



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, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 15, 2009. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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.

We consider finding 2008-001 described in the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting.

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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe the significant deficiency described above is not a material weakness.

We also noted certain internal control matters that we reported to the City's management in a separate letter dated June 15, 2009.

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 that we must report under *Government Auditing Standards*.

We noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 15, 2009.

The City's response to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the City's response and, accordingly, we express no opinion on it.

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.



Mary Taylor, CPA
Auditor of State

June 15, 2009



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 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, 2008. 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, 2008.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that the City's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the City's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

Federal Awards Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Barberton, Summit County, Ohio as of and for the year ended December 31, 2008, and have issued our report thereon dated June 15, 2009. 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

June 15, 2009

**CITY OF BARBERTON
SUMMIT COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008**

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	\$ 230,871
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Direct</i>			
Community Development Block Grant Entitlement Program	N/A	14.218	752,942
<u>U.S. DEPARTMENT OF DEPARTMENT OF JUSTICE</u>			
<i>Direct</i>			
Regional Information Sharing Systems	N/A	16.610	17,947
Bulletproof Vest Partnership Program	N/A	16.607	<u>3,690</u>
Total U.S. Department of Justice			<u>21,637</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed through the Akron City Department of Health</i>			
Immunization Action Plan Grant	101A	93.268	37,156
Maternal and Child Health Services Grant	101Q	93.994	43,811
Centers for Disease Control and Prevention Investigation and Technical Assistance		93.283	6,805
<i>Passed through the Area Agency on Aging</i>			
Special Programs for the Aging Title III, Part B, Grants for Supportive Services and Senior Centers	227B	93.044	<u>3,043</u>
Total U.S. Department of Health and Human Services			<u>90,815</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
<i>Direct</i>			
Brownfields Assessment and Cleanup Cooperative Agreements	N/A	66.818	<u>186,637</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Direct</i>			
Assistance to Firefighters Grant	N/A	97.044	<u>147,690</u>
TOTAL			<u><u>\$ 1,430,592</u></u>

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

**CITY OF BARBERTON
SUMMIT COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2008**

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, 2008, the gross amount of loans outstanding under this program was \$348,908.

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, 2008**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

FINDING NUMBER 2008-001

Significant Deficiency

Audit Adjustments

During the City's GAAP related testing, we recorded numerous proposed audit adjustments that affected the intergovernmental, utility, and income tax receivable sections, accounts and contracts payable and unrecorded cash receipts near fiscal year end. As a result, 7 of the 50 proposed adjustments were posted to the City's financial statements. One of those adjustments related specifically to the testing of the City's intergovernmental receivables, in which the City categorized the Federal Emergency Management Agency (FEMA) grant as a non-reimbursement grant instead of a reimbursement grant. Since the grant is a reimbursement grant, the City must expend the money first and then request reimbursement. However, as of December 31, 2008, the City has not expended any money related to the grant and therefore, overstated the receivable balance in the FEMA grant by \$355,950. As a result of this overstatement, a material audit adjustment was made to the financial statements for the year ended December 31, 2008. The remaining 6 adjustments consisted of reclassifications between line items in the financial statements. Although these adjustments were not considered material, the adjustments were made to better clarify the amounts.

The City's Finance Department should review the criteria for determining what components need to be included in the receivable and payable calculations and the proper recording of those various receivables and payables.

Officials' Response: We have changed the format of the grants receivable summary to segregate reimbursement type grants and will confirm with the auditors the proper classifications prior to submitting our summary.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

CITY OF BARBERTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008

PREPARED BY:

RAYMOND E. FLICKINGER, JR., DIRECTOR OF FINANCE - C.P.F.A

*104 THIRD STREET
BARBERTON, OHIO 44203*

Photos courtesy of Elmwood Palmer, Palmer's Photography and Bob Humm, Aris Horticultural Services

INTRODUCTORY SECTION

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CITY OF BARBERTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008

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June 15, 2009

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, 2008, 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, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2008 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

Community Profile

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

The City provides a full range of municipal services mandated by statute or charter, including police and fire protection, parks, recreation, street maintenance, planning, zoning and other general government services. Health services are provided by the Barberton Health District. In addition, water, sewer and solid waste disposal services are provided under the enterprise fund concept with user charges set to ensure adequate coverage of operating expenses and payments on outstanding debt. The Barberton Community Fitness Center also operates as an enterprise fund with member fees partially covering the cost of providing programs. In recent years, the City's staffing levels have declined from 283 full-time employees in 2001 to 256 in 2008.

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 27 percent of the City's total income tax collections.

The City will continue to have a difficult budget situation for the near future. This is due to major revenues such as income tax 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 employee benefits.

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:

The City's largest employer, Babcock & Wilcox Company, continues growth within the City by adding an additional 317 employees during Fiscal Year 2007. They also relocated a research facility to the Barberton community last year and completed a \$9.5 million dollar building renovation and have committed another \$11.5 million in the upcoming year. They expect to hire 150 additional employees in Barberton over the next two years. B&W has continued to make significant investments in the city over the last several years, including donating \$250,000 for the construction of the Lake Anna YMCA. PPG Industries, another Barberton anchor business, has committed to an expansion project of \$23 million dollars in construction cost with the creation of 11 full time jobs within the next 3 years. The City location was chosen over locations in Central America and Asia.

The City and the Barberton Community Development Corporation (BCDC) have partnered in the creation of four Industrial Parks: Stuver, Foundation, Barberton Industrial Park, and New Haven. These industrial parks were created mostly through assembling brown field and inner city parcels of land and installing infrastructure to create developable sites for business expansions.

To date, approximately fourteen businesses have constructed new facilities in these areas. The Barberton Community Foundation (the Foundation) committed to investing up to \$6 million in the BCDC for the purpose of loaning money to businesses willing to relocate or expand in the City. Since the inception of this Foundation program in 1998, roughly \$10 million dollars have been loaned by BCDC, resulting in additional leveraged investments in the Barberton community of \$11.0 million. Another \$2.3 million dollars is currently pending that will leverage an additional \$3.0 million in public and private sector investment.

Stark State College and the University of Akron have formed a partnership and will begin to offer classes in 2009 at Barberton High School to serve Barberton residents and those within a ten high school district region. The classes will prepare students to meet the demand of today's businesses to have a skilled workforce.

The BCDC and the City are working to acquire older industrial parcels and buildings no longer suited for today's industrial environment, remediate environmental issues, demolish outmoded facilities, and redevelop the parcels. Also the BCDC has applied for grants of \$1.5 million and loan investments of approximately \$1.3 million from the Economic Development Administration and Barberton Community Foundation to acquire and develop a 120 acre parcel of land.

Long-Term Financial Planning

The City takes a proactive approach for providing future financial stability. Since the year 2000 the City has been operating under a minimum fund balance policy for the General, Water Operating, Sewer Operating and Solid Waste Disposal Funds. The policy provides for a minimum required fund balance equal to 10% of the total operating and capital expenditures for each fund. The City also established an Infrastructure Improvement Reserve Fund to provide for cash funding or debt service payments of future infrastructure projects. At least three percent but no greater than 10% of net income tax receipts are placed in the fund each year.

Major Initiatives

Construction continued on the Water Plant renovation project during 2008. 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.

During 2008 the City issued \$2,210,000 General Obligation Bond Anticipation Notes for the construction of Fire Station #2 and approximately \$900,000 in renovations to Station # 1. Construction on both projects neared completion by the end of 2008. The new station, constructed on the north end of Barberton replaces the original station built in 1943. Construction of the Sewer Maintenance Garage was completed in 2008. The garage was constructed next to the current Water Distribution facility and will have offices and equipment bays for the Sewer collection crew and equipment. The \$867,950 contract was funded by the cash reserve in the Sewer Improvement and Replacement Fund.

Over \$200,000 of storm water capital projects were completed in 2008. The Storm Water Management Utility was created by City Council in 2006 to protect and manage storm waters. Funding is generated by a \$5 per month residential charge and a commercial and industrial charge by formula.

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, 2007. 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 18 consecutive years (1990-2007). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for award consideration.

Acknowledgements

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

Sincerely,

A handwritten signature in black ink, reading "Raymond E. Flickinger, Jr." in a cursive style.

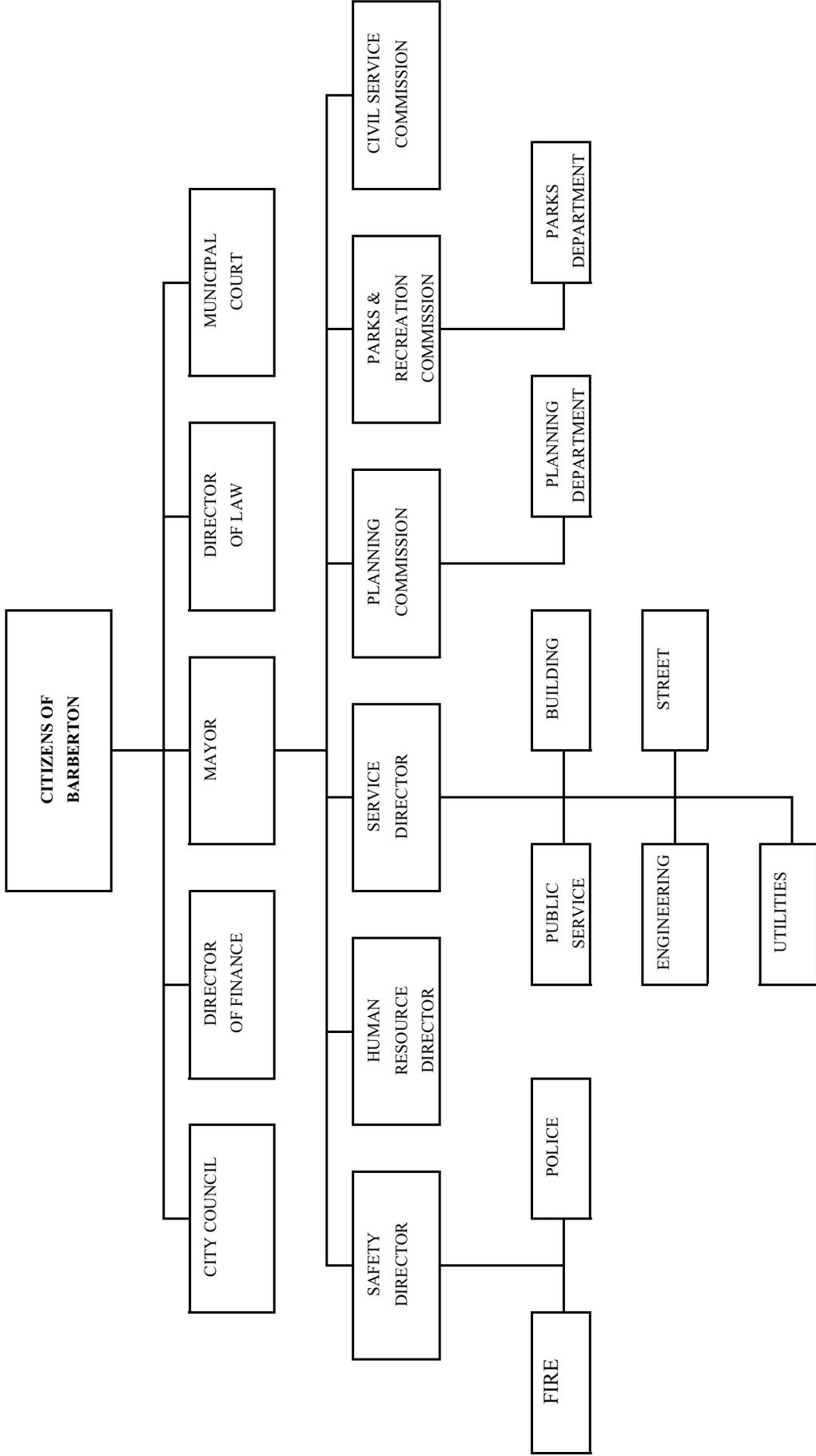
Raymond E. Flickinger, Jr., CPFA
Director of Finance

CITY OF BARBERTON, OHIO

**LIST OF PRINCIPAL CITY OFFICIALS
AS OF DECEMBER 31, 2008**

Mayor	(Elected: four-year term)	Robert J. Genet
Cabinet of the Mayor:	(Appointed)	
Service Director		Elwood Palmer
Safety Director		Raymond Todd
Director of Finance	(Elected: four-year term)	Raymond E. Flickinger, Jr.
Director of Law	(Elected: four-year term)	Lisa Okolish Miller
Municipal Court Judges	(Elected: six-year term)	Gregory Macko David Fish
Clerk of Municipal Court	(Elected: six-year term)	Andrea Norris
Council:	(Elected: four-year term)	
President		Frederick S. Maurer
Members:		
At-Large		James R. Dippel
At-Large		William B. Judge
Ward 1		Paul J. Suboticki
Ward 2		Michael R. Soyars
Ward 3		Christopher Silva
Ward 4		Craig Megyes
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, 2007

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.



A handwritten signature in black ink, appearing to read "M. L. Put".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

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FINANCIAL SECTION

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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, 2008, 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, 2008, 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 June 15, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

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

Mary Taylor, CPA
Auditor of State

June 15, 2009

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 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, 2008. The intent of this discussion is to provide a narrative that helps to explain and describe the City's financial performance as a whole. To obtain a more detailed understanding, please review the transmittal letter, the notes to the basic financial statements and the basic financial statements in conjunction with this analysis. The Statistical Section can also provide valuable current and historical information.

Financial Summary

The financial summary for 2008 follows:

- The total assets of the City of Barberton exceeded its liabilities at December 31, 2008 by \$64,783,680 (net assets). Of this amount, \$5,475,302 is considered restricted for various purposes such as capital projects, debt service and other restrictions. Another \$49,202,612 is invested in capital assets and the remaining \$10,105,766 is considered unrestricted and may be used to meet the City's ongoing services and other obligations.
- Total net assets increased \$539,600 as a result of this year's operations. Net assets of business-type activities increased \$962,971, or 2.48 percent, while the net assets of governmental activities decreased \$423,371, or 1.67 percent.
- The total cost of the City's service programs was \$34,735,465, while the total revenues were \$35,275,065. Of these amounts the governmental activities represented \$23,859,022 (68.7%) of the expenses and \$23,541,993 (66.7%) of the revenues. The business-type activities represented the remaining \$10,876,443 (31.3%) of expenses and \$11,733,072 (33.3%) of revenues.
- At the end of the current fiscal year, the fund balance for the general fund was \$3,376,432 on a modified accrual basis. This balance provides the City with the equivalent of 73 working days of expenditures.
- The City's total outstanding debt increased \$37,683 during 2008.

Using this Comprehensive Annual Financial Report

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

The statement of net assets and the statement of changes in net assets provide information from a summary perspective showing the results of the operations for the year 2008 and how they impacted the financial condition of the City as a whole.

Fund financial statements provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant 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, 2008 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 48 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 six major funds, the general fund, the health district fund, the fire station construction fund, the water fund, the sewer fund and the solid waste fund.

Governmental Funds

All of the City's major activities (excluding the utilities) are reported in the governmental funds, which focus on how money flows into and out of these funds and also depicts the balances available for future expenditures. These funds are reported using an accounting method called modified accrual accounting. This method reports cash and like-cash items and shows the level of financial resources that are available to provide general government services in the near future. Examples of these services include police and fire protection, 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, 2008
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 2008 compared to 2007:

	Net Assets					
	Governmental Activities <u>2008</u>	Business-type Activities <u>2008</u>	Governmental Activities <u>2007</u>	Business-type Activities <u>2007</u>	2008 Total	2007 Total
<u>Assets</u>						
Current and other assets	\$ 15,370,855	\$ 11,516,988	\$ 15,135,053	\$ 14,660,510	\$ 26,887,843	\$ 29,795,563
Capital assets, net	<u>24,643,446</u>	<u>43,625,688</u>	<u>23,173,227</u>	<u>40,817,940</u>	<u>68,269,134</u>	<u>63,991,167</u>
Total assets	<u>40,014,301</u>	<u>55,142,676</u>	<u>38,308,280</u>	<u>55,478,450</u>	<u>95,156,977</u>	<u>93,786,730</u>
<u>Liabilities</u>						
Current and other liabilities	6,837,544	1,608,222	4,247,652	1,627,914	8,445,766	5,875,566
Long-term liabilities:						
Due within one year	1,721,178	1,207,531	1,565,451	1,124,793	2,928,709	2,690,244
Due in more than one year	<u>6,513,454</u>	<u>12,485,368</u>	<u>7,129,681</u>	<u>13,847,159</u>	<u>18,998,822</u>	<u>20,976,840</u>
Total liabilities	<u>15,072,176</u>	<u>15,301,121</u>	<u>12,942,784</u>	<u>16,599,866</u>	<u>30,373,297</u>	<u>29,542,650</u>

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED*

Net Assets

	Governmental Activities <u>2008</u>	Business-type Activities <u>2008</u>	Governmental Activities <u>2007</u>	Business-type Activities <u>2007</u>	2008 Total	2007 Total
<u>Net Assets</u>						
Invested in capital assets, net of related debt	\$ 17,207,130	\$ 31,995,482	\$ 17,895,365	\$ 31,383,963	\$ 49,202,612	\$ 49,279,328
Restricted:						
Capital projects	633,917	-	779,845	-	633,917	779,845
Debt service	299,259	-	506,371	-	299,259	506,371
Street construction, maintenance and repair	1,204,290	-	1,221,355	-	1,204,290	1,221,355
Court computer	79,616	-	106,240	-	79,616	106,240
Recreation	712,000	-	577,419	-	712,000	577,419
Health district	41,728	-	63,233	-	41,728	63,233
Community development and improvements	1,028,741	-	997,544	-	1,028,741	997,544
Law enforcement	46,820	-	119,621	-	46,820	119,621
Emergency reserve	281	-	275	-	281	275
Police and fire pension	133,674	-	115,244	-	133,674	115,244
Fire capital	138,011	-	-	-	138,011	-
Miscellaneous grants	117,864	-	68,909	-	117,864	68,909
Sewer replacement and improvement	-	1,039,101	-	1,008,948	1,039,101	1,008,948
Unrestricted	<u>3,298,794</u>	<u>6,806,972</u>	<u>2,914,075</u>	<u>6,485,673</u>	<u>10,105,766</u>	<u>9,399,748</u>
 Total net assets	 <u>\$ 24,942,125</u>	 <u>\$ 39,841,555</u>	 <u>\$ 25,365,496</u>	 <u>\$ 38,878,584</u>	 <u>\$ 64,783,680</u>	 <u>\$ 64,244,080</u>

Total assets increased in 2008 by \$1,370,247. Total current assets decreased by \$2,907,720 from 2007 and total capital assets increased by \$4,277,967 as a result of the capitalization of construction projects and other purchased assets.

Total liabilities increased \$830,647 in 2008 mostly due to increases in short term liabilities (i.e., accounts payable, intergovernmental payables and deferred revenue.) The City paid portions of outstanding note issues and reissued those notes with reduced principal amounts as well as issuing a note for the construction of the new fire station.

As a result of the increase in total assets of \$1,370,247 (a positive) and the increase in total liabilities of \$830,647 (a negative), the total net assets increased \$539,600.

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED*

Statement of Activities

The table below shows the changes in net assets for fiscal years 2008 and 2007.

	Change in Net Assets					
	Governmental Activities <u>2008</u>	Business-type Activities <u>2008</u>	Governmental Activities <u>2007</u>	Business-type Activities <u>2007</u>	2008 Total	2007 Total
Revenues						
Program revenues:						
Charges for services	\$ 3,553,708	\$ 11,496,926	\$ 3,368,008	\$ 11,285,486	\$ 15,050,634	\$ 14,653,494
Operating grants and contributions	3,855,139	-	3,521,558	-	3,855,139	3,521,558
Capital grants and contributions	<u>147,321</u>	<u>-</u>	<u>152,821</u>	<u>-</u>	<u>147,321</u>	<u>152,821</u>
Total program revenues	<u>7,556,168</u>	<u>11,496,926</u>	<u>7,042,387</u>	<u>11,285,486</u>	<u>19,053,094</u>	<u>18,327,873</u>
General revenues:						
Property taxes	1,707,590	-	1,567,667	-	1,707,590	1,567,667
Income taxes	10,859,015	-	11,254,122	-	10,859,015	11,254,122
Grants and entitlements	2,821,199	-	2,885,135	-	2,821,199	2,885,135
Investment earnings	398,822	163,851	681,251	505,193	562,673	1,186,444
Other	<u>199,199</u>	<u>72,295</u>	<u>109,704</u>	<u>52,500</u>	<u>271,494</u>	<u>162,204</u>
Total general revenues	<u>15,985,825</u>	<u>236,146</u>	<u>16,497,879</u>	<u>557,693</u>	<u>16,221,971</u>	<u>17,055,572</u>
Total revenues	<u>23,541,993</u>	<u>11,733,072</u>	<u>23,540,266</u>	<u>11,843,179</u>	<u>35,275,065</u>	<u>35,383,445</u>
Expenses						
Program expenses:						
General government	4,619,097	-	3,883,172	-	4,619,097	3,883,172
Public safety	11,339,496	-	10,049,252	-	11,339,496	10,049,252
Health and welfare	1,889,854	-	2,343,579	-	1,889,854	2,343,579
Transportation	2,265,378	-	2,025,147	-	2,265,378	2,025,147
Community environment	1,855,258	-	1,535,323	-	1,855,258	1,535,323
Leisure time activity	1,636,664	-	1,240,444	-	1,636,664	1,240,444
Intergovernmental	-	-	1,578,763	-	-	1,578,763
Interest and fiscal charges	253,275	-	265,787	-	253,275	265,787
Water	-	3,778,649	-	4,241,689	3,778,649	4,241,689
Sewer	-	4,542,875	-	4,284,959	4,542,875	4,284,959
Solid waste	-	1,773,299	-	1,785,145	1,773,299	1,785,145
Storm water	-	650,516	-	648,268	650,516	648,268
Community center	-	131,104	-	362,163	131,104	362,163
Lake Cinema	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,005</u>	<u>-</u>	<u>2,005</u>
Total expenses	<u>23,859,022</u>	<u>10,876,443</u>	<u>22,921,467</u>	<u>11,324,229</u>	<u>34,735,465</u>	<u>34,245,696</u>
Change in net assets before transfers	(317,029)	856,629	618,799	518,950	539,600	1,137,749
Transfers	<u>(106,342)</u>	<u>106,342</u>	<u>(410,000)</u>	<u>410,000</u>	<u>-</u>	<u>-</u>
Change in net assets	(423,371)	962,971	208,799	928,950	539,600	1,137,749
Net assets at beginning of year	<u>25,365,496</u>	<u>38,878,584</u>	<u>25,156,697</u>	<u>37,949,634</u>	<u>64,244,080</u>	<u>63,106,331</u>
Net assets at end of year	<u>\$ 24,942,125</u>	<u>\$ 39,841,555</u>	<u>\$ 25,365,496</u>	<u>\$ 38,878,584</u>	<u>\$ 64,783,680</u>	<u>\$ 64,244,080</u>

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 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 \$10,859,015 in income tax collections, or 46.13 percent of the total governmental revenues in 2008, compared to \$11,254,122 in income tax collections received in 2007.

