “Council”) was formed to share services, promote cooperative arrangements and coordinate action among its members in matters relating to public safety dispatch operations. The Council may also, at its discretion, promote cooperative agreements and contracts among its members or other governmental agencies and private persons, corporations, or agencies. Member entities include the City of Barberton, City of Norton and Copley Township. The Council’s affairs are managed by a governing board which consists of one representative from each member entity.

NOTE 18 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous 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 effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2018.

B. Litigation

The City of Barberton is a party to legal proceedings. 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.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 19 - FUND BALANCE

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

Fund balance	General	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Prepayments	\$ 77,799	\$ 12,083	\$ 89,882
Total nonspendable	<u>77,799</u>	<u>12,083</u>	<u>89,882</u>
Restricted:			
Capital projects	-	812,520	812,520
Street construction, maintenance and repair	-	772,642	772,642
Court	-	3,583,042	3,583,042
Recreation	-	1,453	1,453
Community development and improvement	-	168,566	168,566
Law enforcement	-	605,729	605,729
Police and fire pension	-	14,391	14,391
Fire capital	-	21,186	21,186
Miscellaneous grants	-	33,949	33,949
Total restricted	<u>-</u>	<u>6,013,478</u>	<u>6,013,478</u>
Committed:			
Insurance premiums	101,595	-	101,595
Street construction, maintenance and repair	-	15,378	15,378
Recreation	-	72,066	72,066
Law enforcement	-	17,260	17,260
Community development and improvement	-	241,869	241,869
Animal control	-	8,950	8,950
Capital projects	-	950,979	950,979
General obligation debt service	-	26,504	26,504
Total committed	<u>101,595</u>	<u>1,333,006</u>	<u>1,434,601</u>

-Continued

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 19 - FUND BALANCE - (Continued)

Fund balance (continued)	General	Nonmajor Governmental Funds	Total Governmental Funds
Assigned:			
Police operations	16,364	-	16,364
Fire operations	22,712	-	22,712
Street construction, maintenance and repair	1,200	-	1,200
Parks and recreation	16,083	-	16,083
Community development and improvement	80,340	-	80,340
Capital expenditures	1,210	-	1,210
Other purposes	<u>68,650</u>	-	<u>68,650</u>
Total assigned	<u>206,559</u>	-	<u>206,559</u>
Unassigned (deficit)	<u>2,796,367</u>	<u>(37,458)</u>	<u>2,758,909</u>
Total fund balances	<u>\$ 3,182,320</u>	<u>\$ 7,321,109</u>	<u>\$ 10,503,429</u>

NOTE 20 - OTHER COMMITMENTS

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the City's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 206,559
Nonmajor governmental funds	<u>637,417</u>
Total	<u>\$ 843,976</u>

NOTE 21 - SUBSEQUENT EVENTS

On April 17, 2019, the City issued bond anticipation notes in the amount of \$1,540,000 for road repairs and improvements, \$400,000 for radio metering system equipment and \$600,000 for storm water drainage facilities. The notes mature April 16, 2020 with interest at 3%.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BARBERTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/NET PENSION ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST FIVE YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>					
City's proportion of the net pension liability	0.052361%	0.052009%	0.052637%	0.053172%	0.053172%
City's proportionate share of the net pension liability	\$ 8,214,426	\$ 11,810,359	\$ 9,117,392	\$ 6,413,136	\$ 6,268,286
City's covered payroll	\$ 6,815,085	\$ 6,677,283	\$ 6,116,500	\$ 6,547,517	\$ 6,862,777
City's proportionate share of the net pension liability as a percentage of its covered payroll	120.53%	176.87%	149.06%	97.95%	91.34%
Plan fiduciary net position as a percentage of the total pension liability	84.66%	77.25%	81.08%	86.45%	86.36%
<i>Combined Plan:</i>					
City's proportion of the net pension asset	0.081970%	0.082197%	0.102640%	0.100251%	0.100251%
City's proportionate share of the net pension asset	\$ 111,588	\$ 45,748	\$ 49,946	\$ 38,599	\$ 10,519
City's covered payroll	\$ 335,708	\$ 319,958	\$ 353,008	\$ 366,458	\$ 325,369
City's proportionate share of the net pension asset as a percentage of its covered payroll	33.24%	14.30%	14.15%	10.53%	3.23%
Plan fiduciary net position as a percentage of the total pension asset	137.28%	116.55%	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>					
City's proportion of the net pension asset	0.020626%	0.016732%	0.011559%	n/a	n/a
City's proportionate share of the net pension asset	\$ 720	\$ 70	\$ 44	n/a	n/a
City's covered payroll	\$ 108,090	\$ 68,758	\$ 64,375	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.67%	0.10%	0.07%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	124.46%	103.40%	103.91%	n/a	n/a

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BARBERTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
OHIO POLICE AND FIRE (OP&F) PENSION FUND**

LAST FIVE YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.29109500%	0.28498600%	0.29257800%	0.28618560%	0.28618560%
City's proportionate share of the net pension liability	\$ 17,865,818	\$ 18,050,757	\$ 18,821,741	\$ 14,825,607	\$ 13,938,137
City's covered payroll	\$ 6,215,125	\$ 6,102,045	\$ 5,842,665	\$ 5,619,508	\$ 5,515,942
City's proportionate share of the net pension liability as a percentage of its covered payroll	287.46%	295.81%	322.14%	263.82%	252.69%
Plan fiduciary net position as a percentage of the total pension liability	70.91%	68.36%	66.77%	72.20%	73.00%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BARBERTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 992,966	\$ 885,961	\$ 801,274	\$ 733,980
Contributions in relation to the contractually required contribution	<u>(992,966)</u>	<u>(885,961)</u>	<u>(801,274)</u>	<u>(733,980)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 7,092,614	\$ 6,815,085	\$ 6,677,283	\$ 6,116,500
Contributions as a percentage of covered payroll	14.00%	13.00%	12.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 46,170	\$ 43,642	\$ 38,395	\$ 42,361
Contributions in relation to the contractually required contribution	<u>(46,170)</u>	<u>(43,642)</u>	<u>(38,395)</u>	<u>(42,361)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 329,786	\$ 335,708	\$ 319,958	\$ 353,008
Contributions as a percentage of covered payroll	14.00%	13.00%	12.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 10,104	\$ 10,809	\$ 8,251	\$ 7,725
Contributions in relation to the contractually required contribution	<u>(10,104)</u>	<u>(10,809)</u>	<u>(8,251)</u>	<u>(7,725)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 101,040	\$ 108,090	\$ 68,758	\$ 64,375
Contributions as a percentage of covered payroll	10.00%	10.00%	12.00%	12.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 785,702	\$ 892,161	\$ 674,967	\$ 670,020	\$ 682,128	\$ 673,853
<u>(785,702)</u>	<u>(892,161)</u>	<u>(674,967)</u>	<u>(670,020)</u>	<u>(682,128)</u>	<u>(673,853)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,547,517	\$ 6,862,777	\$ 6,749,670	\$ 6,700,200	\$ 7,647,175	\$ 8,288,475
12.00%	13.00%	10.00%	10.00%	8.92%	8.13%
\$ 43,975	\$ 42,298	\$ 23,378	\$ 19,127	\$ 23,677	
<u>(43,975)</u>	<u>(42,298)</u>	<u>(23,378)</u>	<u>(19,127)</u>	<u>(23,677)</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 366,458	\$ 325,369	\$ 294,063	\$ 240,591	\$ 244,345	
12.00%	13.00%	7.95%	7.95%	9.69%	

CITY OF BARBERTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>Police:</i>				
Contractually required contribution	\$ 553,063	\$ 550,486	\$ 544,230	\$ 524,819
Contributions in relation to the contractually required contribution	<u>(553,063)</u>	<u>(550,486)</u>	<u>(544,230)</u>	<u>(524,819)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,910,858	\$ 2,897,295	\$ 2,864,368	\$ 2,762,205
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 823,815	\$ 779,690	\$ 760,854	\$ 723,908
Contributions in relation to the contractually required contribution	<u>(823,815)</u>	<u>(779,690)</u>	<u>(760,854)</u>	<u>(723,908)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,505,596	\$ 3,317,830	\$ 3,237,677	\$ 3,080,460
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 490,915	\$ 421,155	\$ 316,159	\$ 313,634	\$ 340,343	\$ 360,242
<u>(490,915)</u>	<u>(421,155)</u>	<u>(316,159)</u>	<u>(313,634)</u>	<u>(340,343)</u>	<u>(360,242)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,583,763	\$ 2,651,553	\$ 2,479,678	\$ 2,459,875	\$ 2,669,357	\$ 2,825,427
19.00%	15.88%	12.75%	12.75%	12.75%	12.75%
\$ 713,400	\$ 583,858	\$ 496,300	\$ 478,711	\$ 511,488	\$ 518,567
<u>(713,400)</u>	<u>(583,858)</u>	<u>(496,300)</u>	<u>(478,711)</u>	<u>(511,488)</u>	<u>(518,567)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,035,745	\$ 2,864,389	\$ 2,877,101	\$ 2,775,136	\$ 2,965,148	\$ 3,006,186
23.50%	20.38%	17.25%	17.25%	17.25%	17.25%

CITY OF BARBERTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

LAST TWO YEARS

	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.052020%	0.051411%
City's proportionate share of the net OPEB liability	\$ 5,648,989	\$ 5,192,683
City's covered payroll	\$ 7,258,883	\$ 7,065,999
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	77.82%	73.49%
Plan fiduciary net position as a percentage of the total OPEB liability	54.14%	54.05%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BARBERTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
OHIO POLICE AND FIRE (OP&F) PENSION FUND**

LAST TWO YEARS

	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.29109500%	0.28498600%
City's proportionate share of the net OPEB liability	\$ 16,493,029	\$ 13,527,645
City's covered payroll	\$ 6,215,125	\$ 6,102,045
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	265.37%	221.69%
Plan fiduciary net position as a percentage of the total OPEB liability	14.13%	15.96%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BARBERTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 4,041	\$ 75,831	\$ 143,854	\$ 138,280
Contributions in relation to the contractually required contribution	<u>(4,041)</u>	<u>(75,831)</u>	<u>(143,854)</u>	<u>(138,280)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 7,523,440	\$ 7,258,883	\$ 7,065,999	\$ 6,533,883
Contributions as a percentage of covered payroll	0.05%	1.04%	2.04%	2.12%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 137,413	\$ 71,881	\$ 287,777	\$ 282,563	\$ 399,420	\$ 492,781
<u>(137,413)</u>	<u>(71,881)</u>	<u>(287,777)</u>	<u>(282,563)</u>	<u>(399,420)</u>	<u>(492,781)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,913,975	\$ 7,188,146	\$ 7,043,733	\$ 6,940,791	\$ 7,891,520	\$ 8,288,475
1.99%	1.00%	4.09%	4.07%	5.06%	5.95%

CITY OF BARBERTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>Police:</i>				
Contractually required contribution	\$ 14,554	\$ 14,486	\$ 14,322	\$ 14,184
Contributions in relation to the contractually required contribution	<u>(14,554)</u>	<u>(14,486)</u>	<u>(14,322)</u>	<u>(14,184)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,910,858	\$ 2,897,295	\$ 2,864,368	\$ 2,762,205
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 17,528	\$ 16,589	\$ 16,188	\$ 15,402
Contributions in relation to the contractually required contribution	<u>(17,528)</u>	<u>(16,589)</u>	<u>(16,188)</u>	<u>(15,402)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,505,596	\$ 3,317,830	\$ 3,237,677	\$ 3,080,460
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 12,918	\$ 82,934	\$ 167,379	\$ 166,041	\$ 180,182	\$ 190,716
<u>(12,918)</u>	<u>(82,934)</u>	<u>(167,379)</u>	<u>(166,041)</u>	<u>(180,182)</u>	<u>(190,716)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,583,763	\$ 2,651,553	\$ 2,479,678	\$ 2,459,875	\$ 2,669,357	\$ 2,825,427
0.50%	3.62%	6.75%	6.75%	6.75%	6.75%
\$ 15,091	\$ 89,595	\$ 194,205	\$ 187,322	\$ 200,148	\$ 202,918
<u>(15,091)</u>	<u>(89,595)</u>	<u>(194,205)</u>	<u>(187,322)</u>	<u>(200,148)</u>	<u>(202,918)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,035,745	\$ 2,864,389	\$ 2,877,101	\$ 2,775,136	\$ 2,965,148	\$ 3,006,186
0.50%	3.62%	6.75%	6.75%	6.75%	6.75%

CITY OF BARBERTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

GENERAL FUND

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

Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis):

Income Tax Fund

This fund accounts for the collection of and fees associated with the 2.25% municipal income tax.

General Liability Loss Fund

This fund accounts for monies received from the income tax fund for the purpose of paying the costs of public liability claims.

Emergency Reserve Fund

This fund accounts for monies received from the income tax fund for the purpose of providing for the consistent delivery of public services in the case of a downturn in the City's economy.

Fire Prevention and Education Fund

This fund accounts for donations and other revenues that are expected to be used for special projects for the fire department.

NONMAJOR SPECIAL REVENUE FUNDS

The special revenue funds are used to account for all specific financial resources (other than major capital projects) that are legally restricted for specified expenditure purposes. The following are the special revenue funds which the City operates:

Street Construction, Maintenance and Repair Fund

This fund accounts for the portion of state gasoline tax and motor vehicle registration fees designated for the maintenance of the streets within the City.

State Highway Improvement Fund

This fund accounts for the portion of the state gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.

Permissive License Tax Fund

This fund accounts for local vehicle license fees designated for the maintenance of streets in the City.

Residential Street Fund

This fund was established by City Council to ensure that monies are being allocated for street resurfacing needs throughout the City.

Fire Capital Levy Fund

This fund accounts for property tax collections received through a tax levy. Expenditures are for operations and capital expenditures of the fire department.

Animal Control Fund

This fund accounts for fines assessed to animal owners for failing to keep their animals properly constrained. Expenditures are devoted solely to furthering animal control purposes within the City.

Probation Services Fund

This fund accounts for probation fees and expenditures related to placing offenders under a community control sanction.

Court Computer Fund

This fund accounts for additional court fees designated for the computerization of the municipal court.

Court Special Projects Capital Fund

This fund accounts for revenues collected from the municipal court to be used on various capital improvement projects of the municipal court.

Indigent Drivers Alcohol Treatment Fund

This fund accounts for fees and fines to be used as payment of the cost of attendance at an alcohol and drug addiction treatment program.

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Sports Complex Operating Fund

This fund accounts for the revenue and expenditures associated with operating and maintaining a sports complex along with managing the various athletic leagues that use the facility.

Parks Recreation Improvement Fund

This fund accounts for proceeds from the sale of park land in Tuscora Park to Barberton Citizens Hospital. These monies are required to be used in making improvements to the parks throughout the City.

Gas and Oil Royalty Fund

This fund accounts for royalty money received from gas wells located on City property. These revenues are used for economic development within the City.

D.A.R.E. Program Fund

This fund accounts for monies received from various sources to be used for the continuance of the Drug Abuse Resistance Education Program in the City's schools.

Mandatory Drug Fines Fund

This fund accounts for fines received by the City that are restricted under the Ohio Revised Code to subsidize law enforcement efforts that pertain to drug offenses.

Local Law Enforcement Trust Fund

This fund accounts for grant monies received from the U.S. Department of Justice to be used for specific law enforcement purposes and proceeds from the sale of contraband that are restricted to subsidize law enforcement efforts.

Parks Revolving Loan Fund

This fund accounts for parks and recreation user fees utilized for parks and recreation activities.

Sidewalk Improvement Program Fund

This fund accounts for the monies used to subsidize the cost of replacing existing sidewalks for homeowners within the City.

City Grant Fund

This fund was established by City Council to account for various grant receipts.

Federal Emergency Management Agency (FEMA) Fund

This fund accounts for the federal portion of grant monies received from the Federal Emergency Management Agency through the State of Ohio Emergency Management Agency Public Assistance Disaster Recovery Grant Program.

Rental Registration Program Fund

This fund accounts for the registration and license fees collected from the Rental Registration Program to be used exclusively for the improvement of the housing infrastructure and administration within the City.

Community Development Block Grant Fund (CDBG)

This fund accounts for monies received from the federal government under the Community Development Block Grant Program which are restricted for City-wide development projects such as the Neighborhood Conservation Services and Barberton Community Development Corporation.

Tax Increment Financing Fund

This fund accounts for the annual collection of service payments in lieu of taxes distributed to the City with respect to improvements on downtown property which are declared to be a public purpose.

Project Impact Fund

This fund accounts for grant monies and donations received from the Barberton Community Foundation to raze hazardous structures.

Beautification Fund

This fund accounts for donations restricted for floral beautification projects within the City.

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Senior Center Trust Fund

This fund accounts for the monies received and expended for Senior Center Operations.

Fire Pension Fund

This fund accounts for property taxes levied and other monies for the payment of the accrued liability for fire disability and pension benefits.

Police Pension Fund

This fund accounts for property taxes levied and other monies for the payment of the accrued liability for police disability and pension benefits.

Court Special Projects Operating Fund

This fund accounts for revenues collected from the municipal court to be used on various special projects of the municipal court.

Computer Legal Research Fund

This fund accounts for court fees used to make available computerized legal research services for the municipal court.

Business Incentive Program Fund

This fund accounts for monies used to assist in economic development; attracting new businesses to the City and the expansion of current businesses.

Vacant Property Registration Fund

This fund accounts for monies from fees and charges to property owners used for the regulation and maintenance of properties which are in the foreclosure process, abandoned or vacant.

NONMAJOR DEBT SERVICE FUND

The debt service funds are used to account for the accumulation of resources and the payments of general obligation and special assessment principal, interest, and related costs.

General Obligation Bond Retirement Fund

This fund accounts for the resources that are used for the payment of principal, interest, and other fiscal charges on general obligation debt.

NONMAJOR CAPITAL PROJECTS FUNDS

The capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary fund types. Following is a description of the capital project funds:

Infrastructure Improvement Reserve Fund

This fund accounts for monies received from the income tax fund which are restricted for the purpose of funding infrastructure improvements identified in the City's Five-Year Capital Improvements Plan.

Street Capital Improvement Fund

This fund accounts for revenue from a 0.25% income tax levy which is restricted for road and street improvements.

