



**CITY OF BARBERTON
SUMMIT COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2006



Mary Taylor, CPA
Auditor of State

CITY OF BARBERTON
SUMMIT COUNTY

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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*

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Barberton, Summit County, Ohio, (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 30, 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 City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the City's management in a separate letter dated May 30, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the City's management in a separate letter dated May 30, 2007.

We intend this report solely for the information and use of management, City Council, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

May 30, 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

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

To the City Council:

Compliance

We have audited the compliance of the City of Barberton, Summit County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to its major federal program for the year ended December 31, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Barberton, Summit County, Ohio complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2006.

Internal Control Over Compliance

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

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

Federal Awards Expenditures Schedule

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Barberton, Summit County, Ohio as of and for the year ended December 31, 2006, and have issued our report thereon dated May 30, 2007. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Mary Taylor, CPA
Auditor of State

May 30, 2007

**CITY OF BARBERTON
SUMMIT COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed Through Akron City Department of Health</i>			
Special Supplemental Food Program for Women, Infants, and Children	110	10.557	\$207,853
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Direct</i>			
Community Development Block Grant Entitlement Program	N/A	14.218	1,392,810
<u>U.S. DEPARTMENT OF DEPARTMENT OF JUSTICE</u>			
<i>Direct</i>			
Local Law Enforcement Block Grant	N/A	16.592	12,000
Regional Information Sharing Systems	N/A	16.610	15,559
Juvenile Justice and Delinquency Prevention Allocation to States	N/A	16.540	2,028
Public Safety Partnership and Community Policing - Secure Our Schools Grant	N/A	16.710	46,445
Total U.S. Department of Justice			76,032
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Direct</i>			
Bioterrorism Training and Curriculum Development Program	N/A	93.996	38,568
<i>Passed through the Akron City Department of Health</i>			
Immunization Action Plan Grant	101A	93.268	37,033
Maternal and Child Health Services Grant	101Q	93.994	67,983
<i>Passed through the Area Agency on Aging</i>			
Special Programs for the Aging Title III, Part B, Grants for Supportive Services and Senior Centers	227B	93.044	4,187
Total U.S. Department of Health and Human Services			147,771
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Passed through the Ohio Department of Public Safety</i>			
Public Assistance Grants	1519-DR-153-03828	97.036	81,048
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
<i>Direct</i>			
Brownfields Assessment and Cleanup Cooperative Agreements	N/A	66.818	106,966
TOTAL			\$2,012,480

The accompanying notes are an integral part of this schedule.

**CITY OF BARBERTON
SUMMIT COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2006**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - COMMUNITY DEVELOPMENT BLOCK GRANT REVOLVING LOAN PROGRAMS

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

These loans are collateralized by mortgages on the property. At December 31, 2006, the gross amount of loans outstanding under this program was \$457,538.

NOTE C - SUBRECIPIENTS

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

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

**CITY OF BARBERTON
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 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)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA # 14.218 Community Development Block Grant Entitlement Program
<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**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

City of Barberton, Ohio



*Comprehensive Annual Financial Report
for the Fiscal Year Ended
December 31, 2006*



*City of Barberton, Ohio
Comprehensive Annual
Financial Report*

for the year ended December 31, 2006

Prepared by The Department of Finance

Raymond E. Flickinger, Jr., C.P.F.A.

Director of Finance

Brian R. Griffith

Assistant Director of Finance

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INTRODUCTORY SECTION

CITY OF BARBERTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006

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May 30, 2007

Honorable Mayor, Members of City Council
And Citizens of Barberton
Barberton, Ohio

The Comprehensive Annual Financial Report (CAFR) of the City of Barberton, Ohio (City) is hereby presented. This CAFR represents the official report of the City of Barberton's operations and financial position for the year ended December 31, 2006, and has been developed to accurately detail the status of the City finances to Barberton residents and elected officials, investment banks and underwriters and all other interested parties. This report is presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments". It is intended to provide all pertinent and necessary information to the citizens of Barberton.

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

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

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

As a part of the City's independent audit, considerations are made to assess the internal control structure in relation to the financial statements, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2006 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

Finance Department

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

Community Profile

The City of Barberton is located in northeast Ohio, adjacent to the City of Akron. Incorporated in 1891, Barberton operates under a charter form of government which was adopted by its voters in 1973. The City is governed by an elected Mayor and a nine-member City Council. Founded by industrialist Ohio Columbus Barber, Barberton earned the nickname of the Magic City because of its early rapid growth. Today, Barberton covers an area of approximately nine square miles and is the fourth largest city in Summit County with a population of 27,899.

The City provides a full range of municipal services mandated by statute or charter, including police and fire protection, parks, recreation, street maintenance, planning, zoning and other general government services. Health services are provided by the Barberton Health District. In addition, water, sewer, storm water and solid waste disposal services are provided under the enterprise fund concept with user charges set to ensure adequate coverage of operating expenses and payments on outstanding debt. The Barberton Community Fitness Center also operates as an enterprise fund with member fees partially covering the cost of providing programs. In recent years, the City's staffing levels have declined from 283 full-time employees in 2001 to 246 in 2006.

Economic Condition and Outlook

Local Economy

The City's economy has historically been associated with the manufacturing industry. Major industries with headquarters or divisions within Barberton's boundaries include manufacturers of fossil fuel and nuclear power generating equipment, automobile components, energy products management systems and producers of chemical and dairy products. The City's largest employer accounts for almost 20 percent of the City's total income tax collections.

Given Barberton's ties to the manufacturing industry, the downturn in the national economy has had a more dramatic and negative impact on the City than many of the neighboring communities and the rest of Ohio. However, beginning in 2004 the City began to show signs of recovery. Through 2006 income tax collections had increased \$1.5 million over 2003 totals, or an average of 5% per year.

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

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

- Babcock & Wilcox, the City's largest employer announced plans to move its Research and Development Division to the City of Barberton. Initially 50 jobs will be brought to Barberton with the anticipation that 50 new positions will be added.
- To encourage business development the Barberton Community Development Corporation (BCDC), in cooperation with the City of Barberton and the Barberton Community Foundation (Foundation), has created four mini industrial parks. To date, the latest park New Haven Business Park has created 100 jobs and \$3.9 million in new construction. Programs such as the Foundation PRI program have created or maintained 630 jobs with an annual payroll of \$12.1 million.

Another positive sign is that the total assessed property values have increased approximately 25 percent during the last five years. This growth can be attributed to the recent completion of several neighborhood and commercial developments as well as to an overall trend towards better housing maintenance Citywide. The growth in property values provides evidence that the various housing and commercial development programs being offered by the City and other non-profit agencies, such as the Barberton Community Foundation and the Barberton Community Development Corporation are beginning to have a meaningful impact.

Long-Term Financial Planning

The City had been able to offset the loss of revenues the last few years by using all its Emergency Reserve monies as well as a number of other one-time revenues. However, because there were no more one-time revenues that could be used, the City has made an effort to reduce operating expenses. An example of this effort is that the full-time staffing levels have been reduced through attrition from 277 employees in 2002 to 246 at the end of 2006. The result of the staffing reductions and other cuts has been minimal growth in the General Fund budget since 2002. For example, the 2007 General Fund budget totals approximately \$15.1 million. The 2002 General Fund expenditures also amounted to approximately \$14.8 million on a cash basis, indicating no material growth in General Fund expenditures for the last five years.

Major Initiatives

Construction of the Robinson Avenue Viaduct was completed and the viaduct opened on schedule in July 2006. The City's share of the cost of the \$16.3 million project is \$1.125 million. The remainder of the costs were funded by grants from the State of Ohio, the Ohio Public Works Commission and the Summit County Bridge Fund.

Construction was started on the Water Plant renovation project during 2006. The City issued Waterworks System Improvement Revenue Bonds in the amount of \$9,305,000 in order to fund the project, a complete upgrade to the plant filtration system.

The City entered into a Cooperative Use and Occupancy Agreement with YMCA of Akron in order to construct the Lake Anna YMCA. The new 57,000 square foot building will consist of a 42,000 square foot YMCA, a 10,000 square foot Barberton Senior Center and a 5,000 square foot wellness, physical therapy and sports medicine center operated by Barberton Citizens Hospital. Total cost of the facility is expected to be \$9 million dollars and is funded by a \$6 million grant from the Barberton Community Foundation, \$2 million from the City and \$1 million through a Community Campaign.

City Council established a Storm Water Management Utility Fund during 2006. The Utility was established to protect and manage storm waters. Funding is generated from a residential \$5.00 per month user charge. Commercial and industrial properties are also charge monthly by a formula. User fees collected in 2006 were \$375,270. It is anticipated \$852,000 will be collected in 2007, the first full year of operation.

The City and the Ohio Department of Transportation ODOT, entered into an agreement for the resurfacing of 1.51 miles of State Route 619. Total cost of the project is \$1.4 million. The City's share of the project \$439,748 was funded through the State Infrastructure Bank.

Certificate of Achievement for Excellence in Financial Reporting

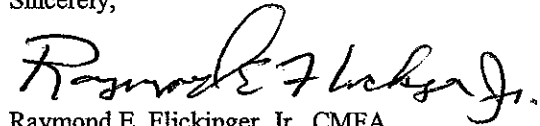
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Barberton, Ohio for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2005. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Barberton, Ohio, has received Certificates of Achievement for the last 16 consecutive years (1990-2005). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for award consideration.

Acknowledgements

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

Sincerely,

A handwritten signature in cursive script that reads "Raymond E. Flickinger, Jr.".

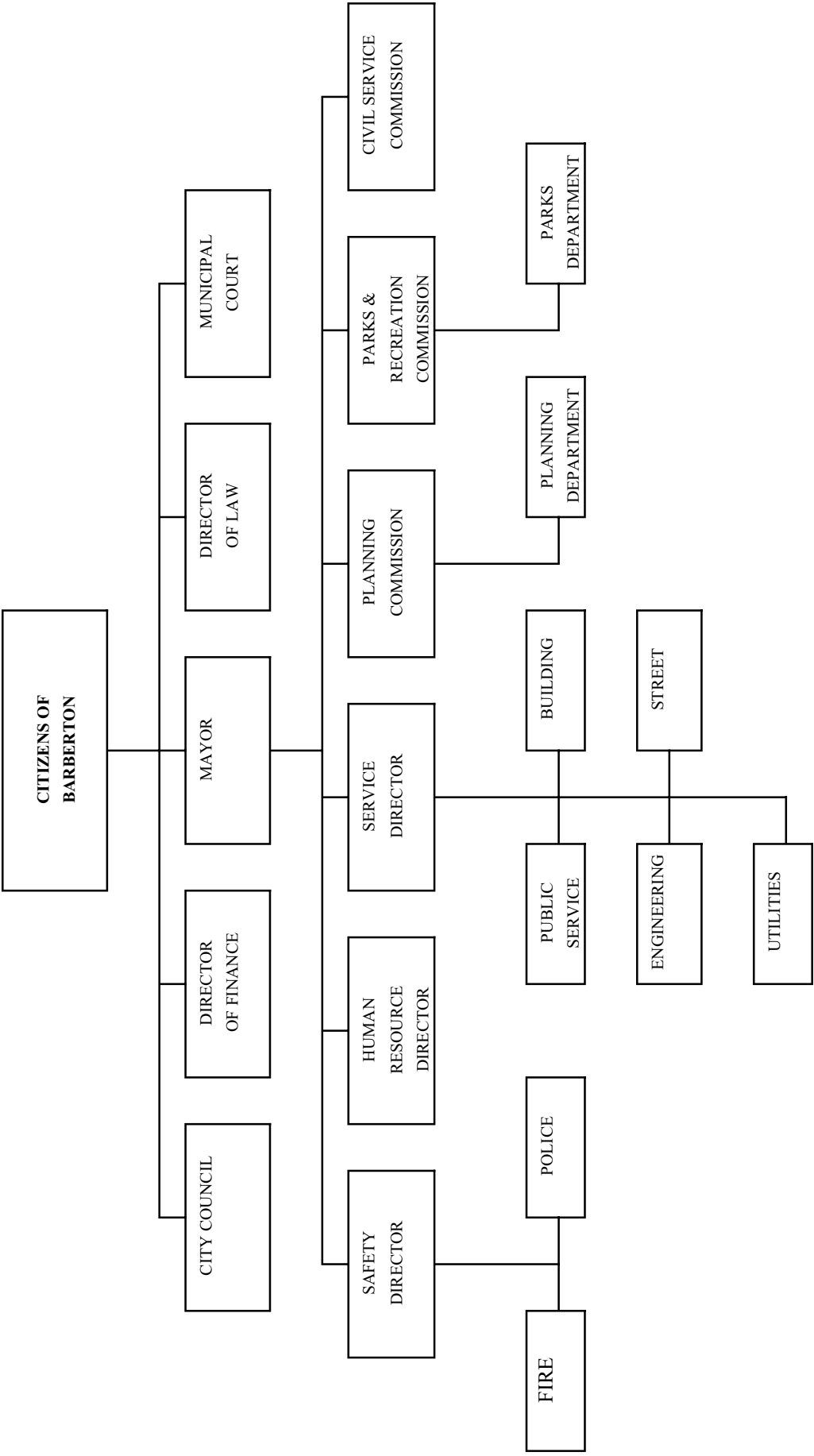
Raymond E. Flickinger, Jr., CMFA
Director of Finance

CITY OF BARBERTON, OHIO

**LIST OF PRINCIPAL CITY OFFICIALS
AS OF DECEMBER 31, 2006**

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

**CITY OF BARBERTON, OHIO
ORGANIZATIONAL CHART**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Barberton
Ohio

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

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



President

Executive Director

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FINANCIAL SECTION



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Barberton, Summit County, Ohio, (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Barberton, Summit County, Ohio, as of December 31, 2006, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Health District funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2007, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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

Mary Taylor, CPA
Auditor of State

May 30, 2007

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2006 UNAUDITED

The management's discussion and analysis for the City of Barberton's financial statements provides an overview of the City's financial activities as of December 31, 2006. The intent of this discussion is to provide a narrative that describes the City's performance as a whole. To obtain a more detailed understanding, one should also review the transmittal letter, the notes to the basic financial statements and the basic financial statements.

Financial Summary

The financial summary for 2006 follows:

- The total assets of the City of Barberton exceeded its liabilities at December 31, 2006 by \$63,106,331 (net assets). Of this amount, \$7,362,720 is considered restricted for various purposes such as capital projects, debt service and other restrictions. Another \$48,596,782 is invested in capital assets and the remaining \$7,146,829 is considered unrestricted and may be used to meet the City's ongoing obligations.
- Total net assets decreased \$536,948 as a result of this year's operations. Net assets of our business-type activities increased \$4,141,205, or 12.25 percent, while the net assets of governmental activities decreased \$4,678,153, or 15.68 percent.
- The total cost of the City's programs was \$33,760,076, while the total revenues were \$35,079,458. Of these amounts the governmental activities represented \$23,103,803 of the expenses and \$24,052,825 of the revenues. The business-type activities represented the remaining \$10,656,273 of expenses and \$11,026,633 of revenues.
- At the end of the current fiscal year, the fund balance for the General Fund was \$3,612,272 on a modified accrual basis. This balance provides the City with the equivalent of 90 working days of expenditures.
- The City's total outstanding debt increased \$5,404,247 during 2006. This increase is due primarily to the 2006 Waterworks System Revenue bond issue in the amount of \$9,305,000 and new capital lease obligations entered into during 2006 in the amount of \$314,675. The City made final principal and interest payments on the Parking Lot Improvement bonds and the Sewer Revenue Refunding bonds.

Using this Comprehensive Annual Financial Report

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

The Statement of Net Assets and the Statement of Changes in Net Assets provide information from a summary perspective showing the effects of the operations for the year 2006 and how they impacted the operations of the City as a whole.

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

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2006 UNAUDITED

Reporting the City of Barberton as a Whole

Statement of Net Assets and Statement of Activities

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

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

Reporting on the Most Significant Funds of the City of Barberton

Fund Financial Statements

The analysis of the City's major funds begins on page 10. Fund financial reports give a detailed accounting of the activities within the funds. The City currently has 46 funds, as presented in this report. These funds are in existence to provide a multitude of services to the citizens of Barberton. For example, some funds provide for police and fire protection, street repair and maintenance as well as water, sewer, storm water and solid waste disposal services. In addition, a number of funds serve a variety of other purposes ranging from accounting for the City's construction of capital and infrastructure assets to providing health care benefits to the City's employees. Each fund is in some ways an entity unto itself. Each fund has a designated revenue stream and restricted uses for the monies within the fund.

In this report, the focus is on five major funds, the General Fund, the Health District Fund, the Water Fund, the Sewer Fund and the Storm Water Fund.

Governmental Funds

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

Proprietary Funds

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

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED*

Fiduciary Funds

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

Statement of Net Assets

As noted earlier, the Statement of Net Assets looks at the City as a whole and therefore, can be a useful indicator of the City's financial position. The table below provides a summary of the City's net assets for 2006 compared to 2005:

	Governmental Activities 2006	Business-type Activities 2006	Governmental Activities 2005	Business-type Activities 2005	2006 Total	2005 Total
<u>Assets</u>						
Current and other assets	\$ 15,557,312	\$ 17,076,813	\$ 15,577,261	\$ 10,017,259	\$ 32,634,125	\$ 25,594,520
Capital assets, net	<u>23,012,987</u>	<u>38,966,331</u>	<u>27,873,395</u>	<u>35,270,635</u>	<u>61,979,318</u>	<u>63,144,030</u>
Total assets	<u>38,570,299</u>	<u>56,043,144</u>	<u>43,450,656</u>	<u>45,287,894</u>	<u>94,613,443</u>	<u>88,738,550</u>
<u>Liabilities</u>						
Current and other liabilities	4,151,844	1,587,143	3,777,917	1,044,104	5,738,987	4,822,021
Long-term liabilities:						
Due within one year	1,513,386	1,134,724	1,437,765	1,387,097	2,648,110	2,824,862
Due in more than one year	<u>7,748,372</u>	<u>15,371,643</u>	<u>8,400,124</u>	<u>9,048,264</u>	<u>23,120,015</u>	<u>17,448,388</u>
Total liabilities	<u>13,413,602</u>	<u>18,093,510</u>	<u>13,615,806</u>	<u>11,479,465</u>	<u>31,507,112</u>	<u>25,095,271</u>

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED*

Net Assets

	Governmental Activities <u>2006</u>	Business-type Activities <u>2006</u>	Governmental Activities <u>2005</u>	Business-type Activities <u>2005</u>	2006 Total	2005 Total
<u>Net Assets</u>						
Invested in capital assets, net of related debt	\$ 15,884,161	\$ 30,704,621	\$ 19,954,622	\$ 24,952,452	\$ 46,588,782	\$ 44,907,074
Restricted:						
Capital projects	2,337,727	-	4,443,464	-	2,337,727	4,443,464
Debt service	516,125	31,821	537,306	663,928	547,946	1,201,234
Street construction, maintenance and repair	1,095,324	-	843,410	-	1,095,324	843,410
Court computer	82,146	-	76,374	-	82,146	76,374
Recreation	632,833	-	763,290	-	632,833	763,290
Health District	337,786	-	997,115	-	337,786	997,115
Community development and improvements	862,668	-	764,691	-	862,668	764,691
Law enforcement	87,947	-	283,180	-	87,947	283,180
Emergency reserve	267	-	257	-	267	257
Police and fire pension	88,432	-	91,621	-	88,432	91,621
Miscellaneous grants	39,705	-	100,774	-	39,705	100,774
Sewer replacement and improvement	-	1,237,596	-	2,236,554	1,237,596	2,236,554
Unrestricted	<u>3,191,576</u>	<u>5,975,596</u>	<u>978,746</u>	<u>5,955,495</u>	<u>9,167,172</u>	<u>6,934,241</u>
 Total net assets	 <u>\$ 25,156,697</u>	 <u>\$ 37,949,634</u>	 <u>\$ 29,834,850</u>	 <u>\$ 33,808,429</u>	 <u>\$ 63,106,331</u>	 <u>\$ 63,643,279</u>

Total assets increased in 2006 by \$5,874,893. The increase in the assets is due primarily to the increase of cash and cash equivalents of approximately \$6.2 million during 2006, which includes a \$1.5 million increase in the general fund and \$6.5 million increase in the Water fund. Total assets decreased in governmental activities and increased in business-type activities due to the transfer of capital assets, net of depreciation in the amount of \$3,583,860 from governmental activities to the Storm Water enterprise fund that was established during 2006.

Total liabilities increased \$6,411,841 in 2006. The overall increase in the liabilities is due to a number of factors including some fluctuations in the accounts payable, intergovernmental payable and deferred revenue amounts as well as debt increases. During 2006, the City rolled over several note issues and issued a Waterworks System Revenue bond in the amount of \$9,305,000.

As a result of the increase in total assets of \$5,874,893 (a positive) and the increase in total liabilities of \$6,411,841 (a negative), the total net assets decreased \$536,948.

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED*

Statement of Activities

The table below shows the changes in net assets for fiscal years 2006 and 2005.

	Change in Net Assets					
	Governmental Activities <u>2006</u>	Business-type Activities <u>2006</u>	Governmental Activities <u>2005</u>	Business-type Activities <u>2005</u>	2006 <u>Total</u>	2005 <u>Total</u>
Revenues						
Program revenues:						
Charges for services	\$ 3,280,241	\$ 10,553,495	\$ 2,954,257	\$ 10,831,080	\$ 13,833,736	\$ 13,785,337
Operating grants and contributions	3,702,419	-	4,278,454	-	3,702,419	4,278,454
Capital grants and contributions	<u>160,183</u>	<u>-</u>	<u>476,933</u>	<u>-</u>	<u>160,183</u>	<u>476,933</u>
Total program revenues	<u>7,142,843</u>	<u>10,553,495</u>	<u>7,709,644</u>	<u>10,831,080</u>	<u>17,696,338</u>	<u>18,540,724</u>
General revenues:						
Property taxes	1,456,662	-	1,776,019	-	1,456,662	1,776,019
Income taxes	11,391,350	-	9,968,415	-	11,391,350	9,968,415
Grants and entitlements	2,552,742	-	2,077,635	-	2,552,742	2,077,635
Investment earnings	762,314	416,614	432,745	96,244	1,178,928	528,989
Other	<u>746,914</u>	<u>56,524</u>	<u>1,104,986</u>	<u>31,816</u>	<u>803,438</u>	<u>1,136,802</u>
Total general revenues	<u>16,909,982</u>	<u>473,138</u>	<u>15,359,800</u>	<u>128,060</u>	<u>17,383,120</u>	<u>15,487,860</u>
Total revenues	<u>24,052,825</u>	<u>11,026,633</u>	<u>23,069,444</u>	<u>10,959,140</u>	<u>35,079,458</u>	<u>34,028,584</u>
Expenses						
Program Expenses:						
General government	4,097,563	-	3,837,242	-	4,097,563	3,837,242
Public safety	9,745,177	-	9,579,081	-	9,745,177	9,579,081
Health and welfare	2,384,744	-	2,246,143	-	2,384,744	2,246,143
Transportation	2,218,732	-	2,606,966	-	2,218,732	2,606,966
Community environment	1,303,440	-	1,404,166	-	1,303,440	1,404,166
Leisure time activity	1,742,270	-	1,705,276	-	1,742,270	1,705,276
Intergovernmental	1,328,572	-	-	-	1,328,572	-
Interest and fiscal charges	283,305	-	223,084	-	283,305	223,084
Water	-	4,295,926	-	3,377,859	4,295,926	3,377,859
Sewer	-	4,017,338	-	3,816,607	4,017,338	3,816,607
Storm water	-	292,441	-	-	292,441	-
Solid waste	-	1,500,928	-	1,393,999	1,500,928	1,393,999
Community center	-	547,635	-	544,489	547,635	544,489
Lake Cinema	<u>-</u>	<u>2,005</u>	<u>-</u>	<u>946,621</u>	<u>2,005</u>	<u>946,621</u>
Total expenses	<u>23,103,803</u>	<u>10,656,273</u>	<u>21,601,958</u>	<u>10,079,575</u>	<u>33,760,076</u>	<u>31,681,533</u>
Change in net assets before transfers and special item	949,022	370,360	1,467,486	879,565	1,319,382	2,347,051
Special item	(1,856,330)	-	-	-	(1,856,330)	-
Transfers	<u>(3,770,845)</u>	<u>3,770,845</u>	<u>(227,000)</u>	<u>227,000</u>	<u>-</u>	<u>-</u>
Change in net assets	(4,678,153)	4,141,205	1,240,486	1,106,565	(536,948)	2,347,051
Net assets at beginning of year	<u>29,834,850</u>	<u>33,808,429</u>	<u>28,594,364</u>	<u>32,701,864</u>	<u>63,643,279</u>	<u>61,296,228</u>
Net assets at end of year	<u>\$ 25,156,697</u>	<u>\$ 37,949,634</u>	<u>\$ 29,834,850</u>	<u>\$ 33,808,429</u>	<u>\$ 63,106,331</u>	<u>\$ 63,643,279</u>

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2006 UNAUDITED

Governmental Activities

The City's funding for governmental activities comes from a variety of sources, the most significant being the municipal income tax. The City levies an income tax of 2.0 percent on all income earned within the City as well as on the income of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent on the income taxes paid to another municipality by residents of Barberton, up to 2.0 percent of the income. On a full accrual basis, the City received \$11,391,350 in income tax collections, or 47.36 percent of the total governmental revenues in 2006, compared to \$9,968,415 in income tax collections received in 2005.

Intergovernmental revenue (i.e. state shared support) represents the City's second largest source of general revenue for the governmental activities. In 2006, the City received \$2,552,742 in unrestricted intergovernmental revenues or 10.61 percent of total revenue. Unrestricted intergovernmental revenues totaled 9.01 percent of total revenue in 2005. The remaining general revenue sources represent smaller amounts and include property taxes (6.06 percent) and various others (6.27 percent).

Program restricted charges for services and operating and capital grants represent monies the City is awarded that are required to be used for very specific purposes. In 2006, the City received \$3,280,241 in charges for services and a combined total of \$3,862,602 in various operating and capital grants.

The City's governmental activity expenses totaled \$23,103,803 in 2006, with public safety (police and fire protection) and general government (city council, mayor, finance, service director, etc.) representing the largest portion of this figure at 42.18 percent and 17.74 percent, respectively. The City's governmental activity expenses increased by \$1,501,845 from 2005, due to increased intergovernmental expenditures on the government wide financial statements. The City recorded \$1,999,901 in capital outlays in 2006 compared to \$1,431,678 in 2005.

Public safety expenses totaled \$9,745,177 and represented 42.18 percent of the City's total governmental activity expenses in 2006 compared to 44.34 percent in 2005. The public safety classification consists of the Police Department, which includes 911 dispatchers, and the Fire Department. As of December 31, 2006, the City employed 37 full-time police officers, 11 full-time 911 dispatchers and 42 full-time firefighters.

Health and welfare expenses totaled \$2,384,744 and represented the City's third largest category of governmental activity expenses with 10.32 percent of total expenses. Programs for the Health District Fund, a major fund, are included in this category.

At \$2,218,732 or 9.60 percent, transportation represents the City's fourth largest category of governmental activity expenses. The transportation classification consists of the City's Street Department and the Paint and Signal Division. In addition, the City has several funds established that are used to pay private contractors for road resurfacing and general street maintenance. The expenses for the private street resurfacing contracts are also included as transportation related expenses. As of December 31, 2006, the City employed 13 full-time employees in the Street Department and 2 full-time employees in the Signal Division.

Business-Type Activities

The City operates a Utility Department that consists of water, sewer, storm water and solid waste disposal (garbage collection) services. Sanitary sewer services are provided to approximately 10,881 customers in and around the Barberton area. Sewer billing rates are set by City Council based on the recommendation of the Service Director and the Utilities Director. In 2006, the rates were established at \$3.74 per thousand gallons of water used for residential and commercial users. The sewer treatment plant was originally constructed in 1960 and then completely overhauled in 1988. The City has made several improvements to the plant since 1988 with the most recent occurring in 2002 for various upgrades.

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED*

Water distribution and treatment services are provided to approximately 11,597 customers in and around the Barberton area. Water billing rates are set by the Service Director. In 2006, the rates were established at \$3.49 per thousand gallons for residential and commercial users. In 1994, the water treatment plant was completely renovated at a cost of approximately \$4.9 million. Over the past year, plans to improve and upgrade the water treatment plant have been in development. During 2006 the City established a Storm Water Fund to account for storm drainage runoff.

The City also operates a solid waste disposal (garbage collection) utility. The City, in addition to billing and collecting garbage user fees, acts as an agent between the successful bidder for pickup service and City customers. In 2006, the rate was established at \$11.92 per month.

In addition to the four utilities, the City also operates a community center. The community center is under the direction of the Parks Department and is designed to provide area residents with various recreational, fitness and educational opportunities. In comparison to the four utilities, the community center represents 5.24 percent of the total operating expenses for the business-type activities.