Intergovernmental revenue (i.e. state shared support) represents the City's second largest source of general revenue for the governmental activities. In 2008, the City received \$2,821,199 in unrestricted intergovernmental revenues or 11.98 percent of total revenue. Unrestricted intergovernmental revenues totaled \$2,885,135 or 12.26 percent of total revenue in 2008. The remaining general revenue sources represent smaller amounts and include property taxes (7.25 percent) and various other general revenues (2.54 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 2008, the City received \$3,553,708 in charges for services and a combined total of \$4,002,460 in various operating and capital grants.

The City's governmental activity expenses totaled \$23,859,022 in 2008, 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 47.53 percent and 19.36 percent, respectively. The City's total governmental activities expenses increased \$937,555 from 2007.

Public safety expenses totaled \$11,339,496 and represented 47.53 percent of the City's total governmental activity expenses in 2008 compared to 43.84 percent in 2007. The public safety classification consists of the Police Department, which includes 911 dispatchers, and the Fire Department. As of December 31, 2008, the City employed 40 full-time police officers, 11 full-time 911 dispatchers and 43 full-time firefighters.

Health and welfare expenses totaled \$1,889,854 and represented the City's fourth largest category of governmental activity expenses with 7.92 percent of total expenses. Programs for the health district fund, a major fund, are included in this category.

At \$2,265,378 or 9.50 percent, transportation represents the City's third largest category of governmental activity expenses. The transportation classification consists of the City's Street Department and the Paint and Signal Division. In addition, the City has several funds established that are used to pay private contractors for road resurfacing and general street maintenance. The expenses for the private street resurfacing contracts are also included as transportation related expenses. As of December 31, 2008, the City employed 19 full-time employees in the Street Department and 2 full-time employees in the Signal Division.

Business-Type Activities

The City of Barberton Utility Department provides water, sewer, storm water and solid waste disposal (garbage collection) services. Sanitary sewer services are provided to approximately 11,000 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 2008, the rates were established at \$3.74 per thousand gallons of metered water for residential and commercial users. The sewer treatment plant was originally constructed in 1960 and then completely overhauled in 1988. The City has made several improvements to the plant since 1988 with the most recent occurring in 2002 for various upgrades.

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED*

Water distribution and treatment services are provided to approximately 12,250 customers in and around the Barberton area. Water billing rates are set by the Service Director. In 2008, the rates were established at \$4.57 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, improvements and upgrades to the water treatment plant have continued.

During 2006 the City established a storm water management fund to account for storm drainage run-off maintenance, repair and replacement costs. Rates were established at and remain \$5.00 per parcel per month for residential properties. The City Engineer's office establishes rates for commercial and industrial users based on run-off surface areas.

The City also contracts for solid waste disposal (garbage collection). The City, in addition to billing and collecting garbage user fees, acts as an agent between the successful competitive bidder for pickup service and City customers. In 2008, the rate remained at \$15.50 per month.

The City relocated the Community Center services to the YMCA. Parks and Recreation continues to provide those services formerly provided from the Community Center.

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 2008, the charges for services amount of \$11,496,926 accounted for 97.99 percent of the total revenues compared to 95.29 percent in 2007. The total expenses for all the business-type activities were \$10,876,443 during 2008, compared to \$11,324,229 in 2007. Net assets of the business-type activities increased \$962,971.

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>2008</u>	Net Cost of Services <u>2008</u>	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>
Program Expenses:				
General government	\$ 4,619,097	\$ 2,831,566	\$ 3,883,172	\$ 2,334,736
Public safety	11,339,496	10,157,277	10,049,252	9,366,147
Health and welfare	1,889,854	532,271	2,343,579	883,505
Transportation	2,265,378	1,007,697	2,025,147	835,035
Community environment	1,855,258	791,761	1,535,323	151,339
Leisure time activities	1,636,664	1,132,790	1,240,444	858,290
Intergovernmental	-	-	1,578,763	1,578,763
Interest and fiscal charges	<u>253,275</u>	<u>(150,508)</u>	<u>265,787</u>	<u>(128,735)</u>
Total Expenses	<u>\$ 23,859,022</u>	<u>\$ 16,302,854</u>	<u>\$ 22,921,467</u>	<u>\$ 15,879,080</u>

The dependence upon general revenues for governmental activities is apparent, with 68.33 percent of expenses supported through taxes and other general revenues in 2008 and 69.28 percent in 2007.

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 and other financing sources of \$25,623,226 and expenditures and other financing uses of \$27,616,627.

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 UNAUDITED

The general fund is the chief operating fund of the City of Barberton. During 2008, the City's general fund had total revenues and other financing sources of \$18,106,977 and expenditures and other financing uses totaling \$18,716,239, resulting in a decrease in fund balance of \$609,262 compared to a \$373,422 increase in fund balance in 2007. This is mainly a result of stagnant revenues, which increased overall by \$70,801 during 2008, coupled with an increase in general fund expenditures during 2008 of \$1,053,485. Expenditures increased partly as a result of capital expenditures for police and fire department vehicles and equipment. The City also began accounting for staff and services of the community center in the general fund during 2008.

The health district fund experienced an increase in fund balance from 2007 to 2008 of \$117,972 as a result of health program expenditures decreasing approximately \$315,000 more than the drop in revenues coupled with a slight increase in the subsidy from income tax.

The fire station construction fund was established in 2008. Fire improvement notes in the amount of \$2,210,000 were issued during the year and are reported as a liability of the fire station construction fund, contributing to the deficit \$1,816,235 fund balance at December 31, 2008. Capital outlays related to the construction project totaled \$1,816,105 during 2008.

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 \$11,544,568 and operating expenses of \$10,084,914, resulting in operating income of \$1,459,654 or 12.64 percent of the total revenues compared to 7.18 percent in 2007. Operating revenues and expenses of the water and sewer funds remained comparable to 2007. A slight increase in water rate and no change in the sewer rate from 2007 proved sufficient to meet the operating expenses of the two utilities. The solid waste fund experienced a slight decrease of operating revenues and expenses of .19 percent and 1.99 percent, respectively.

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 has been established by Council at the personal services, operating, and capital expenditure level for each department within the general fund and at the personal services, operating and capital expenditure level for all other funds of the City. Any budget modifications at these levels may only be made through an ordinance of City Council. City policy permits fund transfers within management control levels with the approval of the department head and the Finance Director. During the course of 2008, City Council amended appropriations and department managers' adjusted budgets several times as needed to provide timely services.

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

For the general fund, the 2008 original and final budgeted revenues and financing sources were \$17,513,293 and \$18,751,120, respectively. The actual revenue collections were \$18,393,240. Actual revenue came in lower than budgeted primarily due to lower than expected municipal income tax collections and intergovernmental revenues. During 2008, actual expenditures and other financing uses of \$19,130,938 were \$473,433 less than the final appropriated expenditures of \$19,604,371. The City's ending unencumbered cash balance of \$2,017,190 in the general fund was \$115,553 higher than the final budgeted amount. Intergovernmental revenues were added to the final budget to reflect additional federal grants which were not included in the original budget.

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008
UNAUDITED*

Capital Assets and Debt Administration

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

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 5,767,369	\$ 5,656,302	\$ 962,280	\$ 964,189	\$ 6,729,649	\$ 6,620,491
Construction in progress	1,940,372	579,558	9,079,999	5,135,265	11,020,371	5,714,823
Buildings	3,124,309	2,651,544	14,980,057	15,491,334	18,104,366	18,142,878
Vehicles and equipment	3,063,325	2,927,897	1,377,085	1,409,571	4,440,410	4,337,468
Infrastructure						
Street subsystem	9,371,108	9,926,933	-	-	9,371,108	9,926,933
Storm sewer subsystem	-	-	3,353,388	3,367,121	3,353,388	3,367,121
Traffic signals subsystem	1,376,963	1,430,993	-	-	1,376,963	1,430,993
Water lines	-	-	5,569,455	5,781,982	5,569,455	5,781,982
Sewer lines	-	-	8,303,424	8,668,478	8,303,424	8,668,478
Totals	\$24,643,446	\$23,173,227	\$43,625,688	\$40,817,940	\$68,269,134	\$63,991,167

Total capital assets for the year ended December 31, 2008 were \$68,269,134, which is an increase from the 2007 figure by \$4,277,967. The increase is due to new asset additions of \$7,763,036 net of depreciation of \$3,290,827 and net asset disposals of \$194,242. Please see Note 7 in the financial statements for more information regarding the City's capital assets.

Debt

The outstanding debt as of December 31, 2008 was \$21,280,060. This balance reflected an increase of \$37,683 from the prior year's balance of \$21,242,377. Moody's Investors Service, Inc. has given the City a bond rating of A3.

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ 3,378,254	\$ 4,044,510	\$ 3,002,954	\$ 3,686,429	\$ 6,381,208	\$ 7,730,939
Revenue bonds	-	-	8,661,998	8,981,318	8,661,998	8,981,318
Capital leases	544,771	342,481	185,617	125,839	730,388	468,320
Special assessment bonds	166,466	201,800	-	-	166,466	201,800
Notes payable	2,770,000	699,000	1,590,000	2,066,000	4,360,000	2,765,000
Other debt	980,000	1,095,000	-	-	980,000	1,095,000
Total long-term obligations	\$ 7,839,491	\$ 6,382,791	\$ 13,440,569	\$ 14,859,586	\$ 21,280,060	\$ 21,242,377

A summary of the City's debt activity during 2008 includes the following:

- The City made scheduled principal and interest payments on its debt obligations, as well as re-financing and paying down a portion of the notes payable related to street, water system, and community center improvements.
- The balance of the short-term notes increased by \$2,091,000 in the governmental activities and decreased \$90,000 in the business-type activities.

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2008 UNAUDITED

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

Economic Factors and the 2009 General Fund Budget

Some of the economic trends impacting Barberton that were considered in developing the 2009 budget include the following:

- Barberton's average annual unemployment rate during 2008 was 7.4 percent, compared to 6.1 percent for Summit County and 6.5 percent for the State of Ohio.
- Barberton's assessed real property values have increased approximately \$122.7 million, or nearly 44.8 percent since 2000. Recent years have shown a slowing of the growth rate.
- 2008 income tax collections amounted to approximately \$11.3 million on a cash basis compared with \$11.7 million in 2007. Actual income tax revenue through April is 5.3 percent below estimates. Historically most of, if not all of, that gap is made up in the second quarter and management is optimistic that that will hold true in 2009.

With the drop in the 2008 income tax collections and despite the City's cost cutting efforts the City will continue to have a difficult budget balancing situation for the near future. Other revenues such as shared support from the State continue to remain stagnant or decline while operating costs continue to increase due to inflationary pressures and unmet capital replacement needs. As a result, it is anticipated that further cost containment efforts and/or revenue enhancement actions will be necessary to maintain levels of service through the remainder of 2009 and into 2010.

Request for Information

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

BASIC
FINANCIAL STATEMENTS

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CITY OF BARBERTON, OHIO

*STATEMENT OF NET ASSETS
DECEMBER 31, 2008*

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents.	\$ 8,306,721	\$ 5,982,211	\$ 14,288,932
Investments	-	3,608,050	3,608,050
Cash and cash equivalents in segregated accounts	237,603	-	237,603
Receivables (net of allowances for uncollectibles):			
Property taxes	1,627,754	-	1,627,754
Income taxes	1,960,000	-	1,960,000
Accounts	20,151	1,314,630	1,334,781
Intergovernmental	2,153,101	-	2,153,101
Accrued interest	21,122	-	21,122
Special assessments	166,466	-	166,466
Internal balances	151,067	(151,067)	-
Notes receivable	617,685	-	617,685
Prepayments	65,831	49,794	115,625
Materials and supplies inventory.	-	382,486	382,486
Deferred charges	43,354	330,884	374,238
Capital assets:			
Nondepreciable capital assets	7,707,741	10,042,279	17,750,020
Depreciable capital assets, net.	<u>16,935,705</u>	<u>33,583,409</u>	<u>50,519,114</u>
Total capital assets.	<u>24,643,446</u>	<u>43,625,688</u>	<u>68,269,134</u>
Total assets.	<u>40,014,301</u>	<u>55,142,676</u>	<u>95,156,977</u>
Liabilities:			
Accounts payable.	380,039	262,445	642,484
Contracts payable.	187,596	594,391	781,987
Accrued wages and benefits	359,292	145,722	505,014
Intergovernmental payable	1,094,328	153,071	1,247,399
Unearned revenue.	1,491,101	-	1,491,101
Accrued interest payable.	64,094	66,593	130,687
Claims payable.	491,094	-	491,094
Notes payable	2,770,000	386,000	3,156,000
Long-term liabilities:			
Due within one year	1,721,178	1,207,531	2,928,709
Due in more than one year	<u>6,513,454</u>	<u>12,485,368</u>	<u>18,998,822</u>
Total liabilities	<u>15,072,176</u>	<u>15,301,121</u>	<u>30,373,297</u>
Net assets:			
Invested in capital assets, net of related debt	17,207,130	31,995,482	49,202,612
Restricted for:			
Capital projects	633,917	-	633,917
Debt service.	299,259	-	299,259
Street construction, maintenance and repair	1,204,290	-	1,204,290
Court	79,616	-	79,616
Recreation.	712,000	-	712,000
Health district	41,728	-	41,728
Community developments and improvements	1,028,741	-	1,028,741
Law enforcement	46,820	-	46,820
Emergency reserve	281	-	281
Police and fire pension	133,674	-	133,674
Fire capital	138,011	-	138,011
Miscellaneous grants	117,864	-	117,864
Sewer replacement and improvement.	-	1,039,101	1,039,101
Unrestricted	<u>3,298,794</u>	<u>6,806,972</u>	<u>10,105,766</u>
Total net assets	<u>\$ 24,942,125</u>	<u>\$ 39,841,555</u>	<u>\$ 64,783,680</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008*

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 4,619,097	\$ 1,786,759	\$ 772	\$ -
Public safety.	11,339,496	621,327	557,892	3,000
Health and welfare.	1,889,854	798,884	558,699	-
Transportation.	2,265,378	79,507	1,033,853	144,321
Community environment.	1,855,258	172,991	890,506	-
Leisure time activities.	1,636,664	94,240	409,634	-
Interest and fiscal charges.	253,275	-	403,783	-
Total governmental activities	23,859,022	3,553,708	3,855,139	147,321
Business-type Activities:				
Water	3,778,649	4,574,609	-	-
Sewer	4,542,875	4,289,991	-	-
Solid Waste	1,773,299	1,835,994	-	-
Other enterprise funds:				
Storm Water	650,516	796,332	-	-
Community Center.	131,104	-	-	-
Total business-type activities	10,876,443	11,496,926	-	-
Total primary government.	\$ 34,735,465	\$ 15,050,634	\$ 3,855,139	\$ 147,321

General Revenues:

Property taxes levied for:	
General purposes	
Fire capital levy.	
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.	
Transfers.	
Total general revenues 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
\$ (2,831,566)	\$ -	\$ (2,831,566)
(10,157,277)	-	(10,157,277)
(532,271)	-	(532,271)
(1,007,697)	-	(1,007,697)
(791,761)	-	(791,761)
(1,132,790)	-	(1,132,790)
150,508	-	150,508
<u>(16,302,854)</u>	<u>-</u>	<u>(16,302,854)</u>
-	795,960	795,960
-	(252,884)	(252,884)
-	62,695	62,695
-	145,816	145,816
<u>-</u>	<u>(131,104)</u>	<u>(131,104)</u>
-	620,483	620,483
<u>(16,302,854)</u>	<u>620,483</u>	<u>(15,682,371)</u>
1,209,964	-	1,209,964
288,602	-	288,602
104,512	-	104,512
104,512	-	104,512
10,859,015	-	10,859,015
2,821,199	-	2,821,199
398,822	163,851	562,673
199,199	72,295	271,494
<u>15,985,825</u>	<u>236,146</u>	<u>16,221,971</u>
<u>(106,342)</u>	<u>106,342</u>	<u>-</u>
<u>15,879,483</u>	<u>342,488</u>	<u>16,221,971</u>
(423,371)	962,971	539,600
<u>25,365,496</u>	<u>38,878,584</u>	<u>64,244,080</u>
<u>\$ 24,942,125</u>	<u>\$ 39,841,555</u>	<u>\$ 64,783,680</u>

CITY OF BARBERTON, OHIO

*BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008*

	<u>General</u>	<u>Health District</u>	<u>Fire Station Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and cash equivalents . . .	\$ 2,288,276	\$ 185,209	\$ 608,763	\$ 3,677,004	\$ 6,759,252
Cash and cash equivalents in segregated accounts	237,603	-	-	-	237,603
Receivables (net of allowance for uncollectibles):					
Property taxes	1,110,876	-	-	516,878	1,627,754
Income taxes	1,960,000	-	-	-	1,960,000
Accounts	7,614	-	1,984	6,011	15,609
Intergovernmental	1,210,936	36,627	-	905,538	2,153,101
Accrued interest	21,122	-	-	-	21,122
Special assessments	-	-	-	166,466	166,466
Notes receivable	1,777	-	-	615,908	617,685
Prepayments.	53,805	4,596	-	7,430	65,831
Total assets	<u>\$ 6,892,009</u>	<u>\$ 226,432</u>	<u>\$ 610,747</u>	<u>\$ 5,895,235</u>	<u>\$ 13,624,423</u>
Liabilities:					
Accounts payable.	\$ 244,727	\$ 25,433	\$ -	\$ 100,825	\$ 370,985
Contracts payable	-	-	187,596	-	187,596
Accrued wages and benefits	292,748	23,952	-	42,592	359,292
Due to other governments	1,005,678	45,232	-	43,418	1,094,328
Compensated absences payable.	14,971	-	-	40,447	55,418
Deferred revenue	939,828	-	-	945,800	1,885,628
Unearned revenue	1,017,625	-	-	473,476	1,491,101
Accrued interest payable	-	-	29,386	3,015	32,401
Notes payable	-	-	2,210,000	560,000	2,770,000
Total liabilities	<u>3,515,577</u>	<u>94,617</u>	<u>2,426,982</u>	<u>2,209,573</u>	<u>8,246,749</u>
Fund Balances:					
Reserved for encumbrances	267,491	3,425	319,631	755,067	1,345,614
Reserved for prepayments	53,805	4,596	-	7,430	65,831
Reserved for notes receivable	1,777	-	-	615,908	617,685
Reserved for debt service.	-	-	-	330,952	330,952
Unreserved, undesignated (deficit) reported in:					
General fund.	3,053,359	-	-	-	3,053,359
Special revenue funds	-	123,794	-	1,634,176	1,757,970
Capital projects funds	-	-	(2,135,866)	342,129	(1,793,737)
Total fund balances	<u>3,376,432</u>	<u>131,815</u>	<u>(1,816,235)</u>	<u>3,685,662</u>	<u>5,377,674</u>
Total liabilities and fund balances	<u>\$ 6,892,009</u>	<u>\$ 226,432</u>	<u>\$ 610,747</u>	<u>\$ 5,895,235</u>	<u>\$ 13,624,423</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, 2008*

Total governmental fund balances		\$ 5,377,674
<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.		24,643,446
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Delinquent property taxes receivable	\$ 136,653	
Intergovernmental receivable	1,420,544	
Municipal income taxes receivable	155,599	
Special assessments receivable	166,466	
Accrued interest receivable	<u>6,366</u>	
Total		1,885,628
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	(3,109,723)	
General obligation bonds payable	(3,378,254)	
Special assessment bonds payable	(166,466)	
Section 108 loan payable	(980,000)	
Capital lease obligation	<u>(544,771)</u>	
Total		(8,179,214)
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.		(31,693)
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.		43,354
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.		1,051,863
An internal balance is recorded in governmental activities to reflect underpayments to the internal service fund by the business-type activities.		<u>151,067</u>
Net assets of governmental activities		<u><u>\$ 24,942,125</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>General</u>	<u>Health District</u>	<u>Fire Station Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property and other taxes	\$ 1,272,428	\$ -	\$ -	\$ 486,440	\$ 1,758,868
Municipal income taxes.	10,843,018	-	-	-	10,843,018
Charges for services	1,797,000	457,263	-	94,240	2,348,503
Licenses and permits	141,994	341,621	-	-	483,615
Fines and forfeitures	91,960	-	-	110,626	202,586
Intergovernmental	3,059,602	578,202	-	2,008,410	5,646,214
Special assessments	-	-	-	187,152	187,152
Investment income	375,654	-	15,515	43,344	434,513
Contributions and donations	-	-	-	981,965	981,965
Other	447,239	1,933	1,984	117,162	568,318
Total revenues	<u>18,028,895</u>	<u>1,379,019</u>	<u>17,499</u>	<u>4,029,339</u>	<u>23,454,752</u>
Expenditures:					
Current:					
General government	4,086,202	-	-	90,987	4,177,189
Public safety.	10,021,141	-	-	252,822	10,273,963
Health and welfare.	-	1,793,038	-	-	1,793,038
Transportation	163,334	-	-	1,447,942	1,611,276
Community environment	1,026,672	-	-	654,230	1,680,902
Leisure time activities	902,256	-	-	466,443	1,368,699
Capital outlay	535,550	1,696	1,816,105	1,199,361	3,552,712
Debt service:					
Principal retirement	28,217	733	-	903,630	932,580
Interest and fiscal charges	5,309	138	29,386	218,408	253,241
Note issuance costs.	-	-	5,525	5,220	10,745
Total expenditures.	<u>16,768,681</u>	<u>1,795,605</u>	<u>1,851,016</u>	<u>5,239,043</u>	<u>25,654,345</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>1,260,214</u>	<u>(416,586)</u>	<u>(1,833,517)</u>	<u>(1,209,704)</u>	<u>(2,199,593)</u>
Other financing sources (uses):					
Premium on notes issued	-	-	17,282	-	17,282
Capital lease transaction.	-	-	-	300,000	300,000
Sale of capital assets	74,015	-	-	5,828	79,843
Transfers in	4,067	534,558	-	1,232,724	1,771,349
Transfers out	(1,947,558)	-	-	(14,724)	(1,962,282)
Total other financing sources (uses)	<u>(1,869,476)</u>	<u>534,558</u>	<u>17,282</u>	<u>1,523,828</u>	<u>206,192</u>
Net change in fund balances	(609,262)	117,972	(1,816,235)	314,124	(1,993,401)
Fund balances at beginning of year	<u>3,985,694</u>	<u>13,843</u>	<u>-</u>	<u>3,371,538</u>	<u>7,371,075</u>
Fund balances (deficit) at end of year	<u>\$ 3,376,432</u>	<u>\$ 131,815</u>	<u>\$ (1,816,235)</u>	<u>\$ 3,685,662</u>	<u>\$ 5,377,674</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, 2008*

