



**Auditor of State  
Betty Montgomery**



CITY OF BARBERTON  
SUMMIT COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	1
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	3
Federal Awards Expenditures Schedule .....	5
Notes to the Federal Awards Expenditures Schedule .....	6
Schedule of Findings.....	7

**This page intentionally left blank.**



## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Barberton  
Summit County  
104 Third Street, N.W.  
Barberton, Ohio 44203

To the Honorable Mayor and Members of City Council:

We have 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, (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 30, 2006, in which a prior period adjustment was made to properly state interfund loans at December 31, 2004 in the General and Capital Projects Street Improvement funds. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the City's management dated May 30, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the City'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, providing an opinion 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the City's management dated May 30, 2006, we reported other matters related to noncompliance we deemed immaterial.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702  
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

City of Barberton  
Summit County  
Independent Accountants' Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of management, City Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

May 30, 2006



## **Auditor of State Betty Montgomery**

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

City of Barberton  
Summit County  
104 Third Street, N.W.  
Barberton, Ohio 44203

To the Honorable Mayor and Members of City Council:

#### **Compliance**

We have audited the compliance of the City of Barberton, Summit County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended December 31, 2005. The summary of auditor's results section of the accompanying Schedule of Findings identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2005.

#### **Internal Control Over Compliance**

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the City's management in a separate letter dated May 30, 2006.

#### **Federal Awards Expenditures Schedule**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of and for the year ended December 31, 2005, and have issued our report thereon dated May 30, 2006 in which a prior period adjustment was made to properly state interfund loans at December 31, 2004 in the General and Capital Projects Street Improvement funds. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Federal Awards Expenditures Schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of management, City Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

May 30, 2006



**CITY OF BARBERTON  
SUMMIT COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2005**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<i>Passed Through Akron City Department of Health:</i>			
Special Supplemental Food Program for Women, Infants, and Children	110	10.557	\$ 198,906
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
<i>Direct</i>			
Community Development Block Grant Entitlement Program	N/A	14.218	1,270,196
<b><u>U.S. DEPARTMENT OF DEPARTMENT OF JUSTICE</u></b>			
<i>Direct</i>			
Local Law Enforcement Block Grant	N/A	16.592	11,876
Regional Information Sharing Systems	N/A	16.610	1,684
Juvenile Justice and Delinquency Prevention Allocation to States	N/A	16.540	12,300
Public Safety Partnership and Community Policing Grant	N/A	16.710	<u>35,302</u>
Total U.S. Department of Justice			<u>61,162</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<i>Direct</i>			
Bioterrorism Training and Curriculum Development Program	N/A	93.996	29,570
<i>Passed through the Akron City Department of Health</i>			
Immunization Action Plan Grant	101A	93.268	30,811
Maternal and Child Health Services Grant	101Q	93.994	75,101
<i>Passed through the Area Agency on Aging</i>			
Special Programs for the Aging Title III, Part B, Grants for Supportive Services and Senior Centers	227B	93.044	<u>2,910</u>
Total U.S. Department of Health and Human Services			<u>138,392</u>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>			
<i>Passed through the Ohio Department of Public Safety</i>			
Public Assistance Grants	1519-DR-153-03828	97.036	103,396
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
<i>Passed through the Ohio Department of Transportation</i>			
Highway Planning and Construction	TE21-E031(348) - 2004 TE21-E031(348) - 2005	20.205	156,548 <u>447,133</u>
Total U.S. Department of Transportation			<u>603,681</u>
<b><u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u></b>			
<i>Direct</i>			
Brownfields Assessment and Cleanup Cooperative Agreements	N/A	66.818	<u>18,802</u>
<b>TOTAL</b>			<b><u>\$ 2,394,535</u></b>

*The notes to the Federal Award Expenditures Schedule are an integral part of this schedule.*

**CITY OF BARBERTON  
SUMMIT COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
DECEMBER 31, 2005**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - COMMUNITY DEVELOPMENT BLOCK GRANT REVOLVING LOAN PROGRAMS**

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City, passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2005, the gross amount of loans outstanding under this program was \$508,356.

**NOTE C - SUBRECIPIENTS**

The City passes-through certain Federal assistance received from U.S. Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As described in Note A, the City records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the City is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements, and that performance goals are achieved.

**NOTE D – HIGHWAY PLANNING AND CONSTRUCTION (CFDA 20.205)**

The Schedule reflects the 2005 and 2004 expenditures related to the Highway Planning and Construction Grant. The 2004 expenditures were omitted from the 2004 Federal Awards Expenditures Schedule. Additionally, the 2004 expenditures were included within the audit of this program for the year ended December 31, 2005.

**CITY OF BARBERTON  
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2005**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	CFDA # 14.218, Community Development Block Grant Entitlement Program CFDA # 20.205, Highway Planning and Construction
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None



*City of Barberton, Ohio*



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



**CITY OF BARBERTON, OHIO**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2005

PREPARED BY:

RAYMOND E. FLICKINGER, JR., DIRECTOR OF FINANCE - C.M.F.A  
BRIAN GRIFFITH, ASSISTANT FINANCE DIRECTOR

*104 THIRD STREET  
BARBERTON, OHIO 44203*

THIS PAGE IS INTENTIONALLY LEFT BLANK



# **INTRODUCTORY SECTION**

THIS PAGE IS INTENTIONALLY LEFT BLANK

**CITY OF BARBERTON, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

TABLE OF CONTENTS

**I. INTRODUCTORY SECTION**

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

**II. FINANCIAL SECTION**

INDEPENDENT ACCOUNTANTS' REPORT.....	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	3-12
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Assets .....	13
Statement of Activities .....	14-15
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	16-17
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	20-21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	22
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
General Fund.....	23
Health District Fund.....	24
Statement of Fund Net Assets - Proprietary Funds.....	25
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds .....	26
Statement of Cash Flows - Proprietary Funds .....	27-28
Statement of Fiduciary Net Assets - Fiduciary Funds .....	29

BASIC FINANCIAL STATEMENTS (CONTINUED):

Statement of Changes in Fiduciary Net Assets - Fiduciary Fund .....	30
Notes to the Basic Financial Statements.....	31-60

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Combining Statements and Individual Fund Schedules - Governmental Funds:

Fund Descriptions - Governmental Funds .....	62-65
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) General Fund .....	66-67
Combining Balance Sheet - Nonmajor Governmental Funds .....	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds .....	69
Combining Balance Sheet - Nonmajor Special Revenue Funds .....	70-75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds .....	76-81

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

Street Construction, Maintenance and Repair Fund .....	82
State Highway Improvement Fund .....	83
Permissive License Tax Fund .....	84
Residential Street Fund .....	85
Court Computer Fund .....	86
Indigent Drivers Alcohol Treatment Fund .....	87
Sports Complex Operating Fund .....	88
Parks Recreation Improvement Fund .....	89
Gas and Oil Royalty Fund .....	90
D.A.R.E. Program Fund .....	91
Mandatory Drug Fines Fund .....	92
Local Law Enforcement Trust Fund .....	93
Parks Revolving Loan Fund .....	94
Sidewalk Improvement Program Fund .....	95
City Grant Fund .....	96
Federal Emergency Management Agency Fund .....	97
Emergency Reserve Fund .....	98
Community Development Block Grant Fund .....	99
Rental Rehabilitation Fund .....	100
Tax Increment Financing Fund .....	101
Lake Cinema Complex Maintenance Fund .....	102
Project Impact Fund .....	103
Beautification Fund .....	104
Downtown Sales and Rental Fund .....	105
Senior Center Trust Fund .....	106
Fire Pension Fund .....	107
Police Pension Fund .....	108
Combining Balance Sheet - Nonmajor Debt Service Funds .....	109

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES (CONTINUED):

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds .....	110
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
General Obligation Bond Retirement Fund.....	111
Special Assessment Bond Retirement Fund.....	112
Combining Balance Sheet - Nonmajor Capital Projects Funds .....	113
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	114
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Street Improvement Fund .....	115
Senior Center Construction Fund .....	116
Sports Complex Construction Fund.....	117
Issue II Fund.....	118
Infrastructure Improvement Reserve Fund .....	119
Street and Storm Sewer Improvement Fund.....	120
Combining Statements and Individual Fund Schedules - Proprietary Funds:	
Fund Descriptions - Proprietary Funds.....	121
Combining Statement of Fund Net Assets - Nonmajor Enterprise Funds .....	122
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Nonmajor Enterprise Funds.....	123
Combining Statement of Cash Flows - Nonmajor Enterprise Funds .....	124
Schedules of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Water Fund.....	125
Sewer Fund.....	126
Solid Waste Fund .....	127
Community Center Fund .....	128
Lake Cinema Operating Fund.....	129
Combining Statement of Net Assets - Nonmajor Internal Service Funds.....	130
Combining Statement of Revenues, Expenses and Changes in Net Assets - Nonmajor Internal Service Funds.....	131
Combining Statement of Cash Flows - Nonmajor Internal Service Funds .....	132
Individual Fund Schedules of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Health Insurance Fund.....	133
Internal Allocation Fund.....	134

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES (CONTINUED):

Fund Descriptions - Agency Funds .....	135
Statement of Changes in Assets and Liabilities - Agency Funds.....	136

**III. STATISTICAL SECTION**

Governmental Fund Revenues by Source and Expenditures by Function - Last Ten Years .....	S 2-3
Real and Public Utility Property Tax Levies and Collections - Last Ten Years .....	S 4
Assessed and Estimated Actual Value of Taxable Property - Last Ten Years .....	S 6-7
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years .....	S 8
Special Assessment Tax Levies and Collections - Last Ten Years .....	S 9
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures - Last Ten Years .....	S 10
Ratio of Net General Obligation Bonded Debt to Assessed Valuation and Net General Obligation Bonded Debt Per Capita - Last Ten Years .....	S 11
Computation of Legal Debt Margin .....	S 12
Computation of Direct and Overlapping General Obligation Bonded Debt.....	S 13
Revenue Bond Coverage - Sewer - Last Ten Years .....	S 14
Property Values, Bank Deposits, Construction and Income Tax Collections - Last Ten Years .....	S 15
Principal Taxpayers - Real Property Tax .....	S 16
Principal Taxpayers - Tangible Personal Property Tax .....	S 17
Principal Taxpayers - Public Utility Property Tax .....	S 18
Demographic Statistics .....	S 19
Miscellaneous Statistics .....	S 20



May 30, 2006

Honorable Mayor, Members of City Council  
And Citizens of Barberton  
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, 2005, 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 Comprehensive Annual Financial Report consists of three major sections:

1. The Introductory Section contains the Table of Contents, Letter of Transmittal, the Organizational Chart for the City, the List of Principal Officials and the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting.
2. The Financial Section includes the Independent Accountants' Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements, and other schedules providing detailed information relative to the Basic Financial Statements.
3. The Statistical Section presents financial, economic, social and demographic data about the City for the last 10 years.

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 audit performed by the Auditor of State's Office. The City continues to receive an unqualified opinion. The Independent Accountants' Report of the Auditor of State on the City's financial statements is included in the Financial Section of this report.

***Finance Department***

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

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, 2005 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 Accountants' Report.

## **Community Profile**

The City of Barberton is located in northeast Ohio, adjacent to the City of Akron. 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 27,899.

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 Barberton Health District. In addition, water, sewer and solid waste disposal services are provided under the enterprise fund concept with user charges set to ensure adequate coverage of operating expenses and payments on outstanding debt. The Barberton Community Fitness Center also operates as an enterprise fund with member fees partially covering the cost of providing programs. In recent years, the City's staffing levels have declined from 283 full-time employees in 2001 to 245 in 2005.

## **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 and dairy products. The City's largest employer accounts for almost 20 percent of the City's total income tax collections.

Given Barberton's ties to the manufacturing industry, the downturn in the national economy has had a more dramatic and negative impact on the City than many of the neighboring communities and the rest of Ohio. However, beginning in 2004 the City began to show signs of recovery. For example, 2005 income tax collections were approximately 3% greater than 2003.

Despite the recent growth in income tax collections it appears the City will continue to have a difficult budget situation for the near future. This is due to other revenues such as, shared support from the State and estate taxes continuing to remain stagnant or declining while operating costs are starting to increase due to inflationary pressures, unmet capital needs and the rising costs of health care.

Despite the challenges the declining revenues have presented, there are several development projects taking place that will help to restore Barberton's long-term economic stability. These projects include the following:

- Construction continued on the New Haven neighborhood development in 2005. City Council authorized the issuance of housing revenue bonds (conduit debt) in an amount not to exceed \$4.2 million for the project. Forest City plans to construct over 400 new homes in the allotment. Please see the notes to the basic financial statements for more details concerning the City's issuance of conduit debt.



- To encourage business development the Barberton Community Development Corporation (BCDC), in cooperation with the City of Barberton and the Barberton Community Foundation (Foundation), has created four mini industrial parks. To date, the latest park New Haven Business Park has created 81 jobs and \$3.2 million in new construction. Programs such as the Foundation PRI program have created or maintained 630 jobs with an annual payroll of \$12.1 million.

Another positive sign is that the total assessed property values have increased approximately 19 percent during the last five years. This growth can be attributed to the recent completion of several neighborhood and commercial developments as well as to an overall trend towards better housing maintenance Citywide. The growth in property values provides evidence that the various housing and commercial development programs being offered by the City and other non-profit agencies, such as the Barberton Community Foundation and the Barberton Community Development Corporation are beginning to have a meaningful impact.

### ***Long-Term Financial Planning***

The City had been able to offset the loss of revenues the last few years by using all its Emergency Reserve monies as well as a number of other one-time revenues. However, because there were no more one-time revenues that could be used, the City has made an effort to reduce operating expenses. An example of this effort is that the full-time staffing levels have been reduced through attrition from 283 employees in 2001 to 245 at the end of 2005. The result of the staffing reductions and other cuts has been minimal growth in the General Fund budget since 2001. For example, the 2006 General Fund budget totals approximately \$14.7 million. The 2001 General Fund expenditures also amounted to approximately \$14.5 million on a cash basis, indicating no material growth in General Fund expenditures for the last five years.

### ***Major Initiatives***

Construction began on the Robinson Avenue Viaduct in 2005. The City's share of the cost of the \$16.3 million project is \$1.125 million. The remainder of the costs are being funded by grants from the State of Ohio, the Ohio Public Works Commission and the Summit County Bridge Fund. The viaduct is scheduled to open in July of 2006 and replaces the Tuscarawas Avenue Viaduct.

The City entered into a \$2,285,000 contract with U.S. Filter for the filtration replacement portion of the \$9,000,000 Water Plant renovation project, a complete upgrade to the plant filtration system. The remainder of the project was bid in early 2006.

Contracts totaling \$448,939 were awarded and construction began on the renovations to Tuscora Park in 2005. A new pavilion, play equipment, and walking trail are part of the project.

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

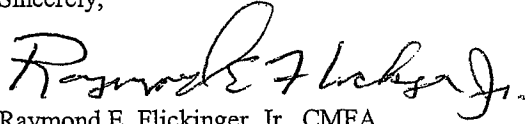
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Barberton, Ohio for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2004. The Certificate 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 15 consecutive years (1990-2004). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for award consideration.

## Acknowledgements

The presentation of this report could not have been accomplished without the dedicated services of the Finance Department staff. I would like to express my appreciation to those directly involved with this report and to the entire staff for their efficient service throughout the year.

Sincerely,

A handwritten signature in black ink that reads "Raymond E. Flickinger, Jr." The signature is written in a cursive style with a large, prominent initial 'R'.

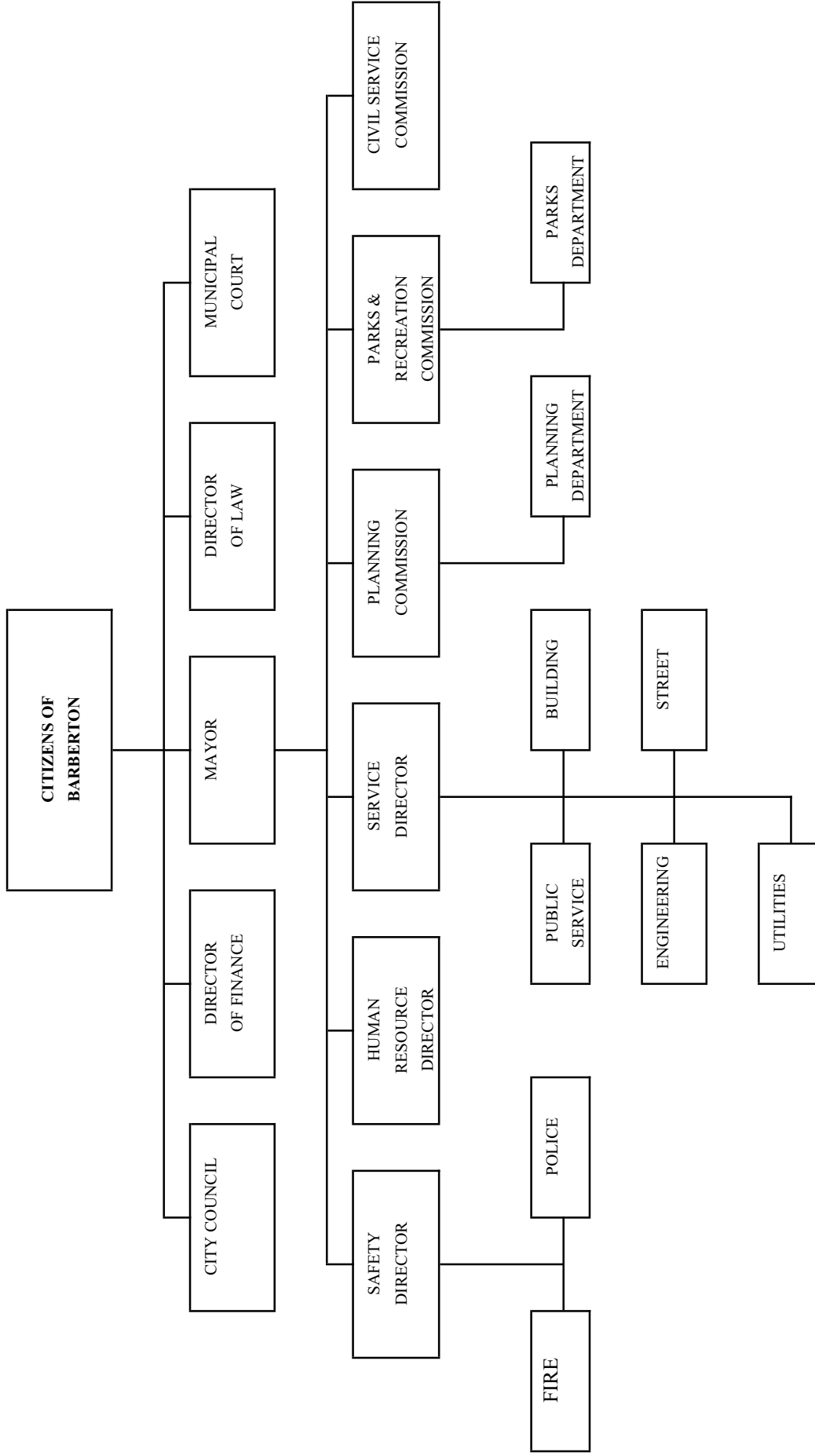
Raymond E. Flickinger, Jr., CMFA  
Director of Finance

**CITY OF BARBERTON, OHIO**

**LIST OF PRINCIPAL CITY OFFICIALS  
AS OF DECEMBER 31, 2005**

<b>Mayor</b>	(Elected: four-year term)	Randy Hart
<b>Cabinet of the Mayor:</b>	(Appointed)	
<b>Service Director</b>		Elwood Palmer
<b>Safety Director</b>		Leon T. Ricks
<b>Director of Finance</b>	(Elected: four-year term)	Raymond E. Flickinger, Jr.
<b>Director of Law</b>	(Elected: four-year term)	Gregory Macko
<b>Municipal Court Judges</b>	(Elected: six-year term)	Michael J. McNulty Michael L. Weigand
<b>Clerk of Municipal Court</b>	(Elected: six-year term)	Andrea Norris
<b>Council:</b>	(Elected: four-year term)	
President		Robert J. Genet
Members:		
At-Large		Robert P. Nickol
At-Large		Joseph R. Underation
Ward 1		Paul J. Suboticki
Ward 2		William B. Judge
Ward 3		Frederick S. Maurer
Ward 4		Albert J. Canfora
Ward 5		Terry L. Avant
Ward 6		Michael Anderson

**CITY OF BARBERTON, OHIO  
ORGANIZATIONAL CHART**



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Barberton,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2004

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



*Carla E. Perry*

President

*Jeffrey R. Emer*

Executive Director

THIS PAGE IS INTENTIONALLY LEFT BLANK

# **FINANCIAL SECTION**

THIS PAGE IS INTENTIONALLY LEFT BLANK





## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

City of Barberton  
Summit County  
104 Third Street, N.W.  
Barberton, Ohio 44203

To the Honorable Mayor and Members of City Council:

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, (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2005, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Health District funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3A, a prior period adjustment was made to properly state interfund loans at December 31, 2004 in the General and Capital Projects Street Improvement funds.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2006, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. 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 tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

**Betty Montgomery**  
Auditor of State

May 30, 2006

## CITY OF BARBERTON, OHIO

### *MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005 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, 2005. The intent of this discussion is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the transmittal letter, the notes to the basic financial statements and the basic financial statements.

#### **Financial Summary**

The financial summary for 2005 follows:

- The assets of the City of Barberton exceeded its liabilities at December 31, 2005 by \$63,643,279 (net assets). Of this amount, \$11,801,964 is considered restricted for various purposes such as capital projects, debt service and other restrictions. Another \$44,907,074 is invested in capital assets and the remaining \$6,934,241 is considered unrestricted and may be used to meet the City's ongoing obligations.
- Total net assets increased \$2,347,051 as a result of this year's operations. Net assets of our business-type activities increased \$1,106,565, or 3.38 percent, while the net assets of governmental activities increased \$1,240,486, or 4.34 percent.
- The total cost of the City's programs was \$31,681,533, while the total revenues were \$34,028,584. Of these amounts the governmental activities represented \$21,601,958 of the expenses and \$23,069,444 of the revenues. The business-type activities represented the remaining \$10,079,575 of expenses and \$10,959,140 of revenues.
- At the end of the current fiscal year, the fund balance for the General Fund was \$1,730,076 on a modified accrual basis. This balance provides the City with the equivalent of 55 working days of expenditures.
- The City's total outstanding debt increased \$89,827 during 2005. This increase is due primarily to a series of debt re-financings and new issues for water plant improvement notes.

#### **Using this Comprehensive Annual Financial Report**

This report consists of a series of financial statements and 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 the City's operations, if they prefer.

The Statement of Net Assets and the Statement of Changes in Net Assets provide information from a summary perspective showing the effects of the operations for the year 2005 and how they impacted the operations of the City as a whole.

Fund financial statements provide the next level of detail. For governmental funds, these statements tell 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 funds with all other nonmajor funds presented in total in one column.

## **CITY OF BARBERTON, OHIO**

### *MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005 UNAUDITED*

#### **Reporting the City of Barberton as a Whole**

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

The Statement of Net Assets 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 and all liabilities 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.

From the Statement of Net Assets, you can determine what the City's current financial position is by subtracting total liabilities (what the City owes) from total assets (what the City owns). Over time, increases or decreases in the City's net assets 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 10. Fund financial reports give a detailed accounting of the activities within the funds. The City currently has 45 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 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 restricted uses for the monies within the fund.

In this report, the focus is on six major funds, the General Fund, the Health District Fund, the Street Improvement Fund, the Senior Center Construction Fund, the Water Fund and the Sewer 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, health services and street and park maintenance. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets 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.

**CITY OF BARBERTON, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
UNAUDITED*

*Fiduciary Funds*

The City's private-purpose trust fund is used to account for assets held by the City in a trust agreement from a private citizen. Agency Funds are used to account for resources held for the benefit of parties outside the City. Agency and private-purpose trust 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.

**Statement of Net Assets**

As noted earlier, the Statement of Net Assets 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 assets for 2005 compared to 2004:

	<b>Net Assets</b>					
	Governmental Activities 2005	Business-type Activities 2005	Governmental Activities 2004	Business-type Activities 2004	2005 Total	2004 Total
<u>Assets</u>						
Current and other assets	\$ 15,577,261	\$ 10,017,259	\$ 14,677,148	\$ 7,318,822	\$ 25,594,520	\$ 21,995,970
Capital assets, net	<u>27,873,395</u>	<u>35,270,635</u>	<u>28,506,739</u>	<u>35,984,137</u>	<u>63,144,030</u>	<u>64,490,876</u>
Total assets	<u>43,450,656</u>	<u>45,287,894</u>	<u>43,183,887</u>	<u>43,302,959</u>	<u>88,738,550</u>	<u>86,486,846</u>
<u>Liabilities</u>						
Current and other liabilities	3,777,917	1,044,104	4,112,431	487,674	4,822,021	4,600,105
Long-term liabilities:						
Due within one year	1,437,765	1,387,097	1,106,585	3,800,476	2,824,862	4,907,061
Due in more than one year	<u>8,400,124</u>	<u>9,048,264</u>	<u>9,370,507</u>	<u>6,312,945</u>	<u>17,448,388</u>	<u>15,683,452</u>
Total liabilities	<u>13,615,806</u>	<u>11,479,465</u>	<u>14,589,523</u>	<u>10,601,095</u>	<u>25,095,271</u>	<u>25,190,618</u>

**CITY OF BARBERTON, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
UNAUDITED*

**Net Assets**

	Governmental Activities <u>2005</u>	Business-type Activities <u>2005</u>	Governmental Activities <u>2004</u>	Business-type Activities <u>2004</u>	2005 Total	2004 Total
<u>Net Assets</u>						
Invested in capital assets, net of related debt	\$ 19,954,622	\$ 24,952,452	\$ 23,568,720	\$ 26,599,164	\$ 44,907,074	\$ 50,167,884
Restricted:						
Capital projects	4,443,464	-	884,157	-	4,443,464	884,157
Debt service	537,306	663,928	176,573	701,095	1,201,234	877,668
Street construction, maintenance and repair	843,410	-	660,339	-	843,410	660,339
Court computer	76,374	-	105,607	-	76,374	105,607
Recreation	763,290	-	1,141,502	-	763,290	1,141,502
Health District	997,115	-	361,978	-	997,115	361,978
Community development and improvements	764,691	-	773,257	-	764,691	773,257
Law enforcement	283,180	-	326,241	-	283,180	326,241
Emergency reserve	257	-	251	-	257	251
Police and fire pension	91,621	-	52,900	-	91,621	52,900
Miscellaneous grants	100,774	-	39,737	-	100,774	39,737
Sewer replacement and improvement	-	2,236,554	-	2,432,132	2,236,554	2,432,132
Unrestricted	<u>978,746</u>	<u>5,955,495</u>	<u>503,102</u>	<u>2,969,473</u>	<u>6,934,241</u>	<u>3,472,575</u>
 Total net assets	 <u>\$ 29,834,850</u>	 <u>\$ 33,808,429</u>	 <u>\$ 28,594,364</u>	 <u>\$ 32,701,864</u>	 <u>\$ 63,643,279</u>	 <u>\$ 61,296,228</u>

Total assets increased in 2005 by \$2,251,704. The increase in the assets is due primarily to the increase of cash and cash equivalents of approximately \$2.9 million during 2005.

Total liabilities decreased \$95,347 in 2005. The overall decrease in the liabilities is due to a number of factors including some fluctuations in the accounts payable, intergovernmental payable and deferred revenue amounts as well as debt increases. During 2005, the City rolled over several note issues and issued a water plant improvement note.