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Property and other taxes	\$ 839,247	\$ 841,978	\$ 850,403	\$ 8,425
Municipal income taxes.	10,855,693	10,891,000	11,000,000	109,000
Charges for services.	1,402,838	1,407,400	1,421,486	14,086
Licenses and permits	581,511	583,402	589,241	5,839
Fines and forfeitures	73,412	73,651	74,388	737
Intergovernmental	1,142,534	1,146,250	1,157,722	11,472
Special assessments.	37,311	37,432	37,807	375
Investment income	345,370	346,493	349,961	3,468
Other	1,196,919	1,200,812	1,212,830	12,018
Total revenues.	16,474,835	16,528,418	16,693,838	165,420
Expenditures:				
Current:				
General government				
City council				
Personal services.	205,956	206,456	204,288	2,168
Operating.	10,209	11,209	10,735	474
Municipal court judges				
Personal services.	483,420	483,420	468,670	14,750
Operating.	17,240	17,240	16,281	959
Clerk of court				
Personal services.	762,589	762,589	728,983	33,606
Operating.	87,027	87,027	76,508	10,519
Mayor				
Personal services.	58,055	58,055	53,739	4,316
Operating.	9,745	11,145	10,656	489
Service director				
Personal services.	25,454	25,954	25,683	271
Operating.	289,271	324,271	280,285	43,986
Civil service commission				
Personal services.	10,400	10,400	9,460	940
Operating.	10,501	10,501	9,697	804
Finance department				
Personal services.	318,849	321,349	318,865	2,484
Operating.	88,472	88,472	80,169	8,303
Law department				
Personal services.	422,431	422,431	388,797	33,634
Operating.	150,372	162,372	137,431	24,941
Safety director				
Personal services.	41,551	44,051	43,494	557
Operating.	930,228	930,228	892,033	38,195
Human resources				
Personal services.	19,655	19,655	16,310	3,345
Operating.	60,965	60,965	58,314	2,651
Information systems				
Personal services.	47,650	47,650	45,964	1,686
Operating.	109,759	109,759	93,931	15,828

Continued

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Municipal buildings				
Personal services.	\$ 83,849	\$ 83,849	\$ 81,850	\$ 1,999
Operating.	166,192	176,192	168,582	7,610
Probation				
Personal services.	207,450	230,450	227,726	2,724
Operating.	8,512	8,512	5,278	3,234
Other				
Personal services.	32,000	44,000	40,126	3,874
Operating.	304,119	307,119	305,804	1,315
Total general government.	<u>4,961,921</u>	<u>5,065,321</u>	<u>4,799,659</u>	<u>265,662</u>
Public safety				
Police department				
Personal services.	5,144,199	5,144,199	5,009,368	134,831
Operating.	514,876	538,876	500,323	38,553
Fire department				
Personal services.	5,336,465	5,456,465	5,391,595	64,870
Operating.	342,923	342,923	333,119	9,804
Total public safety	<u>11,338,463</u>	<u>11,482,463</u>	<u>11,234,405</u>	<u>248,058</u>
Transportation				
Paint/signal				
Personal services.	97,582	103,582	100,224	3,358
Operating.	39,640	39,640	22,489	17,151
Total transportation.	<u>137,222</u>	<u>143,222</u>	<u>122,713</u>	<u>20,509</u>
Leisure time activities				
Parks administration				
Personal services.	243,883	249,883	246,628	3,255
Operating.	24,129	24,129	19,783	4,346
Senior center				
Personal services.	32,973	35,573	34,123	1,450
Operating.	34,462	34,462	34,036	426
Recreation programs				
Personal services.	15,637	31,637	15,444	16,193
Operating.	10,650	10,650	10,511	139
Parks maintenance				
Personal services.	402,011	402,011	339,105	62,906
Operating.	101,913	101,913	78,520	23,393
Total leisure time activities	<u>865,658</u>	<u>890,258</u>	<u>778,150</u>	<u>112,108</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community environment				
Building inspection				
Personal services.	\$ 235,769	\$ 235,769	\$ 219,990	\$ 15,779
Operating.	51,242	54,242	46,517	7,725
Planning				
Personal services.	146,861	146,861	160,078	(13,217)
Operating.	182,603	183,453	181,585	1,868
Total community environment	<u>616,475</u>	<u>620,325</u>	<u>608,170</u>	<u>12,155</u>
Capital outlay				
Finance department.	7,583	7,583	7,583	-
Human resources.	170	170	-	170
Planning	4,538	4,538	30,971	(26,433)
Total capital outlay	<u>12,291</u>	<u>12,291</u>	<u>38,554</u>	<u>(26,263)</u>
Debt service:				
Principal retirement.	34,552	34,552	34,549	3
Interest and fiscal charges	767	767	764	3
Total debt service	<u>35,319</u>	<u>35,319</u>	<u>35,313</u>	<u>6</u>
Total expenditures.	<u>17,967,349</u>	<u>18,249,199</u>	<u>17,616,964</u>	<u>632,235</u>
Excess of expenditures over revenues.	<u>(1,492,514)</u>	<u>(1,720,781)</u>	<u>(923,126)</u>	<u>797,655</u>
Other financing sources:				
Transfers in	996,010	999,249	1,009,250	10,001
Total other financing sources	<u>996,010</u>	<u>999,249</u>	<u>1,009,250</u>	<u>10,001</u>
Net change in fund balance	(496,504)	(721,532)	86,124	807,656
Fund balance at beginning of year.	2,059,821	2,059,821	2,059,821	-
Prior year encumbrances appropriated	176,205	176,205	176,205	-
Fund balance at end of year	<u>\$ 1,739,522</u>	<u>\$ 1,514,494</u>	<u>\$ 2,322,150</u>	<u>\$ 807,656</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INCOME TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Municipal income taxes	\$ 568,505	\$ 568,505	\$ 472,322	\$ (96,183)
Intergovernmental	671,495	671,495	595,341	(76,154)
Total revenues.	<u>1,240,000</u>	<u>1,240,000</u>	<u>1,067,663</u>	<u>(172,337)</u>
Expenditures:				
Current:				
General government				
Operating	293,000	293,000	269,761	23,239
Total expenditures.	<u>293,000</u>	<u>293,000</u>	<u>269,761</u>	<u>23,239</u>
Excess of revenues over expenditures	<u>947,000</u>	<u>947,000</u>	<u>797,902</u>	<u>(149,098)</u>
Other financing uses:				
Transfers out	(365,000)	(465,000)	(465,000)	-
Total other financing uses	<u>(365,000)</u>	<u>(465,000)</u>	<u>(465,000)</u>	<u>-</u>
Net change in fund balance.	582,000	482,000	332,902	(149,098)
Fund balance at beginning of year	<u>1,028</u>	<u>1,028</u>	<u>1,028</u>	<u>-</u>
Fund balance at end of year	<u>\$ 583,028</u>	<u>\$ 483,028</u>	<u>\$ 333,930</u>	<u>\$ (149,098)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL LIABILITY LOSS FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General government				
Operating	\$ 4,243	\$ 4,243	\$ -	\$ 4,243
Total expenditures	<u>4,243</u>	<u>4,243</u>	<u>-</u>	<u>4,243</u>
Excess of expenditures over revenues	<u>(4,243)</u>	<u>(4,243)</u>	<u>-</u>	<u>4,243</u>
Other financing sources:				
Transfers in.	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Total other financing sources.	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Net change in fund balance.	35,757	35,757	-	(35,757)
Fund balance at beginning of year	97,352	97,352	97,352	-
Prior year encumbrances appropriated . . .	<u>4,243</u>	<u>4,243</u>	<u>4,243</u>	<u>-</u>
Fund balance at end of year	<u>\$ 137,352</u>	<u>\$ 137,352</u>	<u>\$ 101,595</u>	<u>\$ (35,757)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 14,326	\$ 14,326
Total revenues	<u>-</u>	<u>-</u>	<u>14,326</u>	<u>14,326</u>
Expenditures:				
Current:				
Community environment				
Operating	-	950	929	21
Total expenditures	<u>-</u>	<u>950</u>	<u>929</u>	<u>21</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(950)</u>	<u>13,397</u>	<u>14,347</u>
Other financing sources (uses):				
Transfers in	-	-	200,000	200,000
Transfers out	(800,000)	(800,000)	(800,000)	-
Total other financing sources (uses)	<u>(800,000)</u>	<u>(800,000)</u>	<u>(600,000)</u>	<u>200,000</u>
Net change in fund balance	(800,000)	(800,950)	(586,603)	214,347
Fund balance at beginning of year	<u>821,457</u>	<u>821,457</u>	<u>821,457</u>	<u>-</u>
Fund balance at end of year	<u>\$ 21,457</u>	<u>\$ 20,507</u>	<u>\$ 234,854</u>	<u>\$ 214,347</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE PREVENTION AND EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 510	\$ 510	\$ -	\$ (510)
Total revenues	<u>510</u>	<u>510</u>	<u>-</u>	<u>(510)</u>
Net change in fund balance	510	510	-	(510)
Fund balance at beginning of year	<u>2,982</u>	<u>2,982</u>	<u>2,982</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,492</u>	<u>\$ 3,492</u>	<u>\$ 2,982</u>	<u>\$ (510)</u>

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments.	\$ 5,480,264	\$ 26,504	\$ 1,705,764	\$ 7,212,532
Receivables:				
Property taxes.	424,791	-	-	424,791
Income taxes	-	-	149,026	149,026
Accounts	79,516	-	-	79,516
Intergovernmental	595,256	-	-	595,256
Prepayments	12,083	-	-	12,083
Total assets	<u>\$ 6,591,910</u>	<u>\$ 26,504</u>	<u>\$ 1,854,790</u>	<u>\$ 8,473,204</u>
Liabilities:				
Accounts payable	\$ 82,271	\$ -	\$ -	\$ 82,271
Contracts payable	48,280	-	62,100	110,380
Accrued wages and benefits payable.	23,626	-	-	23,626
Intergovernmental payable.	5,297	-	-	5,297
Due to other funds	133,484	-	-	133,484
Total liabilities	<u>292,958</u>	<u>-</u>	<u>62,100</u>	<u>355,058</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	391,031	-	-	391,031
Delinquent property tax revenue not available.	33,760	-	-	33,760
Income tax revenue not available	-	-	29,191	29,191
Intergovernmental revenue not available	343,055	-	-	343,055
Total deferred inflows of resources	<u>767,846</u>	<u>-</u>	<u>29,191</u>	<u>797,037</u>
Fund balances:				
Nonspendable	12,083	-	-	12,083
Restricted.	5,200,958	-	812,520	6,013,478
Committed	355,523	26,504	950,979	1,333,006
Unassigned (deficit)	(37,458)	-	-	(37,458)
Total fund balances	<u>5,531,106</u>	<u>26,504</u>	<u>1,763,499</u>	<u>7,321,109</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,591,910</u>	<u>\$ 26,504</u>	<u>\$ 1,854,790</u>	<u>\$ 8,473,204</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other taxes	\$ 391,552	\$ -	\$ -	\$ 391,552
Municipal income taxes.	-	-	1,432,982	1,432,982
Charges for services	246,032	-	-	246,032
Fines and forfeitures	1,017,470	-	-	1,017,470
Intergovernmental	2,912,978	-	517,033	3,430,011
Special assessments	3,659	-	-	3,659
Investment income	10,739	-	13,403	24,142
Contributions and donations	35,489	-	-	35,489
Other	355,629	-	-	355,629
Total revenues	4,973,548	-	1,963,418	6,936,966
Expenditures:				
Current:				
General government	842,257	-	-	842,257
Public safety	259,880	-	-	259,880
Transportation	1,526,047	-	-	1,526,047
Community environment.	1,194,264	-	-	1,194,264
Leisure time activities	337,165	-	-	337,165
Capital outlay.	1,057,871	-	1,106,889	2,164,760
Debt service:				
Principal retirement.	319,953	-	1,245,000	1,564,953
Interest and fiscal charges	42,369	-	63,234	105,603
Debt issuance costs.	-	13,193	1,067	14,260
Total expenditures	5,579,806	13,193	2,416,190	8,009,189
Excess of expenditures over revenues.	(606,258)	(13,193)	(452,772)	(1,072,223)
Other financing sources (uses):				
Notes issued	-	-	985,000	985,000
Premium on notes and bonds.	-	13,531	-	13,531
Sale of assets.	10,934	-	-	10,934
Capital lease transaction	305,624	-	-	305,624
Transfers in.	487,400	-	-	487,400
Transfers out	-	-	(122,400)	(122,400)
Total other financing sources (uses)	803,958	13,531	862,600	1,680,089
Net change in fund balances	197,700	338	409,828	607,866
Fund balances at beginning of year	5,333,406	26,166	1,353,671	6,713,243
Fund balances at end of year	\$ 5,531,106	\$ 26,504	\$ 1,763,499	\$ 7,321,109

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2018*

	Street Construction Maintenance and Repair	State Highway Improvement	Permissive License Tax	Residential Street
Assets:				
Equity in pooled cash and investments.	\$ 233,030	\$ 24,572	\$ 398,127	\$ 15,378
Receivables (net of allowances for uncollectibles):				
Property taxes.	-	-	-	-
Accounts	-	-	11,582	-
Intergovernmental.	337,635	27,376	-	-
Prepayments	11,928	-	-	-
Total assets	<u>\$ 582,593</u>	<u>\$ 51,948</u>	<u>\$ 409,709</u>	<u>\$ 15,378</u>
Liabilities:				
Accounts payable	\$ 43,761	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits payable.	17,844	-	-	-
Intergovernmental payable.	3,770	57	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>65,375</u>	<u>57</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Intergovernmental revenue not available.	224,811	18,228	-	-
Total deferred inflows of resources	<u>224,811</u>	<u>18,228</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	11,928	-	-	-
Restricted.	280,479	33,663	409,709	-
Committed	-	-	-	15,378
Unassigned (deficit)	-	-	-	-
Total fund balances (deficits).	<u>292,407</u>	<u>33,663</u>	<u>409,709</u>	<u>15,378</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 582,593</u>	<u>\$ 51,948</u>	<u>\$ 409,709</u>	<u>\$ 15,378</u>

Fire Capital Levy	Animal Control	Probation Services	Court Special Projects Operating	Court Computer	Court Special Project
\$ 21,186	\$ 8,950	\$ 456,786	\$ 254,600	\$ 451,921	\$ 2,254,444
233,919	-	-	-	-	-
-	-	6,318	35,887	7,483	14,877
17,045	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 272,150</u>	<u>\$ 8,950</u>	<u>\$ 463,104</u>	<u>\$ 290,487</u>	<u>\$ 459,404</u>	<u>\$ 2,269,321</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,764	\$ -
-	-	-	-	-	24,280
-	-	600	1,008	-	-
-	-	185	228	-	-
-	-	-	-	-	-
-	-	785	1,236	3,764	24,280
215,389	-	-	-	-	-
18,530	-	-	-	-	-
17,045	-	-	-	-	-
<u>250,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
21,186	-	462,319	289,251	455,640	2,245,041
-	8,950	-	-	-	-
-	-	-	-	-	-
<u>21,186</u>	<u>8,950</u>	<u>462,319</u>	<u>289,251</u>	<u>455,640</u>	<u>2,245,041</u>
<u>\$ 272,150</u>	<u>\$ 8,950</u>	<u>\$ 463,104</u>	<u>\$ 290,487</u>	<u>\$ 459,404</u>	<u>\$ 2,269,321</u>

-- Continued

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)
DECEMBER 31, 2018*

	Computer Legal Research	Indigent Drivers Alcohol Treatment	Sports Complex Operating	Parks Recreation Improvement
Assets:				
Equity in pooled cash and investments.	\$ 128,582	\$ 563,020	\$ 13,374	\$ 1,453
Receivables (net of allowances for uncollectibles):				
Property taxes.	-	-	-	-
Accounts	2,209	1,156	-	-
Intergovernmental.	-	-	-	-
Prepayments	-	-	-	-
Total assets	<u>\$ 130,791</u>	<u>\$ 564,176</u>	<u>\$ 13,374</u>	<u>\$ 1,453</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits payable.	-	-	-	-
Intergovernmental payable.	-	-	23	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>23</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Intergovernmental revenue not available.	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted.	130,791	564,176	-	1,453
Committed	-	-	13,351	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficits).	<u>130,791</u>	<u>564,176</u>	<u>13,351</u>	<u>1,453</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 130,791</u>	<u>\$ 564,176</u>	<u>\$ 13,374</u>	<u>\$ 1,453</u>

Gas and Oil Royalty	D.A.R.E. Program	Mandatory Drug Fines	Local Law Enforcement Trust	Parks Revolving Loan	Sidewalk Improvement Program
\$ 17,260	\$ 2,980	\$ 14,520	\$ 24,049	\$ 34,983	\$ 48,791
-	-	-	-	-	-
-	-	4	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 17,260</u>	<u>\$ 2,980</u>	<u>\$ 14,524</u>	<u>\$ 24,049</u>	<u>\$ 34,983</u>	<u>\$ 48,791</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	407	-
-	-	-	-	112	-
-	-	-	-	-	-
-	-	-	-	519	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,980	14,524	24,049	-	48,791
17,260	-	-	-	34,464	-
-	-	-	-	-	-
<u>17,260</u>	<u>2,980</u>	<u>14,524</u>	<u>24,049</u>	<u>34,464</u>	<u>48,791</u>
<u>\$ 17,260</u>	<u>\$ 2,980</u>	<u>\$ 14,524</u>	<u>\$ 24,049</u>	<u>\$ 34,983</u>	<u>\$ 48,791</u>

-- Continued

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)
DECEMBER 31, 2018*

	<u>City Grant</u>	<u>Rental Registration Program</u>	<u>Community Development Block Grant</u>	<u>Business Incentive Program</u>
Assets:				
Equity in pooled cash and investments.	\$ 57,949	\$ 106,658	\$ 3,834	\$ 45,250
Receivables (net of allowances for uncollectibles):				
Property taxes.	-	-	-	-
Accounts	-	-	-	-
Intergovernmental.	25,000	-	174,192	-
Prepayments	-	-	-	-
Total assets	<u>\$ 82,949</u>	<u>\$ 106,658</u>	<u>\$ 178,026</u>	<u>\$ 45,250</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 34,746	\$ -
Contracts payable	24,000	-	-	-
Accrued wages and benefits payable.	-	750	2,680	-
Intergovernmental payable.	-	171	611	-
Due to other funds	-	-	133,484	-
Total liabilities	<u>24,000</u>	<u>921</u>	<u>171,521</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Intergovernmental revenue not available.	25,000	-	43,963	-
Total deferred inflows of resources	<u>25,000</u>	<u>-</u>	<u>43,963</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted.	33,949	-	-	-
Committed	-	105,737	-	45,250
Unassigned (deficit)	-	-	(37,458)	-
Total fund balances (deficits).	<u>33,949</u>	<u>105,737</u>	<u>(37,458)</u>	<u>45,250</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 82,949</u>	<u>\$ 106,658</u>	<u>\$ 178,026</u>	<u>\$ 45,250</u>

Tax Increment Financing	Vacation Property Registration	Project Impact	Beautification	Senior Center Trust	Fire Pension
\$ 47,043	\$ 90,890	\$ 37,782	\$ 84,138	\$ 24,323	\$ 5,205
-	-	-	-	-	95,436
-	-	-	-	-	-
-	-	-	-	-	7,004
-	-	-	-	155	-
<u>\$ 47,043</u>	<u>\$ 90,890</u>	<u>\$ 37,782</u>	<u>\$ 84,138</u>	<u>\$ 24,478</u>	<u>\$ 107,645</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	283	54	-
-	8	-	114	18	-
-	-	-	-	-	-
-	8	-	397	72	-
-	-	-	-	-	87,821
-	-	-	-	-	7,615
-	-	-	-	-	7,004
-	-	-	-	-	102,440
-	-	-	-	155	-
47,043	-	37,782	83,741	-	5,205
-	90,882	-	-	24,251	-
-	-	-	-	-	-
<u>47,043</u>	<u>90,882</u>	<u>37,782</u>	<u>83,741</u>	<u>24,406</u>	<u>5,205</u>
<u>\$ 47,043</u>	<u>\$ 90,890</u>	<u>\$ 37,782</u>	<u>\$ 84,138</u>	<u>\$ 24,478</u>	<u>\$ 107,645</u>