Net change in fund balances - total governmental funds		\$ (1,993,401)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs 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	\$ 2,916,887	
Current year depreciation	<u>(1,336,834)</u>	
Total		1,580,053
 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.		
		(149,425)
 In the statement of activities, transfers of capital assets from business-type activities is reported.		
		39,591
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	(51,278)	
Intergovernmental	193,547	
Municipal income taxes	15,997	
Special assessments	(35,334)	
Interest	<u>(35,691)</u>	
Total		87,241
 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.		
		932,580
 In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.		
Accrued interest	892	
Bond premium	1,720	
Bond issuance costs	<u>(9,183)</u>	
Total		(6,571)
 The issuances 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.		
		(300,000)
 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.		
		(139,171)
 Internal service funds used by management to charge the cost of insurance, postage, and gasoline to individual funds are not reported in the expenditures and related internal service fund revenues are eliminated. The net revenues (expenses) of the internal service funds are allocated among the governmental activities.		
		<u>(474,268)</u>
Change in net assets of governmental activities		\$ <u>(423,371)</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, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 1,268,459	\$ 1,345,311	\$ 1,336,696	\$ (8,615)
Municipal income taxes	10,596,964	11,239,000	10,990,756	(248,244)
Charges for services	1,486,206	1,576,250	1,771,300	195,050
Licenses and permits	137,103	145,410	141,994	(3,416)
Fines and forfeitures	80,380	85,250	89,659	4,409
Intergovernmental	2,902,961	3,078,842	2,987,704	(91,138)
Investment income	379,035	402,000	367,337	(34,663)
Other	658,118	697,990	452,712	(245,278)
Total revenues.	17,509,226	18,570,053	18,138,158	(431,895)
Expenditures:				
Current:				
General government	4,204,111	4,357,211	4,132,395	224,816
Public safety	10,113,669	10,172,449	10,087,270	85,179
Transportation	163,405	167,405	164,059	3,346
Leisure time activities.	891,400	918,100	861,109	56,991
Community environment	1,265,391	1,217,391	1,134,703	82,688
Capital outlay	355,577	647,257	626,844	20,413
Total expenditures.	16,993,553	17,479,813	17,006,380	473,433
Excess of revenues over expenditures	515,673	1,090,240	1,131,778	41,538
Other financing sources (uses):				
Transfers in	4,067	4,067	4,067	-
Transfers out	(1,850,558)	(1,947,558)	(1,947,558)	-
Sale of capital assets	-	-	74,015	74,015
Advances in.	-	177,000	177,000	-
Advances out.	-	(177,000)	(177,000)	-
Total other financing sources (uses).	(1,846,491)	(1,943,491)	(1,869,476)	74,015
Net change in fund balance	(1,330,818)	(853,251)	(737,698)	115,553
Fund balance at beginning of year	2,456,891	2,456,891	2,456,891	-
Prior year encumbrances appropriated.	297,997	297,997	297,997	-
Fund balance at end of year	\$ 1,424,070	\$ 1,901,637	\$ 2,017,190	\$ 115,553

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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 376,483	\$ 435,797	\$ 466,352	\$ 30,555
Licenses and permits	425,127	492,105	341,621	(150,484)
Intergovernmental.	701,688	812,236	594,905	(217,331)
Other	-	-	1,933	1,933
Total revenues	<u>1,503,298</u>	<u>1,740,138</u>	<u>1,404,811</u>	<u>(335,327)</u>
Expenditures:				
Current:				
Health and welfare.	2,365,919	2,380,223	1,923,643	456,580
Capital outlay.	<u>2,000</u>	<u>1,696</u>	<u>1,696</u>	<u>-</u>
Total expenditures	<u>2,367,919</u>	<u>2,381,919</u>	<u>1,925,339</u>	<u>456,580</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(864,621)</u>	<u>(641,781)</u>	<u>(520,528)</u>	<u>121,253</u>
Other financing sources:				
Transfers in.	<u>461,802</u>	<u>534,558</u>	<u>534,558</u>	<u>-</u>
Total other financing sources	<u>461,802</u>	<u>534,558</u>	<u>534,558</u>	<u>-</u>
Net change in fund balance	(402,819)	(107,223)	14,030	121,253
Fund balance at beginning of year	131,959	131,959	131,959	-
Prior year encumbrances appropriated.	<u>19,564</u>	<u>19,564</u>	<u>19,564</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (251,296)</u>	<u>\$ 44,300</u>	<u>\$ 165,553</u>	<u>\$ 121,253</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2008*

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Solid Waste	Nonmajor	Total
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 1,935,727	\$ 1,486,794	\$ 896,334	\$ 624,255	\$ 4,943,110
Investments	3,608,050	-	-	-	3,608,050
Receivables (net of allowance for uncollectibles):					
Accounts	636,947	506,660	57,729	113,294	1,314,630
Materials and supplies inventory	343,883	38,603	-	-	382,486
Prepayments.	22,262	27,264	268	-	49,794
Total current assets	<u>6,546,869</u>	<u>2,059,321</u>	<u>954,331</u>	<u>737,549</u>	<u>10,298,070</u>
Noncurrent assets:					
Restricted assets:					
Equity in pooled cash and cash equivalents	-	1,039,101	-	-	1,039,101
Deferred charges	279,793	46,640	-	4,451	330,884
Capital assets:					
Nondepreciable capital assets	8,758,726	1,189,123	-	94,430	10,042,279
Depreciable capital assets, net.	8,283,573	20,913,775	-	4,386,061	33,583,409
Total capital assets.	<u>17,042,299</u>	<u>22,102,898</u>	<u>-</u>	<u>4,480,491</u>	<u>43,625,688</u>
Total noncurrent assets	<u>17,322,092</u>	<u>23,188,639</u>	<u>-</u>	<u>4,484,942</u>	<u>44,995,673</u>
Total assets	<u>23,868,961</u>	<u>25,247,960</u>	<u>954,331</u>	<u>5,222,491</u>	<u>55,293,743</u>
Liabilities:					
Current liabilities:					
Accounts payable	107,398	137,847	-	17,200	262,445
Contracts payable	108,498	38,694	447,199	-	594,391
Accrued wages and benefits.	74,595	58,826	1,319	10,982	145,722
Intergovernmental	76,223	64,410	1,691	10,747	153,071
Accrued interest payable	59,233	6,766	-	594	66,593
Claims payable.	-	-	-	-	-
Notes payable	286,000	100,000	-	-	386,000
Current portion of general obligation bonds. . .	376,434	278,953	-	51,066	706,453
Current portion of revenue bonds	325,000	-	-	-	325,000
Current portion of capital lease obligations . .	3,065	3,065	155	53,089	59,374
Current portion of compensated absences. . .	55,626	54,922	616	5,540	116,704
Total current liabilities	<u>1,472,072</u>	<u>743,483</u>	<u>450,980</u>	<u>149,218</u>	<u>2,815,753</u>
Long-term liabilities:					
Notes payable	1,104,000	100,000	-	-	1,204,000
General obligation bonds	1,280,164	854,737	-	161,600	2,296,501
Revenue bonds.	8,336,998	-	-	-	8,336,998
Capital lease obligations.	6,541	6,541	330	112,831	126,243
Compensated absences	248,631	245,480	2,755	24,760	521,626
Total long-term liabilities	<u>10,976,334</u>	<u>1,206,758</u>	<u>3,085</u>	<u>299,191</u>	<u>12,485,368</u>
Total liabilities	<u>12,448,406</u>	<u>1,950,241</u>	<u>454,065</u>	<u>448,409</u>	<u>15,301,121</u>
Net assets:					
Invested in capital assets, net of related debt.	7,072,180	20,815,988	-	4,107,314	31,995,482
Restricted for:					
Replacement and improvement	-	1,039,101	-	-	1,039,101
Unrestricted.	4,348,375	1,442,630	500,266	666,768	6,958,039
Total net assets	<u>\$ 11,420,555</u>	<u>\$ 23,297,719</u>	<u>\$ 500,266</u>	<u>\$ 4,774,082</u>	<u>39,992,622</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.					(151,067)
Net assets of business-type activities					<u>\$ 39,841,555</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Solid Waste	Nonmajor	Total
Operating revenues:					
Charges for services	\$ 4,568,771	\$ 4,286,730	\$ 1,835,994	\$ 796,332	\$ 11,487,827
Other	13,925	9,118	201	33,497	56,741
Total operating revenues	4,582,696	4,295,848	1,836,195	829,829	11,544,568
Operating expenses:					
Personal services	2,074,391	1,851,155	51,940	311,333	4,288,819
Contract services	95,083	408,901	1,712,595	15,085	2,231,664
Materials and supplies	423,251	1,062,295	3,211	72,497	1,561,254
Claims	-	-	-	-	-
Other	38,988	11,720	3,038	5,963	59,709
Depreciation	536,780	1,055,680	-	351,008	1,943,468
Total operating expenses	3,168,493	4,389,751	1,770,784	755,886	10,084,914
Operating income (loss)	1,414,203	(93,903)	65,411	73,943	1,459,654
Nonoperating revenues (expenses):					
Interest revenue	163,851	-	-	-	163,851
Special assessments	5,838	3,261	-	-	9,099
Interest expense and fiscal charges	(507,528)	(63,273)	(28)	(14,758)	(585,587)
Gain (loss) on disposal of capital assets	(1,909)	-	-	15,554	13,645
Total nonoperating revenues (expenses)	(339,748)	(60,012)	(28)	796	(398,992)
Income (loss) before transfers	1,074,455	(153,915)	65,383	74,739	1,060,662
Transfers in	-	-	-	150,000	150,000
Transfers out	-	-	-	(43,658)	(43,658)
Changes in net assets	1,074,455	(153,915)	65,383	181,081	1,167,004
Net assets at beginning of year	10,346,100	23,451,634	434,883	4,593,001	
Net assets at end of year	\$ 11,420,555	\$ 23,297,719	\$ 500,266	\$ 4,774,082	
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.					(204,033)
Changes in net assets of business-type activities					\$ 962,971

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Governmental
Activities -
Internal
Service Funds**

\$ 2,901,362
149,170

3,050,532

-
425,006
462,274
2,886,553
-

-

3,773,833

(723,301)

-
-
-
-

-

(723,301)

45,000

-

(678,301)

1,730,164

\$ 1,051,863

CITY OF BARBERTON, OHIO

*STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Solid Waste	Nonmajor	Total
Cash flows from operating activities:					
Cash received from customers	\$ 4,557,710	\$ 4,344,689	\$ 1,821,392	\$ 797,043	\$ 11,520,834
Cash received from other funds	-	-	-	-	-
Cash received from other operations.	13,925	9,118	201	2,054	25,298
Cash payments for personal services	(2,045,358)	(1,782,950)	(50,181)	(283,330)	(4,161,819)
Cash payments for contract services	(91,779)	(387,501)	(1,408,851)	(6,067)	(1,894,198)
Cash payments for materials and supplies	(404,592)	(995,546)	(3,223)	(74,810)	(1,478,171)
Cash payments for claims	-	-	-	-	-
Cash payments for other expenses	(21,329)	(9,484)	-	-	(30,813)
Net cash provided by (used in) operating activities.	<u>2,008,577</u>	<u>1,178,326</u>	<u>359,338</u>	<u>434,890</u>	<u>3,981,131</u>
Cash flows from noncapital financing activities:					
Special assessments	5,838	3,261	-	-	9,099
Transfers in from other funds	-	-	-	150,000	150,000
Transfers out to other funds	-	-	-	(4,067)	(4,067)
Net cash provided by noncapital financing activities	<u>5,838</u>	<u>3,261</u>	<u>-</u>	<u>145,933</u>	<u>155,032</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets.	(3,738,888)	(1,143,773)	-	(256,946)	(5,139,607)
Sale of capital assets	-	-	-	18,871	18,871
Principal retirement	(2,357,238)	(570,962)	(148)	(194,644)	(3,122,992)
Note issuance	1,390,000	200,000	-	-	1,590,000
Note issuance costs	(3,637)	(2,985)	-	-	(6,622)
Premium on notes.	1,748	282	-	-	2,030
Interest and fiscal charges.	(508,441)	(56,231)	(28)	(16,330)	(581,030)
Net cash used in capital and related financing activities	<u>(5,216,456)</u>	<u>(1,573,669)</u>	<u>(176)</u>	<u>(449,049)</u>	<u>(7,239,350)</u>
Cash flows from investing activities:					
Interest received.	247,211	-	-	-	247,211
Sale of investments	3,615,976	-	-	-	3,615,976
Net cash provided by investing activities	<u>3,863,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,863,187</u>
Net increase (decrease) in cash and cash equivalents	661,146	(392,082)	359,162	131,774	760,000
Cash and cash equivalents at beginning of year	<u>1,274,581</u>	<u>2,917,977</u>	<u>537,172</u>	<u>492,481</u>	<u>5,222,211</u>
Cash and cash equivalents at end of year	<u>\$ 1,935,727</u>	<u>\$ 2,525,895</u>	<u>\$ 896,334</u>	<u>\$ 624,255</u>	<u>\$ 5,982,211</u>

**Governmental
Activities -
Internal
Service Funds**

\$ 2,429,155
473,835
149,170
-
(425,006)
(474,460)
(2,664,939)
-

(512,245)

-
45,000
-

45,000

-
-
-
-
-
-
-

-

-
-

-

(467,245)

2,014,714
\$ 1,547,469

-- continued

CITY OF BARBERTON, OHIO

*STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2008*

	Business-type Activities - Enterprise Funds				
	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 1,414,203	\$ (93,903)	\$ 65,411	\$ 73,943	\$ 1,459,654
Adjustments:					
Depreciation	536,780	1,055,680	-	351,008	1,943,468
Changes in assets and liabilities:					
(Increase) in materials and supplies inventory.	(14,357)	(646)	-	-	(15,003)
(Increase) decrease in accounts receivable	(22,119)	53,687	(13,872)	3,348	21,044
Decrease in intergovernmental receivable	-	-	-	-	-
(Increase) decrease in prepayments.	110	408	(7)	9,018	9,529
Increase (decrease) in accounts payable	64,927	94,895	(141,152)	3,686	22,356
Increase in contracts payable.	-	-	447,199		447,199
Increase in accrued wages and benefits	22,751	14,909	337	9,708	47,705
Increase (decrease) in due to other governments.	4,754	517	117	(5,027)	361
Increase (decrease) in compensated absences payable	1,528	52,779	1,305	(10,794)	44,818
Increase in claims payable	-	-	-	-	-
Net cash provided by (used in) operating activities.	<u>\$ 2,008,577</u>	<u>\$ 1,178,326</u>	<u>\$ 359,338</u>	<u>\$ 434,890</u>	<u>\$ 3,981,131</u>
Reconciliation of cash and cash equivalents:					
Equity in pooled cash and cash equivalents.	\$ 1,935,727	\$ 1,486,794	\$ 896,334	\$ 624,255	\$ 4,943,110
Restricted equity in pooled cash and cash equivalents.	-	1,039,101	-	-	1,039,101
Total cash and cash equivalents.	<u>\$ 1,935,727</u>	<u>\$ 2,525,895</u>	<u>\$ 896,334</u>	<u>\$ 624,255</u>	<u>\$ 5,982,211</u>

At December 31, 2008 and December 31, 2007, the Water fund purchased \$122,601 and \$595,391, respectively, in capital assets on account.
 At December 31, 2008 and December 31, 2007, the Sewer fund purchased \$54,034 and \$5,610, respectively, in capital assets on account.
 At December 31, 2008 and December 31, 2007, the Storm Water nonmajor enterprise fund purchased \$7,280 and \$47,804, respectively, in capital assets on account.
 The Storm Water nonmajor enterprise fund entered into a capital lease transaction for \$121,316 during 2008.
 The Lake Cinema nonmajor enterprise fund transferred capital assets, net of accumulated depreciation, in the amount of \$39,591 to governmental activities during 2008.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Governmental
Activities -
Internal
Service Funds**

\$ (723,301)

-

-

(4,542)

6,170

-

(12,186)

-

-

-

-

221,614

\$ (512,245)

\$ 1,547,469

-

\$ 1,547,469

CITY OF BARBERTON, OHIO

*STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2008*

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents.	\$ <u>155,308</u>
Liabilities:	
Deposits held and due to others.	\$ <u>155,308</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, 2008

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, 2008

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, 2008

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

Fire station construction fund - This fund accounts for the revenues and expenditures associated with the construction of the fire station.

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.

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

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, 2008

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, 2008

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.

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise 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, 2008, but which were levied to finance year 2009 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as unearned revenue. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2008, are recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have 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 personal services, operating, and capital expenditure level for each department within the general fund and at the personal services, operating and capital expenditure level for all other funds of the City. Any budget modifications at these levels may only be made through an ordinance of Council. Budgetary statements are presented beyond that legal level of control for information purposes only.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the 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, 2008**

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 2008, investments were limited to certificates of deposit, repurchase agreements, federal agency securities, U.S. Treasury 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 shares price which is the price the investment could be sold for on December 31, 2008.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2008 amounted to \$375,654 which includes \$297,310 assigned from other City funds.

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

An analysis of the City's investment 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 expensed/expensed when used. Inventory consists of expendable supplies held for consumption.

I. Restricted Assets

Certain cash and cash equivalents are classified as restricted cash on the financial statements because these funds are being held by a trustee as designated by the bond indenture.

Restricted assets at December 31, 2008, were as follows:

Restricted assets held by the City	
Replacement and improvement	\$1,039,101

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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

J. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net 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.

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>	<u>Years</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.

K. Compensated Absences

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

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

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

L. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

M. Accrued Liabilities and Long-Term Obligations

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

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

N. 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, 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.

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.

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.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

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

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.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2008, the City has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations" and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the City; however, certain disclosures related to postemployment benefits (see Note 13) have been modified to conform to the new reporting requirements.

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of GASB Statement No. 49 did not have an effect on the financial statements of the City.

GASB Statement No. 50 establishes standards that more closely align the financial reporting requirements for pensions with those of other postemployment benefits. The implementation of GASB Statement No. 50 did not have an effect on the financial statements of the City.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

Fund balances at December 31, 2008 included the following individual fund deficits:

<u>Major Fund</u>	<u>Deficit</u>
Fire station construction	\$ 1,816,235
 <u>Nonmajor Governmental Funds</u>	
Street improvement	311,308
Issue II	251,668

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 resulted from adjustments for accrued liabilities and notes payable.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

5. No-load money market mutual funds consisting exclusively of obligations described in items 1 or 2 above, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
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;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and,
3. Obligations of the City.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the 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, 2008, the carrying amount of all City deposits was \$7,654,136, exclusive of the \$1,090,000 repurchase agreement included in investments below. As of December 31, 2008, \$7,542,734 of the City's bank balance of \$8,870,629 was exposed to custodial risk as discussed below, while \$1,327,895 was covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by Ohio Revised Code, is held in collateral pools at 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.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of December 31, 2008, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>
FHLB	\$ 402,050	\$ 402,050	\$ -	\$ -
FHLB DN	2,607,540	1,949,320	658,220	-
FHLMC	300,546	300,546	-	-
FHLMC DN	1,099,088	1,099,088	-	-
FNMA	710,391	354,437	-	355,954
FNMA DN	3,028,597	2,699,587	329,010	-
STAR Ohio	188,427	188,427	-	-
Repurchase agreement	1,090,000	1,090,000	-	-
U.S. Treasury money markets	1,209,118	1,209,118	-	-
Total	<u>\$ 10,635,757</u>	<u>\$ 9,292,573</u>	<u>\$ 987,230</u>	<u>\$ 355,954</u>

The weighted average maturity of investments is 0.22 years.

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

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 and U.S. Treasury money market funds carry 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 investments in federal agency securities, and the federal agency securities that underlie the repurchase agreement, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively.

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, 2008:

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 402,050	3.78
FHLB DN	2,607,540	24.52
FHLMC	300,546	2.83
FHLMC DN	1,099,088	10.33
FNMA	710,391	6.68
FNMA DN	3,028,597	28.47
STAR Ohio	188,427	1.77
Repurchase agreement	1,090,000	10.25
U.S. Treasury money market	<u>1,209,118</u>	<u>11.37</u>
Total	<u>\$ 10,635,757</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of December 31, 2008:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 7,654,136
Investments	<u>10,635,757</u>
Total	<u>\$ 18,289,893</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 8,544,324
Business type activities	9,590,261
Agency funds	<u>155,308</u>
Total	<u>\$ 18,289,893</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended December 31, 2008, consisted of the following:

<u>Transfer to</u>	<u>Transfers from</u>		
	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>
<u>Governmental funds</u>			
General fund	\$ -	\$ -	\$ 4,067
Health district fund	534,558	-	-
Nonmajor governmental funds	<u>1,218,000</u>	<u>14,724</u>	<u>-</u>
Total governmental funds	<u>1,752,558</u>	<u>14,724</u>	<u>4,067</u>
 <u>Proprietary funds</u>			
Nonmajor enterprise funds	150,000	-	-
Internal service funds	<u>45,000</u>	<u>-</u>	<u>-</u>
Total proprietary funds	<u>195,000</u>	<u>-</u>	<u>-</u>
Grand total	<u>\$ 1,947,558</u>	<u>\$ 14,724</u>	<u>\$ 4,067</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

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

Non-routine transfers include the general fund transferring \$150,000 to the community center nonmajor enterprise fund for operations, the tax increment financing nonmajor special revenue fund transferring \$14,724 to the debt service fund for debt service payments, and the Lake Cinema nonmajor enterprise fund transferring \$4,067 to the general fund to close-out the fund. In addition, \$39,591 in capital assets, net of accumulated depreciation, was transferred from the Lake Cinema fund to governmental activities to close-out the fund. This amount, which is not included in the schedule above, is shown as a transfer on the statement of revenues, expenses, and changes in net assets - proprietary funds. This amount is included in transfers in governmental activities and business-type activities on the statement of activities.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2008, 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 amount to \$166,466 in the special assessment bond retirement debt service fund. The amount of delinquent special assessments outstanding at year-end is approximately \$50,000.

A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in 2008 (other than public utility property) represent the collection of 2008 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. Tangible personal property tax is being phased out - the assessment percentage for property, including inventory, is 6.25% for 2008. This percentage will be reduced to 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.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 6 - RECEIVABLES - (Continued)

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2008-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Barberton. The 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, 2008 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2008 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

The full tax rate for all City operations for the year ended December 31, 2008 was \$3.50 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

Real property	\$ 396,658,680
Tangible personal property	23,995,575
Public utility property	<u>8,342,960</u>
Total	<u>\$ 428,997,215</u>

B. Municipal Income Taxes

The City levies a municipal income tax of 2% 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% to be voted by residents of the City. Additional increases in the income tax rate would require voter approval.