The revenues and expenses for all the business-type activities are reported under the Business-Type Activities. The revenues are derived primarily from user charges. In 2006, the charges for services amount of \$10,553,495 accounted for 95.71 percent of the total revenues compared to 98.83 percent in 2005. The total expenses for all the business-type activities were \$10,656,273 during 2006, compared to \$10,079,575 in 2005. Net assets of the business-type activities increased \$4,141,205, primarily due to \$3,583,860 in capital contributions from governmental funds for infrastructure capital assets. During 2006 the City established the Storm Water Fund, and \$3,583,860 in storm sewer capital assets were transferred from governmental activities to business-type activities.

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

	Total Cost of Services <u>2006</u>	Net Cost of Services <u>2006</u>	Total Cost of Services <u>2005</u>	Net Cost of Services <u>2005</u>
Program Expenses:				
General government	\$ 4,097,563	\$ 2,496,494	\$ 3,837,242	\$ 2,038,209
Public safety	9,745,177	8,912,351	9,579,081	9,066,584
Health and welfare	2,384,744	1,069,782	2,246,143	24,909
Transportation	2,218,732	824,291	2,606,966	909,744
Community environment	1,303,440	(451,307)	1,404,166	121,856
Leisure time activities	1,742,270	1,497,472	1,705,276	1,507,928
Intergovernmental	1,328,572	1,328,572	-	-
Interest and fiscal charges	<u>283,305</u>	<u>283,305</u>	<u>223,084</u>	<u>223,084</u>
Total Expenses	<u>\$ 23,103,803</u>	<u>\$ 15,960,960</u>	<u>\$ 21,601,958</u>	<u>\$ 13,892,314</u>

The dependence upon general revenues for governmental activities is apparent, with 69.08% of expenses supported through taxes and other general revenues in 2006 and 64.31% in 2005.

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2006 UNAUDITED

The City's Funds

Information about the City's governmental funds begins on page 18. Governmental funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of \$24,763,540 and expenditures of \$25,314,151.

The General Fund is the chief operating fund of the City of Barberton. During 2006, the City's General Fund had total revenues and other financing sources of \$18,894,990 and expenditures and other financing uses totaling \$17,012,794, resulting in a positive change in fund balance of \$1,882,196. The unreserved fund balance in the General Fund at December 31, 2006 was \$3,391,929.

In addition to the General Fund, the other major governmental fund, the Health District Fund, experienced a decrease in fund balance from 2005 to 2006 of \$185,019 or 43.99% during 2006.

Information concerning the proprietary funds starts on page 24. These funds are accounted for on an accrual basis. All enterprise funds had operating revenues of \$10,586,204 and operating expenses of \$10,076,107, resulting in operating income of \$510,097 or 4.82 percent of the total revenues compared to 8.38 in 2005. The Water Fund had operating revenues of \$4,220,667 which was greater than the operating expenses of \$3,843,336. The Sewer Fund had operating revenues of \$4,096,943 and operating expenses of \$3,907,152. The Storm Water Fund, established during 2006, had operating revenues of \$498,372, operating expenses of \$292,441, and received capital contributions from other funds of \$3,583,860.

Budgeting Highlights

The City's budget is prepared according to the laws of the State of Ohio and is based on accounting for certain transactions on a cash basis for receipts, expenditures and encumbrances. The most significant budgeted fund is the General Fund. The legal level of control is established by City Council at the department level for the General Fund and at the fund level for all other funds. Any budget modifications at this level may only be made through an ordinance of City Council. City policy permits fund transfers within control levels with the approval of the department head and the Finance Director. During the course of 2006, the City amended the budget several times.

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

For the General Fund, the 2006 original and final budgeted revenues and financing sources were \$17,097,666 and \$17,988,666, respectively. The actual revenue collections were \$18,240,368. Actual revenue came in higher than budgeted primarily due to higher than expected municipal income tax collections. During 2006, actual expenditures and other financing uses of \$16,944,877 were \$572,375 less than the final appropriated expenditures of \$17,517,252. The City's ending unencumbered cash balance of \$1,811,195 in the General Fund was \$824,077 higher than the final budgeted amount. Investment income revenues were increased in the final budget by \$330,000 to reflect improving interest rates and earnings on investments. Intergovernmental revenues were increased in the final budget to reflect additional inheritance tax revenues, and the 911 wireless funding grant and Brownfield pilot grant which were not included in the original budget.

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED*

Capital Assets and Debt Administration

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

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 5,125,739	\$ 3,905,666	\$ 973,813	\$ 973,813	\$ 6,099,552	\$ 4,879,479
Construction in progress	665,316	2,179,136	1,848,218	3,085,226	2,513,534	5,264,362
Buildings	2,325,736	2,501,351	16,421,178	14,853,144	18,746,914	17,354,495
Vehicles and equipment	4,960,016	3,204,472	1,158,136	1,051,751	6,118,152	4,256,223
Infrastructure						
Street subsystem	8,505,396	11,010,690	-	-	8,505,396	11,010,690
Storm sewer subsystem	-	3,583,860	3,549,749	-	3,549,749	3,583,860
Traffic signals subsystem	1,430,784	1,488,220	-	-	1,430,784	1,488,220
Water lines	-	-	5,994,509	5,955,696	5,994,509	5,955,696
Sewer lines	-	-	9,020,728	9,351,005	9,020,728	9,351,005
Totals	\$23,012,987	\$27,873,395	\$38,966,331	\$35,270,635	\$61,979,318	\$63,144,030

Total capital assets for the City of Barberton for the year ended December 31, 2006 were \$61,979,318, which is a decrease from the 2005 figure by \$1,164,712. The decrease is due to depreciation of \$3,288,781 and disposals of \$1,907,997 (net of accumulated depreciation) exceeding additions of \$4,032,066. Please see Note 7 in the financial statements for more information regarding the City's capital assets.

Debt

The outstanding debt for the City of Barberton as of December 31, 2006 was \$23,626,627. This balance reflected an increase of \$5,404,247 from the prior year's balance of \$18,222,380. Moody's Investors Service, Inc. has given the City a bond rating of A3.

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
General obligation bonds	\$ 4,684,564	\$ 5,327,578	\$ 4,356,108	\$ 5,011,651	\$ 9,040,672	\$ 10,339,229
Revenue bonds	-	-	9,290,639	-	9,290,639	-
Revenue refunding bonds	-	-	-	615,014	-	615,014
Capital leases	160,621	-	154,054	11,187	314,675	11,187
Special assessment bonds	235,641	266,950	-	-	235,641	266,950
Notes payable	838,000	1,013,000	2,697,000	4,652,000	3,535,000	5,665,000
Other debt	1,210,000	1,325,000	-	-	1,210,000	1,325,000
Total long-term obligations	\$ 7,128,826	\$ 7,932,528	\$ 16,497,801	\$ 10,289,852	\$ 23,626,627	\$ 18,222,380

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2006 UNAUDITED

A summary of the City's debt activity during 2006 includes the following:

- The City made scheduled principal and interest payments on its debt obligations, as well as re-financing and paying down a portion of the notes payable related to street, water system, and community center improvements.
- The City issued \$9,305,000 in Waterworks System revenue bonds during 2006.
- The balance of the short-term notes decreased by \$119,000 in the governmental activities and increased \$54,000 in the business-type activities.

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

Economic Factors and the 2007 General Fund Budget

Some of the economic trends impacting Barberton that were considered in developing the 2007 budget include the following:

- Barberton's average annual unemployment rate during 2006 was 6.2 percent, compared to 5.3 percent for Summit County and 5.5 percent for the State of Ohio.
- Barberton's total assessed property values have increased approximately \$92.5 million, or nearly 26 percent since 2000.
- The 2006 income tax collections amounted to approximately \$11 million on a cash basis. In 2007, the City budgeted a 0.2 percent increase in income tax collections. Through March 2007, the City has experienced no increase.

Despite the recent growth in the 2007 income tax collections and the City's cost cutting efforts, it appears the City will continue to have a difficult budget situation for the near future. This is due to other revenues such as, shared support from the State and estate taxes continuing to remain stagnant or declining while operating costs are starting to increase due to inflationary pressures and unmet capital needs. As a result, it is anticipated that further cost containment efforts and/or revenue enhancement actions will be necessary through the remainder of 2007 and into 2008.

Request for Information

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

**BASIC
FINANCIAL STATEMENTS**

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CITY OF BARBERTON, OHIO

*STATEMENT OF NET ASSETS
DECEMBER 31, 2006*

	Governmental	Business-type	Total
	Activities	Activities	
Assets:			
Equity in pooled cash and cash equivalents.	\$ 8,352,629	\$ 4,114,153	\$ 12,466,782
Investments	-	9,625,134	9,625,134
Cash and cash equivalents in segregated accounts	190,952	1,237,596	1,428,548
Cash and cash equivalents held by trustee	-	31,821	31,821
Receivables (net of allowances for uncollectibles):			
Property taxes	1,674,507	-	1,674,507
Income taxes	1,994,303	-	1,994,303
Accounts	71,867	1,287,150	1,359,017
Intergovernmental	2,152,195	-	2,152,195
Accrued interest	30,208	12,390	42,598
Special assessments	235,641	-	235,641
Notes receivable	729,514	-	729,514
Prepayments	63,776	60,516	124,292
Materials and supplies inventory.	-	302,071	302,071
Deferred charges	61,720	405,982	467,702
Capital assets:			
Nondepreciable capital assets	5,791,055	2,822,031	8,613,086
Depreciable capital assets, net.	17,221,932	36,144,300	53,366,232
Total capital assets.	<u>23,012,987</u>	<u>38,966,331</u>	<u>61,979,318</u>
Total assets.	<u>38,570,299</u>	<u>56,043,144</u>	<u>94,613,443</u>
Liabilities:			
Accounts payable.	407,969	330,266	738,235
Contracts payable.	-	441,644	441,644
Accrued wages and benefits	221,090	76,194	297,284
Intergovernmental payable	888,874	153,409	1,042,283
Internal balances	179,954	(179,954)	-
Deferred revenue.	1,411,819	-	1,411,819
Accrued interest payable.	41,226	134,584	175,810
Claims payable.	202,912	-	202,912
Notes payable	798,000	631,000	1,429,000
Long-term liabilities:			
Due within one year	1,513,386	1,134,724	2,648,110
Due in more than one year	7,748,372	15,371,643	23,120,015
Total liabilities	<u>13,413,602</u>	<u>18,093,510</u>	<u>31,507,112</u>
Net assets:			
Invested in capital assets, net of related debt	15,884,161	30,704,621	46,588,782
Restricted for:			
Capital projects	2,337,727	-	2,337,727
Debt service.	516,125	31,821	547,946
Street construction, maintenance and repair	1,095,324	-	1,095,324
Court computer	82,146	-	82,146
Recreation.	632,833	-	632,833
Health district	337,786	-	337,786
Community developments and improvements	862,668	-	862,668
Law enforcement	87,947	-	87,947
Emergency reserve	267	-	267
Police and fire pension	88,432	-	88,432
Miscellaneous grants	39,705	-	39,705
Sewer replacement and improvement.	-	1,237,596	1,237,596
Unrestricted	3,191,576	5,975,596	9,167,172
Total net assets	<u>\$ 25,156,697</u>	<u>\$ 37,949,634</u>	<u>\$ 63,106,331</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006*

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 4,097,563	\$ 1,600,236	\$ 833	\$ -
Public safety	9,745,177	463,696	369,130	-
Health and welfare	2,384,744	854,293	460,669	-
Transportation	2,218,732	48,592	1,185,666	160,183
Community environment	1,303,440	233,326	1,521,421	-
Leisure time activities	1,742,270	80,098	164,700	-
Intergovernmental	1,328,572	-	-	-
Interest and fiscal charges	283,305	-	-	-
Total governmental activities	23,103,803	3,280,241	3,702,419	160,183
Business-type Activities:				
Water	4,295,926	4,202,919	-	-
Sewer	4,017,338	4,091,632	-	-
Storm Water	292,441	498,372	-	-
Other enterprise funds:				
Solid Waste	1,500,928	1,467,339	-	-
Community Center	547,635	292,976	-	-
Lake Cinema	2,005	257	-	-
Total business-type activities	10,656,273	10,553,495	-	-
Total primary government	\$ 33,760,076	\$ 13,833,736	\$ 3,702,419	\$ 160,183

General Revenues:

Property taxes levied for:	
General purposes	
Police pension	
Fire pension	
Municipal income taxes levied for:	
General purposes	
Grants and entitlements not restricted to specific programs	
Investment earnings	
Other	
Total general revenues	
Special item - loss on disposal of capital assets	
Transfers	
Total general revenues, special item, and transfers	
Change in net assets	
Net assets at beginning of year	
Net assets at end of year	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (2,496,494)	\$ -	\$ (2,496,494)
(8,912,351)	-	(8,912,351)
(1,069,782)	-	(1,069,782)
(824,291)	-	(824,291)
451,307	-	451,307
(1,497,472)	-	(1,497,472)
(1,328,572)	-	(1,328,572)
(283,305)	-	(283,305)
<u>(15,960,960)</u>	<u>-</u>	<u>(15,960,960)</u>
-	(93,007)	(93,007)
-	74,294	74,294
-	205,931	205,931
-	(33,589)	(33,589)
-	(254,659)	(254,659)
-	(1,748)	(1,748)
<u>-</u>	<u>(102,778)</u>	<u>(102,778)</u>
<u>(15,960,960)</u>	<u>(102,778)</u>	<u>(16,063,738)</u>
1,248,270	-	1,248,270
104,339	-	104,339
104,053	-	104,053
11,391,350	-	11,391,350
2,552,742	-	2,552,742
762,314	416,614	1,178,928
746,914	56,524	803,438
<u>16,909,982</u>	<u>473,138</u>	<u>17,383,120</u>
(1,856,330)	-	(1,856,330)
<u>(3,770,845)</u>	<u>3,770,845</u>	<u>-</u>
<u>11,282,807</u>	<u>4,243,983</u>	<u>15,526,790</u>
(4,678,153)	4,141,205	(536,948)
<u>29,834,850</u>	<u>33,808,429</u>	<u>63,643,279</u>
<u>\$ 25,156,697</u>	<u>\$ 37,949,634</u>	<u>\$ 63,106,331</u>

CITY OF BARBERTON, OHIO

*BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2006*

	<u>General</u>	<u>Health District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,744,349	\$ 137,252	\$ 4,838,297	\$ 6,719,898
Cash and cash equivalents in segregated accounts	190,952	-	-	190,952
Receivables (net of allowance for uncollectibles):				
Property taxes	1,387,687	-	286,820	1,674,507
Income taxes	1,994,303	-	-	1,994,303
Accounts	64,842	-	-	64,842
Intergovernmental	997,088	492,218	658,147	2,147,453
Accrued interest	30,208	-	-	30,208
Due from other funds	103,154	-	-	103,154
Special assessments	-	-	235,641	235,641
Notes receivable	-	-	729,514	729,514
Prepayments	54,527	974	8,275	63,776
Total assets	<u>\$ 6,567,110</u>	<u>\$ 630,444</u>	<u>\$ 6,756,694</u>	<u>\$ 13,954,248</u>
Liabilities:				
Accounts payable	\$ 80,621	\$ 38,616	\$ 288,732	\$ 407,969
Accrued wages and benefits	180,238	18,422	22,430	221,090
Due to other governments	810,899	49,732	28,243	888,874
Compensated absences payable	-	60,673	-	60,673
Due to other funds	-	-	103,154	103,154
Deferred revenue	1,883,080	227,427	803,627	2,914,134
Accrued interest payable	-	-	4,190	4,190
Notes payable	-	-	798,000	798,000
Total liabilities	<u>2,954,838</u>	<u>394,870</u>	<u>2,048,376</u>	<u>5,398,084</u>
Fund Balances:				
Reserved for encumbrances	165,816	11,276	1,558,353	1,735,445
Reserved for prepayments	54,527	974	8,275	63,776
Reserved for notes receivable	-	-	729,514	729,514
Reserved for debt service	-	-	283,673	283,673
Unreserved, undesignated, reported in:				
General fund	3,391,929	-	-	3,391,929
Special revenue funds	-	223,324	1,596,104	1,819,428
Capital projects funds	-	-	532,399	532,399
Total fund balances	<u>3,612,272</u>	<u>235,574</u>	<u>4,708,318</u>	<u>8,556,164</u>
Total liabilities and fund balances	<u>\$ 6,567,110</u>	<u>\$ 630,444</u>	<u>\$ 6,756,694</u>	<u>\$ 13,954,248</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2006*

Total governmental fund balances		\$ 8,556,164
<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.		23,012,987
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Delinquent property taxes	\$ 149,497	
Intergovernmental	998,257	
Municipal income taxes	88,712	
Special assessments	235,641	
Interest	30,208	
Total		1,502,315
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:		
Compensated absences	(2,870,259)	
General obligation bonds payable	(4,684,564)	
Special assessment bonds payable	(235,641)	
Long-term notes payable	(40,000)	
Section 108 loan payable	(1,210,000)	
Capital lease obligation	(160,621)	
Total		(9,201,085)
In the statement of activities interest is accrued on outstanding bonds, notes and loans payable, whereas in governmental funds, interest expenditures are reported when due.		(37,036)
Bond issuance costs reported as an expenditure in the funds are allocated as an expense over the life of the debt on a full accrual basis.		61,720
Internal service funds are used by management to charge the costs of insurance, postage and gasoline to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		1,441,586
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.		(179,954)
Net assets of governmental activities		\$ 25,156,697

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>General</u>	<u>Health District</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property and other taxes	\$ 1,249,610	\$ -	\$ 208,670	\$ 1,458,280
Municipal income taxes	11,820,922	-	-	11,820,922
Charges for services	1,560,848	378,402	80,098	2,019,348
Licenses and permits	207,507	475,891	-	683,398
Fines and forfeitures	72,823	-	98,973	171,796
Intergovernmental	2,685,714	960,276	2,836,579	6,482,569
Special assessments	-	-	159,635	159,635
Investment income	553,573	-	183,164	736,737
Contributions and donations	-	-	144,227	144,227
Other	398,763	14,442	673,423	1,086,628
Total revenues	<u>18,549,760</u>	<u>1,829,011</u>	<u>4,384,769</u>	<u>24,763,540</u>
Expenditures:				
Current:				
General government	3,818,714	-	262,842	4,081,556
Public safety	9,454,142	-	378,281	9,832,423
Health and welfare	-	2,511,433	1,970	2,513,403
Transportation	144,632	-	1,432,085	1,576,717
Community environment	559,321	-	1,281,705	1,841,026
Leisure time activities	616,992	-	305,875	922,867
Capital outlay	278,134	13,290	1,762,550	2,053,974
Intergovernmental	-	-	1,328,572	1,328,572
Debt service:				
Principal retirement	-	-	883,603	883,603
Interest and fiscal charges	-	-	280,010	280,010
Total expenditures	<u>14,871,935</u>	<u>2,524,723</u>	<u>7,917,493</u>	<u>25,314,151</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,677,825</u>	<u>(695,712)</u>	<u>(3,532,724)</u>	<u>(550,611)</u>
Other financing sources (uses):				
Notes issued	-	-	40,000	40,000
Capital lease transaction	147,570	3,834	9,217	160,621
Sale of capital assets	142,954	-	6,270	149,224
Transfers in	54,706	506,859	1,393,724	1,955,289
Transfers out	(2,140,859)	-	(36,415)	(2,177,274)
Total other financing sources (uses)	<u>(1,795,629)</u>	<u>510,693</u>	<u>1,412,796</u>	<u>127,860</u>
Net change in fund balances	1,882,196	(185,019)	(2,119,928)	(422,751)
Fund balances at beginning of year	<u>1,730,076</u>	<u>420,593</u>	<u>6,828,246</u>	<u>8,978,915</u>
Fund balances at end of year	<u>\$ 3,612,272</u>	<u>\$ 235,574</u>	<u>\$ 4,708,318</u>	<u>\$ 8,556,164</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006*

Net change in fund balances - total governmental funds		\$ (422,751)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital asset additions	\$ 1,999,901	
Current year depreciation	<u>(1,368,737)</u>	
Total		631,164
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(1,907,712)
In the statement of activities, transfers of capital assets to business-type activities is reported.		
		(3,583,860)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	(1,618)	
Intergovernmental	(371,635)	
Municipal income taxes	(429,572)	
Special assessments	(31,309)	
Interest	<u>25,577</u>	
Total		(808,557)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
		883,603
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.		
Accrued interest	4,168	
Bond premium	1,720	
Bond issuance costs	<u>(9,183)</u>	
Total		(3,295)
The issuance of notes and capital lease obligations are recorded as revenue in the funds, however, on the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets.		
		(200,621)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of financial resources and therefore are not reported as expenditures in governmental funds.		
		(62,891)
Internal service funds used by management to charge the cost of insurance, postage, and gasoline to individual funds is not reported in the expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.		
		<u>796,767</u>
Change in net assets of governmental activities		<u>\$ (4,678,153)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other taxes	\$ 1,435,424	\$ 1,435,424	\$ 1,411,446	\$ (23,978)
Municipal income taxes	10,780,000	10,780,000	11,182,415	402,415
Charges for services	1,324,150	1,583,150	1,571,985	(11,165)
Licenses and permits	144,940	199,940	207,507	7,567
Fines and forfeitures	84,700	84,700	72,846	(11,854)
Intergovernmental	2,420,309	2,840,309	2,679,489	(160,820)
Investment income	170,300	500,300	551,472	51,172
Other	572,152	399,152	398,563	(589)
Total revenues.	<u>16,931,975</u>	<u>17,822,975</u>	<u>18,075,723</u>	<u>252,748</u>
Expenditures:				
Current:				
General government	3,993,593	4,081,865	3,855,164	226,701
Public safety	9,557,890	9,572,746	9,424,421	148,325
Transportation	146,536	146,434	144,897	1,537
Leisure time activities.	658,718	676,888	617,116	59,772
Community environment	624,037	713,080	593,181	119,899
Capital outlay	85,104	185,380	169,239	16,141
Total expenditures.	<u>15,065,878</u>	<u>15,376,393</u>	<u>14,804,018</u>	<u>572,375</u>
Excess of revenues over expenditures	<u>1,866,097</u>	<u>2,446,582</u>	<u>3,271,705</u>	<u>825,123</u>
Other financing sources (uses):				
Transfers in	21,691	21,691	21,691	-
Transfers out	(1,973,859)	(2,140,859)	(2,140,859)	-
Sale of capital assets	144,000	144,000	142,954	(1,046)
Total other financing sources (uses).	<u>(1,808,168)</u>	<u>(1,975,168)</u>	<u>(1,976,214)</u>	<u>(1,046)</u>
Net change in fund balance	57,929	471,414	1,295,491	824,077
Fund balance at beginning of year	371,550	371,550	371,550	-
Prior year encumbrances appropriated.	144,154	144,154	144,154	-
Fund balance at end of year	<u>\$ 573,633</u>	<u>\$ 987,118</u>	<u>\$ 1,811,195</u>	<u>\$ 824,077</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HEALTH DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 358,480	\$ 334,442	\$ 378,402	\$ 43,960
Licenses and permits	450,498	450,498	475,891	25,393
Intergovernmental	1,482,008	1,030,069	932,012	(98,057)
Other	1,415	12,415	14,442	2,027
Total revenues	<u>2,292,401</u>	<u>1,827,424</u>	<u>1,800,747</u>	<u>(26,677)</u>
Expenditures:				
Current:				
Health and welfare	3,068,030	2,610,272	2,509,106	101,166
Capital outlay	13,481	11,494	9,456	2,038
Total expenditures	<u>3,081,511</u>	<u>2,621,766</u>	<u>2,518,562</u>	<u>103,204</u>
Excess of revenues over (under) expenditures . . .	<u>(789,110)</u>	<u>(794,342)</u>	<u>(717,815)</u>	<u>76,527</u>
Other financing sources:				
Transfers in	496,859	506,859	506,859	-
Total other financing sources	<u>496,859</u>	<u>506,859</u>	<u>506,859</u>	<u>-</u>
Net change in fund balance	(292,251)	(287,483)	(210,956)	76,527
Fund balance at beginning of year	290,263	290,263	290,263	-
Prior year encumbrances appropriated.	5,735	5,735	5,735	-
Fund balance at end of year	<u>\$ 3,747</u>	<u>\$ 8,515</u>	<u>\$ 85,042</u>	<u>\$ 76,527</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

STATEMENT OF FUND NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2006

	Business-type Activities -Enterprise Funds				
	Water	Sewer	Storm Water	Nonmajor	Total
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 1,963,203	\$ 1,530,477	\$ 132,601	\$ 487,872	\$ 4,114,153
Investments	9,625,134	-	-	-	9,625,134
Restricted assets:					
Cash equivalents held by trustee.	-	31,821	-	-	31,821
Receivables (net of allowance for uncollectibles)					
Accounts	576,952	549,286	116,947	43,965	1,287,150
Intergovernmental	-	-	-	-	-
Accrued interest	12,390	-	-	-	12,390
Materials and supplies inventory	262,720	38,242	-	1,109	302,071
Prepayments.	22,800	28,307	-	9,409	60,516
Total current assets	<u>12,463,199</u>	<u>2,178,133</u>	<u>249,548</u>	<u>542,355</u>	<u>15,433,235</u>
Noncurrent assets:					
Restricted assets:					
Equity in pooled cash and cash equivalents	-	1,237,596	-	-	1,237,596
Deferred charges	331,851	67,406	-	6,725	405,982
Capital assets:					
Nondepreciable capital assets	2,682,045	77,247	-	62,739	2,822,031
Depreciable capital assets, net.	9,164,816	22,250,957	3,663,428	1,065,099	36,144,300
Total capital assets.	<u>11,846,861</u>	<u>22,328,204</u>	<u>3,663,428</u>	<u>1,127,838</u>	<u>38,966,331</u>
Total noncurrent assets	<u>12,178,712</u>	<u>23,633,206</u>	<u>3,663,428</u>	<u>1,134,563</u>	<u>40,609,909</u>
Total assets	<u>24,641,911</u>	<u>25,811,339</u>	<u>3,912,976</u>	<u>1,676,918</u>	<u>56,043,144</u>
Liabilities:					
Current liabilities:					
Accounts payable	75,016	107,924	-	147,326	330,266
Contracts payable	441,644	-	-	-	441,644
Accrued wages and benefits.	27,986	42,747	624	4,837	76,194
Intergovernmental	73,036	69,837	1,522	9,014	153,409
Accrued interest payable	107,095	18,754	-	8,735	134,584
Claims payable.	-	-	-	-	-
Notes payable	401,000	100,000	-	130,000	631,000
Current portion of general obligation bonds. . .	359,848	263,332	-	48,480	671,660
Current portion of revenue bonds	300,000	-	-	-	300,000
Current portion of capital lease obligations . .	2,813	2,813	22,167	422	28,215
Current portion of compensated absences. . . .	61,534	60,306	-	13,009	134,849
Total current liabilities	<u>1,849,972</u>	<u>665,713</u>	<u>24,313</u>	<u>361,823</u>	<u>2,901,821</u>
Long-term liabilities:					
Notes payable	1,676,000	300,000	-	90,000	2,066,000
General obligation bonds	2,020,660	1,401,996	-	261,792	3,684,448
Revenue bonds.	8,990,639	-	-	-	8,990,639
Capital lease obligations.	12,542	12,542	98,872	1,883	125,839
Compensated absences	230,313	225,717	-	48,687	504,717
Total long-term liabilities	<u>12,930,154</u>	<u>1,940,255</u>	<u>98,872</u>	<u>402,362</u>	<u>15,371,643</u>
Total liabilities	<u>14,780,126</u>	<u>2,605,968</u>	<u>123,185</u>	<u>764,185</u>	<u>18,273,464</u>
Net assets:					
Invested in capital assets, net of related debt.	6,227,659	20,330,282	3,542,389	604,291	30,704,621
Restricted for:					
Debt service	-	31,821	-	-	31,821
Replacement and improvement	-	1,237,596	-	-	1,237,596
Unrestricted.	3,634,126	1,605,672	247,402	308,442	5,795,642
Total net assets	<u>\$ 9,861,785</u>	<u>\$ 23,205,371</u>	<u>\$ 3,789,791</u>	<u>\$ 912,733</u>	<u>\$ 37,769,680</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds					<u>179,954</u>
Net assets of business-type activities					<u>\$ 37,949,634</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Governmental
Activities -
Internal
Service Funds**