- - Continued

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)
DECEMBER 31, 2018*

	Police Pension	Total Nonmajor Special Revenue Funds
Assets:		
Equity in pooled cash and investments.	\$ 9,186	\$ 5,480,264
Receivables (net of allowances for uncollectibles):		
Property taxes.	95,436	424,791
Accounts	-	79,516
Intergovernmental.	7,004	595,256
Prepayments	-	12,083
	<hr/>	<hr/>
Total assets	<u>\$ 111,626</u>	<u>\$ 6,591,910</u>
 Liabilities:		
Accounts payable	\$ -	\$ 82,271
Contracts payable	-	48,280
Accrued wages and benefits payable.	-	23,626
Intergovernmental payable.	-	5,297
Due to other funds	-	133,484
	<hr/>	<hr/>
Total liabilities	-	292,958
 Deferred inflows of resources:		
Property taxes levied for the next fiscal year.	87,821	391,031
Delinquent property tax revenue not available	7,615	33,760
Intergovernmental revenue not available.	7,004	343,055
	<hr/>	<hr/>
Total deferred inflows of resources	102,440	767,846
 Fund balances:		
Nonspendable	-	12,083
Restricted.	9,186	5,200,958
Committed	-	355,523
Unassigned (deficit)	-	(37,458)
Total fund balances (deficits).	<hr/> 9,186	<hr/> 5,531,106
 Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 111,626</u>	<u>\$ 6,591,910</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Street Construction Maintenance and Repair	State Highway Improvement	Permissive License Tax	Residential Street
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	864,879	56,330	180,748	-
Special assessments	-	-	-	1,743
Investment income	5,608	158	4,501	-
Contributions and donations	-	-	-	-
Other	16,668	1,028	-	-
Total revenues	887,155	57,516	185,249	1,743
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	1,464,902	42,235	18,910	-
Community environment.	-	-	-	-
Leisure time activities	-	-	-	-
Capital outlay.	305,624	-	-	-
Debt service:				
Principal retirement.	94,898	-	-	-
Interest and fiscal charges.	2,099	-	-	-
Total expenditures	1,867,523	42,235	18,910	-
Excess (deficiency) of revenues over (under) expenditures	(980,368)	15,281	166,339	1,743
Other financing sources (uses):				
Capital lease transaction.	305,624	-	-	-
Sale of assets.	-	-	-	-
Transfers in	472,400	-	-	-
Total other financing sources (uses)	778,024	-	-	-
Net change in fund balances.	(202,344)	15,281	166,339	1,743
Fund balances (deficit) at beginning of year	494,751	18,382	243,370	13,635
Fund balances (deficit) at end of year	\$ 292,407	\$ 33,663	\$ 409,709	\$ 15,378

Fire Capital Levy	Animal Control	Probation Services	Court Special Projects Operating	Court Computer	Court Special Project
\$ 215,618	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	884	92,972	525,261	102,854	209,556
34,326	-	31,439	-	-	300,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	10,892	-	-
<u>249,944</u>	<u>884</u>	<u>124,411</u>	<u>536,153</u>	<u>102,854</u>	<u>509,556</u>
-	-	92,201	631,026	52,360	24,870
44,880	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
14,000	-	-	-	-	300,000
188,617	-	-	-	-	-
39,269	-	-	-	-	-
<u>286,766</u>	<u>-</u>	<u>92,201</u>	<u>631,026</u>	<u>52,360</u>	<u>324,870</u>
<u>(36,822)</u>	<u>884</u>	<u>32,210</u>	<u>(94,873)</u>	<u>50,494</u>	<u>184,686</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(36,822)</u>	<u>884</u>	<u>32,210</u>	<u>(94,873)</u>	<u>50,494</u>	<u>184,686</u>
<u>58,008</u>	<u>8,066</u>	<u>430,109</u>	<u>384,124</u>	<u>405,146</u>	<u>2,060,355</u>
<u>\$ 21,186</u>	<u>\$ 8,950</u>	<u>\$ 462,319</u>	<u>\$ 289,251</u>	<u>\$ 455,640</u>	<u>\$ 2,245,041</u>

-- Continued

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Computer Legal Research	Indigent Drivers Alcohol Treatment	Sports Complex Operating	Parks Recreation Improvement
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	61,330	-
Fines and forfeitures	30,207	54,926	-	-
Intergovernmental	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	23
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	30,207	54,926	61,330	23
Expenditures:				
Current:				
General government	9,813	27,985	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Community environment	-	-	-	-
Leisure time activities	-	-	70,030	2
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	9,813	27,985	70,030	2
Excess (deficiency) of revenues over (under) expenditures	20,394	26,941	(8,700)	21
Other financing sources (uses):				
Capital lease transaction	-	-	-	-
Sale of assets	-	-	-	-
Transfers in	-	-	10,000	-
Total other financing sources (uses)	-	-	10,000	-
Net change in fund balances	20,394	26,941	1,300	21
Fund balances (deficit) at beginning of year	110,397	537,235	12,051	1,432
Fund balances (deficit) at end of year	\$ 130,791	\$ 564,176	\$ 13,351	\$ 1,453

Gas and Oil Royalty	D.A.R.E. Program	Mandatory Drug Fines	Local Law Enforcement Trust	Parks Revolving Loan	Sidewalk Improvement Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	42,601	-
-	-	810	-	-	-
-	-	-	-	38,371	-
-	-	-	-	-	1,916
-	-	-	-	-	-
-	-	-	-	27,906	-
1,750	-	-	1,136	16,631	1,072
1,750	-	810	1,136	125,509	2,988
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	99,317	-
-	-	-	-	58,794	-
-	-	-	29,792	-	-
-	-	-	818	-	-
-	-	-	30,610	158,111	-
1,750	-	810	(29,474)	(32,602)	2,988
-	-	-	-	-	-
-	-	-	10,934	-	-
-	-	-	-	-	-
-	-	-	10,934	-	-
1,750	-	810	(18,540)	(32,602)	2,988
15,510	2,980	13,714	42,589	67,066	45,803
\$ 17,260	\$ 2,980	\$ 14,524	\$ 24,049	\$ 34,464	\$ 48,791

-- Continued

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>City Grant</u>	<u>FEMA</u>	<u>Rental Registration Program</u>	<u>Community Development Block Grant</u>
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	83,665	-
Fines and forfeitures	-	-	-	-
Intergovernmental	182,697	359,453	-	766,124
Special assessments	-	-	-	-
Investment income	-	-	-	-
Contributions and donations	-	-	-	-
Other	-	-	-	122,929
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	182,697	359,453	83,665	889,053
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	15,000	-	-	-
Transportation	-	-	-	-
Community environment	135,615	-	59,402	898,713
Leisure time activities	-	-	-	-
Capital outlay	20,000	359,453	-	-
Debt service:				
Principal retirement	-	-	-	6,646
Interest and fiscal charges	-	-	-	183
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	170,615	359,453	59,402	905,542
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	12,082	-	24,263	(16,489)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses):				
Capital lease transaction	-	-	-	-
Sale of assets	-	-	-	-
Transfers in	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	12,082	-	24,263	(16,489)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at beginning of year	21,867	-	81,474	(20,969)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at end of year	<u>\$ 33,949</u>	<u>\$ -</u>	<u>\$ 105,737</u>	<u>\$ (37,458)</u>

Business Incentive Program	Tax Increment Financing	Vacant Property Registration	Project Impact	Beautification	Senior Center Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	33,550	-	-	24,886
-	-	-	-	-	-
-	69,765	-	-	-	-
-	-	-	-	-	449
-	-	-	-	-	7,583
-	822	3,826	50,000	128,494	381
-	70,587	37,376	50,000	128,494	33,299
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	65,197	12,541	22,796	-	-
-	-	-	-	134,879	32,937
-	-	-	-	-	-
-	-	-	-	-	-
-	65,197	12,541	22,796	134,879	32,937
-	5,390	24,835	27,204	(6,385)	362
-	-	-	-	-	-
-	-	-	-	5,000	-
-	-	-	-	5,000	-
-	5,390	24,835	27,204	(1,385)	362
45,250	41,653	66,047	10,578	85,126	24,044
<u>\$ 45,250</u>	<u>\$ 47,043</u>	<u>\$ 90,882</u>	<u>\$ 37,782</u>	<u>\$ 83,741</u>	<u>\$ 24,406</u>

-- Continued

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Fire Pension	Police Pension	Total Nonmajor Special Revenue Funds
Revenues:			
Property and other taxes	\$ 87,967	\$ 87,967	\$ 391,552
Charges for services	-	-	246,032
Fines and forfeitures	-	-	1,017,470
Intergovernmental	14,245	14,601	2,912,978
Special assessments	-	-	3,659
Investment income	-	-	10,739
Contributions and donations	-	-	35,489
Other	-	-	355,629
	<hr/>	<hr/>	<hr/>
Total revenues	102,212	102,568	4,973,548
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
General government	2,001	2,001	842,257
Public safety	100,000	100,000	259,880
Transportation	-	-	1,526,047
Community environment.	-	-	1,194,264
Leisure time activities	-	-	337,165
Capital outlay.	-	-	1,057,871
Debt service:			
Principal retirement.	-	-	319,953
Interest and fiscal charges.	-	-	42,369
	<hr/>	<hr/>	<hr/>
Total expenditures	102,001	102,001	5,579,806
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	211	567	(606,258)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Capital lease transaction.	-	-	305,624
Sale of assets.	-	-	10,934
Transfers in	-	-	487,400
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	803,958
	<hr/>	<hr/>	<hr/>
Net change in fund balances.	211	567	197,700
	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at beginning of year	4,994	8,619	5,333,406
	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at end of year	\$ 5,205	\$ 9,186	\$ 5,531,106
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 1,153,857	\$ 1,153,857	\$ 865,746	\$ (288,111)
Investment income	5,336	5,336	5,608	272
Other	16,007	16,007	16,668	661
Total revenues.	<u>1,175,200</u>	<u>1,175,200</u>	<u>888,022</u>	<u>(287,178)</u>
Expenditures:				
Current:				
Transportation				
Personal services	962,199	962,199	944,930	17,269
Operating	481,813	481,813	561,302	(79,489)
Debt service:				
Principal retirement	94,900	94,900	94,898	2
Interest and fiscal charges	2,100	2,100	2,099	1
Total expenditures	<u>1,541,012</u>	<u>1,541,012</u>	<u>1,603,229</u>	<u>(62,217)</u>
Excess of expenditures over revenues	<u>(365,812)</u>	<u>(365,812)</u>	<u>(715,207)</u>	<u>(349,395)</u>
Other financing sources:				
Transfers in.	472,400	472,400	472,400	-
Total other financing sources.	<u>472,400</u>	<u>472,400</u>	<u>472,400</u>	<u>-</u>
Net change in fund balance.	106,588	106,588	(242,807)	(349,395)
Fund balance at beginning of year	333,453	333,453	333,453	-
Prior year encumbrances appropriated . . .	<u>53,279</u>	<u>53,279</u>	<u>53,279</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 493,320</u>	<u>\$ 493,320</u>	<u>\$ 143,925</u>	<u>\$ (349,395)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE HIGHWAY IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 55,400	\$ 55,400	\$ 56,400	\$ 1,000
Investment income	700	700	158	(542)
Other	-	-	1,028	1,028
Total revenues.	<u>56,100</u>	<u>56,100</u>	<u>57,586</u>	<u>1,486</u>
Expenditures:				
Current:				
Transportation				
Personal services	57,550	57,550	42,050	15,500
Operating	<u>10</u>	<u>10</u>	<u>9</u>	<u>1</u>
Total expenditures.	<u>57,560</u>	<u>57,560</u>	<u>42,059</u>	<u>15,501</u>
Net change in fund balance	(1,460)	(1,460)	15,527	16,987
Fund balance at beginning of year.	<u>7,573</u>	<u>7,573</u>	<u>7,573</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,113</u>	<u>\$ 6,113</u>	<u>\$ 23,100</u>	<u>\$ 16,987</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMISSIVE LICENSE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental.	\$ 151,200	\$ 151,200	\$ 169,166	\$ 17,966
Investment income	1,800	1,800	4,501	2,701
Total revenues.	<u>153,000</u>	<u>153,000</u>	<u>173,667</u>	<u>20,667</u>
Expenditures:				
Current:				
Transportation				
Operating.	18,900	19,400	18,910	490
Capital outlay	100,000	100,000	-	100,000
Debt service:				
Principal retirement.	13,804	13,804	-	13,804
Interest and fiscal charges.	<u>618</u>	<u>618</u>	<u>-</u>	<u>618</u>
Total expenditures.	<u>133,322</u>	<u>133,822</u>	<u>18,910</u>	<u>114,912</u>
Net change in fund balance	19,678	19,178	154,757	135,579
Fund balance at beginning of year.	<u>243,370</u>	<u>243,370</u>	<u>243,370</u>	<u>-</u>
Fund balance at end of year	<u>\$ 263,048</u>	<u>\$ 262,548</u>	<u>\$ 398,127</u>	<u>\$ 135,579</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RESIDENTIAL STREET FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 7,650	\$ 7,650	\$ 1,743	\$ (5,907)
Total revenues	7,650	7,650	1,743	(5,907)
Expenditures:				
Current:				
Transportation				
Operating	2,682	2,682	2,682	-
Total expenditures	2,682	2,682	2,682	-
Net change in fund balance.	4,968	4,968	(939)	(5,907)
Fund balance at beginning of year	10,953	10,953	10,953	-
Prior year encumbrances appropriated . . .	2,682	2,682	2,682	-
Fund balance at end of year	\$ 18,603	\$ 18,603	\$ 12,696	\$ (5,907)

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE CAPITAL LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other taxes	\$ 203,194	\$ 203,570	\$ 215,618	\$ 12,048
Intergovernmental.	45,840	45,840	34,326	(11,514)
Total revenues	<u>249,034</u>	<u>249,410</u>	<u>249,944</u>	<u>534</u>
Expenditures:				
Current:				
Public safety				
Operating	44,858	58,883	44,880	14,003
Capital outlay	-	-	14,000	(14,000)
Debt service:				
Principal retirement	188,620	188,620	188,617	3
Interest and fiscal charges	<u>39,307</u>	<u>39,307</u>	<u>39,269</u>	<u>38</u>
Total expenditures	<u>272,785</u>	<u>286,810</u>	<u>286,766</u>	<u>44</u>
Net change in fund balance	(23,751)	(37,400)	(36,822)	578
Fund balance at beginning of year.	18,050	18,050	18,050	-
Prior year encumbrances appropriated	<u>39,958</u>	<u>39,958</u>	<u>39,958</u>	<u>-</u>
Fund balance at end of year	<u>\$ 34,257</u>	<u>\$ 20,608</u>	<u>\$ 21,186</u>	<u>\$ 578</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ANIMAL CONTROL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures.	\$ 1,020	\$ 1,020	\$ 884	\$ (136)
Total revenues.	<u>1,020</u>	<u>1,020</u>	<u>884</u>	<u>(136)</u>
Expenditures:				
Current:				
Public safety				
Operating.	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total expenditures.	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Net change in fund balance	(1,980)	(1,980)	884	2,864
Fund balance at beginning of year.	<u>8,066</u>	<u>8,066</u>	<u>8,066</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,086</u>	<u>\$ 6,086</u>	<u>\$ 8,950</u>	<u>\$ 2,864</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PROBATION SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 105,000	\$ 105,000	\$ 92,487	\$ (12,513)
Intergovernmental.	73,500	73,500	31,439	(42,061)
Total revenues	<u>178,500</u>	<u>178,500</u>	<u>123,926</u>	<u>(54,574)</u>
Expenditures:				
Current:				
General government				
Personal services	105,324	105,324	73,576	31,748
Operating	<u>63,000</u>	<u>63,000</u>	<u>22,000</u>	<u>41,000</u>
Total expenditures.	<u>168,324</u>	<u>168,324</u>	<u>95,576</u>	<u>72,748</u>
Net change in fund balance	10,176	10,176	28,350	18,174
Fund balance at beginning of year.	<u>423,854</u>	<u>423,854</u>	<u>423,854</u>	<u>-</u>
Fund balance at end of year	<u>\$ 434,030</u>	<u>\$ 434,030</u>	<u>\$ 452,204</u>	<u>\$ 18,174</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURT COMPUTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 122,400	\$ 122,400	\$ 102,516	\$ (19,884)
Total revenues	<u>122,400</u>	<u>122,400</u>	<u>102,516</u>	<u>(19,884)</u>
Expenditures:				
Current:				
General government				
Operating	332,361	332,361	68,590	263,771
Total expenditures.	<u>332,361</u>	<u>332,361</u>	<u>68,590</u>	<u>263,771</u>
Net change in fund balance	(209,961)	(209,961)	33,926	243,887
Fund balance at beginning of year.	396,149	396,149	396,149	-
Prior year encumbrances appropriated . . .	<u>7,161</u>	<u>7,161</u>	<u>7,161</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 193,349</u></u>	<u><u>\$ 193,349</u></u>	<u><u>\$ 437,236</u></u>	<u><u>\$ 243,887</u></u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURT SPECIAL PROJECTS CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 222,360	\$ 222,360	\$ 208,971	\$ (13,389)
Intergovernmental.	-	-	300,000	300,000
Total revenues	<u>222,360</u>	<u>222,360</u>	<u>508,971</u>	<u>286,611</u>
Expenditures:				
Current:				
General government				
Operating	1,000,000	1,000,000	28,470	971,530
Capital outlay	-	300,000	300,000	-
Total expenditures.	<u>1,000,000</u>	<u>1,300,000</u>	<u>328,470</u>	<u>971,530</u>
Net change in fund balance	(777,640)	(1,077,640)	180,501	1,258,141
Fund balance at beginning of year.	<u>2,046,063</u>	<u>2,046,063</u>	<u>2,046,063</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,268,423</u>	<u>\$ 968,423</u>	<u>\$ 2,226,564</u>	<u>\$ 1,258,141</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INDIGENT DRIVERS ALCOHOL TREATMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 71,400	\$ 71,400	\$ 55,600	\$ (15,800)
Total revenues	<u>71,400</u>	<u>71,400</u>	<u>55,600</u>	<u>(15,800)</u>
Expenditures:				
Current:				
General government				
Operating	<u>175,000</u>	<u>175,000</u>	<u>41,508</u>	<u>133,492</u>
Total expenditures	<u>175,000</u>	<u>175,000</u>	<u>41,508</u>	<u>133,492</u>
Net change in fund balance.	(103,600)	(103,600)	14,092	117,692
Fund balance at beginning of year	<u>535,405</u>	<u>535,405</u>	<u>535,405</u>	<u>-</u>
Fund balance at end of year	<u>\$ 431,805</u>	<u>\$ 431,805</u>	<u>\$ 549,497</u>	<u>\$ 117,692</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPORTS COMPLEX OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 53,750	\$ 53,750	\$ 61,330	\$ 7,580
Total revenues	<u>53,750</u>	<u>53,750</u>	<u>61,330</u>	<u>7,580</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services.	12,028	18,028	16,600	1,428
Operating.	<u>50,755</u>	<u>56,755</u>	<u>53,368</u>	<u>3,387</u>
Total expenditures	<u>62,783</u>	<u>74,783</u>	<u>69,968</u>	<u>4,815</u>
Excess of expenditures over revenues	<u>(9,033)</u>	<u>(21,033)</u>	<u>(8,638)</u>	<u>12,395</u>
Other financing sources:				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	-
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	-
Net change in fund balance	967	(11,033)	1,362	12,395
Fund balance at beginning of year	11,082	11,082	11,082	-
Prior year encumbrances appropriated	<u>505</u>	<u>505</u>	<u>505</u>	-
Fund balance at end of year	<u>\$ 12,554</u>	<u>\$ 554</u>	<u>\$ 12,949</u>	<u>\$ 12,395</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARKS RECREATION IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 1,020	\$ 1,020	\$ 23	\$ (997)
Total revenues	<u>1,020</u>	<u>1,020</u>	<u>23</u>	<u>(997)</u>
Expenditures:				
Current:				
Leisure time activities				
Operating	-	-	2	(2)
Total expenditures	<u>-</u>	<u>-</u>	<u>2</u>	<u>(2)</u>
Net change in fund balance	1,020	1,020	21	(999)
Fund balance at beginning of year	<u>1,432</u>	<u>1,432</u>	<u>1,432</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,452</u>	<u>\$ 2,452</u>	<u>\$ 1,453</u>	<u>\$ (999)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GAS AND OIL ROYALTY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 1,530	\$ 1,530	\$ 1,750	\$ 220
Total revenues	<u>1,530</u>	<u>1,530</u>	<u>1,750</u>	<u>220</u>
Net change in fund balance.	1,530	1,530	1,750	220
Fund balance at beginning of year	<u>15,510</u>	<u>15,510</u>	<u>15,510</u>	<u>-</u>
Fund balance at end of year	<u>\$ 17,040</u>	<u>\$ 17,040</u>	<u>\$ 17,260</u>	<u>\$ 220</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
D.A.R.E. PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 204	\$ 204	\$ -	\$ (204)
Total revenues	<u>204</u>	<u>204</u>	<u>-</u>	<u>(204)</u>
Net change in fund balance.	204	204	-	(204)
Fund balance at beginning of year	<u>2,980</u>	<u>2,980</u>	<u>2,980</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 3,184</u>	<u>\$ 3,184</u>	<u>\$ 2,980</u>	<u>\$ (204)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MANDATORY DRUG FINES FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 1,020	\$ 1,020	\$ 811	\$ (209)
Total revenues	<u>1,020</u>	<u>1,020</u>	<u>811</u>	<u>(209)</u>
Net change in fund balance.	1,020	1,020	811	(209)
Fund balance at beginning of year	<u>13,709</u>	<u>13,709</u>	<u>13,709</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 14,729</u>	<u>\$ 14,729</u>	<u>\$ 14,520</u>	<u>\$ (209)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LOCAL LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ -	\$ -	\$ 1,136	\$ 1,136
Total revenues	-	-	1,136	1,136
Expenditures:				
Debt service:				
Principal retirement.	29,794	29,794	29,792	2
Interest and fiscal charges.	821	821	818	3
Total expenditures.	30,615	30,615	30,610	5
Excess of expenditures over revenues.	(30,615)	(30,615)	(29,474)	1,141
Other financing sources (uses):				
Transfers out	-	(6,000)	(6,000)	-
Sale of assets	20,400	20,400	10,934	(9,466)
Total other financing sources (uses)	20,400	14,400	4,934	(9,466)
Net change in fund balance.	(10,215)	(16,215)	(24,540)	(8,325)
Fund balance at beginning of year	42,589	42,589	42,589	-
Fund balance at end of year.	\$ 32,374	\$ 26,374	\$ 18,049	\$ (8,325)