As a result of the increase in total assets of \$2,251,704 (a positive) and the decrease in total liabilities of \$95,347 (a positive), the total net assets increased \$2,347,051.

**CITY OF BARBERTON, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
UNAUDITED*

**Statement of Activities**

The table below shows the changes in net assets for fiscal years 2005 and 2004.

	<b>Change in Net Assets</b>					
	Governmental Activities <u>2005</u>	Business-type Activities <u>2005</u>	Governmental Activities <u>2004</u>	Business-type Activities <u>2004</u>	2005 Total	2004 Total
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,954,257	\$ 10,831,080	\$ 1,995,178	\$ 10,319,217	\$ 13,785,337	\$ 12,314,395
Operating grants and contributions	4,278,454	-	3,064,285	-	4,278,454	3,064,285
Capital grants and contributions	<u>476,933</u>	<u>-</u>	<u>1,852,649</u>	<u>-</u>	<u>476,933</u>	<u>1,852,649</u>
Total program revenues	<u>7,709,644</u>	<u>10,831,080</u>	<u>6,912,112</u>	<u>10,319,217</u>	<u>18,540,724</u>	<u>17,231,329</u>
General revenues:						
Property taxes	1,776,019	-	1,703,801	-	1,776,019	1,703,801
Income taxes	9,968,415	-	10,263,255	-	9,968,415	10,263,255
Grants and entitlements	2,077,635	-	2,448,748	-	2,077,635	2,448,748
Investment earnings	432,745	96,244	87,309	40,695	528,989	128,004
Other	<u>1,104,986</u>	<u>31,816</u>	<u>813,596</u>	<u>190,125</u>	<u>1,136,802</u>	<u>1,003,721</u>
Total general revenues	<u>15,359,800</u>	<u>128,060</u>	<u>15,316,709</u>	<u>230,820</u>	<u>15,487,860</u>	<u>15,547,529</u>
Total revenues	<u>23,069,444</u>	<u>10,959,140</u>	<u>22,228,821</u>	<u>10,550,037</u>	<u>34,028,584</u>	<u>32,778,858</u>
Program Expenses:						
General government	3,837,242	-	3,733,749	-	3,837,242	3,733,749
Public safety	9,579,081	-	9,077,025	-	9,579,081	9,077,025
Health and welfare	2,246,143	-	1,903,090	-	2,246,143	1,903,090
Transportation	2,606,966	-	2,543,136	-	2,606,966	2,543,136
Community environment	1,404,166	-	1,526,834	-	1,404,166	1,526,834
Leisure time activity	1,705,276	-	1,505,036	-	1,705,276	1,505,036
Interest and fiscal charges	223,084	-	300,427	-	223,084	300,427
Water	-	3,377,859	-	3,490,864	3,377,859	3,490,864
Sewer	-	3,816,607	-	3,379,220	3,816,607	3,379,220
Solid waste	-	1,393,999	-	1,359,244	1,393,999	1,359,244
Community center	-	544,489	-	702,065	544,489	702,065
Lake Cinema	<u>-</u>	<u>946,621</u>	<u>-</u>	<u>1,046,021</u>	<u>946,621</u>	<u>1,046,021</u>
Total expenses	<u>21,601,958</u>	<u>10,079,575</u>	<u>20,589,297</u>	<u>9,977,414</u>	<u>31,681,533</u>	<u>30,566,711</u>
Change in net assets before transfers	1,467,486	879,565	1,639,524	572,623	2,347,051	2,212,147
Transfers	<u>(227,000)</u>	<u>227,000</u>	<u>(220,000)</u>	<u>220,000</u>	<u>-</u>	<u>-</u>
Change in net assets	1,240,486	1,106,565	1,419,524	792,623	2,347,051	2,212,147
Net assets at beginning of year	<u>28,594,364</u>	<u>32,701,864</u>	<u>27,174,840</u>	<u>31,909,241</u>	<u>61,296,228</u>	<u>59,084,081</u>
Net assets at end of year	<u>\$ 29,834,850</u>	<u>\$ 33,808,429</u>	<u>\$ 28,594,364</u>	<u>\$ 32,701,864</u>	<u>\$ 63,643,279</u>	<u>\$ 61,296,228</u>

## CITY OF BARBERTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005 UNAUDITED

#### *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 2.0 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 2.0 percent of the income. On a full accrual basis, the City received \$9,968,415 in income tax collections, or 43.21 percent of the total governmental revenues in 2005, compared to \$10,263,255 in income tax collections received in 2004.

Intergovernmental revenue (i.e. state shared support) represents the City's second largest source of general revenue for the governmental activities. In 2005, the City received \$2,077,635 in unrestricted intergovernmental revenues or 9.01 percent of total revenue. Unrestricted intergovernmental revenues totaled 11.02 percent of total revenue in 2004. The remaining general revenue sources represent smaller amounts and include property taxes (7.70 percent) and various others (4.79 percent).

Program restricted charges for services and operating and capital grants represent monies the City is awarded that are required to be used for very specific purposes. In 2005, the City received \$2,954,257 in charges for services and a combined total of \$4,755,387 in various operating and capital grants.

The City's governmental activity expenses totaled \$21,601,958 in 2005, with public safety (police and fire protection) and transportation (street maintenance) representing the largest portion of this figure at 56.41 percent. The City's governmental activity expenses increased by \$1,012,661 from 2004, due to increased public safety and health and welfare expenditures on the government wide financial statements. The City recorded \$1,431,678 in capital outlays in 2005 compared to \$4,515,836 in 2004.

Public Safety expenses totaled \$9,579,081 and represented 44.34 percent of the City's total governmental activity expenses in 2005 compared to 44.09 percent in 2004. The public safety classification consists of the Police Department, which includes 911 dispatchers, and the Fire Department. As of December 31, 2005, the City employed 39 full-time police officers, 11 full-time 911 dispatchers and 44 full-time firefighters.

At \$2,606,966 or 12.07 percent, transportation represents the City's third largest category of governmental activity expenses. 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. The expenses for the private street resurfacing contracts are also included as transportation related expenses. As of December 31, 2005, the City employed 13 full-time employees in the Street Department and 2 full-time employees in the Signal Division.

#### *Business-Type Activities*

The City operates a Utility Department that consists of water, sewer and solid waste disposal (garbage collection) services. In terms of revenues and expenses, the sewer utility is the largest of the utilities. Sanitary sewer services are provided to approximately 10,900 customers in and around the Barberton area. Sewer billing rates are set by City Council based on the recommendation of the Service Director and the Utilities Director. In 2005, the rates were established at \$3.65 per thousand gallons of water used 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 the most recent occurring in 2002 for various upgrades.

Water distribution and treatment services are provided to approximately 11,600 customers in and around the Barberton area. Water billing rates are set by the Service Director. In 2005, the rates were established at \$3.40 per thousand gallons for residential and commercial users. In 1994, the water treatment plant was completely renovated at a cost of approximately \$4.9 million. Over the past year, plans to improve and upgrade the water treatment plant have been in development.



**CITY OF BARBERTON, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
UNAUDITED*

The City also operates a solid waste disposal (garbage collection) utility. The City, in addition to billing and collecting garbage user fees, acts as an agent between the successful bidder for pickup service and City customers. In 2005, the rate was established at \$11.92 per month.

In addition to the three utilities, the City also operates a community center and a cinema movie theater. The community center is under the direction of the Parks Department and is designed to provide area residents with various recreational, fitness and educational opportunities. The Lake Cinema is a City-owned movie theater. The City contracts with a private management firm to operate the theater on a daily basis. Through the terms of the contract, the City does not use any of its employees for theater operations. In comparison to the three utilities, the community center and the cinema represent smaller operations, accounting for 5.40 and 9.39 percent of the total expenses for the business-type activities, respectively.

The revenues and expenses for all the business-type activities are reported under the Business-Type Activities. The revenues are derived primarily from user charges. In 2005, the charges for services amount of \$10,831,080 accounted for 98.83 percent of the total revenues compared to 97.81 in 2004. The total expenses for all the business-type activities were \$10,079,575 resulting in an increase in net assets of \$1,106,565.

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>2005</u>	Net Cost of Services <u>2005</u>	Total Cost of Services <u>2004</u>	Net Cost of Services <u>2004</u>
Program Expenses:				
General government	\$ 3,837,242	\$ 2,038,209	\$ 3,733,749	\$ 2,515,345
Public safety	9,579,081	9,066,584	9,077,025	8,719,989
Health and welfare	2,246,143	24,909	1,903,090	497,071
Transportation	2,606,966	909,744	2,543,136	423,002
Community environment	1,404,166	121,856	1,526,834	(175,044)
Leisure time activities	1,705,276	1,507,928	1,505,036	1,396,395
Interest and fiscal charges	<u>223,084</u>	<u>223,084</u>	<u>300,427</u>	<u>300,427</u>
Total Expenses	<u>\$ 21,601,958</u>	<u>\$ 13,892,314</u>	<u>\$ 20,589,297</u>	<u>\$ 13,677,185</u>

The dependence upon general revenues for governmental activities is apparent, with 64.31% of expenses supported through taxes and other general revenues in 2005 and 66.43% in 2004.

## CITY OF BARBERTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005 UNAUDITED

#### The City's Funds

Information about the City's governmental funds begins on page 16. See Note 3.A. to the financial statements for detail on the prior period adjustment that affected the general fund and Street Improvement fund. Governmental funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of \$22,853,155 and expenditures of \$22,335,865.

The General Fund is the chief operating fund of the City of Barberton. During 2005, the City's General Fund had total revenues and other financing sources of \$16,330,188 and expenditures and other financing uses totaling \$16,466,990, resulting in a shortfall of \$136,802. This shortfall was covered by using a portion of the prior year fund balance. The unreserved fund balance in the General Fund at December 31, 2005 was \$1,551,627.

In addition to the General Fund, the other major governmental funds also experienced large changes in fund balance from 2004 to 2005. The Street Improvement and Senior Center Construction capital projects funds increased by a combined total of \$535,612 due to the completion of the capital projects accounted for in these funds. The fund balance of the Health District special revenue increased \$193,615 or 85.30% during 2005.

Information concerning the proprietary funds starts on page 25. These funds are accounted for on an accrual basis. All enterprise funds had operating revenues of \$10,818,991 and operating expenses of \$9,912,159, resulting in operating income of \$906,832 or 8.38 percent of the total revenues. The Sewer Fund had operating revenues of \$4,087,566 which was greater than the operating expenses of \$3,776,037. The Water Fund had operating revenues of \$4,098,998 and operating expenses of \$3,262,131.

#### *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 department level for the General Fund and at the fund level for all other funds. Any budget modifications at this level may only be made through an ordinance of City Council. City policy permits fund transfers within control levels with the approval of the department head and the Finance Director. During the course of 2005, the City amended the budget several times.

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 2005 original and final budgeted revenues were \$16,172,167 and \$16,446,043, respectively. The actual revenue collections were \$16,020,173. The lower actual revenue collections were due primarily to the lower municipal income tax revenue. During 2005, actual expenditures of \$16,712,657 were \$269,603 less than the final appropriated expenditures of \$16,982,260. The City's ending unencumbered cash balance of \$371,550 in the General Fund was \$156,267 lower than the final budgeted amount.

**CITY OF BARBERTON, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
UNAUDITED*

**Capital Assets and Debt Administration**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Land	\$ 3,905,666	\$ 3,489,929	\$ 973,813	\$ 973,813	\$ 4,879,479	\$ 4,463,742
Construction in progress	2,179,136	2,178,895	3,085,226	2,909,527	5,264,362	5,088,422
Buildings	2,501,351	2,194,155	14,853,144	15,659,765	17,354,495	17,853,920
Vehicles and equipment	3,204,472	3,810,775	1,051,751	1,281,052	4,256,223	5,091,827
Infrastructure						
Street subsystem	11,010,690	11,371,124	-	-	11,010,690	11,371,124
Storm sewer subsystem	3,583,860	3,766,565	-	-	3,583,860	3,766,565
Traffic signals subsystem	1,488,220	1,695,296	-	-	1,488,220	1,695,296
Water lines	-	-	5,955,696	5,674,105	5,955,696	5,674,105
Sewer lines	-	-	9,351,005	9,485,875	9,351,005	9,485,875
Totals	<u>\$27,873,395</u>	<u>\$28,506,739</u>	<u>\$35,270,635</u>	<u>\$35,984,137</u>	<u>\$63,144,030</u>	<u>\$64,490,876</u>

Total capital assets for the City of Barberton for the year ended December 31, 2005 were \$63,144,030, which is a decrease from the 2004 figure by \$1,346,846. The decrease is due to depreciation of \$3,550,446 and disposals of \$167,334 (net of accumulated depreciation) exceeding capital outlays of \$2,370,934. Please see Note 7 in the financial statements for more information regarding the City's capital assets.

*Debt*

The outstanding debt for the City of Barberton as of December 31, 2005 was \$18,222,380. This balance reflected an increase of \$89,827 from the prior year's balance of \$18,132,553. Moody's Investors Service, Inc. has given the City a bond rating of A3.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
General obligation bonds	\$ 5,327,578	\$ 5,960,379	\$ 5,011,651	\$ 5,651,570	\$ 10,339,229	\$ 11,611,949
Revenue refunding bonds	-	-	615,014	1,205,027	615,014	1,205,027
Capital leases	-	-	11,187	24,077	11,187	24,077
Special assessment bonds	266,950	176,500	-	-	266,950	176,500
Notes payable	1,013,000	1,216,000	4,652,000	2,459,000	5,665,000	3,675,000
Other debt	1,325,000	1,440,000	-	-	1,325,000	1,440,000
Total long-term obligations	<u>\$ 7,932,528</u>	<u>\$ 8,792,879</u>	<u>\$ 10,289,852</u>	<u>\$ 9,339,674</u>	<u>\$ 18,222,380</u>	<u>\$ 18,132,553</u>

## **CITY OF BARBERTON, OHIO**

### *MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005 UNAUDITED*

A summary of the City's debt activity during 2005 includes the following:

- The City made scheduled principal and interest payments on its debt obligations, as well as re-financing and paying down a portion of the notes payable related to street, water system, and community center improvements.
- The balance of the notes decreased by \$203,000 in the governmental activities and increased \$2,193,000 in the business-type activities.

Please see Notes 9 and 10 in the financial statements for more information regarding the City's debt.

#### **Economic Factors and the 2006 General Fund Budget**

Some of the economic trends impacting Barberton that were considered in developing the 2006 budget include the following:

- Barberton's average annual unemployment rate during 2005 was 6.8 percent, compared to 5.8 percent for Summit County and 5.9 percent for the State of Ohio.
- Barberton's total assessed property values have increased approximately \$67.5 million, or nearly 19 percent since 2000.
- The 2005 income tax collections amounted to approximately \$10 million on a cash basis. In 2006, the City budgeted a 7.6 percent increase in income tax collections. Through March 2006, the City has experienced an 8 percent increase.

Despite the recent growth in the 2006 income tax collections and the City's cost cutting efforts, it appears the City will continue to have a difficult budget situation for the near future. This is due to other revenues such as, shared support from the State, interest earnings and estate taxes, continuing to remain stagnant or declining while operating costs are starting to increase due to inflationary pressures, unmet capital needs and the rising costs of health care. As a result, it is anticipated that further cost containment efforts and/or revenue enhancement actions will be necessary through the remainder of 2006 and into 2007.

#### **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 money 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, Barberton, Ohio 44203 or you can call us at 330-848-6775.

**CITY OF BARBERTON, OHIO**

*STATEMENT OF NET ASSETS  
DECEMBER 31, 2005*

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 8,327,038	\$ 7,666,836	\$ 15,993,874
Cash and cash equivalents in segregated accounts . . . . .	200,495	-	200,495
Cash and cash equivalents held by trustee . . . . .	-	663,928	663,928
Receivables (net of allowances for uncollectibles):			
Property taxes . . . . .	1,606,573	-	1,606,573
Income taxes . . . . .	1,785,368	-	1,785,368
Accounts . . . . .	70,032	1,114,801	1,184,833
Intergovernmental . . . . .	2,344,354	-	2,344,354
Accrued interest . . . . .	51,919	10,573	62,492
Special assessments . . . . .	266,950	-	266,950
Notes receivable. . . . .	782,363	-	782,363
Prepayments . . . . .	71,266	56,020	127,286
Materials and supplies inventory. . . . .	-	316,110	316,110
Deferred charges . . . . .	70,903	188,991	259,894
Capital assets:			
Nondepreciable capital assets . . . . .	6,084,802	4,059,039	10,143,841
Depreciable capital assets, net. . . . .	21,788,593	31,211,596	53,000,189
Total capital assets. . . . .	<u>27,873,395</u>	<u>35,270,635</u>	<u>63,144,030</u>
Total assets. . . . .	<u>43,450,656</u>	<u>45,287,894</u>	<u>88,738,550</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	268,444	340,835	609,279
Accrued wages and benefits . . . . .	216,327	100,873	317,200
Intergovernmental payable . . . . .	763,854	81,740	845,594
Internal balances . . . . .	144,604	(144,604)	-
Deferred revenue. . . . .	1,150,458	-	1,150,458
Accrued interest payable. . . . .	44,257	88,260	132,517
Claims payable. . . . .	272,973	-	272,973
Notes payable . . . . .	917,000	577,000	1,494,000
Long-term liabilities:			
Due within one year . . . . .	1,437,765	1,387,097	2,824,862
Due in more than one year . . . . .	8,400,124	9,048,264	17,448,388
Total liabilities . . . . .	<u>13,615,806</u>	<u>11,479,465</u>	<u>25,095,271</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt . . . . .	19,954,622	24,952,452	44,907,074
Restricted for:			
Capital projects . . . . .	4,443,464	-	4,443,464
Debt service. . . . .	537,306	663,928	1,201,234
Street construction, maintenance and repair . . . . .	843,410	-	843,410
Court computer . . . . .	76,374	-	76,374
Recreation. . . . .	763,290	-	763,290
Health district . . . . .	997,115	-	997,115
Community developments and improvements . . . . .	764,691	-	764,691
Law enforcement . . . . .	283,180	-	283,180
Emergency reserve . . . . .	257	-	257
Police and fire pension . . . . .	91,621	-	91,621
Miscellaneous grants . . . . .	100,774	-	100,774
Sewer replacement and improvement. . . . .	-	2,236,554	2,236,554
Unrestricted . . . . .	978,746	5,955,495	6,934,241
Total net assets . . . . .	<u>\$ 29,834,850</u>	<u>\$ 33,808,429</u>	<u>\$ 63,643,279</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BARBERTON, OHIO**

*STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental Activities:</b>				
General government . . . . .	\$ 3,837,242	\$ 1,798,314	\$ 719	\$ -
Public safety. . . . .	9,579,081	276,556	206,141	29,800
Health and welfare. . . . .	2,246,143	606,666	1,614,568	-
Transportation. . . . .	2,606,966	33,203	1,216,886	447,133
Community environment. . . . .	1,404,166	145,911	1,136,399	-
Leisure time activities. . . . .	1,705,276	93,607	103,741	-
Interest and fiscal charges. . . . .	223,084	-	-	-
<b>Total governmental activities . . . . .</b>	<b>21,601,958</b>	<b>2,954,257</b>	<b>4,278,454</b>	<b>476,933</b>
<b>Business-type Activities:</b>				
Water . . . . .	3,377,859	4,102,007	-	-
Sewer . . . . .	3,816,607	4,113,032	-	-
Other enterprise funds:				
Solid Waste . . . . .	1,393,999	1,414,758	-	-
Community Center. . . . .	544,489	350,454	-	-
Lake Cinema. . . . .	946,621	850,829	-	-
<b>Total business-type activities . . . . .</b>	<b>10,079,575</b>	<b>10,831,080</b>	<b>-</b>	<b>-</b>
<b>Total primary government. . . . .</b>	<b>\$ 31,681,533</b>	<b>\$ 13,785,337</b>	<b>\$ 4,278,454</b>	<b>\$ 476,933</b>

**General Revenues:**

Property taxes levied for:	
General purposes . . . . .	
Police pension. . . . .	
Fire pension . . . . .	
Municipal income taxes levied for:	
General purposes . . . . .	
Grants and entitlements not restricted to specific programs . . . . .	
Investment earnings . . . . .	
Other. . . . .	
<b>Total general revenues. . . . .</b>	
Transfers. . . . .	
Change in net assets. . . . .	
<b>Net assets at beginning of year . . . . .</b>	
<b>Net assets at end of year. . . . .</b>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (2,038,209)	\$ -	\$ (2,038,209)
(9,066,584)	-	(9,066,584)
(24,909)	-	(24,909)
(909,744)	-	(909,744)
(121,856)	-	(121,856)
(1,507,928)	-	(1,507,928)
(223,084)	-	(223,084)
<u>(13,892,314)</u>	<u>-</u>	<u>(13,892,314)</u>
-	724,148	724,148
-	296,425	296,425
-	20,759	20,759
-	(194,035)	(194,035)
-	(95,792)	(95,792)
<u>-</u>	<u>751,505</u>	<u>751,505</u>
<u>(13,892,314)</u>	<u>751,505</u>	<u>(13,140,809)</u>
1,518,135	-	1,518,135
128,942	-	128,942
128,942	-	128,942
9,968,415	-	9,968,415
2,077,635	-	2,077,635
432,745	96,244	528,989
1,104,986	31,816	1,136,802
15,359,800	128,060	15,487,860
<u>(227,000)</u>	<u>227,000</u>	<u>-</u>
1,240,486	1,106,565	2,347,051
28,594,364	32,701,864	61,296,228
<u>\$ 29,834,850</u>	<u>\$ 33,808,429</u>	<u>\$ 63,643,279</u>

**CITY OF BARBERTON, OHIO**

*BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2005*

	<u>General</u>	<u>Health District</u>	<u>Street Improvement</u>	<u>Senior Center Construction</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 287,023	\$ 310,678	\$ 38	\$ 3,841,055
Cash and cash equivalents in segregated accounts .	200,495	-	-	-
Receivables (net of allowance for uncollectibles):				
Property taxes . . . . .	1,338,893	-	-	-
Income taxes . . . . .	1,785,368	-	-	-
Accounts . . . . .	64,359	-	-	-
Intergovernmental . . . . .	964,396	963,561	-	-
Accrued interest . . . . .	35,331	-	-	12,548
Special assessments . . . . .	-	-	-	-
Notes receivable . . . . .	-	-	-	-
Prepayments . . . . .	60,076	1,630	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets . . . . .	<u>\$ 4,735,941</u>	<u>\$ 1,275,869</u>	<u>\$ 38</u>	<u>\$ 3,853,603</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 64,023	\$ 84,278	\$ -	\$ -
Accrued wages and benefits . . . . .	177,361	18,072	-	-
Due to other governments . . . . .	712,433	25,892	-	-
Compensated absences payable . . . . .	14,993	-	-	-
Deferred revenue . . . . .	2,037,055	727,034	-	1,119
Accrued interest payable . . . . .	-	-	1,771	-
Notes payable . . . . .	-	-	532,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities . . . . .	<u>3,005,865</u>	<u>855,276</u>	<u>533,771</u>	<u>1,119</u>
<b>Fund Balances:</b>				
Reserved for encumbrances . . . . .	118,373	-	-	1,575
Reserved for prepayments . . . . .	60,076	1,630	-	-
Reserved for notes receivable . . . . .	-	-	-	-
Reserved for debt service . . . . .	-	-	-	-
Unreserved, undesignated, reported in:				
General fund . . . . .	1,551,627	-	-	-
Special revenue funds . . . . .	-	418,963	-	-
Capital projects funds (deficit) . . . . .	-	-	(533,733)	3,850,909
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances (deficit) . . . . .	<u>1,730,076</u>	<u>420,593</u>	<u>(533,733)</u>	<u>3,852,484</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances . . . . .	<u>\$ 4,735,941</u>	<u>\$ 1,275,869</u>	<u>\$ 38</u>	<u>\$ 3,853,603</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 3,018,274	\$ 7,457,068
-	200,495
267,680	1,606,573
-	1,785,368
1,521	65,880
408,077	2,336,034
4,040	51,919
266,950	266,950
782,363	782,363
9,560	71,266
<u>\$ 4,758,465</u>	<u>\$ 14,623,916</u>
\$ 120,143	\$ 268,444
20,894	216,327
25,529	763,854
-	14,993
696,122	3,461,330
1,282	3,053
385,000	917,000
<u>1,248,970</u>	<u>5,645,001</u>
811,116	931,064
9,560	71,266
782,363	782,363
270,859	270,859
-	1,551,627
1,380,062	1,799,025
255,535	3,572,711
<u>3,509,495</u>	<u>8,978,915</u>
<u>\$ 4,758,465</u>	<u>\$ 14,623,916</u>

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

**CITY OF BARBERTON, OHIO**

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2005*

<b>Total governmental fund balances</b>		\$ 8,978,915
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		27,873,395
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Delinquent property taxes	\$ 151,115	
Intergovernmental	1,369,892	
Municipal income taxes	518,284	
Special assessments	266,950	
Interest	4,631	
Total	2,310,872	2,310,872
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:		
Compensated absences	(2,807,368)	
General obligation bonds payable	(5,327,578)	
Special assessment bonds payable	(266,950)	
Long-term notes payable	(96,000)	
Section 108 loan payable	(1,325,000)	
Total	(9,822,896)	(9,822,896)
In the statement of activities interest is accrued on outstanding bonds, notes and loans payable, whereas in governmental funds, interest expenditures are reported when due.		(41,204)
Bond issuance costs reported as an expenditure in the funds are allocated as an expense over the life of the debt on a full accrual basis.		70,903
Internal service funds are used by management to charge the costs of insurance, postage and gasoline to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		609,469
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.		(144,604)
<b>Net assets of governmental activities</b>		<b>\$ 29,834,850</b>

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, 2005*

	<u>General</u>	<u>Health District</u>	<u>Street Improvement</u>	<u>Senior Center Construction</u>
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 1,488,282	\$ -	\$ -	\$ -
Municipal income taxes . . . . .	10,187,691	-	-	-
Charges for services . . . . .	1,242,491	302,758	-	-
Licenses and permits . . . . .	142,636	303,908	-	-
Fines and forfeitures . . . . .	77,020	-	-	-
Intergovernmental . . . . .	2,195,983	1,243,784	447,133	-
Special assessments . . . . .	-	-	-	-
Investment income . . . . .	229,295	-	-	171,413
Contributions and donations . . . . .	-	-	-	-
Other . . . . .	697,591	7,248	153,925	16,474
Total revenues . . . . .	<u>16,260,989</u>	<u>1,857,698</u>	<u>601,058</u>	<u>187,887</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	3,717,703	-	-	-
Public safety . . . . .	9,243,557	-	-	-
Health and welfare . . . . .	-	2,220,889	-	-
Transportation . . . . .	149,755	-	-	-
Community environment . . . . .	521,538	-	-	-
Leisure time activities . . . . .	698,108	-	-	-
Capital outlay . . . . .	174,720	7,553	141,720	91,702
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	20,711	-
Bond issuance costs . . . . .	-	-	-	-
Total expenditures . . . . .	<u>14,505,381</u>	<u>2,228,442</u>	<u>162,431</u>	<u>91,702</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>1,755,608</u>	<u>(370,744)</u>	<u>438,627</u>	<u>96,185</u>
<b>Other financing sources (uses):</b>				
Notes issued . . . . .	-	-	-	-
Bonds issued . . . . .	-	-	-	-
Premium on notes and bonds . . . . .	-	-	-	-
Sale of capital assets . . . . .	12,691	-	-	-
Transfers in . . . . .	56,508	564,359	800	-
Transfers out . . . . .	(1,961,609)	-	-	-
Total other financing sources (uses) . . . . .	<u>(1,892,410)</u>	<u>564,359</u>	<u>800</u>	<u>-</u>
Net change in fund balances . . . . .	(136,802)	193,615	439,427	96,185
<b>Fund balances (deficit) at beginning of year (restated) . . . . .</b>	<u>1,866,878</u>	<u>226,978</u>	<u>(973,160)</u>	<u>3,756,299</u>
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 1,730,076</u>	<u>\$ 420,593</u>	<u>\$ (533,733)</u>	<u>3,852,484</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 251,706	\$ 1,739,988
-	10,187,691
93,607	1,638,856
-	446,544
90,178	167,198
2,544,113	6,431,013
239,011	239,011
30,851	431,559
63,111	63,111
632,946	1,508,184
<u>3,945,523</u>	<u>22,853,155</u>
33,774	3,751,477
261,943	9,505,500
74,794	2,295,683
1,450,136	1,599,891
978,243	1,499,781
622,159	1,320,267
834,455	1,250,150
888,081	888,081
200,339	221,050
3,985	3,985
<u>5,347,909</u>	<u>22,335,865</u>
<u>(1,402,386)</u>	<u>517,290</u>
96,000	96,000
112,450	112,450
8,754	8,754
6,938	19,629
1,213,599	1,835,266
(115,657)	(2,077,266)
<u>1,322,084</u>	<u>(5,167)</u>
(80,302)	512,123
3,589,797	8,466,792
<u>\$ 3,509,495</u>	<u>\$ 8,978,915</u>