\$ 1,632,731

-

-

7,025

4,742

-

-

-

1,644,498

-

-

-

-

1,644,498

-

-

-

-

202,912

-

-

-

-

202,912

-

-

-

-

202,912

-

-

-

1,441,586

\$ 1,441,586

CITY OF BARBERTON, OHIO

*STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006*

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Storm Water	Nonmajor	Total
Operating revenues:					
Charges for services	\$ 4,196,982	\$ 4,084,941	\$ 498,372	\$ 1,760,315	\$ 10,540,610
Other	23,685	12,002	-	9,907	45,594
Total operating revenues	4,220,667	4,096,943	498,372	1,770,222	10,586,204
Operating expenses:					
Personal services	1,896,604	1,811,709	25,149	322,110	4,055,572
Contract services	130,331	208,303	40,330	1,457,201	1,836,165
Materials and supplies	1,235,211	825,430	8,350	141,534	2,210,525
Claims	-	-	-	-	-
Other	33,472	11,860	6,155	2,314	53,801
Depreciation	547,718	1,049,850	212,457	110,019	1,920,044
Total operating expenses	3,843,336	3,907,152	292,441	2,033,178	10,076,107
Operating income (loss)	377,331	189,791	205,931	(262,956)	510,097
Nonoperating revenues (expenses):					
Interest revenue	300,690	115,924	-	-	416,614
Special assessments	5,937	6,691	-	-	12,628
Other nonoperating revenue	-	-	-	11,187	11,187
Interest expense and fiscal charges	(469,992)	(125,282)	-	(19,957)	(615,231)
Loss on disposal of capital assets	(285)	-	-	-	(285)
Total nonoperating revenues (expenses)	(163,650)	(2,667)	-	(8,770)	(175,087)
Income (loss) before capital contributions and transfers	213,681	187,124	205,931	(271,726)	335,010
Capital contributions	-	-	3,583,860	-	3,583,860
Transfers in	35,000	-	-	220,000	255,000
Transfers out	(15,355)	(50,355)	-	(2,305)	(68,015)
Changes in net assets	233,326	136,769	3,789,791	(54,031)	4,105,855
Net assets at beginning of year	<u>9,628,459</u>	<u>23,068,602</u>	<u>-</u>	<u>966,764</u>	
Net assets at end of year	<u>\$ 9,861,785</u>	<u>\$ 23,205,371</u>	<u>\$ 3,789,791</u>	<u>\$ 912,733</u>	
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.					35,350
Changes in net assets of business-type activities					<u>\$ 4,141,205</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Governmental
Activities -
Internal
Service Funds**

\$ 3,288,689
48,241

3,336,930

-
390,179
322,688
1,826,946
-

-

2,539,813

797,117

-
-
-
-
-

-

797,117

-
35,000
-

832,117

609,469

\$ 1,441,586

CITY OF BARBERTON, OHIO

*STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2006*

	Business-type Activities - Enterprise Funds				
	<u>Water</u>	<u>Sewer</u>	<u>Storm Water</u>	<u>Nonmajor</u>	<u>Total</u>
Cash flows from operating activities:					
Cash received from customers	\$ 4,147,107	\$ 4,085,792	\$ 375,270	\$ 1,750,595	\$ 10,358,764
Cash received from other funds	-	-	-	-	-
Cash received from other operations.	23,685	12,002	-	9,907	45,594
Cash payments for personal services	(1,912,283)	(1,810,864)	(23,003)	(345,339)	(4,091,489)
Cash payments for contract services	(188,885)	(222,458)	(40,330)	(1,437,499)	(1,889,172)
Cash payments for materials and supplies	(1,248,446)	(797,761)	(8,350)	(137,984)	(2,192,541)
Cash payments for claims	-	-	-	-	-
Cash payments for other expenses	(30,925)	(6,269)	-	-	(37,194)
Net cash provided by (used in) operating activities.	<u>790,253</u>	<u>1,260,442</u>	<u>303,587</u>	<u>(160,320)</u>	<u>2,193,962</u>
Cash flows from noncapital financing activities:					
Special assessments	5,937	6,691	-	-	12,628
Other nonoperating revenue.	-	-	-	11,187	11,187
Transfers in from other funds	35,000	-	-	220,000	255,000
Transfers out to other funds	-	(35,000)	-	-	(35,000)
Net cash provided by (used in) noncapital financing activities	<u>40,937</u>	<u>(28,309)</u>	<u>-</u>	<u>231,187</u>	<u>243,815</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets.	(816,211)	(455,434)	(170,986)	-	(1,442,631)
Principal retirement	(4,424,260)	(1,416,077)	-	(310,374)	(6,150,711)
Bond issuance.	9,305,000	-	-	-	9,305,000
Note issuance	2,077,000	400,000	-	220,000	2,697,000
Bond issuance costs	(251,498)	-	-	-	(251,498)
Premium on bonds and notes	213,435	4,272	-	2,350	220,057
Interest and fiscal charges.	(420,595)	(110,720)	-	(20,536)	(551,851)
Net cash provided by (used in) capital and related financing activities	<u>5,682,871</u>	<u>(1,577,959)</u>	<u>(170,986)</u>	<u>(108,560)</u>	<u>3,825,366</u>
Cash flows from investing activities:					
Interest received.	288,300	126,497	-	-	414,797
Purchase of investments.	(9,625,134)	-	-	-	(9,625,134)
Net cash provided by (used in) investing activities.	<u>(9,336,834)</u>	<u>126,497</u>	<u>-</u>	<u>-</u>	<u>(9,210,337)</u>
Net increase (decrease) in cash and cash equivalents	(2,822,773)	(219,329)	132,601	(37,693)	(2,947,194)
Cash and cash equivalents at beginning of year	4,785,976	3,019,223	-	525,565	8,330,764
Cash and cash equivalents at end of year . . .	<u>\$ 1,963,203</u>	<u>\$ 2,799,894</u>	<u>\$ 132,601</u>	<u>\$ 487,872</u>	<u>\$ 5,383,570</u>

**Governmental
Activities -
Internal
Service Funds**

\$ 3,005,157
291,262
41,216
-
(390,179)
(322,688)
(1,897,007)
-

727,761

-

35,000

-

35,000

-
-
-
-
-
-
-

-

-
-

-

762,761

869,970

\$ 1,632,731

- - continued

CITY OF BARBERTON, OHIO

*STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2006*

	Business-type Activities - Enterprise Funds				
	<u>Water</u>	<u>Sewer</u>	<u>Storm Water</u>	<u>Nonmajor</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 377,331	\$ 189,791	\$ 205,931	\$ (262,956)	\$ 510,097
Adjustments:					
Depreciation	547,718	1,049,850	212,457	110,019	1,920,044
Changes in assets and liabilities:					
(Increase) decrease in materials and supplies inventory.	(2,444)	16,467	-	16	14,039
(Increase) decrease in accounts receivable	(47,381)	1,213	(116,947)	(9,234)	(172,349)
(Increase) in prepayments.	(496)	(2,194)	-	(1,806)	(4,496)
Decrease in due from other governments.	-	-	-	-	-
Increase (decrease) in accounts payable	(68,760)	4,470	-	26,870	(37,420)
Increase (decrease) in accrued wages and benefits	(23,307)	70	624	(2,066)	(24,679)
Increase in due to other governments.	34,496	34,083	1,522	1,568	71,669
(Decrease) in compensated absences payable	(26,904)	(33,308)	-	(22,731)	(82,943)
(Decrease) in claims payable	-	-	-	-	-
Net cash provided by (used in) operating activities.	<u>\$ 790,253</u>	<u>\$ 1,260,442</u>	<u>\$ 303,587</u>	<u>\$ (160,320)</u>	<u>\$ 2,193,962</u>
Reconciliation of cash and cash equivalents:					
Equity in pooled cash and cash equivalents.	\$ 1,963,203	\$ 1,530,477	\$ 132,601	\$ 487,872	\$ 4,114,153
Restricted cash equivalents held by trustee	-	31,821	-	-	31,821
Restricted equity in pooled cash and cash equivalents.	-	1,237,596	-	-	1,237,596
Total cash and cash equivalents	<u>\$ 1,963,203</u>	<u>\$ 2,799,894</u>	<u>\$ 132,601</u>	<u>\$ 487,872</u>	<u>\$ 5,383,570</u>
Non-cash transactions:					
Contributions of capital assets from other funds	\$ -	\$ -	\$ 3,583,860	\$ -	\$ 3,583,860
Borrowing under capital lease	15,355	15,355	121,039	2,305	154,054

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Governmental
Activities -
Internal
Service Funds**

\$ 797,117

-

-

(2,873)

-

3,578

-

-

-

-

(70,061)

\$ 727,761

\$ 1,632,731

-

-

\$ 1,632,731

\$ -

-

CITY OF BARBERTON, OHIO

*STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2006*

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents.	\$ 127,643
Receivables:	
Accounts	<u>10,000</u>
Total assets.	<u>137,643</u>
Liabilities:	
Deposits held and due to others.	<u>\$ 137,643</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 1 - DESCRIPTION OF THE CITY

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The City has elected not to apply these FASB Statements and Interpretations. The City's significant accounting policies are described below.

A. Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Barberton this includes police, fire, municipal court, park and recreation department, water, sewage and sanitary services, street and sewer maintenance and any other departments or funds for which the nature and significance of their relationship with the City are such that exclusion would cause the financial statements to be misleading or incomplete.

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

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

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

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

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

B. Basis of Presentation - Fund Accounting

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

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

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

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

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

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

C. Fund Accounting

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

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

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

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

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

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

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

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

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

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

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

Storm Water Fund - This fund accounts for the storm drainage runoff services provided to the residents and commercial users of the City. The costs of providing these services are financed primarily through user charges.

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

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

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

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

D. Measurement Focus

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

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

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

E. Basis of Accounting

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

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

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

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2006, but which were levied to finance year 2007 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

F. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the alternative tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the department level for the general fund and at the fund level for all other funds of the City. The Finance Director has been authorized to allocate appropriations to the department and object level within each fund. Budgetary statements are presented beyond that legal level of control for information purposes only.

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

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

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

G. Cash and Investments

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

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

During fiscal year 2006, investments were limited to certificates of deposit, repurchase agreements, U.S. Government Agency Obligations, U.S. Treasury Obligations, U.S. Money Market accounts and STAR Ohio.

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2006.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2006 amounted to \$553,573 which includes \$496,881 assigned from other City funds.

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

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

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

H. Materials and Supplies Inventory

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

I. Capital Assets

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

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$2,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

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

<u>Description</u>	
Infrastructure	25 - 80
Buildings	10 - 40
Vehicles and equipment	3 - 20

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

J. Compensated Absences

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

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

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

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2006, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

L. Accrued Liabilities and Long-Term Obligations

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

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, loans and leases are recognized as a liability on the governmental fund financial statements when due.

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

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

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.

For advance refundings resulting in the defeasance of debt reported in the proprietary funds, 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 from the face amount of the new debt.

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

N. 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 and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

O. Interfund Activity

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

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

P. Fund Balance Reserves

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

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

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

Q. Estimates

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

R. Net Assets

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

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

S. Operating Revenues and Expenses

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

T. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. During 2006, the Storm Water enterprise fund was established and the fund received \$3,583,860 in capital contributions which consisted of storm water assets previously reported in governmental activities.

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. During fiscal year 2006, an agreement was reached between the City and the YMCA in which the YMCA will own the Senior Center/Pool building, which is under construction, and the City will own the parking lot and land on which the building is situated. Since it was determined during 2006 the City will not own the building, \$1,856,330 in related construction in progress reported by the City at December 31, 2005, has been reported as a special item on the Statement of Activities to dispose of the portion of construction in progress that is no longer owned by the City.

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Changes in Accounting Principles

For fiscal year 2006, the City has implemented 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".

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. 46 and GASB Statement No. 47 did not have an effect on the fund balances/net assets of the City as previously reported at December 31, 2005.

B. Deficit Fund Balances

Fund balances at December 31, 2006 included the following individual fund deficits:

	<u>Deficit</u>
<u>Nonmajor Funds</u>	
Street Improvement	\$ 460,308
Issue II	260,319

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

C. Noncompliance

The City had a negative cash fund balance in the Community Development Block Grant fund at December 31, 2006, in the amount of \$103,154, 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.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the City's interim monies available for investment; and
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

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

1. Bonds of the State of Ohio;

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

A. Deposits with Financial Institutions

At December 31, 2006, the carrying amount of all City deposits was \$619,604, exclusive of the \$935,000 repurchase agreement included in investments below. As of December 31, 2006, \$1,040,566 of the City's bank balance of \$1,474,879 was exposed to custodial risk as discussed below, while \$434,313 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. As permitted by Ohio Revised Code, the City's deposits are collateralized by a pool of eligible securities deposited with Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the depository bank and pledged as a pool of collateral against all public deposits held by the depository. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

B. Investments

As of December 31, 2006, the City had the following investments and maturities:

Investment type	Fair Value	Investment Maturities			
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months
FHLB	\$ 2,075,172	\$ -	\$ 699,781	\$ 700,328	\$ 675,063
FHLBC DN	3,015,465	3,015,465	-	-	-
FNMA	249,844	-	-	-	249,844
FNMA DN	2,266,110	2,266,110	-	-	-
FHLMC DN	3,643,778	2,208,728	1,435,050	-	-
STAR Ohio	711,496	711,496	-	-	-
Repurchase Agreement	935,000	935,000	-	-	-
U.S. Treasury Money Markets	10,163,459	10,163,459	-	-	-
	<u>\$ 23,060,324</u>	<u>\$ 19,300,258</u>	<u>\$ 2,134,831</u>	<u>\$ 700,328</u>	<u>\$ 924,907</u>

The weighted average maturity of investments is 0.26 years.

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in Ohio law that prohibits payments for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. The City's investment in repurchase agreements is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the City. Ohio law requires the market value of the securities subject to a repurchase agreement must exceed the principal value of securities subject to a repurchase agreement by 2%.

Credit Risk: STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The City's other investments carry a rating of AAA by Standard & Poor's and Aaa by Moody's.

Concentration of Credit Risk: The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the City at December 31, 2006:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 2,075,172	9.00
FHLBC DN	3,015,465	13.08
FNMA	249,844	1.08
FNMA DN	2,266,110	9.83
FHLMC DN	3,643,778	15.80
STAR Ohio	711,496	3.09
Repurchase Agreement	935,000	4.05
U.S. Treasury Money Markets	<u>10,163,459</u>	<u>44.07</u>
	<u>\$ 23,060,324</u>	<u>100.00</u>

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of December 31, 2006:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 619,604
Investments	<u>23,060,324</u>
Total	<u>\$ 23,679,928</u>
 <u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 8,543,581
Business type activities	15,008,704
Agency fund	<u>127,643</u>
Total	<u>\$ 23,679,928</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2006, consisted of the following:

<u>Transfer To</u>	<u>Transfers From</u>				
	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Water</u>	<u>Sewer</u>	<u>Nonmajor Enterprise</u>
<u>Governmental Funds</u>					
General Fund	\$ -	\$ 21,691	\$ 15,355	\$ 15,355	\$ 2,305
Health District Fund	506,859	-	-	-	-
Nonmajor Governmental Funds	<u>1,379,000</u>	<u>14,724</u>	-	-	-
Total Governmental Funds	<u>1,885,859</u>	<u>36,415</u>	<u>15,355</u>	<u>15,355</u>	<u>2,305</u>
 <u>Proprietary Funds</u>					
Water	-	-	-	35,000	-
Nonmajor Enterprise Funds	220,000	-	-	-	-
Internal Service Funds	<u>35,000</u>	-	-	-	-
Total Proprietary Funds	<u>255,000</u>	-	-	<u>35,000</u>	-
Grand Total	<u>\$ 2,140,859</u>	<u>\$ 36,415</u>	<u>\$ 15,355</u>	<u>\$ 50,355</u>	<u>\$ 2,305</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to provide additional resources for current operations or debt service; reclassification of prior year distributed monies, to segregate money for anticipated capital projects; and to return money to the fund from which it was originally provided once a project is completed. Non-routine transfers include the general fund transferring \$220,000 to the community center enterprise fund for operations, and the Water, Sewer, and nonmajor enterprise funds transferring \$15,355, \$15,355, and \$2,305, respectively, to the general fund for the phone system capital lease entered into during 2006 (see Note 8 for detail).

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

An additional transfer of \$3,583,860 has been recorded on the statement of activities to transfer storm water capital assets previously reported in governmental activities to business-type activities, due to the establishment of the Storm Water enterprise fund.

- B.** Interfund balances at December 31, 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	\$ 103,154

The primary purpose of the due to/from other funds is to cover negative cash in the Community Development Block Grant 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 between governmental funds at December 31, 2006 are reported on the statement of net assets.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2006, consisted primarily of municipal income taxes, property and other taxes, accounts, special assessments, interest and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full.

Special assessments expected to be collected in more than one year amount to \$235,641 in the special assessment bond retirement debt service fund. The amount of delinquent special assessments outstanding at year-end is \$63,671.

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenues received during 2006 for real and public utility property taxes represents collections of 2005 taxes. Property tax payments received during 2006 for tangible personal property (other than public utility property) are for 2006 taxes.

2006 real property taxes are levied after October 1, 2006, on the assessed values as of January 1, 2006, the lien date. Assessed values are established by State law at 35% of appraised market value. 2006 real property taxes are collected in and intended to finance 2007.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35% of true value. 2006 public utility property taxes which became a lien December 31, 2005, are levied after October 1, 2006 and collected in 2007 real property taxes.

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 6 - RECEIVABLES - (Continued)

Tangible personal property tax revenues received in 2006 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. In prior years, tangible personal property assessments were 25% of true value for capital assets and 23% of true value for inventory. Tangible personal property tax is being phased out - the assessment percentage for property, including inventory, is 18.75% for 2006. This percentage will be reduced to 12.5% for 2007, 6.25% for 2008, and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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 City due to the phasing out of the tax. In calendar years 2006-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The tax rate for all City operations for the year ended December 31, 2006, was \$3.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property	\$ 394,443,500
Tangible Personal Property	39,558,953
Public Utility Property	<u>11,919,510</u>
Total	<u>\$ 445,921,963</u>

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

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

The County Fiscal Officer collects property taxes on behalf of all taxing districts within the County, including the City of Barberton. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2006 and for which there is an enforceable legal claim. In the general, police pension and fire pension funds the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2006 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 6 - RECEIVABLES - (Continued)

B. Municipal Income Taxes

The City levies a municipal income tax of 2 percent on all income earned within the City as well as on income of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent on the income earned outside of the City and paid to another municipality. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually.

Ohio law requires all City income tax rates above 1 percent to be voted by residents of the City. Additional increases in the income tax rate would require voter approval.

C. Intergovernmental Receivables

A summary of the intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Local Government State Support	\$ 801,245
Motor Vehicle and Gas Tax	368,618
Other	58,264
Health District Grants	492,218
Community Development Grants	250,684
Homestead and Rollback	84,672
Municipal Court	92,250
Permissive License Tax	<u>4,244</u>
Total	<u>\$ 2,152,195</u>

D. Notes Receivable

Notes receivable represent no-interest to low-interest loans made to eligible local businesses for industrial development and exterior improvements to businesses. The outstanding balance of the notes at December 31, 2006 is \$729,514 in the nonmajor special revenue funds. The City will collect approximately \$50,000 in 2007.

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 7 - CAPITAL ASSETS

A. Capital asset activity for the year ended December 31, 2006, was as follows:

<u>Governmental Activities:</u>	<u>Balance</u> <u>12/31/05</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/06</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,905,666	\$ 1,220,073	\$ -	\$ 5,125,739
Construction in progress	<u>2,179,136</u>	<u>342,510</u>	<u>(1,856,330)</u>	<u>665,316</u>
Total capital assets, not being depreciated	<u>6,084,802</u>	<u>1,562,583</u>	<u>(1,856,330)</u>	<u>5,791,055</u>
<i>Capital assets, being depreciated:</i>				
Buildings	6,162,363	-	(87,737)	6,074,626
Vehicles and equipment	10,941,701	437,318	(281,803)	11,097,216
Infrastructure				
Street Subsystem	16,594,231	-	-	16,594,231
Storm Sewers Subsystem	5,892,456	-	(5,892,456)	-
Traffic signals Subsystem	<u>1,581,864</u>	<u>-</u>	<u>(9,053)</u>	<u>1,572,811</u>
Total capital assets, being depreciated	<u>41,172,615</u>	<u>437,318</u>	<u>(6,271,049)</u>	<u>35,338,884</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(3,661,012)	(149,301)	61,423	(3,748,890)
Vehicles and equipment	(7,737,229)	(613,350)	261,744	(8,088,835)
Infrastructure				
Street Subsystem	(5,583,541)	(553,659)	-	(6,137,200)
Storm Sewers Subsystem	(2,308,596)	-	2,308,596	-
Traffic signal Subsystem	<u>(93,644)</u>	<u>(52,427)</u>	<u>4,044</u>	<u>(142,027)</u>
Total accumulated depreciation	<u>(19,384,022)</u>	<u>(1,368,737)</u>	<u>2,635,807</u>	<u>(18,116,952)</u>
Total capital assets, being depreciated, net	<u>21,788,593</u>	<u>(931,419)</u>	<u>(3,635,242)</u>	<u>17,221,932</u>
Governmental activities capital assets, net	<u>\$ 27,873,395</u>	<u>\$ 631,164</u>	<u>\$ (5,491,572)</u>	<u>\$ 23,012,987</u>

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 7 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 133,224
Public safety	267,517
Health and welfare	10,664
Transportation	711,142
Community environment	103,570
Leisure time activity	<u>142,620</u>
 Total depreciation expense	 <u><u>\$ 1,368,737</u></u>

B. Capital asset activity for the year ended December 31, 2006 was as follows:

<u>Business-type Activities:</u>	<u>Balance</u> <u>12/31/05</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/06</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 973,813	\$ -	\$ -	\$ 973,813
Construction in progress	<u>3,085,226</u>	<u>991,112</u>	<u>(2,228,120)</u>	<u>1,848,218</u>
Total capital assets, not being depreciated	<u>4,059,039</u>	<u>991,112</u>	<u>(2,228,120)</u>	<u>2,822,031</u>
<i>Capital assets, being depreciated:</i>				
Buildings	30,561,687	2,489,160	-	33,050,847
Vehicles and equipment	3,812,154	325,408	(38,653)	4,098,909
Infrastructure				
Water Lines	10,157,787	249,160	-	10,406,947
Sewer Lines	17,532,947	34,459	-	17,567,406
Storm Sewer Lines	<u>-</u>	<u>6,063,442</u>	<u>-</u>	<u>6,063,442</u>
Total capital assets, being depreciated	<u>62,064,575</u>	<u>9,161,629</u>	<u>(38,653)</u>	<u>71,187,551</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(15,708,543)	(921,126)	-	(16,629,669)
Vehicles and equipment	(2,760,403)	(218,738)	38,368	(2,940,773)
Infrastructure				
Water Lines	(4,202,091)	(210,347)	-	(4,412,438)
Sewer Lines	(8,181,942)	(364,736)	-	(8,546,678)
Storm Sewer Lines	<u>-</u>	<u>(2,513,693)</u>	<u>-</u>	<u>(2,513,693)</u>
Total accumulated depreciation	<u>(30,852,979)</u>	<u>(4,228,640)</u>	<u>38,368</u>	<u>(35,043,251)</u>
Total capital assets, being depreciated, net	<u>31,211,596</u>	<u>4,932,989</u>	<u>(285)</u>	<u>36,144,300</u>
Business-type activities capital assets, net	<u><u>\$35,270,635</u></u>	<u><u>\$ 5,924,101</u></u>	<u><u>\$ (2,228,405)</u></u>	<u><u>\$38,966,331</u></u>

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 7 - CAPITAL ASSETS - (Continued)

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

Water	\$ 547,718
Sewer	1,049,850
Storm Water	212,457
Community Center	108,014
Lake Cinema Operating	<u>2,005</u>
Total depreciation expense	<u>\$ 1,920,044</u>

Depreciation expense during 2006 in the Storm Water enterprise fund amounted to \$212,457, however an additional \$2,308,596 in depreciation expense related to accumulated depreciation on storm water capital assets has been presented in the notes to the financial statements for business-type activities to transfer the storm water capital assets previously reported in governmental activities to business-type activities, due to the establishment of the Storm Water enterprise fund.

NOTE 8 - CAPITAL LEASES

During 2006 the City entered into a capital lease for a phone system and street sweeper. In a prior year the City entered into a capital lease for theatre equipment. A portion of the principal and interest payments for the phone system capital lease will be paid from both governmental and enterprise funds. The street sweeper capital lease payments will be made solely from the Storm Water enterprise fund. The capital lease payments for equipment entered into during a prior year were paid from the Lake Cinema nonmajor enterprise fund.

The lease agreements meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments in governmental funds have been reclassified and are reflected as debt service expenditures in the combined BFS and are reported as function expenditures on the budgetary statements. In enterprise funds a liability has been recorded.

Capital assets consisting of phone system equipment have been capitalized in the statement of net assets in the amount of \$193,636 in governmental activities. This amount represents the present value of the minimum lease payments at the time of acquisition. A liability of \$160,621 was recorded in the statement of net assets, which represents the amount of principal payments the general fund, Health fund, and other nonmajor governmental funds will be making. There were no principal and interest payments made during 2006 from governmental funds.

Capital assets consisting of theatre equipment and a street sweeper have been capitalized in the Storm Water enterprise fund and Lake Cinema nonmajor enterprise fund in the amount of \$121,039 and \$50,117, respectively. The phone system has been capitalized in governmental activities, and therefore the amount of \$33,015, which represents the enterprise fund portion of the liability, has not been capitalized in the enterprise funds. The amount of \$204,171 represents the present value of the minimum lease payments at the time of acquisition for all three leases and has been recorded as a liability in the Water, Sewer, Storm Water and nonmajor enterprise funds. Principal and interest payments in fiscal year 2006 totaled \$11,187 and \$230, respectively, which represents the final payments on the theatre equipment. There were no payments made during 2006 on the phone system or street sweeper capital leases.

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 8 - CAPITAL LEASES - (Continued)

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Asset:		
Equipment	\$ 193,636	\$ 171,156
Less: accumulated depreciation	<u>(25,818)</u>	<u>(29,095)</u>
Total	<u>\$ 167,818</u>	<u>\$ 142,061</u>

Such agreements provide for minimum, annual payments as follows:

<u>Year Ended December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2007	\$ 36,491	\$ 35,001
2008	36,491	35,001
2009	36,491	35,001
2010	36,491	35,001
2011	<u>36,491</u>	<u>35,001</u>
Total	182,455	175,005
Less: amount representing interest	<u>(21,834)</u>	<u>(20,951)</u>
Present value of net minimum lease payments	<u>\$ 160,621</u>	<u>\$ 154,054</u>

NOTE 9 - NOTES PAYABLE

Changes in the City's note activity for the year ended December 31, 2006, were as follows:

	<u>Balance 12/31/05</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/06</u>
<u>Nonmajor Capital Projects Notes</u>				
Street Improvement Notes - 1.75%	\$ 385,000	\$ -	\$ (385,000)	\$ -
Street Improvement Notes - 4.49%	-	340,000	-	340,000
Street Improvement Notes - 1.75%	532,000	-	(532,000)	-
Street Improvement Notes - 4.24%	<u>-</u>	<u>458,000</u>	<u>-</u>	<u>458,000</u>
Total Nonmajor Capital Projects Notes	<u>\$ 917,000</u>	<u>\$ 798,000</u>	<u>\$ (917,000)</u>	<u>\$ 798,000</u>

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 9 - NOTES PAYABLE - (Continued)

	<u>Balance</u> <u>12/31/05</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/06</u>
<u>Enterprise Fund Notes</u>				
Utility System Improvement Notes - 4.00%	\$ 257,000	\$ -	\$ (257,000)	\$ -
Utility System Improvement Notes - 4.99%	-	200,000	-	200,000
Robinson Avenue Waterline Notes - 3.00%	258,000	-	(258,000)	-
Robinson Avenue Waterline Notes - 4.24%	-	36,000	-	36,000
Water Plant Improvement Notes - 4.99%	-	235,000	-	235,000
Community Center Improvement Notes - 4.00%	32,000	-	(32,000)	-
Community Center Improvement Notes - 4.99%	-	130,000	-	130,000
Norton Avenue Notes - 4.00%	30,000	-	(30,000)	-
Norton Avenue Notes - 4.98%	-	30,000	-	30,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Enterprise Fund Notes	<u>\$ 577,000</u>	<u>\$ 631,000</u>	<u>\$ (577,000)</u>	<u>\$ 631,000</u>

All notes were backed by the full faith and credit of the City and mature within one year. The note liability is reflected in the fund which received the proceeds. The notes were issued in anticipation of long-term bond financing and will be refinanced until such funds are issued. All proceeds from the notes have been spent as of December 31, 2006.

