

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2006



Mary Taylor, CPA
Auditor of State

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY

TABLE OF CONTENTS

| TITLE | PAGE |
|--|-------------|
| 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 Receipts and Expenditures Schedule..... | 5 |
| Notes to the Federal Awards Receipts and Expenditures Schedule | 6 |
| Schedule of Findings and Questioned Costs..... | 7 |
| Schedule of Prior Audit Findings and Questioned Costs | 11 |
| Corrective Action Plan..... | 12 |

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Mary Taylor, CPA

Auditor of State

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

Barberton City School District
Summit County
479 Norton Avenue
Barberton, Ohio 44203

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Barberton City School District, Summit County, Ohio, (the District) as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 9, 2007. 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 District's internal control over financial reporting to determine our auditing procedures to express our opinions on the financial statements and not to opine on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. A reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 2006-003.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable condition described above is a material weakness. In a separate letter to the District's management dated February 9, 2007, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the District'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 instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings and Questioned Costs as items 2006-001 and 2006-002. In a separate letter to the District's management dated February 9, 2007, we reported other matters related to noncompliance we deemed immaterial.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

February 9, 2007



Mary Taylor, CPA

Auditor of State

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

Barberton City School District
Summit County
479 Norton Avenue
Barberton, Ohio 44203

To the Board of Education:

Compliance

We have audited the compliance of Barberton City School District, Summit County, Ohio, (the District) 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 June 30, 2006. The summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs identifies the District's major federal programs. The District'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 District'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 District'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 District's compliance with those requirements.

In our opinion, the Barberton City School District, Summit County, Ohio, complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2006. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that OMB Circular A-133 requires us to report, which is described in the accompanying Schedule of Findings and Questioned Costs as item 2006-004. In a separate letter to the District's management dated February 9, 2007, we reported another matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The District'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 District'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.

Federal Awards Receipts and Expenditures Schedule

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Barberton City School District, Summit County, Ohio, as of and for the year ended June 30, 2006, and have issued our report thereon dated February 9, 2007. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards receipts and 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 the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

February 9, 2007

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006**

| Federal Grantor/ Pass Through Grantor/ Program Title | Pass Through Entity Number | Federal CFDA Number | Receipts | Non-Cash Receipts | Expenditures | Non-Cash Expenditures |
|--|----------------------------------|---------------------------|--------------------|----------------------|--------------------|--------------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | | | | |
| <i>Passed Through the Ohio Department of Education:</i> | | | | | | |
| Food Donation | N/A | 10.550 | | \$152,604 | | \$152,604 |
| Child Nutrition Cluster: | | | | | | |
| School Breakfast Program | 043539-05PU-05 | 10.553 | \$52,469 | | \$52,469 | |
| School Breakfast Program | 043539-05PU-06 | | 157,162 | | 157,162 | |
| National School Lunch Program | 043539-VGS1-05 | 10.555 | 13,092 | | 13,092 | |
| National School Lunch Program | 043539-VGS1-06 | | 10,688 | | 10,688 | |
| National School Lunch Program | 043539-LLP4-05 | | 225,960 | | 225,960 | |
| National School Lunch Program | 043539-LLP4-06 | | 578,336 | | 578,336 | |
| Total Child Nutrition Cluster | | | 1,037,707 | | 1,037,707 | |
| Child and Adult Care Food Program | 04539-CCMO-05 | 10.558 | 3,377 | | 3,377 | |
| Child and Adult Care Food Program | 04539-CCMO-06 | | 11,268 | | 11,268 | |
| Total Child and Adult Care Food Program | | | 14,645 | | 14,645 | |
| Total U.S. Department of Agriculture | | | 1,052,352 | 152,604 | 1,052,352 | 152,604 |
| U.S. DEPARTMENT OF EDUCATION | | | | | | |
| <i>Passed Through the Ohio Department of Education:</i> | | | | | | |
| Special Education Cluster | | | | | | |
| Special Education - Grants to States | 043539-6BSF-2005 | 84.027 | 78,564 | | 123,218 | |
| | 043539-6BSF-2006 | | 973,802 | | 910,887 | |
| Total Special Education -Grants to States | | | 1,052,366 | | 1,034,105 | |
| Special Education - Preschool Grants | | | | | | |
| | 043539-PGS1-2005 | 84.173 | 12,369 | | 11,074 | |
| | 043539-PGS1-2006 | | 61,676 | | 61,649 | |
| Total Special Education - Preschool Grants | | | 74,045 | | 72,723 | |
| Total Special Education Cluster | | | 1,126,411 | | 1,106,828 | |
| Title I Grants to Local Educational Agencies | | | | | | |
| | 043539-C1S1-2005 | 84.010 | 189,422 | | 142,579 | |
| | 043539-C1S1-2006 | | 1,118,956 | | 1,050,504 | |
| | 043539-C1SK-2005 | | 6,238 | | 2,666 | |
| | 043539-C1SK-2006 | | 56,881 | | 41,745 | |
| Total Title I Grants to Local Educational Agencies | | | 1,371,497 | | 1,237,494 | |
| State Grants for Innovative Programs | | | | | | |
| | 043539-C2S1-2005 | 84.298 | 3,781 | | 4,605 | |
| | 043539-C2S1-2006 | | 16,370 | | 14,215 | |
| Total State Grants for Innovative Programs | | | 20,151 | | 18,820 | |
| Safe and Drug-Free Schools and Communities-State Grants | | | | | | |
| | 043539-DRS1-2005 | 84.186 | 747 | | 2,713 | |
| | 043539-DRS1-2006 | | 28,694 | | 26,133 | |
| Total Safe and Drug-Free Schools and Communities-State Grants | | | 29,441 | | 28,846 | |
| Education Technology State Grants | | | | | | |
| | 043539-TJS1-2005 | 84.318 | 7,367 | | 14,553 | |
| | 043539-TJS1-2006 | | 11,239 | | 8,115 | |
| Total Education Technology State Grants | | | 18,606 | | 22,668 | |
| Adult Education-State Grant Program | | | | | | |
| | 045359-ABS1-05 | 84.002 | 2,214 | | 3,133 | |
| Improving Teacher Quality State Grants | | | | | | |
| | 043539-TRS1-2005 | 84.367 | 59,272 | | 48,554 | |
| | 043539-TRS1-2006 | | 262,519 | | 260,867 | |
| Total Improving Teacher Quality State Grants | | | 321,791 | | 309,421 | |
| English Language Acquisition Grants | | | | | | |
| | 043539-T3S1-2005 | 84.365 | 2,717 | | 2,814 | |
| | 043539-T3S1-2006 | | 1,622 | | | |
| Total English Language Acquisition Grants | | | 4,339 | | 2,814 | |
| Total Passed through the Ohio Department of Education | | | 2,894,450 | | 2,730,024 | |
| <i>Direct Award</i> | | | | | | |
| Impact Aid | N/A | 84.041 | 20,535 | | 20,535 | |
| Total U.S. Department of Education | | | 2,914,985 | | 2,750,559 | |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | | |
| <i>Passed Through the Akron Summit County Action Agency:</i> | | | | | | |
| Head Start | N/A | 93.600 | 1,490,548 | | 1,490,685 | |
| <i>Passed Through the Summit County Department of Job & Family Services</i> | | | | | | |
| Temporary Assistance for Needy Families - Wrap Around Child Care | N/A | 93.558 | 804 | | 804 | |
| Child Care and Development Fund | N/A | 93.596 | 27,836 | | 27,836 | |
| <i>Passed Through the Ohio Department of Education</i> | | | | | | |
| Refugee and Entrant Assistance-Discretionary Grants | 043539-RIS1-2005 | 93.576 | 6,100 | | | |
| <i>Passed Through the Ohio Department of Mental Retardation and Developmental Disabilities</i> | | | | | | |
| Medical Assistance Program | N/A | 93.778 | 209,001 | | 92,286 | |
| State Childrens Insurance Program | N/A | 93.767 | 14,143 | | 14,143 | |
| Total U.S. Department of Health and Human Services | | | 1,748,432 | | 1,625,754 | |
| Totals | | | \$5,715,769 | \$152,604 | \$5,428,665 | \$152,604 |

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

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – FOOD DONATION PROGRAM

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

NOTE C – CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE D – MEDICAL AND TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Cash receipts from the U.S. Department of Health and Human Services are commingled with local funds for the Medical and Temporary Assistance for Needy Families Programs. It is assumed federal monies are expended first.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|--|--|
| <i>(d)(1)(i)</i> | Type of Financial Statement Opinion | Unqualified |
| <i>(d)(1)(ii)</i> | Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(ii)</i> | Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)? | Yes |
| <i>(d)(1)(iii)</i> | Was there any reported material noncompliance at the financial statement level (GAGAS)? | Yes |
| <i>(d)(1)(iv)</i> | Were there any material internal control weakness conditions reported for major federal programs? | No |
| <i>(d)(1)(iv)</i> | Were there any other reportable internal control weakness conditions reported for major federal programs? | No |
| <i>(d)(1)(v)</i> | Type of Major Programs' Compliance Opinion | Unqualified |
| <i>(d)(1)(vi)</i> | Are there any reportable findings under § .510? | Yes |
| <i>(d)(1)(vii)</i> | Major Programs (list): | Title I Grants to Local Agencies – CFDA 84.010 & Head Start – CFDA 93.600 |
| <i>(d)(1)(viii)</i> | Dollar Threshold: Type A\B Programs | Type A: > \$ 300,000 Type B: all others |
| <i>(d)(1)(ix)</i> | Low Risk Auditee? | Yes |

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

FINDING NUMBER 2006-001

Material Noncompliance

Finding for Recovery Repaid Under Audit

At the beginning of the 2005-2006 school year, the Board of Education approved Resolution 201/05 which established a Petty Cash Fund for \$300 and a Change Fund for \$1,000 for the Athletic Office. The office is the responsibility of the Athletic Director, Matt Szyndler, whose office handles this money during the school year and is responsible for returning these amounts to the Treasurer's Office at the end of the school year.

In June, 2006, the Athletic Office returned petty cash vouchers and cash which totaled \$679.65 of the \$1,300 to the Treasurer's Office. During our testing we noted the District ended with a shortage in the Change Fund of \$499 which was due to money missing from the Athletic Department safe in February, 2006. The missing money was not brought to the attention of the District's Board of Education or Management until the end of the fiscal year when the Treasurer's Office was reconciling the bank to book, approximately July 10, 2006.

Also during our testing we noted the Petty Cash Fund did not return cash of \$121.35 and there were no supporting receipts for the proper use of this petty cash amount.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended in the amount of \$620.35 is hereby issued jointly and severally against Matt Szyndler, Athletic Director, and the Netherlands Insurance Company and in favor of the Barberton City School District's General Fund.

On December 19, 2006, the Finding for Recovery was repaid in full by Matt Szyndler, Athletic Director and recorded in the District's General Fund.

Officials' Response: The Treasurer's office is aware of the finding and has implemented the following resolutions. A police report was filed. The athletic department safe has been moved from a high access hallway closet to a limited access locked closet in the athletic department offices. The Treasurer's office will perform random monthly reconciliations of district change and petty cash funds up to two per month.

FINDING NUMBER 2006-002

Material Noncompliance

Ohio Rev. Code Section 9.38 states that monies should be deposited with the Treasurer or their designated depository within 24 hours of collection and requires that monies be deposited on the next business day if the daily receipt amounts exceed \$1,000. If daily receipts do not exceed \$1,000 and the receipts can be safeguarded, the public office may adopt a policy permitting their officials who receive money to hold it past the next business day, but the deposit must be made no later than 3 business days after receiving it.

26 of 58 extracurricular activity receipts tested were not deposited to the designated depository or the Treasurer within the next business day after initial receipt of the money for a period of 2 to 114 days. The District has not adopted a policy permitting officials to hold a deposit under \$1,000 beyond the following business day. Delays of this nature could cause receipts to be lost or misplaced without being detected in a timely manner.

FINDING NUMBER 2006-002 (Continued)

Material Noncompliance (Continued)

The District should ensure monies are deposited in accordance with the Ohio Revised Code.

Officials' Response: The Treasurer's office is aware of the finding and has implemented the following resolutions. In-services have been provided to the secretarial and principal staff on the legal requirements for making deposits within 24 hours of collection. Subsequent to the close of the 2006 audit the treasurer's office will send an all staff memorandum detailing the correct procedures for collection and depositing.

FINDING NUMBER 2006-003

Reportable Condition

Capital Assets

During testing of capital assets the following deficiencies were noted:

- The District has a capital asset policy in which the District states the capitalization threshold and asset categories but does not specify the estimated useful life to be used for each asset type or the depreciation method to use.
- The District has multiple assets which are fully depreciated but still in use.
- Governmental Accounting Standards Board (GASB) Statement No. 34 paragraph 44 and GASB Comprehensive Implementation Guide questions 7.163 and 7.164 state that depreciation expense for capital assets that can specifically be identified with a function should be included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building that houses administrative, athletic, food service, various instructional departments, etc.) should be ratably included in the direct expenses of the appropriate functions. For school districts, this is normally determined based on square footage of buildings or number of personnel. The District did not allocate depreciation expense to all of the appropriate functions. The District allocated the expense to each function based on what was recorded to Furniture and Equipment.
- In testing the restatement of capital assets, the amount booked for the Sports Complex could not be traced entirely to its supporting documentation.
- The current year disposals were not shown on the report as deletions since they were included in the restatement activity. This was due to the appraisal company excluded the deletions from the appraisal reports since the appraisal was done for items at June 30, 2006, after the assets were already deleted.

In order to correct these deficiencies the District should:

- Revise the capital asset policy to include useful lives and methods of depreciation to be used.
- Re-evaluate estimated useful lives for fully depreciated assets still in use and considering increasing them to reflect how much longer the asset will be used.
- Provide the Independent Public Accounting Firm, who helps prepare the District's Generally Accepted Accounting Principles Basic Financial Statements, with the amount of square footage used by each function (i.e. special education, extracurricular, etc.) by building, etc. for allocating depreciation expense for Building and Improvements and Land Improvements.
- Maintain support documentation (i.e. invoices, checks, etc.) to verify the actual amount paid for capital assets and book the actual amount spent plus any costs to place the asset into service as a capital asset addition.
- Ensure that when a re-appraisal is performed, the appraisal company should perform the appraisal as of the prior fiscal year end and all activity that occurred during the fiscal year is shown as additions or deletions.

FINDING NUMBER 2006-003 (Continued)

Reportable Condition (Continued)

Officials' Response: The Treasurer's office is aware of the finding. The District is working with Industrial Appraisals, Inc. to resolve these issues.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Federal Questioned Costs

| | |
|------------------------------------|--|
| Finding Number | 2006-004 |
| CFDA Title and Number | Special Education Cluster: Special Education Grants to States – CFDA 84.027 Special Education Preschool Grants – CFDA 84.173 |
| Federal Award Number / Year | 043539-6BSF-2005 and 043539-PGS1-2005 |
| Federal Agency | U.S. Department of Education |
| Pass-Through Agency | Ohio Department of Education |

Section 421(b) of GEPA (20 USC 1225(b)); 34 CFR sections 76.704 and 76.707 require local education agencies to obligate funds during the 27 months, extending from July 1 of the fiscal year for which the fund was appropriated through September 30 of the second following fiscal year. This maximum period includes a 15 month period of initial availability plus a 12 month period for carryover. However, in Ohio, programs included in Ohio Department of Education (ODE) Consolidated Application have a project period starting with the application approval date through June 30. Any carryover to the subsequent school district fiscal year must be approved by ODE. In addition, the ODE requires obligations to be liquidated prior to submitting the Final Expenditure Report, which must be filed no later than 60 days after the end of the project period. (See ODE Federal Fiscal Report Procedures #1 and ODE Superintendent Weekly E-Mail, December 6, 2002)

During fiscal year 2006, the District expended \$1,106,828 in federal funds related to the Special Education Cluster received via a pass-through agreement with the Ohio Department of Education. However, certain expenditures were obligated and expended after the period of availability/obligation (June 30) for grant year 2005 which totaled \$43,151. The District did not obtain ODE's approval for the carryover to the subsequent District fiscal year. Therefore, we consider \$43,151 to be Federal Questioned Costs.

Failure to obligate grant monies and to liquidate these obligations within the time limits established by Federal regulations and/or the grant agreement could subject the District to fines, penalties, and/or loss of federal funding.

The District should contact and rectify this issue with the Ohio Department of Education. Also, the District should review grant project balances prior to June 30th to determine if any remaining grant monies should be obligated or carried over into the next grant year. If it appears that obligations made by June 30th will not be liquidated within the required time frame, the District should submit a written request for an extension. In addition, the District should closely monitor cash requests and subsequent expenditures to help ensure funds are spent within the grant's period of availability.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2006**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i> |
|----------------|--|------------------|--|
| 2005-001 | <p>Questioned Cost: Section 421(b) of GEPA (20 USC 1225(b)); 34 CFR sections 76.704 and 76.707 – The District obligated and disbursed \$14,841 after the period of availability of June, 30 for the Special Education Cluster federal program without obtaining approval from the pass through agency (Ohio Department of Education).</p> | No | Not corrected, reissued as Finding 2006-004. |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
JUNE 30, 2006**

| Finding Number | Planned Corrective Action | Anticipated Completion Date | Responsible Contact Person |
|----------------|---|-----------------------------|----------------------------|
| 2006-004 | The Treasurer's office is aware of the finding and has implemented the following resolutions. The Ohio Department of Education office of grants management has been contacted with a request to amend the previous years' "final expenditure report." This will allow the district to reclassify the expenditures into the correct fiscal year. The district has also contacted each intra-district grant coordinator to make aware the federal guidelines for expenditures in the correct fiscal year. The treasurer's office will monitor all purchases to ensure proper procedures are being followed. | 6/30/2007 | Ryan Pendleton |



BARBERTON CITY SCHOOL DISTRICT
BARBERTON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30th, 2006

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

BARBERTON CITY
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2006

PREPARED BY
TREASURER'S DEPARTMENT
RYAN PENDLETON, TREASURER/CFO

479 NORTON AVENUE

BARBERTON, OHIO 44203

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006
 TABLE OF CONTENTS

TITLE PAGE

TABLE OF CONTENTS i-iv

I. INTRODUCTORY SECTION

Letter of Transmittal 1-7
 List of Principal Officers 8
 Organizational Chart..... 9

II. FINANCIAL SECTION

INDEPENDENT ACCOUNTANTS' REPORT 11-12
 MANAGEMENT'S DISCUSSION AND ANALYSIS 13-22

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

Statement of Net Assets..... 24
 Statement of Activities 25

Fund Financial Statements:

Balance Sheet - Governmental Funds..... 26
 Reconciliation of Total Governmental Fund Balances to Net Assets
 of Governmental Activities..... 27
 Statement of Revenues, Expenditures and Changes in Fund
 Balances - Governmental Funds 28
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities 29
 Statement of Revenues, Expenditures and Changes in Fund
 Balance - Budget and Actual (Non GAAP Budgetary Basis) - General Fund..... 30
 Statement of Net Assets - Proprietary Fund 31
 Statement of Revenues, Expenses and Changes in
 Net Assets - Proprietary Fund..... 32
 Statement of Cash Flows - Proprietary Fund..... 33

BASIC FINANCIAL STATEMENTS - (Continued):

| | |
|---|-------|
| Statement of Fiduciary Net Assets - Fiduciary Funds | 34 |
| Statement of Changes in Fiduciary Net Assets - Fiduciary Funds..... | 35 |
| Notes to the Basic Financial Statements..... | 37-64 |

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

| | |
|---|-------|
| Governmental Fund Descriptions | 67-70 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund | 71-74 |

Combining Statements - Nonmajor Governmental Funds:

| | |
|---|-------|
| Combining Balance Sheet - Nonmajor Special Revenue Funds..... | 76-81 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds..... | 82-87 |

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

| | |
|--|-----|
| Food Service | 88 |
| Uniform School Supplies..... | 89 |
| Public School Support | 90 |
| Other Grant | 91 |
| Special Enterprise | 92 |
| Decker Center | 93 |
| District Managed Student Activity | 94 |
| Auxiliary Services..... | 95 |
| Management Information Systems | 96 |
| Public School Preschool | 97 |
| Data Communications..... | 98 |
| SchoolNet Professional Development | 99 |
| Ohio Reads..... | 100 |
| Summer Intervention | 101 |
| Vocational Education Enhancement | 102 |
| Alternative Education | 103 |
| Poverty Aid..... | 104 |
| Miscellaneous State Grants..... | 105 |
| Adult Basic Education | 106 |
| IDEA-Part B | 107 |
| Head Start | 108 |
| Title III..... | 109 |
| Refugee Children School Impact | 110 |
| Title I | 111 |
| Title V..... | 112 |
| Drug-Free Schools | 113 |
| EHA Preschool | 114 |
| Improving Teacher Quality | 115 |
| Miscellaneous Federal Grants..... | 116 |
| Bond Retirement | 117 |
| Permanent Improvement..... | 118 |
| SchoolNet | 119 |

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES - (Continued):

Proprietary Fund:

| | |
|---|-----|
| Proprietary Fund Description | 120 |
| Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Employee Benefits Self-Insurance..... | 121 |

Combining Statements - Fiduciary Funds:

| | |
|---|-----|
| Fiduciary Fund Descriptions | 122 |
| Combining Statement of Fiduciary Net Assets - Fiduciary Funds | 123 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Scholarship Trust | 124 |
| Combining Statement of Changes in Assets and Liabilities - All Agency Funds..... | 125 |

III. STATISTICAL SECTION

| | |
|---|---------|
| Table of Contents..... | 127 |
| Net Assets by Component - Last Four Fiscal Years | 128 |
| Changes in Net Assets - Last Four Fiscal Years | 129-131 |
| Fund Balances, Governmental Funds - Last Ten Fiscal Years | 132-133 |
| Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years | 134-135 |
| Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years..... | 136-137 |
| Direct and Overlapping Property Tax Rates (Rate per \$1,000 of Assessed Value) - Last Ten Years | 138 |
| Principal Real Estate Property Tax Payers - December 31, 2005 and December 31, 2003 | 139 |
| Principal Personal Property Tax Payers - December 31, 2005 and December 31, 2003 | 140 |
| Property Tax Levies and Collections - Last Ten Calendar Years..... | 142-143 |
| Ratios of Outstanding Debt by Type - Last Ten Fiscal Years | 144 |
| Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years..... | 145 |
| Direct and Overlapping Governmental Activities Debt - as of June 30, 2006..... | 146 |
| Legal Debt Margin Information - Last Ten Fiscal Years | 147 |
| Demographic and Economic Statistics - Last Ten Fiscal Years | 148 |
| Principal Employers - Last Two Years | 149 |

III. STATISTICAL SECTION - (Continued)

| | |
|--|---------|
| Staffing Statistics, Full Time Equivalents (FTE) by Type/Program - Fiscal Year 2006 | 150 |
| Operating Indicators by Function - Last Ten Fiscal Years | 151 |
| Capital Asset Statistics - Last Four Fiscal Years | 152 |
| School Building Information - Last Two Fiscal Years | 153 |
| Operating Statistics - Last Ten Fiscal Years..... | 154-155 |



INTRODUCTORY SECTION





Barberton City Schools

... *A place where the present touches the future.*

Administration Building
479 Norton Avenue
Barberton, Ohio 44203
Ph: 330.753.1025
Fax: 330.848.0884

Barberton High School
555 Barber Road
Barberton, Ohio 44203
Ph: 330.753.1084
Fax: 330.848.5517

Highland Middle School
1152 Belleview Avenue
Barberton, Ohio 44203
Ph: 330.848.4243
Fax: 330.848.4221

UL Light Middle School
292 E Robinson Avenue
Barberton, Ohio 44203
Ph: 330.848.4236
Fax: 330.848.1272

Johnson Elementary
1340 Auburn Avenue
Barberton, Ohio 44203
Ph: 330.848.4246
Fax: 330.825.2351

Memorial Elementary
291 W Summit Street
Barberton, Ohio 44203
Ph: 330.848.4230
Fax: 330.848.1667

Portage Elementary
800 Wooster Road N
Barberton, Ohio 44203
Ph: 330.848.4241
Fax: 330.848.5535

Santroek Elementary
88 19th Street NW
Barberton, Ohio 44203
Ph: 330.848.4229
Fax: 330.825.0278

Woodford Elementary
315 E State Street
Barberton, Ohio 44203
Ph: 330.848.4232
Fax: 330.848.1790

Barberton Head Start
633 Brady Avenue
Barberton, Ohio 44203
Ph: 330.780.3208
Fax: 330.848.4226

February 9, 2007

Members of the Board of Education and Residents of the
Barberton City School District

The Comprehensive Annual Financial Report (CAFR) of the Barberton City School District (the "District") for the fiscal year ending June 30, 2006 is hereby submitted. This CAFR includes financial statements and other financial and statistical data and conforms to accounting principles generally accepted in the United States of America (GAAP) as they apply to governmental entities. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. **Introductory Section** - This section contains a Letter of Transmittal, List of Principal Officers, and Organizational Chart of the District. The District did not prepare a CAFR in the prior year, therefore a Certificate of Achievement for Excellence in Financial Reporting and Certificate of Excellence in Financial Reporting are not presented in the Introductory Section.
2. **Financial Section** - This section begins with the Independent Accountants' Report, the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, the Combining Statements by Fund Type, and other schedules providing detailed information relative to the Basic Financial Statements.
3. **Statistical Section** - This section presents selected financial and demographic information, generally presented on a multi-year basis.

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. 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: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of costs and benefits requires estimates and judgments by management.

State statute requires an annual audit by independent accountants. The Ohio Auditor of State's office conducted the audit. The audit has been conducted in accordance with generally accepted auditing standards, generally accepted government auditing standards, and includes a review of internal controls and test of compliance with Federal and State laws and regulations. The Independent Accountants' Report is included in this CAFR.

As a part of the District'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 school District has complied with applicable laws and regulations.

This transmittal letter is designed to provide historical information about the District, 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 District's MD&A, which focuses on the government-wide statements, can be found immediately following the Independent Accountants' Report.

HISTORY OF BARBERTON AND THE SCHOOL DISTRICT

The District is located in the City of Barberton, approximately nine miles southwest of the City of Akron, in northeast Ohio. Barberton earned the nickname of the Magic City because of its early rapid growth. Today, Barberton encompasses an area of approximately 9.2 square miles, and with a population about 28,000, is the fourth largest city in Summit County.

The history of Barberton began in 1890 when Ohio Columbus Barber, the city's founder, and his partners developed approximately 600 acres of farmland, which later expanded into approximately eight square miles. Within a year of its founding, Barberton was platted. Streets were designed and lots became available for industry, business and homes. Tuscarawas Avenue and Second Street were deemed main thoroughfares. The Barberton Beltline Railroad was constructed around the Village to accommodate the industry that already had the advantage of the Erie Railroad, the C.A.&C. Railroad, the Ohio Canal and the Tuscarawas River. The new industrial town attracted businessmen and merchants, and provided work for the laboring population. Because Barberton developed so quickly, the town was nicknamed "The Magic City" almost from the time it was founded. The tradition of "magic" continues to be an important part of the City's heritage. Little of the early industry remains today except for Babcock and Wilcox, which was originally the Stirling Boiler Works and PPG, originally the Columbia Chemical Company, Inc.

Parts of Barberton date back to around 1816. The north end of Barberton was originally known as New Portage and developed along the Tuscarawas River. In the 1850's, a second New Portage developed in the area where the Indian statue of Chief Hopocan now stands at the juncture of Wooster Road North and Norton Avenue. To the west was Johnson's Corners, which became part of Barberton in 1928.

The earliest schools were in these Villages. Barberton schools were part of the Norton Township school system until 1893. The original part of Barberton High School was built in 1915. The purple and white colors were selected during the 1930-31 school year and the sports teams have always been known as "The Magics."

The citizens of the District have voted 59.76 mills (full millage) for operating funds. These funds are being collected at an effective millage rate of 15.47 mills. The citizens have also voted in 8.64 mills (full millage) in 2005 due to the District's financial condition.

Voters approved the sale of the Barberton Citizens Hospital and the creation of the Barberton Community Foundation in the fall of 1996. The proceeds from the sale exceeded \$75 million and are used by the Community Foundation exclusively in the City of Barberton for charitable and educational programs, public health services and recreational activities. It is unusual for a foundation with assets exceeding \$80 million to service such a relatively small area. For this reason, the Foundation is making a significant impact on the standard of living for Barberton residents in the areas they are permitted to spend the dollars.

In May of 1997 the citizens of the District voted for a 7.42 mill bond issue whose debt service is funded fully by the Barberton Community Foundation. The taxpayers of the District will not have to pay for any of the debt service for the construction of the new \$32 million high school.

In November of each year the Treasurer/CFO sends an invoice to the Barberton Community Foundation asking them for debt service payment for the succeeding calendar year based on the amortization schedule set up to pay the debt on the new high school. The Treasurer invests the money received and any interest earnings on the money are used to offset how much money is asked for from the Barberton Community Foundation for the debt service. It is anticipated that over the life of the bond issue the interest earnings should save the Foundation over \$4,000,000, which can be applied to other grants for the Barberton community. No tax is levied to the taxpayers.

PROFILE OF BARBERTON CITY SCHOOL DISTRICT

The District ranks as the 87th largest by total enrollment among the 615 public school districts in the State of Ohio. As of the current school year (2005-06), the average daily membership (ADM) was 4,327 students attending eight schools.

The District has 543 full and part time employees. The District employs 302 certified staff members and 28 administrators. Additionally, the District employs 213 full-time and part-time non-teaching staff members.