**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, 2005*

<b>Net change in fund balances - total governmental funds</b>		\$ 512,123
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.		
Capital asset additions	\$ 1,431,678	
Current year depreciation	<u>(1,900,587)</u>	
Total		(468,909)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(164,435)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	36,031	
Intergovernmental	338,898	
Municipal income taxes	(219,276)	
Special assessments	59,450	
Interest	<u>1,186</u>	
Total		216,289
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
		888,081
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.		
Accrued interest	660	
Bond premium	1,720	
Bond issuance costs	<u>(9,183)</u>	
Total		(6,803)
The issuance of bonds and notes are recorded as revenue in the funds, however, on the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets.		
		(208,450)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of financial resources and therefore are not reported as expenditures in governmental funds.		
		(39,655)
Internal service funds used by management to charge the cost of insurance, postage, and gasoline to individual funds is not reported in the expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.		
		<u>512,245</u>
<b>Change in net assets of governmental activities</b>		<u>\$ 1,240,486</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 1,321,676	\$ 1,321,676	\$ 1,360,950	\$ 39,274
Municipal income taxes . . . . .	10,570,000	10,570,000	10,017,219	(552,781)
Charges for services . . . . .	1,060,200	1,198,350	1,209,074	10,724
Licenses and permits . . . . .	137,530	149,030	142,636	(6,394)
Fines and forfeitures . . . . .	85,000	85,000	80,170	(4,830)
Intergovernmental . . . . .	2,738,959	2,278,460	2,257,785	(20,675)
Investment income . . . . .	70,169	140,169	185,549	45,380
Other . . . . .	180,150	634,150	697,591	63,441
Total revenues. . . . .	<u>16,163,684</u>	<u>16,376,835</u>	<u>15,950,974</u>	<u>(425,861)</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	3,811,926	3,925,617	3,798,807	126,810
Public safety . . . . .	9,602,556	9,436,056	9,355,351	80,705
Transportation . . . . .	149,140	159,740	156,106	3,634
Leisure time activities. . . . .	768,255	739,453	709,662	29,791
Community environment . . . . .	786,693	552,393	538,257	14,136
Capital outlay . . . . .	40,731	207,392	192,865	14,527
Total expenditures. . . . .	<u>15,159,301</u>	<u>15,020,651</u>	<u>14,751,048</u>	<u>269,603</u>
Excess of revenues over expenditures . . . . .	<u>1,004,383</u>	<u>1,356,184</u>	<u>1,199,926</u>	<u>(156,258)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	4,483	56,508	56,508	-
Transfers out . . . . .	(1,780,959)	(1,961,609)	(1,961,609)	-
Sale of capital assets . . . . .	4,000	12,700	12,691	(9)
Total other financing sources (uses). . . . .	<u>(1,772,476)</u>	<u>(1,892,401)</u>	<u>(1,892,410)</u>	<u>(9)</u>
Net change in fund balance . . . . .	(768,093)	(536,217)	(692,484)	(156,267)
<b>Fund balance at beginning of year . . . . .</b>	844,809	844,809	844,809	-
<b>Prior year encumbrances appropriated. . . . .</b>	219,225	219,225	219,225	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 295,941</u>	<u>\$ 527,817</u>	<u>\$ 371,550</u>	<u>\$ (156,267)</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)  
HEALTH DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 248,202	\$ 286,382	\$ 302,758	\$ 16,376
Licenses and permits . . . . .	179,481	274,481	303,908	29,427
Intergovernmental . . . . .	907,235	1,544,105	1,038,898	(505,207)
Other . . . . .	2,000	7,000	7,248	248
Total revenues . . . . .	<u>1,336,918</u>	<u>2,111,968</u>	<u>1,652,812</u>	<u>(459,156)</u>
<b>Expenditures:</b>				
Current:				
Health and welfare . . . . .	2,138,380	2,911,530	2,181,028	730,502
Capital outlay . . . . .	<u>15,000</u>	<u>16,900</u>	<u>8,334</u>	<u>8,566</u>
Total expenditures . . . . .	<u>2,153,380</u>	<u>2,928,430</u>	<u>2,189,362</u>	<u>739,068</u>
Excess of revenues over expenditures . . . . .	<u>(816,462)</u>	<u>(816,462)</u>	<u>(536,550)</u>	<u>279,912</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	<u>564,359</u>	<u>564,359</u>	<u>564,359</u>	<u>-</u>
Total other financing sources . . . . .	<u>564,359</u>	<u>564,359</u>	<u>564,359</u>	<u>-</u>
Net change in fund balance . . . . .	(252,103)	(252,103)	27,809	279,912
<b>Fund balance at beginning of year . . . . .</b>	235,405	235,405	235,405	-
<b>Prior year encumbrances appropriated. . . . .</b>	<u>27,049</u>	<u>27,049</u>	<u>27,049</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 10,351</u>	<u>\$ 10,351</u>	<u>\$ 290,263</u>	<u>\$ 279,912</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**CITY OF BARBERTON, OHIO**

*STATEMENT OF FUND NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2005*

	<b>Business-type Activities -Enterprise Funds</b>				<b>Governmental</b>
	<b>Water</b>	<b>Sewer</b>	<b>Nonmajor</b>	<b>Total</b>	<b>Activities - Internal Service Funds</b>
<b>Assets:</b>					
Current assets:					
Equity in pooled cash and cash equivalents . . .	\$ 4,785,976	\$ 118,741	\$ 525,565	\$ 5,430,282	\$ 869,970
Restricted assets:					
Cash equivalents held by trustee . . . . .	-	663,928	-	663,928	-
Receivables (net of allowance for uncollectibles):					
Accounts . . . . .	529,571	550,499	34,731	1,114,801	4,152
Intergovernmental . . . . .	-	-	-	-	8,320
Accrued interest . . . . .	-	10,573	-	10,573	-
Materials and supplies inventory . . . . .	260,276	54,709	1,125	316,110	-
Prepayments . . . . .	22,304	26,113	7,603	56,020	-
Total current assets . . . . .	<u>5,598,127</u>	<u>1,424,563</u>	<u>569,024</u>	<u>7,591,714</u>	<u>882,442</u>
Noncurrent assets:					
Restricted assets:					
Equity in pooled cash and cash equivalents . .	-	2,236,554	-	2,236,554	-
Deferred charges . . . . .	103,340	77,789	7,862	188,991	-
Capital assets:					
Nondepreciable capital assets . . . . .	1,726,897	2,269,404	62,739	4,059,040	-
Depreciable capital assets, net. . . . .	9,385,758	20,650,719	1,175,118	31,211,595	-
Total capital assets. . . . .	<u>11,112,655</u>	<u>22,920,123</u>	<u>1,237,857</u>	<u>35,270,635</u>	<u>-</u>
Total noncurrent assets . . . . .	<u>11,215,995</u>	<u>25,234,466</u>	<u>1,245,719</u>	<u>37,696,180</u>	<u>-</u>
Total assets . . . . .	<u>16,814,122</u>	<u>26,659,029</u>	<u>1,814,743</u>	<u>45,287,894</u>	<u>882,442</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable . . . . .	119,422	100,957	120,456	340,835	-
Accrued wages and benefits. . . . .	51,293	42,677	6,903	100,873	-
Intergovernmental . . . . .	38,540	35,754	7,446	81,740	-
Accrued interest payable . . . . .	55,010	25,149	8,101	88,260	-
Claims payable. . . . .	-	-	-	-	272,973
Notes payable . . . . .	416,500	128,500	32,000	577,000	-
Current portion of general obligation bonds. .	320,523	289,814	47,187	657,524	-
Current portion of revenue bonds . . . . .	-	615,014	-	615,014	-
Current portion of capital lease obligations . .	-	-	11,187	11,187	-
Current portion of compensated absences. . .	46,192	44,756	12,424	103,372	-
Total current liabilities . . . . .	<u>1,047,480</u>	<u>1,282,621</u>	<u>245,704</u>	<u>2,575,805</u>	<u>272,973</u>
Long-term liabilities:					
Notes payable . . . . .	3,455,000	400,000	220,000	4,075,000	-
General obligation bonds . . . . .	2,410,624	1,633,231	310,272	4,354,127	-
Compensated absences . . . . .	272,559	274,575	72,003	619,137	-
Total long-term liabilities . . . . .	<u>6,138,183</u>	<u>2,307,806</u>	<u>602,275</u>	<u>9,048,264</u>	<u>-</u>
Total liabilities . . . . .	<u>7,185,663</u>	<u>3,590,427</u>	<u>847,979</u>	<u>11,624,069</u>	<u>272,973</u>
<b>Net assets:</b>					
Invested in capital assets, net of related debt.	4,494,916	19,840,325	617,211	24,952,452	-
Retricted for:					
Debt service . . . . .	-	663,928	-	663,928	-
Replacement and improvement . . . . .	-	2,236,554	-	2,236,554	-
Unrestricted. . . . .	5,133,543	327,795	349,553	5,810,891	609,469
Total net assets . . . . .	<u>\$ 9,628,459</u>	<u>\$ 23,068,602</u>	<u>\$ 966,764</u>	<u>33,663,825</u>	<u>\$ 609,469</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds				144,604	
Net assets of business-type activities				<u>\$ 33,808,429</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BARBERTON, OHIO**

*STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Water</b>	<b>Sewer</b>	<b>Nonmajor</b>	<b>Total</b>	
<b>Operating revenues:</b>					
Charges for services . . . . .	\$ 4,083,578	\$ 4,087,556	\$ 2,616,041	\$ 10,787,175	\$ 3,373,178
Other . . . . .	15,420	10	16,386	31,816	280,275
Total operating revenues . . . . .	<u>4,098,998</u>	<u>4,087,566</u>	<u>2,632,427</u>	<u>10,818,991</u>	<u>3,653,453</u>
<b>Operating expenses:</b>					
Personal services . . . . .	1,784,943	1,747,331	303,156	3,835,430	-
Contract services . . . . .	734,621	284,316	2,318,888	3,337,825	372,442
Materials and supplies . . . . .	162,333	748,108	134,398	1,044,839	276,108
Claims . . . . .	-	-	-	-	2,271,061
Other . . . . .	24,448	18,958	800	44,206	-
Depreciation . . . . .	555,786	977,324	116,749	1,649,859	-
Total operating expenses . . . . .	<u>3,262,131</u>	<u>3,776,037</u>	<u>2,873,991</u>	<u>9,912,159</u>	<u>2,919,611</u>
Operating income (loss) . . . . .	<u>836,867</u>	<u>311,529</u>	<u>(241,564)</u>	<u>906,832</u>	<u>733,842</u>
<b>Nonoperating revenues (expenses):</b>					
Interest revenue . . . . .	-	96,244	-	96,244	-
Special assessments . . . . .	18,429	25,476	-	43,905	-
Interest expense and fiscal charges . . . . .	(222,695)	(158,346)	(20,073)	(401,114)	-
Loss on disposal of capital assets . . . . .	(2,800)	-	(99)	(2,899)	-
Total nonoperating revenues (expenses) . . . . .	<u>(207,066)</u>	<u>(36,626)</u>	<u>(20,172)</u>	<u>(263,864)</u>	<u>-</u>
Income (loss) before transfers . . . . .	629,801	274,903	(261,736)	642,968	733,842
Transfers in . . . . .	-	-	227,000	227,000	15,000
Changes in net assets . . . . .	629,801	274,903	(34,736)	869,968	748,842
<b>Net assets (deficit) at beginning of year . . . . .</b>	<u>8,998,658</u>	<u>22,793,699</u>	<u>1,001,500</u>		<u>(139,373)</u>
<b>Net assets at end of year . . . . .</b>	<u>\$ 9,628,459</u>	<u>\$ 23,068,602</u>	<u>\$ 966,764</u>		<u>\$ 609,469</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.				<u>236,597</u>	
Changes in net assets of business-type activities				<u>\$ 1,106,565</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BARBERTON, OHIO**

*STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2005*

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Water</b>	<b>Sewer</b>	<b>Nonmajor</b>	<b>Total</b>	<b>Activities - Internal Service Funds</b>
<b>Cash flows from operating activities:</b>					
Cash received from customers . . . . .	\$ 4,032,053	\$ 4,038,324	\$ 2,624,197	\$ 10,694,574	\$ -
Cash received from other funds . . . . .	-	-	-	-	3,364,583
Cash received from other operations. . . . .	15,420	10	16,386	31,816	284,268
Cash payments for personal services . . . . .	(1,839,049)	(1,790,947)	(318,757)	(3,948,753)	-
Cash payments for contract services . . . . .	(682,443)	(247,161)	(2,317,810)	(3,247,414)	(372,879)
Cash payments for materials and supplies . . . . .	(63,368)	(735,735)	(133,931)	(933,034)	(276,108)
Cash payments for claims . . . . .	-	-	-	-	(2,324,357)
Cash payments for other expenses . . . . .	(21,759)	(17,120)	(800)	(39,679)	-
Net cash provided by (used in) operating activities. . . . .	<u>1,440,854</u>	<u>1,247,371</u>	<u>(130,715)</u>	<u>2,557,510</u>	<u>675,507</u>
<b>Cash flows from noncapital financing activities:</b>					
Special assessments . . . . .	18,429	25,476	-	43,905	-
Transfers in from other funds . . . . .	-	-	227,000	227,000	15,000
Net cash provided by noncapital financing activities . . . . .	<u>18,429</u>	<u>25,476</u>	<u>227,000</u>	<u>270,905</u>	<u>15,000</u>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets. . . . .	(586,810)	(360,878)	(7,019)	(954,707)	-
Principal retirement . . . . .	(7,395,112)	(1,519,247)	(374,431)	(9,288,790)	-
Note issuance . . . . .	9,441,500	528,500	252,000	10,222,000	-
Premium on notes. . . . .	12,184	4,830	2,303	19,317	-
Interest and fiscal charges. . . . .	(188,416)	(132,155)	(18,615)	(339,186)	-
Net cash provided by (used in) capital and related financing activities . . . . .	<u>1,283,346</u>	<u>(1,478,950)</u>	<u>(145,762)</u>	<u>(341,366)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>					
Interest received. . . . .	-	85,671	-	85,671	-
Net cash provided by investing activities. . . . .	<u>-</u>	<u>85,671</u>	<u>-</u>	<u>85,671</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents . . . . .	2,742,629	(120,432)	(49,477)	2,572,720	690,507
<b>Cash and cash equivalents at beginning of year</b>	<u>2,043,347</u>	<u>3,139,655</u>	<u>575,042</u>	<u>5,758,044</u>	<u>179,463</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u>\$ 4,785,976</u>	<u>\$ 3,019,223</u>	<u>\$ 525,565</u>	<u>\$ 8,330,764</u>	<u>\$ 869,970</u>

- - continued

**CITY OF BARBERTON, OHIO**

*STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Sewer</u>	<u>Nonmajor</u>	<u>Total</u>	
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss) . . . . .	\$ 836,867	\$ 311,529	\$ (241,564)	\$ 906,832	\$ 733,842
Adjustments:					
Depreciation . . . . .	555,786	977,324	116,749	1,649,859	-
Changes in assets and liabilities:					
(Increase) decrease in materials and supplies inventory. . . . .	62,079	(17,665)	535	44,949	-
(Increase) decrease in accounts receivable . . . . .	(48,836)	(47,394)	7,748	(88,482)	(159)
Increase in prepayments . . . . .	(967)	(3,339)	(692)	(4,998)	-
(Increase) in due from other governments . . . . .	-	-	-	-	(4,443)
Increase (decrease) in accounts payable . . . . .	58,749	10,576	2,110	71,435	(437)
Increase (decrease) in accrued wages and benefits . . . . .	9,180	1,282	(1,343)	9,119	-
Increase (decrease) in due to other governments. . . . .	9,376	8,847	1,811	20,034	-
Increase (decrease) in compensated absences payable . . . . .	(41,380)	6,211	(16,069)	(51,238)	-
Decrease in claims payable. . . . .	-	-	-	-	(53,296)
Net cash provided by (used in) operating activities. . . . .	<u>\$ 1,440,854</u>	<u>\$ 1,247,371</u>	<u>\$ (130,715)</u>	<u>\$ 2,557,510</u>	<u>\$ 675,507</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BARBERTON, OHIO**

*STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2005*

	<u>Agency</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents. . . . .	<u>\$ 101,908</u>
<b>Liabilities:</b>	
Deposits held and due to others. . . . .	<u>\$ 101,908</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BARBERTON, OHIO**

*STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005*

	<u>Private Purpose Trust</u>
<b>Deductions:</b>	
Benefits . . . . .	\$ 8,548
Total deductions . . . . .	<u>8,548</u>
Changes in net assets . . . . .	(8,548)
Net assets at beginning of year . . . . .	<u>8,548</u>
Net assets at end of year . . . . .	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

## CITY OF BARBERTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

#### 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, a finance director, a law director 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 also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The City has elected not to apply these FASB Statements and Interpretations. 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 are 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. The City has no component units.

The City participated in two related organizations, the Barberton Community Development Corporation and the Barberton Community Foundation. These organizations are described in Note 16 of the basic financial statements.

## CITY OF BARBERTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

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

**Government-wide Financial Statements** - The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net assets 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 functions are self-financing or draw 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, solid waste, community center, and Lake Cinema 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, 2005

#### 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. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

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

Health District Fund - This fund accounts for the revenues and expenditures of the City Health District utilized for delivering health and welfare services.

Street Improvement Capital Projects Fund - The street improvement fund accounts for revenues and expenditures for street improvements.

Senior Center Construction Capital Projects Fund - The senior center construction fund accounts for the revenues and expenditures associated with the construction of the new Senior Center.

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

**Proprietary Funds** - Proprietary fund reporting focuses on changes in net assets, 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.

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 assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's only trust fund is a private-purpose trust which accounts for donated monies restricted to provide floral arrangements in memory of deceased citizens of the City of Barberton, around Lake Anna. 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.

## CITY OF BARBERTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

#### 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 all liabilities associated with the operation of the City are included on the Statement of Net Assets. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

***Fund Financial Statements*** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include 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 and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities. The private-purpose trust fund is accounted for using the flow of economic resources measurement focus.

##### 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 revenue and in the presentation of expenses versus expenditures.

***Revenues - Exchange and Non-exchange Transactions*** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the 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.

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.

## CITY OF BARBERTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but which were levied to finance year 2006 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

#### F. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. 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 department level for the general fund and at the fund level for all other funds of the City. The Finance Director has been authorized to allocate appropriations to the department and object level within each fund. 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 Finance Director. 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.

## CITY OF BARBERTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

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

##### **G. Cash and Cash Equivalents**

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 Cash Equivalents" 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 fiscal year 2005, investments were limited to certificates of deposit, repurchase agreements, U.S. Government Agency Obligations, U.S. Treasury Obligations, U.S. Money Market accounts and STAR Ohio.

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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2005.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2005 amounted to \$229,295 which includes \$206,040 assigned from other City funds.

The City utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in these accounts are presented on the financial statements as, "Cash and cash equivalents held by trustee."

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 Treasurer's investment account 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 expended/expensed when used. Inventory consists of expendable supplies held for consumption.

##### **I. Capital Assets**

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

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$2,000. 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>	
Infrastructure	25 - 80
Buildings	10 - 40
Vehicles and equipment	3 - 20

The City's infrastructure consists of streets, storm sewers, bridges, water lines and sewer lines.

**J. 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.

**K. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2005, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

**L. 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.

## CITY OF BARBERTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

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

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 and leases are recognized as a liability on the governmental fund financial statements when due.

#### **M. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loan receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

#### **N. 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.

#### **O. Fund Balance Reserves**

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditures. Fund balance reserves have been established for encumbrances, prepayments, notes receivable and debt service.

#### **P. 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.

#### **Q. Net Assets**

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

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

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

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

**R. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are for sewer, water, solid waste, community center, Lake Cinema, self-insurance and internal allocation programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the funds. All revenues and expenses not meeting these definitions are reported as non-operating.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Prior Period Adjustment**

At January 1, 2005, a prior period adjustment was made to properly state interfund loans at December 31, 2004 in the general fund and street improvement fund. Fund balance at the beginning of the year decreased by \$360,000 from \$2,226,878 to \$1,866,878 in the general fund and increased \$360,000 from \$(1,333,160) to \$(973,160) in the street improvement fund as a result of the prior period adjustment. The prior period adjustment had no effect on the total governmental fund balance or net assets at January 1, 2005.

**B. Change in Accounting Principles**

For fiscal year 2005, the City has implemented GASB Statement No. 40 "Deposit and Investment Risk Disclosures", and GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries".

GASB Statement No. 40 establishes and modifies disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modifies disclosure requirements for custodial credit risk on deposits.

GASB Statement No. 42 amends GASB Statement No. 34 and establishes accounting and financial reporting standards for impairment of capital assets and accounting requirements for insurance recoveries.

The implementation of GASB Statement No. 40 and GASB Statement No. 42 did not have an effect on the financial statements of the City, however additional note disclosure can be found in Note 4.

**C. Deficit Fund Balances**

Fund balances at December 31, 2005 included the following individual fund deficits:

	<u>Deficit</u>
<u>Major Fund</u>	
Street Improvement	\$ 533,733
<u>Nonmajor Funds</u>	
Issue II	304,789

These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances results from adjustments for accrued liabilities.

## CITY OF BARBERTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

#### 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 to 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 division (1) or (2) 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);
7. High grade commercial paper for a period not to exceed 180 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.



**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

**A. Deposits with Financial Institutions**

At December 31, 2005, the carrying amount of all City deposits was \$375,465, exclusive of the \$1,210,000 repurchase agreement included in investments below. As of December 31, 2005, \$1,006,352 of the City's bank balance of \$1,381,564 was exposed to custodial risk as discussed below, while \$375,212 was covered by Federal Deposit Insurance Corporation.

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. As permitted by Ohio Revised Code, the City's deposits are collateralized by a pool of eligible securities deposited with Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the depository bank and pledged as a pool of collateral against all public deposits held by the depository. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and 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.

**B. Investments**

As of December 31, 2005, the City had the following investments and maturities:

<u>Investment type</u>	<u>Balance at Fair Value</u>	<u>Investment Maturities</u>			
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>
FHLB	\$ 499,219	\$ 499,219	\$ -	\$ -	\$ -
FHLMC DN	497,099	497,099	-	-	-
FNMA DN	1,713,425	-	1,713,425	-	-
FHLMC DN	528,662	-	528,662	-	-
STAR Ohio	2,110,971	2,110,971	-	-	-
Repurchase Agreement	1,210,000	1,210,000	-	-	-
U.S. Treasury Money Markets	10,025,364	10,025,364	-	-	-
	<u>\$ 16,584,740</u>	<u>\$ 14,342,653</u>	<u>\$ 2,242,087</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

The weighted average maturity of investments is .11 years.

*Interest Rate Risk:* The Ohio Revised Code general 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.

*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. The City's investment in repurchase agreements is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the City. Ohio law requires the market value of the securities subject to a repurchase agreement must exceed the principal value of securities subject to a repurchase agreement by 2%.

*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 service rating. The City's other investments carry a rating of AAA by Standard & Poor's and Aaa by Moody's.

*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. The following table includes the percentage of each investment type held by the City at December 31, 2005:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 499,219	3.01
FHLBC DN	497,099	3.00
FNMA DN	1,713,425	10.33
FHLMC DN	528,662	3.19
STAR Ohio	2,110,971	12.73
Repurchase Agreement	1,210,000	7.30
U.S. Treasury Money Markets	<u>10,025,364</u>	<u>60.44</u>
	<u>\$ 16,584,740</u>	<u>100.00</u>

**C. Reconciliation of Cash and Investment to the Statement of Net Assets**

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of December 31, 2005:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 375,465
Investments	<u>16,584,740</u>
Total	<u>\$ 16,960,205</u>

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

<u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 8,527,533
Business type activities	8,330,764
Agency fund	<u>101,908</u>
Total	<u>\$ 16,960,205</u>

**NOTE 5 - INTERFUND TRANSFERS**

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

<u>Transfer To</u>	<u>Transfers From</u>	
<u>Governmental Funds</u>	<u>General</u>	<u>Nonmajor Funds</u>
General Fund	\$ -	\$ 56,508
Health District Fund	564,359	-
Street Improvement Fund	800	-
Nonmajor Governmental Funds	<u>1,154,450</u>	<u>59,149</u>
Total Governmental Funds	<u>1,719,609</u>	<u>115,657</u>
 <u>Proprietary Funds</u>		
Nonmajor Enterprise Funds	227,000	-
Internal Service Funds	<u>15,000</u>	<u>-</u>
Total Proprietary Funds	<u>242,000</u>	<u>-</u>
Grand Total	<u>\$ 1,961,609</u>	<u>\$ 115,657</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; 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. Non-routine transfers include the general fund transferring \$175,000 and \$52,000 to the community center enterprise fund and Lake Cinema operating enterprise fund, respectively, for operations.

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2005, consisted primarily of municipal income taxes, property and other taxes, accounts, special assessments, interest and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full.

Special assessments expected to be collected in more than one year amount to \$266,950 in the special assessment bond retirement debt service fund. The amount of delinquent special assessments outstanding at year-end is \$63,671.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 6 - RECEIVABLES - (Continued)**

**A. Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenues received during 2005 for real and public utility property taxes represents collections of 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) are for 2005 taxes.

2005 real property taxes are levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2005 real property taxes are collected in and intended to finance 2006.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2005 public utility property taxes which became a lien December 31, 2004, are levied after October 1, 2005 and collected in 2006 real property taxes.

2005 tangible personal property taxes were levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2005. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventory.