NOTE 10 - LONG-TERM OBLIGATIONS

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

<u>Debt Issue</u>	<u>Date</u> <u>Issued</u>	<u>Interest</u> <u>Rate</u>	<u>Original</u> <u>Issue Amount</u>	<u>Date of</u> <u>Maturity</u>
Governmental Activities				
<u>General Obligation Bonds:</u>				
Parking Lot Improvement	1991	6.50%	135,000	2006
Construction	2003	1.15-4.00%	4,967,810	2013
Fifth Street	2004	2.00-3.55%	300,000	2014
Street Vactor Machine	2004	2.00-3.00%	100,000	2009
Fire Department Ambulance	2004	2.00-3.00%	65,000	2009
Sports Complex	2004	2.00-3.55%	931,000	2012
<u>Special Assessment Bond:</u>				
Street Improvement	2001	4.50%	237,000	2011
Street Improvement	2005	4.00%	112,450	2015
<u>Long-Term Notes Payable</u>				
Building Improvement Notes	2005	4.00%	96,000	2006
Building Improvement Notes	2006	4.00%	40,000	2007
<u>Other Debt:</u>				
HUD Section 108 Loan	1994	4.57-7.18%	2,225,000	2013

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
Business-Type Activities				
<u>General Obligation Bonds:</u>				
Water Improvement	1992	3.90-6.50%	\$ 3,800,000	2012
Various Purpose	2003	1.15-4.00%	1,332,390	2013
Water Refunding	2004	2.00-3.55%	2,340,000	2012
Community Center	2004	2.00-3.55%	404,000	2012
Sanitary Sewer	2004	2.00-3.55%	1,514,000	2012
Wolf Creek Dam Repair	2004	2.00-3.55%	276,000	2012
Sewer Vactor Equipment	2004	2.00-3.00%	140,000	2009
<u>Revenue Refunding Bonds:</u>				
Sewer System Revenue	1998	3.70-4.50%	4,910,000	2006
<u>Revenue Bonds:</u>				
Waterworks System Revenue	2006	3.75-5.00%	9,305,000	2026
<u>Long-Term Notes Payable:</u>				
Utility System Improvement Notes	2005	4.00%	1,057,000	2006
Utility System Improvement Notes	2006	4.99%	800,000	2007
Robinson Avenue Waterline Notes	2005	3.00%	258,000	2006
Robinson Avenue Waterline Notes	2006	4.24%	222,000	2007
Community Center Improvement Notes	2005	4.00%	252,000	2006
Community Center Improvement Notes	2006	4.99%	220,000	2007
Water Plant Improvement Notes	2005	2.00%	2,785,000	2006
Water Plant Improvement Notes	2006	4.99%	1,185,000	2007
Norton Avenue Notes	2005	4.00%	300,000	2006
Norton Avenue Notes	2006	4.99%	270,000	2007

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

Governmental Activities:	<u>Balance</u> <u>12/31/05</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at</u> <u>12/31/06</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
<u>General Obligation Bonds</u>					
Parking Lot Improvement	\$ 13,824	\$ -	\$ (13,824)	\$ -	\$ -
Construction Bonds	4,068,708	-	(461,270)	3,607,438	469,155
Fifth Street Bonds	275,000	-	(25,000)	250,000	25,000
Street Vactor Machine Bonds	80,328	-	(19,672)	60,656	19,672
Fire Department Ambulance Bonds	52,213	-	(12,787)	39,426	12,787
Sports Complex Bonds	823,750	-	(108,741)	715,009	111,720
Premium on Construction Bonds	13,755	-	(1,720)	12,035	-
Total General Obligation Bonds	<u>5,327,578</u>	<u>-</u>	<u>(643,014)</u>	<u>4,684,564</u>	<u>638,334</u>
<u>Special Assessment Bond:</u>					
Street Improvement	154,500	-	(23,000)	131,500	24,000
Street Improvement	112,450	-	(8,309)	104,141	9,841
Total Special Assessment Bonds	<u>266,950</u>	<u>-</u>	<u>(31,309)</u>	<u>235,641</u>	<u>33,841</u>
<u>Long-Term Notes:</u>					
Building Improvement Notes	96,000	-	(96,000)	-	-
Building Improvement Notes	-	40,000	-	40,000	20,000
Total Long-Term Notes	<u>96,000</u>	<u>40,000</u>	<u>(96,000)</u>	<u>40,000</u>	<u>20,000</u>
<u>Other Debt:</u>					
HUD Section 108 Loan	1,325,000	-	(115,000)	1,210,000	115,000
Capital Lease	-	160,621	-	160,621	29,416
Compensated Absences	2,822,361	956,872	(848,301)	2,930,932	676,795
Total Other Debt	<u>4,147,361</u>	<u>1,117,493</u>	<u>(963,301)</u>	<u>4,301,553</u>	<u>821,211</u>
Total Governmental Activities	<u>\$ 9,837,889</u>	<u>\$1,157,493</u>	<u>\$(1,733,624)</u>	<u>\$ 9,261,758</u>	<u>\$1,513,386</u>

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Business-Type Activities:	<u>Balance</u> <u>12/31/05</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at</u> <u>12/31/06</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
<u>General Obligation Bonds:</u>					
Water Bonds Refunding	\$ 1,880,000	\$ -	\$ (250,000)	\$ 1,630,000	\$ 255,000
Water Revenue Bonds Refunding - Deferred Amount	(15,946)	2,306	-	(13,640)	-
Various Purpose - New Haven Community Center	1,091,287	-	(123,724)	967,563	125,839
Sanitary Sewer Bonds	357,459	-	(47,187)	310,272	48,480
Wolf Creek Dam Repair Bonds	1,339,586	-	(176,835)	1,162,751	181,680
Sewer Vactor Equipment Bonds	244,205	-	(32,237)	211,968	33,120
Premium on Various Purpose - New Haven	112,459	-	(27,541)	84,918	27,541
	<u>2,601</u>	<u>-</u>	<u>(325)</u>	<u>2,276</u>	<u>-</u>
Total General Obligation Bonds	<u>5,011,651</u>	<u>2,306</u>	<u>(657,849)</u>	<u>4,356,108</u>	<u>671,660</u>
<u>Revenue Refunding Bonds:</u>					
Sewer Revenue Bonds Refunding	630,000	-	(630,000)	-	-
Sewer Revenue Bonds Refunding - Unamort Discount	(1,119)	1,119	-	-	-
Sewer Revenue Bonds Refunding - Deferred Amount	(13,867)	13,867	-	-	-
Total Revenue Refunding Bonds	<u>615,014</u>	<u>14,986</u>	<u>(630,000)</u>	<u>-</u>	<u>-</u>
<u>Revenue Bonds:</u>					
Waterworks System Revenue Bonds	-	9,305,000	(200,000)	9,105,000	300,000
Waterworks System Revenue Bonds - Unamortized Premium	-	192,630	(6,991)	185,639	-
Total Revenue Refunding Bonds	<u>-</u>	<u>9,497,630</u>	<u>(206,991)</u>	<u>9,290,639</u>	<u>300,000</u>
<u>Long-Term Notes:</u>					
Utility System Improvement Notes	800,000	-	(800,000)	-	-
Utility System Improvement Notes	-	600,000	-	600,000	-
Robinson Avenue Waterline Notes	-	186,000	-	186,000	-
Community Center Improvement Notes	220,000	-	(220,000)	-	-
Community Center Improvement Notes	-	90,000	-	90,000	-
Water Plant Improvement Notes	2,785,000	-	(2,785,000)	-	-
Water Plant Improvement Notes	-	950,000	-	950,000	-
Norton Avenue Notes	270,000	-	(270,000)	-	-
Norton Avenue Notes	-	240,000	-	240,000	-
Total Long-Term Notes	<u>4,075,000</u>	<u>2,066,000</u>	<u>(4,075,000)</u>	<u>2,066,000</u>	<u>-</u>
Capital Leases	11,187	154,054	(11,187)	154,054	28,215
Compensated Absences	722,509	47,590	(130,533)	639,566	134,849
Total Business-Type Activities	<u>\$ 10,435,361</u>	<u>\$ 11,782,566</u>	<u>\$ (5,711,560)</u>	<u>\$ 16,506,367</u>	<u>\$ 1,134,724</u>

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

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

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

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

Revenue Bonds

In 1998, the City issued \$4,910,000 in Sewer Refunding Revenue Bonds. Proceeds were used to refund debt originally issued in 1987 for the purpose of improving the City's sewer system. The 1998 bonds were issued with interest rates varying from 3.70% to 4.50%. The bonds matured on December 1, 2006.

Restricted assets related to the sewer revenue bonds at December 31, 2006, were as follows:

Restricted assets held by the City	
Replacement and Improvement	\$ 1,237,596
Restricted assets held by trustee	
Revenue bond current debt service	31,821

On April 1, 2006, the City issued \$9,305,000 in Waterworks System Improvement Revenue Bonds. The 2006 bonds were issued with interest rates varying from 3.75% to 5.00%. At December 31, 2006 the bonds have an outstanding balance of \$9,105,000 and mature on December 1, 2026.

Refunding Bonds

On July 14, 2004, the City issued \$2,340,000 in water improvement refunding bonds to currently refund the callable portion of the 1992 water improvement bonds (principal \$2,270,000; interest rate 3.90%-6.50%). The refunded debt is considered defeased (insubstance) and accordingly, has been removed from the statement of net assets. The principal balance of the water improvement refunding bonds at December 31, 2006 was \$1,630,000.

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

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Bond Anticipation Notes

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

The City's overall legal debt margin was \$38,065,478 at December 31, 2006.

Principal and interest requirements to retire the outstanding debt at December 31, 2006, are as follows:

Governmental Activities

Year	<u>General Obligation Bonds</u>		<u>Special Assessment Bonds</u>		<u>HUD Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 638,334	\$ 147,041	\$ 33,841	\$ 10,083	\$ 115,000	\$ 52,199
2008	664,536	123,992	35,334	8,610	115,000	48,783
2009	683,547	107,294	36,944	7,071	115,000	44,747
2010	663,195	88,390	38,469	5,461	115,000	40,354
2011	681,945	68,555	40,212	3,786	115,000	35,581
2012 - 2015	<u>1,340,972</u>	<u>70,184</u>	<u>50,841</u>	<u>5,184</u>	<u>635,000</u>	<u>55,591</u>
Total	<u>\$ 4,672,529</u>	<u>\$ 605,456</u>	<u>\$ 235,641</u>	<u>\$ 40,195</u>	<u>\$ 1,210,000</u>	<u>\$ 277,255</u>

Business-Type Activities

Year	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 671,660	\$ 134,273	\$ 300,000	\$ 388,941
2008	685,452	115,867	310,000	377,691
2009	706,453	97,476	325,000	366,066
2010	691,810	76,752	335,000	353,879
2011	718,061	55,026	345,000	341,316
2012 - 2016	894,036	36,358	1,960,000	1,486,456
2017 - 2021	-	-	2,475,000	966,251
2022 - 2026	-	-	3,055,000	388,710
Total	<u>\$ 4,367,472</u>	<u>\$ 515,752</u>	<u>\$ 9,105,000</u>	<u>\$ 4,669,310</u>

Conduit Debt

From time to time, the City has issued housing revenue bonds pursuant to Article VIII, Section 16 of the Ohio Constitution and Section 133.51, of the Ohio Revised Code. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans provided to the public sector entity by the City. The bonds do not constitute a debt or pledge of the faith and credit of the City and, accordingly, have not been reported as a liability in the accompanying financial statements. The borrower of the bonds makes payments to the City who in turn makes payments to the assignee, the Barberton Community Foundation.

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Since the City has acted in a fiduciary capacity related to these transactions, the payment activity has been presented within an agency fund in the accompanying financial statements. As of December 31, 2006, there were three series of housing revenue bonds outstanding. The aggregate principal amount payable at December 31, 2006 was \$2,143,552.

NOTE 11 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City purchases fire and extended coverage insurance on all buildings and contents to \$59,000,000 with a variety of deductibles beginning at \$5,000. Coverage is purchased on City vehicles for a combined single limit liability of \$1,000,000. The City purchases general liability insurance coverage with a \$1,000,000 limit per occurrence. The City also has an umbrella policy which provides an additional \$5,000,000 in coverage over and above listed policies.

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

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

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

The City purchases stop-loss coverage for claims in excess of \$100,000 per employee per year and an aggregate of \$1,000,000. The City pays into the self-insurance internal service fund \$1,255 for family coverage or \$531 for individual coverage per employee per month which represents the entire premium required for the nonbargaining Dispatch, Police and Fire employees. In addition, the City pays \$542 for single coverage or \$1,140 for family coverage for AFSCME and Health District employees. This premium is paid by the fund that pays the salary of the employee and is based on historical cost information. During 2006 employees contributed \$15 single and \$25 family per pay towards healthcare.

The claims liability of \$202,912 reported in the Internal Service fund at December 31, 2006 is estimated by a third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amounts in 2005 and 2006 are:

	<u>Balance at Beginning of Year</u>	<u>Current Claims</u>	<u>Claims Payment</u>	<u>Balance at End of Year</u>
2005	\$ 326,269	\$ 2,271,061	\$ (2,324,357)	\$ 272,973
2006	272,973	1,826,946	(1,897,007)	202,912

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 12 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member- directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement under the traditional plan, were required to contribute 9.0% of their annual covered salaries. Members participating in the traditional plan that were in law enforcement contributed 10.1% of their annual covered salary. The City's contribution rate for pension benefits for 2006 was 9.20%, except for those plan members in law enforcement and public safety. For those classifications, the City's pension contributions were 12.43% of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$703,525, \$726,223, and \$764,952, respectively; 100% has been contributed for 2006, 2005 and 2004. The City and plan members did not make any contributions to the member-directed plan for 2006.

B. Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10% of their annual covered salary to fund pension obligations while the City is required to contribute 11.75% for police officers and 16.25% for firefighters. Contributions are authorized by State statute. The City's contributions to the fund for police and firefighters were \$306,008 and \$450,800 for the year ended December 31, 2006, \$298,318 and \$439,092 for the year ended December 31, 2005 and \$362,674 and \$368,457 for the year ended December 31, 2004. The full amount has been contributed for 2005 and 2004. 76.66% and 76.93%, respectively, have been contributed for 2006 with the remainder being reported as a liability.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 13 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.70% of covered payroll (16.93% for public safety and law enforcement); 4.50% of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.30% based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate (4.00%) plus an additional factor ranging from .50% to 6.00% for the next nine years. In subsequent years, (10 and beyond) health care costs were assumed to increase at 4.00%.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

The number of active contributing participants in the traditional and combined plans was 369,214 as of December 31, 2006. The City's actual employer contributions for 2006 which were used to fund postemployment benefits were \$344,116. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005 (the latest information available) were \$11.1 billion. At December 31, 2005 (the latest information available), the actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective on January 1, 2007. OPERS took additional actions to improve the solvency of the Health care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

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

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll, of which 7.75% of covered payroll was applied to the postemployment health care program during 2005 and 2006. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2006 that were used to fund postemployment benefits were \$201,468 for police and \$215,079 for firefighters. The OP&F's total health care expense for the year ended December 31, 2005 (the latest information available) was \$108.039 million, which was net of member contributions of \$55.272 million. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005 (the latest information available), was 13,922 for police and 10,537 for firefighters.

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS

A. Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service. Current policy credits vacation leave on January 1 of each year for all full time employees. Vacation accumulation may not exceed one week at year end. Any unused excess is eliminated from the employee's leave balance. In case of death, termination, lay-off, or retirement, an employee (or his estate) is paid for his unused vacation to a maximum of the one week carry-over from the previous year plus any current year accrual which depends on number of years of service. Employees with a minimum of 12 to 15 years of service (depending on the bargaining unit) may "bank" any amount of unused vacation leave, up to a maximum accumulation of 108 to 120 days to be paid upon retirement.

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

Employees also receive a tenure payment of 14.4-17.3 hours (depending on bargaining unit) for each year of service with the City.

B. Life Insurance

The City provides a life insurance benefit for retired employees based on their salary when they retired. Substantially all of the City's full time employees may become eligible for this benefit if they reach normal retirement age or become eligible for total disability benefits while working for the City. The cost of retirees' life insurance is recognized as an expense when the insurance premiums are paid. For 2006 the cost totaled \$27,101.

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund and health district fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses and other uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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

Net Change in Fund Balance

	<u>General</u>	<u>Health District</u>
Budget basis	\$ 1,295,491	\$ (210,956)
Net adjustment for revenue accruals	474,037	28,264
Net adjustment for expenditure accruals	(265,833)	(28,281)
Net adjustment for other financing sources (uses)	180,585	3,834
Adjustment for encumbrances	<u>197,916</u>	<u>22,120</u>
GAAP basis	<u>\$ 1,882,196</u>	<u>\$ (185,019)</u>

NOTE 16 - RELATED ORGANIZATIONS

A. Barberton Community Development Corporation

The City participates in the Barberton Community Development Corporation (the "Corporation"). The City appoints a voting majority of the governing board of the Corporation; however the City cannot influence the Corporation's operation nor does the Corporation represent a potential financial benefit for or burden to the City. The City acts as a pass through entity for Community Development Block Grant monies.

CITY OF BARBERTON, OHIO

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006*

NOTE 16 - RELATED ORGANIZATIONS - (Continued)

B. Barberton Community Foundation

The City participates in the Barberton Community Development Foundation (the "Foundation"). The City initially appointed a voting majority of the Foundation. The City Council has limited veto abilities over subsequent nominees to the Foundation Board and therefore has limited influence on the Foundation's operation. In 2006, the City received approximately \$304,949 in grants from the Foundation. During 2006, the City also acted as the issuer of bonds for conduit debt (see Note 10) in which the Foundation acts as the assignee.

NOTE 17 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2006.

B. Litigation

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

NOTE 18 - SIGNIFICANT SUBSEQUENT EVENTS

In April 2007, the City issued the following bond anticipation notes:

- \$950,000 for the purpose of improving the Municipal Waterworks System. These notes mature in April 2008.
- \$600,000 for the purpose of improving the water and sewer systems of the City. These notes mature in April 2008.
- \$240,000 for the purpose of improving the Municipal Waterworks System by installing and replacing water mains. These notes mature in April 2008.
- \$90,000 for the purpose of improving the Community Center. These notes mature in April 2008.
- \$20,000 for the purpose of building improvements. These notes mature in April 2008.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

GENERAL FUND

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

NONMAJOR SPECIAL REVENUE FUNDS

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

Street Construction, Maintenance and Repair Fund

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

State Highway Improvement Fund

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

Permissive License Tax Fund

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

Residential Street Fund

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

Court Computer Fund

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

Indigent Drivers Alcohol Treatment Fund

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

Sports Complex Operating Fund

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

Parks Recreation Improvement Fund

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

Gas and Oil Royalty Fund

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

D.A.R.E. Program Fund

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

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Mandatory Drug Fines Fund

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

Local Law Enforcement Trust Fund

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

Parks Revolving Loan Fund

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

Sidewalk Improvement Program Fund

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

City Grant Fund

This fund was established during 2004 by City Council to account for various grant receipts.

Federal Emergency Management Agency Fund

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

Emergency Reserve Fund

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

Community Development Block Grant Fund (CDBG)

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

Rental Rehabilitation Fund

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

Home Investment Partnership Fund

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

Tax Increment Financing Fund

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

Project Impact Fund

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

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Beautification Fund

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

Downtown Sales and Rental Fund

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

Senior Center Trust Fund

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

Fire Pension Fund

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

Police Pension Fund

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

NONMAJOR DEBT SERVICE FUNDS

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

General Obligation Bond Retirement Fund

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

Special Assessment Bond Retirement Fund

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

NONMAJOR CAPITAL PROJECTS FUNDS

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

Street Improvement Fund

This fund accounts for revenues and expenditures for street improvements.

Senior Center Construction Fund

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

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

NONMAJOR CAPITAL PROJECTS FUNDS (CONTINUED)

Issue II Fund

This fund accounts for projects funded by Issue II money.

Infrastructure Improvement Reserve Fund

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

Street and Storm Sewer Improvement Fund

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

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other taxes	\$ 1,435,424	\$ 1,435,424	\$ 1,411,446	\$ (23,978)
Municipal income taxes	10,780,000	10,780,000	11,182,415	402,415
Charges for services	1,324,150	1,583,150	1,571,985	(11,165)
Licenses and permits	144,940	199,940	207,507	7,567
Fines and forfeitures	84,700	84,700	72,846	(11,854)
Intergovernmental	2,420,309	2,840,309	2,679,489	(160,820)
Investment income	170,300	500,300	551,472	51,172
Other	572,152	399,152	398,563	(589)
Total revenues	<u>16,931,975</u>	<u>17,822,975</u>	<u>18,075,723</u>	<u>252,748</u>
Expenditures:				
Current:				
General government				
City Council	198,777	198,777	197,047	1,730
Municipal Court Judges	368,147	367,912	353,327	14,585
Clerk of Court	674,833	704,793	697,229	7,564
Mayor	171,995	176,995	174,749	2,246
Service Director	241,169	287,843	247,456	40,387
Civil Service Commission	17,906	16,906	16,836	70
Finance Department	440,948	440,417	428,230	12,187
Law Department	410,717	410,245	391,708	18,537
Safety Director	89,945	97,745	92,860	4,885
Human Resources	51,859	51,127	47,704	3,423
Information Systems	83,099	83,098	82,481	617
Municipal Buildings	389,648	376,384	348,065	28,319
Probation	133,583	124,671	119,202	5,469
Engineer	138,394	138,155	120,227	17,928
Income Tax	244,400	274,391	241,375	33,016
General Liability	35,750	30,000	562	29,438
Other	302,423	302,406	296,106	6,300
Total general government	<u>3,993,593</u>	<u>4,081,865</u>	<u>3,855,164</u>	<u>226,701</u>
Public safety				
Police Department	4,992,891	5,013,358	4,949,950	63,408
Fire Department	4,564,999	4,559,388	4,474,471	84,917
Total public safety	<u>9,557,890</u>	<u>9,572,746</u>	<u>9,424,421</u>	<u>148,325</u>
Transportation				
Paint/signal	146,536	146,434	144,897	1,537
Total transportation	<u>146,536</u>	<u>146,434</u>	<u>144,897</u>	<u>1,537</u>
Leisure time activities				
Parks administration	175,815	176,698	165,834	10,864
Senior Center	62,855	62,855	60,846	2,009
Recreation programs	22,142	39,823	32,178	7,645
Parks maintenance	397,906	397,512	358,258	39,254
Total leisure time activities	<u>658,718</u>	<u>676,888</u>	<u>617,116</u>	<u>59,772</u>

Continued

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Community environment				
Building inspection	\$ 293,905	\$ 359,541	\$ 345,806	\$ 13,735
Planning	330,132	353,539	247,375	106,164
Total community environment	<u>624,037</u>	<u>713,080</u>	<u>593,181</u>	<u>119,899</u>
Capital outlay				
Finance Department	2,500	2,500	2,289	211
Police Department	55,000	107,500	106,925	575
Fire Department	11,911	37,862	34,710	3,152
Recreation programs	3,176	25,000	22,257	2,743
Parks maintenance	1,683	1,683	1,683	-
Planning	10,834	10,835	1,375	9,460
Total capital outlay	<u>85,104</u>	<u>185,380</u>	<u>169,239</u>	<u>16,141</u>
Total expenditures	<u>15,065,878</u>	<u>15,376,393</u>	<u>14,804,018</u>	<u>572,375</u>
Excess of revenues over expenditures	<u>1,866,097</u>	<u>2,446,582</u>	<u>3,271,705</u>	<u>825,123</u>
Other financing sources (uses):				
Transfers in	21,691	21,691	21,691	-
Transfers out	(1,973,859)	(2,140,859)	(2,140,859)	-
Sale of capital assets	144,000	144,000	142,954	(1,046)
Total other financing sources (uses)	<u>(1,808,168)</u>	<u>(1,975,168)</u>	<u>(1,976,214)</u>	<u>(1,046)</u>
Net change in fund balance	57,929	471,414	1,295,491	824,077
Fund balance at beginning of year	371,550	371,550	371,550	-
Prior year encumbrances appropriated	<u>144,154</u>	<u>144,154</u>	<u>144,154</u>	<u>-</u>
Fund balance at end of year	<u>\$ 573,633</u>	<u>\$ 987,118</u>	<u>\$ 1,811,195</u>	<u>\$ 824,077</u>

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2006*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,912,688	\$ 283,673	\$ 2,641,936	\$ 4,838,297
Receivables (net of allowances of uncollectibles):				
Property taxes	286,820	-	-	286,820
Intergovernmental	658,147	-	-	658,147
Special assessments	-	235,641	-	235,641
Notes receivable	729,514	-	-	729,514
Prepayments	8,275	-	-	8,275
Total assets	<u>\$ 3,595,444</u>	<u>\$ 519,314</u>	<u>\$ 2,641,936</u>	<u>\$ 6,756,694</u>
Liabilities:				
Accounts payable	\$ 66,086	\$ -	\$ 222,646	\$ 288,732
Accrued wages and benefits	22,430	-	-	22,430
Due to other governments	28,243	-	-	28,243
Due to other funds	103,154	-	-	103,154
Deferred revenue	567,986	235,641	-	803,627
Accrued interest payable	-	-	4,190	4,190
Notes payable	-	-	798,000	798,000
Total liabilities	<u>787,899</u>	<u>235,641</u>	<u>1,024,836</u>	<u>2,048,376</u>
Fund Balances:				
Reserved for encumbrances	473,652	-	1,084,701	1,558,353
Reserved for prepayments	8,275	-	-	8,275
Reserved for notes receivable	729,514	-	-	729,514
Reserved for debt service	-	283,673	-	283,673
Unreserved, undesignated, reported in:				
Special revenue funds	1,596,104	-	-	1,596,104
Capital projects funds	-	-	532,399	532,399
Total fund balances	<u>2,807,545</u>	<u>283,673</u>	<u>1,617,100</u>	<u>4,708,318</u>
Total liabilities and fund equity	<u>\$ 3,595,444</u>	<u>\$ 519,314</u>	<u>\$ 2,641,936</u>	<u>\$ 6,756,694</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Property and other local taxes	\$ 208,670	\$ -	\$ -	\$ 208,670
Charges for services	80,098	-	-	80,098
Fines and forfeitures	98,973	-	-	98,973
Intergovernmental	2,836,579	-	-	2,836,579
Special assessments	68,446	91,189	-	159,635
Investment income	42,708	-	140,456	183,164
Contributions and donations	144,227	-	-	144,227
Other	137,239	376,001	160,183	673,423
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	3,616,940	467,190	300,639	4,384,769
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
General government	262,842	-	-	262,842
Public safety	378,281	-	-	378,281
Health and welfare	1,970	-	-	1,970
Transportation	1,432,085	-	-	1,432,085
Community environment.	1,281,705	-	-	1,281,705
Leisure time activities	305,875	-	-	305,875
Capital outlay	539,214	-	1,223,336	1,762,550
Intergovernmental	-	-	1,328,572	1,328,572
Debt service:				
Principal retirement	246,954	636,649	-	883,603
Interest and fiscal charges	85,271	152,451	42,288	280,010
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	4,534,197	789,100	2,594,196	7,917,493
	<hr/>	<hr/>	<hr/>	<hr/>
Deficiency of revenues under expenditures	(917,257)	(321,910)	(2,293,557)	(3,532,724)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses):				
Notes issued	-	40,000	-	40,000
Capital lease transaction	9,217	-	-	9,217
Sale of capital assets	6,270	-	-	6,270
Transfers in	792,000	294,724	307,000	1,393,724
Transfers out	(36,415)	-	-	(36,415)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	771,072	334,724	307,000	1,412,796
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	(146,185)	12,814	(1,986,557)	(2,119,928)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year.	2,953,730	270,859	3,603,657	6,828,246
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at end of year	<u>\$ 2,807,545</u>	<u>\$ 283,673</u>	<u>\$ 1,617,100</u>	<u>\$ 4,708,318</u>

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2006*

	Street Construction Maintenance and Repair	State Highway Improvement	Permissive License Tax	Residential Street
Assets:				
Equity in pooled cash and cash equivalents.	\$ 435,989	\$ 32,694	\$ 318,445	\$ 68,627
Receivables (net of allowances for uncollectibles):				
Property taxes.	-	-	-	-
Intergovernmental.	356,430	27,646	4,244	-
Notes receivable	-	-	-	-
Prepayments	7,513	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 799,932</u>	<u>\$ 60,340</u>	<u>\$ 322,689</u>	<u>\$ 68,627</u>
Liabilities:				
Accounts payable	\$ 8,373	\$ -	\$ -	\$ -
Accrued wages and benefits	20,663	-	-	-
Due to other governments	21,364	1,284	-	-
Interfund loan payable	-	-	-	-
Deferred revenue.	221,336	17,946	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>271,736</u>	<u>19,230</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances	150,631	-	43,851	15,429
Reserved for prepayments.	7,513	-	-	-
Reserved for notes receivable	-	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	370,052	41,110	278,838	53,198
Total fund balances	<hr/> <u>528,196</u>	<hr/> <u>41,110</u>	<hr/> <u>322,689</u>	<hr/> <u>68,627</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund equity.	<u>\$ 799,932</u>	<u>\$ 60,340</u>	<u>\$ 322,689</u>	<u>\$ 68,627</u>