Students in the District also have a wide range of extra-curricular activities to choose from. The District is a member of the Four Cities Vocational Compact, which provides students the following technical-vocational programs at the high school level:

Business and Office Education:

Cooperative Business Education (CBE)
Computer Business Careers (CBE)
Business Co-op
Business Technologies
Business Internship (Tech Prep)
Cisco/A + (Tech Prep)
Cisco Network Academy and Support Services (Tech Prep)
Computer Aided Design – CAD (Drafting) (Tech Prep)
Administrative Assistant
Media Communications

Family and Consumer Science:

Teachers' Aide
Chef Preparation and Hospitality Management

Marketing:

General Marketing
Marketing Education

Trade and Industrial:

Diversified and Cooperative Training (DCT)
Automotive Technologies
Carpentry
Environmental Engineering (Tech Prep)
Cosmetology
Machine Technologies
Masonry/Building Trades
Criminal Justice

Special Needs:

Occupational Work Experience (OWE)

A full range of extracurricular programs and activities is available to students beginning with the elementary grades. Our high school and middle schools have libraries, special purpose rooms, including computer labs and unique curricular offerings designed by the individual building staff and administration. Our elementary schools feature complete libraries in each classroom as well as computers.

An active council of local neighborhood Parent Teacher Associations provides for articulation, cooperation, and communication and partnership between parents, community members, and school officials.

The District cooperates with the City of Barberton Recreation and Parks Department, churches and a number of community and civic organizations in making school facilities available for athletic, recreational and enrichment activities.

Classroom teachers at all levels are supported by specialists in media, guidance, art, vocal music, physical education and curriculum development. The middle schools and high school have instrumental music programs. All elementary schools are staffed by certified media specialists. Two school nurses, four psychologists, one technology coach, seven counselors, specific coordinators for Title I (a federally funded reading and mathematics program), and gifted programs offer direction, support and coordination of services for all students.

Employees

A statewide public employee bargaining law applies generally to public employee relations and collective bargaining. The starting salary (2005-06 school year) for a teacher with a bachelor's degree is \$30,570, and the maximum salary for a teacher with a master's degree plus 24 graduate hours and 23 years of experience is \$66,337.

The District's certificated staff members, excluding administration, belong to the Barberton Education Association (B.E.A.), a labor organization affiliated with the Ohio Education Association. The current contract between the Board of Education and the B.E.A. expires August 31, 2009.

The District's support staff employees, including secretarial, custodial, maintenance, and teacher aides, are represented for bargaining purposes by the American Federation of State, County and Municipal Employees Association (A.F.S.C.M.E.), a labor organization affiliated with the city AFSCME Local 265. The current A.F.S.C.M.E. contract expires December 31, 2008.

The District's transportation staff is represented for bargaining purposes by the Ohio Association of Public School Employees Union (O.A.P.S.E.). The current OAPSE contract expires December 31, 2008.

In the judgment of the Board and administration, labor relations between the District and its employees remain excellent.

Budgetary Controls

The annual appropriation measure shall be designed to carry out District operations in a thorough and efficient manner, maintain District facilities properly, and honor continuing obligations of the Board of Education.

An annual appropriations resolution shall be developed, approved, and filed according to statute.

The Board shall adopt as part of its annual appropriation measure a Five (5) Year Forecast, or in the case of an amendment or supplement to an appropriation measure, an amended five (5) year projection of revenue and expenditures of the General, Emergency, Poverty Based Assistance and any Debt Service related to the General Fund. A copy of the annual appropriation measure and any amendment or supplement to it and the forecast or amended forecast shall be submitted to the Superintendent of Public Instruction and shall set forth all revenues available for appropriation by the District during such year and its sources; the nature and amount of expenses to be incurred during the year; the outstanding and unpaid expenses on the date the measure, amendment, or supplement is adopted; the dates by which such expenses must be paid; and any other information the Superintendent requires.

In addition to the internal control structure mentioned above, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of all funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund/object level for the general fund and the fund level for all other funds. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Unencumbered amounts lapse at year-end. A complete description of the District's budgetary process can be found in the notes to the basic financial statements.

ECONOMIC CONDITION

Local Economy

Barberton's economy has historically been associated with 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 corporate headquarters for the largest producer of cut flowers in the world is also located in Barberton.

During the 1970's and early 1980's employment by manufacturing companies decreased, primarily due to plant closings and down-sizing. However, Barberton's economy has stabilized and local indicators point to continued improvement. Barberton's economy is stronger today because it is no longer dependent on several large industrial employers. Smaller manufacturing and service businesses have replaced many of the jobs lost in past years.

To encourage industrial development, Barberton has created two industrial parks, Stuver Place and Foundation Parkway. To date, five businesses have constructed new facilities in these areas. Barberton City School District's real estate tax revenues have also grown to the extent they have due to House Bill 920 and the improved economic conditions in the city.

The City of Barberton is almost fully developed, and virtually landlocked and continues efforts to annex in order to provide for expansion of industrial and residential development in the future. The City of Barberton continues to enjoy a moderate growth in new home construction. Currently a new development is opening that features old neighborhood style that includes detached garages, alleys, and large front porches. In addition it will have commons areas.

The new Barberton High School opened in August 2000. This state-of-the-art facility is a focal point of pride for the community. The District also purchased 100 acres of land to develop an athletic complex to enhance the building of the new high school. With the assistance of donations and grants of over \$3.6 million from the Barberton Community foundation, this sports complex is a vital asset for the District and the community.

The District is working with the Ohio School Facilities Commission (OSFC). The District has been approved for the Expedited Local Share program. As part of this process a facilities master plan has been completed that will guide the facilities improvement for the District for the next ten years.

Long-Term Financial Planning

The Five-year Forecast is used as a planning tool for the Barberton City School District. It reflects three years of general operations, General Fund and Poverty Based Assistance Fund, historical revenues and expenditures, as well as a forecast of five additional fiscal years.

The District uses the five-year forecast to provide a basis for making financial decisions, including the construction of the annual budget, adjustments to staffing levels, collective bargaining, and the placement of tax levies on the ballot.

Major Initiatives for the Year

The Barberton City School District has some exciting things occurring this year! The District has developed, with community input, a new mission statement. "The mission of the Barberton City School District is to serve every child by challenging him/her to continuously learn, achieve, and act with purpose and compassion." This mission will soon be displayed in each classroom. The District strategic goals have also been developed. These goals will guide us through this school year. The goals will be evaluated and revisited annually.

Within the next three years, Barberton City School District will continue to improve student achievement by at least 5-10% per year as measured on the state mandated testing instruments, through use of best practices, data analysis, and monitoring and responding to test results.

The Barberton City School District will reinforce its mission and strengthen its relationship with the community by improving the communication between all staff, students, parents and community members by using the strategies stated in the individual school work plans and by post year questionnaires.

The Barberton City School District will continue to operate in a fiscally responsible, responsive manner. The Barberton City School District will continue to improve technology by updating obsolete technology, increasing professional development and increasing the use of technology in the work environment and in classroom instruction.

Every building uses the above listed goals to develop individual building action steps. At the end of the year, the action steps from each building will be evaluated and the overall achievement of the goals assessed. With this continuous improvement planning completed on a regular basis, the District will see improved results for students.

Major Initiatives for the Future

The District will begin an intensive effort to replace all MacIntosh computers before the end of school year 2006-07.

The District will continue its cycle of replacement of fleet vehicles. Three per year for the next two years will be purchased to replace an obsolete fleet.

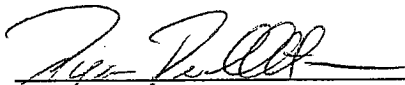
The District will develop and implement a facilities plan that is not covered by the OSFC plan including a comprehensive review of the outside facilities.

ACKNOWLEDGEMENTS

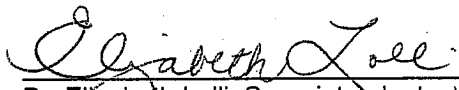
The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated services of the Treasurer's office staff. In addition, we acknowledge the outstanding services of our data processing department in meeting the vast informational requirements. Our consultant, Julian & Grube, Inc., provided us with expert technical assistance in all phases of preparing the report. The assistance of the Summit County Fiscal Officer's office in providing information is also appreciated. Finally, we wish to acknowledge the cooperation of the team from the Ohio Auditor of State's office, who conducted an audit of our finances.

Without the leadership and support of the Board of Education, preparation of this report would not have been possible.

Very Truly Yours,



Ryan Pendleton, Treasurer/CFO



Dr. Elizabeth Lolli, Superintendent

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO
LIST OF PRINCIPAL OFFICERS
JUNE 30, 2006**

Board of Education

| <u>Name</u> | Began Service as a Board Member <u>January 1</u> | Present Term Expires <u>December 31</u> | Vocation in Private <u>Life</u> |
|----------------------|---|--|--|
| Mr. Russ Shreiner** | 1996 | 2007 | Fleet Insurance |
| Mr. Dan Miller* | 2004 | 2007 | Food Sales |
| Mrs. Deanne McQuaide | 2004 | 2007 | Homemaker |
| Mr. Dennis Liddle | 2006 | 2009 | Investment Advisor |
| Mr. David Polacek | 2006 | 2009 | Firefighter |

** President
* Vice President

Superintendent

Dr. Elizabeth Lolli

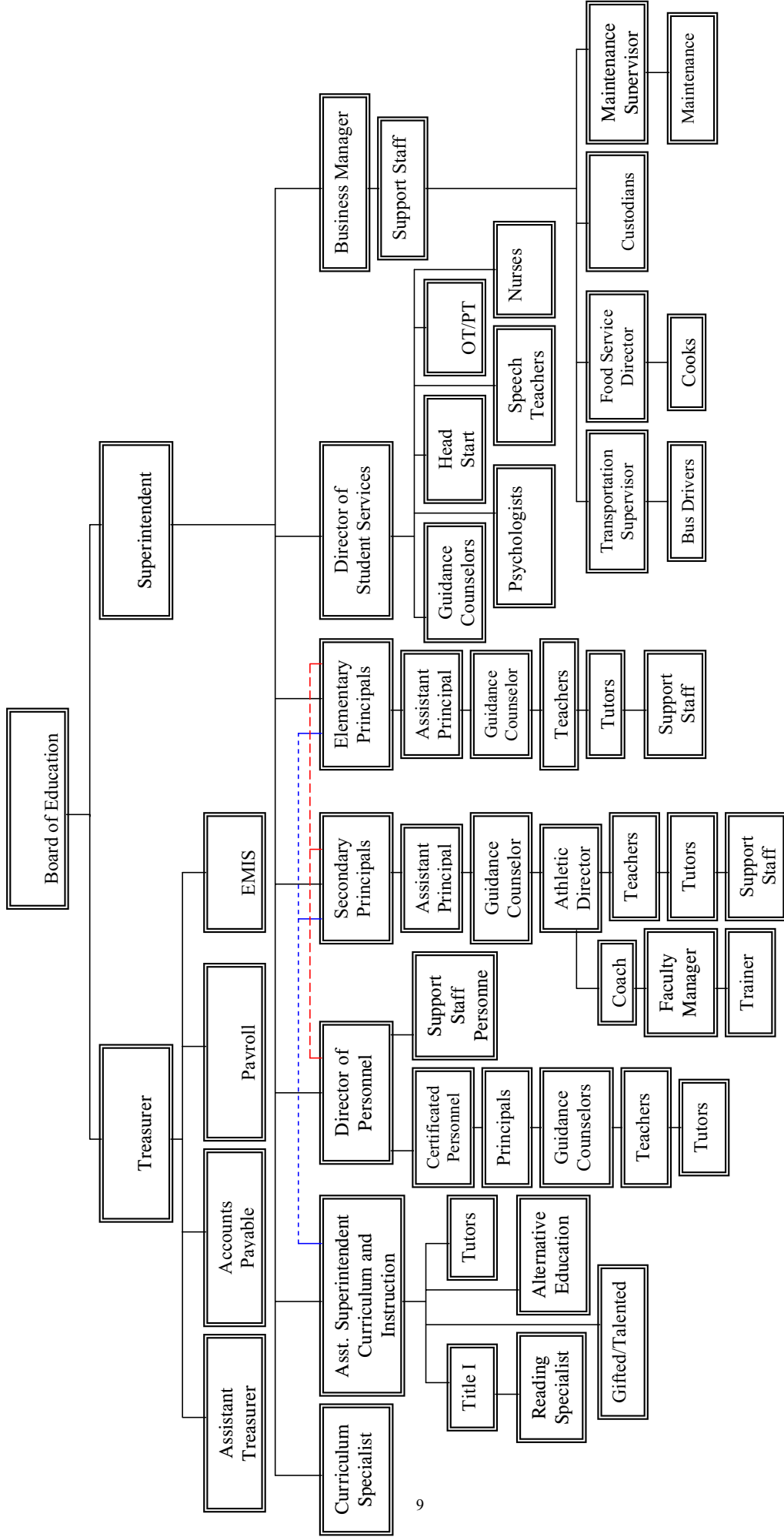
Treasurer/CFO

Ryan Pendleton

Central Office Administrative Staff

| | |
|----------------------|-------------------------------|
| Mr. Mark Brown | Maintenance Supervisor |
| Mrs. MaryBeth Bell | Director of Food Service |
| Mr. Russell Chaboudy | Assistant Superintendent |
| Mr. Joseph Clark | Director of Personnel |
| Mrs. Patricia Cleary | Curriculum Coordinator |
| Mrs. Marilyn Flaker | Transportation Supervisor |
| Mr. Fred Fries | Director of Business |
| Mr. Justin Gates | Special Education Coordinator |
| Ms. Anne Vainer | Director of Pupil Services |

BARBERTON CITY SCHOOLS ORGANIZATIONAL CHART



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FINANCIAL SECTION





Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Barberton City School District
Summit County
479 Norton Avenue
Barberton, Ohio 44203

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Barberton City School District, Summit County, Ohio, (the District) as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District'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, each major fund, and the aggregate remaining fund information of Barberton City School District, Summit County, Ohio, as of June 30, 2006, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2007, on our consideration of the District'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 District'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 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

February 9, 2007

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

The Management's Discussion and Analysis of the Barberton City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2006. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2006 are as follows:

- In total, net assets of governmental activities increased \$3,152,415 which represents a 13.76% increase from 2005.
- General revenues accounted for \$35,518,753 in revenue or 72.94% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$13,180,167 or 27.06% of total revenues of \$48,698,920.
- The District had \$45,546,505 in expenses related to governmental activities; only \$13,180,167 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$35,518,753 were adequate to provide for these programs.
- The District's major governmental funds are the general fund, bond retirement fund and permanent improvement fund. The general fund had \$34,538,329 in revenues and other financing sources and \$31,100,748 in expenditures. During fiscal 2006, the general fund's fund balance increased \$3,437,581 from a deficit of \$2,124,306 to a positive balance of \$1,313,275.
- The District's bond retirement fund had \$27,253,288 in revenues and other financing sources and \$27,238,607 in expenditures and other financing uses. During fiscal 2006, the bond retirement fund's fund balance increased \$14,681 from \$1,815,753 to \$1,830,434.
- The District's permanent improvement fund had \$670,024 in revenues and \$1,071,615 in expenditures. During fiscal 2006, the permanent improvement fund's fund balance decreased \$401,591 from \$1,428,652 to \$1,027,061.
- During fiscal year 2006 the District advance refunded \$22,880,000 of School Improvement bonds.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. 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 remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund, bond retirement fund and permanent improvement fund are by far the most significant funds, and the only governmental funds reported as major funds.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2006?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the Governmental Activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The District's statement of net assets and statement of activities can be found on pages 24-25 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 19. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, bond retirement fund and permanent improvement fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* than can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 26-30 of this report.

Proprietary Funds

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for insurance benefits. The basic proprietary fund financial statements can be found on pages 31-33 of this report.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 34 and 35. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 37-64 of this report.

The District as a Whole

The Statement of Net Assets provides the perspective of the District as a whole.

The table below provides a summary of the District's net assets for 2006 and the restated net assets for 2005. See Note 3.B. in the notes to the financial statements for detail on the restatement.

| | Net Assets | |
|--|----------------------------|--|
| | Governmental Activities | Restated Governmental Activities |
| | <u>2006</u> | <u>2005</u> |
| <u>Assets</u> | | |
| Current and other assets | \$ 29,926,203 | \$ 23,536,525 |
| Capital assets, net of depreciation | <u>47,931,647</u> | <u>49,457,066</u> |
| Total assets | <u>77,857,850</u> | <u>72,993,591</u> |
| <u>Liabilities</u> | | |
| Current liabilities | 21,537,992 | 15,740,596 |
| Long-term liabilities | <u>30,256,323</u> | <u>34,341,875</u> |
| Total liabilities | <u>51,794,315</u> | <u>50,082,471</u> |
| <u>Net Assets</u> | | |
| Invested in capital assets, net of related debt | 22,149,686 | 20,737,554 |
| Restricted | 3,873,738 | 3,395,492 |
| Unrestricted (deficit) | <u>40,111</u> | <u>(1,221,926)</u> |
| Total net assets | <u>\$ 26,063,535</u> | <u>\$ 22,911,120</u> |

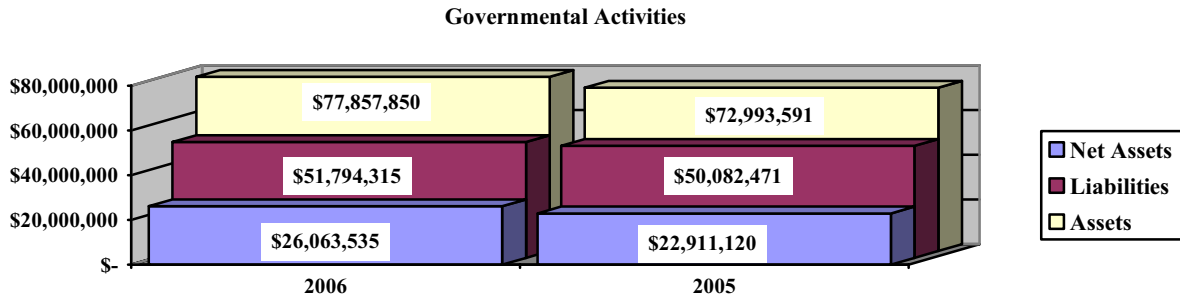
Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2006, the District's assets exceeded liabilities by \$26,063,535.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

At year-end, capital assets represented 61.56% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2006, were \$22,149,686. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$3,873,738, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets is \$40,111.



The table below shows the change in net assets for fiscal year 2006 and 2005.

Change in Net Assets

| | Governmental Activities 2006 | Governmental Activities 2005 |
|------------------------------------|------------------------------------|------------------------------------|
| <u>Revenues</u> | | |
| Program revenues: | | |
| Charges for services and sales | \$ 2,319,373 | \$ 3,022,225 |
| Operating grants and contributions | 10,860,794 | 9,976,822 |
| Capital grants and contributions | - | 10,751 |
| General revenues: | | |
| Property taxes | 15,070,073 | 13,221,803 |
| Grants and entitlements | 19,488,570 | 19,130,562 |
| Investment earnings | 525,420 | 130,010 |
| Miscellaneous | 434,690 | 1,198,301 |
| Total revenues | <u>48,698,920</u> | <u>46,690,474</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

Change in Net Assets

| | Governmental Activities <u>2006</u> | Governmental Activities <u>2005</u> |
|--|---|---|
| <u>Expenses</u> | | |
| Program expenses: | | |
| Instruction: | | |
| Regular | \$ 15,430,709 | \$ 16,281,764 |
| Special | 6,622,386 | 6,072,773 |
| Vocational | 1,074,494 | 1,111,023 |
| Other | 3,775,211 | 3,028,217 |
| Support services: | | |
| Pupil | 1,787,508 | 2,316,242 |
| Instructional staff | 2,035,079 | 1,756,160 |
| Board of education | 26,855 | 21,130 |
| Administration | 3,031,451 | 2,516,448 |
| Fiscal | 569,207 | 466,648 |
| Business | 353,444 | 416,840 |
| Operations and maintenance | 4,376,686 | 4,024,757 |
| Pupil transportation | 846,172 | 777,157 |
| Central | 121,285 | 142,351 |
| Operations of non-instructional services | 214,054 | 490,851 |
| Food service operations | 2,045,151 | 1,799,039 |
| Extracurricular activities | 1,636,942 | 1,979,204 |
| Intergovernmental pass through | 158,627 | 43,345 |
| Interest and fiscal charges | <u>1,441,244</u> | <u>1,591,330</u> |
| Total expenses | <u>45,546,505</u> | <u>44,835,279</u> |
| Change in net assets | 3,152,415 | 1,855,195 |
| Net assets at beginning of year (restated) | <u>22,911,120</u> | <u>21,055,925</u> |
| Net assets at end of year | <u>\$ 26,063,535</u> | <u>\$ 22,911,120</u> |

Governmental Activities

Net assets of the District's governmental activities increased \$3,152,415. Total governmental expenses of \$45,546,505 were offset by program revenues of \$13,180,167 and general revenues of \$35,518,753. Program revenues supported 28.94% of the total governmental expenses. At year-end, unrestricted net assets were \$40,111. The collection of property tax revenues that began during fiscal year 2006 from the 8.64 mill additional emergency levy that was passed in the February 8, 2005 special election contributed to the 13.76% increase in net assets. In addition, interest earnings increased \$395,410 from fiscal year 2005 due to rising interest rates.

The largest source of revenue comes from unrestricted grants and entitlements, which account for 40.02% of total governmental revenues. Unrestricted grants and entitlements include monies received from the Ohio Department of Education, state foundation, and property tax relief such as homestead rollbacks and exemptions.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

Property taxes are the second largest source of revenues, providing 30.95% of all governmental revenues. Real estate property is reappraised every six years.

Program revenues include charges for services, grants, and contributions that are program specific. These include grants from the Barberton Community Foundation, grants for specific purposes, reimbursements for services by third-parties, open enrollment, tuition, food service receipts, and extracurricular receipts.

Total expenses increased only 1.59% or \$711,226 due to the tightening of expenses to ensure financial stability of the District. The largest expense of the District is for instructional programs. Instruction expenses totaled \$26,902,800 or 59.07% of total governmental expenses for fiscal 2006.

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.

| | Governmental Activities | | | |
|--|--------------------------------|-------------------------|---------------------------|-------------------------|
| | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
| | <u>2006</u> | <u>2006</u> | <u>2005</u> | <u>2005</u> |
| Program expenses | | | | |
| Instruction: | | | | |
| Regular | \$ 15,430,709 | \$ 12,732,094 | \$ 16,281,764 | \$ 14,708,920 |
| Special | 6,622,386 | 2,580,787 | 6,072,773 | 2,177,319 |
| Vocational | 1,074,494 | 1,063,599 | 1,111,023 | 1,014,155 |
| Other | 3,775,211 | 3,196,921 | 3,028,217 | 1,605,716 |
| Support services: | | | | |
| Pupil | 1,787,508 | 1,452,831 | 2,316,242 | 1,849,226 |
| Instructional staff | 2,035,079 | 1,204,606 | 1,756,160 | 1,133,935 |
| Board of education | 26,855 | 26,855 | 21,130 | 21,130 |
| Administration | 3,031,451 | 2,932,498 | 2,516,448 | 2,353,739 |
| Fiscal | 569,207 | 569,207 | 466,648 | 466,414 |
| Business | 353,444 | 353,444 | 416,840 | 416,840 |
| Operations and maintenance | 4,376,686 | 4,285,758 | 4,024,757 | 3,815,018 |
| Pupil transportation | 846,172 | 749,739 | 777,157 | 242,302 |
| Central | 121,285 | 101,881 | 142,351 | 109,797 |
| Operations of non-instructional services | 214,054 | (35,105) | 490,851 | 11,654 |
| Food service operations | 2,045,151 | 129,212 | 1,799,039 | (8,859) |
| Extracurricular activities | 1,636,942 | 1,297,312 | 1,979,204 | 1,565,348 |
| Intergovernmental pass through | 158,627 | (13,963) | 43,345 | 43,345 |
| Interest and fiscal charges | <u>1,441,244</u> | <u>(261,338)</u> | <u>1,591,330</u> | <u>299,482</u> |
| Total | <u>\$ 45,546,505</u> | <u>\$ 32,366,338</u> | <u>\$ 44,835,279</u> | <u>\$ 31,825,481</u> |

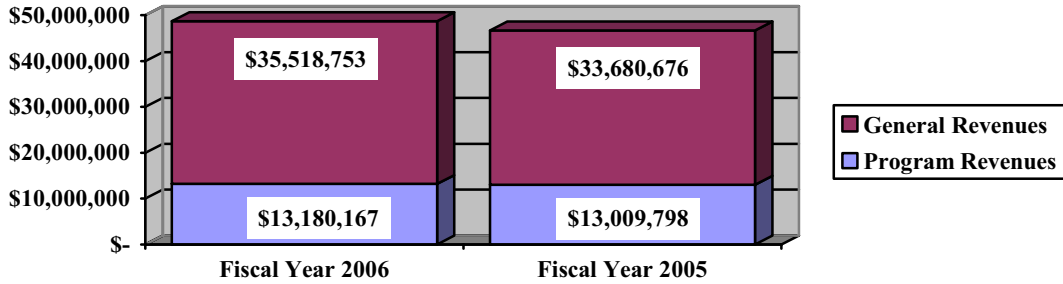
The dependence upon tax and other general revenues for governmental activities is apparent, 72.76% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 71.06%. Grants and entitlements, as a whole, are by far the primary support for District's students.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

The graph below presents the District's governmental activities revenue for fiscal year 2006 and 2005.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds (as presented on the balance sheet on page 26) reported a combined fund balance of \$4,683,082, which is higher than last year's total of \$1,810,802. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2006 and 2005.

| | Fund Balance <u>June 30, 2006</u> | Fund Balance (Deficit) <u>June 30, 2005</u> | Increase (Decrease) |
|-----------------------|--------------------------------------|---|------------------------|
| General | \$ 1,313,275 | \$ (2,124,306) | \$ 3,437,581 |
| Bond Retirement | 1,830,434 | 1,815,753 | 14,681 |
| Permanent Improvement | 1,027,061 | 1,428,652 | (401,591) |
| Other Governmental | <u>512,312</u> | <u>690,703</u> | <u>(178,391)</u> |
| Total | <u>\$ 4,683,082</u> | <u>\$ 1,810,802</u> | <u>\$ 2,872,280</u> |

General Fund

The District's general fund's fund balance increased by \$3,437,581. The primary reason for this increase is due to the collection of taxes beginning in fiscal year 2006 from the emergency levy passed on February 8, 2005. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

| | <u>2006</u> <u>Amount</u> | <u>2005</u> <u>Amount</u> | <u>Percentage</u> <u>Change</u> |
|---|------------------------------|------------------------------|------------------------------------|
| <u>Revenues</u> | | | |
| Taxes | \$ 13,467,315 | \$ 11,552,431 | 16.58 % |
| Tuition | 1,228,920 | 1,542,666 | (20.34) % |
| Earnings on investments | 400,476 | 87,520 | 357.58 % |
| Intergovernmental | 19,321,006 | 19,033,544 | 1.51 % |
| Other revenues | <u>116,969</u> | <u>197,454</u> | (40.76) % |
| Total | <u>\$ 34,534,686</u> | <u>\$ 32,413,615</u> | 6.54 % |
| <u>Expenditures</u> | | | |
| Instruction | \$ 19,473,042 | \$ 19,777,802 | (1.54) % |
| Support services | 10,492,912 | 10,597,342 | (0.99) % |
| Extracurricular activities | 924,887 | 866,655 | 6.72 % |
| Facilities acquisition and construction | 3,065 | - | 100.00 % |
| Capital outlay | - | 112,951 | (100.00) % |
| Debt service | <u>206,842</u> | <u>229,917</u> | (10.04) % |
| Total | <u>\$ 31,100,748</u> | <u>\$ 31,584,667</u> | (1.53) % |

Bond Retirement Fund

The District's bond retirement fund had \$27,253,288 in revenues and other financing sources and \$27,238,607 in expenditures and other financing uses. During fiscal year 2006 the District advance refunded the 1998 School Improvement Bonds. This activity was accounted for in the bond retirement fund. During fiscal 2006, the bond retirement fund's fund balance increased \$14,681 from \$1,815,753 to \$1,830,434.

Permanent Improvement Fund

The District's permanent improvement fund had \$670,024 in revenues and \$1,071,615 in expenditures. During fiscal 2006, the permanent improvement fund's fund balance decreased \$401,591 from \$1,428,652 to \$1,027,061. This decrease is due to less property tax revenue received in fiscal year 2006 compared to fiscal year 2005 along with increased facilities acquisitions and construction expenditures for maintenance and repair projects.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal 2006, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues and other financing sources were \$34,557,535, which is higher than the original budgeted revenues estimate of \$32,421,265. Actual revenues and other financing sources for fiscal 2006 was \$33,852,228. This represents a \$705,307 decrease from final budgeted revenues.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$35,180,808 were decreased to \$32,498,048 in the final appropriations. The actual budget basis expenditures and other financing uses for fiscal year 2006 totaled \$31,518,720, which was \$979,328 less than the final budget appropriations.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

Capital Assets and Debt Administration

Capital Assets

Capital assets were restated at the beginning of the year (see Note 8 for detail). At the end of fiscal 2006, the District had \$47,931,647 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities. The following table shows fiscal 2006 balances compared to restated balances of 2005:

| | Capital Assets at June 30 (Net of Depreciation) | |
|---------------------------|--|---------------------------|
| | <u>Governmental Activities</u> | |
| | <u>2006</u> | (Restated) <u>2005</u> |
| Land | \$ 5,239,550 | \$ 5,239,550 |
| Land improvements | 3,420,614 | 3,687,068 |
| Building and improvements | 37,717,973 | 38,841,358 |
| Furniture and equipment | 1,181,145 | 1,343,237 |
| Vehicles | <u>372,365</u> | <u>345,853</u> |
| Total | <u>\$ 47,931,647</u> | <u>\$ 49,457,066</u> |

Total additions to capital assets for 2006 were \$76,354. The overall decrease in capital assets of \$1,525,419 is primarily due to the recording of \$1,601,773 in depreciation expense for fiscal 2006.