The tax rate for all City operations for the year ended December 31, 2005, was \$3.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property	\$ 355,412,060
Tangible Personal Property	52,299,023
Public Utility Property	<u>13,188,960</u>
Total	<u>\$ 420,900,043</u>

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

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

The County Fiscal Officer collects property taxes on behalf of all taxing districts within 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 and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2005 and for which there is an enforceable legal claim. In the general, police pension and fire pension funds the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2005 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 6 - RECEIVABLES - (Continued)**

**B. Municipal Income Taxes**

The City levies a municipal income tax of 2 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 the 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 percent 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	\$ 800,432
Motor Vehicle and Gas Tax	339,201
Other	57,932
Health District Grants	963,561
Homestead and Rollback	75,190
Municipal Court	103,651
Permissive License Tax	<u>4,387</u>
Total	<u>\$ 2,344,354</u>

**D. Notes Receivable**

Notes receivable represent no-interest to low-interest loans made to eligible local businesses for industrial development and exterior improvements to businesses. The outstanding balance of the notes at December 31, 2005 is \$782,363 in the nonmajor special revenue funds. The City will collect approximately \$50,585 in 2006.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 7 - CAPITAL ASSETS**

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

<b><u>Governmental Activities:</u></b>	<u>Balance</u> <u>12/31/04</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/05</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,489,929	\$ 415,737	\$ -	\$ 3,905,666
Construction in progress	<u>2,178,895</u>	<u>591,620</u>	<u>(591,379)</u>	<u>2,179,136</u>
Total capital assets, not being depreciated	<u>5,668,824</u>	<u>1,007,357</u>	<u>(591,379)</u>	<u>6,084,802</u>
<i>Capital assets, being depreciated:</i>				
Buildings	5,709,222	453,141	-	6,162,363
Vehicles and equipment	10,940,275	351,868	(350,442)	10,941,701
Infrastructure				
Street Subsystem	16,405,019	189,212	-	16,594,231
Storm Sewers Subsystem	5,870,977	21,479	-	5,892,456
Traffic signals Subsystem	<u>1,752,892</u>	<u>-</u>	<u>(171,028)</u>	<u>1,581,864</u>
Total capital assets, being depreciated	<u>40,678,385</u>	<u>1,015,700</u>	<u>(521,470)</u>	<u>41,172,615</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(3,515,067)	(145,945)	-	(3,661,012)
Vehicles and equipment	(7,129,500)	(948,083)	340,354	(7,737,229)
Infrastructure				
Street Subsystem	(5,033,895)	(549,646)	-	(5,583,541)
Storm Sewers Subsystem	(2,104,412)	(204,184)	-	(2,308,596)
Traffic signal Subsystem	<u>(57,596)</u>	<u>(52,729)</u>	<u>16,681</u>	<u>(93,644)</u>
Total accumulated depreciation	<u>(17,840,470)</u>	<u>(1,900,587)</u>	<u>357,035</u>	<u>(19,384,022)</u>
Total capital assets, being depreciated, net	<u>22,837,915</u>	<u>(884,887)</u>	<u>(164,435)</u>	<u>21,788,593</u>
Governmental activities capital assets, net	<u>\$ 28,506,739</u>	<u>\$ 122,470</u>	<u>\$ (755,814)</u>	<u>\$ 27,873,395</u>

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 7 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental activities as follows:

General government	\$ 124,489
Public safety	308,536
Health and welfare	14,761
Transportation	936,022
Community environment	104,146
Leisure time activity	<u>412,633</u>
Total depreciation expense	<u>\$ 1,900,587</u>

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

<u>Business-type Activities:</u>	<u>Balance</u> <u>12/31/04</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/05</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 973,813	\$ -	\$ -	\$ 973,813
Construction in progress	<u>2,909,527</u>	<u>368,310</u>	<u>(192,611)</u>	<u>3,085,226</u>
Total capital assets, not being depreciated	<u>3,883,340</u>	<u>368,310</u>	<u>(192,611)</u>	<u>4,059,039</u>
<i>Capital assets, being depreciated:</i>				
Buildings	30,542,367	19,320	-	30,561,687
Vehicles and equipment	3,786,038	34,115	(7,999)	3,812,154
Infrastructure				
Water Lines	9,677,264	480,523	-	10,157,787
Sewer Lines	<u>17,303,348</u>	<u>229,599</u>	<u>-</u>	<u>17,532,947</u>
Total capital assets, being depreciated	<u>61,309,017</u>	<u>763,557</u>	<u>(7,999)</u>	<u>62,064,575</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(14,882,602)	(825,941)	-	(15,708,543)
Vehicles and equipment	(2,504,986)	(260,517)	5,100	(2,760,403)
Infrastructure				
Water Lines	(4,003,159)	(198,932)	-	(4,202,091)
Sewer Lines	<u>(7,817,473)</u>	<u>(364,469)</u>	<u>-</u>	<u>(8,181,942)</u>
Total accumulated depreciation	<u>(29,208,220)</u>	<u>(1,649,859)</u>	<u>5,100</u>	<u>(30,852,979)</u>
Total capital assets, being depreciated, net	<u>32,100,797</u>	<u>(886,302)</u>	<u>(2,899)</u>	<u>31,211,596</u>
Business-type activities capital assets, net	<u>\$ 35,984,137</u>	<u>\$ (517,992)</u>	<u>\$ (195,510)</u>	<u>\$ 35,270,635</u>

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 7 - CAPITAL ASSETS - (Continued)**

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

Water	\$ 555,786
Sewer	977,324
Community Center	114,744
Lake Cinema Operating	<u>2,005</u>
Total depreciation expense	<u>\$ 1,649,859</u>

**NOTE 8 - CAPITAL LEASES**

In prior years, the City entered into capitalized leases for equipment.

The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. These expenses are reflected as program/function expenses on a budgetary basis.

Capital assets consisting of equipment have been capitalized in the Lake Cinema operating enterprise fund in the amount of \$50,117. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the fund. Principal payments in fiscal year 2005 totaled \$12,890.

The assets acquired through capital leases are as follows:

	Business-Type Amount
Asset:	
Equipment	\$ 50,117
Less: accumulated depreciation	<u>(20,048)</u>
Total	<u>\$ 30,069</u>

Such agreements provide for minimum, annual payments as follows:

Year Ended <u>December 31,</u>	Business-Type Amount
2006	<u>\$ 11,417</u>
Total	11,417
Less: amount representing interest	<u>(230)</u>
Present value of net minimum lease payments	<u>\$ 11,187</u>



**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 9 - NOTES PAYABLE**

Changes in the City's note activity for the year ended December 31, 2005, were as follows:

	<u>Balance</u>				<u>Balance</u>
	<u>12/31/2004</u>	<u>Issued</u>	<u>Retired</u>		<u>12/31/2005</u>
<u>Governmental Activities Notes</u>					
Street Improvement Notes - 1.75%	\$ 430,000	\$ -	\$ (430,000)		\$ -
Street Improvement Notes - 1.75%	-	385,000	-		385,000
Street Improvement Notes - 1.75%	666,000	-	(666,000)		-
Street Improvement Notes - 1.75%	<u>-</u>	<u>532,000</u>	<u>-</u>		<u>532,000</u>
 Total Governmental Activities Notes	 <u>\$ 1,096,000</u>	 <u>\$ 917,000</u>	 <u>\$ (1,096,000)</u>		 <u>\$ 917,000</u>
<u>Business-Type Activities Notes</u>					
Utility System Improvement Notes - 4.00%	\$ -	\$ 257,000	\$ -		\$ 257,000
Robinson Avenue Waterline Notes - 3.00%	-	258,000	-		258,000
Community Center Improvement Notes - 4.00%	-	32,000	-		32,000
Norton Avenue Notes - 4.00%	<u>-</u>	<u>30,000</u>	<u>-</u>		<u>30,000</u>
 Total Business-Type Activities Notes	 <u>\$ -</u>	 <u>\$ 577,000</u>	 <u>\$ -</u>		 <u>\$ 577,000</u>

All notes were backed by the full faith and credit of the City and mature within one year. The note liability is reflected in the fund which received the proceeds. The notes were issued in anticipation of long-term bond financing and will be refinanced until such funds are issued. All proceeds from the notes have been spent as of December 31, 2005.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**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>Date Issued</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
<b>Business-Type Activities</b>				
<u>General Obligation Bonds:</u>				
Water Improvement	1992	3.90-6.50%	\$ 3,800,000	2012
Various Purpose	2003	1.15-4.00%	1,332,390	2013
Water Refunding	2004	2.00-3.55%	2,340,000	2012
Community Center	2004	2.00-3.55%	404,000	2012
Sanitary Sewer	2004	2.00-3.55%	1,514,000	2012
Wolf Creek Dam Repair	2004	2.00-3.55%	276,000	2012
Sewer Vactor Equipment	2004	2.00-3.00%	140,000	2009
<u>Revenue Refunding Bonds:</u>				
Sewer System Revenue	1998	3.70-4.50%	4,910,000	2006
<u>Long-Term Notes Payable:</u>				
Utility System Improvement Notes	2004	2.00%	1,320,000	2005
Utility System Improvement Notes	2005	4.00%	1,057,000	2006
Water Treatment Plant Notes	2004	2.00%	500,000	2005
Robinson Avenue Waterline Notes	2004	3.00%	324,000	2005
Robinson Avenue Waterline Notes	2005	3.00%	258,000	2006
Community Center Improvement Notes	2004	2.00%	315,000	2005
Community Center Improvement Notes	2005	4.00%	252,000	2006
Water Plant Improvement Notes	2005	2.00%	5,570,000	2005
Water Plant Improvement Notes	2005	2.00%	2,785,000	2006
Norton Avenue Notes	2005	4.00%	300,000	2006
<b>Governmental Activities</b>				
<u>General Obligation Bonds:</u>				
Parking Lot Improvement	1991	6.50%	135,000	2006
Construction	2003	1.15-4.00%	4,967,810	2013
Fifth Street	2004	2.00-3.55%	300,000	2014
Street Vactor Machine	2004	2.00-3.00%	100,000	2009
Fire Department Ambulance	2004	2.00-3.00%	65,000	2009
Sports Complex	2004	2.00-3.55%	931,000	2012
<u>Special Assessment Bond:</u>				
Street Improvement	2001	4.50%	237,000	2011
Street Improvement	2005	4.00%	112,450	2015
<u>Long-Term Notes Payable</u>				
Building Improvement Notes	2004	2.00%	120,000	2005
Building Improvement Notes	2005	4.00%	96,000	2006
<u>Other Debt:</u>				
HUD Section 108 Loan	1994	4.57-7.18%	2,225,000	2013

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

The changes in long-term obligations during the year were as follows:

	Balance			Balance at	Amounts
	<u>12/31/2004</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/2005</u>	<u>Due in</u>
<b>Governmental Activities:</b>					<u>One Year</u>
<u>General Obligation Bonds</u>					
Parking Lot Improvement	\$ 26,805	\$ -	\$ (12,981)	\$ 13,824	\$ 13,824
Construction Bonds	4,522,099	-	(453,391)	4,068,708	461,270
Fifth Street Bonds	300,000	-	(25,000)	275,000	25,000
Street Vactor Machine Bonds	100,000	-	(19,672)	80,328	19,672
Fire Department Ambulance Bonds	65,000	-	(12,787)	52,213	12,787
Sports Complex Bonds	931,000	-	(107,250)	823,750	108,741
Premium on Construction Bonds	<u>15,475</u>	<u>-</u>	<u>(1,720)</u>	<u>13,755</u>	<u>-</u>
Total General Obligation Bonds	<u>5,960,379</u>	<u>-</u>	<u>(632,801)</u>	<u>5,327,578</u>	<u>641,294</u>
<u>Special Assessment Bond:</u>					
Street Improvement	176,500	-	(22,000)	154,500	23,000
Street Improvement	<u>-</u>	<u>112,450</u>	<u>-</u>	<u>112,450</u>	<u>8,309</u>
Total Special Assessment Bonds	<u>176,500</u>	<u>112,450</u>	<u>(22,000)</u>	<u>266,950</u>	<u>31,309</u>
<u>Long-Term Notes:</u>					
Building Improvement Notes	120,000	-	(120,000)	-	-
Building Improvement Notes	<u>-</u>	<u>96,000</u>	<u>-</u>	<u>96,000</u>	<u>96,000</u>
Total Long-Term Notes	<u>120,000</u>	<u>96,000</u>	<u>(120,000)</u>	<u>96,000</u>	<u>96,000</u>
<u>Other Debt:</u>					
HUD Section 108 Loan	1,440,000	-	(115,000)	1,325,000	115,000
Compensated Absences	<u>2,780,213</u>	<u>780,586</u>	<u>(738,438)</u>	<u>2,822,361</u>	<u>554,162</u>
Total Other Debt	<u>4,220,213</u>	<u>780,586</u>	<u>(853,438)</u>	<u>4,147,361</u>	<u>669,162</u>
Total Governmental Activities	<u>\$ 10,477,092</u>	<u>\$ 989,036</u>	<u>\$ (1,628,239)</u>	<u>\$ 9,837,889</u>	<u>\$ 1,437,765</u>

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

<b>Business-Type Activities:</b>	<u>Balance</u>			<u>Balance at</u>		<u>Amounts</u>
	<u>12/31/2004</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/2005</u>	<u>Due in</u>	<u>One Year</u>
<u>General Obligation Bonds:</u>						
Water Bonds Refunding	\$ 2,120,000	\$ -	\$ (240,000)	\$ 1,880,000	\$ 250,000	
Water Revenue Bonds Refunding Deferred Amount	(18,252)	2,306	-	(15,946)	-	
Various Purpose - New Haven	1,212,896	-	(121,609)	1,091,287	123,724	
Community Center	404,000	-	(46,541)	357,459	47,187	
Sanitary Sewer Bonds	1,514,000	-	(174,414)	1,339,586	176,835	
Wolf Creek Dam Repair Bonds	276,000	-	(31,795)	244,205	32,237	
Sewer Vactor Equipment Bonds	140,000	-	(27,541)	112,459	27,541	
Premium on Various Purpose - New Haven	2,926	-	(325)	2,601	-	
<b>Total General Obligation Bonds</b>	<u>5,651,570</u>	<u>2,306</u>	<u>(642,225)</u>	<u>5,011,651</u>	<u>657,524</u>	
<u>Revenue Refunding Bonds:</u>						
Sewer Revenue Bonds Refunding	1,235,000	-	(605,000)	630,000	630,000	
Sewer Revenue Bonds Refunding Unamort Disc.	(2,238)	1,119	-	(1,119)	(1,119)	
Sewer Revenue Bonds Refunding Deferred Amount	(27,735)	13,868	-	(13,867)	(13,867)	
<b>Total Revenue Refunding Bonds</b>	<u>1,205,027</u>	<u>14,987</u>	<u>(605,000)</u>	<u>615,014</u>	<u>615,014</u>	
<u>Long-Term Notes:</u>						
Utility System Improvement Notes	1,320,000	-	(1,320,000)	-	-	
Utility System Improvement Notes	-	800,000	-	800,000	-	
Water Treatment Plant Notes	500,000	-	(500,000)	-	-	
Robinson Avenue Waterline Notes	324,000	-	(324,000)	-	-	
Community Center Improvement Notes	315,000	-	(315,000)	-	-	
Community Center Improvement Notes	-	220,000	-	220,000	-	
Water Plant Improvement Notes	-	8,355,000	(5,570,000)	2,785,000	-	
Norton Avenue Notes	-	270,000	-	270,000	-	
<b>Total Long-Term Notes</b>	<u>2,459,000</u>	<u>9,645,000</u>	<u>(8,029,000)</u>	<u>4,075,000</u>	<u>-</u>	
Capital Leases	24,077	-	(12,890)	11,187	11,187	
Compensated Absences	773,747	110,683	(161,921)	722,509	103,372	
<b>Total Business-Type Activities</b>	<u>\$ 10,113,421</u>	<u>\$ 9,772,976</u>	<u>\$ (9,451,036)</u>	<u>\$ 10,435,361</u>	<u>\$ 1,387,097</u>	

All bonds are secured by the full faith and credit of the City. General obligation bonds will be paid from the debt service fund. The business-type activities revenue bonds and general obligation bonds will be paid from charges for services revenues in the enterprise funds. The special assessment bond will be paid from proceeds of special assessments levied against benefited property owners. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

The long-term notes will be paid from the general fund and charges for services revenue in the enterprise funds.

**CITY OF BARBERTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

Other long-term debt represents a loan from HUD for the redevelopment of the Lake Theater Building. Amounts will be repaid with community development block grant funds. The loan from HUD is to be repaid over a twenty-year period.

The compensated absences liability will be paid out of the general fund, street construction, maintenance and repair, health and beautification special revenue funds and the water, sewer, solid waste and community center enterprise funds.

***Revenue Bonds***

In 1998, the City issued \$4,910,000 in Sewer Refunding Revenue Bonds. Proceeds were used to refund debt originally issued in 1987 for the purpose of improving the City's sewer system. The 1998 bonds were issued with interest rates varying from 3.70 percent to 4.50 percent. The bonds currently have an outstanding balance of \$1,235,000 and mature in full on December 1, 2006. Principal payments will amount to \$630,000 in 2006.

Restricted assets related to the sewer revenue bonds at December 31, 2005, were as follows:

Restricted assets held by the City	
Replacement and Improvement	\$ 2,236,554
Restricted assets held by trustee	
Revenue bond current debt service	663,928

***Refunding Bonds***

On July 14, 2004, the City issued \$2,340,000 in water improvement refunding bonds to currently refund the callable portion of the 1992 water improvement bonds (principal \$2,270,000; interest rate 3.90%-6.50%). The refunded debt is considered defeased (insubstance) and accordingly, has been removed from the statement of net assets. The principal balance of the water improvement refunding bonds at December 31, 2005 was \$1,880,000.

The 2004 water improvement refunding issue is comprised of current interest bonds, par value \$2,340,000, with an annual interest rate ranging from 2.00% - 3.550%. The reacquisition price exceeded the net carrying amount of the old debt by \$18,444. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to interest expense through the year 2012 using the straight-line method.

***Bond Anticipation Notes***

Bond anticipation notes that were rolled over prior to the issuance of the financial statements and have a new maturity beyond the end of the year in which the report is issued have been reported in the government-wide statements. The notes are backed by the full faith of the City of Barberton.

The City's overall legal debt margin was \$34,030,545 at December 31, 2005.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

Principal and interest requirements to retire the outstanding debt at December 31, 2005, are as follows:

Governmental Activities						
Year	<u>General Obligation Bonds</u>		<u>Special Assessment Bonds</u>		<u>Other Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 641,294	\$ 160,687	\$ 31,309	\$ 12,649	\$ 115,000	\$ 54,970
2007	638,334	147,040	33,841	10,084	115,000	52,199
2008	664,536	123,992	35,334	8,609	115,000	48,783
2009	683,547	107,293	36,943	7,071	115,000	44,747
2010	663,195	88,390	38,469	5,461	115,000	40,354
2011 - 2015	<u>2,022,912</u>	<u>138,739</u>	<u>91,054</u>	<u>8,969</u>	<u>750,000</u>	<u>91,172</u>
Total	<u>\$ 5,313,818</u>	<u>\$ 766,141</u>	<u>\$ 266,950</u>	<u>\$ 52,843</u>	<u>\$ 1,325,000</u>	<u>\$ 332,225</u>

Business-Type Activities				
Year	<u>General Obligation Bonds</u>		<u>Revenue Refunding Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 657,524	\$ 147,691	\$ 630,000	\$ 28,350
2007	671,660	134,273	-	-
2008	685,453	115,866	-	-
2009	706,453	97,475	-	-
2010	691,810	76,752	-	-
2011 - 2013	<u>1,612,096</u>	<u>91,385</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,024,996</u>	<u>\$ 663,442</u>	<u>\$ 630,000</u>	<u>\$ 28,350</u>

***Conduit Debt***

From time to time, the City has issued housing revenue bonds pursuant to Article VIII, Section 16 of the Ohio Constitution and Section 133.51, of the Ohio Revised Code. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans provided to the public sector entity by the City. The bonds do not constitute a debt or pledge of the faith and credit of the City and, accordingly, have not been reported as a liability in the accompanying financial statements. The borrower of the bonds makes payments to the City who in turn makes payments to the assignee, the Barberton Community Foundation. Since the City has acted in a fiduciary capacity related to these transactions, the payment activity has been presented within an agency fund in the accompanying financial statements. As of December 31, 2005, there were three series of housing revenue bonds outstanding. The aggregate principal amount payable at December 31, 2005 was \$2,334,802.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**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 \$59,000,000 with a variety of deductibles beginning at \$5,000. 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 \$5,000,000 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 \$75,000 per employee per year and an aggregate of \$1,000,000. The City pays into the self-insurance internal service fund \$1,255 for family coverage or \$532 for individual coverage per employee per month which represents the entire premium required. This premium is paid by the fund that pays the salary of the employee and is based on historical cost information. During 2005 employees began contributing \$15 single and \$25 family per pay towards healthcare.

The claims liability of \$272,973 reported in the Internal Service fund at December 31, 2005 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. Changes in the fund's claims liability amounts in 2004 and 2005 are:

	<u>Balance at Beginning of Year</u>	<u>Current Claims</u>	<u>Claims Payment</u>	<u>Balance at End of Year</u>
2004	\$ 171,837	\$ 2,584,692	\$ (2,430,260)	\$ 326,269
2005	326,269	2,271,061	(2,324,357)	272,973

## CITY OF BARBERTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

#### NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5% of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1% of their annual covered salary; members in public safety contributed 9%. The City's contribution rate for pension benefits for 2005 was 9.55%, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.7% of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$726,223, \$764,952, and \$709,084, respectively; 100% has been contributed for 2005, 2004 and 2003. The City and plan members did not make any contributions to the member-directed plan for 2005.

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

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

Plan members are required to contribute 10% of their annual covered salary to fund pension obligations while the City is required to contribute 11.75% for police officers and 16.25% for firefighters. Contributions are authorized by State statute. The City's contributions to the fund for police and firefighters were \$298,318 and \$439,092 for the year ended December 31, 2005, \$362,674 and \$368,457 for the year ended December 31, 2004, and \$289,256 and \$378,233 for the year ended December 31, 2003. The full amount has been contributed for 2004 and 2003. 76.84% and 76.84%, respectively, have been contributed for 2005 with the remainder being reported as a liability.



## CITY OF BARBERTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

#### NOTE 13 - POSTRETIREMENT BENEFIT PLANS

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

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55% of covered payroll (16.70% for public safety and law enforcement); 4.00% of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8.00%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.3% based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1.00% to 6.00% annually for the next eight years and 4.00% annually after eight years.

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

The number of active contributing participants in the traditional and combined plans was 376,109 as of December 31, 2005. The number of active participants for both plans used in the December 31, 2004 actuarial valuation was 355,287. Actual employer contributions for 2005 which were used to fund postemployment benefits were \$304,177. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004 (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS's health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

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

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

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

## CITY OF BARBERTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

#### **NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)**

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll, of which 7.75% of covered payroll was applied to the postemployment health care program during 2005. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2005 that were used to fund postemployment benefits was \$196,405 for police and \$209,493 for firefighters. The OP&F's total health care expense for the year ended December 31, 2004 (the latest information available) was \$102,173,796, which was net of member contributions of \$55,665,341. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004 (the latest information available), was 13,812 for police and 10,528 for firefighters.

#### **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. Any unused excess is eliminated from the employee's leave balance. In case of death, termination, lay-off, or retirement, an employee (or his 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.

Sick leave is earned for all full time employees at the rate of 10 hours per month with the exception of full time employees of emergency medical services who receive 13.3 hours per month. Employees, at the time of retirement are paid for up to 480-900 hours (depending on bargaining unit).

Employees also receive a tenure payment of 14.4-17.3 hours (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 their salary when they retired. Substantially all of the City's full time employees may become eligible for this benefit if they reach normal retirement age or become eligible for total disability benefits while working for the City. The cost of retirees' life insurance is recognized as an expense when the insurance premiums are paid. For 2005 the cost totaled \$106,465.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**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 generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund and health district 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 are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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

**Net Change in Fund Balance**

	<u>General</u>	<u>Health District</u>
Budget basis	\$ (692,484)	\$ 27,809
Net adjustment for revenue accruals	310,015	204,886
Net adjustment for expenditure accruals	101,513	(44,815)
Adjustment for encumbrances	<u>144,154</u>	<u>5,735</u>
GAAP basis	<u>\$ (136,802)</u>	<u>\$ 193,615</u>

**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. The City acts as a pass through entity for Community Development Block Grant monies.

## CITY OF BARBERTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

#### **NOTE 16 - RELATED ORGANIZATIONS - (Continued)**

##### **B. Barberton Community Foundation**

The City participates in the Barberton Community Development 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 2005, the City received approximately \$770,248 in grants from the Foundation. During 2005, the City also acted as the issuer of bonds for conduit debt (see Note 10) in which the Foundation acts as the assignee.

#### **NOTE 17 - 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 is 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, 2005.

##### **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.

#### **NOTE 18 - SIGNIFICANT SUBSEQUENT EVENTS**

In April 2006, the City issued the following bond anticipation notes:

- \$1,185,000 for the purpose of improving the Municipal Waterworks System. These notes mature in April 2007.
- \$800,000 for the purpose of improving the water and sewer systems of the City. These notes mature in April 2007.
- \$270,000 for the purpose of improving the Municipal Waterworks System by installing and replacing water mains. These notes mature in April 2007.
- \$220,000 for the purpose of improving the Community Center. These notes mature in April 2007.
- \$40,000 for the purpose of building improvements. These notes mature in April 2007.

In April 2006 the City issued \$9,305,000 in revenue bonds for the purpose of improving the Municipal Waterworks System. This included the refinancing of \$1,600,000 of notes for the Municipal Waterworks System.

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.

**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.

***Court Computer Fund***

This fund accounts for additional court fees designated for the computerization of the municipal court and the acquisition and maintenance of legal research services for 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.

***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.

**CITY OF BARBERTON, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

***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***

To account for parks and recreation user fees utilized for parks and recreation activities.

***Sidewalk Improvement Program Fund***

To account for the monies used to subsidize the cost of replacing existing sidewalks for homeowners within the City.

***City Grant Fund***

This fund was established during 2004 by City Council to account for various grant receipts. During 2005, the City received grants for EMS equipment and bulletproof vests.

***Federal Emergency Management Agency 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.

***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.

***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.

***Rental Rehabilitation Fund***

This fund accounts for grant monies received from the Ohio Department of Development for the rehabilitation of rental property.

***Home Investment Partnership Fund***

This fund accounts for monies received from the federal government under then National Affordable Housing Act, passed through the Ohio Department of Development, which are restricted to City-wide housing activities.

***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.

***Lake Cinema Complex Maintenance Fund***

This fund accounts for the cost of maintaining a City-owned theater complex.

***Project Impact Fund***

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

**CITY OF BARBERTON, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

***Beautification Fund***

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

***Downtown Sales and Rental Fund***

This fund accounts for the revenues received from sale of property and rental income. Monies used for property maintenance and capital improvement to the downtown area.

***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.

**NONMAJOR DEBT SERVICE FUNDS**

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.

***Special Assessment Bond Retirement Fund***

This fund accounts for the retirement of debt issued to finance public improvements deemed to benefit the properties against which special assessments are levied.

**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:

**Major Capital Projects Funds**

***Street Improvement Fund***

This fund accounts for revenues and expenditures for street improvements.

***Senior Center Construction Fund***

This fund accounts for the revenues and expenditures associated with the construction of the new Senior Center.



**CITY OF BARBERTON, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

**Nonmajor Capital Projects Funds**

***Sports Complex Construction Fund***

This fund accounts for revenues and expenditures associated with the construction of the Barberton Community Sports Complex.

***Issue II Fund***

This fund accounts for projects funded by Issue II money.

***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 and Storm Sewer Improvement Fund***

This fund accounts for income tax revenue used for the improvement of street and storm sewers within the City.