<u>Court Computer</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Sports Complex Operating</u>	<u>Parks Recreation Improvement</u>	<u>Gas and Oil Royalty</u>	<u>D.A.R.E. Program</u>
\$ 78,695	\$ 27,494	\$ 15,415	\$ 518,162	\$ 27,010	\$ 22,331
-	-	-	-	-	-
3,451	1,036	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 82,146</u>	<u>\$ 28,530</u>	<u>\$ 15,415</u>	<u>\$ 518,162</u>	<u>\$ 27,010</u>	<u>\$ 22,331</u>
\$ -	\$ 8,804	\$ 1,208	\$ 14,300	\$ -	\$ -
-	-	-	-	-	-
-	-	379	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>8,804</u>	<u>1,587</u>	<u>14,300</u>	<u>-</u>	<u>-</u>
959	-	73	-	-	1,732
-	-	-	-	-	-
-	-	-	-	-	-
<u>81,187</u>	<u>19,726</u>	<u>13,755</u>	<u>503,862</u>	<u>27,010</u>	<u>20,599</u>
<u>82,146</u>	<u>19,726</u>	<u>13,828</u>	<u>503,862</u>	<u>27,010</u>	<u>22,331</u>
<u>\$ 82,146</u>	<u>\$ 28,530</u>	<u>\$ 15,415</u>	<u>\$ 518,162</u>	<u>\$ 27,010</u>	<u>\$ 22,331</u>

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CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2006*

	<u>Mandatory Drug Fines</u>	<u>Local Law Enforcement Trust</u>	<u>Parks Revolving Loan</u>	<u>Sidewalk Improvement Program</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 10,100	\$ 8,640	\$ 5,810	\$ 68,540
Receivables (net of allowances for uncollectibles):				
Property taxes.	-	-	-	-
Intergovernmental.	140	-	-	-
Notes receivable	-	-	-	-
Prepayments	-	-	-	-
Total assets	<u>\$ 10,240</u>	<u>\$ 8,640</u>	<u>\$ 5,810</u>	<u>\$ 68,540</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 51	\$ -
Accrued wages and benefits	-	-	-	-
Due to other governments	-	-	122	-
Interfund loan payable	-	-	-	-
Deferred revenue.	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>173</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances	-	-	492	6,714
Reserved for prepayments.	-	-	-	-
Reserved for notes receivable	-	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	10,240	8,640	5,145	61,826
Total fund balances	<u>10,240</u>	<u>8,640</u>	<u>5,637</u>	<u>68,540</u>
Total liabilities and fund equity.	<u>\$ 10,240</u>	<u>\$ 8,640</u>	<u>\$ 5,810</u>	<u>\$ 68,540</u>

City Grant	Federal Emergency Management Agency	Emergency Reserve	Community Development Block Grant	Rental Rehabilitation	Home Investment Partnership
\$ 31,218	\$ 3,559	\$ 267	\$ 997	\$ 2,000	\$ -
-	-	-	-	-	-
-	-	-	250,684	-	-
-	-	-	457,538	-	267,000
-	-	-	-	-	-
<u>\$ 31,218</u>	<u>\$ 3,559</u>	<u>\$ 267</u>	<u>\$ 709,219</u>	<u>\$ 2,000</u>	<u>\$ 267,000</u>
\$ -	\$ -	\$ -	\$ 31,837	\$ -	\$ -
-	-	-	1,599	-	-
575	-	-	3,505	-	-
-	-	-	103,154	-	-
-	-	-	37,678	-	-
<u>575</u>	<u>-</u>	<u>-</u>	<u>177,773</u>	<u>-</u>	<u>-</u>
-	3,533	-	235,661	-	-
-	-	-	-	-	-
-	-	-	457,538	-	267,000
<u>30,643</u>	<u>26</u>	<u>267</u>	<u>(161,753)</u>	<u>2,000</u>	<u>-</u>
<u>30,643</u>	<u>3,559</u>	<u>267</u>	<u>531,446</u>	<u>2,000</u>	<u>267,000</u>
<u>\$ 31,218</u>	<u>\$ 3,559</u>	<u>\$ 267</u>	<u>\$ 709,219</u>	<u>\$ 2,000</u>	<u>\$ 267,000</u>

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CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2006*

	Tax Increment Financing	Project Impact	Beautification	Downtown Sales and Rental
Assets:				
Equity in pooled cash and cash equivalents.	\$ 24,544	\$ 5,503	\$ 59,690	\$ -
Receivables (net of allowances for uncollectibles):				
Property taxes.	-	-	-	-
Intergovernmental.	-	-	-	-
Notes receivable	-	-	-	4,976
Prepayments	-	-	23	88
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 24,544</u>	<u>\$ 5,503</u>	<u>\$ 59,713</u>	<u>\$ 5,064</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 1,513	\$ -
Accrued wages and benefits	-	-	133	-
Due to other governments	-	-	924	-
Interfund loan payable	-	-	-	-
Deferred revenue.	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>-</u>	<u>2,570</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances	-	3,300	3,665	-
Reserved for prepayments.	-	-	23	88
Reserved for notes receivable	-	-	-	4,976
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	24,544	2,203	53,455	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>24,544</u>	<u>5,503</u>	<u>57,143</u>	<u>5,064</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund equity.	<u>\$ 24,544</u>	<u>\$ 5,503</u>	<u>\$ 59,713</u>	<u>\$ 5,064</u>

<u>Senior Center Trust</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 108,980	\$ 24,758	\$ 13,220	\$ 1,912,688
-	143,553	143,267	286,820
-	7,258	7,258	658,147
-	-	-	729,514
651	-	-	8,275
<u>\$ 109,631</u>	<u>\$ 175,569</u>	<u>\$ 163,745</u>	<u>\$ 3,595,444</u>
\$ -	\$ -	\$ -	\$ 66,086
35	-	-	22,430
90	-	-	28,243
-	-	-	103,154
-	145,513	145,513	567,986
<u>125</u>	<u>145,513</u>	<u>145,513</u>	<u>787,899</u>
7,612	-	-	473,652
651	-	-	8,275
-	-	-	729,514
<u>101,243</u>	<u>30,056</u>	<u>18,232</u>	<u>1,596,104</u>
<u>109,506</u>	<u>30,056</u>	<u>18,232</u>	<u>2,807,545</u>
<u>\$ 109,631</u>	<u>\$ 175,569</u>	<u>\$ 163,745</u>	<u>\$ 3,595,444</u>

CITY OF BARBERTON

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006*

	Street Construction Maintenance and Repair	State Highway Improvement	Permissive License Tax	Residential Street
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	894,292	57,082	183,251	-
Special assessments	-	-	27,586	20,949
Investment income	9,122	1,246	14,723	-
Contributions and donations	-	-	-	-
Other	7,744	258	-	-
Total revenues	911,158	58,586	225,560	20,949
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Transportation	1,087,956	47,185	296,944	-
Community environment	-	-	-	-
Leisure time activities	-	-	-	-
Capital outlay	5,383	-	-	193,801
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,093,339	47,185	296,944	193,801
Excess (deficiency) of revenues over (under) expenditures	(182,181)	11,401	(71,384)	(172,852)
Other financing sources (uses):				
Capital lease transaction	5,383	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	450,000	-	-	172,000
Transfers out	-	-	-	-
Total other financing sources (uses)	455,383	-	-	172,000
Net change in fund balances	273,202	11,401	(71,384)	(852)
Fund balances at beginning of year	254,994	29,709	394,073	69,479
Fund balances at end of year	\$ 528,196	\$ 41,110	\$ 322,689	\$ 68,627

Court Computer	Indigent Drivers Alcohol Treatment	Sports Complex Operating	Parks Recreation Improvement	Gas and Oil Royalty	D.A.R.E. Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	62,200	-	-	-
57,622	37,601	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	13,742	-	-
-	-	-	-	-	-
96	-	-	-	6,372	-
<u>57,718</u>	<u>37,601</u>	<u>62,200</u>	<u>13,742</u>	<u>6,372</u>	<u>-</u>
12,643	246,551	-	-	-	-
-	-	-	-	5,000	973
-	-	-	-	-	-
-	-	-	-	-	-
-	-	88,581	15,513	-	-
39,303	-	-	119,718	-	-
-	-	108,741	-	-	-
-	-	24,161	-	-	-
<u>51,946</u>	<u>246,551</u>	<u>221,483</u>	<u>135,231</u>	<u>5,000</u>	<u>973</u>
<u>5,772</u>	<u>(208,950)</u>	<u>(159,283)</u>	<u>(121,489)</u>	<u>1,372</u>	<u>(973)</u>
-	-	-	-	-	-
-	-	-	-	-	627
-	-	170,000	-	-	-
-	-	-	-	-	-
-	-	170,000	-	-	627
5,772	(208,950)	10,717	(121,489)	1,372	(346)
76,374	228,676	3,111	625,351	25,638	22,677
<u>\$ 82,146</u>	<u>\$ 19,726</u>	<u>\$ 13,828</u>	<u>\$ 503,862</u>	<u>\$ 27,010</u>	<u>\$ 22,331</u>

- - Continued

CITY OF BARBERTON

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2006*

	Mandatory Drug Fines	Local Law Enforcement Trust	Parks Revolving Loan	Sidewalk Improvement Program
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	4,180	-
Fines and forfeitures	3,750	-	-	-
Intergovernmental	-	-	-	-
Special assessments	-	-	-	19,911
Investment income	-	-	-	-
Contributions and donations	-	-	53,023	-
Other	-	-	-	61,791
Total revenues	3,750	-	57,203	81,702
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Transportation	-	-	-	-
Community environment	-	-	-	-
Leisure time activities	-	-	76,271	-
Capital outlay	1,179	21,161	-	97,448
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,179	21,161	76,271	97,448
Excess (deficiency) of revenues over (under) expenditures	2,571	(21,161)	(19,068)	(15,746)
Other financing sources (uses):				
Capital lease transaction	-	-	-	-
Sale of capital assets	-	5,643	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	5,643	-	-
Net change in fund balances	2,571	(15,518)	(19,068)	(15,746)
Fund balances at beginning of year	7,669	24,158	24,705	84,286
Fund balances at end of year	\$ 10,240	\$ 8,640	\$ 5,637	\$ 68,540

<u>City Grant</u>	<u>Federal Emergency Management Agency</u>	<u>Emergency Reserve</u>	<u>Community Development Block Grant</u>	<u>Rental Rehabilitation</u>	<u>Home Investment Partnership</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
103,981	59,803	-	1,436,092	-	-
-	-	-	-	-	-
-	-	10	-	-	-
-	-	-	-	-	-
-	-	-	10,736	-	-
<u>103,981</u>	<u>59,803</u>	<u>10</u>	<u>1,446,828</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
124,308	-	-	-	-	-
-	1,970	-	-	-	-
-	-	-	-	-	-
-	-	-	1,181,174	-	-
-	-	-	-	-	-
-	57,387	-	-	-	-
-	-	-	138,213	-	-
-	-	-	61,110	-	-
<u>124,308</u>	<u>59,357</u>	<u>-</u>	<u>1,380,497</u>	<u>-</u>	<u>-</u>
<u>(20,327)</u>	<u>446</u>	<u>10</u>	<u>66,331</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(21,691)	-	-	-	-
<u>-</u>	<u>(21,691)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(20,327)	(21,245)	10	66,331	-	-
<u>50,970</u>	<u>24,804</u>	<u>257</u>	<u>465,115</u>	<u>2,000</u>	<u>267,000</u>
<u>\$ 30,643</u>	<u>\$ 3,559</u>	<u>\$ 267</u>	<u>\$ 531,446</u>	<u>\$ 2,000</u>	<u>\$ 267,000</u>

- - Continued

CITY OF BARBERTON

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2006*

	Tax Increment Financing	Project Impact	Beautification	Downtown Sales and Rental
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	37,692	-	25,945	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Contributions and donations	-	-	81,545	-
Other	-	50,000	-	-
Total revenues	37,692	50,000	107,490	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Transportation	-	-	-	-
Community environment	29,000	69,497	-	2,034
Leisure time activities	-	-	97,441	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	29,000	69,497	97,441	2,034
Excess (deficiency) of revenues over (under) expenditures	8,692	(19,497)	10,049	(2,034)
Other financing sources (uses):				
Capital lease transaction	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(14,724)	-	-	-
Total other financing sources (uses)	(14,724)	-	-	-
Net change in fund balances	(6,032)	(19,497)	10,049	(2,034)
Fund balances at beginning of year	30,576	25,000	47,094	7,098
Fund balances at end of year	\$ 24,544	\$ 5,503	\$ 57,143	\$ 5,064

<u>Senior Center Trust</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 104,478	\$ 104,192	\$ 208,670
13,718	-	-	80,098
-	-	-	98,973
-	19,182	19,259	2,836,579
-	-	-	68,446
3,865	-	-	42,708
9,659	-	-	144,227
242	-	-	137,239
<u>27,484</u>	<u>123,660</u>	<u>123,451</u>	<u>3,616,940</u>
-	1,824	1,824	262,842
-	124,000	124,000	378,281
-	-	-	1,970
-	-	-	1,432,085
-	-	-	1,281,705
28,069	-	-	305,875
3,834	-	-	539,214
-	-	-	246,954
-	-	-	85,271
<u>31,903</u>	<u>125,824</u>	<u>125,824</u>	<u>4,534,197</u>
<u>(4,419)</u>	<u>(2,164)</u>	<u>(2,373)</u>	<u>(917,257)</u>
3,834	-	-	9,217
-	-	-	6,270
-	-	-	792,000
-	-	-	(36,415)
<u>3,834</u>	<u>-</u>	<u>-</u>	<u>771,072</u>
(585)	(2,164)	(2,373)	(146,185)
<u>110,091</u>	<u>32,220</u>	<u>20,605</u>	<u>2,953,730</u>
<u>\$ 109,506</u>	<u>\$ 30,056</u>	<u>\$ 18,232</u>	<u>\$ 2,807,545</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 810,000	\$ 810,000	\$ 900,088	\$ 90,088
Investment income	3,000	3,000	8,680	5,680
Other	10,800	10,800	7,744	(3,056)
Total revenues.	<u>823,800</u>	<u>823,800</u>	<u>916,512</u>	<u>92,712</u>
Expenditures:				
Current:				
Transportation	1,358,173	1,356,095	1,181,955	174,140
Capital outlay	-	56,000	56,000	-
Total expenditures.	<u>1,358,173</u>	<u>1,412,095</u>	<u>1,237,955</u>	<u>174,140</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(534,373)</u>	<u>(588,295)</u>	<u>(321,443)</u>	<u>266,852</u>
Other financing sources:				
Transfers in.	450,000	450,000	450,000	-
Total other financing sources.	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>-</u>
Net change in fund balance.	(84,373)	(138,295)	128,557	266,852
Fund balance at beginning of year	86,784	86,784	86,784	-
Prior year encumbrances appropriated . . .	<u>54,378</u>	<u>54,378</u>	<u>54,378</u>	<u>-</u>
Fund balance at end of year	<u>\$ 56,789</u>	<u>\$ 2,867</u>	<u>\$ 269,719</u>	<u>\$ 266,852</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE HIGHWAY IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental.	\$ 53,000	\$ 53,000	\$ 57,452	\$ 4,452
Investment income	600	600	1,243	643
Other	-	-	258	258
Total revenues.	<u>53,600</u>	<u>53,600</u>	<u>58,953</u>	<u>5,353</u>
Expenditures:				
Current:				
Transportation	<u>46,950</u>	<u>46,950</u>	<u>46,937</u>	<u>13</u>
Total expenditures.	<u>46,950</u>	<u>46,950</u>	<u>46,937</u>	<u>13</u>
Net change in fund balance	6,650	6,650	12,016	5,366
Fund balance at beginning of year.	<u>20,608</u>	<u>20,608</u>	<u>20,608</u>	<u>-</u>
Fund balance at end of year	<u>\$ 27,258</u>	<u>\$ 27,258</u>	<u>\$ 32,624</u>	<u>\$ 5,366</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMISSIVE LICENSE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 149,000	\$ 174,000	\$ 183,394	\$ 9,394
Investment income	6,700	6,700	15,248	8,548
Special assessments	-	30,000	27,586	(2,414)
Total revenues.	<u>155,700</u>	<u>210,700</u>	<u>226,228</u>	<u>15,528</u>
Expenditures:				
Current:				
Transportation	<u>513,001</u>	<u>341,047</u>	<u>340,795</u>	<u>252</u>
Total expenditures.	<u>513,001</u>	<u>341,047</u>	<u>340,795</u>	<u>252</u>
Net change in fund balance	(357,301)	(130,347)	(114,567)	15,780
Fund balance at beginning of year.	171,272	171,272	171,272	-
Prior year encumbrances appropriated . . .	<u>217,251</u>	<u>217,251</u>	<u>217,251</u>	<u>-</u>
Fund balance at end of year	<u>\$ 31,222</u>	<u>\$ 258,176</u>	<u>\$ 273,956</u>	<u>\$ 15,780</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RESIDENTIAL STREET FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Special assessments	\$ 30,000	\$ 20,000	\$ 20,949	\$ 949
Total revenues	<u>30,000</u>	<u>20,000</u>	<u>20,949</u>	<u>949</u>
Expenditures:				
Capital outlay	<u>239,253</u>	<u>209,444</u>	<u>209,230</u>	<u>214</u>
Total expenditures	<u>239,253</u>	<u>209,444</u>	<u>209,230</u>	<u>214</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(209,253)</u>	<u>(189,444)</u>	<u>(188,281)</u>	<u>1,163</u>
Other financing sources:				
Transfers in.	<u>170,000</u>	<u>172,000</u>	<u>172,000</u>	<u>-</u>
Total other financing sources.	<u>170,000</u>	<u>172,000</u>	<u>172,000</u>	<u>-</u>
Net change in fund balance.	(39,253)	(17,444)	(16,281)	1,163
Fund balance at beginning of year	30,226	30,226	30,226	-
Prior year encumbrances appropriated . . .	<u>39,253</u>	<u>39,253</u>	<u>39,253</u>	<u>-</u>
Fund balance at end of year	<u>\$ 30,226</u>	<u>\$ 52,035</u>	<u>\$ 53,198</u>	<u>\$ 1,163</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURT COMPUTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 56,500	\$ 56,500	\$ 58,002	\$ 1,502
Other	350	350	96	(254)
Total revenues	<u>56,850</u>	<u>56,850</u>	<u>58,098</u>	<u>1,248</u>
Expenditures:				
Current:				
General government	32,085	42,085	14,423	27,662
Capital outlay	850	40,734	39,303	1,431
Total expenditures.	<u>32,935</u>	<u>82,819</u>	<u>53,726</u>	<u>29,093</u>
Net change in fund balance	23,915	(25,969)	4,372	30,341
Fund balance at beginning of year.	71,864	71,864	71,864	-
Prior year encumbrances appropriated . . .	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Fund balance at end of year	<u>\$ 97,279</u>	<u>\$ 47,395</u>	<u>\$ 77,736</u>	<u>\$ 30,341</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INDIGENT DRIVERS ALCOHOL TREATMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Fines and forfeitures	\$ 32,500	\$ 32,500	\$ 37,602	\$ 5,102
Total revenues	<u>32,500</u>	<u>32,500</u>	<u>37,602</u>	<u>5,102</u>
Expenditures:				
Current:				
General government	<u>228,000</u>	<u>238,000</u>	<u>237,747</u>	<u>253</u>
Total expenditures	<u>228,000</u>	<u>238,000</u>	<u>237,747</u>	<u>253</u>
Net change in fund balance.	(195,500)	(205,500)	(200,145)	5,355
Fund balance at beginning of year	<u>227,639</u>	<u>227,639</u>	<u>227,639</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 32,139</u>	<u>\$ 22,139</u>	<u>\$ 27,494</u>	<u>\$ 5,355</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPORTS COMPLEX OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 64,000	\$ 71,775	\$ 62,060	\$ (9,715)
Other	-	-	140	140
Total revenues	<u>64,000</u>	<u>71,775</u>	<u>62,200</u>	<u>(9,575)</u>
Expenditures:				
Current:				
Leisure time activities	79,344	96,062	90,212	5,850
Debt service:				
Principal retirement	108,741	108,741	108,741	-
Interest and fiscal charges	<u>24,161</u>	<u>24,161</u>	<u>24,161</u>	<u>-</u>
Total expenditures	<u>212,246</u>	<u>228,964</u>	<u>223,114</u>	<u>5,850</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(148,246)</u>	<u>(157,189)</u>	<u>(160,914)</u>	<u>(3,725)</u>
Other financing sources:				
Transfers in	<u>170,000</u>	<u>170,000</u>	<u>170,000</u>	<u>-</u>
Total other financing sources	<u>170,000</u>	<u>170,000</u>	<u>170,000</u>	<u>-</u>
Net change in fund balance	21,754	12,811	9,086	(3,725)
Fund balance at beginning of year.	2,387	2,387	2,387	-
Prior year encumbrances appropriated. . .	<u>2,552</u>	<u>2,552</u>	<u>2,552</u>	<u>-</u>
Fund balance at end of year	<u>\$ 26,693</u>	<u>\$ 17,750</u>	<u>\$ 14,025</u>	<u>\$ (3,725)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARKS RECREATION IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ 12,000	\$ 12,714	\$ 714
Total revenues	<u>-</u>	<u>12,000</u>	<u>12,714</u>	<u>714</u>
Expenditures:				
Current:				
Leisure time activities	1,166	1,466	1,213	253
Capital outlay	<u>212,737</u>	<u>269,598</u>	<u>195,248</u>	<u>74,350</u>
Total expenditures	<u>213,903</u>	<u>271,064</u>	<u>196,461</u>	<u>74,603</u>
Net change in fund balance	(213,903)	(259,064)	(183,747)	75,317
Fund balance at beginning of year	496,228	496,228	496,228	-
Prior year encumbrances appropriated. . .	<u>190,653</u>	<u>190,653</u>	<u>190,653</u>	<u>-</u>
Fund balance at end of year	<u>\$ 472,978</u>	<u>\$ 427,817</u>	<u>\$ 503,134</u>	<u>\$ 75,317</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GAS AND OIL ROYALTY FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Other	\$ 9,000	\$ 9,000	\$ 6,372	\$ (2,628)
Total revenues	<u>9,000</u>	<u>9,000</u>	<u>6,372</u>	<u>(2,628)</u>
Expenditures:				
Current:				
Community environment	20,000	5,000	5,000	-
Total expenditures	<u>20,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balance	(11,000)	4,000	1,372	(2,628)
Fund balance at beginning of year	10,638	10,638	10,638	-
Prior year encumbrances appropriated . . .	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 14,638</u>	<u>\$ 29,638</u>	<u>\$ 27,010</u>	<u>\$ (2,628)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
D.A.R.E. PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Public safety	\$ 7,622	\$ 9,621	\$ 4,326	\$ 5,295
Total expenditures	<u>7,622</u>	<u>9,621</u>	<u>4,326</u>	<u>5,295</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(7,622)</u>	<u>(9,621)</u>	<u>(4,326)</u>	<u>5,295</u>
Other financing sources:				
Sale of capital assets	<u>-</u>	<u>-</u>	<u>627</u>	<u>627</u>
Total other financing sources.	<u>-</u>	<u>-</u>	<u>627</u>	<u>627</u>
Net change in fund balance.	(7,622)	(9,621)	(3,699)	5,922
Fund balance at beginning of year	22,676	22,676	22,676	-
Prior year encumbrances appropriated . .	<u>1,622</u>	<u>1,622</u>	<u>1,622</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 16,676</u>	<u>\$ 14,677</u>	<u>\$ 20,599</u>	<u>\$ 5,922</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MANDATORY DRUG FINES FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Fines and forfeitures.	\$ 900	\$ 3,300	\$ 3,610	\$ 310
Total revenues	<u>900</u>	<u>3,300</u>	<u>3,610</u>	<u>310</u>
Expenditures:				
Capital outlay	-	1,179	1,179	-
Total expenditures.	<u>-</u>	<u>1,179</u>	<u>1,179</u>	<u>-</u>
Net change in fund balance.	900	2,121	2,431	310
Fund balance at beginning of year	<u>7,669</u>	<u>7,669</u>	<u>7,669</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 8,569</u>	<u>\$ 9,790</u>	<u>\$ 10,100</u>	<u>\$ 310</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LOCAL LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures:				
Capital outlay.	\$ 1,840	\$ 24,157	\$ 21,161	\$ 2,996
Total expenditures	1,840	24,157	21,161	2,996
Excess (deficiency) of revenues over (under) expenditures	(1,840)	(24,157)	(21,161)	2,996
Other financing sources:				
Sale of capital assets	-	5,600	5,643	43
Total other financing sources.	-	5,600	5,643	43
Net change in fund balance.	(1,840)	(18,557)	(15,518)	3,039
Fund balance at beginning of year	23,698	23,698	23,698	-
Prior year encumbrances appropriated . .	460	460	460	-
Fund balance at end of year.	<u>\$ 22,318</u>	<u>\$ 5,601</u>	<u>\$ 8,640</u>	<u>\$ 3,039</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARKS REVOLVING LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services.	\$ 15,300	\$ 6,300	\$ 4,180	\$ (2,120)
Contributions and donations.	21,500	53,500	53,023	(477)
Total revenues.	<u>36,800</u>	<u>59,800</u>	<u>57,203</u>	<u>(2,597)</u>
Expenditures:				
Current:				
Leisure time activities	<u>30,618</u>	<u>80,617</u>	<u>76,832</u>	<u>3,785</u>
Total expenditures.	<u>30,618</u>	<u>80,617</u>	<u>76,832</u>	<u>3,785</u>
Net change in fund balance.	6,182	(20,817)	(19,629)	1,188
Fund balance at beginning of year	<u>24,896</u>	<u>24,896</u>	<u>24,896</u>	<u>-</u>
Fund balance at end of year	<u>\$ 31,078</u>	<u>\$ 4,079</u>	<u>\$ 5,267</u>	<u>\$ 1,188</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SIDEWALK IMPROVEMENT PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Special assessment	\$ 30,000	\$ 20,000	\$ 19,911	\$ (89)
Other	66,000	62,000	61,791	(209)
Total revenues.	<u>96,000</u>	<u>82,000</u>	<u>81,702</u>	<u>(298)</u>
Expenditures:				
Capital outlay	<u>5,770</u>	<u>104,814</u>	<u>104,162</u>	<u>652</u>
Total expenditures.	<u>5,770</u>	<u>104,814</u>	<u>104,162</u>	<u>652</u>
Net change in fund balance.	90,230	(22,814)	(22,460)	354
Fund balance at beginning of year	78,516	78,516	78,516	-
Prior year encumbrances appropriated . . .	<u>5,770</u>	<u>5,770</u>	<u>5,770</u>	<u>-</u>
Fund balance at end of year	<u>\$ 174,516</u>	<u>\$ 61,472</u>	<u>\$ 61,826</u>	<u>\$ 354</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental.	\$ 110,445	\$ 150,292	\$ 150,426	\$ 134
Total revenues.	<u>110,445</u>	<u>150,292</u>	<u>150,426</u>	<u>134</u>
Expenditures:				
Current:				
Public safety.	111,362	123,734	123,733	1
Total expenditures	<u>111,362</u>	<u>123,734</u>	<u>123,733</u>	<u>1</u>
Net change in fund balance.	(917)	26,558	26,693	135
Fund balance (deficit) at beginning of year. .	(35,550)	(35,550)	(35,550)	-
Prior year encumbrances appropriated . . .	<u>40,075</u>	<u>40,075</u>	<u>40,075</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,608</u>	<u>\$ 31,083</u>	<u>\$ 31,218</u>	<u>\$ 135</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL EMERGENCY MANAGEMENT AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ -	\$ 59,803	\$ 59,803	\$ -
Total revenues	-	59,803	59,803	-
Expenditures:				
Current:				
Health and welfare	1,972	1,972	1,970	2
Capital outlay	1,117	60,920	60,920	-
Total expenditures	3,089	62,892	62,890	2
Excess (deficiency) of revenues over (under) expenditures.	(3,089)	(3,089)	(3,087)	2
Other financing uses:				
Transfers out	(21,691)	(21,691)	(21,691)	-
Total other financing uses	(21,691)	(21,691)	(21,691)	-
Net change in fund balance.	(24,780)	(24,780)	(24,778)	2
Fund balance at beginning of year	21,715	21,715	21,715	-
Prior year encumbrances appropriated . .	3,089	3,089	3,089	-
Fund balance at end of year.	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ 26</u>	<u>\$ 2</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 8	\$ 8	\$ 10	\$ 2
Total revenues	<u>8</u>	<u>8</u>	<u>10</u>	<u>2</u>
Net change in fund balance.	8	8	10	2
Fund balance at beginning of year	<u>257</u>	<u>257</u>	<u>257</u>	<u>-</u>
Fund balance at end of year	<u>\$ 265</u>	<u>\$ 265</u>	<u>\$ 267</u>	<u>\$ 2</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,362,523	\$ 2,127,737	\$ 1,223,086	\$ (904,651)
Other	-	58,000	63,075	5,075
Total revenues	<u>1,362,523</u>	<u>2,185,737</u>	<u>1,286,161</u>	<u>(899,576)</u>
Expenditures:				
Current:				
Community environment	44,707	1,935,013	1,459,209	475,804
Debt service:				
Principal retirement	138,213	138,213	138,213	-
Interest and fiscal charges.	<u>61,110</u>	<u>61,110</u>	<u>61,110</u>	<u>-</u>
Total expenditures	<u>244,030</u>	<u>2,134,336</u>	<u>1,658,532</u>	<u>475,804</u>
Net change in fund balance.	1,118,493	51,401	(372,371)	(423,772)
Fund balance (deficit) at beginning of year.	(240,535)	(240,535)	(240,535)	-
Prior year encumbrances appropriated	<u>244,030</u>	<u>244,030</u>	<u>244,030</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 1,121,988</u>	<u>\$ 54,896</u>	<u>\$ (368,876)</u>	<u>\$ (423,772)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RENTAL REHABILITATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006*