See Note 8 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2006, the District had \$27,083,932 in general obligation bonds, notes and loans outstanding. Of this total, \$2,088,000 is due within one year and \$24,995,932 is due within greater than one year. The following table summarizes the bonds, notes and loans outstanding.

| | Outstanding Debt, at June 30 | |
|-------|---|---|
| | <u>Governmental Activities 2006</u> | <u>Governmental Activities 2005</u> |
| Bonds | \$ 25,956,932 | \$ 26,785,512 |
| Notes | 755,000 | 1,480,000 |
| Loans | <u>372,000</u> | <u>564,000</u> |
| Total | <u>\$ 27,083,932</u> | <u>\$ 28,829,512</u> |

At June 30, 2006, the District's overall legal debt margin was \$40,418,516 with an unvoted debt margin of \$449,095. The District maintains an A bond rating.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
UNAUDITED

See Note 9 to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

The District's electors passed an 8.64 mill additional emergency levy for five years in the February 8, 2005 election. Collection of this levy began in 2006. The passage of this levy with continued reductions in spending will improve the stability of the District's finances.

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". The District is currently unable to determine what effect, if any, this decision will have on its future State funding and financial operations.

The local economy is stronger today than it was in the past with increased industrial development and more smaller manufacturing companies and service businesses moving into the City.

Due to the unsettled issues in school funding, management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years.

Contacting the District's Financial Management

This financial report is designed to provide our citizen's taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ryan Pendleton, Treasurer/CFO, Barberton City School District, 479 Norton Avenue, Barberton, Ohio, 44203. Or if you prefer, you may email inquiries to: rpndleton@barberton.summit.k12.oh.us.

BASIC FINANCIAL STATEMENTS

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATEMENT OF NET ASSETS
JUNE 30, 2006

| | Governmental Activities |
|---|------------------------------------|
| Assets: | |
| Equity in pooled cash and cash equivalents. . . | \$ 12,347,449 |
| Receivables: | |
| Property taxes | 16,367,155 |
| Accounts | 125,502 |
| Intergovernmental | 630,772 |
| Accrued interest | 105,450 |
| Prepayments | 13,460 |
| Materials and supplies inventory | 39,213 |
| Unamortized bond issue costs | 297,202 |
| Capital assets: | |
| Land | 5,239,550 |
| Depreciable capital assets, net | 42,692,097 |
| Total capital assets | 47,931,647 |
| Total assets | 77,857,850 |
| Liabilities: | |
| Accounts payable. | 541,910 |
| Accrued wages and benefits | 2,521,951 |
| Intergovernmental payable | 1,088,705 |
| Deferred revenue | 13,146,923 |
| Accrued interest payable | 375,160 |
| Claims payable | 188,343 |
| Long-term liabilities: | |
| Due within one year. | 3,759,136 |
| Due in more than one year | 30,172,187 |
| Total liabilities | 51,794,315 |
| Net Assets: | |
| Invested in capital assets, net of related debt. | 22,149,686 |
| Restricted for: | |
| Capital projects | 1,103,271 |
| Debt service. | 1,466,422 |
| Locally funded programs | 137,317 |
| State funded programs | 66,287 |
| Federally funded programs | 259,911 |
| Student activities | 267,764 |
| Public school support. | 127,528 |
| Other purposes | 445,238 |
| Unrestricted | 40,111 |
| Total net assets. | \$ 26,063,535 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets |
|--|----------------------|--------------------------------------|--|--|
| | Expenses | Charges for Services and Sales | Operating Grants and Contributions | Governmental Activities |
| Governmental activities: | | | | |
| Instruction: | | | | |
| Regular | \$ 15,430,709 | \$ 1,177,214 | \$ 1,521,401 | \$ (12,732,094) |
| Special | 6,622,386 | 123,641 | 3,917,958 | (2,580,787) |
| Vocational | 1,074,494 | 9,020 | 1,875 | (1,063,599) |
| Other. | 3,775,211 | - | 578,290 | (3,196,921) |
| Support services: | | | | |
| Pupil. | 1,787,508 | 2,760 | 331,917 | (1,452,831) |
| Instructional staff | 2,035,079 | 3,681 | 826,792 | (1,204,606) |
| Board of education. | 26,855 | - | - | (26,855) |
| Administration. | 3,031,451 | - | 98,953 | (2,932,498) |
| Fiscal. | 569,207 | - | - | (569,207) |
| Business | 353,444 | - | - | (353,444) |
| Operations and maintenance. | 4,376,686 | - | 90,928 | (4,285,758) |
| Pupil transportation | 846,172 | - | 96,433 | (749,739) |
| Central. | 121,285 | 2,434 | 16,970 | (101,881) |
| Operation of non-instructional services | 214,054 | 20,396 | 228,763 | 35,105 |
| Food service operations. | 2,045,151 | 658,849 | 1,257,090 | (129,212) |
| Extracurricular activities | 1,636,942 | 321,378 | 18,252 | (1,297,312) |
| Intergovernmental pass through. | 158,627 | - | 172,590 | 13,963 |
| Interest and fiscal charges. | 1,441,244 | - | 1,702,582 | 261,338 |
| Totals. | <u>\$ 45,546,505</u> | <u>\$ 2,319,373</u> | <u>\$ 10,860,794</u> | <u>(32,366,338)</u> |
| General Revenues: | | | | |
| Property taxes levied for: | | | | |
| General purposes | | | | 13,539,008 |
| Debt service. | | | | 1,050,749 |
| Capital outlay. | | | | 480,316 |
| Grants and entitlements not restricted to specific programs | | | | 19,488,570 |
| Investment earnings | | | | 525,420 |
| Miscellaneous | | | | 434,690 |
| Total general revenues. | | | | <u>35,518,753</u> |
| Change in net assets | | | | 3,152,415 |
| Net assets at beginning of year (restated) | | | | <u>22,911,120</u> |
| Net assets at end of year. | | | | <u>\$ 26,063,535</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006

| | General | Bond Retirement | Permanent Improvement | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|----------------------------|----------------------------------|---|---|
| Assets: | | | | | |
| Equity in pooled cash and cash equivalents | \$ 5,727,817 | \$ 1,830,434 | \$ 1,075,969 | \$ 1,066,597 | \$ 9,700,817 |
| Receivables: | | | | | |
| Property taxes | 14,743,885 | 1,498,122 | 125,148 | - | 16,367,155 |
| Accounts | 125,502 | - | - | - | 125,502 |
| Intergovernmental | - | - | - | 630,772 | 630,772 |
| Accrued interest | 105,450 | - | - | - | 105,450 |
| Due from other funds | 61,790 | - | - | - | 61,790 |
| Materials and supplies inventory | - | - | - | 39,213 | 39,213 |
| Prepayments. | 13,460 | - | - | - | 13,460 |
| Restricted assets: | | | | | |
| Equity in pooled cash and cash equivalents | 353,195 | - | - | - | 353,195 |
| Total assets | \$ 21,131,099 | \$ 3,328,556 | \$ 1,201,117 | \$ 1,736,582 | \$ 27,397,354 |
| Liabilities: | | | | | |
| Accounts payable | \$ 255,603 | \$ - | \$ 174,056 | \$ 83,114 | \$ 512,773 |
| Accrued wages and benefits | 1,926,153 | - | - | 595,798 | 2,521,951 |
| Matured compensated absences payable | 42,301 | - | - | - | 42,301 |
| Intergovernmental payable. | 893,169 | - | - | 195,536 | 1,088,705 |
| Due to other funds | - | - | - | 61,790 | 61,790 |
| Deferred revenue. | 13,014,450 | 1,498,122 | - | 288,032 | 14,800,604 |
| Accrued interest payable. | 11,148 | - | - | - | 11,148 |
| Notes payable | 3,675,000 | - | - | - | 3,675,000 |
| Total liabilities. | 19,817,824 | 1,498,122 | 174,056 | 1,224,270 | 22,714,272 |
| Fund Balances: | | | | | |
| Reserved for encumbrances | 108,122 | - | 201,329 | 203,111 | 512,562 |
| Reserved for prepayments | 13,460 | - | - | - | 13,460 |
| Reserved for property tax unavailable for appropriation | 1,865,998 | - | 125,148 | - | 1,991,146 |
| Reserved for school bus purchases | 4,078 | - | - | - | 4,078 |
| Reserved for textbooks/instructional materials | 349,117 | - | - | - | 349,117 |
| Unreserved, undesignated (deficit), reported in: | | | | | |
| General fund. | (1,027,500) | - | - | - | (1,027,500) |
| Special revenue funds | - | - | - | 309,201 | 309,201 |
| Debt service fund | - | 1,830,434 | - | - | 1,830,434 |
| Capital projects funds | - | - | 700,584 | - | 700,584 |
| Total fund balances | 1,313,275 | 1,830,434 | 1,027,061 | 512,312 | 4,683,082 |
| Total liabilities and fund balances | \$ 21,131,099 | \$ 3,328,556 | \$ 1,201,117 | \$ 1,736,582 | \$ 27,397,354 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2006

| | | |
|--|--------------|----------------------|
| Total governmental fund balances | | \$ 4,683,082 |
| <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. | | 47,931,647 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | | |
| Property taxes | \$ 1,229,086 | |
| Accrued interest | 37,582 | |
| Accounts | 98,981 | |
| Intergovernmental | 288,032 | |
| Total | 1,653,681 | 1,653,681 |
| An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. | | 2,075,957 |
| In the statement of activities, interest is accrued on outstanding bonds, loans and notes, whereas in governmental funds, interest is expensed when due. | | (364,012) |
| Unamortized premiums on bond issuance is not recognized in the funds. | | (1,458,499) |
| Unamortized bond issuance costs are not recognized in the funds. | | 297,202 |
| Unamortized deferred charges on refundings are not recognized in the funds. | | 1,161,288 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | | |
| General obligation bonds | (25,956,932) | |
| Notes payable | (755,000) | |
| Loans payable | (372,000) | |
| Early retirement incentive | (1,176,486) | |
| Compensated absences | (1,656,393) | |
| Total | (29,916,811) | (29,916,811) |
| Net assets of governmental activities | | \$ 26,063,535 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>General</u> | <u>Bond Retirement</u> | <u>Permanent Improvement</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|----------------------------|----------------------------------|---|---|
| Revenues: | | | | | |
| From local sources: | | | | | |
| Taxes | \$ 13,467,315 | \$ 1,057,875 | \$ 513,426 | \$ - | \$ 15,038,616 |
| Tuition | 1,228,920 | - | - | - | 1,228,920 |
| Charges for services | - | - | - | 658,849 | 658,849 |
| Earnings on investments | 400,476 | 68,963 | - | 18,399 | 487,838 |
| Extracurricular | 1,649 | - | - | 329,312 | 330,961 |
| Classroom materials and fees | 10,512 | - | - | 99,172 | 109,684 |
| Other local revenues | 104,808 | 1,702,582 | - | 350,278 | 2,157,668 |
| Other revenue | - | - | - | 460,358 | 460,358 |
| Intergovernmental - state | 19,194,042 | 10,966 | 156,598 | 2,992,000 | 22,353,606 |
| Intergovernmental - federal | 126,964 | - | - | 5,418,459 | 5,545,423 |
| Total revenues | <u>34,534,686</u> | <u>2,840,386</u> | <u>670,024</u> | <u>10,326,827</u> | <u>48,371,923</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | 12,689,268 | - | 21,805 | 1,652,499 | 14,363,572 |
| Special | 2,631,798 | - | - | 3,857,315 | 6,489,113 |
| Vocational | 984,612 | - | - | 10,533 | 995,145 |
| Other | 3,167,364 | - | - | 601,218 | 3,768,582 |
| Support Services: | | | | | |
| Pupil | 1,538,205 | - | - | 319,861 | 1,858,066 |
| Instructional staff | 1,087,522 | - | 99,523 | 788,521 | 1,975,566 |
| Board of education | 26,855 | - | - | - | 26,855 |
| Administration | 2,831,152 | 97 | 10,631 | 102,723 | 2,944,603 |
| Fiscal | 556,798 | 904 | 19,193 | - | 576,895 |
| Business | 364,202 | - | 964 | - | 365,166 |
| Operations and maintenance | 3,387,834 | - | 81,046 | 109,321 | 3,578,201 |
| Pupil transportation | 602,575 | - | - | 192,772 | 795,347 |
| Central | 97,769 | - | - | 23,516 | 121,285 |
| Operation of non-instructional services | - | - | - | 292,418 | 292,418 |
| Food service operations | - | - | - | 1,907,054 | 1,907,054 |
| Extracurricular activities | 924,887 | - | - | 480,476 | 1,405,363 |
| Facilities acquisition and construction | 3,065 | - | 838,453 | - | 841,518 |
| Intergovernmental pass through | - | - | - | 158,627 | 158,627 |
| Debt service: | | | | | |
| Principal retirement | 192,000 | 1,900,000 | - | - | 2,092,000 |
| Interest and fiscal charges | 14,842 | 924,704 | - | 8,379 | 947,925 |
| Bond issue costs | - | 312,365 | - | - | 312,365 |
| Total expenditures | <u>31,100,748</u> | <u>3,138,070</u> | <u>1,071,615</u> | <u>10,505,233</u> | <u>45,815,666</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>3,433,938</u> | <u>(297,684)</u> | <u>(401,591)</u> | <u>(178,406)</u> | <u>2,556,257</u> |
| Other financing sources (uses): | | | | | |
| Sale of refunding bonds | - | 22,879,990 | - | - | 22,879,990 |
| Premium on sale of refunding bonds | - | 1,532,912 | - | - | 1,532,912 |
| Payment to refunded bond escrow agent | - | (24,100,537) | - | - | (24,100,537) |
| Sale of assets | 3,643 | - | - | 15 | 3,658 |
| Total other financing sources (uses) | <u>3,643</u> | <u>312,365</u> | <u>-</u> | <u>15</u> | <u>316,023</u> |
| Net change in fund balances | 3,437,581 | 14,681 | (401,591) | (178,391) | 2,872,280 |
| Fund balances (deficit) at beginning of year | <u>(2,124,306)</u> | <u>1,815,753</u> | <u>1,428,652</u> | <u>690,703</u> | <u>1,810,802</u> |
| Fund balances at end of year | <u>\$ 1,313,275</u> | <u>\$ 1,830,434</u> | <u>\$ 1,027,061</u> | <u>\$ 512,312</u> | <u>\$ 4,683,082</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | | |
|--|--------------------|----------------------------|
| Net change in fund balances - total governmental funds | | \$ 2,872,280 |
| <i>Amounts reported for governmental activities in the statement of activities are different because:</i> | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period. | | |
| Capital asset additions | \$ 76,354 | |
| Current year depreciation | <u>(1,601,773)</u> | |
| Total | | (1,525,419) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Property taxes | 31,457 | |
| Accrued interest | 37,582 | |
| Tuition | (29,437) | |
| Intergovernmental | <u>287,395</u> | |
| Total | | 326,997 |
| Repayment of bond, note and loan principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net assets. | | |
| | | 2,092,000 |
| Payments to refunding bond escrow agents are an other financing use in the governmental funds, but the payment reduces long-term liabilities on the statement of net assets. | | |
| | | 22,880,000 |
| The issuance of refunding bonds are recorded as an other financing source in the governmental funds; however, the proceeds increase long-term liabilities on the statement of net assets. | | |
| | | (22,879,990) |
| Premiums on refunding bonds are recognized as an other financing source in the governmental funds; however, they are amortized over the life of the issuance in the statement of activities. | | |
| | | (1,458,499) |
| Bond issuance costs are recognized as expenditures in the governmental funds; however, they are amortized over the life of the issuance in the statement of activities | | |
| | | 297,202 |
| Deferred charges on refundings are recognized as expenditures in the governmental funds; however, they are amortized over the life of the issuance in the statement of activities. | | |
| | | 1,161,288 |
| In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the statement of activities is due to the accrued interest on bonds and additional accumulated accreted interest on the capital appreciation bonds. | | |
| Increase in accrued interest payable | (146,890) | |
| Accreted interest on capital appreciation bonds | <u>(346,430)</u> | |
| Total | | (493,320) |
| Some expenses reported in the statement of activities, such as compensated absences and early retirement incentives, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds | | |
| | | (995,516) |
| The internal service fund used by management to charge the costs of medical, prescription, drug, dental and vision claims to individual funds is not reported in the statement of activities. The net revenue of the internal service fund is reported within the governmental activities on the entity-wide statements. | | |
| | | <u>875,392</u> |
| Change in net assets of governmental activities | | <u><u>\$ 3,152,415</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget - Positive (Negative) |
|--|--------------------------|----------------------------|----------------------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>Actual</u> |
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 12,195,864 | \$ 12,999,461 | \$ 12,734,147 | \$ (265,314) |
| Tuition | 1,176,972 | 1,254,524 | 1,228,920 | (25,604) |
| Earnings on investments | 318,548 | 339,538 | 332,608 | (6,930) |
| Extracurricular activities | 1,579 | 1,683 | 1,649 | (34) |
| Classroom materials and fees | 10,068 | 10,731 | 10,512 | (219) |
| Other local revenues | 109,285 | 116,485 | 114,108 | (2,377) |
| Intergovernmental - state | 18,382,693 | 19,593,948 | 19,194,042 | (399,906) |
| Intergovernmental - federal | 121,597 | 129,610 | 126,964 | (2,646) |
| Total revenues | <u>32,316,606</u> | <u>34,445,980</u> | <u>33,742,950</u> | <u>(703,030)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 14,400,981 | 13,139,959 | 12,900,728 | 239,231 |
| Special | 2,971,824 | 2,716,658 | 2,662,476 | 54,182 |
| Vocational | 1,150,755 | 1,020,471 | 1,021,315 | (844) |
| Adult/continuing | - | 489 | - | 489 |
| Other | 3,532,869 | 3,360,050 | 3,165,121 | 194,929 |
| Support services: | | | | |
| Pupils | 1,752,977 | 1,523,240 | 1,570,504 | (47,264) |
| Instructional staff | 1,233,261 | 1,206,771 | 1,104,887 | 101,884 |
| Board of education | 29,583 | 25,141 | 26,504 | (1,363) |
| Administration | 3,047,901 | 2,782,931 | 2,730,634 | 52,297 |
| Fiscal | 625,141 | 790,383 | 560,068 | 230,315 |
| Business | 395,135 | 378,846 | 354,004 | 24,842 |
| Operations and maintenance | 3,978,684 | 3,700,564 | 3,564,529 | 136,035 |
| Pupil transportation | 719,131 | 657,124 | 644,274 | 12,850 |
| Central | 109,075 | 115,689 | 97,721 | 17,968 |
| Extracurricular activities | 1,013,382 | 856,693 | 907,896 | (51,203) |
| Facilities acquisition and construction | 3,421 | 21,730 | 3,065 | 18,665 |
| Debt service: | | | | |
| Principal retirement | 192,000 | 192,000 | 192,000 | - |
| Interest and fiscal charges | 24,688 | 9,309 | 3,694 | 5,615 |
| Total expenditures | <u>35,180,808</u> | <u>32,498,048</u> | <u>31,509,420</u> | <u>988,628</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,864,202)</u> | <u>1,947,932</u> | <u>2,233,530</u> | <u>285,598</u> |
| Other financing sources (uses): | | | | |
| Refund of prior year's expenditures | 101,170 | 107,836 | 105,635 | (2,201) |
| Refund of prior year's receipts | - | - | (9,300) | (9,300) |
| Sale of assets | 3,489 | 3,719 | 3,643 | (76) |
| Total other financing sources (uses) | <u>104,659</u> | <u>111,555</u> | <u>99,978</u> | <u>(11,577)</u> |
| Net change in fund balance | (2,759,543) | 2,059,487 | 2,333,508 | 274,021 |
| Fund balance at beginning of year (restated) | 3,162,405 | 3,162,405 | 3,162,405 | - |
| Prior year encumbrances appropriated | 331,251 | 331,251 | 331,251 | - |
| Fund balance at end of year | <u>\$ 734,113</u> | <u>\$ 5,553,143</u> | <u>\$ 5,827,164</u> | <u>\$ 274,021</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2006

| | <u>Governmental Activities - Internal Service Fund</u> |
|---|---|
| Assets: | |
| Equity in pooled cash and cash equivalents | \$ 2,293,437 |
| Total assets | <u>2,293,437</u> |
| Liabilities: | |
| Accounts payable | 29,137 |
| Claims payable. | <u>188,343</u> |
| Total liabilities. | <u>217,480</u> |
| Net assets: | |
| Unrestricted | <u>2,075,957</u> |
| Total net assets. | <u><u>\$ 2,075,957</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Governmental Activities - Internal Service Fund</u> |
|---|---|
| Operating revenues: | |
| Charges for services | \$ 4,462,245 |
| Other | <u>47,684</u> |
| Total operating revenues | <u>4,509,929</u> |
| Operating expenses: | |
| Purchased services | 448,510 |
| Claims. | <u>3,186,027</u> |
| Total operating expenses | <u>3,634,537</u> |
| Change in net assets | 875,392 |
| Net assets at beginning of year. | <u>1,200,565</u> |
| Net assets at end of year | <u><u>\$ 2,075,957</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | Governmental Activities - Internal Service Fund |
|---|--|
| Cash flows from operating activities: | |
| Cash received from charges for services | \$ 4,462,245 |
| Cash received from other operating revenues | 47,684 |
| Cash payments to suppliers for goods and services | (428,813) |
| Cash payments for claims | <u>(3,213,802)</u> |
| Net cash provided by operating activities. | <u>867,314</u> |
| Net increase in cash and cash equivalents. | 867,314 |
| Cash and cash equivalents at beginning of year. | <u>1,426,123</u> |
| Cash and cash equivalents at end of year | <u><u>\$ 2,293,437</u></u> |
| Reconciliation of operating income to net cash provided by operating activities: | |
| Operating income | \$ 875,392 |
| Changes in assets and liabilities: | |
| Increase in accounts payable | 19,697 |
| Decrease in claims payable. | <u>(27,775)</u> |
| Net cash provided by operating activities | <u><u>\$ 867,314</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2006

| | <u>Private-Purpose Trust</u> | |
|---|----------------------------------|------------------|
| | <u>Scholarship Trust</u> | <u>Agency</u> |
| Assets: | | |
| Equity in pooled cash and cash equivalents | \$ 100,206 | \$ 72,253 |
| Total assets | <u>100,206</u> | <u>\$ 72,253</u> |
| Liabilities: | | |
| Accounts payable | - | \$ 2,917 |
| Intergovernmental payable | - | 8,386 |
| Due to students | <u>-</u> | <u>60,950</u> |
| Total liabilities | <u>-</u> | <u>\$ 72,253</u> |
| Net Assets: | | |
| Held in trust for scholarships | <u>100,206</u> | |
| Total net assets | <u>\$ 100,206</u> | |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Private-Purpose Trust</u> | |
|--|----------------------------------|--|
| | <u>Scholarship Trust</u> | |
| Additions: | | |
| Interest | \$ 2,330 | |
| Gifts and contributions. | <u>31,812</u> | |
| Total additions. | <u>34,142</u> | |
| Deductions: | | |
| Scholarships awarded | <u>15,815</u> | |
| Change in net assets | 18,327 | |
| Net assets at beginning of year | <u>81,879</u> | |
| Net assets at end of year | <u><u>\$ 100,206</u></u> | |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Barberton City School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District operates under a locally-elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. The Board controls the District's 11 instructional/support facilities staffed by 213 non-certified employees, 302 certificated teaching personnel and 28 administrators, who provide services to 4,327 students and other community members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental type activity and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, foods service, community services and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organizations' government board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise have access to the organizations' resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes.

Within the boundaries of the District, Saint Augustine School is operated as a private school. State legislation provides funding to this private school. The District receives the money and then disburses the money as directed by the private school. The accounting for the monies is reflected in a special revenue fund of the District. The District does not have any component units.

The following organizations are described due to their relationship to the District:

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

RELATED ORGANIZATION

The Barberton Public Library is a distinct subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The District is not involved in the budgeting process or operational management of the Library, nor does it subsidize or finance its operations. The selection of directors and approval of the annual budget by the District is conducted only to comply with statutory requirements. There were no related party transactions during fiscal year 2006.

JOINTLY GOVERNED ORGANIZATIONS

Northeast Ohio Network for Educational Technology

The Northeast Ohio Network for Educational Technology (NEOnet) is the computer service Organization or Data Acquisition Site (DAS) used by the District. NEOnet is an association of public school districts in a geographic area determined by the Ohio Department of Education. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The purpose of the consortium is to develop and employ a computer system efficiently and effectively for the needs of the member Boards of Education. All Districts in the consortium are required to pay fees, charges and assessments as charged. NEOnet is governed by a board made up of superintendents (or designee) from all of the participating districts. An elected Executive Board consisting of seven members of the governing board is the managerial body of the consortium and meets six times a year. The District does not maintain an ongoing financial interest or an ongoing financial responsibility. Payments to NEOnet are made from the general fund, which amounted to \$83,692 during fiscal year 2006. Financial information can be obtained by contracting the fiscal agent at 420 Washington Avenue, Suite 200, Cuyahoga Falls, Ohio 44221.

Four Cities Vocational Compact

The Four Cities Vocational Compact (Compact) is a jointly governed organization to provide for the vocational and special education needs of the students of four participating school districts. The four-member board consists of the superintendent from each of the participating school districts. Students may attend any vocational or special education class offered by any of the four districts. If a student elects to attend a class offered by a school district other than the school district in which the student resides, the school district of residence pays an instructional fee to the school district that offered the class. Wadsworth City School District serves as the fiscal agent for this Compact, collecting and distributing payments. The committee exercises total control over the operation of the compact, including budgeting, appropriating, contracting and designating management. All revenues are generated from charges for services.

B. Fund Accounting

The District uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

GOVERNMENTAL FUNDS

Governmental funds focus 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 District's major governmental funds:

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

Bond Retirement Fund - The bond retirement debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Permanent Improvement Fund - The permanent improvement capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary fund).

Other governmental funds of the District are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by trust funds; and (b) for grants and other resources whose use is restricted to a particular purpose.

PROPRIETARY FUND

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no enterprise funds. The following is a description of the District's internal service fund:

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the district, or to other governments, on a cost-reimbursement basis. The District's only internal service fund accounts for revenue for medical, surgical, prescription drug, dental, and vision claims of the District's employees.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is a private-purpose trust which accounts for several scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District reports two agency funds with one used to account for student activities managed by the student body and the other for monies held in fiscal agency capacity for another entity's Head Start program.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund operating activity is eliminated to avoid overstatement of revenues and expenses.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. 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 amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the full accrual economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net assets.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

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 statements for governmental funds.

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

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 District's internal service fund is charges for services. Operating expenses for the internal service fund includes the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

The private-purpose trust fund is reported using the economic resources measurement focus. The agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting on the fund financial statements. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

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 District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal 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 fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, grants, student fees 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 June 30, 2006, but which were levied to finance fiscal year 2007 operations, have been recorded as deferred revenue. 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 fair value of donated commodities used during the year is reported in the Statement of Revenues, Expenditures and Changes in Fund Balances as an expenditure with a like amount reported as intergovernmental revenue.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

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

E. Budgetary Accounting

Tax Budget - Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the board-adopted budget is filed with the Summit County Budget Commission for tax rate determination.

Estimated Resources - Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original and final budgeted amount in the budgetary statement reflect the amounts set forth in the original and final Amended Certificate issued for fiscal year 2006.

Appropriations - Upon receipt from the County Fiscal Officer of an amended Certificate of Resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund/object level for the general fund and the fund level for all other funds for expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The Appropriation Resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at the legal level of control. Any revisions that alter the fund/object for the general fund and total of any fund appropriation for all other funds must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations do not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, one supplemental appropriation was legally enacted.

The amounts reported as the original budget expenditure amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The final budget figures, which appear in the statements of budgetary comparisons, represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions. Under Ohio law advances are not required to be budgeted.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Expenditures plus appropriations may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent year expenditures for governmental funds.

Lapsing of Appropriations - At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

F. Cash and Investments

To improve cash management, all cash received by the District is pooled in several bank accounts. Monies for all funds are maintained in these accounts or temporarily used to purchase short-term investments. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the basic financial statements.

During fiscal year 2006, investments were limited to certificates of deposits and overnight repurchase agreements. All investments of the District had a maturity of one year or less. 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 and nonnegotiable certificates of deposit are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is legally required to be placed in the general fund; the food service, public school support, Decker Center, district managed student activities and auxiliary special revenue funds; the debt service fund; permanent improvement capital projects fund; the scholarships private purpose fund; the self-insurance internal service fund; and the student activities and district agency funds. Interest revenue credited to the general fund during fiscal year 2006 amounted to \$400,476 which includes \$182,722 assigned from other District funds.

For presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investments at year-end is provided in Note 4.

G. Prepayments

Payments made to vendors for services that will benefit periods beyond June 30, 2006, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

H. Inventory

Inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventories of the food service fund consist of donated food, purchased food, and supplies held for resale. Inventories reported on the fund financial statements are expensed when used. On the government-wide financial statements, inventories are also presented at cost on a first-in, first-out basis and are expensed when used.

I. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets in the general fund include the amount required by State statute to be set aside as a reserve for textbooks/instructional materials and school bus purchases. See Note 17 for details regarding statutory reserves.

J. Capital Assets and Depreciation

General capital assets are those assets not specifically related to activities reported in the proprietary fund. 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.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. 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 life are not. It is the policy of the District to not capitalize interest costs incurred as part of construction.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

| <u>Description</u> | <u>Estimated Lives</u> |
|----------------------------|------------------------|
| Land improvements | 15 - 20 years |
| Buildings and improvements | 25 - 40 years |
| Furniture and equipment | 5 - 20 years |
| Vehicles | 8 years |

K. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds." These amounts are eliminated in the governmental type activities columns of the statement of net assets.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefit through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to extent that it is probable that the benefits will result in termination payments. The liability is based on the District's past experience of making termination payments. The entire compensated absence liability is reported on the government-wide financial statements.

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.