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 6 - RECEIVABLES - (Continued)

C. Intergovernmental Receivables

A summary of the intergovernmental receivables follows:

<u>Governmental activities</u>	<u>Amounts</u>
Local government State support	\$ 793,280
Motor vehicle and gas tax	394,761
Other	18,847
Health district grants	36,627
Community development grants	406,222
Homestead and rollback	125,798
Municipal court	122,425
Permissive license tax	3,983
Brownfield grants	213,002
Parks grants	4,500
FEMA grants	<u>33,656</u>
Total	<u>\$ 2,153,101</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, 2008 is \$1,777 and \$615,908 in the general fund and the nonmajor special revenue funds, respectively. The City will collect approximately \$50,000 in 2009.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 7 - CAPITAL ASSETS

A. Capital asset activity for the year ended December 31, 2008, was as follows:

<u>Governmental Activities:</u>	<u>Balance</u>			<u>Balance</u>
	<u>12/31/07</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/08</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,656,302	\$ 181,611	\$ (70,544)	\$ 5,767,369
Construction in progress	<u>579,558</u>	<u>1,892,133</u>	<u>(531,319)</u>	<u>1,940,372</u>
Total capital assets, not being depreciated	<u>6,235,860</u>	<u>2,073,744</u>	<u>(601,863)</u>	<u>7,707,741</u>
<i>Capital assets, being depreciated:</i>				
Buildings	6,548,024	632,108	(37,072)	7,143,060
Vehicles and equipment	11,548,212	792,470	(553,575)	11,787,107
Infrastructure:				
Street subsystem	16,617,792	-	-	16,617,792
Traffic signals subsystem	<u>1,620,904</u>	<u>-</u>	<u>-</u>	<u>1,620,904</u>
Total capital assets, being depreciated	<u>36,334,932</u>	<u>1,424,578</u>	<u>(590,647)</u>	<u>37,168,863</u>
Less: accumulated depreciation:				
Buildings	(3,896,480)	(159,343)	37,072	(4,018,751)
Vehicles and equipment	(8,620,315)	(578,161)	474,694	(8,723,782)
Infrastructure:				
Street subsystem	(6,690,859)	(555,825)	-	(7,246,684)
Traffic signal subsystem	<u>(189,911)</u>	<u>(54,030)</u>	<u>-</u>	<u>(243,941)</u>
Total accumulated depreciation	<u>(19,397,565)</u>	<u>(1,347,359)</u>	<u>511,766</u>	<u>(20,233,158)</u>
Total capital assets being depreciated, net	<u>16,937,367</u>	<u>77,219</u>	<u>(78,881)</u>	<u>16,935,705</u>
Governmental activities capital assets, net	<u>\$ 23,173,227</u>	<u>\$ 2,150,963</u>	<u>\$ (680,744)</u>	<u>\$ 24,643,446</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 124,599
Public safety	302,623
Health and welfare	7,102
Transportation	655,658
Community environment	82,156
Leisure time activity	<u>175,221</u>
Total depreciation expense	<u>\$ 1,347,359</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 7 - CAPITAL ASSETS - (Continued)

B. Capital asset activity for the year ended December 31, 2008 was as follows:

<u>Business-Type activities:</u>	<u>Balance</u> 12/31/07	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> 12/31/08
<i>Capital assets, not being depreciated:</i>				
Land	\$ 964,189	\$ -	\$ (1,909)	\$ 962,280
Construction in progress	<u>5,135,265</u>	<u>4,390,111</u>	<u>(445,377)</u>	<u>9,079,999</u>
Total capital assets, not being depreciated	<u>6,099,454</u>	<u>4,390,111</u>	<u>(447,286)</u>	<u>10,042,279</u>
<i>Capital assets, being depreciated:</i>				
Buildings	32,988,878	467,584	(50,116)	33,406,346
Vehicles and equipment	4,311,549	185,942	(181,909)	4,315,582
Infrastructure				
Water lines	10,406,947	-	-	10,406,947
Sewer lines	17,580,104	-	-	17,580,104
Storm sewer lines	<u>6,094,618</u>	<u>197,773</u>	<u>-</u>	<u>6,292,391</u>
Total capital assets, being depreciated	<u>71,382,096</u>	<u>851,299</u>	<u>(232,025)</u>	<u>72,001,370</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(17,497,544)	(939,270)	10,525	(18,426,289)
Vehicles and equipment	(2,901,978)	(215,111)	178,592	(2,938,497)
Infrastructure				
Water lines	(4,624,965)	(212,527)	-	(4,837,492)
Sewer lines	(8,911,626)	(365,054)	-	(9,276,680)
Storm sewer lines	<u>(2,727,497)</u>	<u>(211,506)</u>	<u>-</u>	<u>(2,939,003)</u>
Total accumulated depreciation	<u>(36,663,610)</u>	<u>(1,943,468)</u>	<u>189,117</u>	<u>(38,417,961)</u>
Total capital assets, being depreciated, net	<u>34,718,486</u>	<u>(1,092,169)</u>	<u>(42,908)</u>	<u>33,583,409</u>
Business-Type activities capital assets, net	<u>\$ 40,817,940</u>	<u>\$ 3,297,942</u>	<u>\$ (490,194)</u>	<u>\$ 43,625,688</u>

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

Water	\$ 536,780
Sewer	1,055,680
Storm water	245,518
Community center	<u>105,490</u>
Total depreciation expense	<u>\$ 1,943,468</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 8 - CAPITAL LEASES

During 2008, the City entered into a capital lease agreement for a ladder truck and a case loader. In the prior year, the City entered into capital leases for a phone system, a street sweeper and three vehicles. A portion of the principal and interest payments for the phone system capital lease will be paid from both governmental and enterprise funds. The ladder truck and three vehicles capital lease payments will be paid from the fire capital levy nonmajor special revenue fund. The street sweeper and case loader capital lease payments will be made solely from the storm water 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 and vehicles have been capitalized in the statement of net assets in the amount of \$704,912 in governmental activities. This amount represents the present value of the minimum lease payments at the time of acquisition. A liability of \$544,771 is reported on the statement of net assets at year-end, which represents the amount of principal payments the general fund, health fund, and other nonmajor governmental funds will be making. The governmental funds made \$97,710 and \$16,407 in principal and interest payments, respectively, during 2008.

Equipment consisting of a street sweeper and case loader has been capitalized in the storm water nonmajor enterprise fund in the amount of \$242,355. 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 at the time of acquisition, has not been capitalized in the enterprise funds. The amount of \$185,617 represents the present value of the minimum lease payments at the time of acquisition for the leases and has been recorded as a liability in the water, sewer and nonmajor enterprise funds. Principal and interest payments in fiscal year 2008 totaled \$61,538 and \$5,545, respectively.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Asset:		
Equipment and vehicles	\$ 704,912	\$ 242,355
Less: accumulated depreciation	<u>(145,840)</u>	<u>(36,330)</u>
Total	<u>\$ 559,072</u>	<u>\$ 206,025</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 8 - CAPITAL LEASES - (Continued)

Such agreements provide for minimum, annual payments as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2009	\$ 170,936	\$ 67,083
2010	170,937	67,083
2011	93,310	67,083
2012	56,819	-
2013	56,819	-
2014	<u>56,819</u>	<u>-</u>
Total	605,640	201,249
Less: amount representing interest	<u>(60,869)</u>	<u>(15,632)</u>
Present value of net minimum lease payments	<u>\$ 544,771</u>	<u>\$ 185,617</u>

NOTE 9 - NOTES PAYABLE

Changes in the City's note activity for the year ended December 31, 2008, were as follows:

	<u>Balance 12/31/2007</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/2008</u>
<u>Governmental Fund Notes</u>				
Street Improvement Notes - 4.49%	\$ 295,000	\$ -	\$ (295,000)	\$ -
Street Improvement Notes - 4.00%	-	250,000	-	250,000
Street Improvement Notes - 3.74%	384,000	-	(384,000)	-
Street Improvement Notes - 4.00%	-	310,000	-	310,000
Fire Improvement Notes - 2.75%	<u>-</u>	<u>2,210,000</u>	<u>-</u>	<u>2,210,000</u>
Total Governmental Fund Notes	<u>\$ 679,000</u>	<u>\$ 2,770,000</u>	<u>\$ (679,000)</u>	<u>\$ 2,770,000</u>
<u>Enterprise Fund Notes</u>				
Utility System Improvement Notes - 3.99%	\$ 200,000	\$ -	\$ (200,000)	\$ -
Utility System Improvement Notes - 2.25%	-	200,000	-	200,000
Robinson Avenue Waterline Notes - 3.74%	36,000	-	(36,000)	-
Robinson Avenue Waterline Notes - 4.00%	-	36,000	-	36,000
Water Plant Improvement Notes - 4.00%	120,000	-	(120,000)	-
Water Plant Improvement Notes - 2.25%	-	120,000	-	120,000
Community Center Improvement Notes - 4.00%	90,000	-	(90,000)	-
Norton Avenue Notes - 3.99%	30,000	-	(30,000)	-
Norton Avenue Notes - 2.25%	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total Enterprise Fund Notes	<u>\$ 476,000</u>	<u>\$ 386,000</u>	<u>\$ (476,000)</u>	<u>\$ 386,000</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 9 - NOTES PAYABLE - (Continued)

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. Fire improvement note proceeds in the amount of \$1,816,105 have been spent as of December 31, 2008.

NOTE 10 - LONG-TERM OBLIGATIONS

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

<u>Debt issue</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
Governmental Activities				
<u>General Obligation Bonds:</u>				
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 Bonds:</u>				
Street Improvement	2001	4.50%	237,000	2011
Street Improvement	2005	4.00%	112,450	2015
<u>Other Debt:</u>				
HUD Section 108 loan	1994	4.57-7.18%	2,225,000	2013
<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 Bonds:</u>				
Waterworks System Revenue	2006	3.75-5.00%	9,305,000	2026
<u>Long-Term Notes:</u>				
Utility System Improvement	1998	2.25-4.00%	2,545,000	2010
Robinson Avenue Waterline	2004	1.75-4.00%	360,000	2013
Water Plant Improvement	2005	2.25-4.00%	1,785,000	2011
Norton Avenue	2005	2.25-4.00%	300,000	2015

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

Governmental Activities:	<u>Balance</u> <u>12/31/07</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at</u> <u>12/31/08</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
<u>General Obligation Bonds:</u>					
Construction Bonds	\$ 3,138,283	\$ -	\$ (488,867)	\$ 2,649,416	\$ 500,705
Fifth Street Bonds	225,000	-	(30,000)	195,000	30,000
Street Vactor Machine Bonds	40,984	-	(19,672)	21,312	21,312
Fire Department Ambulance Bonds	26,639	-	(12,787)	13,852	13,852
Sports Complex Bonds	603,289	-	(113,210)	490,079	117,678
Premium on Construction Bonds	<u>10,315</u>	<u>-</u>	<u>(1,720)</u>	<u>8,595</u>	<u>-</u>
Total General Obligation Bonds	<u>4,044,510</u>	<u>-</u>	<u>(666,256)</u>	<u>3,378,254</u>	<u>683,547</u>
<u>Special Assessment Bonds:</u>					
Street Improvement	107,500	-	(25,100)	82,400	26,300
Street Improvement	<u>94,300</u>	<u>-</u>	<u>(10,234)</u>	<u>84,066</u>	<u>10,644</u>
Total Special Assessment Bonds	<u>201,800</u>	<u>-</u>	<u>(35,334)</u>	<u>166,466</u>	<u>36,944</u>
<u>Long-Term Notes:</u>					
Building Improvement Notes	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>
Total Long-Term Notes	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>
<u>Other Debt:</u>					
HUD Section 108 Loan	1,095,000	-	(115,000)	980,000	115,000
Capital Lease	342,481	300,000	(97,710)	544,771	147,913
Compensated Absences	<u>2,991,341</u>	<u>1,114,623</u>	<u>(940,823)</u>	<u>3,165,141</u>	<u>737,774</u>
Total Other Debt	<u>4,428,822</u>	<u>1,414,623</u>	<u>(1,153,533)</u>	<u>4,689,912</u>	<u>1,000,687</u>
Total Governmental Activities	<u>\$ 8,695,132</u>	<u>\$ 1,414,623</u>	<u>\$ (1,875,123)</u>	<u>\$ 8,234,632</u>	<u>\$ 1,721,178</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Business-Type activities:	<u>Balance</u> <u>12/31/07</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at</u> <u>12/31/08</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
General Obligation Bonds:					
Water Bonds Refunding	\$ 1,375,000	\$ -	\$ (260,000)	\$ 1,115,000	\$ 265,000
Water Revenue Bonds Refunding - Deferred Amount	(11,334)	-	2,304	(9,030)	-
Various Purpose - New Haven	841,724	-	(131,123)	710,601	134,295
Community Center Bonds	261,792	-	(49,126)	212,666	51,066
Sanitary Sewer Bonds	981,071	-	(184,102)	796,969	191,370
Wolf Creek Dam Repair Bonds	178,848	-	(33,562)	145,286	34,886
Sewer Vactor Equipment Bonds	57,377	-	(27,541)	29,836	29,836
Premium on Various Purpose - New Haven	1,951	-	(325)	1,626	-
Total General Obligation Bonds	<u>3,686,429</u>	<u>-</u>	<u>(683,475)</u>	<u>3,002,954</u>	<u>706,453</u>
Revenue Bonds:					
Waterworks System Revenue Bonds	8,805,000	-	(310,000)	8,495,000	325,000
Waterworks System Revenue Bonds - Unamortized Premium	176,318	-	(9,320)	166,998	-
Total Revenue Refunding Bonds	<u>8,981,318</u>	<u>-</u>	<u>(319,320)</u>	<u>8,661,998</u>	<u>325,000</u>
Long-Term Notes:					
Utility System Improvement Notes	400,000	-	(400,000)	-	-
Utility System Improvement Notes	-	200,000	-	200,000	-
Robinson Avenue Waterline Notes	150,000	-	(150,000)	-	-
Robinson Avenue Waterline Notes	-	114,000	-	114,000	-
Water Plant Improvement Notes	830,000	-	(830,000)	-	-
Water Plant Improvement Notes	-	710,000	-	710,000	-
Norton Avenue Notes	210,000	-	(210,000)	-	-
Norton Avenue Notes	-	180,000	-	180,000	-
Total Long-Term Notes	<u>1,590,000</u>	<u>1,204,000</u>	<u>(1,590,000)</u>	<u>1,204,000</u>	<u>-</u>
Capital Leases	125,839	121,316	(61,538)	185,617	59,374
Compensated Absences	588,366	196,846	(146,882)	638,330	116,704
Total Business-Type Activities	<u>\$ 14,971,952</u>	<u>\$ 1,522,162</u>	<u>\$ (2,801,215)</u>	<u>\$ 13,692,899</u>	<u>\$ 1,207,531</u>

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

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

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.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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 storm water enterprise funds.

Revenue Bonds

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, 2008 the bonds have an outstanding balance of \$8,495,000 and mature on December 1, 2026.

The City has pledged future water customer revenues, net of specified operating expenses, to finance water system improvements. The water revenue bonds are payable solely from water customer net revenues and are payable through 2027. Annual principal and interest payments on the bonds are expected to require less than 35.25 percent of net revenues. The total principal and interest remaining to be paid on the water revenue bonds is \$8,495,000. Principal and interest paid for the current year and total customer net revenues were \$687,691 and \$1,950,983, respectively.

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, 2008 was \$1,115,000.

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% - 3.55%. The reacquisition price exceeded the net carrying amount of the old debt by \$18,444. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to interest expense through the year 2012 using the straight-line method.

Bond Anticipation Notes

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

The City's overall legal debt margin was \$36,168,457 at December 31, 2008.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire the outstanding debt at December 31, 2008, are as follows:

Year Ending December 31,	Governmental Activities					
	General Obligation Bonds			Special Assessment Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 683,547	\$ 107,294	\$ 790,841	\$ 36,944	\$ 7,071	\$ 44,015
2010	663,196	88,390	751,586	38,469	5,461	43,930
2011	681,946	68,555	750,501	40,212	3,786	43,998
2012	707,185	46,572	753,757	11,973	2,034	14,007
2013	598,785	22,073	620,858	12,452	1,555	14,007
2014	35,000	1,540	36,540	13,208	798	14,006
2015	-	-	-	13,208	797	14,005
Total	<u>\$ 3,369,659</u>	<u>\$ 334,424</u>	<u>\$ 3,704,083</u>	<u>\$ 166,466</u>	<u>\$ 21,502</u>	<u>\$ 187,968</u>

Year Ending December 31,	Governmental Activities		
	HUD Section 108 Loans		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 115,000	\$ 44,747	\$ 159,747
2010	115,000	40,354	155,354
2011	115,000	35,581	150,581
2012	115,000	30,475	145,475
2013	<u>520,000</u>	<u>25,116</u>	<u>545,116</u>
Total	<u>\$ 980,000</u>	<u>\$ 176,273</u>	<u>\$ 1,156,273</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	Business-Type Activities					
	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 706,453	\$ 97,476	\$ 803,929	\$ 325,000	\$ 366,066	\$ 691,066
2010	691,810	76,752	768,562	335,000	353,879	688,879
2011	718,061	55,026	773,087	345,000	341,316	686,316
2012	742,820	31,255	774,075	360,000	328,378	688,378
2013	151,214	5,104	156,318	375,000	1,397,644	1,772,644
2014 - 2018	-	-	-	2,145,000	1,299,831	3,444,831
2019 - 2023	-	-	-	2,705,000	738,291	3,443,291
2024 - 2026	-	-	-	1,905,000	4,062,716	5,967,716
Total	<u>\$ 3,010,358</u>	<u>\$ 265,613</u>	<u>\$ 3,275,971</u>	<u>\$ 8,495,000</u>	<u>\$ 8,888,121</u>	<u>\$ 17,383,121</u>

Conduit Debt

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

Since the City has acted in a fiduciary capacity related to these transactions, the payment activity has been presented within an agency fund in the accompanying financial statements. As of December 31, 2008, there were three series of housing revenue bonds outstanding. The aggregate principal amount payable at December 31, 2008 was \$2,453,145.

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 \$100.00 single and \$300.00 family deductible. The City uses a third party administrator to review, process, and pay all claims, on behalf of the City.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 11 - RISK MANAGEMENT - (Continued)

The City purchases stop-loss coverage for claims in excess of \$100,000 per employee with an aggregate of \$1,000,000 per year. The City pays into the self-insurance internal service fund \$1,144.50 for family coverage or \$487.50 for individual coverage per employee per month which represents the entire premium required for the non-bargaining, dispatch, police and fire employees. For AFSCME and health district employees the City pays \$359.00 for single coverage and \$897.00 for family coverage. The City also pays \$213.25 for both single and family coverage for AFSCME employees for prescription, vision, hearing and dental benefits. These premiums are paid by the fund that pays the wage or salary of the employee and is based on historical cost information. At December 31, 2008, all participating employees contributed \$15.00 for single and \$25.00 for family coverage per pay towards healthcare.

The claims liability of \$491,094 reported in the internal service fund at December 31, 2008 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 2007 and 2008 are:

	Balance at Beginning of Year	Current Claims	Claims Payment	Balance at End of Year
2007	\$ 202,912	\$ 2,158,598	\$ (2,092,030)	\$ 269,480
2008	269,480	2,886,553	(2,664,939)	491,094

NOTE 12 - PENSION PLANS

A. Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan 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 Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the 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, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 12 - PENSION PLANS - (Continued)

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2008 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.10%.

The City's contribution rate for 2008 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.40% of covered payroll. For 2008, a portion equal to 7.00% of covered payroll was allocated to fund the post-employment health care plan.

The City's contribution rate for pension benefits for 2008 was 7.00%, except for those plan members in law enforcement and public safety. For those classifications, the City's pension contributions were 10.40% of covered payroll. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2008, 2007, and 2006 were \$576,754, \$717,781 and \$703,525, respectively; 100% has been contributed for 2008, 2007 and 2006.

B. Ohio Police and Fire Pension Fund

Plan Description - 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2008, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$345,852 and \$517,757 for the year ended December 31, 2008, \$339,810 and \$492,796 for the year ended December 31, 2007 and \$306,008 and \$450,800, for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 76.77% has been contributed for police and firefighters for 2008.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 13 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administrated in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, local government employers contributed 14.00% of covered payroll (17.40% for public safety and law enforcement). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The amount of the employer contributions which was allocated to fund post-employment healthcare for 2008 was 7.00% of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$576,754, \$468,414 and \$344,116, respectively; 100% has been contributed for 2008, 2007 and 2006.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the OP&F Pension Fund sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 13 - POSTRETIREMENT BENEFIT PLANS - (Continued)

OP&F provides access to post-employment 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.

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

OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - The OP&F's post-employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2008, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$183,098 and \$202,601 for the year ended December 31, 2008, \$179,777 and \$192,595 for the year ended December 31, 2007 and \$201,468 and \$215,079 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 76.77% has been contributed for police and firefighters for 2008.

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 except for 1) firefighters with more than 14 years can bank up to 912 hours at retirement; 2) health district workers can bank any current and any properly accrued vacation hours upon retirement; and 3) finance workers who can bank up to 90 days at retirement.

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS - (Continued)

Sick leave is earned for all full time employees at the rate of 4.6 hours per 80 hours, except for 1) firefighters working 24 hour shifts earn 8.3 hours per 80 hours; 2) health district workers who earn 4.312 hours per 75 hours; and 3) 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 hours (or 1.8 days) - 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 expenditure/expense when the insurance premiums are paid.

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 are 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 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); and,
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.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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.

	<u>General</u>	<u>Health District</u>
Budget basis	\$ (737,698)	\$ 14,030
Net adjustment for revenue accruals	(109,263)	(25,792)
Net adjustment for expenditure accruals	(184,289)	125,177
Adjustment for encumbrances	<u>421,988</u>	<u>4,557</u>
GAAP basis	<u>\$ (609,262)</u>	<u>\$ 117,972</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.

B. Barberton Community Foundation

The City participates in the Barberton Community Foundation (the "Foundation"). The City initially appointed a voting majority of the Foundation. The City Council has limited veto abilities over subsequent nominees to the Foundation Board and therefore has limited influence on the Foundation's operation. In 2008, the City received \$447,830 in grants from the Foundation. During 2008, 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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2008.

B. Litigation

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

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 18 - SIGNIFICANT SUBSEQUENT EVENTS

In April 2009, the City issued the following bond anticipation notes:

- \$710,000 for the purpose of improving the Municipal Waterworks System. These notes mature in April 2010.
- \$200,000 for the purpose of improving the water and sewer systems of the City. These notes mature in April 2010.
- \$180,000 for the purpose of improving the Municipal Waterworks System by installing and replacing water mains in Norton Avenue. These notes mature in April 2010.

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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.

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:

MAJOR SPECIAL REVENUE FUND

Health District Fund

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

NONMAJOR SPECIAL REVENUE FUNDS

Street Construction, Maintenance and Repair Fund

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

State Highway Improvement Fund

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

Permissive License Tax Fund

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

Residential Street Fund

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

Fire Capital Levy Fund

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

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.

Court Special Projects Fund

This fund accounts for revenues collected from the municipal court to be used on various projects of the municipal court. This fund will be established by the City in 2009 on cash-basis; therefore a budget and actual (non-GAAP budgetary basis) schedule is not presented for 2008.

Indigent Drivers Alcohol Treatment Fund

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

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Sports Complex Operating Fund

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

Parks Recreation Improvement Fund

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

Gas and Oil Royalty Fund

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

D.A.R.E. Program Fund

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

Mandatory Drug Fines Fund

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

Local Law Enforcement Trust Fund

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

Parks Revolving Loan Fund

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

Sidewalk Improvement Program Fund

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

City Grant Fund

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

Federal Emergency Management Agency 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.

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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. This fund did not have any activity on cash-basis during 2008; therefore a budget and actual (non-GAAP budgetary basis) schedule has not been presented.

Tax Increment Financing Fund

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

Lake Cinema Complex Maintenance Fund

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

Project Impact Fund

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

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.

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

CAPITAL PROJECTS FUNDS

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

MAJOR CAPITAL PROJECTS FUNDS

Fire Station Construction Fund

This fund accounts for the revenues and expenditures associated with the construction of the fire station.

NONMAJOR CAPITAL PROJECTS FUNDS

Street Improvement Fund

This fund accounts for revenues and expenditures for street improvements.