**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, 2005*

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 1,321,676	\$ 1,321,676	\$ 1,360,950	\$ 39,274
Municipal income taxes . . . . .	10,570,000	10,570,000	10,017,219	(552,781)
Charges for services . . . . .	1,060,200	1,198,350	1,209,074	10,724
Licenses and permits . . . . .	137,530	149,030	142,636	(6,394)
Fines and forfeitures . . . . .	85,000	85,000	80,170	(4,830)
Intergovernmental . . . . .	2,738,959	2,278,460	2,257,785	(20,675)
Investment income . . . . .	70,169	140,169	185,549	45,380
Other . . . . .	180,150	634,150	697,591	63,441
<b>Total revenues.</b> . . . .	<u>16,163,684</u>	<u>16,376,835</u>	<u>15,950,974</u>	<u>(425,861)</u>
<b>Expenditures:</b>				
Current:				
General government				
City Council . . . . .	185,286	185,286	183,466	1,820
Municipal Court Judges . . . . .	374,471	353,471	341,124	12,347
Clerk of Court . . . . .	683,608	682,392	674,604	7,788
Mayor . . . . .	176,307	176,307	172,418	3,889
Service Director . . . . .	192,965	206,627	199,466	7,161
Civil Service Commission . . . . .	24,410	24,410	21,962	2,448
Finance Department . . . . .	465,564	450,874	430,038	20,836
Law Department . . . . .	410,705	406,995	392,416	14,579
Safety Director . . . . .	90,332	90,332	87,149	3,183
Human Resources . . . . .	89,126	85,126	79,356	5,770
Information Systems . . . . .	93,051	103,671	96,354	7,317
Municipal Buildings . . . . .	311,718	344,218	332,563	11,655
Probation . . . . .	134,350	134,350	124,532	9,818
Engineer . . . . .	135,628	136,928	134,187	2,741
Income Tax . . . . .	201,369	257,894	253,100	4,794
General Liability . . . . .	10,000	42,000	33,476	8,524
Other . . . . .	233,036	244,736	242,596	2,140
<b>Total general government.</b> . . . .	<u>3,811,926</u>	<u>3,925,617</u>	<u>3,798,807</u>	<u>126,810</u>
Public safety				
Police Department . . . . .	5,005,815	4,928,415	4,893,252	35,163
Fire Department . . . . .	4,596,741	4,507,641	4,462,099	45,542
<b>Total public safety</b> . . . . .	<u>9,602,556</u>	<u>9,436,056</u>	<u>9,355,351</u>	<u>80,705</u>
Transportation				
Paint/signal . . . . .	149,140	159,740	156,106	3,634
<b>Total transportation.</b> . . . .	<u>149,140</u>	<u>159,740</u>	<u>156,106</u>	<u>3,634</u>
Leisure time activities				
Parks administration . . . . .	233,979	221,647	213,308	8,339
Senior Center . . . . .	75,323	72,323	71,758	565
Recreation programs . . . . .	8,226	13,756	13,584	172
Parks maintenance . . . . .	450,727	431,727	411,012	20,715
<b>Total leisure time activities</b> . . . . .	<u>768,255</u>	<u>739,453</u>	<u>709,662</u>	<u>29,791</u>

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, 2005*

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Community environment				
Building inspection . . . . .	\$ 341,719	\$ 341,719	\$ 336,334	\$ 5,385
Planning . . . . .	444,974	210,674	201,923	8,751
Total community environment . . . . .	<u>786,693</u>	<u>552,393</u>	<u>538,257</u>	<u>14,136</u>
Capital outlay				
Clerk of Courts . . . . .	-	-	25	(25)
Police Department . . . . .	8,000	34,162	30,162	4,000
Fire Department . . . . .	5,100	50,499	61,397	(10,898)
Recreation programs . . . . .	6,376	6,376	4,376	2,000
Parks maintenance . . . . .	3,899	3,899	3,891	8
Planning . . . . .	-	59,100	49,640	9,460
Other . . . . .	17,356	53,356	43,374	9,982
Total capital outlay . . . . .	<u>40,731</u>	<u>207,392</u>	<u>192,865</u>	<u>14,527</u>
Total expenditures . . . . .	<u>15,159,301</u>	<u>15,020,651</u>	<u>14,751,048</u>	<u>269,603</u>
Excess of revenues over expenditures . . . . .	<u>1,004,383</u>	<u>1,356,184</u>	<u>1,199,926</u>	<u>(156,258)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	4,483	56,508	56,508	-
Transfers out . . . . .	(1,780,959)	(1,961,609)	(1,961,609)	-
Sale of capital assets . . . . .	4,000	12,700	12,691	(9)
Total other financing sources (uses) . . . . .	<u>(1,772,476)</u>	<u>(1,892,401)</u>	<u>(1,892,410)</u>	<u>(9)</u>
Net change in fund balance . . . . .	(768,093)	(536,217)	(692,484)	(156,267)
<b>Fund balance at beginning of year . . . . .</b>	844,809	844,809	844,809	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>219,225</u>	<u>219,225</u>	<u>219,225</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 295,941</u>	<u>\$ 527,817</u>	<u>\$ 371,550</u>	<u>\$ (156,267)</u>

**CITY OF BARBERTON, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2005*

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 2,076,918	\$ 270,859	\$ 670,497	\$ 3,018,274
Receivables (net of allowances of uncollectibles):				
Property taxes. . . . .	267,680	-	-	267,680
Accounts . . . . .	1,521	-	-	1,521
Intergovernmental . . . . .	408,077	-	-	408,077
Accrued interest . . . . .	2,180	-	1,860	4,040
Special assessments . . . . .	-	266,950	-	266,950
Notes receivable . . . . .	782,363	-	-	782,363
Prepayments . . . . .	9,560	-	-	9,560
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets . . . . .	<u>\$ 3,548,299</u>	<u>\$ 537,809</u>	<u>\$ 672,357</u>	<u>\$ 4,758,465</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 119,268	\$ -	\$ 875	\$ 120,143
Accrued wages and benefits . . . . .	20,894	-	-	20,894
Due to other governments . . . . .	25,401	-	128	25,529
Deferred revenue . . . . .	429,006	266,950	166	696,122
Accrued interest payable. . . . .	-	-	1,282	1,282
Notes payable. . . . .	-	-	385,000	385,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities . . . . .	<u>594,569</u>	<u>266,950</u>	<u>387,451</u>	<u>1,248,970</u>
<b>Fund Balances:</b>				
Reserved for encumbrances. . . . .	781,745	-	29,371	811,116
Reserved for prepayments . . . . .	9,560	-	-	9,560
Reserved for notes receivable . . . . .	782,363	-	-	782,363
Reserved for debt service . . . . .	-	270,859	-	270,859
Unreserved, undesignated, reported in:				
Special revenue funds . . . . .	1,380,062	-	-	1,380,062
Capital projects funds . . . . .	-	-	255,535	255,535
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances . . . . .	<u>2,953,730</u>	<u>270,859</u>	<u>284,906</u>	<u>3,509,495</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund equity . . . . .	<u>\$ 3,548,299</u>	<u>\$ 537,809</u>	<u>\$ 672,357</u>	<u>\$ 4,758,465</u>

**CITY OF BARBERTON, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ 251,706	\$ -	\$ -	\$ 251,706
Charges for services . . . . .	93,607	-	-	93,607
Fines and forfeitures . . . . .	90,178	-	-	90,178
Intergovernmental . . . . .	2,544,113	-	-	2,544,113
Special assessments . . . . .	63,353	175,658	-	239,011
Investment income . . . . .	14,743	-	16,108	30,851
Contributions and donations . . . . .	63,111	-	-	63,111
Other . . . . .	210,702	355,880	66,364	632,946
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues . . . . .	3,331,513	531,538	82,472	3,945,523
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>				
Current:				
General government . . . . .	33,774	-	-	33,774
Public safety . . . . .	261,943	-	-	261,943
Health and welfare . . . . .	74,794	-	-	74,794
Transportation . . . . .	1,392,593	-	57,543	1,450,136
Community environment . . . . .	978,243	-	-	978,243
Leisure time activities . . . . .	622,159	-	-	622,159
Capital outlay . . . . .	435,575	-	398,880	834,455
Debt service:				
Principal retirement . . . . .	222,250	665,831	-	888,081
Interest and fiscal charges . . . . .	81,276	105,553	13,510	200,339
Bond issuance costs . . . . .	-	3,985	-	3,985
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	4,102,607	775,369	469,933	5,347,909
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(771,094)	(243,831)	(387,461)	(1,402,386)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other financing sources (uses):</b>				
Notes issued . . . . .	-	96,000	-	96,000
Bonds issued . . . . .	-	112,450	-	112,450
Premium on notes and bonds . . . . .	-	8,754	-	8,754
Sale of capital assets . . . . .	6,938	-	-	6,938
Transfers in . . . . .	640,050	255,549	318,000	1,213,599
Transfers out . . . . .	(71,232)	-	(44,425)	(115,657)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses) . . . . .	575,756	472,753	273,575	1,322,084
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances . . . . .	(195,338)	228,922	(113,886)	(80,302)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances at beginning of year . . . . .</b>	3,149,068	41,937	398,792	3,589,797
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 2,953,730</u>	<u>\$ 270,859</u>	<u>\$ 284,906</u>	<u>\$ 3,509,495</u>

**CITY OF BARBERTON, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2005*

	<b>Street Construction Maintenance and Repair</b>	<b>State Highway Improvement</b>	<b>Permissive License Tax</b>	<b>Residential Street</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 151,587	\$ 20,608	\$ 388,523	\$ 69,479
Receivables (net of allowances for uncollectibles):				
Property taxes. . . . .	-	-	-	-
Accounts . . . . .	-	-	-	-
Intergovernmental. . . . .	315,013	24,188	4,387	-
Accrued interest . . . . .	472	74	1,277	-
Notes receivable . . . . .	-	-	-	-
Prepayments . . . . .	8,657	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets . . . . .	<u>\$ 475,729</u>	<u>\$ 44,870</u>	<u>\$ 394,187</u>	<u>\$ 69,479</u>
 <b>Liabilities:</b>				
Accounts payable . . . . .	\$ 7,979	\$ -	\$ -	\$ -
Accrued wages and benefits . . . . .	19,242	-	-	-
Due to other governments . . . . .	19,349	1,036	-	-
Deferred revenue. . . . .	174,165	14,125	114	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities . . . . .	<u>220,735</u>	<u>15,161</u>	<u>114</u>	<u>-</u>
 <b>Fund Balances:</b>				
Reserved for encumbrances . . . . .	49,717	-	217,251	39,253
Reserved for prepayments. . . . .	8,657	-	-	-
Reserved for notes receivable . . . . .	-	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds . . . . .	196,620	29,709	176,822	30,226
Total fund balances . . . . .	<hr/> <u>254,994</u>	<hr/> <u>29,709</u>	<hr/> <u>394,073</u>	<hr/> <u>69,479</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund equity. . . . .	<u>\$ 475,729</u>	<u>\$ 44,870</u>	<u>\$ 394,187</u>	<u>\$ 69,479</u>

<u>Court Computer</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Sports Complex Operating</u>	<u>Parks Recreation Improvement</u>	<u>Gas and Oil Royalty</u>	<u>D.A.R.E. Program</u>
\$ 73,599	\$ 227,639	\$ 5,198	\$ 686,881	\$ 25,638	\$ 24,298
-	-	-	-	-	-
-	-	-	-	-	-
3,831	1,037	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 77,430</u>	<u>\$ 228,676</u>	<u>\$ 5,198</u>	<u>\$ 686,881</u>	<u>\$ 25,638</u>	<u>\$ 24,298</u>
\$ 666	\$ -	\$ 1,523	\$ 61,530	\$ -	\$ 1,621
-	-	-	-	-	-
390	-	564	-	-	-
-	-	-	-	-	-
<u>1,056</u>	<u>-</u>	<u>2,087</u>	<u>61,530</u>	<u>-</u>	<u>1,621</u>
844	-	2,552	190,653	15,000	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>75,530</u>	<u>228,676</u>	<u>559</u>	<u>434,698</u>	<u>10,638</u>	<u>22,677</u>
<u>76,374</u>	<u>228,676</u>	<u>3,111</u>	<u>625,351</u>	<u>25,638</u>	<u>22,677</u>
<u>\$ 77,430</u>	<u>\$ 228,676</u>	<u>\$ 5,198</u>	<u>\$ 686,881</u>	<u>\$ 25,638</u>	<u>\$ 24,298</u>

-- Continued

**CITY OF BARBERTON, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
December 31, 2005*

	<b>Mandatory Drug Fines</b>	<b>Local Law Enforcement Trust</b>	<b>Parks Revolving Loan</b>	<b>Sidewalk Improvement Program</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 7,669	\$ 24,158	\$ 24,896	\$ 84,286
Receivables (net of allowances for uncollectibles):				
Property taxes. . . . .	-	-	-	-
Accounts . . . . .	-	-	-	-
Intergovernmental. . . . .	-	-	-	-
Accrued interest . . . . .	-	-	-	-
Notes receivable . . . . .	-	-	-	-
Prepayments . . . . .	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets . . . . .	<u>\$ 7,669</u>	<u>\$ 24,158</u>	<u>\$ 24,896</u>	<u>\$ 84,286</u>
 <b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits . . . . .	-	-	-	-
Due to other governments . . . . .	-	-	191	-
Deferred revenue. . . . .	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities . . . . .	<u>-</u>	<u>-</u>	<u>191</u>	<u>-</u>
 <b>Fund Balances:</b>				
Reserved for encumbrances . . . . .	-	460	-	5,770
Reserved for prepayments. . . . .	-	-	-	-
Reserved for notes receivable . . . . .	-	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds . . . . .	7,669	23,698	24,705	78,516
Total fund balances . . . . .	<u>7,669</u>	<u>24,158</u>	<u>24,705</u>	<u>84,286</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund equity. . . . .	<u>\$ 7,669</u>	<u>\$ 24,158</u>	<u>\$ 24,896</u>	<u>\$ 84,286</u>



<b>City Grant</b>	<b>Federal Emergency Management Agency</b>	<b>Emergency Reserve</b>	<b>Community Development Block Grant</b>	<b>Rental Rehabilitation</b>	<b>Home Investment Partnership</b>
\$ 4,525	\$ 24,804	\$ 257	\$ 5,208	\$ 2,000	\$ -
-	-	-	-	-	-
-	-	-	1,521	-	-
46,445	-	-	-	-	-
-	-	-	-	-	-
-	-	-	508,356	-	267,000
-	-	-	-	-	-
<u>\$ 50,970</u>	<u>\$ 24,804</u>	<u>\$ 257</u>	<u>\$ 515,085</u>	<u>\$ 2,000</u>	<u>\$ 267,000</u>
\$ -	\$ -	\$ -	\$ 45,445	\$ -	\$ -
-	-	-	1,401	-	-
-	-	-	3,124	-	-
-	-	-	-	-	-
-	-	-	49,970	-	-
40,075	3,089	-	203,606	-	-
-	-	-	-	-	-
-	-	-	508,356	-	267,000
10,895	21,715	257	(246,847)	2,000	-
<u>50,970</u>	<u>24,804</u>	<u>257</u>	<u>465,115</u>	<u>2,000</u>	<u>267,000</u>
<u>\$ 50,970</u>	<u>\$ 24,804</u>	<u>\$ 257</u>	<u>\$ 515,085</u>	<u>\$ 2,000</u>	<u>\$ 267,000</u>

-- Continued

**CITY OF BARBERTON, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
December 31, 2005*

	<b>Tax Increment Financing</b>	<b>Lake Cinema Complex Maintenance</b>	<b>Project Impact</b>	<b>Beautification</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 30,576	\$ -	\$ 25,000	\$ 48,323
Receivables (net of allowances for uncollectibles):				
Property taxes. . . . .	-	-	-	-
Accounts . . . . .	-	-	-	-
Intergovernmental. . . . .	-	-	-	-
Accrued interest . . . . .	-	-	-	-
Notes receivable . . . . .	-	-	-	-
Prepayments . . . . .	-	-	-	24
Total assets . . . . .	<u>\$ 30,576</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 48,347</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ -	\$ -	\$ 364
Accrued wages and benefits . . . . .	-	-	-	251
Due to other governments . . . . .	-	-	-	638
Deferred revenue. . . . .	-	-	-	-
Total liabilities . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,253</u>
<b>Fund Balances:</b>				
Reserved for encumbrances . . . . .	-	-	2,900	9,249
Reserved for prepayments. . . . .	-	-	-	24
Reserved for notes receivable . . . . .	-	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds . . . . .	30,576	-	22,100	37,821
Total fund balances . . . . .	<u>30,576</u>	<u>-</u>	<u>25,000</u>	<u>47,094</u>
Total liabilities and fund equity. . . . .	<u>\$ 30,576</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 48,347</u>

<b>Downtown Sales and Rental</b>	<b>Senior Center Trust</b>	<b>Fire Pension</b>	<b>Police Pension</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ -	\$ 109,227	\$ 5,110	\$ 7,429	\$ 2,076,918
-	-	133,840	133,840	267,680
-	-	-	-	1,521
-	-	6,588	6,588	408,077
-	357	-	-	2,180
7,007	-	-	-	782,363
91	788	-	-	9,560
<u>\$ 7,098</u>	<u>\$ 110,372</u>	<u>\$ 145,538</u>	<u>\$ 147,857</u>	<u>\$ 3,548,299</u>
\$ -	\$ 140	\$ -	\$ -	\$ 119,268
-	-	-	-	20,894
-	109	-	-	25,401
-	32	120,285	120,285	429,006
-	281	120,285	120,285	594,569
-	1,326	-	-	781,745
91	788	-	-	9,560
7,007	-	-	-	782,363
-	107,977	25,253	27,572	1,380,062
<u>7,098</u>	<u>110,091</u>	<u>25,253</u>	<u>27,572</u>	<u>2,953,730</u>
<u>\$ 7,098</u>	<u>\$ 110,372</u>	<u>\$ 145,538</u>	<u>\$ 147,857</u>	<u>\$ 3,548,299</u>

**CITY OF BARBERTON**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<b>Street Construction Maintenance and Repair</b>	<b>State Highway Improvement</b>	<b>Permissive License Tax</b>	<b>Residential Street</b>
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	-	-
Fines and forfeitures . . . . .	-	-	-	-
Intergovernmental . . . . .	818,376	52,348	335,423	-
Special assessments . . . . .	-	-	3,000	30,146
Investment income . . . . .	3,296	662	7,656	-
Contributions and donations . . . . .	-	-	-	-
Other . . . . .	3,634	-	-	-
<b>Total revenues . . . . .</b>	<b>825,306</b>	<b>53,010</b>	<b>346,079</b>	<b>30,146</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government . . . . .	-	-	-	-
Public safety . . . . .	-	-	-	-
Health and welfare . . . . .	-	-	-	-
Transportation . . . . .	1,228,244	41,035	123,314	-
Community environment . . . . .	-	-	-	-
Leisure time activities . . . . .	-	-	-	-
Capital outlay . . . . .	-	-	-	178,667
<b>Debt service:</b>				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<b>1,228,244</b>	<b>41,035</b>	<b>123,314</b>	<b>178,667</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(402,938)	11,975	222,765	(148,521)
<b>Other financing sources (uses):</b>				
Sale of capital assets . . . . .	-	-	-	-
Transfers in . . . . .	423,000	-	-	68,000
Transfers out . . . . .	-	-	-	-
<b>Total other financing sources (uses) . . . . .</b>	<b>423,000</b>	<b>-</b>	<b>-</b>	<b>68,000</b>
<b>Net change in fund balances . . . . .</b>	<b>20,062</b>	<b>11,975</b>	<b>222,765</b>	<b>(80,521)</b>
<b>Fund balances at beginning of year . . . . .</b>	<b>234,932</b>	<b>17,734</b>	<b>171,308</b>	<b>150,000</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 254,994</b>	<b>\$ 29,709</b>	<b>\$ 394,073</b>	<b>\$ 69,479</b>

<u>Court Computer</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Sports Complex Operating</u>	<u>Parks Recreation Improvement</u>	<u>Gas and Oil Royalty</u>	<u>D.A.R.E. Program</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	67,450	-	-	-
56,149	32,340	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
387	-	-	-	8,512	-
<u>56,536</u>	<u>32,340</u>	<u>67,450</u>	<u>-</u>	<u>8,512</u>	<u>-</u>
30,008	-	-	-	-	-
-	-	-	-	-	2,286
-	-	-	-	-	-
-	-	-	-	-	-
-	-	87,330	355,533	-	-
55,761	-	-	-	-	-
-	-	107,250	-	-	-
-	-	26,306	-	-	-
<u>85,769</u>	<u>-</u>	<u>220,886</u>	<u>355,533</u>	<u>-</u>	<u>2,286</u>
<u>(29,233)</u>	<u>32,340</u>	<u>(153,436)</u>	<u>(355,533)</u>	<u>8,512</u>	<u>(2,286)</u>
-	-	-	-	-	544
-	-	144,425	-	-	-
-	-	-	-	-	-
-	-	144,425	-	-	544
<u>(29,233)</u>	<u>32,340</u>	<u>(9,011)</u>	<u>(355,533)</u>	<u>8,512</u>	<u>(1,742)</u>
<u>105,607</u>	<u>196,336</u>	<u>12,122</u>	<u>980,884</u>	<u>17,126</u>	<u>24,419</u>
<u>\$ 76,374</u>	<u>\$ 228,676</u>	<u>\$ 3,111</u>	<u>\$ 625,351</u>	<u>\$ 25,638</u>	<u>\$ 22,677</u>

- - Continued

**CITY OF BARBERTON**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<b>Mandatory Drug Fines</b>	<b>Local Law Enforcement Trust</b>	<b>Parks Revolving Loan</b>	<b>Sidewalk Improvement Program</b>
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	5,276	-
Fines and forfeitures . . . . .	1,689	-	-	-
Intergovernmental . . . . .	-	14,365	-	-
Special assessments . . . . .	-	-	-	30,207
Investment income . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	63,111	-
Other . . . . .	-	-	-	68,991
<b>Total revenues . . . . .</b>	<b>1,689</b>	<b>14,365</b>	<b>68,387</b>	<b>99,198</b>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	-	-
Public safety . . . . .	-	-	-	-
Health and welfare . . . . .	-	-	-	-
Transportation . . . . .	-	-	-	-
Community environment . . . . .	-	-	-	-
Leisure time activities . . . . .	-	-	79,565	-
Capital outlay . . . . .	-	97,677	6,102	97,368
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<b>-</b>	<b>97,677</b>	<b>85,667</b>	<b>97,368</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	1,689	(83,312)	(17,280)	1,830
<b>Other financing sources (uses):</b>				
Sale of capital assets . . . . .	-	5,564	-	-
Transfers in . . . . .	-	2,400	-	-
Transfers out . . . . .	-	-	-	-
<b>Total other financing sources (uses) . . . . .</b>	<b>-</b>	<b>7,964</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances . . . . .</b>	<b>1,689</b>	<b>(75,348)</b>	<b>(17,280)</b>	<b>1,830</b>
<b>Fund balances at beginning of year . . . . .</b>	<b>5,980</b>	<b>99,506</b>	<b>41,985</b>	<b>82,456</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 7,669</b>	<b>\$ 24,158</b>	<b>\$ 24,705</b>	<b>\$ 84,286</b>

<b>City Grant</b>	<b>Federal Emergency Management Agency</b>	<b>Emergency Reserve</b>	<b>Community Development Block Grant</b>	<b>Rental Rehabilitation</b>	<b>Home Investment Partnership</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
59,945	62,543	-	1,095,531	-	-
-	-	-	-	-	-
-	-	6	-	-	-
-	-	-	-	-	-
-	-	-	15,626	-	-
<u>59,945</u>	<u>62,543</u>	<u>6</u>	<u>1,111,157</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
11,657	-	-	-	-	-
-	74,794	-	-	-	-
-	-	-	-	-	-
-	-	-	951,747	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	115,000	-	-
-	-	-	54,970	-	-
<u>11,657</u>	<u>74,794</u>	<u>-</u>	<u>1,121,717</u>	<u>-</u>	<u>-</u>
<u>48,288</u>	<u>(12,251)</u>	<u>6</u>	<u>(10,560)</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
48,288	(12,251)	6	(10,560)	-	-
<u>2,682</u>	<u>37,055</u>	<u>251</u>	<u>475,675</u>	<u>2,000</u>	<u>267,000</u>
<u>\$ 50,970</u>	<u>\$ 24,804</u>	<u>\$ 257</u>	<u>\$ 465,115</u>	<u>\$ 2,000</u>	<u>\$ 267,000</u>

- - Continued

**CITY OF BARBERTON**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<b>Tax Increment Financing</b>	<b>Lake Cinema Complex Maintenance</b>	<b>Project Impact</b>	<b>Beautification</b>
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	-	-
Fines and forfeitures . . . . .	-	-	-	-
Intergovernmental . . . . .	40,718	-	-	33,190
Special assessments . . . . .	-	-	-	-
Investment income . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	-	-
Other . . . . .	-	-	25,000	76,374
<b>Total revenues . . . . .</b>	<b>40,718</b>	<b>-</b>	<b>25,000</b>	<b>109,564</b>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	-	-
Public safety . . . . .	-	-	-	-
Health and welfare . . . . .	-	-	-	-
Transportation . . . . .	-	-	-	-
Community environment . . . . .	24,000	-	-	-
Leisure time activities . . . . .	-	-	-	71,612
Capital outlay . . . . .	-	-	-	-
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<b>24,000</b>	<b>-</b>	<b>-</b>	<b>71,612</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	16,718	-	25,000	37,952
<b>Other financing sources (uses):</b>				
Sale of capital assets . . . . .	-	-	-	-
Transfers in . . . . .	-	-	-	-
Transfers out . . . . .	(14,724)	(4,483)	-	-
<b>Total other financing sources (uses) . . . . .</b>	<b>(14,724)</b>	<b>(4,483)</b>	<b>-</b>	<b>-</b>
Net change in fund balances . . . . .	1,994	(4,483)	25,000	37,952
<b>Fund balances at beginning of year . . . . .</b>	<b>28,582</b>	<b>4,483</b>	<b>-</b>	<b>9,142</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 30,576</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 47,094</b>



<b>Downtown Sales and Rental</b>	<b>Senior Center Trust</b>	<b>Fire Pension</b>	<b>Police Pension</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ -	\$ -	\$ 125,853	\$ 125,853	\$ 251,706
-	20,881	-	-	93,607
-	-	-	-	90,178
-	-	22,804	8,870	2,544,113
-	-	-	-	63,353
-	3,123	-	-	14,743
-	-	-	-	63,111
-	12,178	-	-	210,702
-	36,182	148,657	134,723	3,331,513
-	-	1,883	1,883	33,774
-	-	124,000	124,000	261,943
-	-	-	-	74,794
-	-	-	-	1,392,593
2,496	-	-	-	978,243
-	28,119	-	-	622,159
-	-	-	-	435,575
-	-	-	-	222,250
-	-	-	-	81,276
2,496	28,119	125,883	125,883	4,102,607
(2,496)	8,063	22,774	8,840	(771,094)
830	-	-	-	6,938
-	-	-	2,225	640,050
(52,025)	-	-	-	(71,232)
(51,195)	-	-	2,225	575,756
(53,691)	8,063	22,774	11,065	(195,338)
60,789	102,028	2,479	16,507	3,149,068
\$ 7,098	\$ 110,091	\$ 25,253	\$ 27,572	\$ 2,953,730