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

M. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, and early retirement incentives 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. Long term loans, notes and bonds are recognized as a liability on the fund financial statements when due.

N. Unamortized Bond Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss

On government-wide financial statements, bond issuance costs are deferred and amortized over the term of the bonds using the straight line method, which approximates the effective interest method. Unamortized bond issuance costs are recorded as an asset on the financial statements.

Bond premiums are deferred and accreted over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds. Capital appreciation bond discounts are accreted over the term of the bonds.

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction of the face amount of the new debt.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

On the governmental fund financial statements, deferred charges, issuance costs and bond premiums are recognized in the current period.

O. Fund Balance Reserves

The District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, prepayments, property tax unavailable for appropriation, school bus purchases, and textbook/instructional materials. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriation under State statute.

P. Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements 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 borrowings 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 District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. As of June 30, 2006, no net assets were restricted by enabling legislation.

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

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are charges for services for the self-insurance program. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund.

S. Interfund Transactions

Interfund transfers are reported as other financing sources/uses for governmental funds in the fund financial statements. All transfers between governmental funds have been eliminated within the governmental activities column of the statement of net assets

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Changes in Accounting Principles

For fiscal year 2006, the District has implemented GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries", GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Statement No. 47, "Accounting for Termination Benefits".

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 purpose of GASB Statement No. 44 is to improve the understandability and usefulness of the information that state and local governments present as supplementary information in the statistical section.

GASB Statement No. 46 defines enabling legislation and specifies how net assets should be reported in the financial statements when there are changes in such legislation. The Statement also requires governments to disclose in the notes to the financial statements the amount of net assets restricted by enabling legislation.

GASB Statement No. 47 establishes accounting standards for termination benefits.

The implementation of GASB Statement No. 42, GASB Statement No. 46 and GASB Statement No. 47 did not have an effect on the fund balances/net assets of the District as previously reported at June 30, 2005.

B. Prior Period Adjustment - Net Assets

During fiscal year 2006 the District had a reappraisal of its capital assets completed. The reappraisal resulted in the restatement of capital assets (see Note 8 for detail) and net assets at June 30, 2005. Net assets as previously reported decreased \$618,262 from \$23,529,382 to \$22,911,120.

C. Deficit Fund Balance

Fund balances at June 30, 2006 included the following individual fund deficits:

| | <u>Deficit</u> |
|---------------------------|----------------|
| <u>Nonmajor Funds</u> | |
| Public School Preschool | \$ 5,782 |
| Poverty Aid | 315,017 |
| Adult Basic Education | 676 |
| Head Start | 136,197 |
| Title I | 62,916 |
| Title V | 1,269 |
| Drug-Free | 145 |
| Improving Teacher Quality | 16,358 |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

All funds except the Head Start fund complied with Ohio state law, which does not permit a cash basis deficit at fiscal 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 result from adjustments for accrued liabilities.

D. Noncompliance

The District had a negative cash fund balance in the Head Start fund at June 30, 2006, in the amount of \$61,790, indicating that revenue from other sources were used to pay obligations of this fund contrary to Ohio Revised Code Section 5705.10. For GAAP purposes, this amount has been reported as a fund liability.

The District had expenditures in excess of appropriations contrary to Ohio Revised Code Section 5705.41(B) in the Miscellaneous State Grants fund in the amount of \$5,602.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the District 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 District 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 the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of District'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 Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time: and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

A. Deposits with Financial Institutions

At June 30, 2006, the carrying amount of all District deposits was \$11,904,908, exclusive of the \$615,000 repurchase agreement included in investments below. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2006, \$11,794,092 of the District's bank balance of \$11,994,092 was exposed to custodial risk as discussed below, while \$200,000 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of June 30, 2006, the District had the following investments and maturities:

| <u>Investment type</u> | <u>Investment Maturities</u> | |
|------------------------|--|-----------------------------------|
| | <u>Balance at</u> <u>Fair Value</u> | <u>6 months or</u> <u>less</u> |
| Repurchase Agreement | <u>\$ 615,000</u> | <u>\$ 615,000</u> |

Interest Rate Risk: Interest rate risk is the possibility that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy places a five year limit on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's \$615,000 investment in repurchase agreements is to be secured by the specific government securities upon which the repurchase agreements are based. These securities, held by the counterparty and not in the District's name, must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement.

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 June 30, 2006:

| | |
|---|----------------------|
| <u>Cash and Investments per footnote</u> | |
| Carrying amount of deposits | \$ 11,904,908 |
| Investments | <u>615,000</u> |
| Total | <u>\$ 12,519,908</u> |
| <u>Cash and investments per Statement of Net Assets</u> | |
| Governmental activities | \$ 12,347,449 |
| Private-purpose trust funds | 100,206 |
| Agency funds | <u>72,253</u> |
| Total | <u>\$ 12,519,908</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 5 - INTERFUND TRANSACTIONS

Interfund balances at June 30, 2006 as reported on the fund financial statements, consist of the following amounts due to/from other funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------------|---------------|
| General fund | Nonmajor governmental funds | \$ 61,790 |

The primary purpose of the due to/from other funds is to cover negative cash in the Head Start nonmajor special revenue fund. The interfund balance will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2006 are reported on the statement of net assets.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2006 represents collections of calendar year 2005 taxes. Real property taxes received in calendar year 2006 were levied after April 1, 2005, on the assessed value listed as of January 1, 2005, the lien date. Assessed values for real property taxes are established by state law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2006 represents collections of calendar year 2005 taxes. Public utility real and tangible personal property taxes received in calendar year 2006 became a lien December 31, 2004, were levied after April 1, 2005 and are collected in 2006 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2006 (other than public utility property) represents the collection of 2006 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2005, on the value as of December 31, 2004. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory. Payments 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 by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 6 - PROPERTY TAXES - (Continued)

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2006-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The District receives property taxes from Summit County. The County Fiscal Officer periodically advances to the District their portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2006, are available to finance fiscal year 2006 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2006 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2006 was \$1,865,998 in the general fund and \$125,148 in the permanent improvement fund. These amounts have been recorded as revenue.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2006 taxes were collected are:

| | 2005 Second Half Collections | | 2006 First Half Collections | |
|---|---------------------------------|----------------|--------------------------------|----------------|
| | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> |
| Agricultural/Residential and Other Real Estate | \$ 356,207,460 | 83.73 | \$ 395,052,390 | 87.97 |
| Public Utility Personal | 13,362,170 | 3.14 | 12,066,640 | 2.68 |
| Tangible Personal Property | <u>55,878,843</u> | <u>13.13</u> | <u>41,975,595</u> | <u>9.35</u> |
| Total | <u>\$ 425,448,473</u> | <u>100.00</u> | <u>\$ 449,094,625</u> | <u>100.00</u> |
| Tax rate per \$1,000 of assessed valuation | \$ 56.90 | | \$ 64.06 | |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 7 - RECEIVABLES

Receivables at June 30, 2006 consisted of taxes, accounts (billings for user charged services and student fees), intergovernmental grants and entitlements, and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

Governmental Activities:

| | |
|-------------------|----------------------|
| Property taxes | \$ 16,367,155 |
| Accounts | 125,502 |
| Intergovernmental | 630,772 |
| Accrued interest | <u>105,450</u> |
| Total | <u>\$ 17,228,879</u> |

Receivables have been disaggregated on the face of the financial statements. All receivables are expected to be collected within one year.

NOTE 8 - CAPITAL ASSETS

A. Capital assets were restated at June 30, 2005, due to a reappraisal of the District's capital assets.

| | Balance at <u>06/30/05</u> | Adjustment | Restated Balance at <u>06/30/05</u> |
|---|-------------------------------|---------------------|---|
| Governmental Activities: | | | |
| <i>Capital assets, not being depreciated:</i> | | | |
| Land | \$ 3,739,550 | \$ 1,500,000 | \$ 5,239,550 |
| Total capital assets, not being depreciated | <u>3,739,550</u> | <u>1,500,000</u> | <u>5,239,550</u> |
| <i>Capital assets, being depreciated:</i> | | | |
| Land improvements | 10,086,573 | (4,535,680) | 5,550,893 |
| Buildings and improvements | 48,862,299 | 2,464,437 | 51,326,736 |
| Furniture and equipment | 1,560,999 | 1,862,579 | 3,423,578 |
| Vehicles | <u>1,517,321</u> | <u>(394,758)</u> | <u>1,122,563</u> |
| Total capital assets, being depreciated | <u>62,027,192</u> | <u>(603,422)</u> | <u>61,423,770</u> |
| <i>Less: accumulated depreciation:</i> | | | |
| Land improvements | (2,282,663) | 418,838 | (1,863,825) |
| Buildings and improvements | (11,136,456) | (1,348,922) | (12,485,378) |
| Furniture and equipment | (1,069,139) | (1,011,202) | (2,080,341) |
| Vehicles | <u>(1,203,156)</u> | <u>426,446</u> | <u>(776,710)</u> |
| Total accumulated depreciation | <u>(15,691,414)</u> | <u>(1,514,840)</u> | <u>(17,206,254)</u> |
| Governmental activities capital assets, net | <u>\$ 50,075,328</u> | <u>\$ (618,262)</u> | <u>\$ 49,457,066</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 8 - CAPITAL ASSETS - (Continued)

B. Capital asset activity for the fiscal year ended June 30, 2006, was as follows:

| | Restated Balance at <u>06/30/05</u> | <u>Additions</u> | <u>Disposals</u> | Balance at <u>06/30/06</u> |
|---|---|-----------------------|------------------|-------------------------------|
| Governmental Activities: | | | | |
| <i>Capital assets, not being depreciated:</i> | | | | |
| Land | \$ 5,239,550 | \$ - | \$ - | \$ 5,239,550 |
| Total capital assets, not being depreciated | <u>5,239,550</u> | <u>-</u> | <u>-</u> | <u>5,239,550</u> |
| <i>Capital assets, being depreciated:</i> | | | | |
| Land improvements | 5,550,893 | - | - | 5,550,893 |
| Buildings and improvements | 51,326,736 | - | - | 51,326,736 |
| Furniture and equipment | 3,423,578 | - | - | 3,423,578 |
| Vehicles | <u>1,122,563</u> | <u>76,354</u> | - | <u>1,198,917</u> |
| Total capital assets, being depreciated | <u>61,423,770</u> | <u>76,354</u> | <u>-</u> | <u>61,500,124</u> |
| <i>Less: accumulated depreciation:</i> | | | | |
| Land improvements | (1,863,825) | (266,454) | - | (2,130,279) |
| Buildings and improvements | (12,485,378) | (1,123,385) | - | (13,608,763) |
| Furniture and equipment | (2,080,341) | (162,092) | - | (2,242,433) |
| Vehicles | <u>(776,710)</u> | <u>(49,842)</u> | - | <u>(826,552)</u> |
| Total accumulated depreciation | <u>(17,206,254)</u> | <u>(1,601,773)</u> | <u>-</u> | <u>(18,808,027)</u> |
| Governmental activities capital assets, net | <u>\$ 49,457,066</u> | <u>\$ (1,525,419)</u> | <u>\$ -</u> | <u>\$ 47,931,647</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|----------------------------|---------------------|
| <u>Instruction:</u> | |
| Regular | \$ 1,014,436 |
| <u>Support Services:</u> | |
| Instructional staff | 62,396 |
| Administration | 35,693 |
| Operations and maintenance | 22,452 |
| Pupil transportation | 60,153 |
| Extracurricular activities | 234,202 |
| Food service operations | <u>172,441</u> |
| Total depreciation expense | <u>\$ 1,601,773</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 9 - LONG-TERM OBLIGATIONS

A. Changes in the District's long-term obligations during fiscal year 2006 were as follows:

| <u>Governmental activities</u> | <u>Balance at June 30, 2005</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance at June 30, 2006</u> | <u>Due within One Year</u> |
|---|-------------------------------------|----------------------|------------------------|-------------------------------------|--------------------------------|
| <u>Bonds</u> | | | | | |
| School Improvements, 3.65-13.00% maturing on November 1, 2022 | | | | | |
| Serial | \$ 2,180,000 | \$ - | \$ (1,065,000) | \$ 1,115,000 | \$ 1,115,000 |
| Term | 22,880,000 | - | (22,880,000) | - | - |
| Capital appreciation | 659,962 | - | - | 659,962 | - |
| Accreted interest | 955,550 | 216,260 | - | 1,171,810 | - |
| School Improvements Refunding, 3.00%-5.00% maturing on November 1, 2022 | | | | | |
| Serial | - | 21,470,000 | - | 21,470,000 | 35,000 |
| Capital appreciation | - | 1,409,990 | - | 1,409,990 | - |
| Accreted interest | - | 130,170 | - | 130,170 | - |
| Library Improvement, 9.00% maturing on December 1, 2005 | 110,000 | - | (110,000) | - | - |
| Total Bonds | <u>26,785,512</u> | <u>23,226,420</u> | <u>(24,055,000)</u> | <u>25,956,932</u> | <u>1,150,000</u> |
| <u>Notes</u> | | | | | |
| Permanent Improvement, 3.80% maturing on December 1, 2006 | 1,480,000 | - | (725,000) | 755,000 | 755,000 |
| <u>Loans</u> | | | | | |
| Vocational School Equipment, 0% maturing on December 31, 2005 | 15,000 | - | (15,000) | - | - |
| Building and Improvements, 3.90% maturing on June 26, 2007 | 549,000 | - | (177,000) | 372,000 | 183,000 |
| Total Loans | <u>564,000</u> | <u>-</u> | <u>(192,000)</u> | <u>372,000</u> | <u>183,000</u> |
| <u>Other Obligations</u> | | | | | |
| Early retirement incentive | - | 1,176,486 | - | 1,176,486 | 588,243 |
| Compensated absences | 1,837,363 | 365,266 | (503,935) | 1,698,694 | 347,893 |
| Total Other Obligations | <u>1,837,363</u> | <u>1,541,752</u> | <u>(503,935)</u> | <u>2,875,180</u> | <u>936,136</u> |
| Total Long-term Liabilities | <u>\$ 30,666,875</u> | <u>\$ 24,768,172</u> | <u>\$ (25,475,935)</u> | <u>29,959,112</u> | <u>\$ 3,024,136</u> |
| Add: Unamortized premium on bond issue | | | | 1,458,499 | |
| Less: Unamortized deferred charges on refunding | | | | (1,161,288) | |
| Total on statement of net assets | | | | <u>\$ 30,256,323</u> | |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

- B. *School Improvement Bonds (Series 1998)*** - In fiscal year 1998 the District issued School Improvement Bonds for \$31,999,962, which are to be paid from money received from the Barberton Community Foundation. The District receives in November of each year the amount necessary to make debt service payments for the following calendar year. Interest earned on these monies will be used for the repayment of the bonds. The requests from the Foundation will be for the required payments reduced by the amount of interest earned. The bonds were issued to cover the costs of the new high school. The Barberton Community Foundation was established to improve the lives of the citizens of Barberton by offering scholarships to Barberton High School graduates and by awarding grants to not-for-profit organizations to serve the citizens of Barberton.

A portion of the 1998 School Improvement bonds were refunded during fiscal year 2006 in the amount of \$22,880,000. At June 30, 2006, the balance of the bonds was \$2,946,772. The non-refunded portion of the issue is comprised of both current interest bonds, par value \$1,115,000, which mature November 1, 2006, and capital appreciation bonds, par value \$659,962. The interest rate on the current interest bonds is 5.00%. The capital appreciation bonds mature on November 1, 2007 (effective interest 13.00%) and November 1, 2008 (effective interest 12.93%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The present value (as of issue date) reported in the statement of net assets at June 30, 2006 was \$659,962. A total of \$1,171,810 in accreted interest on the capital appreciation bonds has been included in the statement of net assets at June 30, 2006.

The following is a summary of the future debt service requirements to maturity for the series 1998 general obligation bonds:

| Fiscal Year Ended | Current Interest Bonds | | | Capital Appreciation Bonds | | |
|----------------------|------------------------|---------------------|---------------------|----------------------------|---------------------|---------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2007 | \$ 1,115,000 | \$ 1,188,537 | \$ 2,303,537 | \$ - | \$ - | \$ - |
| 2008 | - | 1,160,663 | 1,160,663 | 349,586 | 825,414 | 1,175,000 |
| 2009 | - | 1,160,663 | 1,160,663 | 310,376 | 864,624 | 1,175,000 |
| Total | <u>\$ 1,115,000</u> | <u>\$ 3,509,863</u> | <u>\$ 4,624,863</u> | <u>\$ 659,962</u> | <u>\$ 1,690,038</u> | <u>\$ 2,350,000</u> |

School Improvement Refunding Bonds (Series 2005) - On August 24, 2005, the District issued general obligation School Improvement Bonds to advance refund \$22,880,000 of the current interest Series 1998 School Improvement Bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of both current interest bonds, par value \$21,470,000, and capital appreciation bonds, par value \$1,409,990. The interest rate on the current interest bonds ranges from 3.00-5.00%. The capital appreciation bonds mature November 1, 2012 (effective interest 10.624%) and November 1, 2013 (effective interest 10.624%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The present value (as of issue date) reported in the statement of net assets at June 30, 2006 was \$1,409,990. Total accreted interest of \$130,170 has been included in the statement of net assets.

Interest payments on the current interest bonds are due on May 1 and November 1 each year. The final maturity stated in the issue is November 1, 2022.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The reacquisition price exceeded the net carrying amount of the old debt by \$1,220,537. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

The following is a summary of the future debt service requirements to maturity for the series 2005 general obligation refunding bonds:

| Fiscal Year Ended | Current Interest Bonds | | | Capital Appreciation Bonds | | |
|----------------------|------------------------|----------------------|----------------------|----------------------------|---------------------|---------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2007 | \$ 35,000 | \$ 952,795 | \$ 987,795 | \$ - | \$ - | \$ - |
| 2008 | 205,000 | 948,939 | 1,153,939 | - | - | - |
| 2009 | 215,000 | 941,845 | 1,156,845 | - | - | - |
| 2010 | 1,395,000 | 911,926 | 2,306,926 | - | - | - |
| 2011 | 1,445,000 | 858,676 | 2,303,676 | - | - | - |
| 2012-2016 | 4,675,000 | 3,761,400 | 8,436,400 | 1,409,990 | 1,710,010 | 3,120,000 |
| 2017-2021 | 9,290,000 | 2,142,906 | 11,432,906 | - | - | - |
| 2022-2023 | 4,210,000 | 199,387 | 4,409,387 | - | - | - |
| Total | <u>\$ 21,470,000</u> | <u>\$ 10,717,874</u> | <u>\$ 32,187,874</u> | <u>\$ 1,409,990</u> | <u>\$ 1,710,010</u> | <u>\$ 3,120,000</u> |

Library Bonds - In fiscal year 1986 the District issued \$2,200,000 in Library Improvement Bonds. These bonds will be paid from the bond retirement debt service fund. The final principal and interest payments were made during fiscal year 2006.

Tax Anticipation Notes - In fiscal year 2002 the District issued \$3,450,000 in tax anticipation notes at an interest rate of 3.80% to pay the costs of remodeling various District buildings. The note is to be repaid by the Permanent Improvement levy passed in May of 2001 and will be repaid from the bond retirement debt service fund.

The following is a summary of the future debt service requirements to maturity for the tax anticipation notes payable:

| Fiscal Year Ended | Tax Anticipation Notes | | |
|----------------------|------------------------|------------------|-------------------|
| | Principal | Interest | Total |
| 2007 | <u>\$ 755,000</u> | <u>\$ 14,345</u> | <u>\$ 769,345</u> |

Vocational School Equipment Loan - the Vocational School Equipment Loan is a five-year no interest loan from the Ohio Department of Education (ODOE). The final principal and interest payments for the loan were paid out of the general fund during fiscal year 2006.

Buildings and Improvements Loan - On December 26, 2002 the District entered into a loan agreement in the amount of \$892,000 for various improvements and acquisitions through an asset pool program. Payments for this loan will be paid out of the general fund.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the future debt service requirements to maturity for the loan:

| Fiscal Year Ended | Buildings and Improvements Loan | | |
|----------------------|---------------------------------|------------------|-------------------|
| | Principal | Interest | Total |
| 2007 | \$ 183,000 | \$ 9,780 | \$ 192,780 |
| 2008 | 189,000 | 3,440 | 192,440 |
| Total | <u>\$ 372,000</u> | <u>\$ 13,220</u> | <u>\$ 385,220</u> |

Compensated Absences - compensated absences will be paid from the fund from which the person is paid.

Early Retirement Incentive - early retirement incentives will be paid from the fund from which the person is paid.

C. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The effects of these debt limitations at June 30, 2006, are a voted debt margin of \$40,418,516 (including available funds of \$1,830,434) and an unvoted debt margin of \$449,095.

NOTE 10 - NOTES PAYABLE

During fiscal year 2005, the District issued \$3,675,000 in tax anticipation notes in advance of property tax collection, depositing the proceeds in the general fund. These notes carry an interest rate of 3.64% and mature on December 1, 2010. Activity during the fiscal year was as follows:

| | Balance at June 30, 2005 | Additions | Reductions | Balance at June 30, 2006 | Due Within One Year |
|------------------------|-----------------------------|-------------|-------------|-----------------------------|------------------------|
| Tax Anticipation notes | <u>\$ 3,675,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,675,000</u> | <u>\$ 735,000</u> |

Principal and interest requirements to amortize tax anticipation notes outstanding at June 30, 2006 are as follows:

| Fiscal Year Ended | Principal | Interest | Total |
|----------------------|---------------------|-------------------|---------------------|
| 2007 | \$ 735,000 | \$ 120,393 | \$ 855,393 |
| 2008 | 735,000 | 93,639 | 828,639 |
| 2009 | 735,000 | 66,885 | 801,885 |
| 2010 | 735,000 | 40,131 | 775,131 |
| 2011 | 735,000 | 13,777 | 748,777 |
| Total | <u>\$ 3,675,000</u> | <u>\$ 334,825</u> | <u>\$ 4,009,825</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 11 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components is derived from negotiated agreements and state laws. Classified employees earn ten to thirty days of vacation per year, depending upon length of service. Administrator employees earn twenty vacation days per year and teachers do not earn vacation time.

Teachers, administrators, and classified employees can earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of two hundred fifty days for certified employees, two hundred thirty days for year round classified employees and two hundred fifteen days for nine month classified employees. Upon retirement, payment is made for one-fourth of their accrued, but unused sick leave credit to a maximum established by negotiated agreements.

B. Early Retirement Incentive

The District has offered an early retirement incentive (“ERI”) to provide certified employees with an incentive to voluntarily separate from employment with the District effective June 30, 2006. Severance payments for teachers electing to retire under the ERI shall be paid in two equal installments with each installment paid on or about September 19, 2006 and September 19, 2007. A liability for severance payments due under the ERI have been recorded on the government-wide statement of net assets as a component of “Long-term liabilities”. Twenty one certified employees elected to retire under the ERI effective June 30, 2006.

C. Health Care Benefits

The District provides medical, dental, vision and life insurance benefits to most employees. The premium and coverage varies with employee depending on the terms of the union contract.

NOTE 12 - RISK MANAGEMENT

The District 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. These risks are covered by commercial insurance purchased from independent third parties. There have been no settlements paid in excess of insurance nor has insurance coverage been significantly reduced in any of the past three years.

The District uses an internal service fund to record and report its self funded health care insurance program. The claim liability of \$188,343 reported in the fund at fiscal year end was estimated by third party administrators and is based on the requirements of GASB Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported.

The District purchases stop-loss coverage of \$100,000 per employee. Changes in the fund’s claims liability during the current and prior fiscal years were:

| | Balance at Beginning <u>of Year</u> | Current <u>Year Claims</u> | <u>Claim Payments</u> | Balance at End of Year |
|------|---|-------------------------------|-----------------------|---------------------------|
| 2005 | \$ 805,121 | \$ 3,331,734 | \$ 3,920,737 | \$ 216,118 |
| 2006 | 216,118 | 3,186,027 | (3,213,802) | 188,343 |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 12 - RISK MANAGEMENT - (Continued)

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

NOTE 13 - PENSION PLANS

A. School Employees Retirement System

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2006, 10.58 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The District's required contribution for pension obligations to SERS for fiscal years ended 2006, 2005, and 2004 were \$478,484, \$469,233, and \$470,774; 45.83 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004.

B. State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 13 - PENSION PLANS - (Continued)

Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2006, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for fund pension obligations to the DB Plan for the fiscal years ended June 30, 2006, 2005, and 2004 were \$2,403,583, \$2,453,412 and \$2,642,692; 84.22 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. Contributions to the DC and Combined Plans for fiscal year 2006 were \$12,028 made by the District and \$39,428 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement Systems/State Teachers Retirement System. As of June 30, 2006, certain members of the Board of Education have elected Social Security. The District's liability is 6.2% of wages paid.

NOTE 14 - POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

STRS retirees who participated in the DB or combined plans and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$184,891 for fiscal year 2006.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005 (the latest information available), the balance in the Health Care Stabilization Fund was \$3.3 billion. For the fiscal year ended June 30, 2005 (the latest information available), net health care costs paid by STRS were \$254.780 million and STRS had 115,395 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll, a decrease of 0.01 percent from fiscal year 2005. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2006, the minimum pay was established at \$35,800. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2006 fiscal year, District paid \$224,217 to fund health care benefits, including the surcharge.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2006 were \$158.751 million. At June 30, 2006, SERS had net assets available for payment of health care benefits of \$295.6 million. SERS has 59,492 participants currently receiving health care benefits.

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis); and
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

| Net Change in Fund Balance | <u>General Fund</u> |
|---|---------------------|
| Budget basis | \$ 2,333,508 |
| Net adjustment for revenue accruals | 791,736 |
| Net adjustment for expenditure accruals | 93,034 |
| Net adjustment for other sources/uses | (96,335) |
| Adjustment for encumbrances | <u>315,638</u> |
| GAAP basis | <u>\$ 3,437,581</u> |

NOTE 16 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds; however, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District at June 30, 2006.

B. Litigation

The District is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and spending projects. The District management is of the opinion that disposition of the claim and legal proceedings will not have a material effect, if any, on the financial condition of the District.

NOTE 17 - STATUTORY RESERVES

The District is required by state statute to annually set aside monies for the purchase of textbooks and other instructional materials and for capital improvements purchases. The amounts set-aside may be reduced by offset credits, which are monies received and restricted for the same specific purpose. Although the District had qualifying disbursements during the year that reduced the set-aside amounts below zero, these extra amounts may only be used to reduce the set-aside requirements of future years for the purchase of textbooks. Negative amounts are therefore not presented as being carried forward to the next fiscal year for the other set-asides.

Amounts not spent by year-end or reduced by offset credits must be held in cash at year-end and carried forward to be used for the same purposes in future years.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 17 - STATUTORY RESERVES - (Continued)

During the fiscal year ended June 30, 2006, the reserve activity was as follows:

| | <u>Textbooks Reserve</u> | <u>Capital Maintenance Reserve</u> |
|--|------------------------------|--|
| Set-aside cash balance as of June 30, 2005 | \$ 275,552 | \$ - |
| Current year set-aside requirement | 635,385 | 635,385 |
| Qualifying disbursements | <u>(561,820)</u> | <u>(1,019,968)</u> |
| Total | <u>\$ 349,117</u> | <u>\$ (384,583)</u> |
| Balance carried forward to FY 2007 | <u>\$ 349,117</u> | <u>\$ -</u> |

The District also had unspent monies set-aside for the purchase of school buses in the amount of \$4,078.

A schedule of the restricted assets at June 30, 2006 follows:

| | |
|---|-------------------|
| Amounts restricted for textbooks | \$ 349,117 |
| Amounts restricted for school bus purchases | <u>4,078</u> |
| Total restricted assets | <u>\$ 353,195</u> |

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO
GOVERNMENTAL FUND DESCRIPTIONS

General Fund

The general fund is used to account for resources traditionally associated with a school district which are not legally or by sound financial management to be accounted for in another fund. These activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation, and administration.

Nonmajor Special Revenue Funds

Special revenue funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's special revenue funds follows:

Food Service Section 3313.81, Revised Code
A fund which is used to account for food service operations.

Uniform School Supplies Section 3313.811 Revised Code
A fund provided to account for the purchase and sale of school supplies as adopted by the Board of Education for use in the schools of the District. Profit derived from such sale is to be used for school purposes or activities in connection with the school.

Public School Support Section 5705.12, Revised Code
A fund provided to account for specific local revenue sources that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases.

Other Grant Section 5705.09, Revised Code
A fund used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

Special Enterprise Section 5705.12, Revised Code
A fund used to account for latchkey and head start programs.

Decker Center Section 5705.12, Revised Code
A fund used to account for Decker Center programs.

District Managed Student Activity Section 3313.062, Revised Code
A fund provided to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Services Current Budget Bill appropriation line item 200-511 and 200-532
A fund used to account for monies which provide services and materials to pupils attending non-public schools within the school district.

Management Information Systems Current Budget Bill appropriation line item 200-446
A fund used to account for funds associated with the state-wide requirements of the Education Management System (EMIS).

Public School Preschool Current Budget Bill appropriation line item 200-408
A fund used to assist school districts in paying the cost of preschool programs for three and four year olds.

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO
GOVERNMENTAL FUND DESCRIPTIONS

Nonmajor Special Revenue Funds - (Continued)

Data Communications Current Budget Bill appropriation line item 200-426
A fund provided to account for money appropriated for Ohio Educational Computer Network Connections.

SchoolNet Professional Development Current Budget Bill appropriation line item 200-406
A fund provided to account for a limited number of professional development subsidy grants.

Ohio Reads Current Budget Bill appropriation line item 200-566
A fund intended to improve reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public school buildings, for educational service centers for costs associated with volunteer coordination, for background checks of volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

Summer Intervention Current Budget Bill appropriation line item 200-513
A fund used to account for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Revised Code.