Senior Center Construction Fund

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

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, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 1,268,459	\$ 1,345,311	\$ 1,336,696	\$ (8,615)
Municipal income taxes.	10,596,964	11,239,000	10,990,756	(248,244)
Charges for services.	1,486,206	1,576,250	1,771,300	195,050
Licenses and permits	137,103	145,410	141,994	(3,416)
Fines and forfeitures	80,380	85,250	89,659	4,409
Intergovernmental	2,902,961	3,078,842	2,987,704	(91,138)
Investment income	379,035	402,000	367,337	(34,663)
Other	658,118	697,990	452,712	(245,278)
Total revenues.	17,509,226	18,570,053	18,138,158	(431,895)
Expenditures:				
Current:				
General government				
City council				
Personal services.	197,325	197,325	196,079	1,246
Operating.	4,100	4,100	3,842	258
Municipal court judges				
Personal services.	429,653	429,653	387,444	42,209
Operating.	25,430	25,430	17,933	7,497
Clerk of court				
Personal services.	696,150	696,150	654,277	41,873
Operating.	86,741	91,241	88,077	3,164
Mayor				
Personal services.	168,150	168,150	165,404	2,746
Operating.	17,075	17,075	16,784	291
Service director				
Personal services.	62,090	62,090	62,077	13
Operating.	206,095	314,195	309,592	4,603
Civil service commission				
Personal services.	13,347	13,347	7,350	5,997
Operating.	3,121	3,121	1,528	1,593
Finance department				
Personal services.	364,150	364,150	357,119	7,031
Operating.	106,660	106,660	96,513	10,147
Law department				
Personal services.	302,231	305,231	306,096	(865)
Operating.	122,278	122,278	115,903	6,375
Safety director				
Personal services.	82,095	82,595	82,403	192
Operating.	14,950	14,950	14,473	477
Human resources				
Personal services.	52,600	45,600	32,360	13,240
Operating.	46,948	50,448	34,766	15,682
Information systems				
Personal services.	63,835	68,835	68,577	258
Operating.	53,359	53,359	50,848	2,511

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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Municipal buildings				
Personal services.	\$ 94,374	\$ 94,374	\$ 94,305	\$ 69
Operating.	282,892	290,892	253,675	37,217
Probation				
Personal services.	115,700	117,200	117,171	29
Operating.	9,017	9,017	5,443	3,574
Engineer				
Operating.	44	44	-	44
Income tax				
Personal services.	54,250	54,250	53,753	497
Operating.	190,000	206,000	205,435	565
Other				
Personal services.	124,600	126,600	114,921	11,679
Operating.	214,851	222,851	218,247	4,604
Total general government.	<u>4,204,111</u>	<u>4,357,211</u>	<u>4,132,395</u>	<u>224,816</u>
Public safety				
Police department				
Personal services.	4,810,778	4,770,778	4,771,498	(720)
Operating.	465,286	559,506	526,054	33,452
Fire department				
Personal services.	4,488,250	4,488,250	4,445,333	42,917
Operating.	349,355	353,915	344,385	9,530
Total public safety	<u>10,113,669</u>	<u>10,172,449</u>	<u>10,087,270</u>	<u>85,179</u>
Transportation				
Paint/signal				
Personal services.	145,699	145,699	143,528	2,171
Operating.	17,706	21,706	20,531	1,175
Total transportation.	<u>163,405</u>	<u>167,405</u>	<u>164,059</u>	<u>3,346</u>
Leisure time activities				
Parks administration				
Personal services.	212,924	216,924	218,697	(1,773)
Operating.	35,779	39,279	36,418	2,861
Senior center				
Personal services.	87,669	104,169	99,466	4,703
Operating.	53,351	53,351	45,163	8,188
Recreation programs				
Personal services.	26,665	29,365	29,371	(6)
Operating.	8,650	8,650	7,374	1,276
Parks maintenance				
Personal services.	377,819	377,840	339,877	37,963
Operating.	88,543	88,522	84,743	3,779
Total leisure time activities	<u>891,400</u>	<u>918,100</u>	<u>861,109</u>	<u>56,991</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Community environment				
Building inspection				
Personal services.	\$ 582,411	\$ 560,266	\$ 510,969	\$ 49,297
Operating.	159,692	116,837	97,471	19,366
Planning				
Personal services.	116,353	119,353	117,116	2,237
Operating.	406,935	420,935	409,147	11,788
Total community environment	<u>1,265,391</u>	<u>1,217,391</u>	<u>1,134,703</u>	<u>82,688</u>
Capital outlay				
Finance department.	9,000	9,000	8,775	225
Human resources.	-	3,500	2,992	508
Information systems	39,270	39,270	38,150	1,120
Municipal buildings	7,500	7,500	7,364	136
Police department.	151,578	151,578	151,359	219
Fire department.	119,075	160,905	160,112	793
Parks administration	-	225,000	208,579	16,421
Senior center	-	21,350	20,407	943
Parks maintenance	29,154	29,154	29,106	48
Total capital outlay	<u>355,577</u>	<u>647,257</u>	<u>626,844</u>	<u>20,413</u>
Total expenditures.	<u>16,993,553</u>	<u>17,479,813</u>	<u>17,006,380</u>	<u>473,433</u>
Excess of revenues over expenditures	<u>515,673</u>	<u>1,090,240</u>	<u>1,131,778</u>	<u>41,538</u>
Other financing sources (uses):				
Transfers in	4,067	4,067	4,067	-
Transfers out	(1,850,558)	(1,947,558)	(1,947,558)	-
Sale of capital assets	-	-	74,015	74,015
Advances in	-	177,000	177,000	-
Advances out	-	(177,000)	(177,000)	-
Total other financing sources (uses)	<u>(1,846,491)</u>	<u>(1,943,491)</u>	<u>(1,869,476)</u>	<u>74,015</u>
Net change in fund balance	(1,330,818)	(853,251)	(737,698)	115,553
Fund balance at beginning of year	2,456,891	2,456,891	2,456,891	-
Prior year encumbrances appropriated.	297,997	297,997	297,997	-
Fund balance at end of year.	<u>\$ 1,424,070</u>	<u>\$ 1,901,637</u>	<u>\$ 2,017,190</u>	<u>\$ 115,553</u>

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CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,313,959	\$ 330,952	\$ 1,032,093	\$ 3,677,004
Receivables (net of allowances of uncollectibles):				
Property taxes.	516,878	-	-	516,878
Accounts	6,011	-	-	6,011
Intergovernmental	905,538	-	-	905,538
Special assessments	-	166,466	-	166,466
Notes receivable	615,908	-	-	615,908
Prepayments	7,430	-	-	7,430
Total assets	<u>\$ 4,365,724</u>	<u>\$ 497,418</u>	<u>\$ 1,032,093</u>	<u>\$ 5,895,235</u>
Liabilities:				
Accounts payable	\$ 96,583	\$ -	\$ 4,242	\$ 100,825
Accrued wages and benefits	42,592	-	-	42,592
Compensated absences payable	40,447	-	-	40,447
Due to other governments	43,418	-	-	43,418
Deferred revenue	779,334	166,466	-	945,800
Unearned revenue	473,476	-	-	473,476
Accrued interest payable.	-	-	3,015	3,015
Notes payable.	-	-	560,000	560,000
Total liabilities	<u>1,475,850</u>	<u>166,466</u>	<u>567,257</u>	<u>2,209,573</u>
Fund Balances:				
Reserved for encumbrances.	632,360	-	122,707	755,067
Reserved for prepayments	7,430	-	-	7,430
Reserved for notes receivable	615,908	-	-	615,908
Reserved for debt service	-	330,952	-	330,952
Unreserved, undesignated reported in:				
Special revenue funds	1,634,176	-	-	1,634,176
Capital projects funds	-	-	342,129	342,129
Total fund balances.	<u>2,889,874</u>	<u>330,952</u>	<u>464,836</u>	<u>3,685,662</u>
Total liabilities and fund balances	<u>\$ 4,365,724</u>	<u>\$ 497,418</u>	<u>\$ 1,032,093</u>	<u>\$ 5,895,235</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<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 taxes	\$ 486,440	\$ -	\$ -	\$ 486,440
Charges for services	94,240	-	-	94,240
Fines and forfeitures	110,626	-	-	110,626
Intergovernmental	2,008,410	-	-	2,008,410
Special assessments	101,311	85,841	-	187,152
Investment income	27,651	-	15,693	43,344
Contributions and donations	433,861	403,783	144,321	981,965
Other	117,162	-	-	117,162
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Total revenues	3,379,701	489,624	160,014	4,029,339
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
General government	90,987	-	-	90,987
Public safety	252,822	-	-	252,822
Transportation	1,447,942	-	-	1,447,942
Community environment.	654,230	-	-	654,230
Leisure time activities	466,443	-	-	466,443
Capital outlay.	1,131,635	-	67,726	1,199,361
Debt service:				
Principal retirement.	321,560	582,070	-	903,630
Interest and fiscal charges	83,668	109,474	25,266	218,408
Note issuance costs.	-	5,220	-	5,220
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	4,449,287	696,764	92,992	5,239,043
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(1,069,586)	(207,140)	67,022	(1,209,704)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses):				
Capital lease transaction	300,000	-	-	300,000
Sale of capital assets	5,828	-	-	5,828
Transfers in.	718,000	214,724	300,000	1,232,724
Transfers out	(14,724)	-	-	(14,724)
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Total other financing sources (uses)	1,009,104	214,724	300,000	1,523,828
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Net change in fund balances	(60,482)	7,584	367,022	314,124
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year.	2,950,356	323,368	97,814	3,371,538
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 2,889,874	\$ 330,952	\$ 464,836	\$ 3,685,662
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CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2008*

	<u>Street Construction Maintenance and Repair</u>	<u>State Highway Improvement</u>	<u>Permissive License Tax</u>	<u>Residential Street</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 403,752	\$ 59,523	\$ 409,947	\$ 143,903
Receivables (net of allowances for uncollectibles):				
Property taxes.	-	-	-	-
Accounts	1,011	-	-	-
Intergovernmental.	365,154	29,607	3,983	-
Notes receivable	-	-	-	-
Prepayments	6,788	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 776,705</u>	<u>\$ 89,130</u>	<u>\$ 413,930</u>	<u>\$ 143,903</u>
 Liabilities:				
Accounts payable	\$ 9,574	\$ -	\$ 17,010	\$ -
Accrued wages and benefits	37,556	-	-	-
Compensated absences payable.	40,447	-	-	-
Due to other governments	31,490	1,851	-	-
Deferred revenue.	267,920	23,128	-	-
Unearned revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>386,987</u>	<u>24,979</u>	<u>17,010</u>	<u>-</u>
 Fund Balances:				
Reserved for encumbrances	54,507	-	16,250	49,604
Reserved for prepayments.	6,788	-	-	-
Reserved for notes receivable	-	-	-	-
Unreserved, undesignated (deficit) reported in:				
Special revenue funds.	328,423	64,151	380,670	94,299
Total fund balances	<u>389,718</u>	<u>64,151</u>	<u>396,920</u>	<u>143,903</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 776,705</u>	<u>\$ 89,130</u>	<u>\$ 413,930</u>	<u>\$ 143,903</u>

<u>Fire Capital Levy</u>	<u>Court Computer</u>	<u>Court Special Projects</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Sports Complex Operating</u>	<u>Parks Recreation Improvement</u>
\$ 110,100	\$ 59,865	\$ -	\$ 22,682	\$ 6,043	\$ 621,712
287,044	-	-	-	-	-
-	-	-	-	-	-
20,606	3,884	18,424	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 417,750</u>	<u>\$ 63,749</u>	<u>\$ 18,424</u>	<u>\$ 22,682</u>	<u>\$ 6,043</u>	<u>\$ 621,712</u>
\$ 16,805	\$ 2,557	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	736	-
44,716	-	-	-	-	-
262,934	-	-	-	-	-
<u>324,455</u>	<u>2,557</u>	<u>-</u>	<u>-</u>	<u>736</u>	<u>-</u>
60	13,799	-	-	5,800	422,302
-	-	-	-	-	-
-	-	-	-	-	-
93,235	47,393	18,424	22,682	(493)	199,410
<u>93,295</u>	<u>61,192</u>	<u>18,424</u>	<u>22,682</u>	<u>5,307</u>	<u>621,712</u>
<u>\$ 417,750</u>	<u>\$ 63,749</u>	<u>\$ 18,424</u>	<u>\$ 22,682</u>	<u>\$ 6,043</u>	<u>\$ 621,712</u>

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CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2008*

	<u>Gas and Oil Royalty</u>	<u>D.A.R.E. Program</u>	<u>Mandatory Drug Fines</u>	<u>Local Law Enforcement Trust</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 2,260	\$ 9,459	\$ 6,123	\$ 6,296
Receivables (net of allowances for uncollectibles):				
Property taxes.	-	-	-	-
Accounts	-	-	-	-
Intergovernmental.	-	-	-	-
Notes receivable	-	-	-	-
Prepayments	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 2,260</u>	<u>\$ 9,459</u>	<u>\$ 6,123</u>	<u>\$ 6,296</u>
 Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Compensated absences payable.	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue.	-	-	-	-
Unearned revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund Balances:				
Reserved for encumbrances	-	275	-	-
Reserved for prepayments.	-	-	-	-
Reserved for notes receivable	-	-	-	-
Unreserved, undesignated (deficit) reported in:				
Special revenue funds.	2,260	9,184	6,123	6,296
Total fund balances	<u>2,260</u>	<u>9,459</u>	<u>6,123</u>	<u>6,296</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 2,260</u>	<u>\$ 9,459</u>	<u>\$ 6,123</u>	<u>\$ 6,296</u>

Parks Revolving Loan	Sidewalk Improvement Program	City Grant	Federal Emergency Management Agency	Emergency Reserve	Community Development Block Grant
\$ 16,735	\$ 36,307	\$ 38,500	\$ 158	\$ 281	\$ 22,251
-	-	-	-	-	-
-	-	-	-	-	-
4,500	-	1,748	33,656	-	406,222
-	-	-	-	-	348,908
-	-	-	-	-	-
<u>\$ 21,235</u>	<u>\$ 36,307</u>	<u>\$ 40,248</u>	<u>\$ 33,814</u>	<u>\$ 281</u>	<u>\$ 777,381</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,482
-	-	-	-	-	3,116
-	-	-	-	-	-
1,677	-	-	-	-	5,518
-	-	1,748	33,656	-	371,120
-	-	-	-	-	-
<u>1,677</u>	<u>-</u>	<u>1,748</u>	<u>33,656</u>	<u>-</u>	<u>418,236</u>
1,673	3,238	-	-	-	55,961
-	-	-	-	-	-
-	-	-	-	-	348,908
<u>17,885</u>	<u>33,069</u>	<u>38,500</u>	<u>158</u>	<u>281</u>	<u>(45,724)</u>
<u>19,558</u>	<u>36,307</u>	<u>38,500</u>	<u>158</u>	<u>281</u>	<u>359,145</u>
<u>\$ 21,235</u>	<u>\$ 36,307</u>	<u>\$ 40,248</u>	<u>\$ 33,814</u>	<u>\$ 281</u>	<u>\$ 777,381</u>

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CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2008*

	<u>Rental Rehabilitation</u>	<u>Home Investment Partnership</u>	<u>Tax Increment Financing</u>	<u>Lake Cinema Complex Maintenance</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 2,000	\$ -	\$ 48,067	\$ 20,900
Receivables (net of allowances for uncollectibles):				
Property taxes.	-	-	-	-
Accounts	-	-	-	5,000
Intergovernmental.	-	-	-	-
Notes receivable	-	267,000	-	-
Prepayments	-	-	-	-
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Total assets	<u>\$ 2,000</u>	<u>\$ 267,000</u>	<u>\$ 48,067</u>	<u>\$ 25,900</u>
 Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Compensated absences payable.	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue.	-	-	-	-
Unearned revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for prepayments.	-	-	-	-
Reserved for notes receivable	-	267,000	-	-
Unreserved, undesignated (deficit) reported in:				
Special revenue funds.	2,000	-	48,067	25,900
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Total fund balances	<u>2,000</u>	<u>267,000</u>	<u>48,067</u>	<u>25,900</u>
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Total liabilities and fund balances	<u>\$ 2,000</u>	<u>\$ 267,000</u>	<u>\$ 48,067</u>	<u>\$ 25,900</u>

Project Impact	Beautification	Downtown Sales and Rental	Senior Center Trust	Fire Pension	Police Pension	Total Nonmajor Special Revenue Funds
\$ 17,810	\$ 75,451	\$ 92	\$ 77,114	\$ 40,149	\$ 56,479	\$ 2,313,959
-	-	-	-	114,917	114,917	516,878
-	-	-	-	-	-	6,011
-	-	-	-	8,877	8,877	905,538
-	-	-	-	-	-	615,908
-	21	-	621	-	-	7,430
<u>\$ 17,810</u>	<u>\$ 75,472</u>	<u>\$ 92</u>	<u>\$ 77,735</u>	<u>\$ 163,943</u>	<u>\$ 180,273</u>	<u>\$ 4,365,724</u>
\$ -	\$ -	\$ -	\$ 12,155	\$ -	\$ -	\$ 96,583
-	1,903	-	17	-	-	42,592
-	-	-	-	-	-	40,447
-	2,006	-	140	-	-	43,418
-	-	-	-	18,523	18,523	779,334
-	-	-	-	105,271	105,271	473,476
-	3,909	-	12,312	123,794	123,794	1,475,850
2,770	547	-	5,574	-	-	632,360
-	21	-	621	-	-	7,430
-	-	-	-	-	-	615,908
<u>15,040</u>	<u>70,995</u>	<u>92</u>	<u>59,228</u>	<u>40,149</u>	<u>56,479</u>	<u>1,634,176</u>
<u>17,810</u>	<u>71,563</u>	<u>92</u>	<u>65,423</u>	<u>40,149</u>	<u>56,479</u>	<u>2,889,874</u>
<u>\$ 17,810</u>	<u>\$ 75,472</u>	<u>\$ 92</u>	<u>\$ 77,735</u>	<u>\$ 163,943</u>	<u>\$ 180,273</u>	<u>\$ 4,365,724</u>

CITY OF BARBERTON

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	Street Construction Maintenance and Repair	State Highway Improvement	Permissive License Tax	Residential Street
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	876,534	56,515	52,466	-
Special assessments	-	-	-	79,331
Investment income	8,059	1,286	7,315	-
Contributions and donations	-	-	-	-
Other	10,234	261	-	-
Total revenues	<u>894,827</u>	<u>58,062</u>	<u>59,781</u>	<u>79,331</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	1,360,232	48,300	39,410	-
Community environment.	-	-	-	-
Leisure time activities	-	-	-	-
Capital outlay	28,187	-	-	296,143
Debt service:				
Principal retirement.	1,029	-	-	-
Interest and fiscal charges	194	-	-	-
Total expenditures	<u>1,389,642</u>	<u>48,300</u>	<u>39,410</u>	<u>296,143</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(494,815)</u>	<u>9,762</u>	<u>20,371</u>	<u>(216,812)</u>
Other financing sources (uses):				
Capital lease transaction	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in.	255,000	-	-	280,000
Transfers out	-	-	-	-
Total other financing sources (uses).	<u>255,000</u>	<u>-</u>	<u>-</u>	<u>280,000</u>
Net change in fund balances.	(239,815)	9,762	20,371	63,188
Fund balances at beginning of year	<u>629,533</u>	<u>54,389</u>	<u>376,549</u>	<u>80,715</u>
Fund balances at end of year	<u>\$ 389,718</u>	<u>\$ 64,151</u>	<u>\$ 396,920</u>	<u>\$ 143,903</u>

Fire Capital Levy	Court Computer	Court Special Projects	Indigent Drivers Alcohol Treatment	Sports Complex Operating	Parks Recreation Improvement
\$ 264,492	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	43,709	-
-	54,439	18,424	36,078	-	-
51,980	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	8,934
-	-	-	-	-	161,000
-	-	-	-	73	29,600
<u>316,472</u>	<u>54,439</u>	<u>18,424</u>	<u>36,078</u>	<u>43,782</u>	<u>199,534</u>
-	14,831	-	72,164	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	89,449	-
445,552	84,656	-	-	-	23,202
66,998	-	-	-	113,210	-
10,627	-	-	-	19,194	-
<u>523,177</u>	<u>99,487</u>	<u>-</u>	<u>72,164</u>	<u>221,853</u>	<u>23,202</u>
<u>(206,705)</u>	<u>(45,048)</u>	<u>18,424</u>	<u>(36,086)</u>	<u>(178,071)</u>	<u>176,332</u>
300,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	183,000	-
-	-	-	-	-	-
<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,000</u>	<u>-</u>
93,295	(45,048)	18,424	(36,086)	4,929	176,332
-	106,240	-	58,768	378	445,380
<u>\$ 93,295</u>	<u>\$ 61,192</u>	<u>\$ 18,424</u>	<u>\$ 22,682</u>	<u>\$ 5,307</u>	<u>\$ 621,712</u>

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CITY OF BARBERTON

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Gas and Oil Royalty</u>	<u>D.A.R.E. Program</u>	<u>Mandatory Drug Fines</u>	<u>Local Law Enforcement Trust</u>
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	1,685	-
Intergovernmental	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Contributions and donations	-	-	-	-
Other	1,750	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	1,750	-	1,685	-
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	4,822	-	-
Transportation	-	-	-	-
Community environment.	20,000	-	-	-
Leisure time activities	-	-	-	-
Capital outlay	-	-	7,988	13,076
Debt service:				
Principal retirement.	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	20,000	4,822	7,988	13,076
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(18,250)	(4,822)	(6,303)	(13,076)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses):				
Capital lease transaction	-	-	-	-
Sale of capital assets	-	572	-	5,164
Transfers in.	-	-	-	-
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses).	-	572	-	5,164
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances.	(18,250)	(4,250)	(6,303)	(7,912)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	20,510	13,709	12,426	14,208
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at end of year	<u>\$ 2,260</u>	<u>\$ 9,459</u>	<u>\$ 6,123</u>	<u>\$ 6,296</u>

Parks Revolving Loan	Sidewalk Improvement Program	City Grant	Federal Emergency Management Agency	Emergency Reserve	Community Development Block Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27,961	-	-	-	-	-
-	-	-	-	-	-
24,498	-	2,423	147,690	-	637,638
-	21,980	-	-	-	-
-	-	-	-	6	-
99,816	25,000	-	-	-	-
29,041	10,998	-	-	-	21,635
<u>181,316</u>	<u>57,978</u>	<u>2,423</u>	<u>147,690</u>	<u>6</u>	<u>659,273</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	551,533
167,552	-	-	-	-	-
-	72,280	-	151,091	-	-
-	-	-	-	-	139,590
-	-	-	-	-	53,515
<u>167,552</u>	<u>72,280</u>	<u>-</u>	<u>151,091</u>	<u>-</u>	<u>744,638</u>
<u>13,764</u>	<u>(14,302)</u>	<u>2,423</u>	<u>(3,401)</u>	<u>6</u>	<u>(85,365)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>13,764</u>	<u>(14,302)</u>	<u>2,423</u>	<u>(3,401)</u>	<u>6</u>	<u>(85,365)</u>
<u>5,794</u>	<u>50,609</u>	<u>36,077</u>	<u>3,559</u>	<u>275</u>	<u>444,510</u>
<u>\$ 19,558</u>	<u>\$ 36,307</u>	<u>\$ 38,500</u>	<u>\$ 158</u>	<u>\$ 281</u>	<u>\$ 359,145</u>

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CITY OF BARBERTON

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Rental Rehabilitation</u>	<u>Home Investment Partnership</u>	<u>Tax Increment Financing</u>	<u>Lake Cinema Complex Maintenance</u>
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	70,523	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Contributions and donations	-	-	-	-
Other	-	-	-	9,900
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	-	70,523	9,900
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Community environment.	-	-	33,719	-
Leisure time activities	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement.	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	33,719	-
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	-	-	36,804	9,900
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses):				
Capital lease transaction	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in.	-	-	-	-
Transfers out	-	-	(14,724)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses).	-	-	(14,724)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances.	-	-	22,080	9,900
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	2,000	267,000	25,987	16,000
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 2,000	\$ 267,000	\$ 48,067	\$ 25,900
	<hr/>	<hr/>	<hr/>	<hr/>