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARKS REVOLVING LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services.	\$ 48,000	\$ 48,000	\$ 42,601	\$ (5,399)
Intergovernmental.	21,100	21,100	38,371	17,271
Contributions and donations.	32,000	32,000	27,906	(4,094)
Other	31,500	31,500	16,631	(14,869)
Total revenues.	<u>132,600</u>	<u>132,600</u>	<u>125,509</u>	<u>(7,091)</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services	41,496	41,496	35,049	6,447
Operating	82,567	82,567	66,351	16,216
Capital outlay	70,000	70,000	58,794	11,206
Total expenditures.	<u>194,063</u>	<u>194,063</u>	<u>160,194</u>	<u>33,869</u>
Net change in fund balance	(61,463)	(61,463)	(34,685)	26,778
Fund balance at beginning of year.	62,509	62,509	62,509	-
Prior year encumbrances appropriated	4,067	4,067	4,067	-
Fund balance at end of year	<u>\$ 5,113</u>	<u>\$ 5,113</u>	<u>\$ 31,891</u>	<u>\$ 26,778</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SIDEWALK IMPROVEMENT PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessments.	\$ 28,560	\$ 28,560	\$ 1,916	\$ (26,644)
Other	-	-	1,072	1,072
Total revenues	<u>28,560</u>	<u>28,560</u>	<u>2,988</u>	<u>(25,572)</u>
Expenditures:				
Current:				
Transportation				
Capital outlay.	<u>15,000</u>	<u>15,000</u>	-	15,000
Total expenditures	<u>15,000</u>	<u>15,000</u>	-	15,000
Net change in fund balance.	13,560	13,560	2,988	(10,572)
Fund balance at beginning of year	<u>45,803</u>	<u>45,803</u>	<u>45,803</u>	<u>-</u>
Fund balance at end of year	<u>\$ 59,363</u>	<u>\$ 59,363</u>	<u>\$ 48,791</u>	<u>\$ (10,572)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 104,275	\$ 159,275	\$ 182,697	\$ 23,422
Total revenues.	<u>104,275</u>	<u>159,275</u>	<u>182,697</u>	<u>23,422</u>
Expenditures:				
Current:				
Public safety				
Operating	12,000	32,000	-	32,000
Community environment				
Operating	163,624	198,624	180,498	18,126
Capital outlay	-	-	20,000	(20,000)
Total expenditures	<u>175,624</u>	<u>230,624</u>	<u>200,498</u>	<u>30,126</u>
Excess of expenditures over revenues	<u>(71,349)</u>	<u>(71,349)</u>	<u>(17,801)</u>	<u>53,548</u>
Other financing sources:				
Transfers in.	6,000	6,000	6,000	-
Total other financing sources.	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Net change in fund balance.	(65,349)	(65,349)	(11,801)	53,548
Fund balance (deficit) at beginning of year .	(96,874)	(96,874)	(96,874)	-
Prior year encumbrances appropriated . . .	<u>163,624</u>	<u>163,624</u>	<u>163,624</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,401</u>	<u>\$ 1,401</u>	<u>\$ 54,949</u>	<u>\$ 53,548</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL EMERGENCY MANAGEMENT AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 359,453	\$ 359,453	\$ 359,453	\$ -
Total revenues	<u>359,453</u>	<u>359,453</u>	<u>359,453</u>	<u>-</u>
Expenditures:				
Capital outlay	\$ 359,453	\$ 359,453	\$ 359,453	\$ -
Total expenditures	<u>359,453</u>	<u>359,453</u>	<u>359,453</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance (deficit) at beginning of year .	(359,453)	(359,453)	(359,453)	-
Prior year encumbrances appropriated . . .	<u>359,453</u>	<u>359,453</u>	<u>359,453</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RENTAL REGISTRATION PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 61,200	\$ 61,200	\$ 83,665	\$ 22,465
Total revenues	<u>61,200</u>	<u>61,200</u>	<u>83,665</u>	<u>22,465</u>
Expenditures:				
Current:				
Community environment				
Personal services	55,661	55,661	54,800	861
Operating	<u>5,780</u>	<u>17,780</u>	<u>11,846</u>	<u>5,934</u>
Total expenditures	<u>61,441</u>	<u>73,441</u>	<u>66,646</u>	<u>6,795</u>
Net change in fund balance.	(241)	(12,241)	17,019	29,260
Fund balance at beginning of year	80,292	80,292	80,292	-
Prior year encumbrances appropriated . . .	<u>780</u>	<u>780</u>	<u>780</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 80,831</u>	<u>\$ 68,831</u>	<u>\$ 98,091</u>	<u>\$ 29,260</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG)
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 562,812	\$ 1,315,948	\$ 635,895	\$ (680,053)
Other	-	254,395	122,929	(131,466)
Total revenues	<u>562,812</u>	<u>1,570,343</u>	<u>758,824</u>	<u>(811,519)</u>
Expenditures:				
Current:				
Community environment				
Operating	<u>810,371</u>	<u>1,553,493</u>	<u>1,045,963</u>	<u>507,530</u>
Total expenditures	<u>810,371</u>	<u>1,553,493</u>	<u>1,045,963</u>	<u>507,530</u>
Net change in fund balance.	(247,559)	16,850	(287,139)	(303,989)
Fund balance (deficit) at beginning of year. .	(62,434)	(62,434)	(62,434)	-
Prior year encumbrances appropriated . . .	<u>45,584</u>	<u>45,584</u>	<u>45,584</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (264,409)</u>	<u>\$ -</u>	<u>\$ (303,989)</u>	<u>\$ (303,989)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TAX INCREMENT FINANCING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental.	\$ 76,500	\$ 76,500	\$ 70,587	\$ (5,913)
Total revenues.	<u>76,500</u>	<u>76,500</u>	<u>70,587</u>	<u>(5,913)</u>
Expenditures:				
Current:				
Community environment				
Operating.	76,350	100,850	91,697	9,153
Total expenditures	<u>76,350</u>	<u>100,850</u>	<u>91,697</u>	<u>9,153</u>
Net change in fund balance	150	(24,350)	(21,110)	3,240
Fund balance at beginning of year	<u>41,653</u>	<u>41,653</u>	<u>41,653</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 41,803</u>	<u>\$ 17,303</u>	<u>\$ 20,543</u>	<u>\$ 3,240</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PROJECT IMPACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Other	\$ 25,000	\$ 25,000	\$ 50,000	\$ 25,000
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>50,000</u>	<u>25,000</u>
Expenditures:				
Current:				
Community environment				
Operating	<u>41,773</u>	<u>41,773</u>	<u>41,773</u>	<u>-</u>
Total expenditures	<u>41,773</u>	<u>41,773</u>	<u>41,773</u>	<u>-</u>
Net change in fund balance.	(16,773)	(16,773)	8,227	25,000
Fund balance at beginning of year	10,578	10,578	10,578	-
Prior year encumbrances appropriated . . .	<u>16,773</u>	<u>16,773</u>	<u>16,773</u>	<u>-</u>
Fund balance at end of year	<u>\$ 10,578</u>	<u>\$ 10,578</u>	<u>\$ 35,578</u>	<u>\$ 25,000</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BEAUTIFICATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 117,300	\$ 117,300	\$ 128,494	\$ 11,194
Total revenues.	<u>117,300</u>	<u>117,300</u>	<u>128,494</u>	<u>11,194</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services	59,507	59,507	57,466	2,041
Operating	<u>82,069</u>	<u>82,069</u>	<u>79,973</u>	<u>2,096</u>
Total expenditures.	<u>141,576</u>	<u>141,576</u>	<u>137,439</u>	<u>4,137</u>
Excess of expenditures over revenues.	<u>(24,276)</u>	<u>(24,276)</u>	<u>(8,945)</u>	<u>15,331</u>
Other financing sources:				
Transfers in.	5,000	5,000	5,000	-
Total other financing sources.	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balance.	(19,276)	(19,276)	(3,945)	15,331
Fund balance at beginning of year	79,710	79,710	79,710	-
Prior year encumbrances appropriated	<u>4,369</u>	<u>4,369</u>	<u>4,369</u>	<u>-</u>
Fund balance at end of year	<u>\$ 64,803</u>	<u>\$ 64,803</u>	<u>\$ 80,134</u>	<u>\$ 15,331</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SENIOR CENTER TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 21,500	\$ 21,500	\$ 24,886	\$ 3,386
Investment income	100	100	449	349
Contributions and donations	8,700	8,700	7,583	(1,117)
Other	10,500	10,500	381	(10,119)
Total revenues.	<u>40,800</u>	<u>40,800</u>	<u>33,299</u>	<u>(7,501)</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services	9,622	9,622	6,308	3,314
Operating	30,588	30,588	27,261	3,327
Capital outlay	5,000	5,000	-	5,000
Total expenditures	<u>45,210</u>	<u>45,210</u>	<u>33,569</u>	<u>11,641</u>
Net change in fund balance.	(4,410)	(4,410)	(270)	4,140
Fund balance at beginning of year	22,647	22,647	22,647	-
Prior year encumbrances appropriated . . .	1,203	1,203	1,203	-
Fund balance at end of year	<u>\$ 19,440</u>	<u>\$ 19,440</u>	<u>\$ 23,580</u>	<u>\$ 4,140</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE PENSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<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.	\$ 87,528	\$ 87,680	\$ 87,967	\$ 287
Intergovernmental	14,174	14,174	14,245	71
Total revenues	<u>101,702</u>	<u>101,854</u>	<u>102,212</u>	<u>358</u>
Expenditures:				
Current:				
General government				
Operating	2,000	2,005	2,001	4
Public safety				
Personal services.	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total expenditures	<u>102,000</u>	<u>102,005</u>	<u>102,001</u>	<u>4</u>
Net change in fund balance.	(298)	(151)	211	362
Fund balance at beginning of year	<u>4,994</u>	<u>4,994</u>	<u>4,994</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,696</u>	<u>\$ 4,843</u>	<u>\$ 5,205</u>	<u>\$ 362</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE PENSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<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.	\$ 87,224	\$ 87,680	\$ 87,967	\$ 287
Intergovernmental	14,478	14,174	14,601	427
Total revenues	<u>101,702</u>	<u>101,854</u>	<u>102,568</u>	<u>714</u>
Expenditures:				
Current:				
General government				
Operating	2,000	2,005	2,001	4
Public safety				
Personal services.	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total expenditures	<u>102,000</u>	<u>102,005</u>	<u>102,001</u>	<u>4</u>
Net change in fund balance.	(298)	(151)	567	718
Fund balance at beginning of year	<u>8,619</u>	<u>8,619</u>	<u>8,619</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 8,321</u>	<u>\$ 8,468</u>	<u>\$ 9,186</u>	<u>\$ 718</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURT SPECIAL PROJECTS OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 612,000	\$ 612,000	\$ 526,056	\$ (85,944)
Other	-	-	10,892	10,892
Total revenues	<u>612,000</u>	<u>612,000</u>	<u>536,948</u>	<u>(75,052)</u>
Expenditures:				
Current:				
General government				
Personal services	88,250	88,250	71,002	17,248
Operating	<u>539,295</u>	<u>589,295</u>	<u>564,426</u>	<u>24,869</u>
Total expenditures.	<u>627,545</u>	<u>677,545</u>	<u>635,428</u>	<u>42,117</u>
Net change in fund balance	(15,545)	(65,545)	(98,480)	(32,935)
Fund balance at beginning of year.	327,119	327,119	327,119	-
Prior year encumbrances appropriated . . .	<u>19,795</u>	<u>19,795</u>	<u>19,795</u>	<u>-</u>
Fund balance at end of year	<u>\$ 331,369</u>	<u>\$ 281,369</u>	<u>\$ 248,434</u>	<u>\$ (32,935)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMPUTER LEGAL RESEARCH FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 31,620	\$ 31,620	\$ 30,122	\$ (1,498)
Total revenues	<u>31,620</u>	<u>31,620</u>	<u>30,122</u>	<u>(1,498)</u>
Expenditures:				
Current:				
General government				
Operating	30,575	30,575	10,802	19,773
Total expenditures.	<u>30,575</u>	<u>30,575</u>	<u>10,802</u>	<u>19,773</u>
Net change in fund balance	1,045	1,045	19,320	18,275
Fund balance at beginning of year.	107,698	107,698	107,698	-
Prior year encumbrances appropriated . . .	<u>575</u>	<u>575</u>	<u>575</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 109,318</u></u>	<u><u>\$ 109,318</u></u>	<u><u>\$ 127,593</u></u>	<u><u>\$ 18,275</u></u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUSINESS INCENTIVE PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 20,400	\$ 20,400	\$ -	\$ (20,400)
Total revenues.	<u>20,400</u>	<u>20,400</u>	<u>-</u>	<u>(20,400)</u>
Expenditures:				
Current:				
Community environment				
Operating.	31,000	31,000	-	\$ 31,000
Total expenditures.	<u>31,000</u>	<u>31,000</u>	<u>-</u>	<u>31,000</u>
Net change in fund balance	(10,600)	(10,600)	-	10,600
Fund balance at beginning of year.	<u>45,250</u>	<u>45,250</u>	<u>45,250</u>	<u>-</u>
Fund balance at end of year	<u>\$ 34,650</u>	<u>\$ 34,650</u>	<u>\$ 45,250</u>	<u>\$ 10,600</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VACANT PROPERTY REGISTRATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 20,400	\$ 20,400	\$ 33,550	\$ 13,150
Other	-	-	3,826	3,826
Total revenues	<u>20,400</u>	<u>20,400</u>	<u>37,376</u>	<u>16,976</u>
Expenditures:				
Current:				
Community environment				
Personal services	12,106	12,106	12,777	(671)
Operating	<u>3,500</u>	<u>3,500</u>	<u>60</u>	<u>3,440</u>
Total expenditures.	<u>15,606</u>	<u>15,606</u>	<u>12,837</u>	<u>2,769</u>
Net change in fund balance	4,794	4,794	24,539	19,745
Fund balance at beginning of year.	<u>66,193</u>	<u>66,193</u>	<u>66,193</u>	<u>-</u>
Fund balance at end of year	<u>\$ 70,987</u>	<u>\$ 70,987</u>	<u>\$ 90,732</u>	<u>\$ 19,745</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL OBLIGATION BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Debt service:				
Debt issuance costs.	\$ 5,000	\$ 13,200	\$ 13,193	\$ 7
Total expenditures	<u>5,000</u>	<u>13,200</u>	<u>13,193</u>	<u>7</u>
Excess of expenditures over revenues	<u>(5,000)</u>	<u>(13,200)</u>	<u>(13,193)</u>	<u>7</u>
Other financing sources:				
Premium on debt issuance	-	-	13,531	13,531
Total other financing sources.	<u>-</u>	<u>-</u>	<u>13,531</u>	<u>13,531</u>
Net change in fund balance	(5,000)	(13,200)	338	13,538
Fund balance at beginning of year	<u>26,166</u>	<u>26,166</u>	<u>26,166</u>	<u>-</u>
Fund balance at end of year	<u>\$ 21,166</u>	<u>\$ 12,966</u>	<u>\$ 26,504</u>	<u>\$ 13,538</u>