**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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ 800,000	\$ 800,000	\$ 799,410	\$ (590)
Investment income . . . . .	800	800	2,866	2,066
Other . . . . .	6,000	6,000	3,634	(2,366)
Total revenues. . . . .	<u>806,800</u>	<u>806,800</u>	<u>805,910</u>	<u>(890)</u>
<b>Expenditures:</b>				
Current:				
Transportation . . . . .	<u>1,413,572</u>	<u>1,413,573</u>	<u>1,326,818</u>	<u>86,755</u>
Total expenditures. . . . .	<u>1,413,572</u>	<u>1,413,573</u>	<u>1,326,818</u>	<u>86,755</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(606,772)</u>	<u>(606,773)</u>	<u>(520,908)</u>	<u>85,865</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	<u>423,000</u>	<u>423,000</u>	<u>423,000</u>	<u>-</u>
Total other financing sources. . . . .	<u>423,000</u>	<u>423,000</u>	<u>423,000</u>	<u>-</u>
Net change in fund balance. . . . .	(183,772)	(183,773)	(97,908)	85,865
<b>Fund balance at beginning of year . . . . .</b>	137,576	137,576	137,576	-
<b>Prior year encumbrances appropriated . . .</b>	<u>47,116</u>	<u>47,116</u>	<u>47,116</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 920</u>	<u>\$ 919</u>	<u>\$ 86,784</u>	<u>\$ 85,865</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, 2005*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ 48,000	\$ 48,000	\$ 50,908	\$ 2,908
Investment income . . . . .	300	300	595	295
Total revenues. . . . .	<u>48,300</u>	<u>48,300</u>	<u>51,503</u>	<u>3,203</u>
<b>Expenditures:</b>				
Current:				
Transportation . . . . .	<u>46,000</u>	<u>46,000</u>	<u>40,730</u>	<u>5,270</u>
Total expenditures. . . . .	<u>46,000</u>	<u>46,000</u>	<u>40,730</u>	<u>5,270</u>
Net change in fund balance . . . . .	2,300	2,300	10,773	8,473
<b>Fund balance at beginning of year. . . . .</b>	<u>9,835</u>	<u>9,835</u>	<u>9,835</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 12,135</u>	<u>\$ 12,135</u>	<u>\$ 20,608</u>	<u>\$ 8,473</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ 295,000	\$ 295,000	\$ 334,460	\$ 39,460
Investment income . . . . .	2,000	2,000	6,493	4,493
Special assessments . . . . .	-	-	3,000	3,000
Total revenues. . . . .	<u>297,000</u>	<u>297,000</u>	<u>343,953</u>	<u>46,953</u>
<b>Expenditures:</b>				
Current:				
Transportation . . . . .	<u>340,585</u>	<u>340,585</u>	<u>340,565</u>	<u>20</u>
Total expenditures. . . . .	<u>340,585</u>	<u>340,585</u>	<u>340,565</u>	<u>20</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(43,585)</u>	<u>(43,585)</u>	<u>3,388</u>	<u>46,973</u>
<b>Other financing sources:</b>				
Advances in. . . . .	<u>68,000</u>	<u>68,000</u>	<u>-</u>	<u>(68,000)</u>
Total other financing sources. . . . .	<u>68,000</u>	<u>68,000</u>	<u>-</u>	<u>(68,000)</u>
Net change in fund balance . . . . .	24,415	24,415	3,388	(21,027)
<b>Fund balance at beginning of year. . . . .</b>	127,299	127,299	127,299	-
<b>Prior year encumbrances appropriated . . .</b>	<u>40,585</u>	<u>40,585</u>	<u>40,585</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 192,299</u>	<u>\$ 192,299</u>	<u>\$ 171,272</u>	<u>\$ (21,027)</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Special assessments . . . . .	\$ -	\$ 27,000	\$ 30,146	\$ 3,146
Total revenues . . . . .	-	27,000	30,146	3,146
<b>Expenditures:</b>				
Capital outlay . . . . .	218,000	218,000	217,920	80
Total expenditures . . . . .	218,000	218,000	217,920	80
Excess (deficiency) of revenues over (under) expenditures. . . . .	(218,000)	(191,000)	(187,774)	3,226
<b>Other financing sources:</b>				
Transfers in. . . . .	68,000	68,000	68,000	-
Total other financing sources. . . . .	68,000	68,000	68,000	-
Net change in fund balance. . . . .	(150,000)	(123,000)	(119,774)	3,226
<b>Fund balance at beginning of year . . . . .</b>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ 27,000</u>	<u>\$ 30,226</u>	<u>\$ 3,226</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 52,500	\$ 52,500	\$ 55,391	\$ 2,891
Other . . . . .	-	-	387	387
Total revenues . . . . .	<u>52,500</u>	<u>52,500</u>	<u>55,778</u>	<u>3,278</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	36,211	36,637	30,857	5,780
Capital outlay . . . . .	<u>30,000</u>	<u>65,000</u>	<u>56,611</u>	<u>8,389</u>
Total expenditures. . . . .	<u>66,211</u>	<u>101,637</u>	<u>87,468</u>	<u>14,169</u>
Net change in fund balance . . . . .	(13,711)	(49,137)	(31,690)	17,447
<b>Fund balance at beginning of year. . . . .</b>	102,833	102,833	102,833	-
<b>Prior year encumbrances appropriated . . .</b>	<u>721</u>	<u>721</u>	<u>721</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 89,843</u>	<u>\$ 54,417</u>	<u>\$ 71,864</u>	<u>\$ 17,447</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 36,000	\$ 36,000	\$ 32,130	\$ (3,870)
Total revenues . . . . .	<u>36,000</u>	<u>36,000</u>	<u>32,130</u>	<u>(3,870)</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	<u>195,000</u>	<u>195,000</u>	<u>-</u>	<u>195,000</u>
Total expenditures . . . . .	<u>195,000</u>	<u>195,000</u>	<u>-</u>	<u>195,000</u>
Net change in fund balance. . . . .	(159,000)	(159,000)	32,130	191,130
<b>Fund balance at beginning of year . . . . .</b>	<u>195,509</u>	<u>195,509</u>	<u>195,509</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 36,509</u>	<u>\$ 36,509</u>	<u>\$ 227,639</u>	<u>\$ 191,130</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, 2005*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Charges for services . . . . .	\$ 76,000	\$ 76,000	\$ 67,450	\$ (8,550)
Total revenues . . . . .	<u>76,000</u>	<u>76,000</u>	<u>67,450</u>	<u>(8,550)</u>
<b>Expenditures:</b>				
Current:				
Leisure time activities . . . . .	93,295	100,320	89,878	10,442
Debt service:				
Principal retirement . . . . .	107,250	107,250	107,250	-
Interest and fiscal charges . . . . .	<u>26,306</u>	<u>26,306</u>	<u>26,306</u>	<u>-</u>
Total expenditures . . . . .	<u>226,851</u>	<u>233,876</u>	<u>223,434</u>	<u>10,442</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(150,851)</u>	<u>(157,876)</u>	<u>(155,984)</u>	<u>1,892</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	<u>144,425</u>	<u>144,425</u>	<u>144,425</u>	<u>-</u>
Total other financing sources . . . . .	<u>144,425</u>	<u>144,425</u>	<u>144,425</u>	<u>-</u>
Net change in fund balance . . . . .	(6,426)	(13,451)	(11,559)	1,892
<b>Fund balance at beginning of year.</b>	9,491	9,491	9,491	-
<b>Prior year encumbrances appropriated. . .</b>	<u>4,455</u>	<u>4,455</u>	<u>4,455</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 7,520</u>	<u>\$ 495</u>	<u>\$ 2,387</u>	<u>\$ 1,892</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Current:				
Leisure time activities . . . . .	\$ 36,879	\$ 486,657	\$ 484,656	\$ 2,001
Total expenditures . . . . .	<u>36,879</u>	<u>486,657</u>	<u>484,656</u>	<u>2,001</u>
Net change in fund balance . . . . .	(36,879)	(486,657)	(484,656)	2,001
<b>Fund balance at beginning of year . . . . .</b>	958,005	958,005	958,005	-
<b>Prior year encumbrances appropriated. . .</b>	<u>22,879</u>	<u>22,879</u>	<u>22,879</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 944,005</u>	<u>\$ 494,227</u>	<u>\$ 496,228</u>	<u>\$ 2,001</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 12,400	\$ 12,400	\$ 8,512	\$ (3,888)
Total revenues . . . . .	<u>12,400</u>	<u>12,400</u>	<u>8,512</u>	<u>(3,888)</u>
<b>Expenditures:</b>				
Current:				
Community environment . . . . .	23,000	23,000	15,000	8,000
Capital outlay . . . . .	<u>50</u>	<u>50</u>	<u>-</u>	<u>50</u>
Total expenditures . . . . .	<u>23,050</u>	<u>23,050</u>	<u>15,000</u>	<u>8,050</u>
Net change in fund balance. . . . .	(10,650)	(10,650)	(6,488)	4,162
<b>Fund balance at beginning of year . . . . .</b>	17,076	17,076	17,076	-
<b>Prior year encumbrances appropriated . . .</b>	<u>50</u>	<u>50</u>	<u>50</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 6,476</u>	<u>\$ 6,476</u>	<u>\$ 10,638</u>	<u>\$ 4,162</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, 2005*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Contributions and donations . . . . .	\$ 200	\$ 200	\$ -	\$ (200)
Total revenues . . . . .	<u>200</u>	<u>200</u>	<u>-</u>	<u>(200)</u>
<b>Expenditures:</b>				
Current:				
Public safety . . . . .	-	3,000	2,287	713
Total expenditures . . . . .	<u>-</u>	<u>3,000</u>	<u>2,287</u>	<u>713</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>200</u>	<u>(2,800)</u>	<u>(2,287)</u>	<u>513</u>
<b>Other financing sources:</b>				
Sale of capital assets . . . . .	-	483	544	61
Total other financing sources. . . . .	<u>-</u>	<u>483</u>	<u>544</u>	<u>61</u>
Net change in fund balance. . . . .	200	(2,317)	(1,743)	574
<b>Fund balance at beginning of year . . . . .</b>	<u>24,419</u>	<u>24,419</u>	<u>24,419</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 24,619</u>	<u>\$ 22,102</u>	<u>\$ 22,676</u>	<u>\$ 574</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 1,105	\$ 1,705	\$ 1,814	\$ 109
Total revenues . . . . .	<u>1,105</u>	<u>1,705</u>	<u>1,814</u>	<u>109</u>
Net change in fund balance. . . . .	1,105	1,705	1,814	109
<b>Fund balance at beginning of year . . . . .</b>	<u>5,855</u>	<u>5,855</u>	<u>5,855</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 6,960</u>	<u>\$ 7,560</u>	<u>\$ 7,669</u>	<u>\$ 109</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 14,365	\$ 14,365	\$ -
Total revenues . . . . .	-	14,365	14,365	-
<b>Expenditures:</b>				
Capital outlay. . . . .	77,124	114,843	104,147	10,696
Total expenditures . . . . .	77,124	114,843	104,147	10,696
Excess (deficiency) of revenues over (under) expenditures . . . . .	(77,124)	(100,478)	(89,782)	10,696
<b>Other financing sources:</b>				
Transfers in. . . . .	2,400	2,400	2,400	-
Sale of capital assets . . . . .	-	5,100	5,564	464
Total other financing sources. . . . .	2,400	7,500	7,964	464
Net change in fund balance. . . . .	(74,724)	(92,978)	(81,818)	11,160
<b>Fund balance at beginning of year . . . . .</b>	93,392	93,392	93,392	-
<b>Prior year encumbrances appropriated . . . . .</b>	12,124	12,124	12,124	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 30,792</u>	<u>\$ 12,538</u>	<u>\$ 23,698</u>	<u>\$ 11,160</u>

**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, 2005*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Charges for services. . . . .	\$ 14,000	\$ 8,500	\$ 5,276	\$ (3,224)
Contributions and donations. . . . .	21,500	42,850	63,111	20,261
Total revenues. . . . .	<u>35,500</u>	<u>51,350</u>	<u>68,387</u>	<u>17,037</u>
<b>Expenditures:</b>				
Current:				
Leisure time activities . . . . .	38,086	79,796	79,374	422
Capital outlay . . . . .	-	7,700	7,602	98
Total expenditures. . . . .	<u>38,086</u>	<u>87,496</u>	<u>86,976</u>	<u>520</u>
Net change in fund balance. . . . .	(2,586)	(36,146)	(18,589)	17,557
<b>Fund balance at beginning of year . . . . .</b>	41,929	41,929	41,929	-
<b>Prior year encumbrances appropriated . . .</b>	<u>1,556</u>	<u>1,556</u>	<u>1,556</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 40,899</u>	<u>\$ 7,339</u>	<u>\$ 24,896</u>	<u>\$ 17,557</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, 2005*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Special assessment . . . . .	\$ 31,000	\$ 31,000	\$ 30,207	\$ (793)
Other . . . . .	11,000	67,100	68,991	1,891
Total revenues. . . . .	<u>42,000</u>	<u>98,100</u>	<u>99,198</u>	<u>1,098</u>
<b>Expenditures:</b>				
Capital outlay . . . . .	4,060	104,060	103,138	922
Total expenditures. . . . .	<u>4,060</u>	<u>104,060</u>	<u>103,138</u>	<u>922</u>
Net change in fund balance. . . . .	37,940	(5,960)	(3,940)	2,020
<b>Fund balance at beginning of year . . . . .</b>	78,396	78,396	78,396	-
<b>Prior year encumbrances appropriated . . .</b>	<u>4,060</u>	<u>4,060</u>	<u>4,060</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 120,396</u>	<u>\$ 76,496</u>	<u>\$ 78,516</u>	<u>\$ 2,020</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ -	\$ 53,500	\$ 13,500	\$ (40,000)
Total revenues. . . . .	-	53,500	13,500	(40,000)
<b>Expenditures:</b>				
Current:				
Public safety. . . . .	-	52,500	51,732	768
Total expenditures . . . . .	-	52,500	51,732	768
Net change in fund balance. . . . .	-	1,000	(38,232)	(39,232)
<b>Fund balance at beginning of year . . . . .</b>	<u>2,682</u>	<u>2,682</u>	<u>2,682</u>	<u>-</u>
<b>Fund balance (deficit) at end of year . . . . .</b>	<u>\$ 2,682</u>	<u>\$ 3,682</u>	<u>\$ (35,550)</u>	<u>\$ (39,232)</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 63,343	\$ 62,543	\$ (800)
Total revenues . . . . .	-	63,343	62,543	(800)
<b>Expenditures:</b>				
Current:				
Health and welfare. . . . .	-	100,398	77,883	22,515
Total expenditures . . . . .	-	100,398	77,883	22,515
Net change in fund balance. . . . .	-	(37,055)	(15,340)	21,715
<b>Fund balance at beginning of year . . . . .</b>	<u>37,055</u>	<u>37,055</u>	<u>37,055</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 37,055</u>	<u>\$ -</u>	<u>\$ 21,715</u>	<u>\$ 21,715</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment income . . . . .	\$ 3	\$ 3	\$ 6	\$ 3
Total revenues . . . . .	<u>3</u>	<u>3</u>	<u>6</u>	<u>3</u>
Net change in fund balance. . . . .	3	3	6	3
<b>Fund balance at beginning of year . . . . .</b>	<u>251</u>	<u>251</u>	<u>251</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 254</u>	<u>\$ 254</u>	<u>\$ 257</u>	<u>\$ 3</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**  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 1,607,635	\$ 2,458,055	\$ 1,095,531	\$ (1,362,524)
Other . . . . .	5,515	22,355	60,672	38,317
Total revenues . . . . .	<u>1,613,150</u>	<u>2,480,410</u>	<u>1,156,203</u>	<u>(1,324,207)</u>
<b>Expenditures:</b>				
Current:				
Community environment . . . . .	61,157	2,440,510	1,344,256	1,096,254
Debt service:				
Principal retirement . . . . .	115,000	115,000	115,000	-
Interest and fiscal charges. . . . .	54,970	54,970	54,970	-
Total expenditures . . . . .	<u>231,127</u>	<u>2,610,480</u>	<u>1,514,226</u>	<u>1,096,254</u>
Net change in fund balance. . . . .	1,382,023	(130,070)	(358,023)	(227,953)
<b>Fund balance (deficit) at beginning of year. .</b>	(113,639)	(113,639)	(113,639)	-
<b>Prior year encumbrances appropriated . . .</b>	<u>231,127</u>	<u>231,127</u>	<u>231,127</u>	<u>-</u>
<b>Fund balance (deficit) at end of year . . . . .</b>	<u>\$ 1,499,511</u>	<u>\$ (12,582)</u>	<u>\$ (240,535)</u>	<u>\$ (227,953)</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**RENTAL REHABILITATION FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Fund balance at beginning of year . . . . .</b>	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
<b>Fund balance at end of year. . . . .</b>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ -</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, 2005*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 30,000	\$ 40,800	\$ 40,718	\$ (82)
Total revenues . . . . .	<u>30,000</u>	<u>40,800</u>	<u>40,718</u>	<u>(82)</u>
<b>Expenditures:</b>				
Current:				
Community environment . . . . .	24,000	24,000	24,000	-
Total expenditures . . . . .	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>	<u>-</u>
Excess of revenues over expenditures . . . . .	<u>6,000</u>	<u>16,800</u>	<u>16,718</u>	<u>(82)</u>
<b>Other financing uses:</b>				
Transfers out . . . . .	(14,724)	(14,724)	(14,724)	-
Total other financing uses . . . . .	<u>(14,724)</u>	<u>(14,724)</u>	<u>(14,724)</u>	<u>-</u>
Net change in fund balance . . . . .	(8,724)	2,076	1,994	(82)
<b>Fund balance at beginning of year . . . . .</b>	<u>28,582</u>	<u>28,582</u>	<u>28,582</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 19,858</u>	<u>\$ 30,658</u>	<u>\$ 30,576</u>	<u>\$ (82)</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**LAKE CINEMA COMPLEX MAINTENANCE FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Other financing uses:</b>				
Transfers out . . . . .	\$ -	\$ (4,483)	\$ (4,483)	\$ -
Total other financing uses . . . . .	-	(4,483)	(4,483)	-
Net change in fund balance. . . . .	-	(4,483)	(4,483)	-
<b>Fund balance at beginning of year . . . . .</b>	<u>4,483</u>	<u>4,483</u>	<u>4,483</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 4,483</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)  
**PROJECT IMPACT FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ -	\$ 200,000	\$ 25,000	\$ (175,000)
Total revenues . . . . .	-	200,000	25,000	(175,000)
<b>Expenditures:</b>				
Current:				
Community environment . . . . .	-	200,000	2,900	197,100
Total expenditures . . . . .	-	200,000	2,900	197,100
Net change in fund balance. . . . .	-	-	22,100	22,100
<b>Fund balance at beginning of year . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,100</u>	<u>\$ 22,100</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, 2005*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ 27,000	\$ 33,200	\$ 33,190	\$ (10)
Contributions and donations. . . . .	51,000	67,620	76,374	8,754
Total revenues. . . . .	<u>78,000</u>	<u>100,820</u>	<u>109,564</u>	<u>8,744</u>
<b>Expenditures:</b>				
Current:				
Leisure time activities . . . . .	86,551	95,551	86,168	9,383
Total expenditures. . . . .	<u>86,551</u>	<u>95,551</u>	<u>86,168</u>	<u>9,383</u>
Net change in fund balance. . . . .	(8,551)	5,269	23,396	18,127
<b>Fund balance at beginning of year . . . . .</b>	14,114	14,114	14,114	-
<b>Prior year encumbrances appropriated . . .</b>	<u>516</u>	<u>516</u>	<u>516</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 6,079</u>	<u>\$ 19,899</u>	<u>\$ 38,026</u>	<u>\$ 18,127</u>



**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**DOWNTOWN SALES AND RENTAL FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Current:				
Community environment . . . . .	\$ -	\$ 4,546	\$ 4,546	\$ -
Total expenditures . . . . .	<u>-</u>	<u>4,546</u>	<u>4,546</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>-</u>	<u>(4,546)</u>	<u>(4,546)</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfers out . . . . .	-	(52,025)	(52,025)	-
Sale of capital assets . . . . .	<u>461</u>	<u>831</u>	<u>830</u>	<u>(1)</u>
Total other financing sources (uses) . . . . .	<u>461</u>	<u>(51,194)</u>	<u>(51,195)</u>	<u>(1)</u>
Net change in fund balance. . . . .	461	(55,740)	(55,741)	(1)
<b>Fund balance at beginning of year . . . . .</b>	<u>55,741</u>	<u>55,741</u>	<u>55,741</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 56,202</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment income . . . . .	\$ 1,000	\$ 1,000	\$ 2,798	\$ 1,798
Charges for services . . . . .	17,000	17,000	20,881	3,881
Contributions and donations . . . . .	11,400	11,400	11,691	291
Other . . . . .	400	400	487	87
<b>Total revenues.</b> . . . .	<u>29,800</u>	<u>29,800</u>	<u>35,857</u>	<u>6,057</u>
<b>Expenditures:</b>				
Current:				
Leisure time activities . . . . .	32,168	32,168	30,395	1,773
<b>Total expenditures.</b> . . . .	<u>32,168</u>	<u>32,168</u>	<u>30,395</u>	<u>1,773</u>
Net change in fund balance. . . . .	(2,368)	(2,368)	5,462	7,830
<b>Fund balance at beginning of year . . . . .</b>	99,820	99,820	99,820	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>2,588</u>	<u>2,588</u>	<u>2,588</u>	<u>-</u>
<b>Fund balance at end of year.</b> . . . .	<u>\$ 100,040</u>	<u>\$ 100,040</u>	<u>\$ 107,870</u>	<u>\$ 7,830</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes . . . . .	\$ 112,185	\$ 112,185	\$ 113,949	\$ 1,764
Intergovernmental . . . . .	16,023	16,023	22,780	6,757
Total revenues . . . . .	<u>128,208</u>	<u>128,208</u>	<u>136,729</u>	<u>8,521</u>
<b>Expenditures:</b>				
Current:				
General government. . . . .	3,000	3,000	1,883	1,117
Public safety. . . . .	<u>124,000</u>	<u>124,000</u>	<u>124,000</u>	<u>-</u>
Total expenditures . . . . .	<u>127,000</u>	<u>127,000</u>	<u>125,883</u>	<u>1,117</u>
Net change in fund balance. . . . .	1,208	1,208	10,846	9,638
<b>Fund balance (deficit) at beginning of year.</b>	<u>(5,736)</u>	<u>(5,736)</u>	<u>(5,736)</u>	<u>-</u>
<b>Fund balance (deficit) at end of year . . . .</b>	<u>\$ (4,528)</u>	<u>\$ (4,528)</u>	<u>\$ 5,110</u>	<u>\$ 9,638</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes . . . . .	\$ 112,185	\$ 112,185	\$ 113,949	\$ 1,764
Intergovernmental . . . . .	16,023	16,023	8,846	(7,177)
Total revenues . . . . .	<u>128,208</u>	<u>128,208</u>	<u>122,795</u>	<u>(5,413)</u>
<b>Expenditures:</b>				
Current:				
General government. . . . .	3,000	3,000	1,883	1,117
Public safety. . . . .	<u>124,000</u>	<u>124,000</u>	<u>124,000</u>	<u>-</u>
Total expenditures . . . . .	<u>127,000</u>	<u>127,000</u>	<u>125,883</u>	<u>1,117</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>1,208</u>	<u>1,208</u>	<u>(3,088)</u>	<u>(4,296)</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	-	2,225	2,225	-
Total other financing sources . . . . .	<u>-</u>	<u>2,225</u>	<u>2,225</u>	<u>-</u>
Net change in fund balance. . . . .	1,208	3,433	(863)	(4,296)
<b>Fund balance at beginning of year . . . . .</b>	<u>8,292</u>	<u>8,292</u>	<u>8,292</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 9,500</u>	<u>\$ 11,725</u>	<u>\$ 7,429</u>	<u>\$ (4,296)</u>

**CITY OF BARBERTON, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
DECEMBER 31, 2005*

	<b>General Obligation Bond Retirement</b>	<b>Special Assesment Bond Retirement</b>	<b>Total Nonmajor Debt Service Funds</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 503	\$ 270,356	\$ 270,859
Receivables (net of allowances for uncollectibles):			
Special assessments . . . . .	<u>          -</u>	<u>266,950</u>	<u>266,950</u>
Total assets . . . . .	<u>\$ 503</u>	<u>\$ 537,306</u>	<u>\$ 537,809</u>
 <b>Liabilities:</b>			
Deferred revenue. . . . .	<u>          -</u>	<u>266,950</u>	<u>266,950</u>
Total liabilities . . . . .	<u>          -</u>	<u>266,950</u>	<u>266,950</u>
 <b>Fund Balances:</b>			
Unreserved, undesignated, reported in:			
Debt service funds . . . . .	<u>503</u>	<u>270,356</u>	<u>270,859</u>
Total fund balances . . . . .	<u>503</u>	<u>270,356</u>	<u>270,859</u>
Total liabilities and fund equity . . . . .	<u>\$ 503</u>	<u>\$ 537,306</u>	<u>\$ 537,809</u>

**CITY OF BARBERTON**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<b>General Obligation Bond Retirement</b>	<b>Special Assesment Bond Retirement</b>	<b>Total Nonmajor Debt Service Funds</b>
<b>Revenues:</b>			
Special assessments . . . . .	\$ -	\$ 175,658	\$ 175,658
Other . . . . .	355,880	-	355,880
	<hr/>	<hr/>	<hr/>
Total revenues . . . . .	355,880	175,658	531,538
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
Current:			
Debt service:			
Principal retirement. . . . .	618,831	47,000	665,831
Interest and fiscal charges . . . . .	84,167	21,386	105,553
Bond issuance costs. . . . .	-	3,985	3,985
	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	702,998	72,371	775,369
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures. . . . .	(347,118)	103,287	(243,831)
	<hr/>	<hr/>	<hr/>
<b>Other financing sources:</b>			
Notes issued . . . . .	96,000	-	96,000
Bonds issued . . . . .	-	112,450	112,450
Premium on notes and bonds. . . . .	8,754	-	8,754
Transfers in. . . . .	221,349	34,200	255,549
	<hr/>	<hr/>	<hr/>
Total other financing sources . . . . .	326,103	146,650	472,753
	<hr/>	<hr/>	<hr/>
Net change in fund balances. . . . .	(21,015)	249,937	228,922
	<hr/>	<hr/>	<hr/>
<b>Fund balances at beginning of year . . . . .</b>	21,518	20,419	41,937
	<hr/>	<hr/>	<hr/>
<b>Fund balances at end of year . . . . .</b>	\$ 503	\$ 270,356	\$ 270,859
	<hr/>	<hr/>	<hr/>

**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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 584,495	\$ 599,905	\$ 567,669	\$ (32,236)
Total revenues. . . . .	<u>584,495</u>	<u>599,905</u>	<u>567,669</u>	<u>(32,236)</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement. . . . .	1,714,841	1,702,941	1,714,831	(11,890)
Interest and fiscal charges. . . . .	<u>161,178</u>	<u>173,078</u>	<u>116,956</u>	<u>56,122</u>
Total expenditures. . . . .	<u>1,876,019</u>	<u>1,876,019</u>	<u>1,831,787</u>	<u>44,232</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(1,291,524)</u>	<u>(1,276,114)</u>	<u>(1,264,118)</u>	<u>11,996</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	190,724	221,349	221,349	-
Notes issued . . . . .	1,084,400	1,084,400	1,013,000	(71,400)
Note premium . . . . .	-	-	8,754	8,754
Total other financing sources . . . . .	<u>1,275,124</u>	<u>1,305,749</u>	<u>1,243,103</u>	<u>(62,646)</u>
Net change in fund balance. . . . .	(16,400)	29,635	(21,015)	(50,650)
<b>Fund balance at beginning of year . . . . .</b>	<u>21,518</u>	<u>21,518</u>	<u>21,518</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 5,118</u>	<u>\$ 51,153</u>	<u>\$ 503</u>	<u>\$ (50,650)</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**SPECIAL ASSESSMENT BOND RETIREMENT FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Special assessment . . . . .	\$ 131,500	\$ 175,660	\$ 175,658	\$ (2)
Total revenues. . . . .	<u>131,500</u>	<u>175,660</u>	<u>175,658</u>	<u>(2)</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement. . . . .	47,000	47,000	47,000	-
Interest and fiscal charges. . . . .	21,387	21,387	21,386	1
Bond issuance costs . . . . .	-	3,985	3,985	-
Total expenditures. . . . .	<u>68,387</u>	<u>72,372</u>	<u>72,371</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>63,113</u>	<u>103,288</u>	<u>103,287</u>	<u>(1)</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	34,200	34,200	34,200	-
Bonds issued. . . . .	-	112,450	112,450	-
Total other financing sources . . . . .	<u>34,200</u>	<u>146,650</u>	<u>146,650</u>	<u>-</u>
Net change in fund balance. . . . .	97,313	249,938	249,937	(1)
<b>Fund balance at beginning of year . . . . .</b>	<u>20,419</u>	<u>20,419</u>	<u>20,419</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 117,732</u>	<u>\$ 270,357</u>	<u>\$ 270,356</u>	<u>\$ (1)</u>