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

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TAX INCREMENT FINANCING FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 35,000	\$ 37,500	\$ 37,692	\$ 192
Total revenues	<u>35,000</u>	<u>37,500</u>	<u>37,692</u>	<u>192</u>
Expenditures:				
Current:				
Community environment	29,000	29,000	29,000	-
Total expenditures	<u>29,000</u>	<u>29,000</u>	<u>29,000</u>	<u>-</u>
Excess of revenues over expenditures	<u>6,000</u>	<u>8,500</u>	<u>8,692</u>	<u>192</u>
Other financing uses:				
Transfers out	(14,724)	(14,724)	(14,724)	-
Total other financing uses	<u>(14,724)</u>	<u>(14,724)</u>	<u>(14,724)</u>	<u>-</u>
Net change in fund balance	(8,724)	(6,224)	(6,032)	192
Fund balance at beginning of year	<u>30,576</u>	<u>30,576</u>	<u>30,576</u>	<u>-</u>
Fund balance at end of year	<u>\$ 21,852</u>	<u>\$ 24,352</u>	<u>\$ 24,544</u>	<u>\$ 192</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PROJECT IMPACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 175,000	\$ 50,000	\$ 50,000	\$ -
Total revenues	175,000	50,000	50,000	-
Expenditures:				
Current:				
Community environment	200,000	75,000	72,797	2,203
Total expenditures	200,000	75,000	72,797	2,203
Net change in fund balance.	(25,000)	(25,000)	(22,797)	2,203
Fund balance at beginning of year	22,100	22,100	22,100	-
Prior year encumbrances appropriated . . .	2,900	2,900	2,900	-
Fund balance at end of year	\$ -	\$ -	\$ 2,203	\$ 2,203

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BEAUTIFICATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental.	\$ 27,900	\$ 27,900	\$ 25,945	\$ (1,955)
Contributions and donations.	68,250	77,250	81,545	4,295
Total revenues.	<u>96,150</u>	<u>105,150</u>	<u>107,490</u>	<u>2,340</u>
Expenditures:				
Current:				
Leisure time activities	<u>100,167</u>	<u>104,836</u>	<u>100,982</u>	<u>3,854</u>
Total expenditures.	<u>100,167</u>	<u>104,836</u>	<u>100,982</u>	<u>3,854</u>
Net change in fund balance.	(4,017)	314	6,508	6,194
Fund balance at beginning of year	38,026	38,026	38,026	-
Prior year encumbrances appropriated . . .	<u>9,613</u>	<u>9,613</u>	<u>9,613</u>	<u>-</u>
Fund balance at end of year	<u>\$ 43,622</u>	<u>\$ 47,953</u>	<u>\$ 54,147</u>	<u>\$ 6,194</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SENIOR CENTER TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment income	\$ 1,200	\$ 1,200	\$ 3,972	\$ 2,772
Charges for services	17,200	17,200	13,718	(3,482)
Contributions and donations	11,400	11,400	9,659	(1,741)
Other	400	400	242	(158)
Total revenues.	<u>30,200</u>	<u>30,200</u>	<u>27,591</u>	<u>(2,609)</u>
Expenditures:				
Current:				
Leisure time activities	31,381	40,268	35,669	4,599
Total expenditures	<u>31,381</u>	<u>40,268</u>	<u>35,669</u>	<u>4,599</u>
Net change in fund balance.	(1,181)	(10,068)	(8,078)	1,990
Fund balance at beginning of year	107,870	107,870	107,870	-
Prior year encumbrances appropriated	<u>1,326</u>	<u>1,326</u>	<u>1,326</u>	<u>-</u>
Fund balance at end of year	<u>\$ 108,015</u>	<u>\$ 99,128</u>	<u>\$ 101,118</u>	<u>\$ 1,990</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE PENSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 121,037	\$ 121,037	\$ 119,180	\$ (1,857)
Intergovernmental	19,265	19,265	19,325	60
Total revenues	<u>140,302</u>	<u>140,302</u>	<u>138,505</u>	<u>(1,797)</u>
Expenditures:				
Current:				
General government.	2,000	2,000	1,824	176
Public safety.	<u>124,000</u>	<u>124,000</u>	<u>124,000</u>	<u>-</u>
Total expenditures	<u>126,000</u>	<u>126,000</u>	<u>125,824</u>	<u>176</u>
Net change in fund balance.	14,302	14,302	12,681	(1,621)
Fund balance at beginning of year	<u>5,110</u>	<u>5,110</u>	<u>5,110</u>	<u>-</u>
Fund balance at end of year	<u>\$ 19,412</u>	<u>\$ 19,412</u>	<u>\$ 17,791</u>	<u>\$ (1,621)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE PENSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 121,037	\$ 121,037	\$ 119,180	\$ (1,857)
Intergovernmental	19,265	19,265	19,402	137
Total revenues	<u>140,302</u>	<u>140,302</u>	<u>138,582</u>	<u>(1,720)</u>
Expenditures:				
Current:				
General government.	2,000	2,000	1,824	176
Public safety.	<u>124,000</u>	<u>124,000</u>	<u>124,000</u>	<u>-</u>
Total expenditures	<u>126,000</u>	<u>126,000</u>	<u>125,824</u>	<u>176</u>
Net change in fund balance.	14,302	14,302	12,758	(1,544)
Fund balance at beginning of year	<u>7,429</u>	<u>7,429</u>	<u>7,429</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 21,731</u>	<u>\$ 21,731</u>	<u>\$ 20,187</u>	<u>\$ (1,544)</u>

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2006*

	General Obligation Bond Retirement	Special Assesment Bond Retirement	Total Nonmajor Debt Service Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 3,189	\$ 280,484	\$ 283,673
Receivables (net of allowances for uncollectibles):			
Special assessments	-	235,641	235,641
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 3,189</u>	<u>\$ 516,125</u>	<u>\$ 519,314</u>
Liabilities:			
Deferred revenue.	\$ -	\$ 235,641	\$ 235,641
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>235,641</u>	<u>235,641</u>
Fund Balances:			
Unreserved, undesignated, reported in:			
Debt service funds	3,189	280,484	283,673
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>3,189</u>	<u>280,484</u>	<u>283,673</u>
Total liabilities and fund equity	<u>\$ 3,189</u>	<u>\$ 516,125</u>	<u>\$ 519,314</u>

CITY OF BARBERTON

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006*

	General Obligation Bond Retirement	Special Assesment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Special assessments	\$ -	\$ 91,189	\$ 91,189
Other	376,001	-	376,001
Total revenues	376,001	91,189	467,190
Expenditures:			
Debt service:			
Principal retirement.	580,340	56,309	636,649
Interest and fiscal charges	127,699	24,752	152,451
Total expenditures	708,039	81,061	789,100
Excess (deficiency) of revenues over (under) expenditures.	(332,038)	10,128	(321,910)
Other financing sources:			
Notes issued	40,000	-	40,000
Transfers in.	294,724	-	294,724
Total other financing sources	334,724	-	334,724
Net change in fund balances.	2,686	10,128	12,814
Fund balances at beginning of year	503	270,356	270,859
Fund balances at end of year	\$ 3,189	\$ 280,484	\$ 283,673

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL OBLIGATION BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Other	\$ 584,200	\$ 549,160	\$ 536,152	\$ (13,008)
Total revenues.	<u>584,200</u>	<u>549,160</u>	<u>536,152</u>	<u>(13,008)</u>
Expenditures:				
Debt service:				
Principal retirement.	1,497,405	1,497,405	1,497,340	65
Interest and fiscal charges.	<u>171,500</u>	<u>168,960</u>	<u>168,850</u>	<u>110</u>
Total expenditures.	<u>1,668,905</u>	<u>1,666,365</u>	<u>1,666,190</u>	<u>175</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(1,084,705)</u>	<u>(1,117,205)</u>	<u>(1,130,038)</u>	<u>(12,833)</u>
Other financing sources:				
Transfers in	224,724	294,724	294,724	-
Note issuance	<u>870,000</u>	<u>870,000</u>	<u>838,000</u>	<u>(32,000)</u>
Total other financing sources	<u>1,094,724</u>	<u>1,164,724</u>	<u>1,132,724</u>	<u>(32,000)</u>
Net change in fund balance.	10,019	47,519	2,686	(44,833)
Fund balance at beginning of year	<u>503</u>	<u>503</u>	<u>503</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 10,522</u>	<u>\$ 48,022</u>	<u>\$ 3,189</u>	<u>\$ (44,833)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL ASSESSMENT BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessment	\$ 50,000	\$ 92,000	\$ 91,189	\$ (811)
Total revenues.	<u>50,000</u>	<u>92,000</u>	<u>91,189</u>	<u>(811)</u>
Expenditures:				
Debt service:				
Principal retirement.	56,500	56,500	56,309	191
Interest and fiscal charges.	23,000	23,000	22,842	158
Other	-	2,000	1,910	90
Total expenditures.	<u>79,500</u>	<u>81,500</u>	<u>81,061</u>	<u>439</u>
Net change in fund balance.	(29,500)	10,500	10,128	(372)
Fund balance at beginning of year	<u>270,356</u>	<u>270,356</u>	<u>270,356</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 240,856</u>	<u>\$ 280,856</u>	<u>\$ 280,484</u>	<u>\$ (372)</u>

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CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2006*

	<u>Issue II</u>	<u>Infrastructure Improvement Reserve</u>	<u>Street and Storm Sewer Improvement</u>	<u>Street Improvement</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 81,525	\$ 721,792	\$ 17,871	\$ 38
Total assets	<u>\$ 81,525</u>	<u>\$ 721,792</u>	<u>\$ 17,871</u>	<u>\$ 38</u>
Liabilities:				
Accounts payable	\$ -	\$ 27,122	\$ -	\$ -
Accrued interest payable.	1,844	-	-	2,346
Notes payable	<u>340,000</u>	<u>-</u>	<u>-</u>	<u>458,000</u>
Total liabilities	<u>341,844</u>	<u>27,122</u>	<u>-</u>	<u>460,346</u>
Fund Balances:				
Reserved for encumbrances.	-	27,682	5,595	-
Unreserved, undesignated (deficit), reported in:				
Capital projects funds	<u>(260,319)</u>	<u>666,988</u>	<u>12,276</u>	<u>(460,308)</u>
Total fund balances (deficit)	<u>(260,319)</u>	<u>694,670</u>	<u>17,871</u>	<u>(460,308)</u>
Total liabilities and fund equity.	<u>\$ 81,525</u>	<u>\$ 721,792</u>	<u>\$ 17,871</u>	<u>\$ 38</u>

<u>Senior Center</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 1,820,710	\$ 2,641,936
<u>\$ 1,820,710</u>	<u>\$ 2,641,936</u>
\$ 195,524	\$ 222,646
-	4,190
-	798,000
<u>195,524</u>	<u>1,024,836</u>
1,051,424	1,084,701
573,762	532,399
<u>1,625,186</u>	<u>1,617,100</u>
<u>\$ 1,820,710</u>	<u>\$ 2,641,936</u>

CITY OF BARBERTON

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Issue II</u>	<u>Infrastructure Improvement Reserve</u>	<u>Street and Storm Sewer Improvement</u>	<u>Street Improvement</u>
Revenues:				
Investment income	\$ -	\$ 24,764	\$ -	\$ -
Other	62,309	-	-	97,874
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	62,309	24,764	-	97,874
Expenditures:				
Capital outlay	-	207,097	1,821	-
Intergovernmental	-	-	-	-
Debt service:				
Interest and fiscal charges	17,839	-	-	24,449
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	17,839	207,097	1,821	24,449
Excess (deficiency) of revenues over (under) expenditures	44,470	(182,333)	(1,821)	73,425
Other financing sources:				
Transfers in	-	307,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	-	307,000	-	-
Net change in fund balances	44,470	124,667	(1,821)	73,425
Fund balances (deficit) at beginning of year . .	(304,789)	570,003	19,692	(533,733)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at end of year	\$ (260,319)	\$ 694,670	\$ 17,871	\$ (460,308)
	<hr/>	<hr/>	<hr/>	<hr/>

<u>Senior Center</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 115,692	\$ 140,456
-	160,183
<u>115,692</u>	<u>300,639</u>
1,014,418	1,223,336
1,328,572	1,328,572
-	42,288
<u>2,342,990</u>	<u>2,594,196</u>
<u>(2,227,298)</u>	<u>(2,293,557)</u>
-	307,000
-	307,000
(2,227,298)	(1,986,557)
<u>3,852,484</u>	<u>3,603,657</u>
<u>\$ 1,625,186</u>	<u>\$ 1,617,100</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ 38	\$ 38	\$ 38	\$ -
Fund balance at end of year	<u>\$ 38</u>	<u>\$ 38</u>	<u>\$ 38</u>	<u>\$ -</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SENIOR CENTER CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment income	\$ 80,000	\$ 117,000	\$ 123,350	\$ 6,350
Total revenues.	<u>80,000</u>	<u>117,000</u>	<u>123,350</u>	<u>6,350</u>
Expenditures:				
Capital outlay	<u>3,921,055</u>	<u>3,919,480</u>	<u>3,394,414</u>	<u>525,066</u>
Total expenditures.	<u>3,921,055</u>	<u>3,919,480</u>	<u>3,394,414</u>	<u>525,066</u>
Net change in fund balance.	(3,841,055)	(3,802,480)	(3,271,064)	531,416
Fund balance at beginning of year	3,839,480	3,839,480	3,839,480	-
Prior year encumbrances appropriated . . .	<u>1,575</u>	<u>1,575</u>	<u>1,575</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 38,575</u>	<u>\$ 569,991</u>	<u>\$ 531,416</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ISSUE II FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous.	\$ -	\$ -	\$ 32	\$ 32
Total revenues.	-	-	32	32
Expenditures:				
Current:				
Transportation	130	130	128	2
Total expenditures.	130	130	128	2
Net change in fund balance.	(130)	(130)	(96)	34
Fund balance at beginning of year	<u>81,621</u>	<u>81,621</u>	<u>81,621</u>	<u>-</u>
Fund balance at end of year	<u>\$ 81,491</u>	<u>\$ 81,491</u>	<u>\$ 81,525</u>	<u>\$ 34</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INFRASTRUCTURE IMPROVEMENT RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment income	\$ 15,000	\$ 22,500	\$ 25,031	\$ 2,531
Total revenues.	<u>15,000</u>	<u>22,500</u>	<u>25,031</u>	<u>2,531</u>
Expenditures:				
Capital outlay	<u>121,955</u>	<u>276,701</u>	<u>234,779</u>	<u>41,922</u>
Total expenditures.	<u>121,955</u>	<u>276,701</u>	<u>234,779</u>	<u>41,922</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(106,955)</u>	<u>(254,201)</u>	<u>(209,748)</u>	<u>44,453</u>
Other financing sources:				
Transfers in.	<u>307,000</u>	<u>307,000</u>	<u>307,000</u>	<u>-</u>
Total other financing sources	<u>307,000</u>	<u>307,000</u>	<u>307,000</u>	<u>-</u>
Net change in fund balance.	200,045	52,799	97,252	44,453
Fund balance at beginning of year	546,354	546,354	546,354	-
Prior year encumbrances appropriated . . .	<u>21,955</u>	<u>21,955</u>	<u>21,955</u>	<u>-</u>
Fund balance at end of year	<u>\$ 768,354</u>	<u>\$ 621,108</u>	<u>\$ 665,561</u>	<u>\$ 44,453</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET AND STORM SEWER IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures:				
Capital outlay	\$ 8,291	\$ 8,291	\$ 8,291	\$ -
Total expenditures.	<u>8,291</u>	<u>8,291</u>	<u>8,291</u>	<u>-</u>
Net change in fund balance.	(8,291)	(8,291)	(8,291)	-
Fund balance at beginning of year	12,276	12,276	12,276	-
Prior year encumbrances appropriated . . .	<u>8,291</u>	<u>8,291</u>	<u>8,291</u>	<u>-</u>
Fund balance at end of year	<u>\$ 12,276</u>	<u>\$ 12,276</u>	<u>\$ 12,276</u>	<u>\$ -</u>

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - PROPRIETARY FUNDS*

ENTERPRISE FUNDS

To account for the financing of costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis that are financed or recovered primarily through user charges.

Major Enterprise Funds

Water Fund

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

Sewer Fund

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

Storm Water Fund

This fund accounts for the storm drainage runoff services provided to the residents and commercial users of the City. The costs of providing these services are financed primarily through user charges.

Nonmajor Enterprise Funds

Solid Waste Fund

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

Community Center Fund

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

Lake Cinema Operating Fund

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

INTERNAL SERVICE FUNDS

To account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Nonmajor Internal Service Funds

Health Insurance Fund

This fund accounts for the costs of medical benefits provided to the City's employees.

Internal Allocation Fund

This fund accounts for the cost of postage and gasoline used by City departments and outside sources.

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2006*

	<u>Solid Waste</u>	<u>Community Center</u>	<u>Lake Cinema Operating</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents. . .	\$ 476,387	\$ 7,418	\$ 4,067	\$ 487,872
Receivables (net of allowance for uncollectibles):				
Accounts	43,965	-	-	43,965
Materials and supplies inventory	-	1,109	-	1,109
Prepayments	259	9,150	-	9,409
Total current assets	<u>520,611</u>	<u>17,677</u>	<u>4,067</u>	<u>542,355</u>
Noncurrent assets:				
Deferred charges	-	6,725	-	6,725
Capital assets:				
Nondepreciable capital assets	-	62,739	-	62,739
Depreciable capital assets, net.	-	1,023,503	41,596	1,065,099
Total capital assets.	<u>-</u>	<u>1,086,242</u>	<u>41,596</u>	<u>1,127,838</u>
Total noncurrent assets	<u>-</u>	<u>1,092,967</u>	<u>41,596</u>	<u>1,134,563</u>
Total assets	<u>520,611</u>	<u>1,110,644</u>	<u>45,663</u>	<u>1,676,918</u>
Liabilities:				
Current liabilities:				
Accounts payable	137,703	9,623	-	147,326
Accrued wages and benefits	810	4,027	-	4,837
Intergovernmental	1,069	7,945	-	9,014
Accrued interest payable.	-	8,735	-	8,735
Notes payable	-	130,000	-	130,000
Current portion of general obligation bonds. .	-	48,480	-	48,480
Current portion of capital lease obligations . .	142	280	-	422
Current portion of compensated absences . . .	412	12,597	-	13,009
Total current liabilities	<u>140,136</u>	<u>221,687</u>	<u>-</u>	<u>361,823</u>
Long-term liabilities:				
Notes payable	-	90,000	-	90,000
Capital lease obligations.	633	1,250	-	1,883
General obligation bonds	-	261,792	-	261,792
Compensated absences	1,540	47,147	-	48,687
Total long-term liabilities	<u>2,173</u>	<u>400,189</u>	<u>-</u>	<u>402,362</u>
Total liabilities	<u>142,309</u>	<u>621,876</u>	<u>-</u>	<u>764,185</u>
Net assets:				
Invested in capital assets, net of related debt .	-	562,695	41,596	604,291
Unrestricted (deficit).	378,302	(73,927)	4,067	308,442
Total net assets	<u>\$ 378,302</u>	<u>\$ 488,768</u>	<u>\$ 45,663</u>	<u>\$ 912,733</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006*

	Solid Waste	Community Center	Lake Cinema Operating	Total Nonmajor Enterprise Funds
Operating revenues:				
Charges for services	\$ 1,467,339	\$ 292,976	\$ -	\$ 1,760,315
Other	791	8,859	257	9,907
Total operating revenues	<u>1,468,130</u>	<u>301,835</u>	<u>257</u>	<u>1,770,222</u>
Operating expenses:				
Personal services	48,335	273,775	-	322,110
Contract services	1,448,251	8,950	-	1,457,201
Materials and supplies	3,843	137,691	-	141,534
Other	2,314	-	-	2,314
Depreciation	-	108,014	2,005	110,019
Total operating expenses	<u>1,502,743</u>	<u>528,430</u>	<u>2,005</u>	<u>2,033,178</u>
Operating loss	<u>(34,613)</u>	<u>(226,595)</u>	<u>(1,748)</u>	<u>(262,956)</u>
Nonoperating revenues (expenses):				
Other nonoperating revenue	-	-	11,187	11,187
Interest expense and fiscal charges	-	(19,957)	-	(19,957)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(19,957)</u>	<u>11,187</u>	<u>(8,770)</u>
Income (loss) before transfers	(34,613)	(246,552)	9,439	(271,726)
Transfers in	-	220,000	-	220,000
Transfers out	(775)	(1,530)	-	(2,305)
Changes in net assets	(35,388)	(28,082)	9,439	(54,031)
Net assets at beginning of year	<u>413,690</u>	<u>516,850</u>	<u>36,224</u>	<u>966,764</u>
Net assets at end of year	<u>\$ 378,302</u>	<u>\$ 488,768</u>	<u>\$ 45,663</u>	<u>\$ 912,733</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006*

	Solid Waste	Community Center	Lake Cinema Operating	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Cash received from customers	\$ 1,457,619	\$ 292,976	\$ -	\$ 1,750,595
Cash received from other operations	791	8,859	257	9,907
Cash payments for personal services	(47,495)	(297,844)	-	(345,339)
Cash payments for contract services	(1,426,616)	(10,883)	-	(1,437,499)
Cash payments for materials and supplies	(3,890)	(134,094)	-	(137,984)
Net cash provided by (used in) operating activities.	<u>(19,591)</u>	<u>(140,986)</u>	<u>257</u>	<u>(160,320)</u>
Cash flows from noncapital financing activities:				
Other nonoperating revenue	-	-	11,187	11,187
Transfers in from other funds	-	220,000	-	220,000
Net cash provided by noncapital financing activities	<u>-</u>	<u>220,000</u>	<u>11,187</u>	<u>231,187</u>
Cash flows from capital and related financing activities:				
Principal retirement	-	(299,187)	(11,187)	(310,374)
Notes issued.	-	220,000	-	220,000
Premium on notes	-	2,350	-	2,350
Interest and fiscal charges.	-	(20,536)	-	(20,536)
Net cash used in capital and related financing activities	<u>-</u>	<u>(97,373)</u>	<u>(11,187)</u>	<u>(108,560)</u>
Net increase (decrease) in cash and cash equivalents	(19,591)	(18,359)	257	(37,693)
Cash and cash equivalents at beginning of year	495,978	25,777	3,810	525,565
Cash and cash equivalents at end of year	<u>\$ 476,387</u>	<u>\$ 7,418</u>	<u>\$ 4,067</u>	<u>\$ 487,872</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss	\$ (34,613)	\$ (226,595)	\$ (1,748)	\$ (262,956)
Adjustments:				
Depreciation	-	108,014	2,005	110,019
Changes in assets and liabilities:				
Decrease in materials and supplies inventory	-	16	-	16
(Increase) in accounts receivable	(9,234)	-	-	(9,234)
(Increase) decrease in prepayments	127	(1,933)	-	(1,806)
Increase in accounts payable	23,289	3,581	-	26,870
Increase (decrease) in accrued wages and benefits	13	(2,079)	-	(2,066)
Increase in due to other governments	241	1,327	-	1,568
Increase (decrease) in compensated absences payable.	586	(23,317)	-	(22,731)
Net cash provided by (used in) operating activities	<u>\$ (19,591)</u>	<u>\$ (140,986)</u>	<u>\$ 257</u>	<u>\$ (160,320)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 4,345,500	\$ 4,345,500	\$ 4,147,107	\$ (198,393)
Other	15,000	24,000	23,685	(315)
Total revenues	4,360,500	4,369,500	4,170,792	(198,708)
Operating expenses:				
Personal services.	2,024,370	1,954,337	1,936,397	17,940
Materials and supplies	856,398	860,503	819,165	41,338
Contractual services	250,312	249,998	243,189	6,809
Other	24,000	32,995	30,925	2,070
Capital outlay	2,910,679	10,537,275	10,441,994	95,281
Total expenses	6,065,759	13,635,108	13,471,670	163,438
Operating income (loss)	(1,705,259)	(9,265,608)	(9,300,878)	(35,270)
Nonoperating revenues (expenses):				
Investment income.	-	95,000	100,424	5,424
Special assessments	2,000	2,000	5,937	3,937
Bonds issued.	10,720,000	9,305,000	9,305,000	-
Notes issued	914,500	2,099,500	2,077,000	(22,500)
Premium on notes issued	-	205,000	213,435	8,435
Transfers in	-	35,000	35,000	-
Debt service:				
Principal retirement	(4,894,350)	(4,425,150)	(4,424,259)	891
Interest and fiscal charges.	(195,300)	(453,780)	(420,596)	33,184
Bond issuance costs.	-	(251,500)	(251,498)	2
Total nonoperating revenues (expenses). . .	6,546,850	6,611,070	6,640,443	29,373
Net change in fund equity	4,841,591	(2,654,538)	(2,660,435)	(5,897)
Fund equity at beginning of year.	1,759,613	1,759,613	1,759,613	-
Prior year encumbrances appropriated . . .	2,646,810	2,646,810	2,646,810	-
Fund equity at end of year	\$ 9,248,014	\$ 1,751,885	\$ 1,745,988	\$ (5,897)