Vocational Education Enhancement Current Budget Bill appropriation line item 200-545
A fund used to account for the Vocational Education Enhancements that expand the number of students enrolled in tech prep programs, enable students to develop career plans and replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

Alternative Education Current Budget Bill appropriation line item 200-520 and 200-421
A fund used to account for alternative educational programs for existing and new at-risk and delinquent youth. Programs shall be focused on youth in one or more of the following categories: those who have been expelled or suspended, those who have dropped out of school or who are at risk of dropping out of school, those who are habitually truant or disruptive, or those on probation or on parole from a Department of Youth Services facility.

Poverty Aid Section 3317.029, Revised Code
A fund used to account for monies appropriated for poverty based assistance as part of the state foundation system. Programs included are academic intervention, all-day kindergarten, class-size reduction, Limited English Proficient students, professional development, dropout prevention, and community outreach.

Miscellaneous State Grants Section 5705.12, Ohio Revised Code
A fund used to account for various monies received from state agencies which are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

Adult Basic Education Catalog of Federal Domestic Assistance #84.002
A fund used to account for the Federal monies used to provide programs in reading, writing and math competency for adults who have not earned a high school diploma.

IDEA - Part B Catalog of Federal Domestic Assistance #84.027
A fund used to account for grants to assist states in providing an appropriate public education to all children with disabilities.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO
GOVERNMENTAL FUND DESCRIPTIONS**

Nonmajor Special Revenue Funds - (Continued)

Head Start

Catalog of Federal Domestic Assistance #93.600

A fund used to promote school readiness by enhancing the social and cognitive development of low income children, including children on federally recognized reservations and children of migratory farm workers, through the provision of comprehensive health, educational, nutritional, social and other services; and to involve parents in their children's learning and to help parents make progress toward their educational, literacy and employment goals.

Title III

Catalog of Federal Domestic Assistance #93.600

This fund is used to develop and carry out elementary and secondary school programs, including activities at the preschool level, to meet the educational needs of children of limited English proficiency.

Refugee Children School Impact

Catalog of Federal Domestic Assistance #93.576

A fund used to provide educational services to meet educational needs of refugee children who are enrolled in public and non-profit private elementary and secondary schools.

Title I

Catalog of Federal Domestic Assistance
#84.10, 84.013, 84.213, 84.332

A fund used to account for funds which are to: 1) establish or improve programs designed to meet the special educational need of migratory children of migratory agricultural workers or migratory fishers' and 2) enable State education agencies to coordinate their state migrant education programs and local projects with similar programs and projects in other states, including the transfer of school records of other information about migratory children.

Title V

P L 97-35; ESEA 1965

A fund used to account for Federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, and inservice and staff development.

Drug-Free Schools

Catalog of Federal Domestic Assistance #84-186

To provide funds to local educational agencies and consortia of these agencies to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

EHA Preschool

Catalog of Federal Domestic Assistance #84.173

The Preschool Grant Program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for the handicapped children ages three (3) through five (5) years.

Improving Teacher Quality

Catalog of Federal Domestic Assistance #84.367

A fund used to account for monies to hire additional classroom teachers in grades one through three so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants

Catalog of Federal Domestic Assistance #84 and #94

A fund used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate cost center must be used for each grant and be approved by the Auditor of State.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO
GOVERNMENTAL FUND DESCRIPTIONS**

Major Debt Service Fund

Bond Retirement Fund

A fund provided for the retirement of bonds, notes and loans. All revenue derived from general or special levies, either within or exceeding the statutory unvoted ten-mill limitation, which is levied for debt charges on bonds or loans, are paid into this fund. The District maintains only one debt service fund, therefore, combining statements are not required.

Capital Projects Funds

Capital projects funds account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds and trust funds). During fiscal year 2006, the District had two capital projects funds. Since the Permanent Improvement fund was major and the only activity of the SchoolNet fund was original budgeted revenues and appropriations, combining statements are not required for capital projects funds. A description of the District's capital projects funds follows:

Major Capital Projects Fund

Permanent Improvement

Section 5705.12, Revised Code

A fund provided to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by chapter 5705, Revised Code.

Nonmajor Capital Projects Funds

SchoolNet

Section 5705.09, Revised Code

A fund provided to account for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 12,195,864 | \$ 12,999,461 | \$ 12,734,147 | \$ (265,314) |
| Tuition | 1,176,972 | 1,254,524 | 1,228,920 | (25,604) |
| Earnings on investments | 318,548 | 339,538 | 332,608 | (6,930) |
| Extracurricular activities | 1,579 | 1,683 | 1,649 | (34) |
| Classroom materials and fees. | 10,068 | 10,731 | 10,512 | (219) |
| Other local revenues | 109,285 | 116,485 | 114,108 | (2,377) |
| Intergovernmental-state | 18,382,693 | 19,593,948 | 19,194,042 | (399,906) |
| Intergovernmental-federal | 121,597 | 129,610 | 126,964 | (2,646) |
| Total revenues. | <u>32,316,606</u> | <u>34,445,980</u> | <u>33,742,950</u> | <u>(703,030)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction-regular | | | | |
| Salaries and wages | 10,357,880 | 9,334,091 | 9,278,487 | 55,604 |
| Fringe benefits | 3,487,252 | 3,260,785 | 3,124,252 | 136,533 |
| Purchased services | 18,012 | 24,773 | 16,137 | 8,636 |
| Supplies | 535,492 | 510,860 | 479,751 | 31,109 |
| Capital outlay | 2,345 | 9,450 | 2,101 | 7,349 |
| Total instruction-regular. | <u>14,400,981</u> | <u>13,139,959</u> | <u>12,900,728</u> | <u>239,231</u> |
| Instruction-special | | | | |
| Salaries and wages | 2,157,831 | 1,994,092 | 1,933,214 | 60,878 |
| Fringe benefits | 750,333 | 651,105 | 672,229 | (21,124) |
| Purchased services | 35,180 | 32,691 | 31,518 | 1,173 |
| Supplies | 28,480 | 38,770 | 25,515 | 13,255 |
| Total instruction-special | <u>2,971,824</u> | <u>2,716,658</u> | <u>2,662,476</u> | <u>54,182</u> |
| Instruction-vocational | | | | |
| Salaries and wages | 733,080 | 638,524 | 656,772 | (18,248) |
| Fringe benefits | 269,114 | 241,113 | 241,101 | 12 |
| Purchased services | 77,177 | 69,143 | 61,050 | 8,093 |
| Supplies | 37,460 | 37,391 | 33,561 | 3,830 |
| Capital outlay | 28,963 | 29,400 | 25,948 | 3,452 |
| Miscellaneous. | 4,961 | 4,900 | 2,883 | 2,017 |
| Total instruction-vocational | <u>1,150,755</u> | <u>1,020,471</u> | <u>1,021,315</u> | <u>(844)</u> |
| Instruction-adult /continuing | | | | |
| Fringe benefits | - | 489 | - | 489 |
| Total instruction-adult/continuing. | <u>-</u> | <u>489</u> | <u>-</u> | <u>489</u> |
| Instruction-other | | | | |
| Purchased services | 3,460,594 | 3,213,276 | 3,100,369 | 112,907 |
| Miscellaneous. | 72,275 | 146,774 | 64,752 | 82,022 |
| Total instruction-other. | <u>3,532,869</u> | <u>3,360,050</u> | <u>3,165,121</u> | <u>194,929</u> |

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**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Support services-pupil | | | | |
| Salaries and wages | \$ 1,042,374 | \$ 896,909 | \$ 933,870 | \$ (36,961) |
| Fringe benefits | 354,319 | 322,910 | 317,437 | 5,473 |
| Purchased services | 350,194 | 296,304 | 313,741 | (17,437) |
| Supplies | 5,476 | 6,317 | 4,906 | 1,411 |
| Capital outlay | 614 | 800 | 550 | 250 |
| Total support services-pupil. | <u>1,752,977</u> | <u>1,523,240</u> | <u>1,570,504</u> | <u>(47,264)</u> |
| Support services-instructional staff | | | | |
| Salaries and wages | 570,028 | 457,266 | 510,692 | (53,426) |
| Fringe benefits | 234,312 | 234,790 | 209,922 | 24,868 |
| Purchased services | 294,030 | 291,651 | 263,423 | 28,228 |
| Supplies | 45,274 | 62,377 | 40,561 | 21,816 |
| Capital outlay | 9,301 | 64,633 | 8,333 | 56,300 |
| Miscellaneous. | 80,316 | 96,054 | 71,956 | 24,098 |
| Total support services-instructional staff | <u>1,233,261</u> | <u>1,206,771</u> | <u>1,104,887</u> | <u>101,884</u> |
| Support services-board of education | | | | |
| Salaries and wages | 10,983 | 9,040 | 9,840 | (800) |
| Fringe benefits | 1,236 | 711 | 1,107 | (396) |
| Purchased services | 11,191 | 10,405 | 10,026 | 379 |
| Supplies | 138 | 110 | 124 | (14) |
| Miscellaneous. | 6,035 | 4,875 | 5,407 | (532) |
| Total support services-board of education | <u>29,583</u> | <u>25,141</u> | <u>26,504</u> | <u>(1,363)</u> |
| Support services-administration | | | | |
| Salaries and wages | 1,984,622 | 1,774,035 | 1,778,036 | (4,001) |
| Fringe benefits | 688,286 | 640,356 | 616,640 | 23,716 |
| Purchased services | 270,527 | 256,269 | 242,367 | 13,902 |
| Supplies | 15,445 | 15,416 | 13,837 | 1,579 |
| Capital outlay | 3,032 | 3,100 | 2,716 | 384 |
| Miscellaneous. | 85,989 | 93,755 | 77,038 | 16,717 |
| Total support services-administration. | <u>3,047,901</u> | <u>2,782,931</u> | <u>2,730,634</u> | <u>52,297</u> |
| Support services-fiscal | | | | |
| Salaries and wages | 243,203 | 212,840 | 217,887 | (5,047) |
| Fringe benefits | 89,874 | 78,112 | 80,519 | (2,407) |
| Purchased services | 15,707 | 226,781 | 14,072 | 212,709 |
| Supplies | 25,510 | 67,713 | 22,855 | 44,858 |
| Capital outlay | 1,755 | 4,150 | 1,572 | 2,578 |
| Dues and fees | 249,092 | 200,787 | 223,163 | (22,376) |
| Total support services-fiscal | <u>625,141</u> | <u>790,383</u> | <u>560,068</u> | <u>230,315</u> |

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**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Support services-business | | | | |
| Salaries and wages | \$ 243,318 | \$ 215,104 | \$ 217,990 | \$ (2,886) |
| Fringe benefits | 98,339 | 90,000 | 88,103 | 1,897 |
| Purchased services | 27,463 | 46,418 | 24,604 | 21,814 |
| Supplies | 25,724 | 27,224 | 23,046 | 4,178 |
| Miscellaneous. | 291 | 100 | 261 | (161) |
| Total support services-business | <u>395,135</u> | <u>378,846</u> | <u>354,004</u> | <u>24,842</u> |
| Support services-operations and maintenance | | | | |
| Salaries and wages | 1,512,662 | 1,326,435 | 1,355,204 | (28,769) |
| Fringe benefits | 704,059 | 631,711 | 630,771 | 940 |
| Purchased services | 1,489,186 | 1,494,202 | 1,334,171 | 160,031 |
| Supplies | 272,777 | 245,216 | 244,383 | 833 |
| Capital outlay | - | 3,000 | - | 3,000 |
| Total support services-operations and maintenance | <u>3,978,684</u> | <u>3,700,564</u> | <u>3,564,529</u> | <u>136,035</u> |
| Support services-pupil transportation | | | | |
| Salaries and wages | 278,368 | 242,603 | 249,392 | (6,789) |
| Fringe benefits | 91,243 | 79,724 | 81,745 | (2,021) |
| Purchased services | 202,377 | 193,809 | 181,311 | 12,498 |
| Supplies | 77,197 | 74,288 | 69,161 | 5,127 |
| Capital outlay | 69,946 | 66,700 | 62,665 | 4,035 |
| Total support services-pupil transportation | <u>719,131</u> | <u>657,124</u> | <u>644,274</u> | <u>12,850</u> |
| Support services-central | | | | |
| Purchased services | 109,075 | 115,689 | 97,721 | 17,968 |
| Total support services-central | <u>109,075</u> | <u>115,689</u> | <u>97,721</u> | <u>17,968</u> |
| Extracurricular activities | | | | |
| Salaries and wages | 801,831 | 692,070 | 718,366 | (26,296) |
| Fringe benefits | 203,439 | 157,083 | 182,262 | (25,179) |
| Purchased services | 8,112 | 7,540 | 7,268 | 272 |
| Total extracurricular activities. | <u>1,013,382</u> | <u>856,693</u> | <u>907,896</u> | <u>(51,203)</u> |
| Facilities acquisition and construction | | | | |
| Miscellaneous. | 3,421 | 21,730 | 3,065 | 18,665 |
| Total facilities acquisition and construction. | <u>3,421</u> | <u>21,730</u> | <u>3,065</u> | <u>18,665</u> |
| Debt service: | | | | |
| Principal retirement | 192,000 | 192,000 | 192,000 | - |
| Interest and fiscal charges | 24,688 | 9,309 | 3,694 | 5,615 |
| Total debt service | <u>216,688</u> | <u>201,309</u> | <u>195,694</u> | <u>5,615</u> |
| Total expenditures | <u>35,180,808</u> | <u>32,498,048</u> | <u>31,509,420</u> | <u>988,628</u> |
| Excess of revenues over (under) expenditures | <u>(2,864,202)</u> | <u>1,947,932</u> | <u>2,233,530</u> | <u>285,598</u> |

-- Continued

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Other financing sources (uses): | | | | |
| Refund of prior year's expenditures | \$ 101,170 | \$ 107,836 | \$ 105,635 | \$ (2,201) |
| Refund of prior year's receipts | - | - | (9,300) | (9,300) |
| Sale of capital assets | 3,489 | 3,719 | 3,643 | (76) |
| Total other financing sources (uses) | <u>104,659</u> | <u>111,555</u> | <u>99,978</u> | <u>(11,577)</u> |
| Net change in fund balance | (2,759,543) | 2,059,487 | 2,333,508 | 274,021 |
| Fund balance at beginning of year | 3,162,405 | 3,162,405 | 3,162,405 | - |
| Prior year encumbrances appropriated . . | 331,251 | 331,251 | 331,251 | - |
| Fund balance at end of year | <u>\$ 734,113</u> | <u>\$ 5,553,143</u> | <u>\$ 5,827,164</u> | <u>\$ 274,021</u> |

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**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

| | <u>Food Service</u> | <u>Uniform School Supplies</u> | <u>Public School Support</u> | <u>Other Grant</u> |
|--|---------------------|------------------------------------|----------------------------------|--------------------|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. . . | \$ 95,242 | \$ 16,771 | \$ 128,671 | \$ 171,073 |
| Receivables: | | | | |
| Intergovernmental | 151,529 | - | - | - |
| Materials and supplies inventory | 39,213 | - | - | - |
| Total assets. | <u>\$ 285,984</u> | <u>\$ 16,771</u> | <u>\$ 128,671</u> | <u>\$ 171,073</u> |
| Liabilities: | | | | |
| Accounts payable. | \$ 1,098 | \$ 247 | \$ 1,143 | \$ 10,868 |
| Accrued wages and benefits | 10,866 | - | - | 10,631 |
| Intergovernmental payable | 43,219 | - | - | 2,137 |
| Due to other funds | - | - | - | - |
| Deferred revenue. | - | - | - | - |
| Total liabilities. | <u>55,183</u> | <u>247</u> | <u>1,143</u> | <u>23,636</u> |
| Fund Balances: | | | | |
| Reserved for encumbrances. | 1,437 | 16 | 8,035 | 2,079 |
| Unreserved, undesignated (deficits), reported in: | | | | |
| Special revenue funds | 229,364 | 16,508 | 119,493 | 145,358 |
| Total fund balances (deficits). | <u>230,801</u> | <u>16,524</u> | <u>127,528</u> | <u>147,437</u> |
| Total liabilities and fund balances | <u>\$ 285,984</u> | <u>\$ 16,771</u> | <u>\$ 128,671</u> | <u>\$ 171,073</u> |

| <u>Special Enterprise</u> | <u>District Managed Student Activity</u> | <u>Auxiliary Services</u> | <u>Public School Preschool</u> | <u>SchoolNet Professional Development</u> |
|---------------------------|--|---------------------------|--------------------------------|---|
| \$ 120,097 | \$ 279,871 | \$ 34,223 | \$ 3,878 | \$ 1,140 |
| - | - | - | 43,685 | - |
| - | - | - | - | - |
| <u>\$ 120,097</u> | <u>\$ 279,871</u> | <u>\$ 34,223</u> | <u>\$ 47,563</u> | <u>\$ 1,140</u> |
| \$ - | \$ 12,107 | \$ 5,683 | \$ - | \$ - |
| 8,369 | - | 4,117 | 8,183 | - |
| 13,304 | - | 1,437 | 1,477 | - |
| - | - | - | - | - |
| - | - | - | 43,685 | - |
| <u>21,673</u> | <u>12,107</u> | <u>11,237</u> | <u>53,345</u> | <u>-</u> |
| 90 | 11,592 | 4,649 | 1,958 | - |
| <u>98,334</u> | <u>256,172</u> | <u>18,337</u> | <u>(7,740)</u> | <u>1,140</u> |
| <u>98,424</u> | <u>267,764</u> | <u>22,986</u> | <u>(5,782)</u> | <u>1,140</u> |
| <u>\$ 120,097</u> | <u>\$ 279,871</u> | <u>\$ 34,223</u> | <u>\$ 47,563</u> | <u>\$ 1,140</u> |

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**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2006

| | Ohio Reads | Alternative Education | Poverty Aid | Miscellaneous State Grants |
|--|-------------------|----------------------------------|--------------------|---------------------------------------|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 1,005 | \$ 3,710 | \$ 20,457 | \$ 26,165 |
| Receivables: | | | | |
| Intergovernmental | 11,100 | 4,140 | - | - |
| Materials and supplies inventory | - | - | - | - |
| Total assets. | <u>\$ 12,105</u> | <u>\$ 7,850</u> | <u>\$ 20,457</u> | <u>\$ 26,165</u> |
| Liabilities: | | | | |
| Accounts payable. | \$ 2,097 | \$ 196 | \$ - | \$ - |
| Accrued wages and benefits | - | 6,193 | 279,612 | - |
| Intergovernmental payable | 121 | 1,183 | 55,862 | - |
| Due to other funds | - | - | - | - |
| Deferred revenue. | - | - | - | - |
| Total liabilities. | 2,218 | 7,572 | 335,474 | - |
| Fund Balances: | | | | |
| Reserved for encumbrances. | 9,709 | 150 | - | - |
| Unreserved, undesignated (deficits), reported in: | | | | |
| Special revenue funds | 178 | 128 | (315,017) | 26,165 |
| Total fund balances (deficits). | 9,887 | 278 | (315,017) | 26,165 |
| Total liabilities and fund balances | <u>\$ 12,105</u> | <u>\$ 7,850</u> | <u>\$ 20,457</u> | <u>\$ 26,165</u> |

| <u>Adult Basic Education</u> | <u>IDEA - Part B</u> | <u>Head Start</u> | <u>Title III</u> | <u>Refugee Children School Impact</u> | <u>Title I</u> |
|----------------------------------|----------------------|-------------------|------------------|---|-------------------|
| \$ - | \$ 62,915 | \$ - | \$ 1,622 | \$ 6,649 | \$ 83,588 |
| - | 278,855 | - | - | - | 53,173 |
| - | - | - | - | - | - |
| <u>\$ -</u> | <u>\$ 341,770</u> | <u>\$ -</u> | <u>\$ 1,622</u> | <u>\$ 6,649</u> | <u>\$ 136,761</u> |
| \$ - | \$ 14,110 | \$ 384 | \$ - | \$ - | \$ 34,803 |
| - | 61,333 | 61,864 | - | - | 88,582 |
| 676 | 29,677 | 12,159 | - | - | 23,119 |
| - | - | 61,790 | - | - | - |
| - | 153,589 | - | - | - | 53,173 |
| <u>676</u> | <u>258,709</u> | <u>136,197</u> | <u>-</u> | <u>-</u> | <u>199,677</u> |
| - | 135,728 | 2,771 | - | - | 8,278 |
| <u>(676)</u> | <u>(52,667)</u> | <u>(138,968)</u> | <u>1,622</u> | <u>6,649</u> | <u>(71,194)</u> |
| <u>(676)</u> | <u>83,061</u> | <u>(136,197)</u> | <u>1,622</u> | <u>6,649</u> | <u>(62,916)</u> |
| <u>\$ -</u> | <u>\$ 341,770</u> | <u>\$ -</u> | <u>\$ 1,622</u> | <u>\$ 6,649</u> | <u>\$ 136,761</u> |

- - Continued

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2006

| | Title V | Drug-Free Schools | EHA Preschool | Improving Teacher Quality |
|--|----------------|------------------------------|--------------------------|--------------------------------------|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 2,155 | \$ 2,561 | \$ 27 | \$ 1,653 |
| Receivables: | | | | |
| Intergovernmental | - | - | 19,210 | 52,433 |
| Materials and supplies inventory | - | - | - | - |
| Total assets. | \$ 2,155 | \$ 2,561 | \$ 19,237 | \$ 54,086 |
| Liabilities: | | | | |
| Accounts payable. | \$ - | \$ - | \$ 378 | \$ - |
| Accrued wages and benefits | 2,860 | 2,204 | 9,413 | 41,571 |
| Intergovernmental payable | 564 | 502 | 2,164 | 7,935 |
| Due to other funds | - | - | - | - |
| Deferred revenue. | - | - | - | 20,938 |
| Total liabilities. | 3,424 | 2,706 | 11,955 | 70,444 |
| Fund Balances: | | | | |
| Reserved for encumbrances. | - | - | - | - |
| Unreserved, undesignated (deficits), reported in: | | | | |
| Special revenue funds | (1,269) | (145) | 7,282 | (16,358) |
| Total fund balances (deficits). | (1,269) | (145) | 7,282 | (16,358) |
| Total liabilities and fund balances | \$ 2,155 | \$ 2,561 | \$ 19,237 | \$ 54,086 |

| <u>Miscellaneous Federal Grants</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|---|---|
| \$ 3,124 | \$ 1,066,597 |
| 16,647 | 630,772 |
| - | 39,213 |
| \$ 19,771 | \$ 1,736,582 |
| | |
| \$ - | \$ 83,114 |
| - | 595,798 |
| - | 195,536 |
| - | 61,790 |
| 16,647 | 288,032 |
| 16,647 | 1,224,270 |
| | |
| 16,619 | 203,111 |
| (13,495) | 309,201 |
| 3,124 | 512,312 |
| \$ 19,771 | \$ 1,736,582 |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Food Service</u> | <u>Uniform School Supplies</u> | <u>Public School Support</u> | <u>Other Grant</u> |
|--|---------------------|------------------------------------|----------------------------------|--------------------|
| Revenues: | | | | |
| From local sources: | | | | |
| Charges for services | \$ 658,849 | \$ - | \$ - | \$ - |
| Earnings on investments | 2,667 | - | 4,718 | - |
| Extracurricular | - | - | 59,183 | - |
| Classroom materials and fees | - | 99,172 | - | - |
| Other local revenues | 36,538 | - | 17,079 | 420 |
| Other revenue | - | - | - | 460,358 |
| Intergovernmental - state | 68,540 | - | - | - |
| Intergovernmental - federal | 1,188,550 | - | - | 59,192 |
| Total revenues | 1,955,144 | 99,172 | 80,980 | 519,970 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | - | 86,537 | 1,500 | 63,138 |
| Special | - | - | - | 13 |
| Vocational | - | 8,658 | - | - |
| Other | - | - | - | - |
| Support services: | | | | |
| Pupil | - | - | 5,850 | - |
| Instructional staff | - | - | 7,802 | 192,594 |
| Administration | - | - | - | - |
| Operations and maintenance | - | - | - | - |
| Pupil transportation | - | - | - | - |
| Central | - | - | 5,159 | - |
| Operation of non-instructional services | - | - | - | 140,553 |
| Food service operations | 1,907,054 | - | - | - |
| Extracurricular activities | - | - | 105,128 | 14,429 |
| Intergovernmental pass through | - | - | - | - |
| Debt service: | | | | |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | 1,907,054 | 95,195 | 125,439 | 410,727 |
| Excess (deficiency) of revenues over (under) expenditures | 48,090 | 3,977 | (44,459) | 109,243 |
| Other financing sources: | | | | |
| Sale of assets | - | - | - | - |
| Total other financing sources | - | - | - | - |
| Net change in fund balances | 48,090 | 3,977 | (44,459) | 109,243 |
| Fund balances (deficits) at beginning of year | 182,711 | 12,547 | 171,987 | 38,194 |
| Fund balances (deficits) at end of year | \$ 230,801 | \$ 16,524 | \$ 127,528 | \$ 147,437 |

| <u>Special Enterprise</u> | <u>Decker Center</u> | <u>District Managed Student Activity</u> | <u>Auxiliary Services</u> | <u>Management Information Systems</u> | <u>Public School Preschool</u> |
|---------------------------|----------------------|--|---------------------------|---------------------------------------|--------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | 10,460 | 554 | - | - |
| - | - | 270,129 | - | - | - |
| - | - | - | - | - | - |
| 205,557 | - | 90,684 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 172,590 | 14,792 | 225,555 |
| <u>28,640</u> | <u>116,715</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>234,197</u> | <u>116,715</u> | <u>371,273</u> | <u>173,144</u> | <u>14,792</u> | <u>225,555</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | 170,911 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 116,715 | - | - | 14,792 | - |
| - | - | - | - | - | 3,670 |
| - | - | - | - | - | - |
| 29,306 | - | - | - | - | 47,617 |
| 107,087 | - | - | - | - | 6,675 |
| - | - | - | - | - | - |
| 113,401 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 360,919 | - | - | - |
| - | - | - | 158,627 | - | - |
| - | - | 8,379 | - | - | - |
| <u>249,794</u> | <u>116,715</u> | <u>369,298</u> | <u>158,627</u> | <u>14,792</u> | <u>228,873</u> |
| (15,597) | - | 1,975 | 14,517 | - | (3,318) |
| - | - | 15 | - | - | - |
| - | - | 15 | - | - | - |
| (15,597) | - | 1,990 | 14,517 | - | (3,318) |
| <u>114,021</u> | <u>-</u> | <u>265,774</u> | <u>8,469</u> | <u>-</u> | <u>(2,464)</u> |
| <u>\$ 98,424</u> | <u>\$ -</u> | <u>\$ 267,764</u> | <u>\$ 22,986</u> | <u>\$ -</u> | <u>\$ (5,782)</u> |

-- Continued

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Data</u> <u>Communications</u> | <u>SchoolNet</u> <u>Professional</u> <u>Development</u> | <u>Ohio Reads</u> | <u>Summer</u> <u>Intervention</u> |
|--|--------------------------------------|---|-------------------|--------------------------------------|
| Revenues: | | | | |
| From local sources: | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ - |
| Earnings on investments | - | - | - | - |
| Extracurricular | - | - | - | - |
| Classroom materials and fees | - | - | - | - |
| Other local revenues | - | - | - | - |
| Other revenue | - | - | - | - |
| Intergovernmental - state | 27,000 | 3,925 | 70,000 | - |
| Intergovernmental - federal | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total revenues | 27,000 | 3,925 | 70,000 | - |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | - | - | 25,444 | - |
| Special | - | - | - | 3,653 |
| Vocational | - | - | - | - |
| Other | - | - | - | - |
| Support services: | | | | |
| Pupil | - | - | - | - |
| Instructional staff | 27,000 | 7,891 | 35,925 | - |
| Administration | - | - | - | - |
| Operations and maintenance | - | - | - | - |
| Pupil transportation | - | - | - | - |
| Central | - | - | 142 | - |
| Operation of non-instructional services | - | - | - | - |
| Food service operations | - | - | - | - |
| Extracurricular activities | - | - | - | - |
| Intergovernmental pass through | - | - | - | - |
| Debt service: | | | | |
| Interest and fiscal charges | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenditures | 27,000 | 7,891 | 61,511 | 3,653 |
| Excess (deficiency) of revenues over (under) expenditures | - | (3,966) | 8,489 | (3,653) |
| Other financing sources: | | | | |
| Sale of assets | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total other financing sources | - | - | - | - |
| Net change in fund balances | - | (3,966) | 8,489 | (3,653) |
| Fund balances (deficits) at beginning of year | <hr/> | <hr/> | <hr/> | <hr/> |
| | - | 5,106 | 1,398 | 3,653 |
| Fund balances (deficits) at end of year | <hr/> | <hr/> | <hr/> | <hr/> |
| | \$ - | \$ 1,140 | \$ 9,887 | \$ - |

| <u>Vocational Education Enhancement</u> | <u>Alternative Education</u> | <u>Poverty Aid</u> | <u>Miscellaneous State Grants</u> | <u>Adult Basic Education</u> | <u>IDEA - Part B</u> |
|---|----------------------------------|---------------------|---------------------------------------|----------------------------------|----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 1,875 | 52,412 | 2,355,311 | - | - | - |
| - | - | - | - | 2,738 | 973,204 |
| <u>1,875</u> | <u>52,412</u> | <u>2,355,311</u> | <u>-</u> | <u>2,738</u> | <u>973,204</u> |
| - | 3,631 | 993,606 | 4,764 | - | - |
| - | - | 801,507 | - | - | 611,149 |
| 1,875 | - | - | - | - | - |
| - | - | 601,218 | - | - | - |
| - | 45,700 | - | - | - | 136,804 |
| - | 856 | - | 16,731 | - | 233,980 |
| - | 2,789 | - | - | - | 352 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | 10,968 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>1,875</u> | <u>52,976</u> | <u>2,396,331</u> | <u>21,495</u> | <u>-</u> | <u>993,253</u> |
| - | (564) | (41,020) | (21,495) | 2,738 | (20,049) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | (564) | (41,020) | (21,495) | 2,738 | (20,049) |
| - | 842 | (273,997) | 47,660 | (3,414) | 103,110 |
| <u>\$ -</u> | <u>\$ 278</u> | <u>\$ (315,017)</u> | <u>\$ 26,165</u> | <u>\$ (676)</u> | <u>\$ 83,061</u> |