**CITY OF BARBERTON, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2005*

	<u>Issue II</u>	<u>Infrastructure Improvement Reserve</u>	<u>Street and Storm Sewer Improvement</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 81,621	\$ 568,309	\$ 20,567	\$ 670,497
Accrued interest . . . . .	-	1,860	-	1,860
Total assets . . . . .	<u>\$ 81,621</u>	<u>\$ 570,169</u>	<u>\$ 20,567</u>	<u>\$ 672,357</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ -	\$ 875	\$ 875
Due to other governments . . . . .	128	-	-	128
Interfund loan payable . . . . .	-	166	-	166
Accrued interest payable. . . . .	1,282	-	-	1,282
Notes payable . . . . .	<u>385,000</u>	-	-	<u>385,000</u>
Total liabilities . . . . .	<u>386,410</u>	<u>166</u>	<u>875</u>	<u>387,451</u>
<b>Fund Balances:</b>				
Reserved for encumbrances. . . . .	-	21,955	7,416	29,371
Unreserved, undesignated (deficit), reported in:				
Capital projects funds . . . . .	<u>(304,789)</u>	<u>548,048</u>	<u>12,276</u>	<u>255,535</u>
Total fund balances (deficit) . . . . .	<u>(304,789)</u>	<u>570,003</u>	<u>19,692</u>	<u>284,906</u>
Total liabilities and fund equity. . . . .	<u>\$ 81,621</u>	<u>\$ 570,169</u>	<u>\$ 20,567</u>	<u>\$ 672,357</u>

**CITY OF BARBERTON**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<b>Sports Complex Construction</b>	<b>Issue II</b>	<b>Infrastructure Improvement Reserve</b>	<b>Street and Storm Sewer Improvement</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>Revenues:</b>					
Investment income . . . . .	\$ -	\$ -	\$ 16,108	\$ -	\$ 16,108
Other . . . . .	-	57,864	8,500	-	66,364
<b>Total revenues . . . . .</b>	<b>-</b>	<b>57,864</b>	<b>24,608</b>	<b>-</b>	<b>82,472</b>
<b>Expenditures:</b>					
Current:					
Transportation . . . . .	-	57,543	-	-	57,543
Capital outlay . . . . .	-	6,235	330,933	61,712	398,880
Debt service:					
Interest and fiscal charges . . . . .	-	13,510	-	-	13,510
<b>Total expenditures . . . . .</b>	<b>-</b>	<b>77,288</b>	<b>330,933</b>	<b>61,712</b>	<b>469,933</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	-	(19,424)	(306,325)	(61,712)	(387,461)
<b>Other financing sources (uses):</b>					
Transfers in . . . . .	-	-	306,000	12,000	318,000
Transfers out . . . . .	(44,425)	-	-	-	(44,425)
<b>Total other financing sources (uses). . . . .</b>	<b>(44,425)</b>	<b>-</b>	<b>306,000</b>	<b>12,000</b>	<b>273,575</b>
<b>Net change in fund balances. . . . .</b>	<b>(44,425)</b>	<b>(19,424)</b>	<b>(325)</b>	<b>(49,712)</b>	<b>(113,886)</b>
<b>Fund balances (deficit) at beginning of year . .</b>	<b>44,425</b>	<b>(285,365)</b>	<b>570,328</b>	<b>69,404</b>	<b>398,792</b>
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ -</b>	<b>\$ (304,789)</b>	<b>\$ 570,003</b>	<b>\$ 19,692</b>	<b>\$ 284,906</b>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STREET IMPROVEMENT FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ 355,301	\$ 447,133	\$ 447,133	\$ -
Total revenues. . . . .	<u>355,301</u>	<u>447,133</u>	<u>447,133</u>	<u>-</u>
<b>Expenditures:</b>				
Capital outlay . . . . .	<u>49,125</u>	<u>141,720</u>	<u>141,720</u>	<u>-</u>
Total expenditures. . . . .	<u>49,125</u>	<u>141,720</u>	<u>141,720</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>306,176</u>	<u>305,413</u>	<u>305,413</u>	<u>-</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	<u>-</u>	<u>800</u>	<u>800</u>	<u>-</u>
Total other financing sources. . . . .	<u>-</u>	<u>800</u>	<u>800</u>	<u>-</u>
Net change in fund balance. . . . .	306,176	306,213	306,213	-
<b>Fund balance (deficit) at beginning of year .</b>	(355,300)	(355,300)	(355,300)	-
<b>Prior year encumbrances appropriated . . .</b>	<u>49,125</u>	<u>49,125</u>	<u>49,125</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1</u>	<u>\$ 38</u>	<u>\$ 38</u>	<u>\$ -</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**SENIOR CENTER CONSTRUCTION FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment income . . . . .	\$ 90,000	\$ 145,000	\$ 159,984	\$ 14,984
Miscellaneous. . . . .	-	16,500	16,474	(26)
Total revenues. . . . .	<u>90,000</u>	<u>161,500</u>	<u>176,458</u>	<u>14,958</u>
<b>Expenditures:</b>				
Capital outlay . . . . .	318,189	3,756,299	93,277	3,663,022
Total expenditures. . . . .	<u>318,189</u>	<u>3,756,299</u>	<u>93,277</u>	<u>3,663,022</u>
Net change in fund balance. . . . .	(228,189)	(3,594,799)	83,181	3,677,980
<b>Fund balance at beginning of year . . . . .</b>	3,438,110	3,438,110	3,438,110	-
<b>Prior year encumbrances appropriated . . .</b>	<u>318,189</u>	<u>318,189</u>	<u>318,189</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 3,528,110</u>	<u>\$ 161,500</u>	<u>\$ 3,839,480</u>	<u>\$ 3,677,980</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**SPORTS COMPLEX CONSTRUCTION FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Other financing uses:</b>				
Transfers out. . . . .	\$ (44,425)	\$ (44,425)	\$ (44,425)	\$ -
Total other financing sources. . . . .	<u>(44,425)</u>	<u>(44,425)</u>	<u>(44,425)</u>	<u>-</u>
Net change in fund balance. . . . .	(44,425)	(44,425)	(44,425)	-
<b>Fund balance at beginning of year . . . . .</b>	<u>44,425</u>	<u>44,425</u>	<u>44,425</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<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)  
**ISSUE II FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Current:				
Transportation . . . . .	\$ 55,420	\$ 58,280	\$ 58,277	\$ 3
Capital outlay . . . . .	-	6,245	6,235	10
Total expenditures. . . . .	<u>55,420</u>	<u>64,525</u>	<u>64,512</u>	<u>13</u>
Net change in fund balance. . . . .	(55,420)	(64,525)	(64,512)	13
<b>Fund balance at beginning of year .</b>	90,713	90,713	90,713	-
<b>Prior year encumbrances appropriated . . .</b>	<u>55,420</u>	<u>55,420</u>	<u>55,420</u>	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 90,713</u>	<u>\$ 81,608</u>	<u>\$ 81,621</u>	<u>\$ 13</u>

**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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment income . . . . .	\$ 8,000	\$ 12,000	\$ 14,414	\$ 2,414
Miscellaneous. . . . .	-	8,500	8,500	-
Total revenues. . . . .	<u>8,000</u>	<u>20,500</u>	<u>22,914</u>	<u>2,414</u>
<b>Expenditures:</b>				
Capital outlay . . . . .	<u>254,378</u>	<u>473,046</u>	<u>409,413</u>	<u>63,633</u>
Total expenditures. . . . .	<u>254,378</u>	<u>473,046</u>	<u>409,413</u>	<u>63,633</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(246,378)</u>	<u>(452,546)</u>	<u>(386,499)</u>	<u>66,047</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	<u>306,000</u>	<u>306,000</u>	<u>306,000</u>	<u>-</u>
Total other financing sources . . . . .	<u>306,000</u>	<u>306,000</u>	<u>306,000</u>	<u>-</u>
Net change in fund balance. . . . .	59,622	(146,546)	(80,499)	66,047
<b>Fund balance at beginning of year . . . . .</b>	372,475	372,475	372,475	-
<b>Prior year encumbrances appropriated . . .</b>	<u>254,378</u>	<u>254,378</u>	<u>254,378</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 686,475</u>	<u>\$ 480,307</u>	<u>\$ 546,354</u>	<u>\$ 66,047</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STREET AND STORM SEWER IMPROVEMENT FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Other . . . . .	\$ -	\$ 2,500	\$ -	\$ (2,500)
Total revenues . . . . .	-	2,500	-	(2,500)
<b>Expenditures:</b>				
Capital outlay . . . . .	46,240	83,654	69,128	14,526
Total expenditures . . . . .	46,240	83,654	69,128	14,526
Excess (deficiency) of revenues over (under) expenditures . . . . .	(46,240)	(81,154)	(69,128)	12,026
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	12,000	12,000	-
Transfers out . . . . .	(23,164)	-	-	-
Total other financing sources (uses) . . . . .	(23,164)	12,000	12,000	-
Net change in fund balance . . . . .	(69,404)	(69,154)	(57,128)	12,026
<b>Fund balance at beginning of year . . . . .</b>	23,164	23,164	23,164	-
<b>Prior year encumbrances appropriated . . .</b>	46,240	46,240	46,240	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 12,276</u>	<u>\$ 12,026</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.

**Nonmajor Enterprise Funds**

***Solid Waste Fund***

This fund accounts for refuse and recycling collection services provided to residential users within the City.

***Community Center Fund***

This fund accounts for the revenues and expenses of an indoor natatorium and fitness center.

***Lake Cinema Operating Fund***

This fund accounts for revenues and expenses associated with a City owned theater complex.

**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.

**Nonmajor Internal Service Funds**

***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**

*COMBINING STATEMENT OF FUND NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2005*

	<b>Solid Waste</b>	<b>Community Center</b>	<b>Lake Cinema Operating</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and cash equivalents . . .	\$ 495,978	\$ 25,777	\$ 3,810	\$ 525,565
Receivables (net of allowance for uncollectibles):				
Accounts . . . . .	34,731	-	-	34,731
Materials and supplies inventory . . . . .	-	1,125	-	1,125
Prepayments . . . . .	386	7,217	-	7,603
Total current assets . . . . .	<u>531,095</u>	<u>34,119</u>	<u>3,810</u>	<u>569,024</u>
Noncurrent assets:				
Deferred charges . . . . .	-	7,862	-	7,862
Capital assets:				
Nondepreciable capital assets . . . . .	-	62,739	-	62,739
Depreciable capital assets, net. . . . .	-	1,131,517	43,601	1,175,118
Total capital assets. . . . .	<u>-</u>	<u>1,194,256</u>	<u>43,601</u>	<u>1,237,857</u>
Total noncurrent assets . . . . .	<u>-</u>	<u>1,202,118</u>	<u>43,601</u>	<u>1,245,719</u>
Total assets . . . . .	<u>531,095</u>	<u>1,236,237</u>	<u>47,411</u>	<u>1,814,743</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable . . . . .	114,414	6,042	-	120,456
Accrued wages and benefits . . . . .	797	6,106	-	6,903
Intergovernmental . . . . .	828	6,618	-	7,446
Accrued interest payable. . . . .	-	8,101	-	8,101
Notes payable . . . . .	-	32,000	-	32,000
Current portion of general obligation bonds. . .	-	47,187	-	47,187
Current portion of capital lease obligations . .	-	-	11,187	11,187
Current portion of compensated absences . . .	201	12,223	-	12,424
Total current liabilities . . . . .	<u>116,240</u>	<u>118,277</u>	<u>11,187</u>	<u>245,704</u>
Long-term liabilities:				
Notes payable . . . . .	-	220,000	-	220,000
General obligation bonds . . . . .	-	310,272	-	310,272
Compensated absences . . . . .	1,165	70,838	-	72,003
Total long-term liabilities . . . . .	<u>1,165</u>	<u>601,110</u>	<u>-</u>	<u>602,275</u>
Total liabilities . . . . .	<u>117,405</u>	<u>719,387</u>	<u>11,187</u>	<u>847,979</u>
<b>Net assets:</b>				
Invested in capital assets, net of related debt .	-	584,797	32,414	617,211
Unrestricted (deficit). . . . .	413,690	(67,947)	3,810	349,553
Total net assets . . . . .	<u>\$ 413,690</u>	<u>\$ 516,850</u>	<u>\$ 36,224</u>	<u>\$ 966,764</u>

**CITY OF BARBERTON, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<b>Solid Waste</b>	<b>Community Center</b>	<b>Lake Cinema Operating</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 1,414,758	\$ 350,454	\$ 850,829	\$ 2,616,041
Other . . . . .	73	12,567	3,746	16,386
Total operating revenues . . . . .	<u>1,414,831</u>	<u>363,021</u>	<u>854,575</u>	<u>2,632,427</u>
<b>Operating expenses:</b>				
Personal services . . . . .	37,140	266,016	-	303,156
Contract services . . . . .	1,354,854	20,229	943,805	2,318,888
Materials and supplies . . . . .	3,683	130,715	-	134,398
Other . . . . .	-	800	-	800
Depreciation . . . . .	-	114,744	2,005	116,749
Total operating expenses. . . . .	<u>1,395,677</u>	<u>532,504</u>	<u>945,810</u>	<u>2,873,991</u>
Operating income (loss) . . . . .	<u>19,154</u>	<u>(169,483)</u>	<u>(91,235)</u>	<u>(241,564)</u>
<b>Nonoperating revenues (expenses):</b>				
Interest expense and fiscal charges . . . . .	-	(19,262)	(811)	(20,073)
Loss on disposal of capital assets. . . . .	-	(99)	-	(99)
Total nonoperating revenues (expenses) . . . . .	<u>-</u>	<u>(19,361)</u>	<u>(811)</u>	<u>(20,172)</u>
Income (loss) before transfers . . . . .	19,154	(188,844)	(92,046)	(261,736)
Transfers in . . . . .	-	175,000	52,000	227,000
Changes in net assets . . . . .	19,154	(13,844)	(40,046)	(34,736)
<b>Net assets at beginning of year . . . . .</b>	<u>394,536</u>	<u>530,694</u>	<u>76,270</u>	<u>1,001,500</u>
<b>Net assets at end of year . . . . .</b>	<u>\$ 413,690</u>	<u>\$ 516,850</u>	<u>\$ 36,224</u>	<u>\$ 966,764</u>

**CITY OF BARBERTON, OHIO**

*COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<b>Solid Waste</b>	<b>Community Center</b>	<b>Lake Cinema Operating</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Cash flows from operating activities:</b>				
Cash received from customers . . . . .	\$ 1,422,914	\$ 350,454	\$ 850,829	\$ 2,624,197
Cash received from other operations . . . . .	73	12,567	3,746	16,386
Cash payments for personal services . . . . .	(36,213)	(282,544)	-	(318,757)
Cash payments for contract services . . . . .	(1,353,046)	(20,959)	(943,805)	(2,317,810)
Cash payments for materials and supplies . . . . .	(3,636)	(130,295)	-	(133,931)
Cash payments for other expenses . . . . .	-	(800)	-	(800)
Net cash provided by (used in) operating activities . . . . .	<u>30,092</u>	<u>(71,577)</u>	<u>(89,230)</u>	<u>(130,715)</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers in from other funds . . . . .	-	175,000	52,000	227,000
Net cash provided by noncapital financing activities . . . . .	<u>-</u>	<u>175,000</u>	<u>52,000</u>	<u>227,000</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets . . . . .	-	(7,019)	-	(7,019)
Principal retirement . . . . .	-	(361,541)	(12,890)	(374,431)
Bonds issued . . . . .	-	2,303	-	2,303
Notes issued . . . . .	-	252,000	-	252,000
Interest and fiscal charges . . . . .	-	(17,804)	(811)	(18,615)
Net cash used in capital and related financing activities . . . . .	<u>-</u>	<u>(132,061)</u>	<u>(13,701)</u>	<u>(145,762)</u>
Net increase (decrease) in cash and cash equivalents . . . . .	30,092	(28,638)	(50,931)	(49,477)
<b>Cash and cash equivalents at beginning of year</b>	465,886	54,415	54,741	575,042
<b>Cash and cash equivalents at end of year . . .</b>	<u>\$ 495,978</u>	<u>\$ 25,777</u>	<u>\$ 3,810</u>	<u>\$ 525,565</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss) . . . . .	\$ 19,154	\$ (169,483)	\$ (91,235)	\$ (241,564)
Adjustments:				
Depreciation . . . . .	-	114,744	2,005	116,749
Changes in assets and liabilities:				
Decrease in materials and supplies inventory . . . . .	-	535	-	535
Decrease in accounts receivable . . . . .	7,748	-	-	7,748
(Increase) decrease in prepayments . . . . .	38	(730)	-	(692)
Increase (decrease) in accounts payable . . . . .	2,225	(115)	-	2,110
Increase (decrease) in accrued wages and benefits . . . . .	336	(1,679)	-	(1,343)
Increase in due to other governments . . . . .	563	1,248	-	1,811
Increase (decrease) in compensated absences payable . . . . .	28	(16,097)	-	(16,069)
Net cash provided by (used in) operating activities . . . . .	<u>\$ 30,092</u>	<u>\$ (71,577)</u>	<u>\$ (89,230)</u>	<u>\$ (130,715)</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
WATER FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 4,016,567	\$ 4,016,567	\$ 4,032,053	\$ 15,486
Other . . . . .	10,400	10,400	15,420	5,020
Total revenues . . . . .	<u>4,026,967</u>	<u>4,026,967</u>	<u>4,047,473</u>	<u>20,506</u>
<b>Operating expenses:</b>				
Personal services. . . . .	1,958,512	1,943,212	1,858,673	84,539
Materials and supplies . . . . .	800,354	810,454	682,417	128,037
Contractual services . . . . .	204,166	236,366	210,479	25,887
Other . . . . .	22,500	22,900	21,759	1,141
Capital outlay . . . . .	719,074	3,279,874	3,078,913	200,961
Total expenses . . . . .	<u>3,704,606</u>	<u>6,292,806</u>	<u>5,852,241</u>	<u>440,565</u>
Operating income (loss) . . . . .	<u>322,361</u>	<u>(2,265,839)</u>	<u>(1,804,768)</u>	<u>461,071</u>
<b>Nonoperating revenues (expenses):</b>				
Special assessments . . . . .	45,505	45,505	18,429	(27,076)
Notes issued . . . . .	3,552,500	9,122,500	9,441,500	319,000
Premium on notes issued . . . . .	-	-	12,184	12,184
Debt service:				
Principal retirement . . . . .	(1,825,113)	(7,395,113)	(7,395,112)	1
Interest and fiscal charges. . . . .	<u>(123,871)</u>	<u>(187,881)</u>	<u>(188,416)</u>	<u>(535)</u>
Total nonoperating revenues (expenses). . . . .	<u>1,649,021</u>	<u>1,585,011</u>	<u>1,888,585</u>	<u>303,574</u>
Net change in fund equity . . . . .	1,971,382	(680,828)	83,817	764,645
<b>Fund equity at beginning of year. . . . .</b>	1,169,508	1,169,508	1,169,508	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>506,288</u>	<u>506,288</u>	<u>506,288</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 3,647,178</u>	<u>\$ 994,968</u>	<u>\$ 1,759,613</u>	<u>\$ 764,645</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**SEWER FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 4,047,000	\$ 4,047,000	\$ 4,038,324	\$ (8,676)
Other . . . . .	22,500	22,500	10	(22,490)
Total revenues . . . . .	<u>4,069,500</u>	<u>4,069,500</u>	<u>4,038,334</u>	<u>(31,166)</u>
<b>Operating expenses:</b>				
Personal services . . . . .	1,927,122	1,916,432	1,802,744	113,688
Materials and supplies . . . . .	824,085	842,542	768,422	74,120
Contractual services . . . . .	269,997	265,230	239,948	25,282
Other . . . . .	22,500	19,500	17,120	2,380
Capital outlay . . . . .	386,546	596,546	495,539	101,007
Total expenses . . . . .	<u>3,430,250</u>	<u>3,640,250</u>	<u>3,323,773</u>	<u>316,477</u>
Operating income . . . . .	<u>639,250</u>	<u>429,250</u>	<u>714,561</u>	<u>285,311</u>
<b>Nonoperating revenues (expenses):</b>				
Investment income . . . . .	57,000	86,000	85,671	(329)
Special assessments . . . . .	25,000	25,000	25,476	476
Notes issued . . . . .	528,500	528,500	528,500	-
Premiums on notes issued . . . . .	-	-	4,830	4,830
Debt service:				
Principal retirement . . . . .	(1,519,246)	(1,519,246)	(1,519,247)	(1)
Interest and fiscal charges . . . . .	(136,277)	(136,277)	(132,155)	4,122
Bond issuance costs . . . . .	(2,000)	(2,000)	-	2,000
Total nonoperating revenues (expenses) . . . . .	<u>(1,047,023)</u>	<u>(1,018,023)</u>	<u>(1,006,925)</u>	<u>11,098</u>
Net change in fund equity . . . . .	(407,773)	(588,773)	(292,364)	296,409
<b>Fund equity at beginning of year . . . . .</b>	2,963,280	2,963,280	2,963,280	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>169,239</u>	<u>169,239</u>	<u>169,239</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 2,724,746</u>	<u>\$ 2,543,746</u>	<u>\$ 2,840,155</u>	<u>\$ 296,409</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**SOLID WASTE FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 1,386,000	\$ 1,386,000	\$ 1,422,914	\$ 36,914
Other. . . . .	-	-	73	73
Total revenues . . . . .	<u>1,386,000</u>	<u>1,386,000</u>	<u>1,422,987</u>	<u>36,987</u>
<b>Operating expenses:</b>				
Personal services. . . . .	35,884	37,084	36,522	562
Materials and supplies . . . . .	4,437	4,147	3,724	423
Contractual services . . . . .	<u>1,485,000</u>	<u>1,484,090</u>	<u>1,462,046</u>	<u>22,044</u>
Total expenses . . . . .	<u>1,525,321</u>	<u>1,525,321</u>	<u>1,502,292</u>	<u>23,029</u>
Net change in fund equity . . . . .	(139,321)	(139,321)	(79,305)	60,016
<b>Fund equity at beginning of year. . . . .</b>	465,678	465,678	465,678	-
<b>Prior year encumbrances appropriated . . .</b>	<u>137</u>	<u>137</u>	<u>137</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 326,494</u>	<u>\$ 326,494</u>	<u>\$ 386,510</u>	<u>\$ 60,016</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**COMMUNITY CENTER FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 386,100	\$ 404,100	\$ 350,454	\$ (53,646)
Other . . . . .	44,500	26,500	12,567	(13,933)
Total revenues . . . . .	<u>430,600</u>	<u>430,600</u>	<u>363,021</u>	<u>(67,579)</u>
<b>Operating expenses:</b>				
Personal services . . . . .	281,187	281,812	284,568	(2,756)
Materials and supplies . . . . .	142,061	134,762	130,699	4,063
Contractual services . . . . .	14,422	20,928	20,504	424
Other . . . . .	800	800	800	-
Capital outlay . . . . .	8,000	8,000	7,823	177
Total expenses . . . . .	<u>446,470</u>	<u>446,302</u>	<u>444,394</u>	<u>1,908</u>
Operating loss . . . . .	<u>(15,870)</u>	<u>(15,702)</u>	<u>(81,373)</u>	<u>(65,671)</u>
<b>Nonoperating revenues (expenses):</b>				
Notes issued . . . . .	252,000	252,000	252,000	-
Premium on notes issued . . . . .	-	-	2,303	2,303
Transfers in . . . . .	130,000	175,000	175,000	-
Debt service:				
Principal retirement . . . . .	(361,541)	(361,541)	(361,541)	-
Interest and fiscal charges . . . . .	(17,698)	(17,698)	(17,698)	-
Note issuance costs . . . . .	(3,000)	(3,000)	(106)	2,894
Total nonoperating revenues (expenses) . . . . .	<u>(239)</u>	<u>44,761</u>	<u>49,958</u>	<u>5,197</u>
Net change in fund equity . . . . .	(16,109)	29,059	(31,415)	(60,474)
<b>Fund equity at beginning of year . . . . .</b>	49,943	49,943	49,943	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>3,033</u>	<u>3,033</u>	<u>3,033</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 36,867</u>	<u>\$ 82,035</u>	<u>\$ 21,561</u>	<u>\$ (60,474)</u>



**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**LAKE CINEMA OPERATING FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 1,000,000	\$ 1,000,000	\$ 850,829	\$ (149,171)
Other. . . . .	-	-	3,746	3,746
Total revenues . . . . .	1,000,000	1,000,000	854,575	(145,425)
<b>Operating expenses:</b>				
Contractual services . . . . .	-	1,000,000	961,989	38,011
Total expenses . . . . .	-	1,000,000	961,989	38,011
Operating income (loss) . . . . .	1,000,000	-	(107,414)	(107,414)
<b>Nonoperating revenues:</b>				
Transfers in . . . . .	-	-	52,000	52,000
Total nonoperating revenues. . . . .	-	-	52,000	52,000
Net change in fund equity . . . . .	1,000,000	-	(55,414)	(55,414)
<b>Fund equity at beginning of year. . . . .</b>	59,224	59,224	59,224	-
<b>Fund equity at end of year . . . . .</b>	\$ 1,059,224	\$ 59,224	\$ 3,810	\$ (55,414)

**CITY OF BARBERTON, OHIO**

*COMBINING STATEMENT OF NET ASSETS  
NONMAJOR INTERNAL SERVICE FUNDS  
DECEMBER 31, 2005*

	<u>Health Insurance</u>	<u>Internal Allocation</u>	<u>Total Nonmajor Internal Service Funds</u>
<b>Assets:</b>			
Current assets:			
Equity in pooled cash and cash equivalents . . .	\$ 862,116	\$ 7,854	\$ 869,970
Receivables (net of allowance for uncollectibles):			
Accounts . . . . .	4,152	-	4,152
Intergovernmental . . . . .	-	8,320	8,320
Total assets . . . . .	<u>866,268</u>	<u>16,174</u>	<u>882,442</u>
<b>Liabilities:</b>			
Current liabilities:			
Claims payable . . . . .	<u>272,973</u>	-	<u>272,973</u>
Total liabilities . . . . .	<u>272,973</u>	-	<u>272,973</u>
<b>Net assets:</b>			
Unrestricted . . . . .	<u>593,295</u>	<u>16,174</u>	<u>609,469</u>
Total net assets . . . . .	<u>\$ 593,295</u>	<u>\$ 16,174</u>	<u>\$ 609,469</u>

**CITY OF BARBERTON, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
NONMAJOR INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<b>Health Insurance</b>	<b>Internal Allocation</b>	<b>Total Nonmajor Internal Service Funds</b>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 3,105,266	\$ 267,912	\$ 3,373,178
Other . . . . .	280,275	-	280,275
Total operating revenues . . . . .	<u>3,385,541</u>	<u>267,912</u>	<u>3,653,453</u>
<b>Operating expenses:</b>			
Contract services . . . . .	372,442	-	372,442
Materials and supplies . . . . .	-	276,108	276,108
Claims . . . . .	<u>2,271,061</u>	<u>-</u>	<u>2,271,061</u>
Total operating expenses . . . . .	<u>2,643,503</u>	<u>276,108</u>	<u>2,919,611</u>
Operating income (loss) . . . . .	<u>742,038</u>	<u>(8,196)</u>	<u>733,842</u>
Transfers in . . . . .	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Changes in net assets . . . . .	742,038	6,804	748,842
<b>Net assets (deficit) at beginning of year . . . .</b>	<u>(148,743)</u>	<u>9,370</u>	<u>(139,373)</u>
<b>Net assets at end of year . . . . .</b>	<u>\$ 593,295</u>	<u>\$ 16,174</u>	<u>\$ 609,469</u>