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 4,156,000	\$ 4,159,000	\$ 4,085,792	\$ (73,208)
Other	13,000	10,000	12,002	2,002
Total revenues	<u>4,169,000</u>	<u>4,169,000</u>	<u>4,097,794</u>	<u>(71,206)</u>
Operating expenses:				
Personal services	2,034,000	2,033,400	1,830,950	202,450
Materials and supplies	953,300	952,002	858,651	93,351
Contractual services	308,319	295,390	260,597	34,793
Other	25,500	26,900	11,894	15,006
Capital outlay	<u>1,189,229</u>	<u>1,189,206</u>	<u>644,575</u>	<u>544,631</u>
Total expenses	<u>4,510,348</u>	<u>4,496,898</u>	<u>3,606,667</u>	<u>890,231</u>
Operating income (loss)	<u>(341,348)</u>	<u>(327,898)</u>	<u>491,127</u>	<u>819,025</u>
Nonoperating revenues (expenses):				
Investment income	68,000	88,000	118,712	30,712
Special assessments	5,000	5,000	6,691	1,691
Notes issued	422,500	422,500	400,000	(22,500)
Premiums on notes issued	-	-	4,272	4,272
Transfers out	-	(35,000)	(35,000)	-
Debt service:				
Principal retirement	(1,416,080)	(1,416,080)	(1,416,077)	3
Interest and fiscal charges	<u>(112,350)</u>	<u>(112,350)</u>	<u>(110,720)</u>	<u>1,630</u>
Total nonoperating revenues (expenses)	<u>(1,032,930)</u>	<u>(1,047,930)</u>	<u>(1,032,122)</u>	<u>15,808</u>
Net change in fund equity	(1,374,278)	(1,375,828)	(540,995)	834,833
Fund equity at beginning of year	2,840,155	2,840,155	2,840,155	-
Prior year encumbrances appropriated	<u>160,248</u>	<u>160,248</u>	<u>160,248</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,626,125</u>	<u>\$ 1,624,575</u>	<u>\$ 2,459,408</u>	<u>\$ 834,833</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STORM WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ -	\$ 400,000	\$ 375,270	\$ (24,730)
Total revenues	<u>-</u>	<u>400,000</u>	<u>375,270</u>	<u>(24,730)</u>
Operating expenses:				
Personal services	-	45,000	23,884	21,116
Materials and supplies	-	75,000	32,350	42,650
Contractual services	-	20,000	10,604	9,396
Capital outlay	-	260,000	242,544	17,456
Total expenses	<u>-</u>	<u>400,000</u>	<u>309,382</u>	<u>90,618</u>
Net change in fund equity	-	-	65,888	65,888
Fund equity at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,888</u>	<u>\$ 65,888</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SOLID WASTE FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 1,430,000	\$ 1,430,000	\$ 1,457,619	\$ 27,619
Other	-	-	791	791
Total revenues	<u>1,430,000</u>	<u>1,430,000</u>	<u>1,458,410</u>	<u>28,410</u>
Operating expenses:				
Personal services	50,935	50,910	47,487	3,423
Materials and supplies	6,488	6,430	3,890	2,540
Contractual services	1,554,000	1,553,838	1,546,116	7,722
Capital outlay	60,000	60,000	48,250	11,750
Total expenses	<u>1,671,423</u>	<u>1,671,178</u>	<u>1,645,743</u>	<u>25,435</u>
Net change in fund equity	(241,423)	(241,178)	(187,333)	53,845
Fund equity at beginning of year	386,510	386,510	386,510	-
Prior year encumbrances appropriated . . .	<u>109,088</u>	<u>109,088</u>	<u>109,088</u>	<u>-</u>
Fund equity at end of year	<u>\$ 254,175</u>	<u>\$ 254,420</u>	<u>\$ 308,265</u>	<u>\$ 53,845</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY CENTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 360,400	\$ 305,400	\$ 292,976	\$ (12,424)
Other	8,000	8,000	8,859	859
Total revenues	<u>368,400</u>	<u>313,400</u>	<u>301,835</u>	<u>(11,565)</u>
Operating expenses:				
Personal services	292,859	300,064	297,230	2,834
Materials and supplies	133,504	142,160	134,491	7,669
Contractual services	6,349	11,165	11,018	147
Total expenses	<u>432,712</u>	<u>453,389</u>	<u>442,739</u>	<u>10,650</u>
Operating loss	<u>(64,312)</u>	<u>(139,989)</u>	<u>(140,904)</u>	<u>(915)</u>
Nonoperating revenues (expenses):				
Notes issued	220,000	220,000	220,000	-
Premium on notes issued	-	-	2,350	2,350
Transfers in	150,000	220,000	220,000	-
Debt service:				
Principal retirement	(299,187)	(299,187)	(299,187)	-
Interest and fiscal charges	<u>(20,526)</u>	<u>(20,551)</u>	<u>(20,536)</u>	<u>15</u>
Total nonoperating revenues (expenses)	<u>50,287</u>	<u>120,262</u>	<u>122,627</u>	<u>2,365</u>
Net change in fund equity	(14,025)	(19,727)	(18,277)	1,450
Fund equity at beginning of year	21,561	21,561	21,561	-
Prior year encumbrances appropriated	<u>753</u>	<u>753</u>	<u>753</u>	<u>-</u>
Fund equity at end of year	<u>\$ 8,289</u>	<u>\$ 2,587</u>	<u>\$ 4,037</u>	<u>\$ 1,450</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAKE CINEMA OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Other.	\$ -	\$ -	\$ 257	\$ 257
Total revenues	<u>-</u>	<u>-</u>	<u>257</u>	<u>257</u>
Net change in fund equity	-	-	257	257
Fund equity at beginning of year.	<u>3,810</u>	<u>3,810</u>	<u>3,810</u>	<u>-</u>
Fund equity at end of year	<u>\$ 3,810</u>	<u>\$ 3,810</u>	<u>\$ 4,067</u>	<u>\$ 257</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF NET ASSETS
NONMAJOR INTERNAL SERVICE FUNDS
DECEMBER 31, 2006*

	Health Insurance	Internal Allocation	Total Nonmajor Internal Service Funds
	<hr/>	<hr/>	<hr/>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents . . .	\$ 1,621,303	\$ 11,428	\$ 1,632,731
Receivables (net of allowance for uncollectibles):			
Accounts.	7,025	-	7,025
Intergovernmental	<hr/> -	<hr/> 4,742	<hr/> 4,742
Total assets	<hr/> 1,628,328	<hr/> 16,170	<hr/> 1,644,498
Liabilities:			
Current liabilities:			
Claims payable.	<hr/> 202,912	<hr/> -	<hr/> 202,912
Total liabilities	<hr/> 202,912	<hr/> -	<hr/> 202,912
Net assets:			
Unrestricted	<hr/> 1,425,416	<hr/> 16,170	<hr/> 1,441,586
Total net assets	<hr/> <u>\$ 1,425,416</u>	<hr/> <u>\$ 16,170</u>	<hr/> <u>\$ 1,441,586</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
NONMAJOR INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006*

	Health Insurance	Internal Allocation	Total Nonmajor Internal Service Funds
Operating revenues:			
Charges for services	\$ 3,001,005	\$ 287,684	\$ 3,288,689
Other.	48,241	-	48,241
Total operating revenues	<u>3,049,246</u>	<u>287,684</u>	<u>3,336,930</u>
Operating expenses:			
Contract services	390,179	-	390,179
Materials and supplies	-	322,688	322,688
Claims.	<u>1,826,946</u>	<u>-</u>	<u>1,826,946</u>
Total operating expenses.	<u>2,217,125</u>	<u>322,688</u>	<u>2,539,813</u>
Operating income (loss)	<u>832,121</u>	<u>(35,004)</u>	<u>797,117</u>
Transfers in	<u>-</u>	<u>35,000</u>	<u>35,000</u>
Changes in net assets	832,121	(4)	832,117
Net assets at beginning of year.	<u>593,295</u>	<u>16,174</u>	<u>609,469</u>
Net assets at end of year	<u><u>\$ 1,425,416</u></u>	<u><u>\$ 16,170</u></u>	<u><u>\$ 1,441,586</u></u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF CASH FLOWS
NONMAJOR INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006*

	Health Insurance	Internal Allocation	Total Nonmajor Internal Service Funds
Cash flows from operating activities:			
Cash received from customers	\$ 3,005,157	\$ -	\$ 3,005,157
Cash received from other funds	-	291,262	291,262
Cash received from other operations.	41,216	-	41,216
Cash payments for contract services	(390,179)	-	(390,179)
Cash payments for materials and supplies	-	(322,688)	(322,688)
Cash payments for claims	(1,897,007)	-	(1,897,007)
Net cash provided by (used in) operating activities.	<u>759,187</u>	<u>(31,426)</u>	<u>727,761</u>
Cash flows from noncapital financing activities:			
Transfers in from other funds	-	35,000	35,000
Net cash provided by noncapital financing activities	<u>-</u>	<u>35,000</u>	<u>35,000</u>
Net increase in cash and cash equivalents	759,187	3,574	762,761
Cash and cash equivalents at beginning of year	862,116	7,854	869,970
Cash and cash equivalents at end of year . . .	<u>\$ 1,621,303</u>	<u>\$ 11,428</u>	<u>\$ 1,632,731</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 832,121	\$ (35,004)	\$ 797,117
Changes in assets and liabilities:			
(Increase) in accounts receivable	(2,873)	-	(2,873)
Decrease in due from other governments.	-	3,578	3,578
(Decrease) in claims payable.	(70,061)	-	(70,061)
Net cash provided by (used in) operating activities.	<u>\$ 759,187</u>	<u>\$ (31,426)</u>	<u>\$ 727,761</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HEALTH INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 2,950,000	\$ 2,990,000	\$ 3,005,157	\$ 15,157
Other	8,000	40,000	41,216	1,216
Total revenues	2,958,000	3,030,000	3,046,373	16,373
Operating expenses:				
Contractual services	381,000	391,500	390,529	971
Claims	2,550,000	2,539,500	1,897,007	642,493
Total expenses	2,931,000	2,931,000	2,287,536	643,464
Net change in fund equity	27,000	99,000	758,837	659,837
Fund equity at beginning of year.	862,116	862,116	862,116	-
Fund equity at end of year	\$ 889,116	\$ 961,116	\$ 1,620,953	\$ 659,837

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL ALLOCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2006*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 265,000	\$ 285,000	\$ 291,262	\$ 6,262
Total revenues	<u>265,000</u>	<u>285,000</u>	<u>291,262</u>	<u>6,262</u>
Operating expenses:				
Materials and supplies	290,000	326,000	322,688	3,312
Total expenses	<u>290,000</u>	<u>326,000</u>	<u>322,688</u>	<u>3,312</u>
Operating loss	<u>(25,000)</u>	<u>(41,000)</u>	<u>(31,426)</u>	<u>9,574</u>
Nonoperating revenues:				
Transfers in	20,000	35,000	35,000	-
Total nonoperating revenues.	<u>20,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Net change in fund equity	(5,000)	(6,000)	3,574	9,574
Fund equity at beginning of year.	<u>7,854</u>	<u>7,854</u>	<u>7,854</u>	<u>-</u>
Fund equity at end of year	<u>\$ 2,854</u>	<u>\$ 1,854</u>	<u>\$ 11,428</u>	<u>\$ 9,574</u>

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTION - AGENCY FUNDS*

Agency Funds

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

Deposit Fund

To account for monies put on deposit with the City in accordance with various City ordinances.

New Haven/Forest City Fund

This fund accounts for monies received by the City that are required to be distributed to various entities for use in constructing the New Haven development and making the associated debt payments.

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006*

	Beginning Balance 12/31/2005	Additions	Reductions	Ending Balance 12/31/2006
Deposit				
Assets:				
Equity in pooled cash and cash equivalents	\$ 101,908	\$ 26,285	\$ 550	\$ 127,643
Receivables:				
Accounts	-	10,000	-	10,000
Total assets.	<u>\$ 101,908</u>	<u>\$ 36,285</u>	<u>\$ 550</u>	<u>\$ 137,643</u>
Liabilities:				
Deposits held and due to others	\$ 101,908	\$ 36,285	\$ 550	\$ 137,643
Total liabilities	<u>\$ 101,908</u>	<u>\$ 36,285</u>	<u>\$ 550</u>	<u>\$ 137,643</u>
 New Haven/Forest City				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 320,531	\$ 320,531	\$ -
Total assets.	<u>\$ -</u>	<u>\$ 320,531</u>	<u>\$ 320,531</u>	<u>\$ -</u>
Liabilities:				
Deposits held and due to others	\$ -	\$ 320,531	\$ 320,531	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 320,531</u>	<u>\$ 320,531</u>	<u>\$ -</u>
 Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 101,908	\$ 346,816	\$ 321,081	\$ 127,643
Receivables:				
Accounts	-	10,000	-	10,000
Total assets.	<u>\$ 101,908</u>	<u>\$ 356,816</u>	<u>\$ 321,081</u>	<u>\$ 137,643</u>
Liabilities:				
Deposits held and due to others	\$ 101,908	\$ 356,816	\$ 321,081	\$ 137,643
Total liabilities	<u>\$ 101,908</u>	<u>\$ 356,816</u>	<u>\$ 321,081</u>	<u>\$ 137,643</u>

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STATISTICAL SECTION

CITY OF BARBERTON, OHIO
STATISTICAL SECTION

This part of the City of Barberton's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	145-153
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the income tax.	154-163
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	164-170
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	171-172
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	173-177

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

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CITY OF BARBERTON, OHIO

*NET ASSETS BY COMPONENT
LAST FOUR 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	\$ 15,884,161	\$ 19,954,622	\$ 23,568,720	\$ 21,528,319
Restricted for:				
Capital projects	2,337,727	4,443,464	884,157	582,840
Debt service	516,125	537,306	176,573	408,930
Transportation projects	1,095,324	843,410	660,339	263,116
Community development projects	862,668	764,691	773,257	1,257,960
Other projects	1,269,116	2,312,611	2,028,216	2,043,398
Unrestricted	<u>3,191,576</u>	<u>978,746</u>	<u>503,102</u>	<u>1,090,277</u>
Total governmental activities net assets	<u>\$ 25,156,697</u>	<u>\$ 29,834,850</u>	<u>\$ 28,594,364</u>	<u>\$ 27,174,840</u>
Business-type Activities				
Invested in capital assets, net of related debt	\$ 30,704,621	\$ 24,952,452	\$ 26,599,164	\$ 25,922,369
Restricted for:				
Debt service	31,821	663,928	701,095	709,457
Other projects	1,237,596	2,236,554	2,432,132	2,397,248
Unrestricted	<u>5,975,596</u>	<u>5,955,495</u>	<u>2,969,473</u>	<u>2,880,167</u>
Total business-type activities net assets	<u>\$ 37,949,634</u>	<u>\$ 33,808,429</u>	<u>\$ 32,701,864</u>	<u>\$ 31,909,241</u>
Total Primary Government				
Invested in capital assets, net of related debt	\$ 46,588,782	\$ 44,907,074	\$ 50,167,884	\$ 47,450,688
Restricted for:				
Capital projects	2,337,727	4,443,464	884,157	582,840
Debt service	547,946	1,201,234	877,668	1,118,387
Transportation projects	1,095,324	843,410	660,339	263,116
Community development projects	862,668	764,691	773,257	1,257,960
Other projects	2,506,712	4,549,165	4,460,348	4,440,646
Unrestricted	<u>9,167,172</u>	<u>6,934,241</u>	<u>3,472,575</u>	<u>3,970,444</u>
Total primary government net assets	<u>\$ 63,106,331</u>	<u>\$ 63,643,279</u>	<u>\$ 61,296,228</u>	<u>\$ 59,084,081</u>

Note: 2003 was the first year the City implemented GASB Statement No. 34, so comparative information before that date is not available.

CITY OF BARBERTON, OHIO

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 1,600,236	\$ 1,798,314	\$ 1,129,924	\$ 1,166,821
Public safety	463,696	276,556	188,715	93,042
Health and welfare	854,293	606,666	398,654	472,620
Transportation	48,592	33,203	63	53,688
Community environment	233,326	145,911	209,880	148,763
Leisure time activities	80,098	93,607	67,942	56,089
Operating grants and contributions	3,702,419	4,278,454	3,064,285	2,362,914
Capital grants and contributions	160,183	476,933	1,852,649	1,148,276
Total governmental activities program revenues	<u>7,142,843</u>	<u>7,709,644</u>	<u>6,912,112</u>	<u>5,502,213</u>
Business-type activities:				
Charges for services:				
Water	4,202,919	4,102,007	3,724,170	3,340,724
Sewer	4,091,632	4,113,032	3,783,899	3,557,601
Storm Water	498,372	-	-	-
Solid Waste	1,467,339	1,414,758	1,402,180	1,353,257
Community Center	292,976	350,454	413,842	421,153
Lake Cinema	257	850,829	995,126	1,017,078
Total business-type activities program revenues	<u>10,553,495</u>	<u>10,831,080</u>	<u>10,319,217</u>	<u>9,689,813</u>
Total primary government	<u>\$ 17,696,338</u>	<u>\$ 18,540,724</u>	<u>\$ 17,231,329</u>	<u>\$ 15,192,026</u>
Expenses:				
Governmental activities:				
General government	\$ 4,097,563	\$ 3,837,242	\$ 3,733,749	\$ 4,133,258
Public safety	9,745,177	9,579,081	9,077,025	9,704,268
Health and welfare	2,384,744	2,246,143	1,903,090	2,105,425
Transportation	2,218,732	2,606,966	2,543,136	5,216,097
Community environment	1,303,440	1,404,166	1,526,834	1,432,849
Leisure time activities	1,742,270	1,705,276	1,505,036	1,755,276
Intergovernmental	1,328,572	-	-	-
Interest and fiscal charges	283,305	223,084	300,427	236,121
Total governmental activities expenses	<u>23,103,803</u>	<u>21,601,958</u>	<u>20,589,297</u>	<u>24,583,294</u>
Business-type activities:				
Water	4,295,926	3,377,859	3,490,864	3,625,367
Sewer	4,017,338	3,816,607	3,379,220	4,576,124
Storm Water	292,441	-	-	-
Solid Waste	1,500,928	1,393,999	1,359,244	1,325,266
Community Center	547,635	544,489	702,065	688,010
Lake Cinema	2,005	946,621	1,046,021	1,080,084
Total business-type activities expenses	<u>10,656,273</u>	<u>10,079,575</u>	<u>9,977,414</u>	<u>11,294,851</u>
Total primary government	<u>\$ 33,760,076</u>	<u>\$ 31,681,533</u>	<u>\$ 30,566,711</u>	<u>\$ 35,878,145</u>
Net (Expense) Revenue:				
Governmental activities	\$ (15,960,960)	\$ (13,892,314)	\$ (13,677,185)	\$ (19,081,081)
Business-type activities	(102,778)	751,505	341,803	(1,605,038)
Total primary government net expense	<u>\$ (16,063,738)</u>	<u>\$ (13,140,809)</u>	<u>\$ (13,335,382)</u>	<u>\$ (20,686,119)</u>

-- Continued

CITY OF BARBERTON, OHIO

*CHANGES IN NET ASSETS
LAST FOUR YEARS (CONTINUED)
(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				
Taxes:				
Property taxes levied for:				
General purposes	\$ 1,248,270	\$ 1,518,135	\$ 1,452,119	\$ 1,123,725
Police pension	104,339	128,942	125,841	97,813
Fire pension	104,053	128,942	125,841	97,813
Municipal income taxes levied for:				
General Purposes	11,391,350	9,968,415	10,263,255	9,718,674
Grants and entitlements				
not restricted to specific programs	2,552,742	2,077,635	2,448,748	2,391,699
Investment earnings	762,314	432,745	87,309	158,020
Other	746,914	1,104,986	813,596	826,707
Special item	(1,856,330)	-	-	970,516
Transfers	<u>(3,770,845)</u>	<u>(227,000)</u>	<u>(220,000)</u>	<u>(159,000)</u>
Total governmental activities	<u>11,282,807</u>	<u>15,132,800</u>	<u>15,096,709</u>	<u>15,225,967</u>
Business-type activities				
Investment earnings	416,614	96,244	40,695	65,027
Other	56,524	31,816	190,125	228,615
Transfers	<u>3,770,845</u>	<u>227,000</u>	<u>220,000</u>	<u>159,000</u>
Total business-type activities	<u>4,243,983</u>	<u>355,060</u>	<u>450,820</u>	<u>452,642</u>
Total primary government	<u>\$ 15,526,790</u>	<u>\$ 15,487,860</u>	<u>\$ 15,547,529</u>	<u>\$ 15,678,609</u>
Change in Net Assets:				
Governmental activities	\$ (4,678,153)	\$ 1,240,486	\$ 1,419,524	\$ (3,855,114)
Business-type activities	4,141,205	1,106,565	792,623	(1,152,396)
Total primary government	<u>\$ (536,948)</u>	<u>\$ 2,347,051</u>	<u>\$ 2,212,147</u>	<u>\$ (5,007,510)</u>

Note: 2003 was the first year the City implemented GASB Statement No. 34, so comparative information before that date is not available.

CITY OF BARBERTON, OHIO

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
General Fund:						
Reserved	\$ 220,343	\$ 178,449	\$ 208,201	\$ 259,154	\$ 648,803	\$ 809,897
Unreserved	<u>3,391,929</u>	<u>1,551,627</u>	<u>2,018,677</u>	<u>2,921,841</u>	<u>1,232,325</u>	<u>1,739,302</u>
Total general fund	<u>\$3,612,272</u>	<u>\$1,730,076</u>	<u>\$ 2,226,878</u>	<u>\$ 3,180,995</u>	<u>\$ 1,881,128</u>	<u>\$ 2,549,199</u>
All Other Governmental Funds:						
Reserved	\$2,308,392	\$1,606,244	\$ 1,851,445	\$ 2,183,629	\$ 3,917,701	\$ 3,886,756
Unreserved, reported in:						
Special revenue funds	1,819,428	1,799,025	2,236,562	2,271,484	3,877,995	3,353,935
Capital projects funds	532,399	3,572,711	2,109,970	1,911,656	(4,036,155)	(124,592)
Debt service funds	<u>283,673</u>	<u>270,859</u>	<u>41,937</u>	<u>241,063</u>	<u>71,322</u>	<u>4,689</u>
Total all other governmental funds	<u>\$4,943,892</u>	<u>\$7,248,839</u>	<u>\$ 6,239,914</u>	<u>\$ 6,607,832</u>	<u>\$ 3,830,863</u>	<u>\$ 7,120,788</u>

<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$ 794,954	\$ 736,109	\$ 368,834	\$ 368,677
<u>1,583,796</u>	<u>2,757,962</u>	<u>2,634,233</u>	<u>2,148,751</u>
<u>\$ 2,378,750</u>	<u>\$ 3,494,071</u>	<u>\$ 3,003,067</u>	<u>\$ 2,517,428</u>
\$ 2,677,328	\$ 1,817,469	\$ 1,611,681	\$ 1,333,363
3,881,550	4,323,592	4,456,826	2,407,658
(1,106,655)	374,813	34,013	(102,676)
<u>6,212</u>	<u>6,211</u>	<u>(111,915)</u>	<u>-</u>
<u>\$ 5,458,435</u>	<u>\$ 6,522,085</u>	<u>\$ 5,990,605</u>	<u>\$ 3,638,345</u>

CITY OF BARBERTON, OHIO

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Revenues					
Taxes	\$ 13,279,202	\$ 11,927,679	\$ 11,960,729	\$ 11,183,137	\$ 11,506,273
Charges for services	2,019,348	1,638,856	1,216,431	1,444,431	1,253,346
Licenses and permits	683,398	446,544	287,608	319,293	-
Fines and forfeitures	171,796	167,198	167,498	124,520	481,448
Intergovernmental	6,482,569	6,431,013	6,953,520	5,502,060	6,272,143
Special assessments	159,635	239,011	90,295	58,408	77,415
Investment income	736,737	431,559	85,085	159,936	256,061
Contributions and donations	144,227	63,111	103,054	107,607	145,587
Other	1,086,628	1,508,184	1,315,743	822,919	1,364,777
Total revenues	<u>24,763,540</u>	<u>22,853,155</u>	<u>22,179,963</u>	<u>19,722,311</u>	<u>21,357,050</u>
Expenditures					
Current:					
General government	4,081,556	3,751,477	3,659,636	3,679,467	3,534,937
Public safety	9,832,423	9,505,500	9,491,837	8,788,013	8,234,631
Health and welfare	2,513,403	2,295,683	1,948,426	1,995,233	1,511,059
Transportation	1,576,717	1,599,891	1,750,043	2,084,648	2,022,707
Community environment	1,841,026	1,499,781	1,246,612	1,481,803	1,644,131
Leisure time activity	922,867	1,320,267	1,112,732	1,128,444	1,410,912
Capital outlay	2,053,974	1,250,150	3,212,171	3,370,531	4,083,068
Intergovernmental	1,328,572	-	-	-	-
Debt service:					
Principal retirement	883,603	888,081	1,773,799	281,544	305,738
Interest and fiscal charges	280,010	221,050	266,290	280,871	212,878
Bond issuance cost	-	3,985	18,955	68,142	-
Note issuance cost	-	-	5,671	-	-
Total expenditures	<u>25,314,151</u>	<u>22,335,865</u>	<u>24,486,172</u>	<u>23,158,696</u>	<u>22,960,061</u>
Excess of revenues over (under) expenditures	<u>(550,611)</u>	<u>517,290</u>	<u>(2,306,209)</u>	<u>(3,436,385)</u>	<u>(1,603,011)</u>
Other Financing Sources (Uses)					
Notes issued	40,000	96,000	120,000	1,180,000	31,318
Bonds issued	-	112,450	1,396,000	4,967,610	-
Premium on notes	-	8,754	1,842	15,241	-
Premium on bonds	-	-	-	17,194	-
Capital lease transaction	160,621	-	-	-	-
Sale of capital assets	149,224	19,629	6,332	3,855	4,616
Transfers in	1,955,289	1,835,266	2,193,627	3,023,461	11,009,340
Transfers (out)	(2,177,274)	(2,077,266)	(2,733,627)	(3,182,461)	(11,305,260)
Advances in	-	-	-	-	-
Advances (out)	-	-	-	-	-
Proceeds from Sale of Park Land	-	-	-	1,000,000	-
Total other financing sources (uses)	<u>127,860</u>	<u>(5,167)</u>	<u>984,174</u>	<u>7,024,900</u>	<u>(259,986)</u>
Net change in fund balances	<u>\$ (422,751)</u>	<u>\$ 512,123</u>	<u>\$ (1,322,035)</u>	<u>\$ 3,588,515</u>	<u>\$ (1,862,997)</u>
Debt service as a percentage of noncapital expenditures.	4.60%	4.98%	8.43%	2.72%	2.26%

2001	2000	1999	1998	1997
\$ 11,061,586	\$ 11,493,618	\$ 11,539,292	\$ 11,052,493	\$ 10,580,497
1,284,076	1,094,676	1,003,184	875,045	980,880
-	-	-	-	-
409,842	332,977	394,210	425,163	463,223
7,291,904	5,030,544	5,102,726	5,138,030	4,723,561
75,554	-	-	-	-
596,880	785,250	638,227	671,503	598,645
-	-	-	-	-
2,950,929	1,321,609	1,362,579	1,782,736	685,536
<u>23,670,771</u>	<u>20,058,674</u>	<u>20,040,218</u>	<u>19,944,970</u>	<u>18,032,342</u>
3,506,389	3,628,810	3,195,289	3,088,959	2,949,337
7,838,848	8,490,187	7,079,716	6,833,018	6,742,610
1,551,580	1,479,699	1,367,907	1,221,085	1,125,893
2,117,422	2,184,005	2,147,045	1,885,677	1,942,627
2,250,150	1,258,922	1,287,598	1,258,721	1,434,088
1,153,810	1,124,321	1,021,407	991,733	794,608
4,734,189	3,759,579	2,945,187	2,018,411	2,038,957
-	-	-	-	-
625,729	327,961	426,264	235,619	549,430
182,584	182,799	176,503	187,627	195,267
-	-	-	-	-
-	-	-	-	-
<u>23,960,701</u>	<u>22,436,283</u>	<u>19,646,916</u>	<u>17,720,850</u>	<u>17,772,817</u>
<u>(289,930)</u>	<u>(2,377,609)</u>	<u>393,302</u>	<u>2,224,120</u>	<u>259,525</u>
2,095,000	315,000	-	-	-
237,000	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	706,451	130,687	108,318
8,452	20,078	12,484	11,923	-
10,652,498	10,748,243	10,643,620	9,651,959	9,309,070
(10,870,218)	(10,884,683)	(10,733,373)	(9,745,598)	(9,401,185)
2,224,334	-	-	-	-
(2,224,334)	-	-	-	-
-	-	-	-	-
<u>2,122,732</u>	<u>198,638</u>	<u>629,182</u>	<u>48,971</u>	<u>16,203</u>
<u>\$ 1,832,802</u>	<u>\$ (2,178,971)</u>	<u>\$ 1,022,484</u>	<u>\$ 2,273,091</u>	<u>\$ 275,728</u>
3.37%	2.28%	3.07%	2.39%	4.19%

CITY OF BARBERTON, OHIO

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

Year	Real Property		Public Utility Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2006	\$ 394,443,500	\$ 1,126,981,429	\$ 11,919,510	\$ 47,678,040	\$ 39,558,953	\$ 113,025,580
2005	355,412,060	1,015,463,029	13,188,960	14,987,455	52,299,023	209,196,092
2004	349,333,560	998,095,886	13,290,740	15,103,114	52,299,023	209,196,092
2003	346,150,520	989,001,486	13,506,780	15,348,614	55,431,515	221,726,060
2002	293,874,030	839,640,086	13,555,340	15,403,795	61,990,815	247,963,260
2001	279,511,680	798,604,800	17,025,420	19,347,068	60,465,467	241,861,868
2000	273,990,060	782,828,743	19,728,220	22,418,432	59,725,808	238,903,232
1999	243,813,600	696,610,286	19,436,410	22,086,830	61,223,799	244,895,196
1998	237,386,740	678,247,829	19,365,010	22,005,693	52,047,203	208,188,812
1997	228,700,020	653,428,629	19,722,570	22,412,011	52,932,255	211,729,020

Source: Summit County, Ohio; Fiscal Officer

- (1) This amount is calculated based on the following percentages:
 Real property is assessed at thirty-five percent of actual value.
 Public utility is assessed at eighty-eight percent of actual value.
 Tangible personal is assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory included in tangible personal property.