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2018*

	Infrastructure Improvement Reserve	Street Capital Improvement	Total Nonmajor Capital Projects Funds
Assets:			
Equity in pooled cash and investments	\$ 950,979	\$ 754,785	\$ 1,705,764
Receivables:			
Income taxes	-	149,026	149,026
Total assets.	<u>\$ 950,979</u>	<u>\$ 903,811</u>	<u>\$ 1,854,790</u>
Liabilities:			
Contracts payable	<u>\$ -</u>	<u>\$ 62,100</u>	<u>\$ 62,100</u>
Total liabilities	<u>-</u>	<u>62,100</u>	<u>62,100</u>
Deferred inflows of resources:			
Income tax revenue not available.	<u>-</u>	<u>29,191</u>	<u>29,191</u>
Total deferred inflows of resources.	<u>-</u>	<u>29,191</u>	<u>29,191</u>
Fund balances:			
Restricted.	-	812,520	812,520
Committed	950,979	-	950,979
Total fund balances	<u>950,979</u>	<u>812,520</u>	<u>1,763,499</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 950,979</u>	<u>\$ 903,811</u>	<u>\$ 1,854,790</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Infrastructure Improvement Reserve	Street Capital Improvement	Total Nonmajor Capital Projects Funds
Revenues:			
Municipal income taxes	\$ -	\$ 1,432,982	\$ 1,432,982
Intergovernmental	499,840	17,193	\$ 517,033
Investment income	13,403	-	13,403
	<hr/>	<hr/>	<hr/>
Total revenues	513,243	1,450,175	1,963,418
	<hr/>	<hr/>	<hr/>
Expenditures:			
Capital outlay	208,588	898,301	1,106,889
Debt service:			
Principal retirement	-	1,245,000	1,245,000
Interest and fiscal charges	-	63,234	63,234
Debt issuance costs	-	1,067	1,067
	<hr/>	<hr/>	<hr/>
Total expenditures	208,588	2,207,602	2,416,190
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures.	304,655	(757,427)	(452,772)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Note issuance	-	985,000	985,000
Transfers out	(122,400)	-	(122,400)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(122,400)	985,000	862,600
	<hr/>	<hr/>	<hr/>
Net change in fund balances.	182,255	227,573	409,828
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	768,724	584,947	1,353,671
	<hr/>	<hr/>	<hr/>
Fund balances at end of year.	\$ 950,979	\$ 812,520	\$ 1,763,499
	<hr/>	<hr/>	<hr/>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INFRASTRUCTURE IMPROVEMENT RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 101,020	\$ 101,020	\$ 499,840	\$ 398,820
Investment income	-	-	13,403	13,403
Total revenues.	<u>101,020</u>	<u>101,020</u>	<u>513,243</u>	<u>412,223</u>
Expenditures:				
Capital outlay:				
Operating	1,251	2,151	2,116	35
Capital outlay	1,910	208,385	208,382	3
Total expenditures.	<u>3,161</u>	<u>210,536</u>	<u>210,498</u>	<u>38</u>
Excess (deficiency) of revenues over (under) expenditures	<u>97,859</u>	<u>(109,516)</u>	<u>302,745</u>	<u>412,261</u>
Other financing uses:				
Transfers out	(400,000)	(522,400)	(522,400)	-
Total other financing uses	<u>(400,000)</u>	<u>(522,400)</u>	<u>(522,400)</u>	<u>-</u>
Net change in fund balance.	(302,141)	(631,916)	(219,655)	412,261
Fund balance at beginning of year	765,563	765,563	765,563	-
Prior year encumbrances appropriated . . .	<u>3,161</u>	<u>3,161</u>	<u>3,161</u>	<u>-</u>
Fund balance at end of year	<u>\$ 466,583</u>	<u>\$ 136,808</u>	<u>\$ 549,069</u>	<u>\$ 412,261</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET CAPITAL IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 1,364,000	\$ 1,364,000	\$ 1,435,720	\$ 71,720
Intergovernmental.	-	-	17,193	17,193
Total revenues.	<u>1,364,000</u>	<u>1,364,000</u>	<u>1,452,913</u>	<u>88,913</u>
Expenditures:				
Capital outlay:				
Operating	35,000	35,000	32,550	2,450
Capital outlay	1,422,810	1,422,810	1,312,603	110,207
Debt service:				
Principal retirement.	1,800,000	1,800,000	1,800,000	-
Interest and fiscal charges.	69,340	69,340	69,011	329
Debt issuance costs	12,000	12,000	1,067	10,933
Total expenditures.	<u>3,339,150</u>	<u>3,339,150</u>	<u>3,215,231</u>	<u>123,919</u>
Excess of expenditures over revenues.	<u>(1,975,150)</u>	<u>(1,975,150)</u>	<u>(1,762,318)</u>	<u>212,832</u>
Other financing sources:				
Note issuance	985,000	985,000	985,000	-
Total other financing sources	<u>985,000</u>	<u>985,000</u>	<u>985,000</u>	<u>-</u>
Net change in fund balance.	(990,150)	(990,150)	(777,318)	212,832
Fund balance at beginning of year	532,502	532,502	532,502	-
Prior year encumbrances appropriated	<u>577,810</u>	<u>577,810</u>	<u>577,810</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 120,162</u>	<u>\$ 120,162</u>	<u>\$ 332,994</u>	<u>\$ 212,832</u>

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - PROPRIETARY FUNDS*

ENTERPRISE FUNDS

To account for the financing of costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis that are financed or recovered primarily through user charges.

Major Enterprise Funds

Water Fund

This fund accounts for revenues generated from the charges for the treatment and provision of water to the residents and commercial users of the City.

Sewer Fund

This fund accounts for the sanitary sewer services provided to the residents and commercial users of the City. The costs of providing these services are financed primarily through user charges.

Solid Waste Fund

This fund accounts for refuse and recycling collection services provided to residential users within the City.

Nonmajor Enterprise Fund

Storm Water Fund

This fund accounts for the storm drainage runoff services provided to the residents and commercial users of the City. The costs of providing these services are financed primarily through user charges.

INTERNAL SERVICE FUNDS

To account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Health Insurance Fund

This fund accounts for the costs of medical benefits provided to the City's employees.

Internal Allocation Fund

This fund accounts for the cost of postage and gasoline used by City departments and outside sources.

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Operating revenues:				
Charges for services	\$ 6,501,460	\$ 6,501,460	\$ 6,214,726	\$ (286,734)
Other	25,000	25,000	60,835	35,835
Total revenues	<u>6,526,460</u>	<u>6,526,460</u>	<u>6,275,561</u>	<u>(250,899)</u>
Operating expenses:				
Personal services	3,076,399	3,076,399	2,980,183	96,216
Contractual services	763,724	763,724	704,177	59,547
Materials and supplies	1,446,221	1,446,221	1,325,120	121,101
Other	20,250	20,250	23,571	(3,321)
Capital outlay	2,583,862	3,263,862	3,205,272	58,590
Total expenses	<u>7,890,456</u>	<u>8,570,456</u>	<u>8,238,323</u>	<u>332,133</u>
Operating loss	<u>(1,363,996)</u>	<u>(2,043,996)</u>	<u>(1,962,762)</u>	<u>81,234</u>
Nonoperating revenues (expenses):				
Special assessments	30,000	30,000	23,215	(6,785)
Loan issuance	-	-	834,217	834,217
Debt service:				
Principal retirement	(879,303)	(879,303)	(801,065)	78,238
Interest and fiscal charges	(235,705)	(235,705)	(206,700)	29,005
Debt issuance costs	-	(1,070)	(1,066)	4
Total nonoperating revenues (expenses)	<u>(1,085,008)</u>	<u>(1,086,078)</u>	<u>(151,399)</u>	<u>934,679</u>
Net change in fund equity	(2,449,004)	(3,130,074)	(2,114,161)	1,015,913
Fund equity at beginning of year	4,997,173	4,997,173	4,997,173	-
Prior year encumbrances appropriated	<u>2,107,446</u>	<u>2,107,446</u>	<u>2,107,446</u>	<u>-</u>
Fund equity at end of year	<u>\$ 4,655,615</u>	<u>\$ 3,974,545</u>	<u>\$ 4,990,458</u>	<u>\$ 1,015,913</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY- BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 4,903,200	\$ 4,903,200	\$ 5,075,267	\$ 172,067
Other	-	-	37,134	37,134
Total revenues	4,903,200	4,903,200	5,112,401	209,201
Operating expenses:				
Personal services	2,577,626	2,577,626	2,479,084	98,542
Contractual services	953,391	985,082	952,835	32,247
Materials and supplies	1,052,028	1,089,792	986,992	102,800
Other	14,300	14,845	9,992	4,853
Capital outlay	8,462,259	8,462,259	4,717,898	3,744,361
Total expenses	13,059,604	13,129,604	9,146,801	3,982,803
Operating loss	(8,156,404)	(8,226,404)	(4,034,400)	4,192,004
Nonoperating revenues (expenses):				
Special assessments	60,000	60,000	43,282	(16,718)
Note issuance	400,000	400,000	400,000	-
Loan issuance	6,789,157	6,789,157	3,906,343	(2,882,814)
Debt service:				
Principal retirement	(999,033)	(1,145,533)	(1,114,506)	31,027
Interest and fiscal charges	(187,535)	(215,035)	(210,570)	4,465
Debt issuance costs	-	(6,000)	(1,067)	4,933
Total nonoperating revenues (expenses)	6,062,589	5,882,589	3,023,482	(2,859,107)
Net loss before capital contributions	(2,093,815)	(2,343,815)	(1,010,918)	1,332,897
Capital contributions	1,212,620	1,212,620	4,061	(1,208,559)
Net change in fund equity	(881,195)	(1,131,195)	(1,006,857)	124,338
Fund equity at beginning of year	1,161,991	1,161,991	1,161,991	-
Prior year encumbrances appropriated	835,111	835,111	835,111	-
Fund equity at end of year	\$ 1,115,907	\$ 865,907	\$ 990,245	\$ 124,338

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SOLID WASTE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 1,938,000	\$ 1,938,000	\$ 2,133,531	\$ 195,531
Other.	-	-	2,162	2,162
Total revenues	<u>1,938,000</u>	<u>1,938,000</u>	<u>2,135,693</u>	<u>197,693</u>
Operating expenses:				
Personal services.	148,060	148,060	143,914	4,146
Contractual services	2,120,641	2,120,641	2,063,957	56,684
Materials and supplies	20,830	20,830	12,684	8,146
Capital outlay	1,500	1,500	1,032	468
Total expenses	<u>2,291,031</u>	<u>2,291,031</u>	<u>2,221,587</u>	<u>69,444</u>
Operating loss	<u>(353,031)</u>	<u>(353,031)</u>	<u>(85,894)</u>	<u>267,137</u>
Nonoperating revenues:				
Special assessments	-	-	10,908	10,908
Total nonoperating revenues.	<u>-</u>	<u>-</u>	<u>10,908</u>	<u>10,908</u>
Net change in fund equity	(353,031)	(353,031)	(74,986)	278,045
Fund equity at beginning of year.	2,255,315	2,255,315	2,255,315	-
Prior year encumbrances appropriated . . .	<u>147,971</u>	<u>147,971</u>	<u>147,971</u>	<u>-</u>
Fund equity at end of year	<u>\$ 2,050,255</u>	<u>\$ 2,050,255</u>	<u>\$ 2,328,300</u>	<u>\$ 278,045</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STORM WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Operating revenues:				
Charges for services	\$ 784,100	\$ 784,100	\$ 793,465	\$ 9,365
Other.	1,500	1,500	4,573	3,073
Total revenues	<u>785,600</u>	<u>785,600</u>	<u>798,038</u>	<u>12,438</u>
Operating expenses:				
Personal services.	348,935	348,935	320,876	28,059
Contractual services	66,553	66,553	58,358	8,195
Materials and supplies	144,949	144,949	106,081	38,868
Capital outlay	418,344	418,344	309,180	109,164
Total expenses	<u>978,781</u>	<u>978,781</u>	<u>794,495</u>	<u>184,286</u>
Operating income (loss)	<u>(193,181)</u>	<u>(193,181)</u>	<u>3,543</u>	<u>196,724</u>
Nonoperating revenues (expenses):				
Intergovernmental.	10,000	10,000	26,550	16,550
Debt service:				
Principal retirement.	(23,733)	(23,733)	(23,732)	1
Interest and fiscal charges.	(605)	(605)	(603)	2
Total nonoperating revenues (expenses)	<u>(14,338)</u>	<u>(14,338)</u>	<u>2,215</u>	<u>16,553</u>
Net change in fund equity	(207,519)	(207,519)	5,758	213,277
Fund equity at beginning of year.	1,058,478	1,058,478	1,058,478	-
Prior year encumbrances appropriated	<u>76,596</u>	<u>76,596</u>	<u>76,596</u>	<u>-</u>
Fund equity at end of year	<u>\$ 927,555</u>	<u>\$ 927,555</u>	<u>\$ 1,140,832</u>	<u>\$ 213,277</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2018*

	Health Insurance	Internal Allocation	Total Internal Service Funds
Assets:			
Current assets:			
Equity in pooled cash and investments.	\$ 729,518	\$ 126,427	\$ 855,945
Accounts	-	8,735	8,735
Total assets	<u>729,518</u>	<u>135,162</u>	<u>864,680</u>
Liabilities:			
Current liabilities:			
Accounts payable.	-	72,012	72,012
Claims payable	219,611	-	219,611
Total liabilities	<u>219,611</u>	<u>72,012</u>	<u>291,623</u>
Net position:			
Unrestricted.	509,907	63,150	573,057
Total net position	<u>\$ 509,907</u>	<u>\$ 63,150</u>	<u>\$ 573,057</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Health Insurance	Internal Allocation	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 4,452,584	\$ 432,765	\$ 4,885,349
Other	37	-	37
Total operating revenues.	<u>4,452,621</u>	<u>432,765</u>	<u>4,885,386</u>
Operating expenses:			
Personal services	-	16,345	16,345
Contract services.	54,264	-	54,264
Materials and supplies	-	425,724	425,724
Claims	4,493,655	-	4,493,655
Other	2,439	-	2,439
Total operating expenses.	<u>4,550,358</u>	<u>442,069</u>	<u>4,992,427</u>
Operating loss before transfers.	<u>(97,737)</u>	<u>(9,304)</u>	<u>(107,041)</u>
Transfers in.	-	100,000	100,000
Changes in net position.	(97,737)	90,696	(7,041)
Net position (deficit) at beginning of year . . .	<u>607,644</u>	<u>(27,546)</u>	<u>580,098</u>
Net position at end of year	<u>\$ 509,907</u>	<u>\$ 63,150</u>	<u>\$ 573,057</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Health Insurance	Internal Allocation	Total Internal Service Funds
Cash flows from operating activities:			
Cash received from customers	\$ 4,452,584	\$ 440,890	\$ 4,893,474
Cash received from other operations	37	-	37
Cash payments for personal services	-	(16,345)	(16,345)
Cash payments for contract services	(54,264)	-	(54,264)
Cash payments for materials and supplies	-	(432,366)	(432,366)
Cash payments for claims	(4,704,772)	-	(4,704,772)
Cash payments for other expenses	(2,439)	-	(2,439)
	<hr/>	<hr/>	<hr/>
Net cash used in operating activities	(308,854)	(7,821)	(316,675)
Cash flows from noncapital financing activities:			
Transfers in from other funds	-	100,000	100,000
	<hr/>	<hr/>	<hr/>
Net cash provided by noncapital financing activities	-	100,000	100,000
	<hr/>	<hr/>	<hr/>
Net increase (decrease) in cash and investments	(308,854)	92,179	(216,675)
Cash and investments at beginning of year	1,038,372	34,248	1,072,620
Cash and investments at end of year	<u>\$ 729,518</u>	<u>\$ 126,427</u>	<u>\$ 855,945</u>
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (97,737)	\$ (9,304)	\$ (107,041)
Changes in assets and liabilities:			
Decrease in accounts receivable	-	8,125	8,125
(Decrease) in accounts payable	-	(6,642)	(6,642)
(Decrease) in claims payable	(211,117)	-	(211,117)
	<hr/>	<hr/>	<hr/>
Net cash used in operating activities	<u>\$ (308,854)</u>	<u>\$ (7,821)</u>	<u>\$ (316,675)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HEALTH INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 4,070,000	\$ 4,070,000	\$ 4,452,584	\$ 382,584
Other.	-	-	37	37
Total revenues	4,070,000	4,070,000	4,452,621	382,621
Operating expenses:				
Contractual services	63,300	63,300	57,564	5,736
Claims	4,634,500	4,774,500	4,704,772	69,728
Other.	9,100	9,100	2,439	6,661
Total expenses	4,706,900	4,846,900	4,764,775	82,125
Net change in fund equity	(636,900)	(776,900)	(312,154)	464,746
Fund equity at beginning of year.	1,038,372	1,038,372	1,038,372	-
Fund equity at end of year	\$ 401,472	\$ 261,472	\$ 726,218	\$ 464,746

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL ALLOCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2018*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 410,000	\$ 410,000	\$ 440,890	\$ 30,890
Total revenues	<u>410,000</u>	<u>410,000</u>	<u>440,890</u>	<u>30,890</u>
Operating expenses:				
Personal services	-	40,000	16,345	23,655
Materials and supplies	<u>442,426</u>	<u>502,426</u>	<u>480,112</u>	<u>22,314</u>
Total expenses	<u>442,426</u>	<u>542,426</u>	<u>496,457</u>	<u>45,969</u>
Net income (loss) before transfers	(32,426)	(132,426)	(55,567)	76,859
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund equity	67,574	(32,426)	44,433	76,859
Fund equity at beginning of year	14,822	14,822	14,822	-
Prior year encumbrances appropriated . . .	<u>19,426</u>	<u>19,426</u>	<u>19,426</u>	<u>-</u>
Fund equity at end of year	<u>\$ 101,822</u>	<u>\$ 1,822</u>	<u>\$ 78,681</u>	<u>\$ 76,859</u>

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTION - AGENCY FUNDS*

Agency Funds

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

Deposit Fund

To account for monies put on deposit with the City in accordance with various City ordinances.

New Haven/Forest City Fund

This fund accounts for monies received by the City that are required to be distributed to various entities for use in constructing the New Haven development and making the associated debt payments.

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018*

	Beginning Balance 12/31/2017	Additions	Reductions	Ending Balance 12/31/2018
Deposit				
Assets:				
Equity in pooled cash and investments.	\$ 427,573	\$ 16,687	\$ 60,865	\$ 383,395
Total assets.	<u>\$ 427,573</u>	<u>\$ 16,687</u>	<u>\$ 60,865</u>	<u>\$ 383,395</u>
Liabilities:				
Deposits held and due to others	\$ 427,573	\$ 16,687	\$ 60,865	\$ 383,395
Total liabilities	<u>\$ 427,573</u>	<u>\$ 16,687</u>	<u>\$ 60,865</u>	<u>\$ 383,395</u>
 New Haven/Forest City				
Assets:				
Equity in pooled cash and investments.	\$ 22,000	\$ -	\$ -	\$ 22,000
Total assets.	<u>\$ 22,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,000</u>
Liabilities:				
Deposits held and due to others	\$ 22,000	\$ -	\$ -	\$ 22,000
Total liabilities	<u>\$ 22,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,000</u>
 Total Agency Funds				
Assets:				
Equity in pooled cash and investments.	\$ 449,573	\$ 16,687	\$ 60,865	\$ 405,395
Total assets.	<u>\$ 449,573</u>	<u>\$ 16,687</u>	<u>\$ 60,865</u>	<u>\$ 405,395</u>
Liabilities:				
Deposits held and due to others	\$ 449,573	\$ 16,687	\$ 60,865	\$ 405,395
Total liabilities	<u>\$ 449,573</u>	<u>\$ 16,687</u>	<u>\$ 60,865</u>	<u>\$ 405,395</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF BARBERTON, OHIO
STATISTICAL SECTION
TABLE OF CONTENTS

This part of the City of Barberton's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	178-187
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources; income and property taxes.	188-195
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	196-203
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	204-205
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	206-211

Sources: Sources are noted on the individual schedules.