-- Continued

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Head Start</u> | <u>Title III</u> | <u>Refugee Children School Impact</u> | <u>Title I</u> |
|--|---------------------|------------------|---|--------------------|
| Revenues: | | | | |
| From local sources: | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ - |
| Earnings on investments | - | - | - | - |
| Extracurricular | - | - | - | - |
| Classroom materials and fees | - | - | - | - |
| Other local revenues | - | - | - | - |
| Other revenue | - | - | - | - |
| Intergovernmental - state | - | - | - | - |
| Intergovernmental - federal | 1,490,548 | - | 6,100 | 1,126,876 |
| Total revenues | <u>1,490,548</u> | <u>-</u> | <u>6,100</u> | <u>1,126,876</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | - | - | - | 139,690 |
| Special | 1,282,094 | 431 | - | 897,227 |
| Vocational | - | - | - | - |
| Other | - | - | - | - |
| Support services: | | | | |
| Pupil | - | - | - | - |
| Instructional staff | 47,364 | - | - | 199,396 |
| Administration | 96,357 | - | - | 3,225 |
| Operations and maintenance | 20,932 | - | - | - |
| Pupil transportation | 79,010 | - | - | - |
| Central | - | - | - | 16,715 |
| Operation of non-instructional services | 17,665 | - | - | 7,475 |
| Food service operations | - | - | - | - |
| Extracurricular activities | - | - | - | - |
| Intergovernmental pass through | - | - | - | - |
| Debt service: | | | | |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>1,543,422</u> | <u>431</u> | <u>-</u> | <u>1,263,728</u> |
| Excess (deficiency) of revenues over (under) expenditures | (52,874) | (431) | 6,100 | (136,852) |
| Other financing sources: | | | | |
| Sale of assets | - | - | - | - |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (52,874) | (431) | 6,100 | (136,852) |
| Fund balances (deficits) at beginning of year | <u>(83,323)</u> | <u>2,053</u> | <u>549</u> | <u>73,936</u> |
| Fund balances (deficits) at end of year | <u>\$ (136,197)</u> | <u>\$ 1,622</u> | <u>\$ 6,649</u> | <u>\$ (62,916)</u> |

| <u>Title V</u> | <u>Drug-Free Schools</u> | <u>EHA Preschool</u> | <u>Improving Teacher Quality</u> | <u>Miscellaneous Federal Grants</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|-------------------|--------------------------|----------------------|----------------------------------|-------------------------------------|---|
| \$ - | \$ - | | \$ - | \$ - | \$ 658,849 |
| - | - | - | - | - | 18,399 |
| - | - | - | - | - | 329,312 |
| - | - | - | - | - | 99,172 |
| - | - | - | - | - | 350,278 |
| - | - | - | - | - | 460,358 |
| - | - | - | - | - | 2,992,000 |
| <u>17,007</u> | <u>28,664</u> | <u>75,613</u> | <u>294,014</u> | <u>10,598</u> | <u>5,418,459</u> |
| <u>17,007</u> | <u>28,664</u> | <u>75,613</u> | <u>294,014</u> | <u>10,598</u> | <u>10,326,827</u> |
| - | 17,318 | - | 316,871 | - | 1,652,499 |
| 17,178 | - | 73,152 | - | - | 3,857,315 |
| - | - | - | - | - | 10,533 |
| - | - | - | - | - | 601,218 |
| - | - | - | - | - | 319,861 |
| - | 206 | 994 | 137 | 13,975 | 788,521 |
| - | - | - | - | - | 102,723 |
| - | 11,466 | - | - | - | 109,321 |
| - | - | - | - | - | 192,772 |
| - | - | - | - | 1,500 | 23,516 |
| 2,213 | - | - | - | 143 | 292,418 |
| - | - | - | - | - | 1,907,054 |
| - | - | - | - | - | 480,476 |
| - | - | - | - | - | 158,627 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>8,379</u> |
| <u>19,391</u> | <u>28,990</u> | <u>74,146</u> | <u>317,008</u> | <u>15,618</u> | <u>10,505,233</u> |
| (2,384) | (326) | 1,467 | (22,994) | (5,020) | (178,406) |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>15</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>15</u> |
| (2,384) | (326) | 1,467 | (22,994) | (5,020) | (178,391) |
| <u>1,115</u> | <u>181</u> | <u>5,815</u> | <u>6,636</u> | <u>8,144</u> | <u>690,703</u> |
| <u>\$ (1,269)</u> | <u>\$ (145)</u> | <u>\$ 7,282</u> | <u>\$ (16,358)</u> | <u>\$ 3,124</u> | <u>\$ 512,312</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Charges for services | \$ 623,921 | \$ 642,974 | \$ 658,849 | \$ 15,875 |
| Earnings on investments | 2,526 | 2,603 | 2,667 | 64 |
| Other local revenues | 34,601 | 35,658 | 36,538 | 880 |
| Intergovernmental-state | 64,907 | 66,889 | 68,540 | 1,651 |
| Intergovernmental-federal | 974,045 | 1,003,787 | 1,028,572 | 24,785 |
| Total revenues. | <u>1,700,000</u> | <u>1,751,911</u> | <u>1,795,166</u> | <u>43,255</u> |
| Expenditures: | | | | |
| Food service operations | 1,734,333 | 1,786,333 | 1,736,026 | 50,307 |
| Total expenditures | <u>1,734,333</u> | <u>1,786,333</u> | <u>1,736,026</u> | <u>50,307</u> |
| Net change in fund balance. | (34,333) | (34,422) | 59,140 | 93,562 |
| Fund balance at beginning of year | 29,989 | 29,989 | 29,989 | - |
| Prior year encumbrances appropriated . . | 4,433 | 4,433 | 4,433 | - |
| Fund balance at end of year. | <u>\$ 89</u> | <u>\$ -</u> | <u>\$ 93,562</u> | <u>\$ 93,562</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Classroom materials and fees | \$ 80,000 | \$ 126,517 | \$ 99,172 | \$ (27,345) |
| Total revenues | <u>80,000</u> | <u>126,517</u> | <u>99,172</u> | <u>(27,345)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 113,606 | 113,312 | 86,553 | 26,759 |
| Vocational. | 16,034 | 15,992 | 8,658 | 7,334 |
| Extracurricular activities | 9,424 | 9,400 | - | 9,400 |
| Total expenditures | <u>139,064</u> | <u>138,704</u> | <u>95,211</u> | <u>43,493</u> |
| Net change in fund balance | (59,064) | (12,187) | 3,961 | 16,148 |
| Fund balance at beginning of year | 12,547 | 12,547 | 12,547 | - |
| Fund balance (deficit) at end of year | <u>\$ (46,517)</u> | <u>\$ 360</u> | <u>\$ 16,508</u> | <u>\$ 16,148</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ 6,700 | \$ 6,700 | \$ 4,718 | \$ (1,982) |
| Extracurricular | 84,046 | 84,046 | 59,183 | (24,863) |
| Other local revenues | 24,254 | 24,254 | 17,079 | (7,175) |
| Total revenues | <u>115,000</u> | <u>115,000</u> | <u>80,980</u> | <u>(34,020)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 2,087 | 1,711 | 1,500 | 211 |
| Support services: | | | | |
| Pupil | 12,251 | 9,649 | 8,804 | 845 |
| Instructional staff | 10,858 | 14,068 | 7,803 | 6,265 |
| Central | 7,463 | 10,599 | 5,363 | 5,236 |
| Extracurricular activities | 153,324 | 166,954 | 110,184 | 56,770 |
| Total expenditures | <u>185,983</u> | <u>202,981</u> | <u>133,654</u> | <u>69,327</u> |
| Excess of revenues over (under) expenditures | <u>(70,983)</u> | <u>(87,981)</u> | <u>(52,674)</u> | <u>35,307</u> |
| Other financing (uses): | | | | |
| Advances (out) | - | (500) | - | 500 |
| Total other financing (uses) | <u>-</u> | <u>(500)</u> | <u>-</u> | <u>500</u> |
| Net change in fund balance | (70,983) | (88,481) | (52,674) | 35,807 |
| Fund balance at beginning of year | 162,050 | 162,050 | 162,050 | - |
| Prior year encumbrances appropriated . . | 10,117 | 10,117 | 10,117 | - |
| Fund balance at end of year | <u>\$ 101,184</u> | <u>\$ 83,686</u> | <u>\$ 119,493</u> | <u>\$ 35,807</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-----------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Other local revenues | \$ 53 | \$ 516 | \$ 500 | \$ (16) |
| Other revenue | 48,687 | 474,957 | 460,358 | (14,599) |
| Intergovernmental-federal | 6,260 | 61,069 | 59,192 | (1,877) |
| Total revenues. | <u>55,000</u> | <u>536,542</u> | <u>520,050</u> | <u>(16,492)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 66,004 | 67,974 | 64,304 | 3,670 |
| Special | 13 | 683 | 13 | 670 |
| Support services: | | | | |
| Instructional staff | 184,940 | 311,799 | 180,179 | 131,620 |
| Operation of non-instructional services | 144,623 | 180,000 | 140,900 | 39,100 |
| Extracurricular activities. | 16,226 | 16,066 | 15,808 | 258 |
| Total expenditures. | <u>411,806</u> | <u>576,522</u> | <u>401,204</u> | <u>175,318</u> |
| Excess of revenues over (under) expenditures | <u>(356,806)</u> | <u>(39,980)</u> | <u>118,846</u> | <u>158,826</u> |
| Other financing (uses): | | | | |
| Refund of prior year's (receipts) | (82) | (80) | (80) | - |
| Total other financing (uses) | <u>(82)</u> | <u>(80)</u> | <u>(80)</u> | <u>-</u> |
| Net change in fund balance | (356,888) | (40,060) | 118,766 | 158,826 |
| Fund balance at beginning of year | 34,787 | 34,787 | 34,787 | - |
| Prior year encumbrances appropriated | 5,273 | 5,273 | 5,273 | - |
| Fund balance (deficit) at end of year | <u>\$ (316,828)</u> | <u>\$ -</u> | <u>\$ 158,826</u> | <u>\$ 158,826</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL ENTERPRISE
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Other local revenues | \$ 263,313 | \$ 263,313 | \$ 205,557 | \$ (57,756) |
| Intergovernmental-federal | 36,687 | 36,687 | 28,640 | (8,047) |
| Total revenues. | <u>300,000</u> | <u>300,000</u> | <u>234,197</u> | <u>(65,803)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Instructional staff | - | 12,571 | - | 12,571 |
| Operations and maintenance | 33,116 | 41,947 | 25,021 | 16,926 |
| Pupil transportation. | 132,731 | 108,981 | 100,286 | 8,695 |
| Operation of non-instructional services | 149,153 | 120,678 | 112,693 | 7,985 |
| Total expenditures. | <u>315,000</u> | <u>284,177</u> | <u>238,000</u> | <u>46,177</u> |
| Net change in fund balance. | (15,000) | 15,823 | (3,803) | (19,626) |
| Fund balance at beginning of year | 123,810 | 123,810 | 123,810 | - |
| Fund balance at end of year. | <u>\$ 108,810</u> | <u>\$ 139,633</u> | <u>\$ 120,007</u> | <u>\$ (19,626)</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DECKER CENTER
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Other local revenues | \$ - | \$ 3,729 | \$ - | \$ (3,729) |
| Intergovernmental-federal | - | 116,715 | 116,715 | - |
| Total revenues | <u>-</u> | <u>120,444</u> | <u>116,715</u> | <u>(3,729)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Pupil | - | 116,715 | 116,715 | - |
| Total expenditures | <u>-</u> | <u>116,715</u> | <u>116,715</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>-</u> | <u>3,729</u> | <u>-</u> | <u>(3,729)</u> |
| Other financing (uses): | | | | |
| Refund of prior year's (receipts) | - | (3,729) | - | 3,729 |
| Total other financing (uses) | <u>-</u> | <u>(3,729)</u> | <u>-</u> | <u>3,729</u> |
| Net change in fund balance | - | - | - | - |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED STUDENT ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ 10,424 | \$ 10,424 | \$ 10,460 | \$ 36 |
| Extracurricular | 269,203 | 269,203 | 270,129 | 926 |
| Other local revenues | 90,373 | 90,373 | 90,684 | 311 |
| Total revenues. | <u>370,000</u> | <u>370,000</u> | <u>371,273</u> | <u>1,273</u> |
| Expenditures: | | | | |
| Extracurricular activities. | 380,052 | 605,125 | 376,554 | 228,571 |
| Debt service: | | | | |
| Interest and fiscal charges. | 5,029 | 8,007 | 8,379 | (372) |
| Total expenditures | <u>385,081</u> | <u>613,132</u> | <u>384,933</u> | <u>228,199</u> |
| Excess of revenues over (under) expenditures | <u>(15,081)</u> | <u>(243,132)</u> | <u>(13,660)</u> | <u>229,472</u> |
| Other financing sources: | | | | |
| Sale of assets | - | - | 15 | 15 |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>15</u> | <u>15</u> |
| Net change in fund balance. | (15,081) | (243,132) | (13,645) | 229,487 |
| Fund balance at beginning of year | 259,442 | 259,442 | 259,442 | - |
| Prior year encumbrances appropriated | 10,467 | 10,467 | 10,467 | - |
| Fund balance at end of year. | <u>\$ 254,828</u> | <u>\$ 26,777</u> | <u>\$ 256,264</u> | <u>\$ 229,487</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ 608 | \$ 608 | \$ 554 | \$ (54) |
| Intergovernmental-state | 189,392 | 189,392 | 172,590 | (16,802) |
| Total revenues | <u>190,000</u> | <u>190,000</u> | <u>173,144</u> | <u>(16,856)</u> |
| Expenditures: | | | | |
| Operation of non-instructional services . . . | 195,240 | 203,019 | 164,636 | 38,383 |
| Total expenditures | <u>195,240</u> | <u>203,019</u> | <u>164,636</u> | <u>38,383</u> |
| Net change in fund balance | (5,240) | (13,019) | 8,508 | 21,527 |
| Fund balance at beginning of year | 143 | 143 | 143 | - |
| Prior year encumbrances appropriated . . | 15,240 | 15,240 | 15,240 | - |
| Fund balance at end of year | <u>\$ 10,143</u> | <u>\$ 2,364</u> | <u>\$ 23,891</u> | <u>\$ 21,527</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MANAGEMENT INFORMATION SYSTEMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 16,000 | \$ 14,792 | \$ 14,792 | \$ - |
| Total revenues | <u>16,000</u> | <u>14,792</u> | <u>14,792</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Pupil | 11,295 | 14,792 | 14,792 | - |
| Total expenditures | <u>11,295</u> | <u>14,792</u> | <u>14,792</u> | <u>-</u> |
| Net change in fund balance | 4,705 | - | - | - |
| Fund balance at beginning of year | - | - | - | - |
| Prior year encumbrances appropriated . . | - | - | - | - |
| Fund balance at end of year | <u>\$ 4,705</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL PRESCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 243,000 | \$ 244,765 | \$ 225,555 | \$ (19,210) |
| Total revenues | <u>243,000</u> | <u>244,765</u> | <u>225,555</u> | <u>(19,210)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special | 177,901 | 177,499 | 163,910 | 13,589 |
| Support services: | | | | |
| Instructional staff | 7,005 | 6,454 | 6,454 | - |
| Operations and maintenance | 53,469 | 56,779 | 49,264 | 7,515 |
| Pupil transportation | 7,244 | 6,700 | 6,674 | 26 |
| Total expenditures | <u>245,619</u> | <u>247,432</u> | <u>226,302</u> | <u>21,130</u> |
| Net change in fund balance | (2,619) | (2,667) | (747) | 1,920 |
| Fund balance (deficit) at beginning of year. | (10) | (10) | (10) | - |
| Prior year encumbrances appropriated . . | 2,677 | 2,677 | 2,677 | - |
| Fund balance at end of year. | <u>\$ 48</u> | <u>\$ -</u> | <u>\$ 1,920</u> | <u>\$ 1,920</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA COMMUNICATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 38,500 | \$ 38,500 | \$ 27,000 | \$ (11,500) |
| Total revenues | <u>38,500</u> | <u>38,500</u> | <u>27,000</u> | <u>(11,500)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Instructional staff | 35,000 | 27,000 | 27,000 | - |
| Total expenditures | <u>35,000</u> | <u>27,000</u> | <u>27,000</u> | <u>-</u> |
| Net change in fund balance | 3,500 | 11,500 | - | (11,500) |
| Fund balance at beginning of year | - | - | - | - |
| Fund balance at end of year | <u>\$ 3,500</u> | <u>\$ 11,500</u> | <u>\$ -</u> | <u>\$ (11,500)</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET PROFESSIONAL DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 4,000 | \$ 4,000 | \$ 3,925 | \$ (75) |
| Total revenues | <u>4,000</u> | <u>4,000</u> | <u>3,925</u> | <u>(75)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Instructional staff | 5,117 | 8,417 | 7,902 | 515 |
| Total expenditures | <u>5,117</u> | <u>8,417</u> | <u>7,902</u> | <u>515</u> |
| Net change in fund balance | (1,117) | (4,417) | (3,977) | 440 |
| Fund balance at beginning of year | 5,117 | 5,117 | 5,117 | - |
| Fund balance at end of year | <u>\$ 4,000</u> | <u>\$ 700</u> | <u>\$ 1,140</u> | <u>\$ 440</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OHIO READS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ - | \$ 69,975 | \$ 58,900 | \$ (11,075) |
| Total revenues | <u>-</u> | <u>69,975</u> | <u>58,900</u> | <u>(11,075)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 27,459 | 32,596 | 32,482 | 114 |
| Support services: | | | | |
| Instructional staff | 33,860 | 40,049 | 40,055 | (6) |
| Administration | 141 | 333 | 167 | 166 |
| Central | 2,636 | 3,118 | 3,118 | - |
| Total expenditures | <u>64,096</u> | <u>76,096</u> | <u>75,822</u> | <u>274</u> |
| Net change in fund balance | (64,096) | (6,121) | (16,922) | (10,801) |
| Fund balance at beginning of year | 2,025 | 2,025 | 2,025 | - |
| Prior year encumbrances appropriated | 4,096 | 4,096 | 4,096 | - |
| Fund balance (deficit) at end of year | <u>\$ (57,975)</u> | <u>\$ -</u> | <u>\$ (10,801)</u> | <u>\$ (10,801)</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SUMMER INTERVENTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-------------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 84,000 | \$ 3,159 | \$ 7,358 | \$ 4,199 |
| Total revenues | <u>84,000</u> | <u>3,159</u> | <u>7,358</u> | <u>4,199</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 5,689 | 8,848 | 8,848 | - |
| Total expenditures | <u>5,689</u> | <u>8,848</u> | <u>8,848</u> | <u>-</u> |
| Net change in fund balance | 78,311 | (5,689) | (1,490) | 4,199 |
| Fund balance (deficit) at beginning of year. | (4,199) | (4,199) | (4,199) | - |
| Prior year encumbrances appropriated . . | 5,689 | 5,689 | 5,689 | - |
| Fund balance (deficit) at end of year . . . | <u>\$ 79,801</u> | <u>\$ (4,199)</u> | <u>\$ -</u> | <u>\$ 4,199</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VOCATIONAL EDUCATION ENHANCEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 1,875 | \$ 1,875 | \$ 1,875 | \$ - |
| Total revenues | <u>1,875</u> | <u>1,875</u> | <u>1,875</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Vocational | 1,875 | 1,875 | 1,875 | - |
| Total expenditures | <u>1,875</u> | <u>1,875</u> | <u>1,875</u> | <u>-</u> |
| Net change in fund balance. | - | - | - | - |
| Fund balance at beginning of year | - | - | - | - |
| Fund balance at end of year. | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALTERNATIVE EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 58,245 | \$ 58,245 | \$ 48,272 | \$ (9,973) |
| Total revenues | <u>58,245</u> | <u>58,245</u> | <u>48,272</u> | <u>(9,973)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 4,557 | 4,557 | 3,631 | 926 |
| Support services: | | | | |
| Pupil | 51,379 | 51,379 | 45,387 | 5,992 |
| Instructional staff | 1,006 | 1,006 | 1,006 | - |
| Administration | 3,375 | 3,375 | 2,789 | 586 |
| Total expenditures | <u>60,317</u> | <u>60,317</u> | <u>52,813</u> | <u>7,504</u> |
| Net change in fund balance | (2,072) | (2,072) | (4,541) | (2,469) |
| Fund balance at beginning of year | 7,905 | 7,905 | 7,905 | - |
| Fund balance at end of year | <u>\$ 5,833</u> | <u>\$ 5,833</u> | <u>\$ 3,364</u> | <u>\$ (2,469)</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POVERTY AID
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 2,359,414 | \$ 2,354,383 | \$ 2,355,311 | \$ 928 |
| Total revenues | <u>2,359,414</u> | <u>2,354,383</u> | <u>2,355,311</u> | <u>928</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 962,004 | 980,759 | 962,579 | 18,180 |
| Special | 811,967 | 745,169 | 812,452 | (67,283) |
| Other | 559,488 | 628,455 | 559,823 | 68,632 |
| Total expenditures | <u>2,333,459</u> | <u>2,354,383</u> | <u>2,334,854</u> | <u>19,529</u> |
| Net change in fund balance | 25,955 | - | 20,457 | 20,457 |
| Fund balance at beginning of year | - | - | - | - |
| Fund balance at end of year | <u>\$ 25,955</u> | <u>\$ -</u> | <u>\$ 20,457</u> | <u>\$ 20,457</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS STATE GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 5,000 | \$ 5,000 | | \$ (5,000) |
| Total revenues | <u>5,000</u> | <u>5,000</u> | <u>-</u> | <u>(5,000)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | | - | 4,796 | (4,796) |
| Support services: | | | | |
| Instructional staff | 8,603 | 8,546 | 9,352 | (806) |
| Total expenditures | <u>8,603</u> | <u>8,546</u> | <u>14,148</u> | <u>(5,602)</u> |
| Excess of revenues over (under) expenditures | <u>(3,603)</u> | <u>(3,546)</u> | <u>(14,148)</u> | <u>(10,602)</u> |
| Other financing (uses): | | | | |
| Refund of prior year's (receipts) | - | (8,487) | (8,487) | - |
| Total other financing (uses) | <u>-</u> | <u>(8,487)</u> | <u>(8,487)</u> | <u>-</u> |
| Net change in fund balance | (3,603) | (12,033) | (22,635) | (10,602) |
| Fund balance at beginning of year | 40,197 | 40,197 | 40,197 | - |
| Prior year encumbrances appropriated . . | 8,603 | 8,603 | 8,603 | - |
| Fund balance at end of year | <u>\$ 45,197</u> | <u>\$ 36,767</u> | <u>\$ 26,165</u> | <u>\$ (10,602)</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ADULT BASIC EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 25,000 | \$ 2,305 | \$ 2,214 | \$ (91) |
| Total revenues | <u>25,000</u> | <u>2,305</u> | <u>2,214</u> | <u>(91)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Adult/continuing | 12,302 | 1,331 | 1,331 | - |
| Support services: | | | | |
| Instructional staff | <u>16,655</u> | <u>1,802</u> | <u>1,802</u> | <u>-</u> |
| Total expenditures | <u>28,957</u> | <u>3,133</u> | <u>3,133</u> | <u>-</u> |
| Net change in fund balance | (3,957) | (828) | (919) | (91) |
| Fund balance at beginning of year | 828 | 828 | 828 | - |
| Prior year encumbrances appropriated | 91 | 91 | 91 | - |
| Fund balance (deficit) at end of year | <u>\$ (3,038)</u> | <u>\$ 91</u> | <u>\$ -</u> | <u>\$ (91)</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IDEA - PART B
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 1,200,000 | \$ 1,331,221 | \$ 1,052,366 | \$ (278,855) |
| Total revenues | <u>1,200,000</u> | <u>1,331,221</u> | <u>1,052,366</u> | <u>(278,855)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special | 712,115 | 712,115 | 616,948 | 95,167 |
| Support services: | | | | |
| Pupil | 391,487 | 391,487 | 353,267 | 38,220 |
| Instructional staff | 260,989 | 260,989 | 218,496 | 42,493 |
| Administration | 264 | 264 | 482 | (218) |
| Operation of non-instructional services | 11,020 | 11,020 | 10,777 | 243 |
| Total expenditures | <u>1,375,875</u> | <u>1,375,875</u> | <u>1,199,970</u> | <u>175,905</u> |
| Net change in fund balance | (175,875) | (44,654) | (147,604) | (102,950) |
| Fund balance (deficit) at beginning of year. | (50,992) | (50,992) | (50,992) | - |
| Prior year encumbrances appropriated | 95,646 | 95,646 | 95,646 | - |
| Fund balance (deficit) at end of year | <u>\$ (131,221)</u> | <u>\$ -</u> | <u>\$ (102,950)</u> | <u>\$ (102,950)</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HEAD START
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 1,900,000 | \$ 2,059,374 | \$ 1,490,548 | \$ (568,826) |
| Total revenues. | <u>1,900,000</u> | <u>2,059,374</u> | <u>1,490,548</u> | <u>(568,826)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special | 1,517,795 | 1,617,792 | 1,235,009 | 382,783 |
| Support services: | | | | |
| Instructional staff | 60,466 | 64,713 | 49,200 | 15,513 |
| Administration. | 113,095 | 124,879 | 92,024 | 32,855 |
| Operations and maintenance | 25,725 | 41,947 | 20,932 | 21,015 |
| Pupil transportation | 97,101 | 118,990 | 79,010 | 39,980 |
| Operation of non-instructional services | 21,710 | 29,400 | 17,665 | 11,735 |
| Total expenditures | <u>1,835,892</u> | <u>1,997,721</u> | <u>1,493,840</u> | <u>503,881</u> |
| Net change in fund balance. | 64,108 | 61,653 | (3,292) | (64,945) |
| Fund balance (deficit) at beginning of year. | (67,545) | (67,545) | (67,545) | - |
| Prior year encumbrances appropriated . . . | 5,892 | 5,892 | 5,892 | - |
| Fund balance (deficit) at end of year | <u>\$ 2,455</u> | <u>\$ -</u> | <u>\$ (64,945)</u> | <u>\$ (64,945)</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE III
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 10,461 | \$ 2,717 | \$ 4,339 | \$ 1,622 |
| Total revenues | <u>10,461</u> | <u>2,717</u> | <u>4,339</u> | <u>1,622</u> |
| Expenditures: | | | | |
| Instruction: | | | | |
| Special | 10,558 | 2,814 | 2,814 | - |
| Total expenditures | <u>10,558</u> | <u>2,814</u> | <u>2,814</u> | <u>-</u> |
| Net change in fund balance | (97) | (97) | 1,525 | 1,622 |
| Fund balance at beginning of year | 97 | 97 | 97 | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,622</u> | <u>\$ 1,622</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
REFUGEE CHILDREN SCHOOL IMPACT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 500 | \$ 5,551 | \$ 6,100 | \$ 549 |
| Total revenues | <u>500</u> | <u>5,551</u> | <u>6,100</u> | <u>549</u> |
| Expenditures: | | | | |
| Instruction: | | | | |
| Special | <u>6,649</u> | <u>6,100</u> | <u>-</u> | <u>6,100</u> |
| Total expenditures | <u>6,649</u> | <u>6,100</u> | <u>-</u> | <u>6,100</u> |
| Net change in fund balance | (6,149) | (549) | 6,100 | 6,649 |
| Fund balance at beginning of year | 549 | 549 | 549 | - |
| Fund balance (deficit) at end of year | <u>\$ (5,600)</u> | <u>\$ -</u> | <u>\$ 6,649</u> | <u>\$ 6,649</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 1,182,000 | \$ 1,424,670 | \$ 1,371,497 | \$ (53,173) |
| Total revenues | <u>1,182,000</u> | <u>1,424,670</u> | <u>1,371,497</u> | <u>(53,173)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 163,333 | 162,358 | 156,885 | 5,473 |
| Special | 932,052 | 994,375 | 895,258 | 99,117 |
| Support services: | | | | |
| Instructional staff | 202,105 | 179,952 | 194,127 | (14,175) |
| Administration | 7,368 | 7,077 | 7,077 | - |
| Central | 19,620 | 18,845 | 18,845 | - |
| Operation of non-instructional services . . . | 7,802 | 11,648 | 7,494 | 4,154 |
| Total expenditures | <u>1,332,280</u> | <u>1,374,255</u> | <u>1,279,686</u> | <u>94,569</u> |
| Net change in fund balance | (150,280) | 50,415 | 91,811 | 41,396 |
| Fund balance (deficit) at beginning of year. | (72,912) | (72,912) | (72,912) | - |
| Prior year encumbrances appropriated. . . | 22,497 | 22,497 | 22,497 | - |
| Fund balance (deficit) at end of year | <u>\$ (200,695)</u> | <u>\$ -</u> | <u>\$ 41,396</u> | <u>\$ 41,396</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE V
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 28,000 | \$ 20,151 | \$ 20,151 | \$ - |
| Total revenues | <u>28,000</u> | <u>20,151</u> | <u>20,151</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special | 18,762 | 18,762 | 16,607 | 2,155 |
| Operation of non-instructional services | <u>2,213</u> | <u>2,213</u> | <u>2,213</u> | <u>-</u> |
| Total expenditures | <u>20,975</u> | <u>20,975</u> | <u>18,820</u> | <u>2,155</u> |
| Net change in fund balance | 7,025 | (824) | 1,331 | 2,155 |
| Fund balance (deficit) at beginning of year. | (538) | (538) | (538) | - |
| Prior year encumbrances appropriated | <u>1,362</u> | <u>1,362</u> | <u>1,362</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 7,849</u> | <u>\$ -</u> | <u>\$ 2,155</u> | <u>\$ 2,155</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG-FREE SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 33,000 | \$ 29,441 | \$ 29,441 | \$ - |
| Total revenues | <u>33,000</u> | <u>29,441</u> | <u>29,441</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 19,641 | 19,641 | 17,174 | 2,467 |
| Support services: | | | | |
| Instructional staff | 300 | 300 | 206 | 94 |
| Operations and maintenance | <u>11,466</u> | <u>11,466</u> | <u>11,466</u> | <u>-</u> |
| Total expenditures | <u>31,407</u> | <u>31,407</u> | <u>28,846</u> | <u>2,561</u> |
| Net change in fund balance | 1,593 | (1,966) | 595 | 2,561 |
| Fund balance at beginning of year | <u>1,966</u> | <u>1,966</u> | <u>1,966</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 3,559</u> | <u>\$ -</u> | <u>\$ 2,561</u> | <u>\$ 2,561</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EHA PRESCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 70,782 | \$ 91,802 | \$ 74,045 | \$ (17,757) |
| Total revenues | <u>70,782</u> | <u>91,802</u> | <u>74,045</u> | <u>(17,757)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special | 81,925 | 88,007 | 72,107 | 15,900 |
| Support services: | | | | |
| Instructional staff | 1,129 | 2,500 | 994 | 1,506 |
| Total expenditures | <u>83,054</u> | <u>90,507</u> | <u>73,101</u> | <u>17,406</u> |
| Net change in fund balance | (12,272) | 1,295 | 944 | (351) |
| Fund balance (deficit) at beginning of year. | (1,295) | (1,295) | (1,295) | - |
| Fund balance (deficit) at end of year | <u>\$ (13,567)</u> | <u>\$ -</u> | <u>\$ (351)</u> | <u>\$ (351)</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IMPROVING TEACHER QUALITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 378,160 | \$ 374,226 | \$ 321,791 | \$ (52,435) |
| Total revenues | <u>378,160</u> | <u>374,226</u> | <u>321,791</u> | <u>(52,435)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 367,279 | 361,589 | 309,283 | 52,306 |
| Support services: | | | | |
| Instructional staff | 163 | 1,919 | 137 | 1,782 |
| Total expenditures | <u>367,442</u> | <u>363,508</u> | <u>309,420</u> | <u>54,088</u> |
| Net change in fund balance | 10,718 | 10,718 | 12,371 | 1,653 |
| Fund balance (deficit) at beginning of year. | <u>(10,718)</u> | <u>(10,718)</u> | <u>(10,718)</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,653</u> | <u>\$ 1,653</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS FEDERAL GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 26,442 | \$ 35,252 | \$ 18,606 | \$ (16,646) |
| Total revenues | <u>26,442</u> | <u>35,252</u> | <u>18,606</u> | <u>(16,646)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 13,857 | 13,391 | 13,391 | - |
| Support services: | | | | |
| Instructional staff | 24,578 | 25,972 | 23,753 | 2,219 |
| Administration | - | 932 | - | 932 |
| Central | 2,069 | 2,000 | 2,000 | - |
| Operation of non-instructional services . . . | 148 | 143 | 143 | - |
| Total expenditures | <u>40,652</u> | <u>42,438</u> | <u>39,287</u> | <u>3,151</u> |
| Net change in fund balance | (14,210) | (7,186) | (20,681) | (13,495) |
| Fund balance (deficit) at beginning of year. | (8,008) | (8,008) | (8,008) | - |
| Prior year encumbrances appropriated . . | 15,194 | 15,194 | 15,194 | - |
| Fund balance (deficit) at end of year | <u>\$ (7,024)</u> | <u>\$ -</u> | <u>\$ (13,495)</u> | <u>\$ (13,495)</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND RETIREMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 1,231,973 | \$ 1,021,756 | \$ 1,069,053 | \$ 47,297 |
| Earnings on investments | 79,473 | 65,912 | 68,963 | 3,051 |
| Other local revenues | 1,962,050 | 1,627,257 | 1,702,582 | 75,325 |
| Intergovernmental-state | 12,637 | 10,481 | 10,966 | 485 |
| Total revenues | <u>3,286,133</u> | <u>2,725,406</u> | <u>2,851,564</u> | <u>126,158</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Administration | 97 | 99 | 97 | 2 |
| Fiscal | 900 | 921 | 904 | 17 |
| Debt service: | | | | |
| Principal retirement | 1,892,540 | 1,934,698 | 1,900,000 | 34,698 |
| Interest and fiscal charges | 921,166 | 942,125 | 924,704 | 17,421 |
| Bond issue costs | - | 318,128 | 312,365 | 5,763 |
| Total expenditures | <u>2,814,703</u> | <u>3,195,971</u> | <u>3,138,070</u> | <u>57,901</u> |
| Excess of revenues over (under) expenditures | <u>471,430</u> | <u>(470,565)</u> | <u>(286,506)</u> | <u>184,059</u> |
| Other financing sources (uses): | | | | |
| Premium on bonds sold | - | 1,465,093 | 1,532,912 | 67,819 |
| Sale of refunding bonds | - | 21,867,736 | 22,879,990 | 1,012,254 |
| Payment to refunding bond escrow agent | - | (24,545,220) | (24,100,537) | 444,683 |
| Total other financing sources (uses) | <u>-</u> | <u>(1,212,391)</u> | <u>312,365</u> | <u>1,524,756</u> |
| Net change in fund balance | 471,430 | (1,682,956) | 25,859 | 1,708,815 |
| Fund balance at beginning of year | <u>1,804,575</u> | <u>1,804,575</u> | <u>1,804,575</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 2,276,005</u> | <u>\$ 121,619</u> | <u>\$ 1,830,434</u> | <u>\$ 1,708,815</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 604,901 | \$ 628,637 | \$ 530,882 | \$ (97,755) |
| Intergovernmental-state | 178,432 | 185,433 | 156,598 | (28,835) |
| Total revenues | <u>783,333</u> | <u>814,070</u> | <u>687,480</u> | <u>(126,590)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 33,745 | 60,000 | 21,805 | 38,195 |
| Support services: | | | | |
| Instructional staff | 154,021 | 100,000 | 99,523 | 477 |
| Administration | 16,452 | 35,881 | 10,631 | 25,250 |
| Fiscal | 29,703 | 98,555 | 19,193 | 79,362 |
| Business | 4,811 | 2,745 | 3,109 | (364) |
| Operations and maintenance | 125,426 | 81,155 | 81,046 | 109 |
| Pupil transportation | 94,384 | 65,000 | 60,988 | 4,012 |
| Facilities acquisition and construction | 1,851,701 | 1,897,907 | 1,196,508 | 701,399 |
| Total expenditures | <u>2,310,243</u> | <u>2,341,243</u> | <u>1,492,803</u> | <u>848,440</u> |
| Net change in fund balance | (1,526,910) | (1,527,173) | (805,323) | 721,850 |
| Fund balance at beginning of year | 719,642 | 719,642 | 719,642 | - |
| Prior year encumbrances appropriated | 807,531 | 807,531 | 807,531 | - |
| Fund balance at end of year | <u>\$ 263</u> | <u>\$ -</u> | <u>\$ 721,850</u> | <u>\$ 721,850</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 9,000 | \$ - | \$ - | \$ - |
| Total revenues | <u>9,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 9,000 | - | - | - |
| Total expenditures | <u>9,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | - | - | - | - |
| Fund balance at beginning of year | - | - | - | - |
| Prior year encumbrances appropriated . . | - | - | - | - |
| Fund balance at end of year. | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO
PROPRIETARY FUND DESCRIPTION**