Project Impact	Beautification	Downtown Sales and Rental	Senior Center Trust	Fire Pension	Police Pension	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 110,974	\$ 110,974	\$ 486,440
-	-	-	22,570	-	-	94,240
-	-	-	-	-	-	110,626
-	30,471	-	-	28,836	28,836	2,008,410
-	-	-	-	-	-	101,311
-	-	-	2,051	-	-	27,651
50,000	90,806	-	7,239	-	-	433,861
3,515	-	-	155	-	-	117,162
<u>53,515</u>	<u>121,277</u>	<u>-</u>	<u>32,015</u>	<u>139,810</u>	<u>139,810</u>	<u>3,379,701</u>
-	-	-	-	1,996	1,996	90,987
-	-	-	-	124,000	124,000	252,822
-	-	-	-	-	-	1,447,942
48,978	-	-	-	-	-	654,230
-	127,314	-	82,128	-	-	466,443
-	-	-	9,460	-	-	1,131,635
-	-	-	733	-	-	321,560
-	-	-	138	-	-	83,668
<u>48,978</u>	<u>127,314</u>	<u>-</u>	<u>92,459</u>	<u>125,996</u>	<u>125,996</u>	<u>4,449,287</u>
<u>4,537</u>	<u>(6,037)</u>	<u>-</u>	<u>(60,444)</u>	<u>13,814</u>	<u>13,814</u>	<u>(1,069,586)</u>
-	-	-	-	-	-	300,000
-	-	92	-	-	-	5,828
-	-	-	-	-	-	718,000
-	-	-	-	-	-	(14,724)
<u>-</u>	<u>-</u>	<u>92</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,009,104</u>
4,537	(6,037)	92	(60,444)	13,814	13,814	(60,482)
<u>13,273</u>	<u>77,600</u>	<u>-</u>	<u>125,867</u>	<u>26,335</u>	<u>42,665</u>	<u>2,950,356</u>
<u>\$ 17,810</u>	<u>\$ 71,563</u>	<u>\$ 92</u>	<u>\$ 65,423</u>	<u>\$ 40,149</u>	<u>\$ 56,479</u>	<u>\$ 2,889,874</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HEALTH DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 376,483	\$ 435,797	\$ 466,352	\$ 30,555
Licenses and permits	425,127	492,105	341,621	(150,484)
Intergovernmental.	701,688	812,236	594,905	(217,331)
Other	-	-	1,933	1,933
Total revenues	1,503,298	1,740,138	1,404,811	(335,327)
Expenditures:				
Current:				
Health and welfare				
Personal services	1,387,527	1,366,522	1,240,222	126,300
Operating.	978,392	1,013,701	683,421	330,280
Capital outlay.	2,000	1,696	1,696	-
Total expenditures	2,367,919	2,381,919	1,925,339	456,580
Excess (deficiency) of revenues over (under) expenditures.	(864,621)	(641,781)	(520,528)	121,253
Other financing sources:				
Transfers in.	461,802	534,558	534,558	-
Total other financing sources	461,802	534,558	534,558	-
Net change in fund balance	(402,819)	(107,223)	14,030	121,253
Fund balance at beginning of year	131,959	131,959	131,959	-
Prior year encumbrances appropriated.	19,564	19,564	19,564	-
Fund balance (deficit) at end of year	\$ (251,296)	\$ 44,300	\$ 165,553	\$ 121,253

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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental.	\$ 855,975	\$ 940,000	\$ 918,309	\$ (21,691)
Investment income	9,106	10,000	8,975	(1,025)
Other	5,919	6,500	9,223	2,723
Total revenues.	<u>871,000</u>	<u>956,500</u>	<u>936,507</u>	<u>(19,993)</u>
Expenditures:				
Current:				
Transportation				
Personal services.	868,041	903,041	874,371	28,670
Operating.	503,355	503,355	489,175	14,180
Capital outlay	10,000	40,000	39,777	223
Total expenditures.	<u>1,381,396</u>	<u>1,446,396</u>	<u>1,403,323</u>	<u>43,073</u>
Deficiency of revenues under expenditures.	<u>(510,396)</u>	<u>(489,896)</u>	<u>(466,816)</u>	<u>23,080</u>
Other financing sources:				
Transfers in.	350,000	255,000	255,000	-
Total other financing sources.	<u>350,000</u>	<u>255,000</u>	<u>255,000</u>	<u>-</u>
Net change in fund balance.	(160,396)	(234,896)	(211,816)	23,080
Fund balance at beginning of year	478,569	478,569	478,569	-
Prior year encumbrances appropriated	<u>64,065</u>	<u>64,065</u>	<u>64,065</u>	<u>-</u>
Fund balance at end of year	<u>\$ 382,238</u>	<u>\$ 307,738</u>	<u>\$ 330,818</u>	<u>\$ 23,080</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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental.	\$ 53,659	\$ 60,000	\$ 60,068	\$ 68
Investment income	1,341	1,500	1,370	(130)
Other	-	-	261	261
Total revenues.	<u>55,000</u>	<u>61,500</u>	<u>61,699</u>	<u>199</u>
Expenditures:				
Current:				
Transportation				
Personal services.	<u>48,300</u>	<u>48,300</u>	<u>48,300</u>	<u>-</u>
Total expenditures.	<u>48,300</u>	<u>48,300</u>	<u>48,300</u>	<u>-</u>
Net change in fund balance	6,700	13,200	13,399	199
Fund balance at beginning of year.	<u>46,124</u>	<u>46,124</u>	<u>46,124</u>	<u>-</u>
Fund balance at end of year	<u>\$ 52,824</u>	<u>\$ 59,324</u>	<u>\$ 59,523</u>	<u>\$ 199</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 56,676	\$ 53,000	\$ 52,551	\$ (449)
Special assessments.	1,069	1,000	-	(1,000)
Investment income	8,555	8,000	7,963	(37)
Total revenues.	<u>66,300</u>	<u>62,000</u>	<u>60,514</u>	<u>(1,486)</u>
Expenditures:				
Current:				
Transportation				
Operating.	-	91,991	55,660	36,331
Debt service:				
Principal retirement.	35,000	35,000	-	35,000
Interest and fiscal charges.	<u>27,000</u>	<u>27,000</u>	<u>-</u>	<u>27,000</u>
Total expenditures.	<u>62,000</u>	<u>153,991</u>	<u>55,660</u>	<u>98,331</u>
Net change in fund balance	4,300	(91,991)	4,854	96,845
Fund balance at beginning of year.	<u>371,833</u>	<u>371,833</u>	<u>371,833</u>	<u>-</u>
Fund balance at end of year	<u>\$ 376,133</u>	<u>\$ 279,842</u>	<u>\$ 376,687</u>	<u>\$ 96,845</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessments	\$ 20,500	\$ 3,000	\$ 79,331	\$ 76,331
Total revenues	<u>20,500</u>	<u>3,000</u>	<u>79,331</u>	<u>76,331</u>
Expenditures:				
Capital outlay	<u>356,166</u>	<u>396,166</u>	<u>345,747</u>	<u>50,419</u>
Total expenditures	<u>356,166</u>	<u>396,166</u>	<u>345,747</u>	<u>50,419</u>
Deficiency of revenues under expenditures. . .	<u>(335,666)</u>	<u>(393,166)</u>	<u>(266,416)</u>	<u>126,750</u>
Other financing sources:				
Transfers in.	<u>275,000</u>	<u>280,000</u>	<u>280,000</u>	<u>-</u>
Total other financing sources.	<u>275,000</u>	<u>280,000</u>	<u>280,000</u>	<u>-</u>
Net change in fund balance.	(60,666)	(113,166)	13,584	126,750
Fund balance at beginning of year	24,549	24,549	24,549	-
Prior year encumbrances appropriated . . .	<u>56,166</u>	<u>56,166</u>	<u>56,166</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 20,049</u>	<u>\$ (32,451)</u>	<u>\$ 94,299</u>	<u>\$ 126,750</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE CAPITAL LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 291,921	\$ 290,000	\$ 264,492	\$ (25,508)
Intergovernmental.	23,324	23,171	51,980	28,809
Total revenues	<u>315,245</u>	<u>313,171</u>	<u>316,472</u>	<u>3,301</u>
Expenditures:				
Capital outlay	118,500	146,500	145,612	888
Debt service:				
Principal retirement	67,000	67,000	66,998	2
Interest and fiscal charges	<u>10,630</u>	<u>10,630</u>	<u>10,627</u>	<u>3</u>
Total expenditures.	<u>196,130</u>	<u>224,130</u>	<u>223,237</u>	<u>893</u>
Net change in fund balance	119,115	89,041	93,235	4,194
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 119,115</u>	<u>\$ 89,041</u>	<u>\$ 93,235</u>	<u>\$ 4,194</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 60,500	\$ 54,875	\$ 53,836	\$ (1,039)
Total revenues	<u>60,500</u>	<u>54,875</u>	<u>53,836</u>	<u>(1,039)</u>
Expenditures:				
Current:				
General government				
Operating.	15,345	15,345	14,480	865
Capital outlay	<u>50,000</u>	<u>100,000</u>	<u>99,925</u>	<u>75</u>
Total expenditures.	<u>65,345</u>	<u>115,345</u>	<u>114,405</u>	<u>940</u>
Net change in fund balance	(4,845)	(60,470)	(60,569)	(99)
Fund balance at beginning of year.	94,733	94,733	94,733	-
Prior year encumbrances appropriated . . .	<u>9,345</u>	<u>9,345</u>	<u>9,345</u>	<u>-</u>
Fund balance at end of year	<u>\$ 99,233</u>	<u>\$ 43,608</u>	<u>\$ 43,509</u>	<u>\$ (99)</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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Fines and forfeitures	\$ 35,500	\$ 40,000	\$ 37,101	\$ (2,899)
Total revenues	<u>35,500</u>	<u>40,000</u>	<u>37,101</u>	<u>(2,899)</u>
Expenditures:				
Current:				
General government				
Operating	<u>97,745</u>	<u>97,745</u>	<u>72,164</u>	<u>25,581</u>
Total expenditures	<u>97,745</u>	<u>97,745</u>	<u>72,164</u>	<u>25,581</u>
Net change in fund balance.	(62,245)	(57,745)	(35,063)	22,682
Fund balance at beginning of year	<u>57,745</u>	<u>57,745</u>	<u>57,745</u>	<u>-</u>
Fund balance (deficit) at end of year.	<u><u>\$ (4,500)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 22,682</u></u>	<u><u>\$ 22,682</u></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, 2008*

	<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	\$ 76,500	\$ 82,500	\$ 43,709	\$ (38,791)
Other	-	-	73	73
Total revenues	<u>76,500</u>	<u>82,500</u>	<u>43,782</u>	<u>(38,718)</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services	22,345	22,345	19,341	3,004
Operating	93,250	93,250	76,934	16,316
Debt service:				
Principal retirement	113,210	113,210	113,210	-
Interest and fiscal charges	19,500	19,500	19,194	306
Total expenditures	<u>248,305</u>	<u>248,305</u>	<u>228,679</u>	<u>19,626</u>
Deficiency of revenues under expenditures.	<u>(171,805)</u>	<u>(165,805)</u>	<u>(184,897)</u>	<u>(19,092)</u>
Other financing sources:				
Transfers in	150,000	183,000	183,000	-
Total other financing sources	<u>150,000</u>	<u>183,000</u>	<u>183,000</u>	<u>-</u>
Net change in fund balance	(21,805)	17,195	(1,897)	(19,092)
Fund balance at beginning of year	397	397	397	-
Prior year encumbrances appropriated . . .	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (19,908)</u>	<u>\$ 19,092</u>	<u>\$ -</u>	<u>\$ (19,092)</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 9,701	\$ 9,701
Contributions and donations.	-	-	161,000	161,000
Other	10,200	30,000	29,600	(400)
Total revenues	<u>10,200</u>	<u>30,000</u>	<u>200,301</u>	<u>170,301</u>
Expenditures:				
Capital outlay	<u>138,546</u>	<u>478,048</u>	<u>445,504</u>	<u>32,544</u>
Total expenditures	<u>138,546</u>	<u>478,048</u>	<u>445,504</u>	<u>32,544</u>
Net change in fund balance	(128,346)	(448,048)	(245,203)	202,845
Fund balance at beginning of year	441,067	441,067	441,067	-
Prior year encumbrances appropriated. . .	<u>3,546</u>	<u>3,546</u>	<u>3,546</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 316,267</u>	<u>\$ (3,435)</u>	<u>\$ 199,410</u>	<u>\$ 202,845</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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Other	\$ 6,200	\$ 1,500	\$ 1,750	\$ 250
Total revenues	<u>6,200</u>	<u>1,500</u>	<u>1,750</u>	<u>250</u>
Expenditures:				
Current:				
Community environment				
Operating	20,000	20,000	20,000	-
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	(13,800)	(18,500)	(18,250)	250
Fund balance at beginning of year	<u>20,510</u>	<u>20,510</u>	<u>20,510</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,710</u>	<u>\$ 2,010</u>	<u>\$ 2,260</u>	<u>\$ 250</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, 2008*

	<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				
Operating.	\$ 3,196	\$ 7,196	\$ 5,097	\$ 2,099
Total expenditures	<u>3,196</u>	<u>7,196</u>	<u>5,097</u>	<u>2,099</u>
Deficiency of revenues under expenditures.	<u>(3,196)</u>	<u>(7,196)</u>	<u>(5,097)</u>	<u>2,099</u>
Other financing sources:				
Sale of capital assets	<u>-</u>	<u>-</u>	<u>572</u>	<u>572</u>
Total other financing sources.	<u>-</u>	<u>-</u>	<u>572</u>	<u>572</u>
Net change in fund balance.	(3,196)	(7,196)	(4,525)	2,671
Fund balance at beginning of year	13,013	13,013	13,013	-
Prior year encumbrances appropriated . .	<u>696</u>	<u>696</u>	<u>696</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 10,513</u>	<u>\$ 6,513</u>	<u>\$ 9,184</u>	<u>\$ 2,671</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 1,000	\$ 1,800	\$ 2,290	\$ 490
Total revenues	<u>1,000</u>	<u>1,800</u>	<u>2,290</u>	<u>490</u>
Expenditures:				
Capital outlay	-	8,000	7,988	12
Total expenditures	<u>-</u>	<u>8,000</u>	<u>7,988</u>	<u>12</u>
Net change in fund balance	1,000	(6,200)	(5,698)	502
Fund balance at beginning of year	<u>11,821</u>	<u>11,821</u>	<u>11,821</u>	<u>-</u>
Fund balance at end of year	<u>\$ 12,821</u>	<u>\$ 5,621</u>	<u>\$ 6,123</u>	<u>\$ 502</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Capital outlay	\$ -	\$ 21,650	\$ 13,076	\$ 8,574
Total expenditures	-	21,650	13,076	8,574
Deficiency of revenues under expenditures.	-	(21,650)	(13,076)	8,574
Other financing sources:				
Sale of capital assets	-	6,500	5,164	(1,336)
Total other financing sources.	-	6,500	5,164	(1,336)
Net change in fund balance.	-	(15,150)	(7,912)	7,238
Fund balance at beginning of year	<u>14,208</u>	<u>14,208</u>	<u>14,208</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 14,208</u>	<u>\$ (942)</u>	<u>\$ 6,296</u>	<u>\$ 7,238</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 14,703	\$ 27,528	\$ 19,998	\$ (7,530)
Charges for services.	15,757	29,500	28,041	(1,459)
Contributions and donations.	57,952	108,500	99,816	(8,684)
Other	13,588	25,440	29,041	3,601
Total revenues.	<u>102,000</u>	<u>190,968</u>	<u>176,896</u>	<u>(14,072)</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services.	27,725	53,013	43,985	9,028
Operating.	<u>124,740</u>	<u>122,740</u>	<u>125,308</u>	<u>(2,568)</u>
Total expenditures.	<u>152,465</u>	<u>175,753</u>	<u>169,293</u>	<u>6,460</u>
Net change in fund balance.	(50,465)	15,215	7,603	(7,612)
Fund balance at beginning of year	<u>6,858</u>	<u>6,858</u>	<u>6,858</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (43,607)</u>	<u>\$ 22,073</u>	<u>\$ 14,461</u>	<u>\$ (7,612)</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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Special assessment	\$ 33,218	\$ 23,000	\$ 21,980	\$ (1,020)
Contributions and donations.	36,106	25,000	25,000	-
Other	12,276	8,500	10,998	2,498
Total revenues.	<u>81,600</u>	<u>56,500</u>	<u>57,978</u>	<u>1,478</u>
Expenditures:				
Capital outlay	<u>86,570</u>	<u>86,570</u>	<u>75,518</u>	<u>11,052</u>
Total expenditures.	<u>86,570</u>	<u>86,570</u>	<u>75,518</u>	<u>11,052</u>
Net change in fund balance.	(4,970)	(30,070)	(17,540)	12,530
Fund balance at beginning of year	44,539	44,539	44,539	-
Prior year encumbrances appropriated . . .	<u>6,070</u>	<u>6,070</u>	<u>6,070</u>	<u>-</u>
Fund balance at end of year	<u>\$ 45,639</u>	<u>\$ 20,539</u>	<u>\$ 33,069</u>	<u>\$ 12,530</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ -	\$ -	\$ 3,690	\$ 3,690
Total revenues.	-	-	3,690	3,690
Net change in fund balance.	-	-	3,690	3,690
Fund balance at beginning of year	<u>34,810</u>	<u>34,810</u>	<u>34,810</u>	<u>-</u>
Fund balance at end of year	<u>\$ 34,810</u>	<u>\$ 34,810</u>	<u>\$ 38,500</u>	<u>\$ 3,690</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 164,690	\$ 147,690	\$ (17,000)
Total revenues	-	164,690	147,690	(17,000)
Expenditures:				
Capital outlay	20,533	228,073	151,091	76,982
Total expenditures	20,533	228,073	151,091	76,982
Net change in fund balance.	(20,533)	(63,383)	(3,401)	59,982
Fund balance at beginning of year	26	26	26	-
Prior year encumbrances appropriated . .	3,533	3,533	3,533	-
Fund balance (deficit) at end of year.	<u>\$ (16,974)</u>	<u>\$ (59,824)</u>	<u>\$ 158</u>	<u>\$ 59,982</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 10	\$ 10	\$ 6	\$ (4)
Total revenues	<u>10</u>	<u>10</u>	<u>6</u>	<u>(4)</u>
Net change in fund balance.	10	10	6	(4)
Fund balance at beginning of year	<u>275</u>	<u>275</u>	<u>275</u>	<u>-</u>
Fund balance at end of year	<u>\$ 285</u>	<u>\$ 285</u>	<u>\$ 281</u>	<u>\$ (4)</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,200,000	\$ 737,744	\$ 672,581	\$ (65,163)
Other	-	-	68,509	68,509
Total revenues	<u>1,200,000</u>	<u>737,744</u>	<u>741,090</u>	<u>3,346</u>
Expenditures:				
Current:				
Community environment				
Operating	501,037	1,308,434	645,122	663,312
Debt service:				
Principal retirement	139,590	139,590	139,590	-
Interest and fiscal charges	<u>54,939</u>	<u>54,939</u>	<u>53,515</u>	<u>1,424</u>
Total expenditures	<u>695,566</u>	<u>1,502,963</u>	<u>838,227</u>	<u>664,736</u>
Net change in fund balance	504,434	(765,219)	(97,137)	668,082
Fund balance (deficit) at beginning of year . .	(160,066)	(160,066)	(160,066)	-
Prior year encumbrances appropriated . . .	<u>192,261</u>	<u>192,261</u>	<u>192,261</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 536,629</u>	<u>\$ (733,024)</u>	<u>\$ (64,942)</u>	<u>\$ 668,082</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, 2008*

	<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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 38,760	\$ 36,500	\$ 70,523	\$ 34,023
Total revenues.	<u>38,760</u>	<u>36,500</u>	<u>70,523</u>	<u>34,023</u>
Expenditures:				
Current:				
Community environment				
Personal services.	20,000	-	-	-
Operating.	500	33,643	33,719	(76)
Total expenditures.	<u>20,500</u>	<u>33,643</u>	<u>33,719</u>	<u>(76)</u>
Excess of revenues over expenditures.	<u>18,260</u>	<u>2,857</u>	<u>36,804</u>	<u>33,947</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.	3,536	(11,867)	22,080	33,947
Fund balance at beginning of year	<u>25,987</u>	<u>25,987</u>	<u>25,987</u>	<u>-</u>
Fund balance at end of year	<u>\$ 29,523</u>	<u>\$ 14,120</u>	<u>\$ 48,067</u>	<u>\$ 33,947</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAKE CINEMA COMPLEX MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ -	\$ 24,000	\$ 4,900	\$ (19,100)
Total revenues	-	24,000	4,900	(19,100)
Expenditures:				
Current:				
Community environment				
Operating	-	4,067	-	4,067
Total expenditures	-	4,067	-	4,067
Net change in fund balance.	-	19,933	4,900	(15,033)
Fund balance at beginning of year	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 16,000</u>	<u>\$ 35,933</u>	<u>\$ 20,900</u>	<u>\$ (15,033)</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and donations.	\$ -	\$ 50,000	\$ 50,000	\$ -
Other.	-	-	3,515	3,515
Total revenues	<u>-</u>	<u>50,000</u>	<u>53,515</u>	<u>3,515</u>
Expenditures:				
Current:				
Community environment				
Operating.	<u>63,272</u>	<u>63,272</u>	<u>51,748</u>	<u>11,524</u>
Total expenditures	<u>63,272</u>	<u>63,272</u>	<u>51,748</u>	<u>11,524</u>
Net change in fund balance.	(63,272)	(13,272)	1,767	15,039
Fund balance at beginning of year	<u>13,273</u>	<u>13,273</u>	<u>13,273</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (49,999)</u>	<u>\$ 1</u>	<u>\$ 15,040</u>	<u>\$ 15,039</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BEAUTIFICATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 24,450	\$ 27,362	\$ 30,471	\$ 3,109
Contributions and donations.	83,550	93,500	104,306	10,806
Total revenues.	<u>108,000</u>	<u>120,862</u>	<u>134,777</u>	<u>13,915</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services.	48,530	50,530	50,089	441
Operating.	<u>75,120</u>	<u>76,120</u>	<u>76,027</u>	<u>93</u>
Total expenditures.	<u>123,650</u>	<u>126,650</u>	<u>126,116</u>	<u>534</u>
Net change in fund balance.	(15,650)	(5,788)	8,661	14,449
Fund balance at beginning of year	60,135	60,135	60,135	-
Prior year encumbrances appropriated . . .	<u>5,465</u>	<u>5,465</u>	<u>5,465</u>	<u>-</u>
Fund balance at end of year	<u>\$ 49,950</u>	<u>\$ 59,812</u>	<u>\$ 74,261</u>	<u>\$ 14,449</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOWNTOWN SALES AND RENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources:				
Sale of capital assets	\$ -	\$ -	\$ 92	\$ 92
Total other financing sources	<u>-</u>	<u>-</u>	<u>92</u>	<u>92</u>
Net change in fund equity	-	-	92	92
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92</u>	<u>\$ 92</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 2,250	\$ 2,250
Charges for services	17,307	14,120	22,570	8,450
Contributions and donations	9,193	7,500	28,589	21,089
Other	-	-	155	155
Total revenues.	<u>26,500</u>	<u>21,620</u>	<u>53,564</u>	<u>31,944</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services.	5,525	5,525	3,706	1,819
Operating.	24,021	73,721	73,065	656
Capital outlay	-	21,650	21,615	35
Total expenditures	<u>29,546</u>	<u>100,896</u>	<u>98,386</u>	<u>2,510</u>
Net change in fund balance.	(3,046)	(79,276)	(44,822)	34,454
Fund balance at beginning of year	101,572	101,572	101,572	-
Prior year encumbrances appropriated . . .	<u>2,521</u>	<u>2,521</u>	<u>2,521</u>	<u>-</u>
Fund balance at end of year	<u>\$ 101,047</u>	<u>\$ 24,817</u>	<u>\$ 59,271</u>	<u>\$ 34,454</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 113,049	\$ 112,418	\$ 110,974	\$ (1,444)
Intergovernmental	26,512	26,364	28,954	2,590
Total revenues	<u>139,561</u>	<u>138,782</u>	<u>139,928</u>	<u>1,146</u>
Expenditures:				
Current:				
General government				
Operating	3,000	3,000	1,996	1,004
Public safety				
Personal services	<u>124,000</u>	<u>124,000</u>	<u>117,033</u>	<u>6,967</u>
Total expenditures	<u>127,000</u>	<u>127,000</u>	<u>119,029</u>	<u>7,971</u>
Net change in fund balance.	12,561	11,782	20,899	9,117
Fund balance at beginning of year	<u>19,250</u>	<u>19,250</u>	<u>19,250</u>	<u>-</u>
Fund balance at end of year	<u>\$ 31,811</u>	<u>\$ 31,032</u>	<u>\$ 40,149</u>	<u>\$ 9,117</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 113,049	\$ 112,418	\$ 110,974	\$ (1,444)
Intergovernmental	26,512	26,364	28,954	2,590
Total revenues	<u>139,561</u>	<u>138,782</u>	<u>139,928</u>	<u>1,146</u>
Expenditures:				
Current:				
General government	3,000	3,000	1,996	1,004
Operating				
Public safety	<u>124,000</u>	<u>124,000</u>	<u>130,967</u>	<u>(6,967)</u>
Personal services				
Total expenditures	<u>127,000</u>	<u>127,000</u>	<u>132,963</u>	<u>(5,963)</u>
Net change in fund balance.	12,561	11,782	6,965	(4,817)
Fund balance at beginning of year	<u>49,514</u>	<u>49,514</u>	<u>49,514</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 62,075</u>	<u>\$ 61,296</u>	<u>\$ 56,479</u>	<u>\$ (4,817)</u>