**CITY OF BARBERTON, OHIO**

*COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<b>Health Insurance</b>	<b>Internal Allocation</b>	<b>Total Nonmajor Internal Service Funds</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers . . . . .	\$ 3,101,114	\$ 263,469	\$ 3,364,583
Cash received from other funds . . . . .	-	-	-
Cash received from other operations. . . . .	284,268	-	284,268
Cash payments for contract services . . . . .	(372,879)	-	(372,879)
Cash payments for materials and supplies . . . . .	-	(276,108)	(276,108)
Cash payments for claims . . . . .	(2,324,357)	-	(2,324,357)
Net cash provided by (used in) operating activities. . . . .	<u>688,146</u>	<u>(12,639)</u>	<u>675,507</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers in from other funds . . . . .	-	15,000	15,000
Net cash provided by noncapital financing activities . . . . .	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Net increase in cash and cash equivalents . . . . .	688,146	2,361	690,507
<b>Cash and cash equivalents at beginning of year</b>	173,970	5,493	179,463
<b>Cash and cash equivalents at end of year . . .</b>	<u><u>\$ 862,116</u></u>	<u><u>\$ 7,854</u></u>	<u><u>\$ 869,970</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss) . . . . .	\$ 742,038	\$ (8,196)	\$ 733,842
Changes in assets and liabilities:			
Increase in accounts receivable . . . . .	(159)	-	(159)
Decrease in due to other governments . . . . .	-	(4,443)	(4,443)
Decrease in accounts payable. . . . .	(437)	-	(437)
Decrease in claims payable . . . . .	(53,296)	-	(53,296)
Net cash provided by (used in) operating activities. . . . .	<u><u>\$ 688,146</u></u>	<u><u>\$ (12,639)</u></u>	<u><u>\$ 675,507</u></u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**HEALTH INSURANCE FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 3,186,802	\$ 3,186,802	\$ 3,101,114	\$ (85,688)
Other. . . . .	-	-	284,268	284,268
Total revenues . . . . .	<u>3,186,802</u>	<u>3,186,802</u>	<u>3,385,382</u>	<u>198,580</u>
<b>Operating expenses:</b>				
Contractual services . . . . .	379,136	384,136	372,879	11,257
Claims . . . . .	<u>2,789,854</u>	<u>2,784,854</u>	<u>2,324,357</u>	<u>460,497</u>
Total expenses . . . . .	<u>3,168,990</u>	<u>3,168,990</u>	<u>2,697,236</u>	<u>471,754</u>
Net change in fund equity . . . . .	17,812	17,812	688,146	670,334
<b>Fund equity at beginning of year. . . . .</b>	173,834	173,834	173,834	-
<b>Prior year encumbrances appropriated . . .</b>	<u>136</u>	<u>136</u>	<u>136</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 191,782</u>	<u>\$ 191,782</u>	<u>\$ 862,116</u>	<u>\$ 670,334</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**INTERNAL ALLOCATION FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 265,000	\$ 280,000	\$ 263,469	\$ (16,531)
Total revenues . . . . .	<u>265,000</u>	<u>280,000</u>	<u>263,469</u>	<u>(16,531)</u>
<b>Operating expenses:</b>				
Materials and supplies . . . . .	265,000	295,000	276,108	18,892
Total expenses . . . . .	<u>265,000</u>	<u>295,000</u>	<u>276,108</u>	<u>18,892</u>
Operating loss . . . . .	-	(15,000)	(12,639)	2,361
<b>Nonoperating revenues:</b>				
Transfers in . . . . .	-	15,000	15,000	-
Total nonoperating revenues. . . . .	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund equity . . . . .	-	-	2,361	2,361
<b>Fund equity at beginning of year. . . . .</b>	<u>5,493</u>	<u>5,493</u>	<u>5,493</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 5,493</u>	<u>\$ 5,493</u>	<u>\$ 7,854</u>	<u>\$ 2,361</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**

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005*

	<b>Beginning Balance 12/31/2004</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 12/31/2005</b>
<b>Deposit</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 99,205	\$ 3,338	\$ 635	\$ 101,908
Total assets. . . . .	<u>\$ 99,205</u>	<u>\$ 3,338</u>	<u>\$ 635</u>	<u>\$ 101,908</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ 99,205	\$ 3,338	\$ 635	\$ 101,908
Total liabilities . . . . .	<u>\$ 99,205</u>	<u>\$ 3,338</u>	<u>\$ 635</u>	<u>\$ 101,908</u>
<b>New Haven/Forest City</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ -	\$ 754,667	\$ 754,667	\$ -
Total assets. . . . .	<u>\$ -</u>	<u>\$ 754,667</u>	<u>\$ 754,667</u>	<u>\$ -</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ -	\$ 754,667	\$ 754,667	\$ -
Total liabilities . . . . .	<u>\$ -</u>	<u>\$ 754,667</u>	<u>\$ 754,667</u>	<u>\$ -</u>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 99,205	\$ 758,005	\$ 755,302	\$ 101,908
Total assets. . . . .	<u>\$ 99,205</u>	<u>\$ 758,005</u>	<u>\$ 755,302</u>	<u>\$ 101,908</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ 99,205	\$ 758,005	\$ 755,302	\$ 101,908
Total liabilities . . . . .	<u>\$ 99,205</u>	<u>\$ 758,005</u>	<u>\$ 755,302</u>	<u>\$ 101,908</u>



# **STATISTICAL SECTION**

THIS PAGE IS INTENTIONALLY LEFT BLANK

## STATISTICAL SECTION

THE FOLLOWING UNAUDITED STATISTICAL TABLES  
REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND  
FISCAL CAPACITY OF THE CITY

**CITY OF BARBERTON, OHIO**

*GOVERNMENTAL FUND REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION (1)  
LAST TEN YEARS*

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Revenues</b>				
Taxes (2)	\$ 11,927,679	\$ 11,960,729	\$ 11,183,137	\$ 11,506,273
Charges for Services	1,638,856	1,216,431	1,444,431	1,253,346
Licenses and Permits	446,544	287,608	319,293	346,369
Fines and Forfeitures	167,198	167,498	124,520	135,079
Intergovernmental	6,431,013	6,953,520	5,502,060	6,272,143
Interest	431,559	90,295	159,936	257,872
Special Assessments	239,011	85,085	58,408	77,415
Contributions and Donations	63,111	103,054	107,607	145,587
Other	1,508,184	1,315,743	822,919	1,428,435
<b>Total</b>	<u>\$ 22,853,155</u>	<u>\$ 22,179,963</u>	<u>\$ 19,722,311</u>	<u>\$ 21,422,519</u>
<b>Expenditures</b>				
Current:				
General Government	\$ 3,751,477	\$ 3,659,636	\$ 3,679,467	\$ 3,548,762
Public Safety	9,505,500	9,491,837	8,788,013	8,234,631
Health and Welfare	2,295,683	1,948,426	1,995,233	2,022,707
Transportation	1,599,891	1,750,043	2,084,648	1,511,059
Community Environment	1,499,781	1,246,612	1,481,803	1,432,150
Leisure Time Activities	1,320,267	1,112,732	1,128,444	1,644,131
Capital Outlay	1,250,150	3,212,171	3,370,531	4,107,553
Debt Service	N/A	N/A	N/A	518,616
Principal Retirement	888,081	1,773,799	281,544	N/A
Interest and Fiscal Charges	221,050	266,290	280,871	N/A
Debt Issuance Costs	3,985	24,626	68,142	N/A
<b>Total</b>	<u>\$ 22,335,865</u>	<u>\$ 24,486,172</u>	<u>\$ 23,158,696</u>	<u>\$ 23,019,609</u>

Source: City financial records

(1) Includes general, special revenue, debt service and capital projects funds.

(2) Includes all taxes.

	2001	2000	1999	1998	1997	1996
\$	11,061,586	\$ 11,493,618	\$ 11,539,292	\$ 11,052,493	\$ 10,580,497	\$ 9,919,755
	1,284,076	1,094,676	1,003,184	875,045	980,880	836,352
	294,853	239,554	283,607	305,876	333,257	321,241
	114,989	93,423	110,603	119,287	129,966	125,279
	7,291,904	5,030,544	5,102,726	5,138,030	4,723,561	3,936,699
	600,403	788,749	640,684	671,503	598,645	449,786
	75,554	-	-	-	-	-
	-	-	-	-	-	-
	3,016,283	1,380,079	1,402,304	1,782,736	685,536	360,208
\$	<u>23,739,648</u>	<u>20,120,643</u>	<u>20,082,400</u>	<u>19,944,970</u>	<u>18,032,342</u>	<u>15,949,320</u>
\$	3,507,694	\$ 3,655,846	\$ 3,218,512	\$ 3,088,959	\$ 2,949,337	\$ 2,807,536
	7,838,848	8,490,187	7,079,716	6,833,018	6,742,610	6,127,709
	2,117,422	2,184,005	2,147,045	1,885,677	1,942,627	1,895,962
	1,551,580	1,479,699	1,367,907	1,221,085	1,125,893	999,829
	1,176,244	1,147,049	1,039,420	991,733	794,608	623,502
	2,250,150	1,258,922	1,287,598	1,258,721	1,434,088	1,635,883
	4,735,321	3,759,919	2,945,187	2,018,411	2,038,957	1,428,997
	808,314	510,760	602,767	423,246	744,697	382,597
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
\$	<u>23,985,573</u>	<u>22,486,387</u>	<u>19,688,152</u>	<u>17,720,850</u>	<u>17,772,817</u>	<u>15,902,015</u>

**CITY OF BARBERTON, OHIO**

*REAL AND PUBLIC UTILILTY PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS*

<b>Year</b>	<b>Total Levy</b>	<b>Current Collection (1)</b>	<b>Percent of Current Collections to Tax Levy</b>	<b>Delinquent Collections (3)</b>	<b>Total Collections</b>	<b>Percent of Total Collections to Tax Levy</b>	<b>Outstanding Delinquent Taxes (2)</b>	<b>Percentage of Delinquent Taxes to Tax Levy</b>
2005	\$ 1,481,442	\$ 1,409,638	95.15%	\$ 75,669	\$ 1,485,307	100.26%	\$ 178,381	12.04%
2004	1,459,213	1,393,023	95.46%	78,290	1,471,313	100.83%	146,910	10.07%
2003	1,592,430	1,371,921	86.15%	58,841	1,430,762	89.85%	161,668	10.15%
2002	1,404,845	1,199,874	85.41%	67,973	1,267,847	90.25%	136,998	9.75%
2001	1,374,570	1,200,777	87.36%	47,880	1,248,657	90.84%	125,913	9.16%
2000	1,330,983	1,179,483	88.62%	42,650	1,222,133	91.82%	117,983	8.86%
1999	1,239,390	1,090,363	87.98%	56,950	1,147,313	92.57%	90,666	7.32%
1998	1,201,379	1,095,151	91.16%	-	1,095,151	91.16%	106,228	8.84%
1997	1,153,569	1,051,683	91.17%	-	1,051,683	91.17%	101,886	8.83%
1996	984,980	906,791	92.06%	-	906,791	92.06%	78,189	7.94%

Source: Summit County, Ohio; Fiscal Officer

(1) Includes homestead/rollback taxes assessed locally but distributed through the State and reported as intergovernmental revenue.

(2) Includes penalties and interest, since by Ohio Law, they become part of tax obligation as assessment occurs.

(3) Prior to 1999, delinquent collections were included as part of current collections.

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

**CITY OF BARBERTON, OHIO**

*ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS*

Year	Real Property		Public Utility Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2005	\$ 355,412,060	\$ 1,015,463,029	\$ 13,188,960	\$ 14,987,455	\$ 52,299,023	\$ 209,196,092
2004	349,333,560	998,095,886	13,290,740	15,103,114	52,299,023	209,196,092
2003	346,150,520	989,001,486	13,506,780	15,348,614	55,431,515	221,726,060
2002	293,874,030	839,640,086	13,555,340	15,403,795	61,990,815	247,963,260
2001	279,511,680	798,604,800	17,025,420	19,347,068	60,465,467	241,861,868
2000	273,990,060	782,828,743	19,728,220	22,418,432	59,725,808	238,903,232
1999	243,813,600	696,610,286	19,436,410	22,086,830	61,223,799	244,895,196
1998	237,386,740	678,247,829	19,365,010	22,005,693	52,047,203	208,188,812
1997	228,700,020	653,428,629	19,722,570	22,412,011	52,932,255	211,729,020
1996	193,666,910	553,334,029	19,975,950	22,699,943	48,479,382	193,917,528

Source: Summit County, Ohio; Fiscal Officer

(1) This amount is calculated based on the following percentages:

Real property is assessed at thirty-five percent of actual value.

Public utility is assessed at eighty-eight percent of actual value.

Tangible personal is assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory included in tangible personal property.



<b>Total</b>		
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Ratio</b>
\$ 420,900,043	\$ 1,239,646,576	33.95%
414,923,323	1,222,395,092	33.94%
415,088,815	1,226,076,159	33.86%
369,420,185	1,103,007,141	33.49%
357,002,567	1,059,813,736	33.69%
353,444,088	1,044,150,407	33.85%
324,473,809	963,592,311	33.67%
308,798,953	908,442,334	33.99%
301,354,845	887,569,660	33.95%
262,122,242	769,951,500	34.04%

**CITY OF BARBERTON, OHIO**

*PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 OF ASSESSED VALUATION)  
LAST TEN YEARS*

<b>Collection Year</b>	<b>City Levy</b>	<b>Summit County</b>	<b>Barberton City School District</b>	<b>Total Direct and Overlapping Governments</b>
2005	\$ 3.50	\$ 13.07	\$ 56.90	\$ 73.47
2004	3.50	13.07	56.90	73.47
2003	3.50	13.07	56.73	73.30
2002	3.50	13.07	56.73	73.30
2001	3.50	13.07	53.36	69.93
2000	3.50	12.27	53.44	69.21
1999	3.50	12.27	53.36	69.13
1998	3.50	11.65	53.36	68.51
1997	3.50	11.39	53.46	68.35
1996	3.50	13.99	53.61	71.10

Source: Summit County, Ohio; Fiscal Officer

**CITY OF BARBERTON, OHIO**

*SPECIAL ASSESSMENT TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS*

<b>Year</b>	<b>Total Assessments Billed</b>	<b>Total Assessments Collected</b>	<b>Percent of Current Collections to Tax Levy</b>
2005	\$ 198,537	\$ 149,207	75.15%
2004	117,342	78,184	66.63%
2003	70,624	56,090	79.42%
2002	162,156	91,957	56.71%
2001	102,689	50,362	49.04%
2000	111,316	45,580	40.95%
1999	89,618	49,261	54.97%
1998	48,139	19,532	40.57%
1997	55,074	33,073	60.05%
1996	37,721	22,421	59.44%

Source: Summit County, Ohio; Fiscal Officer

**CITY OF BARBERTON, OHIO**

*RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL  
GENERAL GOVERNMENTAL EXPENDITURES  
LAST TEN YEARS*

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to Total General Governmental Expenditures</u>
2005	\$ 631,085	\$ 176,642	\$ 807,727	\$ 22,335,865	3.62%
2004	457,699	138,751	596,450	24,486,172	2.44%
2003	151,444	18,374	169,818	23,158,696	0.73%
2002	50,046	29,183	79,229	23,019,609	0.34%
2001	30,090	17,863	47,953	23,985,573	0.20%
2000	29,474	19,949	49,423	22,486,387	0.22%
1999	28,896	21,937	50,833	19,688,152	0.26%
1998	28,353	23,890	52,243	17,720,850	0.29%
1997	27,843	25,800	53,643	17,772,817	0.30%
1996	27,365	27,678	55,043	15,902,015	0.35%

Source: City financial records

**CITY OF BARBERTON, OHIO**

*RATIO OF NET GENERAL OBLIGATION BONDED DEBT  
TO ASSESSED VALUATION AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA  
LAST TEN YEARS*

<b>Year</b>	<b>Population (1)</b>	<b>Net General Bonded Debt</b>	<b>Assessed Valuation</b>	<b>Ratio of Net General Bonded Debt to Assessed Value</b>	<b>Net General Bonded Debt Per Capita</b>
2005	27,899	\$ 5,313,823	\$ 420,900,043	1.26%	\$ 190.47
2004	27,899	5,944,904	414,923,323	1.43%	\$ 213.09
2003	27,899	5,006,603	415,088,815	1.21%	\$ 179.45
2002	27,899	336,815	369,420,185	0.09%	\$ 12.07
2001	27,899	545,200	357,002,567	0.15%	\$ 19.54
2000	27,899	420,061	353,444,088	0.12%	\$ 15.06
1999	27,623	529,536	324,473,809	0.16%	\$ 19.17
1998	27,623	539,712	308,798,953	0.17%	\$ 19.54
1997	27,623	638,639	301,354,845	0.21%	\$ 23.12
1996	27,623	729,580	262,122,242	0.28%	\$ 26.41

Source: Summit County, Ohio; Fiscal Officer

(1) Population figures are from the Census Bureau

**CITY OF BARBERTON, OHIO**

*COMPUTATION OF LEGAL DEBT MARGIN  
DECEMBER 31, 2005*

Assesed Value		\$ 420,900,043
Legal debt margin:		
Debt limitation - 10.5% of Assesed Value		44,194,505
Debt Applicable to Limitation:		
General Obligation Bonds	10,338,819	
Special Assessment Bond	266,950	
Notes	4,748,000	
Revenue Bonds	<u>630,000</u>	
Gross Indebtedness		
(Total Voted and Unvoted Debt)	<u>15,983,769</u>	
Less: Debt Outside Limitations		
Special Assessment Bond	266,950	
Notes	4,652,000	
Revenue Bonds	<u>630,000</u>	
Total Debt Outside Limitations	<u>5,548,950</u>	
Total Debt Applicable to Limitation - Within 10.5% Limitations	10,434,819	
Less: Amount Available in Debt Service Fund to pay debt applicable to limitation	<u>270,859</u>	
Net Debt Within 10.5% Limitation		<u>10,163,960</u>
Overall Debt Margin Within 10.5% Limitation		<u>\$ 34,030,545</u>
*****		
Unvoted Debt Limitation - 5.5% of Assesed Valuation		\$ 23,149,502
Gross Indebtedness Authorized by Council	\$ 15,983,769	
Less: Debt Outside Limitations:		
Total Debt Outside Limitations	<u>5,548,950</u>	
Debt Within 5.5% Limitations	10,434,819	
Less Amount Available in Debt Service Fund	<u>270,859</u>	
Net Debt Within 5.5% Limitation		<u>10,163,960</u>
Unvoted Debt Margin Within 5.5% Limitation		<u>\$ 12,985,542</u>

Source: City financial records

**CITY OF BARBERTON, OHIO**

*COMPUTATION OF DIRECT AND OVERLAPPING  
GENERAL OBLIGATION BONDED DEBT  
DECEMBER 31, 2005*

<u>Jurisdiction</u>	<u>Net General Bonded Debt</u>	<u>Percentage Applicable to the City (1)</u>	<u>Amount Applicable to the City</u>
Direct:			
City of Barberton, Ohio	\$ 5,313,823	100.00%	\$ 5,313,823
Overlapping Debt:			
Barberton City School District	24,654,952	97.46%	24,028,716
Summit County	70,270,000	3.47%	2,438,369
Metro Transit	1,345,000	3.47%	46,672
Akron Summit Library	58,721,401	0.07%	41,105
Northwest Local School District	21,369,986	0.01%	2,137
Total Overlapping Debt			26,556,999
Total Direct and Overlapping Debt			\$ 31,870,822

Source: Summit County, Ohio; Fiscal Officer

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the assessed valuation of the political subdivision.

**CITY OF BARBERTON, OHIO**

*REVENUE BOND COVERAGE - SEWER  
LAST TEN YEARS*

Year	Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (2)			Coverage
				Principal	Interest	Total	
2005	\$ 4,087,566	\$ 2,798,713	\$ 1,288,853	\$ 605,000	\$ 55,273	\$ 660,273	1.95
2004	3,786,929	2,185,013	1,601,916	580,000	80,792	660,792	2.42
2003	3,585,759	3,231,175	354,584	555,000	104,380	659,380	0.54
2002	3,581,281	2,509,043	1,072,238	530,000	126,243	656,243	1.63
2001	3,428,571	2,315,968	1,112,603	510,000	146,643	656,643	1.69
2000	3,207,835	2,428,458	779,377	490,000	166,243	656,243	1.19
1999	3,311,880	2,286,044	1,025,836	475,000	184,768	659,768	1.55
1998	3,389,776	2,233,113	1,156,663	535,000	136,375	671,375	1.72
1997	3,371,594	2,214,709	1,156,885	390,000	345,920	735,920	1.57
1996	3,176,097	2,113,327	1,062,770	370,000	367,010	737,010	1.44

(1) Total operating expenses are exclusive of depreciation.

(2) Includes principal and interest of bonds only



**CITY OF BARBERTON, OHIO**

*PROPERTY VALUES, BANK DEPOSITS, CONSTRUCTION AND INCOME TAX COLLECTIONS  
LAST TEN YEARS*

<b>Year</b>	<b>Total Assessed Values (1)</b>	<b>Bank Deposits (in thousands)</b>	<b>Value of Building Permits</b>	<b>Income Tax Collections</b>
2005	\$ 420,900,043	\$ 7,476,440	\$ 20,866,821	\$ 10,017,219
2004	414,923,323	7,532,814	29,217,472	10,352,591
2003	415,088,815	7,911,859	19,519,306	9,811,028
2002	369,420,185	8,097,304	21,135,748	9,913,486
2001	357,002,567	7,870,201	15,391,102	9,706,759
2000	353,444,088	7,920,486	23,980,000	10,190,901
1999	324,473,809	7,071,487	26,225,000	10,308,094
1998	308,798,853	5,749,282	46,438,895	9,875,815
1997	301,354,845	6,960,566	25,887,000	9,409,957
1996	262,122,242	6,960,566	17,318,000	8,928,547

Source: Summit County, Ohio; Fiscal Officer  
City records  
Federal Reserve Bank of Cleveland

(1) Represents total real property assessed value for the City.

**CITY OF BARBERTON, OHIO**

*PRINCIPAL TAXPAYERS  
REAL PROPERTY TAX  
DECEMBER 31, 2005*

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Barberton Health System LLC	\$ 12,107,650	3.40%
City of Barberton	4,684,880	1.32%
Babcock & Wilcox Company	2,839,850	0.80%
LRC Magic Investors LTD	2,172,600	0.61%
Kimco of Ohio, Inc.	1,867,790	0.53%
BWX Technologies, Inc.	1,740,370	0.49%
Elson Pointe Limited Partnership	1,573,630	0.44%
K L Morris Family Limited Liability	1,529,910	0.43%
B & C Diversified Products Inc.	1,417,930	0.40%
B & C Research Inc.	<u>1,336,390</u>	<u>0.38%</u>
Totals, Top Ten Principal Real Property Taxpayers	<u>\$ 31,271,000</u>	<u>8.80%</u>
Total City Assessed Valuation	<u>\$ 355,412,060</u>	

Source: Summit County, Ohio; Fiscal Officer

**CITY OF BARBERTON, OHIO**

*PRINCIPAL TAXPAYERS  
TANGIBLE PERSONAL PROPERTY TAX  
DECEMBER 31, 2005*

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
McDermott Inc.	\$ 8,861,470	16.94%
B & C Corporation	4,302,050	8.23%
Alcoa, Inc.	4,253,130	8.13%
B & C Research, Inc.	3,961,550	7.57%
P P G Industries, Inc.	3,862,120	7.38%
Triad Hospitals, Inc., C/O EMA	2,990,830	5.72%
Wright Tool Company	2,696,100	5.16%
Reiter Dairy, Inc.	1,216,620	2.33%
Malco Products, Inc.	1,185,200	2.27%
Tamarkin Co.	<u>1,108,300</u>	<u>2.12%</u>
Totals, Top Ten Principal Personal Property Taxpayers	<u>\$ 34,437,370</u>	<u>65.85%</u>
Total City Assessed Valuation	<u>\$ 52,299,023</u>	

Source: Summit County, Ohio; Fiscal Officer

**CITY OF BARBERTON, OHIO**

*PRINCIPAL TAXPAYERS  
PUBLIC UTILITY PROPERTY TAX  
DECEMBER 31, 2005*

<b>Taxpayer</b>	<b>Assessed Valuation</b>	<b>Percent of Total Assessed Valuation</b>
Ohio Edison Company	\$ 4,617,200	35.01%
Ohio Bell Telephone	3,411,620	25.87%
American Transmission	1,747,770	13.25%
East Ohio Gas Company	1,120,600	8.49%
Sprint	163,710	1.24%
Totals, Top Five Principal Public Utility Taxpayers	<u>\$ 11,060,900</u>	<u>83.86%</u>
Total City Assessed Valuation	<u>\$ 13,188,960</u>	

Source: Summit County, Ohio; Fiscal Officer

**CITY OF BARBERTON, OHIO**

*DEMOGRAPHIC STATISTICS  
DECEMBER 31, 2005*

<u>Year</u>	<u>Population</u>
2000	27,899
1990	27,623
1980	29,751
1970	33,052
1960	33,805

Selected Population Characteristics

Gender	<u>2000</u>	<u>1990</u>
Males	13,018	12,923
Females	14,881	14,700

Age Distribution

Under 5 Years	2,147	1,977
5-9 Years	1,882	1,997
10-14 Years	1,829	1,941
15-19 Years	1,716	1,821
20-24 Years	1,701	1,862
25-34 Years	3,824	4,000
35-44 Years	4,074	4,262
45-54 Years	3,574	2,393
55-59 Years	1,178	1,176
60-64 Years	1,160	1,526
65-74 Years	2,358	2,750
75-84 Years	1,859	1,461
85 Years and Older	597	457

Percent of Population under 18	24.80	25.20
Percent of Population 65 and older	17.30	16.90

Median Age	37.2 Years	34.2 Years
------------	------------	------------

Sources: United States Census Bureau

**CITY OF BARBERTON, OHIO**

*MISCELLANEOUS STATISTICS  
DECEMBER 31, 2005*

Date of Incorporation	1891
Form of Government	Charter; Mayor-Council
Area:	9.0085 Square Miles 5765.45 Acres
Population	27,899; 2000 Census 11,731; Dwelling Units
Altitude:	
Highest Point	1,113.93 feet above sea level
Lowest Point	947 feet above sea level
Miles of Streets	126.55
Fire Protection:	
Number of Stations	2
Number of Firemen and Officers:	44
Police Protection:	
Number of Stations	1
Number of Policemen and Officers:	39
Municipal Utilities	11,612 Water customers 10,904 Sewer customers
Infrastructure	
Water Mains	135.97 miles
Sanitary Sewers	91.25 miles
Recreation:	
Number of Parks	15
Acres	140.00
Fitness Center	1
Wading Pools	5
Tennis Courts	8
Baseball Diamonds	3
Softball Fields	12
Number of Public Libraries	1
Number Volumes	104,906
Education:	
Elementary Schools	6 K-5
Middle Schools	2 6-8
High School	1 9-12
Parochial School	1
Medical	1 363-bed Hospital
Churches	44 - 14 denominations
Source: City Records	



**Auditor of State  
Betty Montgomery**

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

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**CITY OF 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  
JULY 13, 2006**