Nonmajor Internal Service Fund

Internal service funds account for the financing of goods or services provided by one department or agency of the District to other departments or agencies on a cost-reimbursement basis. Charges are intended to recoup the total cost of such services.

Employee Benefits Self Insurance

Section 5705.09, Revised Code

A fund used to account for a self-insurance program which provides medical, surgical, prescription drug, dental and vision benefits to employees.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMPLOYEE BENEFITS SELF-INSURANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Operating revenues: | | | | |
| Charges for services | \$ 4,353,478 | \$ 4,353,478 | \$ 4,462,245 | \$ 108,767 |
| Other operating revenues | 46,522 | 46,522 | 47,684 | 1,162 |
| Total operating revenues | <u>4,400,000</u> | <u>4,400,000</u> | <u>4,509,929</u> | <u>109,929</u> |
| Operating expenses: | | | | |
| Purchased services | 345,000 | 345,000 | 431,363 | (86,363) |
| Claims | <u>5,055,383</u> | <u>5,055,383</u> | <u>3,332,333</u> | <u>1,723,050</u> |
| Total operating expenses | <u>5,400,383</u> | <u>5,400,383</u> | <u>3,763,696</u> | <u>1,636,687</u> |
| Operating loss/net change in fund balance . . . | (1,000,383) | (1,000,383) | 746,233 | 1,746,616 |
| Fund balance at beginning of year | 1,340,740 | 1,340,740 | 1,340,740 | - |
| Prior year encumbrances appropriated . . . | 85,383 | 85,383 | 85,383 | - |
| Fund balance at end of year. | <u>\$ 425,740</u> | <u>\$ 425,740</u> | <u>\$ 2,172,356</u> | <u>\$ 1,746,616</u> |

BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO
FIDUCIARY FUND DESCRIPTIONS

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: private purpose trust and agency funds. Private purpose trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results

Private-Purpose Trust Fund

Scholarship Trust Fund

A fund provided to account for monies set aside from endowments for scholarships for students enrolled in the District. The principal and income from such a fund may be expended.

Agency Funds

Student Managed Activity

Section 3315.062, Revised Code

A fund provided to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

Head Start

A fund used to account for those assets held by the District for another entity's Head Start program.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | Scholarship Trust | Agency | Totals |
|--|------------------------------|---------------|---------------|
| Assets: | | | |
| Equity in pooled cash and cash equivalents | \$ 100,206 | \$ 72,253 | \$ 172,459 |
| Total assets | 100,206 | 72,253 | 172,459 |
| Liabilities: | | | |
| Accounts payable | - | 2,917 | 2,917 |
| Intergovernmental payable | - | 8,386 | 8,386 |
| Due to students | - | 60,950 | 60,950 |
| Total liabilities. | - | \$ 72,253 | 72,253 |
| Net Assets: | | | |
| Held in trust for scholarships | 100,206 | | 100,206 |
| Total net assets | \$ 100,206 | | \$ 100,206 |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOLARSHIP TRUST
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Interest | \$ 1,432 | \$ 1,432 | \$ 2,330 | \$ 898 |
| Gifts and contributions. | 23,568 | 23,568 | 31,812 | 8,244 |
| Total revenues. | <u>25,000</u> | <u>25,000</u> | <u>34,142</u> | <u>9,142</u> |
| Expenditures: | | | | |
| Scholarships awarded. | <u>77,500</u> | <u>79,866</u> | <u>15,815</u> | <u>64,051</u> |
| Total expenditures | <u>77,500</u> | <u>79,866</u> | <u>15,815</u> | <u>64,051</u> |
| Net change in fund balance | (52,500) | (54,866) | 18,327 | 73,193 |
| Fund balance at beginning of year | 81,879 | 81,879 | 81,879 | - |
| Fund balance at end of year | <u>\$ 29,379</u> | <u>\$ 27,013</u> | <u>\$ 100,206</u> | <u>\$ 73,193</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
JUNE 30, 2006

| | <u>Beginning Balance July 1, 2005</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance June 30, 2006</u> |
|--|---|-------------------|-------------------|---|
| Student Managed Activity | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 62,893 | \$ 137,007 | \$ 136,033 | \$ 63,867 |
| Total assets | <u>\$ 62,893</u> | <u>\$ 137,007</u> | <u>\$ 136,033</u> | <u>\$ 63,867</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 3,240 | \$ 2,917 | \$ 3,240 | \$ 2,917 |
| Due to students | 59,653 | 134,090 | 132,793 | 60,950 |
| Total liabilities | <u>\$ 62,893</u> | <u>\$ 137,007</u> | <u>\$ 136,033</u> | <u>\$ 63,867</u> |
| Head Start | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ - | \$ 8,386 | \$ - | \$ 8,386 |
| Total assets | <u>\$ -</u> | <u>\$ 8,386</u> | <u>\$ -</u> | <u>\$ 8,386</u> |
| Liabilities: | | | | |
| Intergovernmental payable. | \$ - | \$ 8,386 | \$ - | \$ 8,386 |
| Total liabilities | <u>\$ -</u> | <u>\$ 8,386</u> | <u>\$ -</u> | <u>\$ 8,386</u> |
| Total | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 62,893 | \$ 145,393 | \$ 136,033 | \$ 72,253 |
| Total assets | <u>\$ 62,893</u> | <u>\$ 145,393</u> | <u>\$ 136,033</u> | <u>\$ 72,253</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 3,240 | \$ 2,917 | \$ 3,240 | \$ 2,917 |
| Intergovernmental payable | - | 8,386 | - | 8,386 |
| Due to students | 59,653 | 134,090 | 132,793 | 60,950 |
| Total liabilities | <u>\$ 62,893</u> | <u>\$ 145,393</u> | <u>\$ 136,033</u> | <u>\$ 72,253</u> |

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STATISTICAL SECTION



**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATISTICAL SECTION

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

| <u>Contents</u> | <u>Page</u> |
|--|--------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. | 128-135 |
| Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. | 136-143 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. | 144-147 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. | 148-149 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. | 150-155 |

Sources: Sources are noted on the individual schedules. The District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NET ASSETS BY COMPONENT
LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities: | | | | |
| Invested in capital assets, net of related debt | \$ 22,149,686 | \$ 20,437,554 | \$ 18,931,046 | \$ 16,400,957 |
| Restricted | 3,873,738 | 3,395,492 | 3,927,841 | 5,926,100 |
| Unrestricted (deficit) | 40,111 | (1,221,926) | (3,228,281) | (2,570,378) |
| Total governmental activities net assets | <u>\$ 26,063,535</u> | <u>\$ 22,611,120</u> | <u>\$ 19,630,606</u> | <u>\$ 19,756,679</u> |

Source: District financial records.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

CHANGES IN NET ASSETS
LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|---|-------------------|-------------------|-------------------|-------------------|
| Expenses | | | | |
| Governmental activities: | | | | |
| Instruction: | | | | |
| Regular | \$ 15,430,709 | \$ 16,281,764 | \$ 16,371,431 | \$ 16,088,004 |
| Special | 6,622,386 | 6,072,773 | 6,859,053 | 6,362,650 |
| Vocational | 1,074,494 | 1,031,720 | 1,144,522 | 1,280,947 |
| Adult/continuing | - | 79,303 | 89,714 | 208,486 |
| Other | 3,775,211 | 3,028,217 | 1,506,087 | 1,260,395 |
| Support services: | | | | |
| Pupil | 1,787,508 | 2,316,242 | 2,377,039 | 2,001,451 |
| Instructional staff | 2,035,079 | 1,756,160 | 3,506,584 | 3,192,957 |
| Board of education | 26,855 | 21,130 | 21,494 | 25,407 |
| Administration | 3,031,451 | 2,516,448 | 2,822,028 | 2,796,169 |
| Fiscal | 569,207 | 466,648 | 675,238 | 484,691 |
| Business | 353,444 | 416,840 | 434,051 | 402,392 |
| Operations and maintenance | 4,376,686 | 4,024,757 | 4,429,365 | 4,342,010 |
| Pupil transportation | 846,172 | 777,157 | 888,867 | 880,106 |
| Central | 121,285 | 142,351 | 7,438 | 64,528 |
| Operation of non-instructional services | 214,054 | 490,851 | 646,293 | 745,084 |
| Food service operations | 2,045,151 | 1,799,039 | 1,974,296 | 1,938,697 |
| Extracurricular activities | 1,636,942 | 1,979,204 | 1,635,519 | 1,413,066 |
| Intergovernmental pass-through | 158,627 | 43,345 | 497,737 | - |
| Interest and fiscal charges | 1,441,244 | 1,591,330 | 1,468,596 | 1,541,084 |
| Total governmental activities expenses | <u>45,546,505</u> | <u>44,835,279</u> | <u>47,355,352</u> | <u>45,028,124</u> |

--Continued

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

CHANGES IN NET ASSETS - (CONTINUED)
LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|---|---------------------|---------------------|---------------------|---------------------|
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| Instruction: | | | | |
| Regular | \$ 1,177,214 | \$ 132,414 | \$ 100,490 | \$ 127,991 |
| Special | 123,641 | 105,643 | 449,667 | 79,163 |
| Vocational | 9,020 | 15,330 | 11,791 | - |
| Adult/continuing | - | - | 28,712 | 19,143 |
| Other | - | 1,422,501 | - | - |
| Support services: | | | | |
| Pupil | 2,760 | 11,206 | 7,910 | - |
| Instructional staff | 3,681 | 11,115 | 17,116 | 166,961 |
| Fiscal | - | 234 | 325 | - |
| Operations and maintenance | - | 14,702 | 26,796 | 36,299 |
| Pupil transportation | - | - | - | 40 |
| Central | 2,434 | 7,478 | 3,888 | - |
| Operation of non-instructional services | 20,396 | 315,768 | 311,199 | 182,564 |
| Food service operations | 658,849 | 691,429 | 873,655 | 653,678 |
| Extracurricular activities | 321,378 | 294,405 | 381,176 | 416,376 |
| Operating grants and contributions: | | | | |
| Instruction: | | | | |
| Regular | 1,521,401 | 1,440,430 | 2,594,869 | 1,857,833 |
| Special | 3,917,958 | 3,789,811 | 3,080,771 | 3,482,832 |
| Vocational | 1,875 | 3,513 | 4,204 | - |
| Adult/continuing | - | 78,025 | 44,429 | 142,650 |
| Other | 578,290 | - | - | - |
| Support services: | | | | |
| Pupil | 331,917 | 455,810 | 187,416 | 270,694 |
| Instructional staff | 826,792 | 611,110 | 1,306,878 | 649,977 |
| Administration | 98,953 | 162,709 | 4,383 | 211,481 |
| Operations and maintenance | 90,928 | 195,037 | 712,664 | 170,824 |
| Pupil transportation | 96,433 | 524,104 | - | 77,030 |
| Central | 16,970 | 25,076 | 695 | 15,439 |
| Operation of non-instructional services | 228,763 | 163,429 | 1,049,681 | 367,916 |
| Food service operations | 1,257,090 | 1,116,469 | 1,068,960 | 803,839 |
| Extracurricular activities | 18,252 | 119,451 | 57,088 | 67,921 |
| Intergovernmental pass-through | 172,590 | - | - | - |
| Interest and fiscal charges | 1,702,582 | 1,291,848 | 1,334,858 | 1,364,552 |
| Capital grants and contributions: | | | | |
| Instruction: | | | | |
| Vocational | - | - | - | 6,987 |
| Support services: | | | | |
| Pupil transportation | - | 10,751 | 12,365 | 23,833 |
| Total governmental program revenues | <u>13,180,167</u> | <u>13,009,798</u> | <u>13,671,986</u> | <u>11,196,023</u> |
| Net Expense | | | | |
| Governmental Activities | <u>(32,366,338)</u> | <u>(31,825,481)</u> | <u>(33,683,366)</u> | <u>(33,832,101)</u> |

--Continued

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

CHANGES IN NET ASSETS - (CONTINUED)
LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|--|---------------------|---------------------|---------------------|-----------------------|
| General Revenues and Other | | | | |
| Changes in Net Assets | | | | |
| Governmental activities: | | | | |
| Property taxes levied for: | | | | |
| General purposes | \$ 13,539,008 | \$ 11,580,164 | \$ 11,500,258 | \$ 10,900,342 |
| Debt service | 1,050,749 | 892,400 | 852,909 | 789,581 |
| Capital projects | 480,316 | 749,239 | 687,031 | 740,481 |
| Grants and entitlements not restricted to specific programs | 19,488,570 | 19,130,562 | 19,216,963 | 19,547,133 |
| Investment earnings | 525,420 | 130,010 | 66,701 | 113,276 |
| Miscellaneous | 434,690 | 1,198,301 | 1,233,431 | 237,562 |
| Total governmental activities | <u>35,518,753</u> | <u>33,680,676</u> | <u>33,557,293</u> | <u>32,328,375</u> |
| Change in Net Assets | | | | |
| Governmental activities | <u>\$ 3,152,415</u> | <u>\$ 1,855,195</u> | <u>\$ (126,073)</u> | <u>\$ (1,503,726)</u> |

Source: District financial records.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|------------------------------------|---------------------|-----------------------|-----------------------|-----------------------|
| General Fund: | | | | |
| Reserved | \$ 2,340,775 | \$ 532,559 | \$ 349,729 | \$ 503,839 |
| Unreserved (deficit) | <u>(1,027,500)</u> | <u>(2,656,865)</u> | <u>(3,185,262)</u> | <u>(2,018,809)</u> |
| Total general fund | <u>\$ 1,313,275</u> | <u>\$ (2,124,306)</u> | <u>\$ (2,835,533)</u> | <u>\$ (1,514,970)</u> |
| All Other Governmental Funds: | | | | |
| Reserved | \$ 529,588 | \$ 722,677 | \$ 1,509,144 | \$ 1,373,493 |
| Unreserved (deficit), reported in: | | | | |
| Special revenue funds | 309,201 | 534,432 | 627,113 | 322,172 |
| Capital projects funds | 700,584 | 862,246 | 797,672 | 2,576,106 |
| Debt service funds | <u>1,830,434</u> | <u>1,815,753</u> | <u>1,759,933</u> | <u>1,785,277</u> |
| Total all other governmental funds | <u>\$ 3,369,807</u> | <u>\$ 3,935,108</u> | <u>\$ 4,693,862</u> | <u>\$ 6,057,048</u> |

Source: District financial records.

| <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> | <u>1998</u> | <u>1997</u> |
|------------------------------------|--------------------------------|----------------------------------|----------------------------------|--------------------------------|--------------------------------|
| \$ 1,205,943 <u>(1,347,885)</u> | \$ 809,432 <u>(287,124)</u> | \$ 1,636,319 <u>(113,678)</u> | \$ 2,014,402 <u>1,357,056</u> | \$ 457,329 <u>1,888,689</u> | \$ 365,043 <u>1,098,108</u> |
| <u>\$ (141,942)</u> | <u>\$ 522,308</u> | <u>\$ 1,522,641</u> | <u>\$ 3,371,458</u> | <u>\$ 2,346,018</u> | <u>\$ 1,463,151</u> |
| \$ 404,897 | \$ 697,130 | \$ 1,864,294 | \$ 17,205,930 | \$ 9,458,155 | \$ 718,155 |
| 617,202 | 806,217 | 1,186,953 | 1,111,144 | 1,624,322 | 1,059,660 |
| (641,904) | (614,103) | (659,404) | 347,576 | 17,640,310 | (11,246) |
| <u>1,850,193</u> | <u>1,904,369</u> | <u>1,806,981</u> | <u>1,754,564</u> | <u>2,020,083</u> | <u>78,682</u> |
| <u>\$ 2,230,388</u> | <u>\$ 2,793,613</u> | <u>\$ 4,198,824</u> | <u>\$ 20,419,214</u> | <u>\$ 30,742,870</u> | <u>\$ 1,845,251</u> |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|---|---------------------|-------------------|-----------------------|-----------------------|-----------------------|
| Revenues | | | | | |
| From local sources: | | | | | |
| Taxes | \$ 15,038,616 | \$ 13,192,493 | \$ 12,369,462 | \$ 12,916,694 | \$ 11,880,551 |
| Tuition and fees | 1,338,604 | 1,655,773 | 214,394 | 204,940 | 393,513 |
| Charges for services | 658,849 | 765,269 | 1,078,289 | 1,032,453 | - |
| Earnings on investments | 487,838 | 139,573 | 71,172 | 115,053 | 174,119 |
| Extracurricular | 330,961 | 299,555 | 386,222 | 416,368 | 367,362 |
| Other local revenues | 2,157,668 | 2,410,109 | 2,403,283 | 4,175,225 | 4,828,747 |
| Other revenue | 460,358 | 436,446 | 754,298 | 505,823 | - |
| Intergovernmental | 27,899,029 | 27,803,761 | 29,659,620 | 26,330,431 | 25,675,447 |
| Total revenues | <u>48,371,923</u> | <u>46,702,979</u> | <u>46,936,740</u> | <u>45,696,987</u> | <u>43,319,739</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | 14,363,572 | 14,623,345 | 14,830,373 | 14,427,037 | 14,194,422 |
| Special | 6,489,113 | 6,320,091 | 6,732,147 | 6,354,127 | 5,893,983 |
| Vocational | 995,145 | 1,073,213 | 1,153,514 | 1,283,385 | 1,204,478 |
| Adult/continuing | - | 80,078 | 95,662 | 206,232 | 193,168 |
| Other | 3,768,582 | 3,028,217 | 1,506,087 | 1,260,395 | 902,967 |
| Support services: | | | | | |
| Pupil | 1,858,066 | 2,356,225 | 2,368,903 | 1,987,299 | 1,709,882 |
| Instructional staff | 1,975,566 | 1,798,407 | 3,449,021 | 3,122,055 | 4,144,100 |
| Board of education | 26,855 | 21,130 | 21,606 | 25,361 | 16,716 |
| Administration | 2,944,603 | 2,581,975 | 2,819,335 | 2,761,937 | 2,623,206 |
| Fiscal | 576,895 | 475,129 | 687,968 | 473,364 | 523,858 |
| Business | 365,166 | 428,514 | 433,685 | 437,519 | 404,399 |
| Operations and maintenance | 3,578,201 | 4,079,223 | 4,492,793 | 4,404,620 | 3,905,411 |
| Pupil transportation | 795,347 | 718,853 | 793,844 | 845,888 | 815,666 |
| Central | 121,285 | 142,351 | 7,438 | 65,110 | 36,694 |
| Operation of non-instructional services | 292,418 | 500,139 | 642,113 | 738,995 | 383,259 |
| Food service operations | 1,907,054 | 1,838,386 | 1,920,750 | 1,798,695 | - |
| Extracurricular activities | 1,405,363 | 1,213,897 | 1,339,496 | 1,294,865 | 1,149,451 |
| Intergovernmental pass-through | 158,627 | 43,345 | 497,737 | - | - |
| Facilities acquisitions and construction | 841,518 | 1,683,689 | 2,623,929 | 2,615,434 | 2,941,512 |
| Capital outlay | - | - | - | - | 164,016 |
| Debt service: | | | | | |
| Principal retirement | 2,092,000 | 2,033,000 | 1,995,000 | 2,038,746 | 1,303,388 |
| Interest and fiscal charges | 947,925 | 1,411,042 | 1,478,484 | 1,550,389 | 1,594,814 |
| Bond issuance costs | 312,365 | - | - | - | - |
| Total expenditures | <u>45,815,666</u> | <u>46,450,249</u> | <u>49,889,885</u> | <u>47,691,453</u> | <u>44,105,390</u> |
| Excess of revenues over (under) expenditures | <u>2,556,257</u> | <u>252,730</u> | <u>(2,953,145)</u> | <u>(1,994,466)</u> | <u>(785,651)</u> |
| Other financing sources (uses) | | | | | |
| Transfers in | - | 5,055 | 137,507 | 1,258,697 | 3,087 |
| Transfers (out) | - | (5,055) | (137,507) | (1,258,697) | (520,637) |
| Loan issuance | - | - | 269,396 | 622,604 | - |
| Sale of notes | - | - | - | - | - |
| Sale of assets | 3,658 | 21,942 | - | - | 3,912 |
| Capital lease transaction | - | - | - | - | 164,016 |
| Premium on bonds sold | 1,532,912 | - | - | - | - |
| Sale of bonds | 22,879,990 | - | - | - | - |
| Payment to refunding bond escrow agent | (24,100,537) | - | - | - | - |
| Total other financing sources (uses) | <u>316,023</u> | <u>21,942</u> | <u>269,396</u> | <u>622,604</u> | <u>(349,622)</u> |
| Net change in fund balances | <u>\$ 2,872,280</u> | <u>\$ 274,672</u> | <u>\$ (2,683,749)</u> | <u>\$ (1,371,862)</u> | <u>\$ (1,135,273)</u> |
| Debt service as a percentage of noncapital expenditures | 5.25% | 4.38% | 4.00% | 4.27% | 2.97% |

Source: District financial records.

| | <u>2001</u> | <u>2000</u> | <u>1999</u> | <u>1998</u> | <u>1997</u> |
|----|--------------------|---------------------|--------------------|---------------------|-------------------|
| \$ | 11,449,730 | \$ 11,348,628 | \$ 10,900,004 | \$ 10,718,766 | \$ 9,891,189 |
| | 16,168 | 170,638 | 267,632 | 12,171 | 25,816 |
| | - | - | - | - | - |
| | 453,167 | 1,061,282 | 1,750,708 | 1,891,140 | 343,698 |
| | 398,696 | 416,617 | 346,462 | 314,804 | 295,601 |
| | 3,991,056 | 3,434,120 | 2,945,550 | 3,220,457 | 534,416 |
| | - | - | - | - | - |
| | 23,421,410 | 22,112,784 | 20,656,824 | 22,330,308 | 20,929,684 |
| | <u>39,730,227</u> | <u>38,544,069</u> | <u>36,867,180</u> | <u>38,487,646</u> | <u>32,020,404</u> |
| | 13,473,805 | 12,335,821 | 12,185,230 | 11,639,942 | 11,123,192 |
| | 5,269,140 | 4,755,309 | 4,519,778 | 4,002,749 | 3,768,932 |
| | 1,199,022 | 1,211,890 | 968,947 | 865,734 | 808,465 |
| | 308,547 | 183,665 | 267,319 | 2,134,497 | 2,791,595 |
| | 1,038,162 | 1,169,074 | 1,109,810 | 1,228,325 | 871,261 |
| | 1,567,299 | 1,536,500 | 1,688,966 | 1,771,143 | 1,433,599 |
| | 3,982,050 | 2,887,456 | 2,954,235 | 1,852,468 | 2,398,022 |
| | 16,890 | 42,769 | 25,558 | 13,228 | 15,739 |
| | 2,405,927 | 2,288,536 | 2,521,429 | 2,342,450 | 2,148,175 |
| | 365,494 | 629,398 | 622,787 | 453,236 | 420,241 |
| | 351,952 | 486,598 | 346,987 | 315,389 | 402,193 |
| | 4,158,922 | 3,536,787 | 3,150,673 | 2,997,864 | 3,061,635 |
| | 771,756 | 625,702 | 507,846 | 768,623 | 619,824 |
| | 54,183 | 39,986 | 43,532 | 44,647 | 66,644 |
| | 512,312 | 409,098 | 401,658 | 459,734 | 308,482 |
| | - | - | - | - | - |
| | 1,337,996 | 1,003,566 | 864,477 | 790,612 | 784,985 |
| | - | - | - | - | - |
| | 2,603,443 | 20,784,699 | 11,234,380 | 7,111,882 | 173,744 |
| | 453,106 | - | - | - | - |
| | 1,192,188 | 1,046,100 | 931,100 | 32,191,100 | 191,100 |
| | 1,535,172 | 1,559,225 | 1,857,246 | 871,071 | 116,660 |
| | - | - | - | - | - |
| | <u>42,597,366</u> | <u>56,532,179</u> | <u>46,201,958</u> | <u>71,854,694</u> | <u>31,504,488</u> |
| | <u>(2,867,139)</u> | <u>(17,988,110)</u> | <u>(9,334,778)</u> | <u>(33,367,048)</u> | <u>515,916</u> |
| | 32,494 | 21,266 | 26,318 | - | - |
| | (182,494) | (108,210) | (96,332) | - | - |
| | - | - | 100,000 | - | - |
| | 150,000 | - | - | 32,000,000 | - |
| | 8,489 | 5,847 | 7,376 | 7,306 | 7,240 |
| | 453,106 | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | 32,063,630 | - |
| | - | - | - | - | - |
| | <u>461,595</u> | <u>(81,097)</u> | <u>37,362</u> | <u>64,070,936</u> | <u>7,240</u> |
| \$ | <u>(2,405,544)</u> | <u>(18,069,207)</u> | <u>(9,297,416)</u> | <u>30,703,888</u> | <u>523,156</u> |
| | 2.83% | 1.85% | 2.02% | 44.80% | 0.61% |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

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

| Collection Year | Real Property (a) | | Tangible Personal Property (b) | | Public Utility (c) | |
|-----------------|-------------------|------------------------|--------------------------------|------------------------|--------------------|------------------------|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value |
| 2006 | \$ 395,052,390 | \$ 1,128,721,114 | \$ 41,975,595 | \$ 167,902,380 | \$ 12,066,640 | \$ 34,476,114 |
| 2005 | 356,207,460 | 1,017,735,600 | 55,878,843 | 223,515,372 | 13,362,170 | 38,177,629 |
| 2004 | 350,223,130 | 1,000,637,514 | 58,777,845 | 235,111,380 | 13,469,020 | 38,482,914 |
| 2003 | 347,102,360 | 991,721,029 | 65,201,931 | 260,807,724 | 13,690,500 | 39,115,714 |
| 2002 | 294,410,990 | 841,174,257 | 64,631,388 | 258,525,552 | 13,792,630 | 39,407,514 |
| 2001 | 280,424,350 | 801,212,429 | 62,813,417 | 251,253,668 | 17,249,740 | 49,284,971 |
| 2000 | 275,383,990 | 786,811,400 | 65,074,203 | 260,296,812 | 20,053,910 | 57,296,886 |
| 1999 | 245,115,410 | 700,329,743 | 56,137,898 | 224,551,592 | 19,718,940 | 56,339,829 |
| 1998 | 239,046,580 | 682,990,229 | 56,244,788 | 224,979,152 | 19,621,730 | 56,062,086 |
| 1997 | 230,431,470 | 658,375,629 | 51,163,802 | 204,655,208 | 19,974,670 | 57,070,486 |

Source: Summit County Fiscal Officer's Office

- (a) The assessed value of real property is fixed at 35% of true value.
- (b) The rate at which tangible personal property used in business is assessed for purposes ad valorem property taxation decreased one percent each year from 35% in 1983 until it reached 25% in 1993.
- (c) Assumes public utilities are assessed at true value which is 35%.