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2008*

	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.	\$ 23,302	\$ 307,650	\$ 330,952
Receivables (net of allowances for uncollectibles):			
Special assessments	<u> -</u>	<u> 166,466</u>	<u> 166,466</u>
Total assets	<u>\$ 23,302</u>	<u>\$ 474,116</u>	<u>\$ 497,418</u>
 Liabilities:			
Deferred revenue.	<u> -</u>	<u> 166,466</u>	<u> 166,466</u>
Total liabilities	<u> -</u>	<u> 166,466</u>	<u> 166,466</u>
 Fund Balances:			
Reserved for debt service	<u> 23,302</u>	<u> 307,650</u>	<u> 330,952</u>
Total fund balances	<u> 23,302</u>	<u> 307,650</u>	<u> 330,952</u>
Total liabilities and fund balance	<u>\$ 23,302</u>	<u>\$ 474,116</u>	<u>\$ 497,418</u>

CITY OF BARBERTON

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	General Obligation Bond Retirement	Special Assesment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Special assessments	\$ -	\$ 85,841	\$ 85,841
Contributions and donations	403,783	-	403,783
	<hr/>	<hr/>	<hr/>
Total revenues	403,783	85,841	489,624
	<hr/>	<hr/>	<hr/>
Expenditures:			
Debt service:			
Principal retirement.	516,736	65,334	582,070
Interest and fiscal charges	92,046	17,428	109,474
Note issuance costs.	5,220	-	5,220
	<hr/>	<hr/>	<hr/>
Total expenditures	614,002	82,762	696,764
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures.	(210,219)	3,079	(207,140)
	<hr/>	<hr/>	<hr/>
Other financing sources:			
Transfers in.	214,724	-	214,724
	<hr/>	<hr/>	<hr/>
Total other financing sources	214,724	-	214,724
	<hr/>	<hr/>	<hr/>
Net change in fund balances.	4,505	3,079	7,584
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	18,797	304,571	323,368
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 23,302	\$ 307,650	\$ 330,952
	<hr/>	<hr/>	<hr/>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL OBLIGATION BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Contributions and donations.	\$ 635,721	\$ 550,000	\$ 548,104	\$ (1,896)
Total revenues.	<u>635,721</u>	<u>550,000</u>	<u>548,104</u>	<u>(1,896)</u>
Expenditures:				
Debt service:				
Principal retirement.	1,195,725	1,195,740	1,195,736	4
Interest and fiscal charges.	117,452	117,452	117,367	85
Note issuance costs	-	5,400	5,220	180
Total expenditures.	<u>1,313,177</u>	<u>1,318,592</u>	<u>1,318,323</u>	<u>269</u>
Deficiency of revenues under expenditures.	<u>(677,456)</u>	<u>(768,592)</u>	<u>(770,219)</u>	<u>(1,627)</u>
Other financing sources:				
Transfers in	179,724	214,724	214,724	-
Note issuance	647,279	560,000	560,000	-
Total other financing sources	<u>827,003</u>	<u>774,724</u>	<u>774,724</u>	<u>-</u>
Net change in fund balance.	149,547	6,132	4,505	(1,627)
Fund balance at beginning of year	<u>18,797</u>	<u>18,797</u>	<u>18,797</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 168,344</u>	<u>\$ 24,929</u>	<u>\$ 23,302</u>	<u>\$ (1,627)</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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Special assessment	\$ 91,189	\$ 103,000	\$ 85,841	\$ (17,159)
Total revenues.	<u>91,189</u>	<u>103,000</u>	<u>85,841</u>	<u>(17,159)</u>
Expenditures:				
Debt service:				
Principal retirement.	65,335	65,335	65,334	1
Interest and fiscal charges.	<u>17,429</u>	<u>17,429</u>	<u>17,428</u>	<u>1</u>
Total expenditures.	<u>82,764</u>	<u>82,764</u>	<u>82,762</u>	<u>2</u>
Net change in fund balance.	8,425	20,236	3,079	(17,157)
Fund balance at beginning of year	<u>304,571</u>	<u>304,571</u>	<u>304,571</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 312,996</u>	<u>\$ 324,807</u>	<u>\$ 307,650</u>	<u>\$ (17,157)</u>

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CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2008*

	<u>Street Improvement</u>	<u>Senior Center Construction</u>	<u>Issue II</u>	<u>Infrastructure Improvement Reserve</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 38	\$ 13,846	\$ 1	\$ 1,011,098
Total assets	<u>\$ 38</u>	<u>\$ 13,846</u>	<u>\$ 1</u>	<u>\$ 1,011,098</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 4,242
Accrued interest payable.	1,346	-	1,669	-
Notes payable	<u>310,000</u>	-	<u>250,000</u>	-
Total liabilities	<u>311,346</u>	<u>-</u>	<u>251,669</u>	<u>4,242</u>
Fund Balances:				
Reserved for encumbrances.	-	-	-	117,112
Unreserved, undesignated (deficit) reported in:				
Capital projects funds	<u>(311,308)</u>	<u>13,846</u>	<u>(251,668)</u>	<u>889,744</u>
Total fund balances (deficit)	<u>(311,308)</u>	<u>13,846</u>	<u>(251,668)</u>	<u>1,006,856</u>
Total liabilities and fund balance	<u>\$ 38</u>	<u>\$ 13,846</u>	<u>\$ 1</u>	<u>\$ 1,011,098</u>

Street and Storm Sewer Improvement	Total Nonmajor Capital Projects Funds
\$ 7,110	\$ 1,032,093
<u>\$ 7,110</u>	<u>\$ 1,032,093</u>
\$ -	\$ 4,242
-	3,015
-	<u>560,000</u>
<u>-</u>	<u>567,257</u>
5,595	122,707
1,515	342,129
<u>7,110</u>	<u>464,836</u>
<u>\$ 7,110</u>	<u>\$ 1,032,093</u>

CITY OF BARBERTON

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Street Improvement</u>	<u>Senior Center Construction</u>	<u>Issue II</u>	<u>Infrastructure Improvement Reserve</u>
Revenues:				
Investment income	\$ -	\$ 687	\$ -	\$ 15,006
Contributions and donations	88,320	-	56,001	-
Total revenues	<u>88,320</u>	<u>687</u>	<u>56,001</u>	<u>15,006</u>
Expenditures:				
Capital outlay.	-	36,846	-	30,880
Debt service:				
Interest and fiscal charges	13,930	-	11,336	-
Total expenditures	<u>13,930</u>	<u>36,846</u>	<u>11,336</u>	<u>30,880</u>
Excess (deficiency) of revenues over (under) expenditures	<u>74,390</u>	<u>(36,159)</u>	<u>44,665</u>	<u>(15,874)</u>
Other financing sources:				
Transfers in.	-	-	-	300,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
Net change in fund balances.	74,390	(36,159)	44,665	284,126
Fund balances (deficit) at beginning of year . .	<u>(385,698)</u>	<u>50,005</u>	<u>(296,333)</u>	<u>722,730</u>
Fund balances (deficit) at end of year	<u><u>\$ (311,308)</u></u>	<u><u>\$ 13,846</u></u>	<u><u>\$ (251,668)</u></u>	<u><u>\$ 1,006,856</u></u>

Street and Storm Sewer Improvement	Total Nonmajor Capital Projects Funds
\$ -	\$ 15,693
-	144,321
-	160,014
-	67,726
-	25,266
-	92,992
-	67,022
-	300,000
-	300,000
-	367,022
7,110	97,814
<u>\$ 7,110</u>	<u>\$ 464,836</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE STATION CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 15,515	\$ 15,515
Total revenues.	-	-	15,515	15,515
Expenditures:				
Capital outlay	-	2,210,000	2,127,861	82,139
Debt service:				
Note issuance costs	-	5,525	5,525	-
Total expenditures.	-	2,215,525	2,133,386	82,139
Deficiency of revenues under expenditures.	-	(2,215,525)	(2,117,871)	97,654
Other financing sources (uses):				
Note issuance.	-	2,210,000	2,210,000	-
Premium on notes issued	-	17,282	17,282	-
Advances in.	-	177,000	177,000	-
Advances out.	-	(177,000)	(177,000)	-
Total other financing sources (uses)	-	2,227,282	2,227,282	-
Net change in fund balance.	-	11,757	109,411	97,654
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 11,757</u>	<u>\$ 109,411</u>	<u>\$ 97,654</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, 2008*

	<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	\$ 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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 60,000	\$ 5,000	\$ 791	\$ (4,209)
Total revenues.	<u>60,000</u>	<u>5,000</u>	<u>791</u>	<u>(4,209)</u>
Expenditures:				
Capital outlay	<u>69,351</u>	<u>69,351</u>	<u>57,409</u>	<u>11,942</u>
Total expenditures.	<u>69,351</u>	<u>69,351</u>	<u>57,409</u>	<u>11,942</u>
Net change in fund balance.	(9,351)	(64,351)	(56,618)	7,733
Fund balance at beginning of year	1,113	1,113	1,113	-
Prior year encumbrances appropriated . . .	<u>69,351</u>	<u>69,351</u>	<u>69,351</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 61,113</u>	<u>\$ 6,113</u>	<u>\$ 13,846</u>	<u>\$ 7,733</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, 2008*

	<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	\$ 1	\$ 1	\$ 1	\$ -
Fund balance at end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 20,000	\$ 18,000	\$ 16,257	\$ (1,743)
Total revenues.	<u>20,000</u>	<u>18,000</u>	<u>16,257</u>	<u>(1,743)</u>
Expenditures:				
Capital outlay	<u>126,222</u>	<u>146,222</u>	<u>146,222</u>	<u>-</u>
Total expenditures.	<u>126,222</u>	<u>146,222</u>	<u>146,222</u>	<u>-</u>
Deficiency of revenues under expenditures.	<u>(106,222)</u>	<u>(128,222)</u>	<u>(129,965)</u>	<u>(1,743)</u>
Other financing sources:				
Transfers in.	<u>330,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total other financing sources	<u>330,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net change in fund balance.	223,778	171,778	170,035	(1,743)
Fund balance at beginning of year	595,257	595,257	595,257	-
Prior year encumbrances appropriated	<u>126,222</u>	<u>126,222</u>	<u>126,222</u>	<u>-</u>
Fund balance at end of year	<u>\$ 945,257</u>	<u>\$ 893,257</u>	<u>\$ 891,514</u>	<u>\$ (1,743)</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, 2008*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures:				
Capital outlay	\$ 30,576	\$ 30,576	\$ 29,156	\$ 1,420
Total expenditures.	<u>30,576</u>	<u>30,576</u>	<u>29,156</u>	<u>1,420</u>
Net change in fund balance.	(30,576)	(30,576)	(29,156)	1,420
Fund balance at beginning of year	95	95	95	-
Prior year encumbrances appropriated . . .	<u>30,576</u>	<u>30,576</u>	<u>30,576</u>	-
Fund balance at end of year	<u>\$ 95</u>	<u>\$ 95</u>	<u>\$ 1,515</u>	<u>\$ 1,420</u>

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - PROPRIETARY FUNDS*

ENTERPRISE FUNDS

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

Major Enterprise Funds

Water Fund

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

Sewer Fund

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

Solid Waste Fund

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

Nonmajor Enterprise Funds

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.

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, 2008*

	<u>Storm Water</u>	<u>Community Center</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents. . .	\$ 584,325	\$ 39,930	\$ 624,255
Receivables (net of allowance for uncollectibles):			
Accounts	113,294	-	113,294
Total current assets	<u>697,619</u>	<u>39,930</u>	<u>737,549</u>
Noncurrent assets:			
Deferred charges	-	4,451	4,451
Capital assets:			
Nondepreciable capital assets	31,691	62,739	94,430
Depreciable capital assets, net.	3,579,626	806,435	4,386,061
Total capital assets.	<u>3,611,317</u>	<u>869,174</u>	<u>4,480,491</u>
Total noncurrent assets	<u>3,611,317</u>	<u>873,625</u>	<u>4,484,942</u>
Total assets	<u>4,308,936</u>	<u>913,555</u>	<u>5,222,491</u>
Liabilities:			
Current liabilities:			
Accounts payable	17,200	-	17,200
Accrued wages and benefits	10,982	-	10,982
Intergovernmental	10,648	99	10,747
Accrued interest payable.	-	594	594
Current portion of general obligation bonds. . .	-	51,066	51,066
Current portion of capital lease obligations . .	52,783	306	53,089
Current portion of compensated absences . . .	5,540	-	5,540
Total current liabilities	<u>97,153</u>	<u>52,065</u>	<u>149,218</u>
Long-term liabilities:			
General obligation bonds	-	161,600	161,600
Capital lease obligations.	112,179	652	112,831
Compensated absences	24,760	-	24,760
Total long-term liabilities	<u>136,939</u>	<u>162,252</u>	<u>299,191</u>
Total liabilities	<u>234,092</u>	<u>214,317</u>	<u>448,409</u>
Net assets:			
Invested in capital assets, net of related debt .	3,446,355	660,959	4,107,314
Unrestricted	628,489	38,279	666,768
Total net assets	<u>\$ 4,074,844</u>	<u>\$ 699,238</u>	<u>\$ 4,774,082</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, 2008*

	Storm Water	Community Center	Lake Cinema Operating	Total Nonmajor Enterprise Funds
Operating revenues:				
Charges for services	\$ 796,332	\$ -	\$ -	\$ 796,332
Other	1,316	32,181	-	33,497
Total operating revenues	<u>797,648</u>	<u>32,181</u>	<u>-</u>	<u>829,829</u>
Operating expenses:				
Personal services	311,234	99	-	311,333
Contract services	5,156	9,929	-	15,085
Materials and supplies	67,781	4,716	-	72,497
Other	5,963	-	-	5,963
Depreciation	245,518	105,490	-	351,008
Total operating expenses.	<u>635,652</u>	<u>120,234</u>	<u>-</u>	<u>755,886</u>
Operating income (loss)	<u>161,996</u>	<u>(88,053)</u>	<u>-</u>	<u>73,943</u>
Nonoperating revenues (expenses):				
Interest expense and fiscal charges	(4,355)	(10,403)	-	(14,758)
Gain on sale of capital assets	-	15,554	-	15,554
Total nonoperating revenues (expenses)	<u>(4,355)</u>	<u>5,151</u>	<u>-</u>	<u>796</u>
Income (loss) before transfers	157,641	(82,902)	-	74,739
Transfers in	-	150,000	-	150,000
Transfers out	-	-	(43,658)	(43,658)
Changes in net assets	157,641	67,098	(43,658)	181,081
Net assets at beginning of year.	<u>3,917,203</u>	<u>632,140</u>	<u>43,658</u>	<u>4,593,001</u>
Net assets at end of year	<u>\$ 4,074,844</u>	<u>\$ 699,238</u>	<u>\$ -</u>	<u>\$ 4,774,082</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	Storm Water	Community Center	Lake Cinema Operating	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Cash received from customers	\$ 797,043	\$ -	\$ -	\$ 797,043
Cash received from other operations	1,316	738	-	2,054
Cash payments for personal services	(274,577)	(8,753)	-	(283,330)
Cash payments for contract services	(5,156)	(911)	-	(6,067)
Cash payments for materials and supplies . . .	(67,761)	(7,049)	-	(74,810)
Net cash provided by (used in) operating activities	<u>450,865</u>	<u>(15,975)</u>	<u>-</u>	<u>434,890</u>
Cash flows from noncapital financing activities:				
Transfers in from other funds	-	150,000	-	150,000
Transfers out from other funds	-	-	(4,067)	(4,067)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>150,000</u>	<u>(4,067)</u>	<u>145,933</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(256,946)	-	-	(256,946)
Gain on sale of capital assets	-	18,871	-	18,871
Principal retirement	(55,226)	(139,418)	-	(194,644)
Interest and fiscal charges	(4,355)	(11,975)	-	(16,330)
Net cash used in capital and related financing activities	<u>(316,527)</u>	<u>(132,522)</u>	<u>-</u>	<u>(449,049)</u>
Net increase (decrease) in cash and cash equivalents.	134,338	1,503	(4,067)	131,774
Cash and cash equivalents at beginning of year	<u>449,987</u>	<u>38,427</u>	<u>4,067</u>	<u>492,481</u>
Cash and cash equivalents at end of year . . .	<u><u>\$ 584,325</u></u>	<u><u>\$ 39,930</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 624,255</u></u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 161,996	\$ (88,053)	\$ -	\$ 73,943
Adjustments:				
Depreciation	245,518	105,490	-	351,008
Changes in assets and liabilities:				
Decrease in accounts receivable	675	2,673	-	3,348
Decrease in prepayments	-	9,018	-	9,018
Increase (decrease) in accounts payable	6,019	(2,333)	-	3,686
Increase (decrease) in accrued wages and benefits	10,982	(1,274)	-	9,708
Increase (decrease) in due to other governments	521	(5,548)	-	(5,027)
Increase (decrease) in compensated absences payable	25,154	(35,948)	-	(10,794)
Net cash provided by (used in) operating activities	<u><u>\$ 450,865</u></u>	<u><u>\$ (15,975)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 434,890</u></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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 4,820,141	\$ 4,705,770	\$ 4,557,710	\$ (148,060)
Other	-	-	13,925	13,925
Total revenues	<u>4,820,141</u>	<u>4,705,770</u>	<u>4,571,635</u>	<u>(134,135)</u>
Operating expenses:				
Personal services	2,222,652	2,200,506	2,059,440	141,066
Contractual services	195,877	195,522	140,556	54,966
Materials and supplies	944,585	957,085	861,801	95,284
Other	23,500	33,500	31,329	2,171
Capital outlay	<u>6,598,390</u>	<u>6,603,191</u>	<u>6,423,927</u>	<u>179,264</u>
Total expenses	<u>9,985,004</u>	<u>9,989,804</u>	<u>9,517,053</u>	<u>472,751</u>
Operating loss	<u>(5,164,863)</u>	<u>(5,284,034)</u>	<u>(4,945,418)</u>	<u>338,616</u>
Nonoperating revenues (expenses):				
Investment income	256,076	250,000	269,143	19,143
Special assessments	-	-	5,838	5,838
Notes issued	1,423,783	1,390,000	1,390,000	-
Premium on notes issued	-	-	1,748	1,748
Debt service:				
Principal retirement	(2,354,301)	(2,354,303)	(2,354,302)	1
Interest and fiscal charges	(507,911)	(507,911)	(507,888)	23
Note issuance costs	<u>(5,000)</u>	<u>(4,998)</u>	<u>(3,637)</u>	<u>1,361</u>
Total nonoperating revenues (expenses)	<u>(1,187,353)</u>	<u>(1,227,212)</u>	<u>(1,199,098)</u>	<u>28,114</u>
Net change in fund equity	(6,352,216)	(6,511,246)	(6,144,516)	366,730
Fund equity at beginning of year	1,764,139	1,764,139	1,764,139	-
Prior year encumbrances appropriated	<u>6,320,404</u>	<u>6,320,404</u>	<u>6,320,404</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,732,327</u>	<u>\$ 1,573,297</u>	<u>\$ 1,940,027</u>	<u>\$ 366,730</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Operating revenues:				
Charges for services	\$ 4,649,734	\$ 4,504,000	\$ 4,344,689	\$ (159,311)
Other	25,809	25,000	9,118	(15,882)
Total revenues	<u>4,675,543</u>	<u>4,529,000</u>	<u>4,353,807</u>	<u>(175,193)</u>
Operating expenses:				
Personal services	1,932,900	1,910,755	1,794,785	115,970
Contractual services	477,302	476,447	433,397	43,050
Materials and supplies	1,117,600	1,281,700	1,133,642	148,058
Other	20,000	19,900	9,484	10,416
Capital outlay	<u>1,510,188</u>	<u>1,510,188</u>	<u>1,267,442</u>	<u>242,746</u>
Total expenses	<u>5,057,990</u>	<u>5,198,990</u>	<u>4,638,750</u>	<u>560,240</u>
Operating loss	<u>(382,447)</u>	<u>(669,990)</u>	<u>(284,943)</u>	<u>385,047</u>
Nonoperating revenues (expenses):				
Special assessments	15,485	15,000	3,261	(11,739)
Notes issued	206,472	200,000	200,000	-
Premiums on notes issued	-	-	282	282
Debt service:				
Principal retirement	(568,025)	(568,026)	(568,026)	-
Interest and fiscal charges	(55,678)	(55,678)	(55,678)	-
Note issuance costs	<u>(5,000)</u>	<u>(4,999)</u>	<u>(2,985)</u>	<u>2,014</u>
Total nonoperating revenues (expenses)	<u>(406,746)</u>	<u>(413,703)</u>	<u>(423,146)</u>	<u>(9,443)</u>
Net change in fund equity	(789,193)	(1,083,693)	(708,089)	375,604
Fund equity at beginning of year	1,724,856	1,724,856	1,724,856	-
Prior year encumbrances appropriated	<u>1,184,890</u>	<u>1,184,890</u>	<u>1,184,890</u>	<u>-</u>
Fund equity at end of year	<u>\$ 2,120,553</u>	<u>\$ 1,826,053</u>	<u>\$ 2,201,657</u>	<u>\$ 375,604</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 1,868,500	\$ 1,860,000	\$ 1,821,392	\$ (38,608)
Other.	-	-	201	201
Total revenues	<u>1,868,500</u>	<u>1,860,000</u>	<u>1,821,593</u>	<u>(38,407)</u>
Operating expenses:				
Personal services.	52,300	52,300	50,524	1,776
Contractual services	1,901,421	1,901,096	1,820,975	80,121
Materials and supplies	4,700	5,025	3,399	1,626
Total expenses	<u>1,958,421</u>	<u>1,958,421</u>	<u>1,874,898</u>	<u>83,523</u>
Net change in fund equity	(89,921)	(98,421)	(53,305)	45,116
Fund equity at beginning of year.	386,944	386,944	386,944	-
Prior year encumbrances appropriated	<u>150,021</u>	<u>150,021</u>	<u>150,021</u>	<u>-</u>
Fund equity at end of year	<u>\$ 447,044</u>	<u>\$ 438,544</u>	<u>\$ 483,660</u>	<u>\$ 45,116</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 869,000	\$ 780,000	\$ 797,043	\$ 17,043
Other.	-	-	1,316	1,316
Total revenues	<u>869,000</u>	<u>780,000</u>	<u>798,359</u>	<u>18,359</u>
Operating expenses:				
Personal services.	252,600	273,600	276,902	(3,302)
Contractual services	31,850	31,850	9,456	22,394
Materials and supplies	200,353	204,353	131,537	72,816
Capital outlay	581,600	581,600	502,255	79,345
Total expenses	<u>1,066,403</u>	<u>1,091,403</u>	<u>920,150</u>	<u>171,253</u>
Net change in fund equity	(197,403)	(311,403)	(121,791)	189,612
Fund equity at beginning of year.	287,944	287,944	287,944	-
Prior year encumbrances appropriated . . .	<u>161,203</u>	<u>161,203</u>	<u>161,203</u>	<u>-</u>
Fund equity at end of year	<u>\$ 251,744</u>	<u>\$ 137,744</u>	<u>\$ 327,356</u>	<u>\$ 189,612</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Other.	\$ 200,000	\$ 5,000	\$ 738	\$ (4,262)
Total revenues	<u>200,000</u>	<u>5,000</u>	<u>738</u>	<u>(4,262)</u>
Operating expenses:				
Personal services.	7,880	7,880	7,959	(79)
Contractual services	2,022	1,162	911	251
Materials and supplies	6,682	7,542	7,397	145
Total expenses	<u>16,584</u>	<u>16,584</u>	<u>16,267</u>	<u>317</u>
Operating loss	<u>183,416</u>	<u>(11,584)</u>	<u>(15,529)</u>	<u>(3,945)</u>
Nonoperating revenues (expenses):				
Sale of capital assets.	-	-	18,871	18,871
Transfers in	145,000	150,000	150,000	-
Debt service:				
Principal retirement	(139,126)	(139,126)	(139,126)	-
Interest and fiscal charges.	<u>(11,920)</u>	<u>(11,920)</u>	<u>(11,919)</u>	<u>1</u>
Total nonoperating revenues (expenses). . .	<u>(6,046)</u>	<u>(1,046)</u>	<u>17,826</u>	<u>18,872</u>
Net change in fund equity	177,370	(12,630)	2,297	14,927
Fund equity at beginning of year.	35,894	35,894	35,894	-
Prior year encumbrances appropriated . . .	<u>1,704</u>	<u>1,704</u>	<u>1,704</u>	<u>-</u>
Fund equity at end of year	<u>\$ 214,968</u>	<u>\$ 24,968</u>	<u>\$ 39,895</u>	<u>\$ 14,927</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Nonoperating expenses:				
Transfers out.	\$ (4,067)	\$ (4,067)	\$ (4,067)	\$ -
Total nonoperating expenses.	(4,067)	(4,067)	(4,067)	-
Net change in fund equity	(4,067)	(4,067)	(4,067)	-
Fund equity at beginning of year.	<u>4,067</u>	<u>4,067</u>	<u>4,067</u>	<u>-</u>
Fund equity at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF NET ASSETS
NONMAJOR INTERNAL SERVICE FUNDS
DECEMBER 31, 2008*