CITY OF BARBERTON, OHIO

*NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	<u>2018</u>	<u>2017 (b)</u>	<u>2016</u>	<u>2015</u>
Governmental Activities				
Net investment in capital assets	\$ 29,233,478	\$ 28,253,025	\$ 27,880,547	\$ 26,141,902
Restricted for:				
Capital projects	820,986	702,170	1,214,315	1,667,101
Debt service	-	-	372,320	371,073
Transportation projects	458,500	368,973	333,789	156,342
Community development projects	84,825	52,231	61,489	103,851
Other projects	4,121,910	4,003,306	3,437,930	3,183,731
Unrestricted (deficit)	<u>(33,132,294)</u>	<u>(30,188,614)</u>	<u>(12,235,878)</u>	<u>(11,295,021)</u>
Total governmental activities net position	<u>\$ 1,587,405</u>	<u>\$ 3,191,091</u>	<u>\$ 21,064,512</u>	<u>\$ 20,328,979</u>
Business-type Activities				
Net investment in capital assets	\$ 42,931,202	\$ 36,274,959	\$ 35,869,387	\$ 35,691,780
Restricted for:				
Other projects	321,963	321,963	321,963	321,963
Unrestricted	<u>5,501,105</u>	<u>6,194,732</u>	<u>10,084,263</u>	<u>9,913,682</u>
Total business-type activities net position	<u>\$ 48,754,270</u>	<u>\$ 42,791,654</u>	<u>\$ 46,275,613</u>	<u>\$ 45,927,425</u>
Total Primary Government				
Net investment in capital assets	\$ 72,164,680	\$ 64,527,984	\$ 63,749,934	\$ 61,833,682
Restricted for:				
Capital projects	820,986	702,170	1,214,315	1,667,101
Debt service	-	-	372,320	371,073
Transportation projects	458,500	368,973	333,789	156,342
Community development projects	84,825	52,231	61,489	103,851
Other projects	4,443,873	4,325,269	3,759,893	3,505,694
Unrestricted (deficit)	<u>(27,631,189)</u>	<u>(23,993,882)</u>	<u>(2,151,615)</u>	<u>(1,381,339)</u>
Total primary government net position	<u>\$ 50,341,675</u>	<u>\$ 45,982,745</u>	<u>\$ 67,340,125</u>	<u>\$ 66,256,404</u>

(a) 2014 amounts have been restated to account for the implementation of GASB Statements 68 and 71.

(b) 2017 amounts have been restated to account for the implementation of GASB Statement 75.

2014 (a)	2013	2012	2011	2010	2009
\$ 24,516,073	\$ 23,611,193	\$ 20,259,877	\$ 19,800,292	\$ 19,684,621	\$ 18,536,399
1,272,184	13,989	13,978	13,961	17,514	1,142,832
384,276	387,469	388,438	391,077	388,275	415,866
487,752	325,916	673,038	863,555	865,379	881,165
232,228	156,812	90,316	151,125	617,997	588,994
2,773,322	2,051,785	1,667,946	1,437,828	1,390,848	1,223,244
(11,738,830)	4,084,879	4,196,682	4,662,644	2,131,736	401,450
<u>\$ 17,927,005</u>	<u>\$ 30,632,043</u>	<u>\$ 27,290,275</u>	<u>\$ 27,320,482</u>	<u>\$ 25,096,370</u>	<u>\$ 23,189,950</u>
\$ 35,824,961	\$ 36,308,495	\$ 36,273,472	\$ 34,551,830	\$ 33,376,864	\$ 30,422,322
321,963	321,963	345,427	419,483	566,545	801,222
8,756,671	9,425,873	8,676,308	8,781,726	8,881,635	8,211,503
<u>\$ 44,903,595</u>	<u>\$ 46,056,331</u>	<u>\$ 45,295,207</u>	<u>\$ 43,753,039</u>	<u>\$ 42,825,044</u>	<u>\$ 39,435,047</u>
\$ 60,341,034	\$ 59,919,688	\$ 56,533,349	\$ 54,352,122	\$ 53,061,485	\$ 48,958,721
1,272,184	13,989	13,978	13,961	17,514	1,142,832
384,276	387,469	388,438	391,077	388,275	415,866
487,752	325,916	673,038	863,555	865,379	881,165
232,228	156,812	90,316	151,125	617,997	588,994
3,095,285	2,373,748	2,013,373	1,857,311	1,957,393	2,024,466
(2,982,159)	13,510,752	12,872,990	13,444,370	11,013,371	8,612,953
<u>\$ 62,830,600</u>	<u>\$ 76,688,374</u>	<u>\$ 72,585,482</u>	<u>\$ 71,073,521</u>	<u>\$ 67,921,414</u>	<u>\$ 62,624,997</u>

CITY OF BARBERTON, OHIO

*CHANGES IN NET POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 2,908,581	\$ 2,885,996	\$ 2,869,310	\$ 2,612,322
Public safety	797,712	698,887	701,689	801,105
Health and welfare	-	-	-	-
Transportation	115,463	116,576	103,035	88,894
Community environment	446,044	397,945	325,641	578,647
Leisure time activities	140,719	148,716	133,140	118,879
Operating grants and contributions	2,765,416	2,501,122	2,783,793	2,618,738
Capital grants and contributions	1,176,486	650,158	756,976	2,620,245
Total governmental activities program revenues	<u>8,350,421</u>	<u>7,399,400</u>	<u>7,673,584</u>	<u>9,438,830</u>
Business-type activities:				
Charges for services:				
Water	6,270,430	6,453,317	6,181,148	6,274,503
Sewer	5,078,913	4,874,435	4,589,192	4,381,027
Storm Water	808,201	759,777	757,575	774,231
Solid Waste	2,186,194	1,905,330	1,881,869	1,909,441
Capital grants and contributions	6,447,180	130,976	289,025	890,093
Total business-type activities program revenues	<u>20,790,918</u>	<u>14,123,835</u>	<u>13,698,809</u>	<u>14,229,295</u>
Total primary government	<u>\$ 29,141,339</u>	<u>\$ 21,523,235</u>	<u>\$ 21,372,393</u>	<u>\$ 23,668,125</u>
Expenses:				
Governmental activities:				
General government	\$ 6,460,971	\$ 5,934,454	\$ 5,764,628	\$ 5,960,722
Public safety	13,941,625	12,924,756	12,493,616	11,042,798
Health and welfare	-	-	-	-
Transportation	3,053,474	3,011,919	2,256,377	3,144,466
Community environment	1,817,164	1,472,044	1,463,504	1,478,578
Leisure time activities	1,379,825	1,373,446	1,322,359	1,353,380
Interest and fiscal charges	134,085	135,044	213,698	74,699
Total governmental activities expenses	<u>26,787,144</u>	<u>24,851,663</u>	<u>23,514,182</u>	<u>23,054,643</u>
Business-type activities:				
Water	5,977,374	6,267,581	5,133,511	5,152,707
Sewer	6,340,368	6,201,994	5,775,809	5,559,234
Solid Waste	1,817,211	1,864,795	1,697,077	1,649,099
Storm Water	875,458	837,744	768,452	947,090
Total business-type activities expenses	<u>15,010,411</u>	<u>15,172,114</u>	<u>13,374,849</u>	<u>13,308,130</u>
Total primary government	<u>\$ 41,797,555</u>	<u>\$ 40,023,777</u>	<u>\$ 36,889,031</u>	<u>\$ 36,362,773</u>
Governmental activities	\$ (18,436,723)	\$ (17,452,263)	\$ (15,840,598)	\$ (13,615,813)
Business-type activities	5,780,507	(1,048,279)	323,960	921,165
Total primary government net expense	<u>\$ (12,656,216)</u>	<u>\$ (18,500,542)</u>	<u>\$ (15,516,638)</u>	<u>\$ (12,694,648)</u>

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 2,643,878	\$ 2,574,433	\$ 2,133,191	\$ 2,148,444	\$ 1,824,354	\$ 1,892,083
654,036	703,890	743,319	677,035	777,898	603,223
-	-	-	20	296,202	616,814
82,032	90,413	85,187	41,657	42,851	46,636
242,385	306,094	316,971	334,881	120,405	167,840
117,156	95,759	103,380	106,764	91,785	130,748
2,650,831	4,402,420	4,081,718	3,863,176	5,092,156	4,164,877
1,268,540	3,016,298	250,412	459,731	67,564	145,229
<u>7,658,858</u>	<u>11,189,307</u>	<u>7,714,178</u>	<u>7,631,708</u>	<u>8,313,215</u>	<u>7,767,450</u>
5,841,318	5,751,556	5,651,426	5,063,541	5,100,123	4,594,956
4,372,354	3,991,723	4,115,822	4,066,329	4,163,396	4,096,518
769,099	784,719	772,796	782,248	770,433	743,787
1,893,792	1,926,288	2,031,897	2,023,183	2,002,081	1,939,373
363,719	270,164	953,470	547,789	2,547,429	-
<u>13,240,282</u>	<u>12,724,450</u>	<u>13,525,411</u>	<u>12,483,090</u>	<u>14,583,462</u>	<u>11,374,634</u>
<u>\$ 20,899,140</u>	<u>\$ 23,913,757</u>	<u>\$ 21,239,589</u>	<u>\$ 20,114,798</u>	<u>\$ 22,896,677</u>	<u>\$ 19,142,084</u>
\$ 4,529,680	\$ 4,485,947	\$ 4,150,178	\$ 4,408,029	\$ 4,259,141	\$ 4,554,994
10,867,615	10,692,505	10,221,486	10,096,123	10,082,932	11,207,888
-	-	-	28,342	847,498	1,511,973
1,997,575	2,227,248	2,725,173	2,730,584	1,866,192	2,340,290
1,106,684	3,108,590	2,109,074	2,741,517	3,321,424	2,292,939
1,380,232	1,468,383	1,334,529	1,328,524	1,314,014	1,294,285
134,565	129,056	188,459	233,974	268,040	289,245
<u>20,016,351</u>	<u>22,111,729</u>	<u>20,728,899</u>	<u>21,567,093</u>	<u>21,959,241</u>	<u>23,491,614</u>
4,500,198	4,389,879	4,335,601	4,058,731	4,364,080	4,158,746
5,241,551	5,004,111	4,987,464	4,598,025	4,277,917	4,497,443
1,475,887	1,786,391	1,894,645	1,872,929	1,868,090	1,760,928
807,629	892,421	817,705	786,687	703,295	684,083
<u>12,025,265</u>	<u>12,072,802</u>	<u>12,035,415</u>	<u>11,316,372</u>	<u>11,213,382</u>	<u>11,101,200</u>
<u>\$ 32,041,616</u>	<u>\$ 34,184,531</u>	<u>\$ 32,764,314</u>	<u>\$ 32,883,465</u>	<u>\$ 33,172,623</u>	<u>\$ 34,592,814</u>
\$ (12,357,493)	\$ (10,922,422)	\$ (13,014,721)	\$ (13,935,385)	\$ (13,646,026)	\$ (15,724,164)
1,215,017	651,648	1,489,996	1,166,718	3,370,080	273,434
<u>\$ (11,142,476)</u>	<u>\$ (10,270,774)</u>	<u>\$ (11,524,725)</u>	<u>\$ (12,768,667)</u>	<u>\$ (10,275,946)</u>	<u>\$ (15,450,730)</u>

CITY OF BARBERTON, OHIO

*CHANGES IN NET POSITION
LAST TEN YEARS (CONTINUED)
(ACCRUAL BASIS OF ACCOUNTING)*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Revenues and Other Changes in Net Position:				
Governmental activities				
Taxes:				
Property taxes levied for:				
General purposes	\$ 853,300	\$ 853,713	\$ 821,725	\$ 838,174
Fire capital levy	215,861	218,790	211,116	214,886
Police pension	88,267	87,899	84,999	86,700
Fire pension	88,267	87,899	84,999	86,700
Municipal income taxes levied for:				
General purposes	11,995,446	11,218,426	12,218,127	11,777,925
Capital outlay	1,330,795	1,402,821	1,534,219	1,450,801
Grants and entitlements				
not restricted to specific programs	1,640,479	1,247,376	1,347,149	1,327,145
Investment earnings	348,608	296,114	74,208	85,109
Other	272,014	212,021	199,589	150,347
Transfers	-	(5,472)	-	-
Total governmental activities	<u>16,833,037</u>	<u>15,619,587</u>	<u>16,576,131</u>	<u>16,017,787</u>
Business-type activities				
Grants and entitlements				
not restricted to specific programs	-	26,550	21,560	21,962
Investment earnings	-	-	(15,185)	18,155
Other	182,109	104,975	17,853	62,548
Transfers	-	5,472	-	-
Special item - disposal of community center	-	-	-	-
Total business-type activities	<u>182,109</u>	<u>136,997</u>	<u>24,228</u>	<u>102,665</u>
Total primary government	<u>\$ 17,015,146</u>	<u>\$ 15,756,584</u>	<u>\$ 16,600,359</u>	<u>\$ 16,120,452</u>
Change in Net Position:				
Governmental activities	\$ (1,603,686)	\$ (1,832,676)	\$ 735,533	\$ 2,401,974
Business-type activities	5,962,616	(911,282)	348,188	1,023,830
Total primary government	<u>\$ 4,358,930</u>	<u>\$ (2,743,958)</u>	<u>\$ 1,083,721</u>	<u>\$ 3,425,804</u>

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 821,891	\$ 819,091	\$ 637,608	\$ 1,023,447	\$ 1,272,525	\$ 1,188,981
212,496	211,786	211,858	264,636	259,904	239,362
85,016	84,714	84,744	105,855	103,960	95,772
85,016	84,714	84,744	105,855	103,960	95,772
11,105,638	11,304,650	9,913,010	12,086,007	10,849,848	10,320,696
1,315,595	-	-	-	-	-
1,396,374	1,574,050	1,965,699	2,322,927	2,571,074	2,159,444
55,658	17,499	31,249	39,742	40,544	72,965
287,063	167,686	86,748	304,492	350,631	141,724
-	-	(31,146)	-	-	(149,385)
<u>15,364,747</u>	<u>14,264,190</u>	<u>12,984,514</u>	<u>16,252,961</u>	<u>15,552,446</u>	<u>14,165,331</u>
18,686	-	-	-	-	-
6,808	35,066	6,071	11,031	4,516	10,580
56,373	74,410	14,955	4,960	15,401	8,716
-	-	31,146	-	-	149,385
-	-	-	-	-	(848,623)
<u>81,867</u>	<u>109,476</u>	<u>52,172</u>	<u>15,991</u>	<u>19,917</u>	<u>(679,942)</u>
<u>\$ 15,446,614</u>	<u>\$ 14,373,666</u>	<u>\$ 13,036,686</u>	<u>\$ 16,268,952</u>	<u>\$ 15,572,363</u>	<u>\$ 13,485,389</u>
\$ 3,007,254	\$ 3,341,768	\$ (30,207)	\$ 2,317,576	\$ 1,906,420	\$ (1,558,833)
1,296,884	761,124	1,542,168	1,182,709	3,389,997	(406,508)
<u>\$ 4,304,138</u>	<u>\$ 4,102,892</u>	<u>\$ 1,511,961</u>	<u>\$ 3,500,285</u>	<u>\$ 5,296,417</u>	<u>\$ (1,965,341)</u>

CITY OF BARBERTON, OHIO

*FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:						
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-
Nonspendable	77,799	75,345	75,179	71,604	80,673	68,219
Committed	101,595	101,595	61,851	21,851	-	11,840
Assigned	206,559	501,277	1,210,471	1,597,877	835,457	742,993
Unassigned	<u>2,796,367</u>	<u>3,264,651</u>	<u>3,421,410</u>	<u>2,791,757</u>	<u>3,284,407</u>	<u>2,697,128</u>
Total general fund	<u>\$ 3,182,320</u>	<u>\$ 3,942,868</u>	<u>\$ 4,768,911</u>	<u>\$ 4,483,089</u>	<u>\$ 4,200,537</u>	<u>\$ 3,520,180</u>
All Other Governmental Funds:						
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:						
Special revenue funds	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-
Nonspendable	12,083	10,690	10,504	10,135	12,059	9,473
Restricted	6,013,478	5,595,641	5,760,281	5,743,323	4,846,873	2,798,672
Committed	1,333,006	1,127,881	883,736	922,078	951,876	1,168,115
Unassigned (deficit), reported in:						
Special revenue funds	(37,458)	(20,969)	(54,914)	(114,795)	(137,620)	(35,005)
Capital projects funds	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 7,321,109</u>	<u>\$ 6,713,243</u>	<u>\$ 6,599,607</u>	<u>\$ 6,560,741</u>	<u>\$ 5,673,188</u>	<u>\$ 3,941,255</u>

(a) The City implemented GASB Statement No. 54 in 2011 which changed the fund balance classifications in governmental funds.