Total

| Assessed Value | Estimated Actual Value | % |
|---------------------------|---------------------------------------|----------|
| \$ 449,094,625 | \$ 1,331,099,609 | 33.74% |
| 425,448,473 | 1,279,428,601 | 33.25% |
| 422,469,995 | 1,274,231,809 | 33.15% |
| 425,994,791 | 1,291,644,467 | 32.98% |
| 372,835,008 | 1,139,107,323 | 32.73% |
| 360,487,507 | 1,101,751,068 | 32.72% |
| 360,512,103 | 1,104,405,098 | 32.64% |
| 320,972,248 | 981,221,163 | 32.71% |
| 314,913,098 | 964,031,466 | 32.67% |
| 301,569,942 | 920,101,322 | 32.78% |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

| Tax Year/ Collection Year | Overlapping Rates | | | Direct Rates | | | | Total |
|---------------------------------|-------------------|-------|----------|--------------|------|---------|---------|-------|
| | County | City | Township | Voted | | | Unvoted | |
| | | | | General | Bond | Capital | | |
| 2005/2006 | 13.07 | 10.00 | 13.50 | 55.93 | - | 3.83 | 4.30 | 64.06 |
| 2004/2005 | 13.07 | 10.00 | 13.75 | 47.29 | 0.31 | 5.00 | 4.30 | 56.90 |
| 2003/2004 | 13.07 | 10.00 | 13.75 | 47.29 | 0.31 | 5.00 | 4.30 | 56.90 |
| 2002/2003 | 13.07 | 10.00 | 13.75 | 47.29 | 0.14 | 5.00 | 4.30 | 56.73 |
| 2001/2002 | 13.07 | 10.00 | 13.07 | 47.29 | 0.20 | 5.00 | 4.30 | 56.79 |
| 2000/2001 | 13.07 | 10.00 | 13.07 | 47.29 | 0.60 | 1.17 | 4.30 | 53.36 |
| 1999/2000 | 12.27 | 10.00 | 13.50 | 47.29 | 0.68 | 1.17 | 4.30 | 53.44 |
| 1998/1999 | 12.27 | 10.00 | 13.50 | 47.29 | 0.60 | 1.17 | 4.30 | 53.36 |
| 1997/1998 | 11.65 | 10.00 | 13.50 | 47.29 | 0.60 | 1.17 | 4.30 | 53.36 |
| 1996/1997 | 11.39 | 10.00 | 12.50 | 47.29 | 0.70 | 1.17 | 4.30 | 53.46 |

Source: Summit County Fiscal Officer's Office

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

PRINCIPAL REAL ESTATE PROPERTY TAX PAYERS
DECEMBER 31, 2005 AND DECEMBER 31, 2003

| <u>December 31, 2005</u> | | |
|----------------------------------|---------------------------------------|---|
| <u>Taxpayer</u> | <u>Taxable Assessed Value</u> | <u>Percentage of Assessed Value</u> |
| Barberton Health System LLC | \$ 11,008,930 | 2.79% |
| Pittsburgh Plate Glass Co. | 2,184,880 | 0.55% |
| Kimco of Ohio | 2,171,220 | 0.55% |
| LRC Magic Investors LTD | 2,072,100 | 0.52% |
| Babcock & Wilcox Co. | 2,046,090 | 0.52% |
| Elson Pointe Limited Partnership | 1,946,370 | 0.49% |
| BWX Technologies Inc. | 1,661,230 | 0.42% |
| KL Morris Family Limited | 1,454,780 | 0.37% |
| B&C Diversified Products Inc. | 1,352,090 | 0.34% |
| B&C Research Inc. | 1,273,760 | 0.32% |
| Total | \$ 27,171,450 | 6.88% |

| <u>December 31, 2003</u> | | |
|----------------------------------|---------------------------------------|---|
| <u>Taxpayer</u> | <u>Taxable Assessed Value</u> | <u>Percentage of Assessed Value</u> |
| Barberton Health System LLC | \$ 10,311,780 | 2.94% |
| Babcock & Wilcox Co. | 3,361,530 | 0.96% |
| Pittsburgh Plate Glass Co. | 2,184,490 | 0.62% |
| Kimco of Ohio | 2,171,210 | 0.62% |
| Pendleton Magic LLC | 2,072,110 | 0.59% |
| Bergit Realty Co. | 1,702,210 | 0.49% |
| BWX Technologies Inc. | 1,661,040 | 0.47% |
| Elson Pointe Limited Partnership | 1,498,700 | 0.43% |
| KL Morris Family Limited | 1,446,190 | 0.41% |
| B&C Machine Co. | 1,315,660 | 0.38% |
| Total | \$ 27,724,920 | 7.92% |

Source: Summit County Fiscal Officer's Office

Note: Information on top-ten taxpayers prior to 2003 was not available.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

PRINCIPAL PERSONAL PROPERTY TAX PAYERS
DECEMBER 31, 2005 AND DECEMBER 31, 2003

| <u>December 31, 2005</u> | | |
|--------------------------|-------------------------------|-------------------------------------|
| <u>Taxpayer</u> | <u>Taxable Assessed Value</u> | <u>Percentage of Assessed Value</u> |
| McDermott Inc. | \$ 6,996,430 | 12.95% |
| PPG Industries Inc. | 4,582,990 | 8.48% |
| Ohio Edison Co. | 4,567,280 | 8.45% |
| Ohio Bell Telephone | 4,321,980 | 8.00% |
| B&C Corporation | 4,299,160 | 7.96% |
| B&C Research Inc. | 4,121,650 | 7.63% |
| Alcoa Inc. | 3,777,410 | 6.99% |
| Wright Tool Co. | 2,899,480 | 5.37% |
| Triad Hospitals Inc. | 2,863,900 | 5.30% |
| Reiter Dairy Inc. | 2,147,580 | 3.97% |
| Total | \$ 40,577,860 | 75.09% |

| <u>December 31, 2003</u> | | |
|----------------------------------|-------------------------------|-------------------------------------|
| <u>Taxpayer</u> | <u>Taxable Assessed Value</u> | <u>Percentage of Assessed Value</u> |
| McDermott Inc. | \$ 8,758,490 | 12.12% |
| B&C Corporation | 5,127,720 | 7.10% |
| Machining Corporation of America | 4,916,720 | 6.81% |
| Ohio Edison Co. | 4,514,430 | 6.25% |
| Ohio Bell Telephone | 4,484,440 | 6.21% |
| PPG Industries Inc. | 3,886,550 | 5.38% |
| B&C Research Inc. | 3,765,570 | 5.21% |
| Reiter Dairy Inc. | 3,146,160 | 4.35% |
| Alcoa Inc. | 3,112,980 | 4.31% |
| Fred Martin Motor Co. | 2,864,560 | 3.96% |
| Total | \$ 44,577,620 | 61.70% |

Source: Summit County Fiscal Officer's Office

Note: Information on top-ten taxpayers prior to 2003 was not available.

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**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN CALENDAR YEARS**

| Tax Year/ Collection Year | Current Levy | Delinquent Levy | Total Levy | Current Collection | Percent of Current Levy Collected |
|--|-------------------------|----------------------------|-----------------------|-------------------------------|--|
| 2005/2006 | \$ 14,053,547 | \$ - | \$ 14,053,547 | \$ 13,367,848 | 95.12% |
| 2004/2005 | 13,909,738 | - | 13,909,738 | 13,247,793 | 95.24% |
| 2003/2004 | 13,898,339 | - | 13,898,339 | 12,951,421 | 93.19% |
| 2002/2003 | 14,215,404 | - | 14,215,404 | 13,033,751 | 91.69% |
| 2001/2002 | 12,587,242 | 1,053,135 | 13,640,377 | 12,128,846 | 96.36% |
| 2000/2001 | 12,416,407 | 1,110,134 | 13,526,541 | 11,924,039 | 96.03% |
| 1999/2000 | 12,288,486 | 1,420,769 | 13,709,255 | 11,855,033 | 96.47% |
| 1998/1999 | 11,804,014 | 1,529,922 | 13,333,936 | 11,354,618 | 96.19% |
| 1997/1998 | 11,373,226 | 1,226,025 | 12,599,251 | 10,941,381 | 96.20% |
| 1996/1997 | 10,894,632 | 827,269 | 11,721,901 | 10,452,155 | 95.94% |

Source: Summit County Fiscal Officer's Office

Note: Delinquent levy and collection information for collection years 2003-2006 was not available from Summit County.

| Delinquent Collection | Total Collection | Total Collection As a Percent of Total Levy |
|----------------------------------|-----------------------------|--|
| \$ - | \$ 13,367,848 | 95.12% |
| - | 13,247,793 | 95.24% |
| - | 12,951,421 | 93.19% |
| - | 13,033,751 | 91.69% |
| 508,433 | 12,637,279 | 92.65% |
| 399,777 | 12,323,816 | 91.11% |
| 652,369 | 12,507,402 | 91.23% |
| 629,491 | 11,984,109 | 89.88% |
| 353,968 | 11,295,349 | 89.65% |
| 240,458 | 10,692,613 | 91.22% |

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

| Fiscal Year | Governmental Activities | | | | (a) Total Primary Government | (b) Per Capita | (b) Per ADM |
|-------------|--------------------------------|------------------|------------------|-------------------|---------------------------------------|----------------------|-------------------|
| | General Obligation Bonds | Notes Payable | Loans Payable | Capital Leases | | | |
| 2006 | \$ 24,654,952 | \$ 755,000 | \$ 372,000 | \$ - | \$ 25,781,952 | \$ 924 | \$ 5,958 |
| 2005 | 25,829,962 | 1,480,000 | 564,000 | - | 27,873,962 | 999 | 6,528 |
| 2004 | 26,959,962 | 2,180,000 | 767,000 | - | 29,906,962 | 1,072 | 6,878 |
| 2003 | 28,049,962 | 2,850,000 | 732,604 | - | 31,632,566 | 1,134 | 7,408 |
| 2002 | 29,099,962 | 3,450,000 | 160,000 | 338,746 | 33,048,708 | 1,185 | 7,508 |
| 2001 | 30,109,962 | 81,100 | 210,000 | 337,018 | 30,738,080 | 1,102 | 6,633 |
| 2000 | 31,084,962 | 162,200 | 80,000 | - | 31,327,162 | 1,123 | 6,841 |
| 1999 | 32,029,962 | 243,300 | 100,000 | - | 32,373,262 | 1,172 | 7,487 |
| 1998 | 32,879,962 | 324,400 | - | - | 33,204,362 | 1,202 | 7,590 |
| 1997 | 1,395,500 | - | - | - | 1,395,500 | 51 | 324 |

Sources:

(a) See notes to the financial statements regarding the District's outstanding debt information.

(b) See schedule " Demographic and Economic Statistic, Last Ten Years" for personal income, population and enrollment information.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

| Fiscal Year | General Bonded Debt Outstanding | | Percentage of Actual Taxable Value of Property | Per Capita |
|-------------|---------------------------------|---------------|--|------------|
| | General Obligation Bonds | Total | | |
| 2006 | \$ 24,654,952 | \$ 24,654,952 | 1.85% | \$ 884 |
| 2005 | 25,829,962 | 25,829,962 | 2.02% | 926 |
| 2004 | 26,959,962 | 26,959,962 | 2.12% | 966 |
| 2003 | 28,049,962 | 28,049,962 | 2.17% | 1,005 |
| 2002 | 29,099,962 | 29,099,962 | 2.55% | 1,043 |
| 2001 | 30,109,962 | 30,109,962 | 2.73% | 1,079 |
| 2000 | 31,084,962 | 31,084,962 | 2.81% | 1,114 |
| 1999 | 32,029,962 | 32,029,962 | 3.26% | 1,160 |
| 1998 | 32,879,962 | 32,879,962 | 3.41% | 1,190 |
| 1997 | 1,395,500 | 1,395,500 | 0.15% | 51 |

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2006

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|---|-----------------------------|--|--|
| Direct: | | | |
| Barberton City School District | \$ 24,654,952 | 100.00% | \$ 24,654,952 |
| | <u>24,654,952</u> | | <u>24,654,952</u> |
| Overlapping: | | | |
| City of Barberton | 8,153,824 | 98.46% | 8,028,255 |
| Summit County | 70,270,000 | 3.53% | 2,480,531 |
| Akron Metropolitan Regional Transit Authority | 1,345,000 | 3.53% | 47,479 |
| City of Norton | 3,765,840 | 3.48% | 131,051 |
| Total Overlapping | <u>11,919,664</u> | | <u>8,159,306</u> |
| Total direct and overlapping debt | <u>\$ 132,844,568</u> | | <u>\$ 59,997,220</u> |

Source: Ohio Municipal Advisory Council

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

| Fiscal Year | Voted Debt Limit | Total Debt Applicable to Limit | Less: Debt Service Available Balance | Less: Amount to be Provided by Barberton Community Foundation | Net Debt Applicable to Limit | Voted Legal Debt Margin | Total Net Debt Applicable to Limit as a Percentage of Debt Limit |
|--------------------|-------------------------|---------------------------------------|---|--|-------------------------------------|--------------------------------|---|
| 2006 | \$ 40,418,516 | \$ 24,654,952 | \$ 1,830,434 | \$ 23,504,952 | \$ - * | \$ 40,418,516 | 0.00% |
| 2005 | 38,290,363 | 25,829,962 | 1,815,753 | 24,654,952 | - * | 38,290,363 | 0.00% |
| 2004 | 38,022,300 | 26,959,962 | 1,759,933 | 25,719,962 | - * | 38,022,300 | 0.00% |
| 2003 | 38,339,531 | 28,049,962 | 1,785,277 | 26,739,962 | - * | 38,339,531 | 0.00% |
| 2002 | 33,555,151 | 29,099,962 | 1,853,355 | 27,719,692 | - * | 33,555,151 | 0.00% |
| 2001 | 32,443,876 | 30,109,962 | 1,904,369 | 28,659,692 | - * | 32,443,876 | 0.00% |
| 2000 | 32,446,089 | 31,084,962 | 1,802,251 | 29,559,962 | - * | 32,446,089 | 0.00% |
| 1999 | 28,887,502 | 32,029,962 | 1,754,564 | 30,424,692 | - * | 28,887,502 | 0.00% |
| 1998 | 28,342,179 | 32,879,962 | 2,020,083 | 31,259,692 | - * | 28,342,179 | 0.00% |
| 1997 | 27,141,295 | 1,395,500 | 78,682 | - | 1,316,818 | 25,824,477 | 4.85% |

Source: Summit County Fiscal Officer's Office and District financial records.

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.

* This amount is reduced below zero but shown here as zero for outstanding debt.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

| Year | Population (1) | Per Capita Income (2) | Median Family Income (2) | Median Age (2) | School Enrollment (3) | Unemployment Rates (4) | | |
|------|----------------|--------------------------|--------------------------------|-------------------|--------------------------|------------------------|------|------------------|
| | | | | | | Summit County | Ohio | United States |
| 2006 | 27,899 | \$ 17,764 | \$ 39,387 | 37.2 | 4,327 | N/A | 5.9% | 5.1% |
| 2005 | 27,899 | 17,764 | 39,387 | 37.2 | 4,270 | 5.8% | 5.9% | 5.1% |
| 2004 | 27,899 | 17,764 | 39,387 | 37.2 | 4,348 | 6.1% | 6.2% | 5.5% |
| 2003 | 27,899 | 17,764 | 39,387 | 37.2 | 4,270 | 6.2% | 6.2% | 6.0% |
| 2002 | 27,899 | 17,764 | 39,387 | 37.2 | 4,402 | 6.0% | 5.7% | 5.8% |
| 2001 | 27,899 | 17,764 | 39,387 | 37.2 | 4,634 | 4.6% | 4.4% | 4.7% |
| 2000 | 27,899 | 17,764 | 39,387 | 37.2 | 4,579 | 4.1% | 4.0% | 4.0% |
| 1999 | 27,623 | 10,366 | 27,543 | 34.2 | 4,324 | 4.3% | 4.3% | 4.2% |
| 1998 | 27,623 | 10,366 | 27,543 | 34.2 | 4,375 | 4.1% | 4.3% | 4.5% |
| 1997 | 27,623 | 10,366 | 27,543 | 34.2 | 4,313 | 4.5% | 4.6% | 4.9% |

Sources:

- (1) Ohio Workforce Information
- (2) U. S. Census Bureau - Statistics only available as of 2000 and 1990 Census.
- (3) District records
- (4) Bureau of Labor Statistics, U.S. Department of Labor

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**PRINCIPAL EMPLOYERS
LAST TWO YEARS**

| Employer | 2005 | | 2004 | |
|------------------------------|------------------|-------------|------------------|-------------|
| | Employees | Rank | Employees | Rank |
| B&C Corporation | 1,459 | 1 | (a) | (a) |
| Babcock and Wilcox Co. | 1,214 | 2 | 1,098 | 2 |
| Barberton Board of Education | 790 | 3 | 899 | 3 |
| BWX Technologies | 666 | 4 | 695 | 4 |
| B&C Industries | 592 | 5 | 552 | 5 |
| Kellou LLC | 480 | 6 | 383 | 8 |
| B&C Research Inc. | 440 | 7 | 410 | 6 |
| City of Barberton | 411 | 8 | 408 | 7 |
| QHG of Barberton | 317 | 9 | 1,361 | 1 |
| Reiter Dairy Inc. | 297 | 10 | 354 | 9 |
| Malco Products Inc. | - | - | 188 | 10 |
| Total | 6,666 | | 6,348 | |

Source: City of Barberton

Note: Information on principal employers prior to 2004 was not available and total City employment was not available from the City of Barberton.

(a) Number of employees was not reported to the City of Barberton in 2004.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY TYPE/PROGRAM
FISCAL YEAR 2006

| Type | 2006 |
|----------------------|---------------|
| Administration: | 26.00 |
| Certificated Staff: | |
| Teaching Staff: | |
| Regular education | 187.50 |
| Special education | 35.11 |
| Vocational education | 13.00 |
| Tutors | 15.00 |
| Others | 12.00 |
| Auxiliary Positions: | |
| Counselors | 8.00 |
| Speech Therapists | 3.80 |
| Psychologists | 5.00 |
| Support Staff: | |
| Secretarial | 29.75 |
| Teacher Aides | 17.40 |
| Cafeteria Workers | 27.34 |
| Custodial | 26.75 |
| Maintenance | 18.00 |
| Bus Driver | 12.69 |
| Total | <u>437.34</u> |

Source: District records.

Note: Information for 2005 and prior is not available.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

| Function | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction: | | | | | | | | | | |
| Regular and Special | | | | | | | | | | |
| Enrollment (students) | 4,327 | 4,270 | 4,348 | 4,270 | 4,402 | 4,634 | 4,579 | 4,324 | 4,375 | 4,313 |
| Graduation rate | 82.50% | 81.90% | 71.90% | 78.10% | 79.30% | 71.60% | 88.00% | 82.00% | 87.50% | 84.70% |
| Support services: | | | | | | | | | | |
| Board of education | | | | | | | | | | |
| Regular meetings per year | 20 | 20 | 23 | 23 | 23 | 23 | 22 | 24 | 23 | 21 |
| Special meetings per year | 10 | 3 | 3 | 8 | 6 | 4 | 8 | 2 | 4 | 10 |
| Administration | | | | | | | | | | |
| Student attendance rate | 93.70% | 93.40% | 93.70% | 93.80% | 93.80% | 93.30% | 93.00% | 93.00% | 92.50% | 92.53% |
| Fiscal | | | | | | | | | | |
| Nonpayroll checks issued | 4,072 | 3,843 | 3,663 | 4,347 | 4,818 | 4,782 | N/A | N/A | N/A | N/A |
| Operations and maintenance | | | | | | | | | | |
| Work orders completed | 1,584 | 1,595 | 1,581 | 1,110 | 841 | 908 | 774 | 943 | N/A | N/A |
| Pupil transportation | | | | | | | | | | |
| Average students transported daily | 1,212 | 1,054 | 1,137 | 1,322 | N/A | N/A | N/A | N/A | N/A | N/A |
| Food service operations | | | | | | | | | | |
| Meals served to students | 468,916 | 451,005 | 461,524 | 467,843 | 470,388 | N/A | N/A | N/A | N/A | N/A |

Source: District records.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

CAPITAL ASSET STATISTICS
LAST FOUR FISCAL YEARS

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| Governmental Activities: | | | | |
| Land | \$ 5,239,550 | \$ 5,239,550 | \$ 3,739,550 | \$ 3,739,550 |
| Construction in progress | - | - | 2,347,804 | 146,900 |
| Land improvements | 3,420,614 | 3,687,068 | 5,851,199 | 6,218,717 |
| Buildings and improvements | 37,717,973 | 38,841,358 | 36,150,134 | 37,196,485 |
| Furniture and equipment | 1,181,145 | 1,343,237 | 335,568 | 489,047 |
| Vehicles | 372,365 | 345,853 | 193,753 | 242,824 |
| Total Governmental Activities Capital Assets, net | <u>\$47,931,647</u> | <u>\$49,457,066</u> | <u>\$48,618,008</u> | <u>\$48,033,523</u> |

Source: District financial records.

Note: Amounts above are presented net of accumulated depreciation.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHOOL BUILDING INFORMATION
LAST TWO FISCAL YEARS

| | <u>2006</u> | <u>2005</u> |
|---|-------------|-------------|
| Barberton High School (2000) | | |
| Square feet | 263,960 | 263,960 |
| Capacity (students) | 1,600 | 1,600 |
| Enrollment | 1,300 | 1,305 |
| Highland Middle School (1917/1958) | | |
| Square feet | 68,615 | 68,615 |
| Capacity (students) | 520 | 520 |
| Enrollment | 440 | 446 |
| U.L. Light Middle School (1952/2004) | | |
| Square feet | 67,600 | 67,600 |
| Capacity (students) | 540 | 540 |
| Enrollment | 485 | 479 |
| Johnson Elementary School (1930/1958/2003) | | |
| Square feet | 43,760 | 43,760 |
| Capacity (students) | 350 | 350 |
| Enrollment | 322 | 327 |
| Memorial Elementary School (1947/1952) | | |
| Square feet | 40,540 | 40,540 |
| Capacity (students) | 324 | 324 |
| Enrollment | 360 | 363 |
| Portage Elementary School (1930/1958) | | |
| Square feet | 76,480 | 76,480 |
| Capacity (students) | 457 | 457 |
| Enrollment | 400 | 393 |
| Santroek Elementary School (1949) | | |
| Square feet | 37,080 | 37,080 |
| Capacity (students) | 374 | 374 |
| Enrollment | 350 | 362 |
| Woodford Elementary School (1958/1964/2003) | | |
| Square feet | 43,740 | 43,740 |
| Capacity (students) | 350 | 350 |
| Enrollment | 430 | 429 |
| Decker Head Start (1958) | | |
| Square feet | 28,000 | 28,000 |
| Capacity (students) | 250 | 250 |
| Enrollment | 336 | 325 |
| Stadium (1950/2000) | | |
| Square feet | 9,000 | 9,000 |
| Administration Building (1964) | | |
| Square feet | 8,000 | 8,000 |
| Oakdale Elementary School (1927/1960/1978) | | |
| Square feet | 44,235 | 44,235 |
| Capacity (students) | 312 | 312 |
| Enrollment | Closed | Closed |
| Arnold Head Start (1958) | | |
| Square feet | 28,797 | 28,797 |
| Capacity (students) | 250 | 250 |
| Enrollment | Closed | Closed |

Source: District records

Note: Year of original construction and subsequent additions are in parentheses. Information for 2004 and prior is not available.

**BARBERTON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

OPERATING STATISTICS
LAST TEN FISCAL YEARS

| Fiscal Year | General Government | | Governmental Activities (2) | | Enrollment | Percent Change |
|-------------|--------------------|----------------|-----------------------------|----------------|------------|----------------|
| | Expenditures (1) | Cost per pupil | Expenses (1) | Cost per pupil | | |
| 2006 | \$ 42,463,376 | \$ 9,814 | \$ 44,105,261 | \$ 10,193 | 4,327 | 1.33% |
| 2005 | 43,006,207 | 10,072 | 43,243,949 | 10,127 | 4,270 | -1.79% |
| 2004 | 46,416,401 | 10,675 | 45,886,756 | 10,554 | 4,348 | 1.83% |
| 2003 | 44,102,318 | 10,328 | 43,487,040 | 10,184 | 4,270 | -3.00% |
| 2002 | 41,207,188 | 9,361 | N/A | N/A | 4,402 | -5.01% |
| 2001 | 39,870,006 | 8,604 | N/A | N/A | 4,634 | 1.20% |
| 2000 | 53,926,854 | 11,777 | N/A | N/A | 4,579 | 5.90% |
| 1999 | 43,413,612 | 10,040 | N/A | N/A | 4,324 | -1.17% |
| 1998 | 38,792,523 | 8,867 | N/A | N/A | 4,375 | 1.44% |
| 1997 | 31,196,728 | 7,233 | N/A | N/A | 4,313 | 0.00% |

Source: District records

(1) Debt Service totals have been excluded.

(2) The District implemented GASB 34 in fiscal year 2003.

| Teaching Staff | Pupil/Teacher Ratio |
|---------------------------|--------------------------------|
| 365 | 11.85 |
| 412 | 10.36 |
| 435 | 10.00 |
| 320 | 13.34 |
| 420 | 10.48 |
| 298 | 15.55 |
| 320 | 14.31 |
| 356 | 12.15 |
| 325 | 13.46 |
| 292 | 14.77 |

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Mary Taylor, CPA
Auditor of State

BARBERTON CITY SCHOOL DISTRICT

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
MARCH 13, 2007**