Total

Assessed Value	Estimated Actual Value	Ratio
\$ 445,921,963	\$ 1,287,685,049	34.63%
420,900,043	1,239,646,576	33.95%
414,923,323	1,222,395,092	33.94%
415,088,815	1,226,076,160	33.86%
369,420,185	1,103,007,141	33.49%
357,002,567	1,059,813,736	33.69%
353,444,088	1,044,150,407	33.85%
324,473,809	963,592,312	33.67%
308,798,953	908,442,334	33.99%
301,354,845	887,569,660	33.95%

CITY OF BARBERTON, OHIO

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

Collection Year	City Direct Rates			Overlapping Rates			Total Direct and Overlapping Rates	
	Operating	Police and Fire Pension	Total Direct Rate	Summit County	Barberton City School District	Barberton Public Library		Total Overlapping Rates
2006	2.90	0.60	3.50	13.07	64.06	1.37	78.50	82.00
2005	2.90	0.60	3.50	13.07	56.90	-	69.97	73.47
2004	2.90	0.60	3.50	13.07	56.90	-	69.97	73.47
2003	2.90	0.60	3.50	13.07	56.73	-	69.80	73.30
2002	2.90	0.60	3.50	13.07	56.73	-	69.80	73.30
2001	2.90	0.60	3.50	13.07	53.36	-	66.43	69.93
2000	2.90	0.60	3.50	12.27	53.44	-	65.71	69.21
1999	2.90	0.60	3.50	12.27	53.36	-	65.63	69.13
1998	2.90	0.60	3.50	11.65	53.36	-	65.01	68.51
1997	2.90	0.60	3.50	11.39	53.46	-	64.85	68.35

Source: Summit County, Ohio; Fiscal Officer

CITY OF BARBERTON, OHIO

*PRINCIPAL TAXPAYERS
REAL PROPERTY TAX
CURRENT YEAR AND NINE YEARS AGO*

December 31, 2006			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Barberton Health System LLC	\$ 9,170,520	1	2.32%
LRC Magic Investors LTD	2,158,400	2	0.55%
Kimco of Ohio, Inc.	2,061,780	3	0.52%
Babcock & Wilcox Company	1,723,870	4	0.44%
BWX Technologies, Inc.	1,663,990	5	0.42%
B & C Diversified Products Inc.	1,415,730	6	0.36%
B & C Research Inc.	1,290,890	7	0.33%
Heritage Place Limited Partnership	988,740	8	0.25%
Littman & Benedik Austin Lake Apartments	959,000	9	0.24%
Daniel L. Pohl Family Limited Partnership	955,080	10	0.24%
Total, Top Ten Principal Real Property Taxpayers	\$ 22,388,000		5.67%
Total City Real Property Tax Assessed Valuation	\$ 394,443,500		

December 31, 1997			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
B & C Industries	\$ 3,623,760	1	1.58%
Summit Realty Associates	2,860,260	2	1.25%
BWX Technologies, Inc.	1,688,620	3	0.74%
Babcock & Wilcox Company	1,543,060	4	0.67%
PPG Industries	1,041,060	5	0.46%
Littman, et al	957,130	6	0.42%
Heritage Place Limited Partnership	844,480	7	0.37%
Kimco of Ohio	822,330	8	0.36%
Bergit Realty Co.	803,390	9	0.35%
Donald Cameron, et al	776,350	10	0.34%
Total, Top Ten Principal Real Property Taxpayers	\$ 14,960,440		6.54%
Total City Real Property Tax Assessed Valuation	\$ 228,700,020		

Source: Summit County, Ohio; Fiscal Officer

CITY OF BARBERTON, OHIO

*PRINCIPAL TAXPAYERS
PUBLIC UTILITY PROPERTY TAX
CURRENT YEAR AND THREE YEARS AGO*

December 31, 2006			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison Co.	\$ 4,948,550	1	41.52%
Ohio Bell Telephone	2,850,910	2	23.92%
American Transmission	1,713,310	3	14.37%
East Ohio Gas Co.	1,158,240	4	9.72%
Sprint	172,620	5	1.45%
Total, Top Five Principal Public Utility Property Taxpayers	<u>\$ 10,843,630</u>		<u>90.98%</u>
Total City Public Utility Property Tax Assessed Valuation	<u>\$ 11,919,510</u>		

December 31, 2003			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison Co.	\$ 4,461,890	1	33.03%
Ohio Bell Telephone	4,407,350	2	32.63%
American Transmission	2,097,790	3	15.53%
East Ohio Gas Co.	1,117,600	4	8.27%
Sprint	392,470	5	2.91%
Total, Top Five Principal Public Utility Property Taxpayers	<u>\$ 12,477,100</u>		<u>92.37%</u>
Total City Public Utility Property Tax Assessed Valuation	<u>\$ 13,506,780</u>		

Source: Summit County, Ohio; Fiscal Officer

Note: Information prior to 2003 was not available.

CITY OF BARBERTON, OHIO

*PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY TAX
CURRENT YEAR AND NINE YEARS AGO*

December 31, 2006			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Alcoa, Inc.	\$ 8,232,930	1	20.81%
McDermott Inc.	7,305,690	2	18.47%
Triad Hospitals, Inc. C/O EMA	4,465,180	3	11.29%
PPG Industries, Inc.	3,020,290	4	7.63%
B & C Corporation	2,962,720	5	7.49%
B & C Research, Inc.	2,692,380	6	6.81%
Wright Tool Company	2,120,350	7	5.36%
Malco Products, Inc.	895,340	8	2.26%
Reiter Dairy, Inc.	887,900	9	2.24%
Kellou, LLC	769,120	10	1.94%
Total, Top Ten Principal Tangible Personal Property Taxpayers	\$ 33,351,900		84.30%
Total City Tangible Personal Property Tax Assessed Valuation	\$ 39,558,953		

December 31, 1997			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
McDermott Inc.	\$ 8,578,550	1	16.21%
B & C Corporation	4,244,780	2	8.02%
Reiter Dairy, Inc.	3,429,320	3	6.48%
B & C Research Inc.	3,230,120	4	6.10%
Wright Tool Company	2,889,500	5	5.46%
Machining Tool Corp of America	2,584,200	6	4.88%
Aluminum Company of America	2,040,560	7	3.86%
Quorum Health Group	1,982,360	8	3.75%
PPG Industries	1,641,650	9	3.10%
Malco Products, Inc.	1,446,770	10	2.73%
Total, Top Ten Principal Tangible Personal Property Taxpayers	\$ 32,067,810		60.59%
Total City Tangible Personal Property Tax Assessed Valuation	\$ 52,932,255		

Source: Summit County, Ohio; Fiscal Officer

CITY OF BARBERTON, OHIO

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

<u>Year</u>	<u>Total Levy</u>	<u>Current Collection (1)</u>	<u>Percent of Current Collections to Tax Levy</u>	<u>Delinquent Collections (3)</u>	<u>Total Collections</u>	<u>Percent of Total Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes (2)</u>	<u>Percentage of Delinquent Taxes to Tax Levy</u>
2006	(A)	(A)	(A)	(A)	(A)	(A)	(A)	(A)
2005	\$ 1,481,442	\$ 1,409,638	95.15%	\$ 75,669	\$ 1,485,307	100.26%	\$ 178,381	12.04%
2004	1,459,213	1,393,023	95.46%	78,290	1,471,313	100.83%	146,910	10.07%
2003	1,592,430	1,371,921	86.15%	58,841	1,430,762	89.85%	161,668	10.15%
2002	1,404,845	1,199,874	85.41%	67,973	1,267,847	90.25%	136,998	9.75%
2001	1,374,570	1,200,777	87.36%	47,880	1,248,657	90.84%	125,913	9.16%
2000	1,330,983	1,179,483	88.62%	42,650	1,222,133	91.82%	117,983	8.86%
1999	1,239,390	1,090,363	87.98%	56,950	1,147,313	92.57%	90,666	7.32%
1998	1,201,379	1,095,151	91.16%	-	1,095,151	91.16%	106,228	8.84%
1997	1,153,569	1,051,683	91.17%	-	1,051,683	91.17%	101,886	8.83%

Source: Summit County, Ohio; Fiscal Officer

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

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

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

(A) Information from Summit County, Ohio Fiscal Officer not available.

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CITY OF BARBERTON, OHIO

*INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS*

Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits
2006	2.00%	\$ 11,301,258	\$ 9,432,669	83.47%	\$ 997,931	8.83%
2005	2.00%	10,092,095	8,364,178	82.88%	897,569	8.89%
2004	2.00%	10,592,294	8,611,884	81.30%	904,487	8.54%
2003	2.00%	9,981,113	8,159,958	81.75%	752,417	7.54%
2002	2.00%	10,253,956	8,336,516	81.30%	729,306	7.11%
2001	2.00%	10,097,927	8,183,203	81.04%	755,743	7.48%
2000	2.00%	10,577,875	8,271,812	78.20%	1,182,115	11.18%
1999	2.00%	10,400,761	8,065,282	77.55%	1,163,295	11.18%
1998	2.00%	9,969,864	7,453,462	74.76%	1,210,039	12.14%
1997	2.00%	9,613,099	7,216,407	75.07%	1,196,253	12.44%

Source: The City of Barberton Income Tax Department and the City of Cleveland Central Collection Agency.

	Taxes from Individuals	Percentage of Taxes from Individuals
\$	870,658	7.70%
	830,348	8.23%
	1,075,923	10.16%
	1,068,738	10.71%
	1,188,134	11.59%
	1,158,981	11.48%
	1,123,948	10.63%
	1,172,184	11.27%
	1,306,363	13.10%
	1,200,439	12.49%

CITY OF BARBERTON, OHIO

*RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS*

Year	Governmental Activities					Business-Type Activities	
	General Obligation Bonds	Special Assessment Bonds	HUD Section 108 Loan	Notes	Capital Leases	General Obligation Bonds	Revenue Bonds
2006	\$ 4,672,529	\$ 235,641	\$ 1,210,000	\$ 838,000	\$ 160,621	\$ 4,367,472	\$ 9,105,000
2005	5,313,823	266,950	1,325,000	1,013,000	-	5,024,996	630,000
2004	5,944,904	176,500	1,440,000	1,216,000	-	5,666,896	1,235,000
2003	5,006,603	197,600	1,555,000	2,715,000	-	3,602,390	1,815,000
2002	190,437	217,700	1,665,000	7,355,000	-	2,800,000	2,370,000
2001	311,183	237,000	1,740,000	2,095,000	180,693	3,010,000	2,900,000
2000	426,273	-	1,815,000	315,000	386,330	3,210,000	3,410,000
1999	535,747	-	1,890,000	-	609,817	3,430,000	3,900,000
1998	639,643	-	1,965,000	211,066	225,733	3,625,000	4,375,000
1997	737,996	-	2,040,000	278,334	227,312	3,810,000	4,880,000

Sources:

- (a) See notes to the financial statements regarding the City's outstanding debt information.
- (b) See Schedule " Demographic and Economic Statistics - Last Ten Years" for personal income and population.

Business-Type Activities						
Notes	Capital Leases	(a) Total Primary Government	(b) Total Personal Income	Percentage of Personal Income	(b) Population	Per Capita
\$ 2,697,000	\$ 154,054	\$ 23,440,317	\$ 495,597,836	4.73%	27,899	\$ 840
4,652,000	11,187	18,236,956	495,597,836	3.68%	27,899	654
2,459,000	24,077	18,162,377	495,597,836	3.66%	27,899	651
4,700,000	50,029	19,641,622	495,597,836	3.96%	27,899	704
6,190,000	74,668	20,862,805	495,597,836	4.21%	27,899	748
4,625,000	43,346	15,142,222	495,597,836	3.06%	27,899	543
3,445,000	59,312	13,066,915	495,597,836	2.64%	27,899	468
4,215,000	13,646	14,594,210	176,538,593	8.27%	27,623	528
3,883,934	-	14,925,376	176,538,593	8.45%	27,623	540
4,113,329	-	16,086,971	176,538,593	9.11%	27,623	582

CITY OF BARBERTON, OHIO

*RATIO OF GENERAL BONDED DEBT TO ASSESSED
VALUE AND BONDED DEBT PER CAPITA
LAST TEN YEARS*

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Bonded Debt (3)</u>	<u>Ratio of Bonded Debt to Estimated Actual Value of Property</u>	<u>Bonded Debt Per Capita</u>
2006	27,899	\$ 1,287,685,049	\$ 9,040,001	0.70%	\$ 324
2005	27,899	1,239,646,576	10,338,819	0.83%	371
2004	27,899	1,222,395,092	11,611,800	0.95%	416
2003	27,899	1,226,076,160	8,608,993	0.70%	309
2002	27,899	1,103,007,141	2,990,437	0.27%	107
2001	27,899	1,059,813,736	3,321,183	0.31%	119
2000	27,899	1,044,150,407	3,636,273	0.35%	130
1999	27,623	963,592,312	3,965,747	0.41%	144
1998	27,623	908,442,334	4,264,643	0.47%	154
1997	27,623	887,569,660	4,547,996	0.51%	165

Sources:

- (1) See Schedule " Demographic and Economic Statistics - Last Ten Years" for population.
- (2) Summit County, Ohio; Fiscal Officer.
- (3) Includes all general obligation bonded debt with the exception of special assessment debt.

CITY OF BARBERTON, OHIO

*DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2006*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Barberton	\$ 9,040,001	100.00%	\$ 9,040,001
Overlapping debt:			
Barberton City School District	23,504,952	97.62%	22,945,534
Summit County	63,040,000	3.50%	2,206,400
Akron-Summit County Library District	56,845,000	0.70%	39,792
Akron Metro Regional Transit Authority	1,005,000	3.50%	35,175
Total direct and overlapping debt	<u>\$ 153,434,953</u>		<u>\$ 34,266,902</u>

Source: Ohio Municipal Advisory Council

CITY OF BARBERTON, OHIO

*COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS*

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Assesed Value	\$ 445,921,963	\$ 420,900,043	\$ 414,923,323	\$ 415,088,815
Legal debt margin:				
Debt limitation - 10.5% of Assesed Value	46,821,806	44,194,505	43,566,949	43,584,326
Debt Applicable to Limitation:				
General Obligation Bonds	9,040,001	10,338,819	11,611,800	8,608,993
Special Assessment Bond	235,641	266,950	176,500	197,600
Notes	3,535,000	5,665,000	3,675,000	7,415,000
Revenue Bonds	<u>9,105,000</u>	<u>630,000</u>	<u>1,235,000</u>	<u>1,815,000</u>
Gross Indebtedness (Total Voted and Unvoted Debt)	<u>21,915,642</u>	<u>16,900,769</u>	<u>16,698,300</u>	<u>18,036,593</u>
Less: Debt Outside Limitations				
Special Assessment Bond	(235,641)	(266,950)	(176,500)	(197,600)
Notes	(3,535,000)	(4,652,000)	(2,459,000)	(4,700,000)
Revenue Bonds	<u>(9,105,000)</u>	<u>(630,000)</u>	<u>(1,235,000)</u>	<u>(1,815,000)</u>
Total Debt Outside Limitations	<u>(12,875,641)</u>	<u>(5,548,950)</u>	<u>(3,870,500)</u>	<u>(6,712,600)</u>
Total Debt Applicable to Limitation - Within 10.5% Limitations	9,040,001	11,351,819	12,827,800	11,323,993
Less: Amount Available in Debt Service Fund to pay debt applicable to limitation	<u>(283,673)</u>	<u>(270,859)</u>	<u>(41,937)</u>	<u>(191,776)</u>
Net Debt Within 10.5% Limitation	<u>8,756,328</u>	<u>11,080,960</u>	<u>12,785,863</u>	<u>11,132,217</u>
Overall Debt Margin Within 10.5% Limitation	<u>\$ 38,065,478</u>	<u>\$ 33,113,545</u>	<u>\$ 30,781,086</u>	<u>\$ 32,452,109</u>
Unvoted Debt Limitation - 5.5% of Assesed Valuation	\$ 24,525,708	\$ 23,149,502	\$ 22,820,783	\$ 22,829,885
Gross Indebtedness Authorized by Council	21,915,642	16,900,769	16,698,300	18,036,593
Less: Debt Outside Limitations: Total Debt Outside Limitations	<u>(12,875,641)</u>	<u>(5,548,950)</u>	<u>(3,870,500)</u>	<u>(6,712,600)</u>
Debt Within 5.5% Limitations	9,040,001	11,351,819	12,827,800	11,323,993
Less Amount Available in Debt Service Fund	(283,673)	(270,859)	(41,937)	(191,776)
Net Debt Within 5.5% Limitation	<u>8,756,328</u>	<u>11,080,960</u>	<u>12,785,863</u>	<u>11,132,217</u>
Unvoted Debt Margin Within 5.5% Limitation	<u>\$ 15,769,380</u>	<u>\$ 12,068,542</u>	<u>\$ 10,034,920</u>	<u>\$ 11,697,668</u>

Source: City of Barberton financial records

2002	2001	2000	1999	1998	1997
\$ 369,420,185	\$ 357,002,567	\$ 353,444,088	\$ 324,473,809	\$ 308,798,953	\$ 301,354,845
38,789,119	37,485,270	37,111,629	34,069,750	32,423,890	31,642,259
2,990,437	3,321,183	3,636,273	3,965,747	4,264,643	4,547,996
217,700	237,000	-	-	-	-
13,545,000	6,720,000	3,760,000	4,215,000	4,095,000	4,391,663
2,370,000	2,900,000	3,410,000	3,900,000	4,375,000	4,880,000
<u>19,123,137</u>	<u>13,178,183</u>	<u>10,806,273</u>	<u>12,080,747</u>	<u>12,734,643</u>	<u>13,819,659</u>
(217,700)	(237,000)	-	-	-	-
(6,190,000)	(4,625,000)	(3,445,000)	(4,215,000)	(3,883,934)	(4,113,329)
<u>(2,370,000)</u>	<u>(2,900,000)</u>	<u>(3,410,000)</u>	<u>(3,900,000)</u>	<u>(4,375,000)</u>	<u>(4,880,000)</u>
<u>(8,777,700)</u>	<u>(7,762,000)</u>	<u>(6,855,000)</u>	<u>(8,115,000)</u>	<u>(8,258,934)</u>	<u>(8,993,329)</u>
10,345,437	5,416,183	3,951,273	3,965,747	4,475,709	4,826,330
<u>(71,322)</u>	<u>(2,984)</u>	<u>(6,212)</u>	<u>(6,211)</u>	<u>(99,751)</u>	<u>(99,751)</u>
<u>10,274,115</u>	<u>5,413,199</u>	<u>3,945,061</u>	<u>3,959,536</u>	<u>4,375,958</u>	<u>4,726,579</u>
<u>\$ 28,515,004</u>	<u>\$ 32,072,071</u>	<u>\$ 33,166,568</u>	<u>\$ 30,110,214</u>	<u>\$ 28,047,932</u>	<u>\$ 26,915,680</u>
\$ 20,318,110	\$ 19,635,141	\$ 19,439,425	\$ 17,846,059	\$ 16,983,942	\$ 16,574,516
19,123,137	13,178,183	10,806,273	12,080,747	12,734,643	13,819,659
<u>(8,777,700)</u>	<u>(7,762,000)</u>	<u>(6,855,000)</u>	<u>(8,115,000)</u>	<u>(8,258,934)</u>	<u>(8,993,329)</u>
10,345,437	5,416,183	3,951,273	3,965,747	4,475,709	4,826,330
(71,322)	(2,984)	(6,212)	(6,211)	(99,751)	(99,357)
<u>10,274,115</u>	<u>5,413,199</u>	<u>3,945,061</u>	<u>3,959,536</u>	<u>4,375,958</u>	<u>4,726,973</u>
<u>\$ 10,043,995</u>	<u>\$ 14,221,942</u>	<u>\$ 15,494,364</u>	<u>\$ 13,886,523</u>	<u>\$ 12,607,984</u>	<u>\$ 11,847,543</u>

CITY OF BARBERTON, OHIO

*PLEDGED REVENUE BOND COVERAGE - SEWER AND WATER
LAST TEN YEARS*

SEWER REVENUE BONDS:

Year	Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (2)			Coverage
				Principal	Interest	Total	
2006	\$ 4,096,943	\$ 2,857,302	\$ 1,239,641	\$ 630,000	\$ 28,350	\$ 658,350	1.88
2005	4,087,566	2,798,713	1,288,853	605,000	55,273	660,273	1.95
2004	3,786,929	2,185,013	1,601,916	580,000	80,792	660,792	2.42
2003	3,585,759	3,231,175	354,584	555,000	104,380	659,380	0.54
2002	3,581,281	2,509,043	1,072,238	530,000	126,243	656,243	1.63
2001	3,428,571	2,315,968	1,112,603	510,000	146,643	656,643	1.69
2000	3,207,835	2,428,458	779,377	490,000	166,243	656,243	1.19
1999	3,311,880	2,286,044	1,025,836	475,000	184,768	659,768	1.55
1998	3,389,776	2,233,113	1,156,663	535,000	136,375	671,375	1.72
1997	3,371,594	2,214,709	1,156,885	390,000	345,920	735,920	1.57

WATER REVENUE BONDS:

Year	Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (2)			Coverage
				Principal	Interest	Total	
2006 (3)	\$ 4,220,667	\$ 3,295,618	\$ 925,049	\$ 200,000	\$ 260,990	\$ 460,990	2.01

(1) Total operating expenses are exclusive of depreciation.

(2) Includes principal and interest of bonds only.

(3) The Water Revenue bonds were issued during 2006; therefore information prior to 2006 is not presented.

CITY OF BARBERTON, OHIO

*DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS*

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (1)</u>	<u>Unemployment Rates (2)</u>			
				<u>City of Barberton</u>	<u>Summit County</u>	<u>Ohio</u>	<u>United States</u>
2006	27,899	\$ 495,597,836	\$ 17,764	6.2%	5.3%	5.5%	4.6%
2005	27,899	495,597,836	17,764	6.7%	5.7%	5.9%	5.1%
2004	27,899	495,597,836	17,764	7.0%	6.1%	6.2%	5.5%
2003	27,899	495,597,836	17,764	7.1%	6.2%	6.2%	6.0%
2002	27,899	495,597,836	17,764	8.0%	6.0%	5.7%	5.8%
2001	27,899	495,597,836	17,764	6.2%	4.6%	4.4%	4.7%
2000	27,899	495,597,836	17,764	5.6%	4.1%	4.0%	4.0%
1999	27,623	176,538,593	6,391	5.7%	4.3%	4.3%	4.2%
1998	27,623	176,538,593	6,391	5.5%	4.1%	4.3%	4.5%
1997	27,623	176,538,593	6,391	6.0%	4.5%	4.6%	4.9%

Sources:

(1) U.S. Census Bureau

(2) Ohio Job & Family Services, Office of Workforce Development

CITY OF BARBERTON, OHIO
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TWO YEARS AGO

Employer	2006			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
B&C Corporation	1,459	1	10.73%	(a)	(a)	0.00%
Babcock and Wilcox Co.	1,214	2	8.93%	1,098	2	8.19%
Barberton Board of Education	790	3	5.81%	899	3	6.71%
BWX Technologies	666	4	4.90%	695	4	5.19%
B&C Industries	592	5	4.35%	552	5	4.12%
Kellou LLC	480	6	3.53%	383	8	2.86%
B&C Research Inc.	440	7	3.24%	410	6	3.06%
City of Barberton	411	8	3.02%	408	7	3.04%
QHG of Barberton	317	9	2.33%	1,361	1	10.16%
Reiter Dairy Inc.	297	10	2.18%	354	9	2.64%
Malco Products Inc.	-	-	0.00%	188	10	1.40%
Total	<u>6,666</u>		<u>49.02%</u>	<u>6,348</u>		<u>47.37%</u>
Total City Employment	<u>13,600</u>			<u>13,400</u>		

Source: CCA Division of Taxation and Ohio Job and Family Services, Office of Workforce Development

Note: Information on principal employers prior to 2004 was not available.

(a) Number of employees was not reported in 2004.

CITY OF BARBERTON, OHIO

*FULL-TIME-EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM
LAST EIGHT YEARS*

Function/Program	2006	2005	2004	2003	2002	2001	2000	1999
General Government								
Clerk of Council	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Municipal Court - Judges	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Municipal Clerk of Courts	12.30	13.30	12.30	12.30	12.30	12.50	11.50	11.00
Mayor	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Service Director	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Finance	5.20	5.20	4.60	5.60	5.60	5.60	5.60	5.60
Law	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Safety Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Human Resources	-	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Information Systems	0.90	1.70	1.70	1.70	1.70	1.50	1.00	-
Income Tax	1.00	2.60	4.60	4.60	4.60	4.60	4.60	4.60
Other	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
Public Safety								
Police	51.00	53.00	55.00	56.00	56.00	56.00	60.00	59.00
Fire	44.00	46.00	46.00	44.00	45.00	46.00	46.00	45.00
Health and Welfare								
Health	24.00	24.00	24.00	25.00	23.00	22.00	25.00	20.00
Transportation								
Signal	2.00	2.00	4.00	4.00	4.00	4.00	4.00	4.00
Streets	13.00	15.00	22.00	23.00	23.00	25.00	25.00	24.00
Community Environment								
Engineering/Building	5.60	5.60	6.60	8.30	9.30	10.30	7.30	8.30
Planning	2.00	3.00	3.00	3.00	3.00	5.00	4.00	5.00
Engineering	-	-	-	-	-	-	-	-
Leisure Time Activity								
Parks Administration	2.00	2.00	3.00	3.00	3.00	3.00	4.00	4.00
Parks Maintenance	5.00	6.00	7.00	7.00	7.00	7.00	6.00	5.00
Beautification	-	-	2.00	2.00	2.00	2.00	2.00	2.00
Utility Services								
Water	29.50	30.00	27.40	30.00	28.60	30.60	29.80	30.80
Sewer	26.40	26.00	25.20	28.00	26.40	26.40	25.90	25.40
Solid Waste	0.80	0.30	0.30	0.20	0.20	0.20	1.00	1.00
Community Center	2.00	2.00	2.00	3.00	3.00	2.00	2.00	2.00
Total	246.00	257.00	270.00	280.00	277.00	283.00	284.00	276.00

Source: City of Barberton records

Note: Information prior to 1999 was not available.

CITY OF BARBERTON, OHIO

*OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS*

Function	1997	1998	1999	2000	2001	2002	2003
General Government							
Positions Filled	27	37	26	27	19	7	7
Building Permits Issued	613	704	812	665	816	772	695
Building Inspections Performed	1,532	1,760	2,030	1,662	3,264	3,072	2,780
Ordinances & Resolutions	225	252	283	227	272	214	175
Security of Persons and Property							
Police:							
Physical Arrests	2,024	2,203	2,233	1,866	2,018	1,972	2,073
Parking Violations	2,761	2,359	1,511	942	2,073	677	1,638
Traffic Violations	2,811	2,535	3,268	2,247	1,996	2,310	2,902
Fire:							
Emergency Responses	2,398	3,444	3,502	3,387	3,422	3,442	3,370
Fire Responses	694	816	659	630	663	590	576
Inspections conducted	890	890	900	900	1,063	859	828
Leisure Time Activities							
Recreation Center Attendance	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Recreation Center Memberships	N/A	N/A	N/A	N/A	N/A	N/A	2,909
Transportation							
Street Resurfacing (miles)	6.27	0.15	0.65	0.76	0.22	1.67	0
Tons of salt used	3,476	2,669	4,995	4,513	4,538	3,544	6,594
Water							
New Connections	83	122	125	164	123	152	116
Water Main Breaks	89	73	86	74	112	91	107

Source: City of Barberton Departments.

Note: Information for 10 years prior was not available for all functions.

(a) Information comes from the Police annual report, and data for 2006 is not available at this time.

<u>2004</u>	<u>2005</u>	<u>2006</u>
13	2	21
629	550	504
2,516	2,200	2,016
202	214	250
2,040	2,170	(a)
1,697	890	(a)
2,950	2,324	(a)
3,558	3,571	3,754
692	599	583
700	685	729
110,888	100,371	94,774
1,883	1,459	998
0	1.8	2.64
3,837	4,433	2,366
90	110	81
93	84	124

CITY OF BARBERTON, OHIO

*CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN YEARS*

Function	1997	1998	1999	2000	2001	2002	2003
Public Safety							
Police:							
Stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire:							
Stations	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Leisure Time Activities							
Parks	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Park Acreage	140.00	140.00	140.00	140.00	140.00	140.00	140.00
Fitness Center	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Swimming Pools	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wading Pools	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Tennis Courts	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Baseball Diamonds	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Softball Fields	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Transportation							
Streets (Paved Miles)	123.09	123.24	123.90	124.66	124.88	126.55	126.55
Water							
Water Mains (miles)	129.96	130.16	130.81	133.03	133.28	135.97	135.97
Sewer							
Sanitary Sewers (miles)	85.95	86.07	86.45	87.43	87.68	91.25	91.25

Source: City of Barberton Departments.

<u>2004</u>	<u>2005</u>	<u>2006</u>
1.00	1.00	1.00
2.00	2.00	2.00
15.00	15.00	15.00
140.00	140.00	140.00
1.00	1.00	1.00
1.00	0.00	0.00
5.00	5.00	5.00
8.00	8.00	8.00
3.00	3.00	3.00
12.00	12.00	12.00
126.55	128.35	130.99
135.97	135.97	136.37
91.25	91.25	91.25

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Mary Taylor, CPA
Auditor of State

CITY OF BARBERTON

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 12, 2007**