2012	2011 (a)	2010	2009
\$ -	\$ -	\$ 549,557	\$ 355,293
-	-	3,050,628	1,779,411
60,328	56,998	-	-
21,271	8,533	-	-
1,257,550	236,644	-	-
2,901,883	4,383,296	-	-
<u>\$ 4,241,032</u>	<u>\$ 4,685,471</u>	<u>\$ 3,600,185</u>	<u>\$ 2,134,704</u>
\$ -	\$ -	\$ 2,502,925	\$ 2,017,577
-	-	225,878	661,851
-	-	472,837	619,490
8,202	8,200	-	-
2,640,966	2,503,349	-	-
1,412,462	1,259,417	-	-
(930,972)	(483,537)	-	-
(83,737)	(203,358)	-	-
<u>\$ 3,046,921</u>	<u>\$ 3,084,071</u>	<u>\$ 3,201,640</u>	<u>\$ 3,298,918</u>

CITY OF BARBERTON, OHIO

*CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues					
Taxes	\$ 14,125,352	\$ 13,865,731	\$ 14,730,058	\$ 14,015,406	\$ 13,951,825
Charges for services	1,671,116	1,549,971	1,520,685	1,914,225	1,529,314
Licenses and permits	589,207	513,332	477,793	490,637	408,808
Fines and forfeitures	1,089,661	1,307,610	1,216,459	1,157,006	1,254,398
Intergovernmental	5,198,159	4,106,401	4,551,772	6,421,875	4,006,819
Special assessments	41,466	57,857	86,792	106,712	192,030
Investment income	350,552	289,290	60,684	78,678	55,559
Contributions and donations	35,489	39,003	22,977	-	-
Other	1,583,216	1,175,283	1,335,246	874,559	1,183,255
Total revenues	<u>24,684,218</u>	<u>22,904,478</u>	<u>24,002,466</u>	<u>25,059,098</u>	<u>22,582,008</u>
Expenditures					
Current:					
General government	6,049,184	5,447,433	5,649,147	5,122,202	4,349,902
Public safety	11,628,177	11,014,633	10,398,990	9,903,619	10,292,503
Health and welfare	-	-	-	-	-
Transportation	1,647,841	1,401,003	1,255,885	1,417,219	1,260,053
Community environment	1,702,886	1,427,888	1,557,589	1,427,336	1,497,352
Leisure time activity	1,101,667	1,121,890	1,126,770	1,126,374	1,193,344
Capital outlay	2,202,105	2,041,116	4,055,609	6,643,420	3,209,208
Debt service:					
Principal retirement	1,599,502	2,131,672	3,900,203	2,191,983	275,445
Interest and fiscal charges	106,367	125,995	126,327	94,853	93,688
Debt issuance costs	14,260	2,000	81,662	4,962	-
Total expenditures	<u>26,051,989</u>	<u>24,713,630</u>	<u>28,152,182</u>	<u>27,931,968</u>	<u>22,171,495</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,367,771)</u>	<u>(1,809,152)</u>	<u>(4,149,716)</u>	<u>(2,872,870)</u>	<u>410,513</u>
Other Financing Sources (Uses)					
Notes issued	985,000	985,000	1,540,000	3,500,000	2,000,000
Sale of capital assets	10,934	29,215	44,398	24,175	1,777
Capital lease transaction	305,624	133,002	109,340	518,800	-
Bonds issued	-	-	4,405,534	-	-
Discount on debt issuance	-	-	-	-	-
Transfers in	487,400	1,066,320	743,002	555,621	671,000
Transfers (out)	(587,400)	(1,116,792)	(743,002)	(555,621)	(671,000)
Premium on debt issuance	13,531	-	-	-	-
Payment to refunded bond escrow agent	-	-	(1,624,868)	-	-
Loans issued	-	-	-	-	-
Total other financing sources (uses)	<u>1,215,089</u>	<u>1,096,745</u>	<u>4,474,404</u>	<u>4,042,975</u>	<u>2,001,777</u>
Net change in fund balances	<u>\$ (152,682)</u>	<u>\$ (712,407)</u>	<u>\$ 324,688</u>	<u>\$ 1,170,105</u>	<u>\$ 2,412,290</u>
Capital expenditures	2,185,493	1,799,580	4,205,612	6,467,888	4,329,891
Debt service as a percentage of noncapital expenditures.	7.15%	9.85%	16.81%	10.65%	2.07%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 12,368,144	\$ 11,293,820	\$ 12,592,379	\$ 12,521,891	\$ 12,126,149
1,795,854	2,111,961	2,061,212	2,206,082	2,335,224
482,369	494,997	556,560	252,107	333,555
846,510	502,636	414,678	418,311	432,347
8,606,417	5,180,429	6,284,638	6,712,451	5,742,603
94,334	110,140	154,792	157,474	161,493
18,825	33,874	37,271	38,593	76,849
548,013	547,490	555,990	627,447	623,630
1,200,321	580,194	458,214	703,746	814,483
<u>25,960,787</u>	<u>20,855,541</u>	<u>23,115,734</u>	<u>23,638,102</u>	<u>22,646,333</u>
4,381,217	4,075,595	4,345,238	4,017,338	4,396,948
10,511,629	9,856,203	9,773,245	9,223,191	10,653,804
-	-	9,531	971,656	1,472,491
1,529,068	1,336,031	1,398,722	1,417,513	1,471,332
3,120,414	2,040,029	2,676,716	3,202,840	2,213,192
1,281,488	1,126,958	1,066,909	1,068,312	1,217,596
4,057,346	1,809,875	1,556,168	1,202,654	2,122,784
1,390,388	1,135,496	1,120,994	1,129,672	1,045,558
148,048	182,083	224,929	258,650	278,130
-	-	-	-	83,445
<u>26,419,598</u>	<u>21,562,270</u>	<u>22,172,452</u>	<u>22,491,826</u>	<u>24,955,280</u>
<u>(458,811)</u>	<u>(706,729)</u>	<u>943,282</u>	<u>1,146,276</u>	<u>(2,308,947)</u>
-	-	-	-	-
565,053	16,189	24,435	109,838	32,213
67,240	207,780	-	112,089	-
-	-	-	-	2,310,000
-	-	-	-	(16,555)
1,037,100	1,277,944	1,434,900	1,779,079	1,875,327
(1,037,100)	(1,277,944)	(1,434,900)	(1,779,079)	(1,836,090)
-	-	-	-	-
-	-	-	-	-
-	3,036	-	-	-
<u>632,293</u>	<u>227,005</u>	<u>24,435</u>	<u>221,927</u>	<u>2,364,895</u>
<u>\$ 173,482</u>	<u>\$ (479,724)</u>	<u>\$ 967,717</u>	<u>\$ 1,368,203</u>	<u>\$ 55,948</u>
4,065,048	974,169	806,628	1,435,291	1,904,639
6.88%	6.40%	6.30%	6.59%	5.74%

CITY OF BARBERTON, 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 (a)	Assessed Value	Estimated Actual Value (b)	Assessed Value	Estimated Actual Value (c)
2018	\$ 323,685,570	\$ 924,815,914	\$ 15,557,340	\$ 17,678,795	\$ -	\$ -
2017	319,535,820	912,959,486	15,287,390	17,372,034	-	-
2016	320,433,710	915,524,886	13,248,470	15,055,080	-	-
2015	324,056,350	925,875,286	12,178,690	13,839,420	-	-
2014	337,489,450	964,255,571	11,314,460	12,857,341	-	-
2013	343,096,010	980,274,314	10,470,720	11,898,545	-	-
2012	341,221,550	974,918,714	9,489,460	10,783,477	-	-
2011	389,314,830	1,112,328,086	9,200,850	10,455,511	-	-
2010	389,860,420	1,113,886,914	8,746,110	9,938,761	508,115	8,129,840
2009	391,015,700	1,117,187,714	8,516,450	9,677,784	1,089,778	17,436,448

Source: Summit County, Ohio; Fiscal Officer

- (a) Real property is assessed at 35% of actual value.
- (b) Public utility is assessed at 88% percent of actual value.
- (c) For 2009 and subsequent years, tangible personal personal property tax is assessed at 0.00% of property value, including inventory, except for telephone tangible personal property which is assessed at 10% of property value, including inventory. In 2009 and 2010, telephone tangible is the only taxable tangible personal property.

Total

Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Ratio
\$ 339,242,910	\$ 942,494,709	\$ 4.25	35.99%
334,823,210	930,331,520	4.25	35.99%
333,682,180	930,579,966	4.25	35.86%
336,235,040	939,714,706	4.25	35.78%
348,803,910	977,112,912	4.25	35.70%
353,566,730	992,172,859	4.25	35.64%
350,711,010	985,702,191	4.25	35.58%
398,515,680	1,122,783,597	4.25	35.49%
399,114,645	1,131,955,516	4.25	35.26%
400,621,928	1,144,301,946	4.25	35.01%

CITY OF BARBERTON, OHIO

*DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS*

Collection Year	City Direct Rates			Overlapping Rates			Total Direct and Overlapping Rates		
	Operating	Police and Fire Pension	Fire Capital	Total Direct Rate	Summit County	Barberton City School District		Barberton Public Library	
2018	2.90	0.60	0.75	4.25	12.70	70.15	1.95	84.80	89.05
2017	2.90	0.60	0.75	4.25	12.70	69.99	1.95	84.64	88.89
2016	2.90	0.60	0.75	4.25	12.70	69.86	1.95	84.51	88.76
2015	2.90	0.60	0.75	4.25	12.70	70.21	1.37	84.28	88.53
2014	2.90	0.60	0.75	4.25	12.70	68.83	1.37	82.90	87.15
2013	2.90	0.60	0.75	4.25	14.16	59.74	1.37	75.27	79.52
2012	2.90	0.60	0.75	4.25	14.16	60.04	1.37	75.57	79.82
2011	2.90	0.60	0.75	4.25	14.16	57.95	1.37	73.48	77.73
2010	2.90	0.60	0.75	4.25	14.16	58.02	1.37	73.55	77.80
2009	2.90	0.60	0.75	4.25	14.16	58.11	1.37	73.64	77.89

Source: Summit County, Ohio; Fiscal Officer

CITY OF BARBERTON, OHIO

*PRINCIPAL TAXPAYERS
REAL PROPERTY TAX
CURRENT YEAR AND NINE YEARS AGO*

December 31, 2018			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Babcock & Wilcox Company	\$ 2,423,720	1	0.75%
NL Ventures X Foundation LLC	2,283,340	2	0.71%
DFG Barberton LLC	2,097,650	3	0.65%
K L Morris Facility Limited Liability	1,711,340	4	0.53%
LRC Magic Investments LTD	1,657,310	5	0.51%
Summa Barberton Citizens Hospital	1,627,790	6	0.50%
BWXT Nuclear Operations Group Inc.	1,413,820	7	0.44%
1 Kings Court LLC	1,119,980	8	0.35%
Polymer Developments LTD	818,150	9	0.25%
Malco Products, Inc.	809,970	10	0.25%
Total, Top Ten Principal Real Property Taxpayers	\$ 15,963,070		4.94%
Total City Real Property Tax Assessed Valuation	\$ 323,685,570		

December 31, 2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Barberton Health System LLC	\$ 9,072,840	1	2.32%
LRC Magic Investors LTD	2,276,370	2	0.58%
Kimco of Ohio, Inc.	2,116,930	3	0.54%
BWX Technologies, Inc.	1,693,350	4	0.43%
Babcock & Wilcox Power Generation Group	1,679,570	5	0.43%
B & C Diversified Products, Inc.	1,420,310	6	0.36%
B & C Research, Inc.	1,265,250	7	0.32%
KL Morris Family Limited Liability	1,120,700	8	0.29%
Daniel L. Pohl Family Limited Partnership	1,002,660	9	0.26%
Heritage Place Limited Partnership	989,110	10	0.25%
Total, Top Ten Principal Real Property Taxpayers	\$ 22,637,090		5.78%
Total City Real Property Tax Assessed Valuation	\$ 391,015,700		

Source: Summit County, Ohio; Fiscal Officer

CITY OF BARBERTON, OHIO

*PRINCIPAL TAXPAYERS
PUBLIC UTILITY PROPERTY TAX
CURRENT YEAR AND NINE YEARS AGO*

December 31, 2018			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison Co.	\$ 7,832,530	1	50.4%
American Transmission	5,044,630	2	32.4%
East Ohio Gas Co.	2,680,180	3	17.2%
Total, Top Three Principal Public Utility Property Taxpayers	<u>\$ 15,557,340</u>		<u>100.0%</u>
Total City Public Utility Property Tax Assessed Valuation	<u>\$ 15,557,340</u>		

December 31, 2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison Co.	\$ 5,423,890	1	63.68%
American Transmission	1,711,860	2	20.10%
East Ohio Gas Co.	1,232,070	3	14.47%
CSX	97,570	4	1.15%
Akron & Barberton RR	51,060	5	0.60%
Total, Top Five Principal Public Utility Property Taxpayers	<u>\$ 8,516,450</u>		<u>100.00%</u>
Total City Public Utility Property Tax Assessed Valuation	<u>\$ 8,516,450</u>		

Source: Summit County, Ohio; Fiscal Officer

CITY OF BARBERTON, OHIO

*REAL AND PUBLIC UTILITY PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS*

Year	Total Levy	Current Collection (a)	Percent of Current Collections to Tax Levy	Delinquent Collections	Total Collections (b)	Percent of Total Collections to Tax Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Tax Levy
2018	\$ 1,436,565	\$ 1,374,351	95.67%	\$ 125,358	\$ 1,499,709	104.40%	\$ 169,580	11.80%
2017	1,422,091	1,411,172	99.23%	6,882	1,418,054	99.72%	114,545	8.05%
2016	1,416,769	1,345,151	94.94%	70,416	1,415,567	99.92%	164,724	11.63%
2015	1,427,048	1,344,319	94.20%	83,641	1,427,960	100.06%	193,248	13.54%
2014	1,482,382	1,396,588	94.21%	85,795	1,482,383	100.00%	195,064	13.16%
2013	1,502,673	1,396,737	92.95%	91,620	1,488,357	99.05%	262,138	17.44%
2012	1,491,751	1,388,023	93.05%	96,881	1,484,904	99.54%	268,189	17.98%
2011	1,693,708	1,530,462	90.36%	87,060	1,617,522	95.50%	383,565	22.65%
2010	1,696,268	1,550,759	91.42%	77,415	1,628,174	95.99%	267,786	15.79%
2009	1,702,258	1,557,894	91.52%	144,365	1,702,259	100.00%	199,692	11.73%

Source: Summit County, Ohio; Fiscal Officer

(a) Includes homestead/rollback taxes assessed locally but distributed through the State and reported as intergovernmental revenue.

(b) Total collections represent the current collections plus delinquent collections for the year noted. The Summit County Fiscal Officer is unable to identify and match delinquent collections to the year such taxes were originally levied and therefore in certain years the total collections to the tax levy may exceed 100%.

CITY OF BARBERTON, OHIO

*INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS*

Year	Tax Rate (A)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits
2018	2.25%	\$ 12,957,804	\$ 10,716,073	82.70%	\$ 1,087,201	8.39%
2017	2.25%	12,798,336	10,666,359	83.34%	933,298	7.29%
2016	2.25%	13,821,097	11,169,609	80.82%	1,368,190	9.90%
2015	2.25%	13,050,102	10,868,480	83.28%	953,401	7.31%
2014	2.25%	12,585,576	10,459,696	83.11%	1,171,963	9.31%
2013	2.00%	11,291,939	9,370,791	82.99%	1,051,682	9.31%
2012	2.00%	11,093,167	9,629,279	86.80%	658,530	5.94%
2011	2.00%	11,951,527	9,429,379	78.90%	1,660,548	13.89%
2010	2.00%	11,076,918	9,123,908	82.37%	999,404	9.02%
2009	2.00%	10,732,163	8,907,876	83.00%	887,140	8.27%

Source: The City of Barberton Income Tax Department and the City of Cleveland Central Collection Agency.

Note (A): The Citizens of Barberton approved an increase of 0.25 percent effective January 1, 2014. The whole quarter percent is required to be spent on street capital improvements.

	Taxes from Individuals	Percentage of Taxes from Individuals
\$	1,154,530	8.91%
	1,198,679	9.37%
	1,283,298	9.29%
	1,228,221	9.41%
	953,917	7.58%
	869,466	7.70%
	805,358	7.26%
	784,470	6.56%
	804,162	7.26%
	823,855	7.68%

CITY OF BARBERTON, OHIO

*RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS*

Year	Governmental Activities						Business-Type Activities	
	General Obligation Bonds	Special Assessment Bonds	HUD Section 108 Loan	State Infrastructure Bank Loan	Notes	Capital Leases	General Obligation Bonds	Revenue Bonds
2018	\$ 3,826,925	\$ -	\$ -	\$ -	\$ 985,000	\$ 447,760	\$ 788,075	\$ 4,775,000
2017	4,214,140	-	-	-	985,000	369,423	850,861	5,310,000
2016	4,593,010	-	-	13,804	1,540,000	435,419	911,990	5,835,000
2015	1,762,835	-	-	40,803	3,500,000	582,113	870,000	6,350,000
2014	1,855,747	13,467	-	67,010	2,000,000	121,883	915,854	6,850,000
2013	1,980,310	26,416	-	92,448	-	233,550	960,687	6,875,394
2012	2,670,376	38,868	520,000	117,139	-	310,376	1,156,242	7,259,715
2011	3,524,427	50,841	635,000	137,791	-	234,272	1,885,704	7,629,035
2010	4,347,960	91,053	750,000	160,509	-	354,696	2,590,497	7,983,356
2009	5,148,101	129,522	865,000	182,560	-	397,510	3,268,796	8,327,677

Sources:

- (a) See notes to the financial statements regarding the City's outstanding debt information.
- (b) See Schedule " Demographic and Economic Statistics - Last Ten Years" for personal income and population.

Business-Type Activities, continued

OWDA Loans	OPWC Loans	Notes	Capital Leases	(a) Total Primary Government	(b) Total Personal Income	Percentage of Personal Income	(b) Population	Per Capita
\$ 14,606,346	\$ 5,103,583	\$ 400,000	\$ -	\$ 30,932,689	\$ 578,164,496	5.35%	26,824	\$ 1,153
12,024,498	3,556,278	-	23,732	27,333,932	567,676,312	4.82%	26,824	1,019
10,696,921	2,192,841	1,575,000	47,534	27,841,519	554,720,320	5.02%	26,824	1,038
10,577,083	2,222,030	-	143,172	26,048,036	542,059,392	4.81%	26,824	971
7,919,968	2,134,745	-	236,514	22,115,188	550,052,944	4.02%	26,824	824
4,544,845	875,664	-	214,695	15,804,009	523,014,352	3.02%	26,824	589
4,175,034	875,664	-	267,540	17,390,954	515,584,104	3.37%	26,824	648
2,194,768	875,664	-	-	17,167,502	509,441,408	3.37%	26,824	640
-	-	-	64,073	16,342,144	495,597,836	3.30%	26,824	609
-	-	78,000	125,591	18,522,757	495,597,836	3.74%	27,899	664

CITY OF BARBERTON, OHIO

*RATIO OF GENERAL BONDED DEBT TO ASSESSED
VALUE AND BONDED DEBT PER CAPITA
LAST TEN YEARS*

Year	Population (a)	Estimated Actual Value of Taxable Property (b)	Bonded Debt (c)	Ratio of Bonded Debt to Estimated Actual Value of Property	Bonded Debt Per Capita
2018	26,824	\$ 942,494,709	\$ 4,615,000	0.49%	\$ 172
2017	26,824	930,331,520	5,065,001	0.54%	189
2016	26,824	930,579,966	5,505,000	0.59%	205
2015	26,824	939,714,706	2,632,835	0.28%	98
2014	26,824	977,112,912	2,771,601	0.28%	103
2013	26,824	992,172,859	2,940,997	0.30%	110
2012	26,824	985,702,191	3,826,618	0.39%	143
2011	27,899	1,122,783,597	5,410,131	0.48%	194
2010	27,899	1,131,955,516	6,938,457	0.61%	249
2009	27,899	1,144,301,946	8,416,897	0.74%	302

Sources:

(a) See Schedule " Demographic and Economic Statistics - Last Ten Years" for population.

(b) Summit County, Ohio; Fiscal Officer.

(c) Includes all general obligation bonded debt with the exception of special assessment debt.

CITY OF BARBERTON, OHIO

*DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Barberton	\$ 5,259,685	100.00%	\$ 5,259,685
Total direct debt			<u>5,259,685</u>
Overlapping debt:			
Barberton City School District	27,670,000	97.58%	27,000,386
Summit County	37,290,000	2.74%	1,021,746
Coventry Local School District	28,188,425	2.17%	611,689
Akron-Summit County Library District	10,025,000	0.09%	9,023
Norton City School District	22,164,210	0.13%	28,813
Total overlapping debt			<u>28,671,657</u>
Total direct and overlapping debt			<u>\$ 33,931,342</u>

Source: Ohio Municipal Advisory Council

(a) The estimated percentage applicable to the City is calculated as each governmental unit's assessed valuation within the City divided by the governmental unit's total assessed valuation.

CITY OF BARBERTON, OHIO

*COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Assessed Value	\$ 339,242,910	\$ 334,823,210	\$ 333,682,180	\$ 336,235,040
Legal debt margin:				
Debt limitation - 10.5% of Assessed Value	35,620,506	35,156,437	35,036,629	35,304,679
Outstanding Debt Obligations:				
General Obligation Bonds	4,615,000	5,065,001	5,505,000	2,650,005
Revenue Bonds	4,775,000	5,310,000	5,835,000	6,350,000
Special Assessment Bond	-	-	-	-
Notes	1,385,000	11,650,000	1,540,000	3,500,000
Capital Leases	447,760	393,155	482,953	725,285
OPWC/OWDA/SIB/HUD Loans	19,709,929	15,580,776	14,478,566	12,839,916
Gross Indebtedness (Total Voted and Unvoted Debt)	<u>30,932,689</u>	<u>37,998,932</u>	<u>27,841,519</u>	<u>26,065,206</u>
Less: Debt Outside Limitations				
Revenue Bonds	(4,775,000)	(5,310,000)	(5,835,000)	(6,350,000)
Special Assessment Bond	-	-	-	-
Notes	(1,385,000)	(11,650,000)	(1,540,000)	(3,500,000)
Capital Leases	(447,760)	(393,155)	(482,953)	(725,285)
OPWC/OWDA/SIB/HUD Loans	(19,709,929)	(15,580,776)	(14,478,566)	(12,839,916)
Total Debt Outside Limitations	<u>(26,317,689)</u>	<u>(32,933,931)</u>	<u>(22,336,519)</u>	<u>(23,415,201)</u>
Total Debt Applicable to 10.5% Limitation	4,615,000	5,065,001	5,505,000	2,650,005
Less: Amount Available in Debt Service Fund to pay debt applicable to limitation	<u>(26,504)</u>	<u>(26,166)</u>	<u>(27,666)</u>	<u>(32,665)</u>
Net Debt Within 10.5% Limitation	<u>4,588,496</u>	<u>5,038,835</u>	<u>5,477,334</u>	<u>2,617,340</u>
Overall Debt Margin Within 10.5% Limitation	<u>\$ 31,032,010</u>	<u>\$ 30,117,602</u>	<u>\$ 29,559,295</u>	<u>\$ 32,687,339</u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 18,658,360	\$ 18,415,277	\$ 18,352,520	\$ 18,492,927
Gross Indebtedness Authorized by Council	30,932,689	37,998,932	27,841,519	26,065,206
Less: Debt Outside Limitation: Total Debt Outside Limitation	<u>(26,317,689)</u>	<u>(32,933,931)</u>	<u>(22,336,519)</u>	<u>(23,415,201)</u>
Debt Within 5.5% Limitation	<u>4,615,000</u>	<u>5,065,001</u>	<u>5,505,000</u>	<u>2,650,005</u>
Unvoted Debt Margin Within 5.5% Limitation	<u>\$ 14,043,360</u>	<u>\$ 13,350,276</u>	<u>\$ 12,847,520</u>	<u>\$ 15,842,922</u>

Source: City of Barberton financial records

2014	2013	2012	2011	2010	2009
\$ 348,803,910	\$ 353,566,730	\$ 350,711,010	\$ 398,515,680	\$ 398,606,530	\$ 399,532,150
36,624,411	37,124,507	36,824,656	41,844,146	41,853,686	41,950,876
2,790,005	2,960,005	3,845,005	5,430,005	6,960,011	8,440,017
6,850,000	6,755,000	7,130,000	7,490,000	7,835,000	8,170,000
13,467	26,416	38,868	50,841	91,053	129,522
2,000,000	160,000	330,000	565,000	800,000	550,000
358,397	448,245	577,916	234,272	418,769	523,101
10,121,723	5,372,576	5,687,837	3,843,223	910,509	1,047,560
<u>22,133,592</u>	<u>15,722,242</u>	<u>17,609,626</u>	<u>17,613,341</u>	<u>17,015,342</u>	<u>18,860,200</u>
(6,850,000)	(6,755,000)	(7,130,000)	(7,490,000)	(7,835,000)	(8,170,000)
(13,467)	(26,416)	(38,868)	(50,841)	(91,053)	(129,522)
(2,000,000)	(160,000)	(330,000)	(565,000)	(800,000)	(550,000)
(358,397)	(448,245)	(577,916)	(234,272)	(418,769)	(523,101)
(10,121,723)	(5,372,576)	(5,687,837)	(3,843,223)	(910,509)	(1,047,560)
<u>(19,343,587)</u>	<u>(12,762,237)</u>	<u>(13,764,621)</u>	<u>(12,183,336)</u>	<u>(10,055,331)</u>	<u>(10,420,183)</u>
2,790,005	2,960,005	3,845,005	5,430,005	6,960,011	8,440,017
<u>(37,627)</u>	<u>(37,627)</u>	<u>(1,067)</u>	<u>(2,658)</u>	<u>(60)</u>	<u>(428)</u>
<u>2,752,378</u>	<u>2,922,378</u>	<u>3,843,938</u>	<u>5,427,347</u>	<u>6,959,951</u>	<u>8,439,589</u>
<u>\$ 33,872,033</u>	<u>\$ 34,202,129</u>	<u>\$ 32,980,718</u>	<u>\$ 36,416,799</u>	<u>\$ 34,893,735</u>	<u>\$ 33,511,287</u>
\$ 19,184,215	\$ 19,446,170	\$ 19,289,106	\$ 21,918,362	\$ 21,923,359	\$ 21,974,268
22,133,592	15,722,242	17,609,626	17,613,341	17,015,342	18,860,200
<u>(19,343,587)</u>	<u>(12,762,237)</u>	<u>(13,764,621)</u>	<u>(12,183,336)</u>	<u>(10,055,331)</u>	<u>(10,420,183)</u>
<u>2,790,005</u>	<u>2,960,005</u>	<u>3,845,005</u>	<u>5,430,005</u>	<u>6,960,011</u>	<u>8,440,017</u>
<u>\$ 16,394,210</u>	<u>\$ 16,486,165</u>	<u>\$ 15,444,101</u>	<u>\$ 16,488,357</u>	<u>\$ 14,963,348</u>	<u>\$ 13,534,251</u>

CITY OF BARBERTON, OHIO

*PLEDGED REVENUE COVERAGE - SEWER FUND
LAST EIGHT YEARS*

SEWER OWDA LOANS:

<u>Year</u>	<u>Operating Revenue</u>	<u>Operating Expenses (a)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements (b)</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2018	\$ 5,116,047	\$ 4,477,043	\$ 639,004	\$ 358,757	\$ 201,508	\$ 560,265	1.14
2017	4,896,099	4,510,779	385,320	257,819	169,495	427,314	0.90
2016	4,594,015	4,161,604	432,411	296,872	182,586	479,458	0.90
2015	4,394,532	3,931,004	463,528	220,257	130,181	350,438	1.32
2014	4,398,424	3,688,653	709,771	103,333	44,636	147,969	4.80
2013	4,013,972	3,572,626	441,346	149,480	50,840	200,320	2.20
2012	4,120,440	3,731,016	389,424	100,406	49,804	150,210	2.59
2011 (c)	4,066,852	3,507,421	559,431	98,272	52,193	150,465	3.72

(a) Total operating expenses are exclusive of depreciation.

(b) Includes principal and interest of the loans only.

(c) The Sewer OWDA loans were issued during 2011; therefore the information prior to 2011 is not presented.

CITY OF BARBERTON, OHIO

*PLEDGED REVENUE COVERAGE - WATER FUND
LAST TEN YEARS*

WATER REVENUE BONDS:

<u>Year</u>	<u>Operating Revenue</u>	<u>Operating Expenses (a)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements (b)</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2018	\$ 6,331,265	\$ 4,884,080	\$ 1,447,185	\$ 535,000	\$ 124,220	\$ 659,220	2.20
2017	6,477,367	5,137,712	1,339,655	525,000	136,472	661,472	2.03
2016	6,192,521	4,192,110	2,000,411	515,000	148,558	663,558	3.01
2015	6,297,660	4,048,668	2,248,992	500,000	159,845	659,845	3.41
2014	5,867,401	3,238,984	2,628,417	390,000	300,816	690,816	3.80
2013	5,797,344	3,365,022	2,432,322	375,000	314,879	689,879	3.53
2012	5,658,203	3,439,033	2,219,170	360,000	328,379	688,379	3.22
2011	5,067,878	3,199,032	1,868,846	345,000	341,316	686,316	2.72
2010	5,108,270	3,319,653	1,788,617	335,000	353,879	688,879	2.60
2009	4,595,933	3,212,261	1,383,672	325,000	366,066	691,066	2.00

WATER OWDA LOANS:

<u>Year</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Required for Revenue Bonds</u>	<u>Net Revenue Available for OWDA Loans</u>	<u>Debt Service Requirements (b)</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2018	\$ 1,447,185	\$ 659,220	\$ 787,965	\$ 133,987	\$ 67,460	\$ 201,447	3.91
2017	1,339,655	661,472	678,183	288,807	96,440	385,247	1.76
2016	2,000,411	663,558	1,336,853	203,926	103,870	307,796	4.34
2015	2,248,992	659,845	1,589,147	199,908	107,888	307,796	5.16
2014	2,628,417	690,816	1,937,601	136,750	61,847	198,597	9.76
2013 (c)	2,432,322	689,879	1,742,443	134,055	64,542	198,597	8.77

(a) Total operating expenses are exclusive of depreciation.

(b) Includes principal and interest of the bonds and loans only.

(c) The Water OWDA loans were issued during 2013; therefore information prior to 2013 is not presented.

CITY OF BARBERTON, OHIO

*DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS*

Year	Population (a)	Personal Income	Per Capita Personal Income (b)	Annual Average Unemployment Rates (c)			
				City of Barberton	Summit County	Ohio	United States
2018	26,824	578,164,496	\$ 21,554	5.2%	4.7%	4.6%	3.9%
2017	26,824	567,676,312	21,163	5.8%	5.1%	5.0%	4.4%
2016	26,824	554,720,320	20,680	5.9%	5.0%	4.9%	4.9%
2015	26,824	542,059,392	20,208	5.4%	4.9%	4.9%	5.3%
2014	26,824	550,052,944	20,506	6.2%	5.8%	5.7%	6.2%
2013	26,824	523,014,352	19,498	8.3%	7.6%	7.5%	7.4%
2012	26,824	515,584,104	19,221	8.0%	6.8%	7.2%	8.1%
2011	26,824	498,524,040	18,585	9.7%	8.5%	8.6%	8.9%
2010	26,824	509,441,408	18,992	11.6%	9.9%	10.1%	9.6%
2009	27,899	495,597,836	17,764	12.3%	9.8%	10.2%	9.3%

Sources:

(a) U.S. Census Bureau 2000 & 2010 Census.

(b) U.S. Census Bureau. Per capita personal income for 2018 is in 2017 dollars, the latest available.

(c) Ohio Job & Family Services, Ohio Labor Market Information.

CITY OF BARBERTON, OHIO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2018			2009		
	Withholdings (b)	Rank (b)	Percentage of Total City Employment	Employees (a)	Rank (c)	Percentage of Total City Employment
Babcock and Wilcox Companies	\$ 1,529,822	1	17.58%	1,314	1	7.65%
BWX Technologies	1,312,311	2	15.08%	541	6	3.15%
Summa Health Systems/QHG of Barberton (2009)	1,025,424	3	11.79%	2,424	2 & 3	14.12%
Barberton Board of Education	587,769	4	6.76%	828	4	
B&C Companies/Industries&Research (e)	437,620	5	5.03%	982	5 & 8	5.72%
City of Barberton	307,758	6	3.54%	258	9	1.50%
Malco Products Inc.	173,354	7	1.99%			
Christian Brotherhood Newsletter	189,620	8	2.18%			
PPG Industries Inc.	166,157	9	1.91%			
Wright Tool Company	165,938	10	1.91%			
Tamarkin Co.				257	10	1.50%
Kellou LLC				274	7	1.60%
Total	\$ 5,895,773		67.76%	6,878		35.25%
Total City Employment (d)	11,900			17,169		
Total City Withholding (b)	\$ 8,701,010					

Source: CCA Division of Taxation.

- (a) Based on W-2's reported.
- (b) Based on total withholding taxes paid.
- (c) Based on the number of employees.
- (d) Ohio Labor Market Information (OhioLMI.com).
- (e) B&C divisions reported separately in 2006

CITY OF BARBERTON, OHIO

*FULL-TIME-EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS*

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011
General Government								
Clerk of Council	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Municipal Court - Judges	7.00	8.00	8.00	6.78	7.40	7.40	7.21	7.00
Municipal Clerk of Courts	11.00	11.00	12.00	12.22	13.23	12.23	10.58	10.34
Probation	4.00	4.00	4.12	3.00	3.38	3.24	2.74	2.00
Mayor	2.00	2.00	0.51	0.51	0.51	0.84	0.84	0.84
Service Director	1.00	2.00	0.20	0.20	0.20	0.34	0.34	0.34
Finance	8.00	8.00	3.68	2.68	4.00	4.00	4.00	4.00
Law	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Safety Director	1.00	1.00	0.34	0.34	0.34	0.34	0.34	0.34
Human Resources	-	1.00	0.27	0.34	0.27	0.27	0.27	0.27
Information Systems	1.00	1.00	0.50	0.50	0.50	0.50	0.89	0.89
Income Tax	-	-	-	-	-	-	-	-
Other	1.00	1.00	0.07	1.00	1.00	4.45	3.81	3.07
Public Safety								
Police/Dispatch (a)	44.00	44.00	44.00	38.00	41.00	47.00	50.00	49.00
Fire	43.00	44.00	46.00	43.00	44.00	45.00	41.00	41.00
Health and Welfare								
Health District (b)	-	-	-	-	-	-	-	-
Transportation								
Signal	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Streets	16.00	18.00	11.00	10.00	12.00	12.00	10.00	13.00
Community Environment								
Engineering/Building	5.00	5.00	3.94	4.07	3.53	6.06	5.76	6.06
Planning	3.00	2.00	2.60	3.00	2.89	3.00	3.00	3.60
Leisure Time Activity								
Parks Administration	4.00	4.00	1.75	2.50	2.25	2.00	2.00	2.00
Parks Maintenance	4.00	4.00	4.00	5.00	6.00	6.00	6.00	5.00
Beautification	-	-	1.00	0.50	0.50	1.00	1.00	1.00
Utility Services								
Water	29.00	29.00	32.82	34.82	29.25	30.32	31.65	28.15
Sewer	25.00	25.00	28.12	25.46	23.37	26.46	26.80	26.30
Storm Water	1.00	1.00	5.00	5.00	5.00	5.00	4.00	4.00
Solid Waste	-	-	3.10	1.10	1.35	0.80	0.80	0.80
Total	216.00	221.00	219.00	206.02	207.97	224.25	220.03	216.00

(a) At January 1, 2014 the City formed a Council of Governments with Copley Township and the City of Norton to provide dispatch services.

(b) The Barberton Health District was consolidated with the Summit County Health Department effective October 1, 2010.

Source: City of Barberton payroll records.

<u>2010</u>	<u>2009</u>
1.00	1.00
7.00	7.00
12.34	14.31
2.00	2.00
0.84	2.00
0.34	0.84
5.00	5.00
4.00	4.00
0.34	1.00
0.27	1.00
0.89	0.91
1.00	1.00
4.00	4.00
50.00	55.00
45.00	46.00
-	18.00
2.00	2.00
13.00	13.00
7.00	7.34
3.00	3.00
2.00	5.00
6.00	6.00
1.00	1.00
29.15	30.50
25.95	25.30
3.00	3.00
0.80	0.80
<u>226.92</u>	<u>260.00</u>

CITY OF BARBERTON, OHIO

*OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS*

Function	2018	2017	2016	2015	2014	2013	2012
General Government							
Positions Filled	10	15	43	34	7	22	13
Building Permits Issued	1,407	1,263	717	693	742	830	805
Building Inspections Performed	2,386	2,637	2,762	6,876	7,196	7,792	7,880
Ordinances & Resolutions	159	174	162	205	179	217	232
Public Safety							
Police:							
Physical Arrests	1,461	1,389	1,266	1,571	2,101	1,885	2,128
Parking Violations	1,045	1,452	1,223	1,809	1,833	2,091	1,389
Traffic Violations	1,997	2,406	1,845	1,457	1,792	1,443	1,833
Fire:							
Emergency Responses	3,679	3,782	3,636	3,660	3,272	3,820	3,854
Fire Responses	1,199	1,268	1,107	1,006	1,113	621	661
Inspections conducted	210	365	280	300	368	180	280
Leisure Time Activities							
Recreation Center Attendance	11,169	8,595	8,226	9,974	12,320	8,036	7,036
Recreation Center Memberships	312	318	231	836	1,032	1,232	1,159
Transportation							
Street Resurfacing (miles)	3.77	N/A	N/A	N/A	N/A	1.91	1.80
Tons of salt used	2,920	3,567	3,660	4,965	5,436	3,404	3,206
Water							
New Connections	1	7	5	11	54	19	40
Water Main Breaks	92	70	65	111	121	67	127

Source: City of Barberton Departments.

N/A- Not available

<u>2011</u>	<u>2010</u>	<u>2009</u>
13	12	10
653	916	843
6,777	9,660	6,924
201	204	248
2,154	2,123	2,154
1,153	1,340	1,414
971	1,919	1,972
3,991	3,907	3,909
594	512	505
380	940	930
6,936	6,215	6,333
1,145	1,011	1,288
4.37	0.41	1.13
2,203	4,352	3,100
14	37	29
126	124	125

CITY OF BARBERTON, OHIO

*CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN YEARS*

Function	2018	2017	2016	2015	2014	2013	2012
Public Safety							
Police Stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire Stations	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Leisure Time Activities							
Parks	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Park Acreage	161.00	161.00	161.00	161.00	161.00	161.00	161.00
Tennis Courts	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Baseball Diamonds	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Softball Fields	8.00	8.00	8.00	8.00	7.00	7.00	7.00
Transportation							
Streets (Paved Miles)	130.99	130.99	130.99	130.99	130.99	130.99	130.99
Utility Services							
Water Mains (miles)	130.00	130.00	130.00	130.00	130.00	137.50	137.50
Sanitary Sewers (miles)	141.58	134.92	134.92	110.00	110.00	92.50	92.50

Source: City of Barberton Departments.

<u>2011</u>	<u>2010</u>	<u>2009</u>
1.00	1.00	1.00
2.00	2.00	2.00
16.00	16.00	16.00
161.00	161.00	161.00
6.00	6.00	6.00
11.00	11.00	11.00
7.00	7.00	7.00
130.99	130.99	130.99
137.50	137.50	137.50
92.50	92.50	92.50

THIS PAGE IS INTENTIONALLY LEFT BLANK

OHIO AUDITOR OF STATE KEITH FABER



CITY OF BARBERTON

SUMMIT 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
SEPTEMBER 26, 2019**