	Health Insurance	Internal Allocation	Total Nonmajor Internal Service Funds
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents . . .	\$ 1,475,734	\$ 71,735	\$ 1,547,469
Receivables (net of allowance for uncollectibles):			
Accounts	-	4,542	4,542
Total assets	<u>1,475,734</u>	<u>76,277</u>	<u>1,552,011</u>
Liabilities:			
Current liabilities:			
Accounts payable	-	9,054	9,054
Claims payable.	491,094	-	491,094
Total liabilities	<u>491,094</u>	<u>9,054</u>	<u>500,148</u>
Net assets:			
Unrestricted	984,640	67,223	1,051,863
Total net assets	<u>\$ 984,640</u>	<u>\$ 67,223</u>	<u>\$ 1,051,863</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, 2008*

	Health Insurance	Internal Allocation	Total Nonmajor Internal Service Funds
Operating revenues:			
Charges for services	\$ 2,429,155	\$ 472,207	\$ 2,901,362
Other.	149,170	-	149,170
Total operating revenues	<u>2,578,325</u>	<u>472,207</u>	<u>3,050,532</u>
Operating expenses:			
Contract services	425,006	-	425,006
Materials and supplies	-	462,274	462,274
Claims.	<u>2,886,553</u>	<u>-</u>	<u>2,886,553</u>
Total operating expenses.	<u>3,311,559</u>	<u>462,274</u>	<u>3,773,833</u>
Operating income (loss) before transfers.	<u>(733,234)</u>	<u>9,933</u>	<u>(723,301)</u>
Transfers in	<u>-</u>	<u>45,000</u>	<u>45,000</u>
Changes in net assets	(733,234)	54,933	(678,301)
Net assets at beginning of year.	<u>1,717,874</u>	<u>12,290</u>	<u>1,730,164</u>
Net assets at end of year	<u>\$ 984,640</u>	<u>\$ 67,223</u>	<u>\$ 1,051,863</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF CASH FLOWS
NONMAJOR INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008*

	Health Insurance	Internal Allocation	Total Nonmajor Internal Service Funds
Cash flows from operating activities:			
Cash received from customers	\$ 2,429,155	\$ -	\$ 2,429,155
Cash received from other funds	-	473,835	473,835
Cash received from other operations.	149,170	-	149,170
Cash payments for contract services	(425,006)	-	(425,006)
Cash payments for materials and supplies	-	(474,460)	(474,460)
Cash payments for claims	(2,664,939)	-	(2,664,939)
 Net cash used in operating activities.	 (511,620)	 (625)	 (512,245)
Cash flows from noncapital financing activities:			
Transfers in from other funds	-	45,000	45,000
 Net cash provided by noncapital financing activities	 -	 45,000	 45,000
 Net increase (decrease) in cash and cash equivalents	 (511,620)	 44,375	 (467,245)
Cash and cash equivalents at beginning of year	1,987,354	27,360	2,014,714
Cash and cash equivalents at end of year . . .	<u>\$ 1,475,734</u>	<u>\$ 71,735</u>	<u>\$ 1,547,469</u>
 Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income (loss)	\$ (733,234)	\$ 9,933	\$ (723,301)
 Changes in assets and liabilities:			
(Increase) in accounts receivable	-	(4,542)	(4,542)
Decrease in due from other governments	-	6,170	6,170
(Decrease) in accounts payable	-	(12,186)	(12,186)
Increase in claims payable.	221,614	-	221,614
 Net cash used in operating activities.	 <u>\$ (511,620)</u>	 <u>\$ (625)</u>	 <u>\$ (512,245)</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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 2,757,619	\$ 2,423,000	\$ 2,429,155	\$ 6,155
Other.	11,381	10,000	149,170	139,170
Total revenues	<u>2,769,000</u>	<u>2,433,000</u>	<u>2,578,325</u>	<u>145,325</u>
Operating expenses:				
Contractual services	400,000	432,000	449,006	(17,006)
Claims	2,290,000	2,565,000	2,664,939	(99,939)
Total expenses	<u>2,690,000</u>	<u>2,997,000</u>	<u>3,113,945</u>	<u>(116,945)</u>
Net change in fund equity	79,000	(564,000)	(535,620)	28,380
Fund equity at beginning of year.	<u>1,987,354</u>	<u>1,987,354</u>	<u>1,987,354</u>	<u>-</u>
Fund equity at end of year	<u>\$ 2,066,354</u>	<u>\$ 1,423,354</u>	<u>\$ 1,451,734</u>	<u>\$ 28,380</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL ALLOCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 292,000	\$ 358,000	\$ 473,835	\$ 115,835
Total revenues	<u>292,000</u>	<u>358,000</u>	<u>473,835</u>	<u>115,835</u>
Operating expenses:				
Materials and supplies	371,929	571,929	567,780	4,149
Total expenses	<u>371,929</u>	<u>571,929</u>	<u>567,780</u>	<u>4,149</u>
Operating loss	<u>(79,929)</u>	<u>(213,929)</u>	<u>(93,945)</u>	<u>119,984</u>
Nonoperating revenues:				
Transfers in	36,000	45,000	45,000	-
Total nonoperating revenues.	<u>36,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Net change in fund equity	(43,929)	(168,929)	(48,945)	119,984
Fund equity at beginning of year.	15,431	15,431	15,431	-
Prior year encumbrances appropriated	<u>11,929</u>	<u>11,929</u>	<u>11,929</u>	<u>-</u>
Fund equity (deficit) at end of year	<u>\$ (16,569)</u>	<u>\$ (141,569)</u>	<u>\$ (21,585)</u>	<u>\$ 119,984</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, 2008*

	Beginning Balance 12/31/2007	Additions	Reductions	Ending Balance 12/31/2008
Deposit				
Assets:				
Equity in pooled cash and cash equivalents	\$ 154,500	\$ 1,832	\$ 1,024	\$ 155,308
Total assets.	<u>\$ 154,500</u>	<u>\$ 1,832</u>	<u>\$ 1,024</u>	<u>\$ 155,308</u>
Liabilities:				
Deposits held and due to others	\$ 154,500	\$ 1,832	\$ 1,024	\$ 155,308
Total liabilities	<u>\$ 154,500</u>	<u>\$ 1,832</u>	<u>\$ 1,024</u>	<u>\$ 155,308</u>
 New Haven/Forest City				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 132,690	\$ 132,690	\$ -
Total assets.	<u>\$ -</u>	<u>\$ 132,690</u>	<u>\$ 132,690</u>	<u>\$ -</u>
Liabilities:				
Deposits held and due to others	\$ -	\$ 132,690	\$ 132,690	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 132,690</u>	<u>\$ 132,690</u>	<u>\$ -</u>
 Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 154,500	\$ 134,522	\$ 133,714	\$ 155,308
Total assets.	<u>\$ 154,500</u>	<u>\$ 134,522</u>	<u>\$ 133,714</u>	<u>\$ 155,308</u>
Liabilities:				
Deposits held and due to others	\$ 154,500	\$ 134,522	\$ 133,714	\$ 155,308
Total liabilities	<u>\$ 154,500</u>	<u>\$ 134,522</u>	<u>\$ 133,714</u>	<u>\$ 155,308</u>

STATISTICAL SECTION

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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.	152-161
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, income and property taxes.	162-171
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.	172-178
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.	179-180
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.	182-187

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.

CITY OF BARBERTON, OHIO

*NET ASSETS BY COMPONENT
LAST SIX YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 17,207,130	\$ 17,895,365	\$ 15,884,161	\$ 19,954,622
Restricted for:				
Capital projects	633,917	779,845	2,337,727	4,443,464
Debt service	299,259	506,371	516,125	537,306
Transportation projects	1,204,290	1,221,355	1,095,324	843,410
Community development projects	1,028,741	997,544	862,668	764,691
Other projects	1,269,994	1,050,941	1,269,116	2,312,611
Unrestricted	<u>3,298,794</u>	<u>2,914,075</u>	<u>3,191,576</u>	<u>978,746</u>
Total governmental activities net assets	<u>\$ 24,942,125</u>	<u>\$ 25,365,496</u>	<u>\$ 25,156,697</u>	<u>\$ 29,834,850</u>
Business-type Activities				
Invested in capital assets, net of related debt	\$ 31,995,482	\$ 31,383,963	\$ 30,704,621	\$ 24,952,452
Restricted for:				
Debt service	-	-	31,821	663,928
Other projects	1,039,101	1,008,948	1,237,596	2,236,554
Unrestricted	<u>6,806,972</u>	<u>6,485,673</u>	<u>5,975,596</u>	<u>5,955,495</u>
Total business-type activities net assets	<u>\$ 39,841,555</u>	<u>\$ 38,878,584</u>	<u>\$ 37,949,634</u>	<u>\$ 33,808,429</u>
Total Primary Government				
Invested in capital assets, net of related debt	\$ 49,202,612	\$ 49,279,328	\$ 46,588,782	\$ 44,907,074
Restricted for:				
Capital projects	633,917	779,845	2,337,727	4,443,464
Debt service	299,259	506,371	547,946	1,201,234
Transportation projects	1,204,290	1,221,355	1,095,324	843,410
Community development projects	1,028,741	997,544	862,668	764,691
Other projects	2,309,095	2,059,889	2,506,712	4,549,165
Unrestricted	<u>10,105,766</u>	<u>9,399,748</u>	<u>9,167,172</u>	<u>6,934,241</u>
Total primary government net assets	<u>\$ 64,783,680</u>	<u>\$ 64,244,080</u>	<u>\$ 63,106,331</u>	<u>\$ 63,643,279</u>

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

<u>2004</u>	<u>2003</u>
\$ 23,568,720	\$ 21,528,319
884,157	582,840
176,573	408,930
660,339	263,116
773,257	1,257,960
2,028,216	2,043,398
503,102	1,090,277
<u>\$ 28,594,364</u>	<u>\$ 27,174,840</u>
\$ 26,599,164	\$ 25,922,369
701,095	709,457
2,432,132	2,397,248
2,969,473	2,880,167
<u>\$ 32,701,864</u>	<u>\$ 31,909,241</u>
\$ 50,167,884	\$ 47,450,688
884,157	582,840
877,668	1,118,387
660,339	263,116
773,257	1,257,960
4,460,348	4,440,646
3,472,575	3,970,444
<u>\$ 61,296,228</u>	<u>\$ 59,084,081</u>

CITY OF BARBERTON, OHIO

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 1,786,759	\$ 1,547,954	\$ 1,600,236	\$ 1,798,314
Public safety	621,327	523,684	463,696	276,556
Health and welfare	798,884	973,909	854,293	606,666
Transportation	79,507	4,520	48,592	33,203
Community environment	172,991	179,663	233,326	145,911
Leisure time activities	94,240	138,278	80,098	93,607
Operating grants and contributions	3,855,139	3,521,558	3,702,419	4,278,454
Capital grants and contributions	147,321	152,821	160,183	476,933
Total governmental activities program revenues	<u>7,556,168</u>	<u>7,042,387</u>	<u>7,142,843</u>	<u>7,709,644</u>
Business-type activities:				
Charges for services:				
Water	4,574,609	4,242,131	4,202,919	4,102,007
Sewer	4,289,991	4,347,404	4,091,632	4,113,032
Storm Water	796,332	775,680	498,372	-
Solid Waste	1,835,994	1,839,605	1,467,339	1,414,758
Community Center	-	80,666	292,976	350,454
Lake Cinema	-	-	257	850,829
Total business-type activities program revenues	<u>11,496,926</u>	<u>11,285,486</u>	<u>10,553,495</u>	<u>10,831,080</u>
Total primary government	<u>\$ 19,053,094</u>	<u>\$ 18,327,873</u>	<u>\$ 17,696,338</u>	<u>\$ 18,540,724</u>
Expenses:				
Governmental activities:				
General government	\$ 4,619,097	\$ 3,883,172	\$ 4,097,563	\$ 3,837,242
Public safety	11,339,496	10,049,252	9,745,177	9,579,081
Health and welfare	1,889,854	2,343,579	2,384,744	2,246,143
Transportation	2,265,378	2,025,147	2,218,732	2,606,966
Community environment	1,855,258	1,535,323	1,303,440	1,404,166
Leisure time activities	1,636,664	1,240,444	1,742,270	1,705,276
Intergovernmental	-	1,578,763	1,328,572	-
Interest and fiscal charges	253,275	265,787	283,305	223,084
Total governmental activities expenses	<u>23,859,022</u>	<u>22,921,467</u>	<u>23,103,803</u>	<u>21,601,958</u>
Business-type activities:				
Water	3,778,649	4,241,689	4,295,926	3,377,859
Sewer	4,542,875	4,284,959	4,017,338	3,816,607
Solid Waste	1,773,299	1,785,145	1,500,928	1,393,999
Storm Water	650,516	648,268	292,441	-
Community Center	131,104	362,163	547,635	544,489
Lake Cinema	-	2,005	2,005	946,621
Total business-type activities expenses	<u>10,876,443</u>	<u>11,324,229</u>	<u>10,656,273</u>	<u>10,079,575</u>
Total primary government	<u>\$ 34,735,465</u>	<u>\$ 34,245,696</u>	<u>\$ 33,760,076</u>	<u>\$ 31,681,533</u>
Governmental activities	\$ (16,302,854)	\$ (15,879,080)	\$ (15,960,960)	\$ (13,892,314)
Business-type activities	620,483	(38,743)	(102,778)	751,505
Total primary government net expense	<u>\$ (15,682,371)</u>	<u>\$ (15,917,823)</u>	<u>\$ (16,063,738)</u>	<u>\$ (13,140,809)</u>

<u>2004</u>	<u>2003</u>
\$ 1,129,924	\$ 1,166,821
188,715	93,042
398,654	472,620
63	53,688
209,880	148,763
67,942	56,089
3,064,285	2,362,914
1,852,649	1,148,276
<u>6,912,112</u>	<u>5,502,213</u>
3,724,170	3,340,724
3,783,899	3,557,601
-	-
1,402,180	1,353,257
413,842	421,153
995,126	1,017,078
<u>10,319,217</u>	<u>9,689,813</u>
<u>\$ 17,231,329</u>	<u>\$ 15,192,026</u>
\$ 3,733,749	\$ 4,133,258
9,077,025	9,704,268
1,903,090	2,105,425
2,543,136	5,216,097
1,526,834	1,432,849
1,505,036	1,755,276
-	-
300,427	236,121
<u>20,589,297</u>	<u>24,583,294</u>
3,490,864	3,625,367
3,379,220	4,576,124
1,359,244	1,325,266
-	-
702,065	688,010
1,046,021	1,080,084
<u>9,977,414</u>	<u>11,294,851</u>
<u>\$ 30,566,711</u>	<u>\$ 35,878,145</u>
\$ (13,677,185)	\$ (19,081,081)
341,803	(1,605,038)
<u>\$ (13,335,382)</u>	<u>\$ (20,686,119)</u>

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CITY OF BARBERTON, OHIO

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Revenues and Other Changes in Net Assets:				
Governmental activities				
Taxes:				
Property taxes levied for:				
General purposes	\$ 1,209,964	\$ 1,334,131	\$ 1,248,270	\$ 1,518,135
Fire capital levy	288,602	-	-	-
Police pension	104,512	116,625	104,339	128,942
Fire pension	104,512	116,911	104,053	128,942
Municipal income taxes levied for:				
General Purposes	10,859,015	11,254,122	11,391,350	9,968,415
Grants and entitlements				
not restricted to specific programs	2,821,199	2,885,135	2,552,742	2,077,635
Investment earnings	398,822	681,251	762,314	432,745
Other	199,199	109,704	746,914	1,104,986
Special item	-	-	(1,856,330)	-
Transfers	<u>(106,342)</u>	<u>(410,000)</u>	<u>(3,770,845)</u>	<u>(227,000)</u>
Total governmental activities	<u>15,879,483</u>	<u>16,087,879</u>	<u>11,282,807</u>	<u>15,132,800</u>
Business-type activities				
Investment earnings	163,851	505,193	416,614	96,244
Other	72,295	52,500	56,524	31,816
Transfers	<u>106,342</u>	<u>410,000</u>	<u>3,770,845</u>	<u>227,000</u>
Total business-type activities	<u>342,488</u>	<u>967,693</u>	<u>4,243,983</u>	<u>355,060</u>
Total primary government	<u>\$ 16,221,971</u>	<u>\$ 17,055,572</u>	<u>\$ 15,526,790</u>	<u>\$ 15,487,860</u>
Change in Net Assets:				
Governmental activities	\$ (423,371)	\$ 208,799	\$ (4,678,153)	\$ 1,240,486
Business-type activities	<u>962,971</u>	<u>928,950</u>	<u>4,141,205</u>	<u>1,106,565</u>
Total primary government	<u>\$ 539,600</u>	<u>\$ 1,137,749</u>	<u>\$ (536,948)</u>	<u>\$ 2,347,051</u>

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

<u>2004</u>	<u>2003</u>
\$ 1,452,119	\$ 1,123,725
-	-
125,841	97,813
125,841	97,813
10,263,255	9,718,674
2,448,748	2,391,699
87,309	158,020
813,596	826,707
-	970,516
(220,000)	(159,000)
<u>15,096,709</u>	<u>15,225,967</u>
40,695	65,027
190,125	228,615
220,000	159,000
<u>450,820</u>	<u>452,642</u>
<u>\$ 15,547,529</u>	<u>\$ 15,678,609</u>
\$ 1,419,524	\$ (3,855,114)
792,623	(1,152,396)
<u>\$ 2,212,147</u>	<u>\$ (5,007,510)</u>

CITY OF BARBERTON, OHIO

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund:						
Reserved	\$ 323,073	\$ 272,616	\$ 220,343	\$ 178,449	\$ 208,201	\$ 259,154
Unreserved	<u>3,053,359</u>	<u>3,713,078</u>	<u>3,391,929</u>	<u>1,551,627</u>	<u>2,018,677</u>	<u>2,921,841</u>
Total general fund	<u>\$ 3,376,432</u>	<u>\$ 3,985,694</u>	<u>\$ 3,612,272</u>	<u>\$ 1,730,076</u>	<u>\$ 2,226,878</u>	<u>\$ 3,180,995</u>
All Other Governmental Funds:						
Reserved	\$ 1,706,057	\$ 1,153,867	\$ 2,308,392	\$ 1,606,244	\$ 1,851,445	\$ 2,183,629
Unreserved, reported in:						
Special revenue funds	1,757,970	1,992,357	1,819,428	1,799,025	2,236,562	2,271,484
Capital projects funds	(1,793,737)	(84,211)	532,399	3,572,711	2,109,970	1,911,656
Debt service funds	<u>330,952</u>	<u>323,368</u>	<u>283,673</u>	<u>270,859</u>	<u>41,937</u>	<u>241,063</u>
Total all other governmental funds	<u>\$ 2,001,242</u>	<u>\$ 3,385,381</u>	<u>\$ 4,943,892</u>	<u>\$ 7,248,839</u>	<u>\$ 6,239,914</u>	<u>\$ 6,607,832</u>

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 648,803	\$ 809,897	\$ 794,954	\$ 736,109
<u>1,232,325</u>	<u>1,739,302</u>	<u>1,583,796</u>	<u>2,757,962</u>
<u>\$ 1,881,128</u>	<u>\$ 2,549,199</u>	<u>\$ 2,378,750</u>	<u>\$ 3,494,071</u>
\$ 3,917,701	\$ 3,886,756	\$ 2,677,328	\$ 1,817,469
3,877,995	3,353,935	3,881,550	4,323,592
(4,036,155)	(124,592)	(1,106,655)	374,813
<u>71,322</u>	<u>4,689</u>	<u>6,212</u>	<u>6,211</u>
<u>\$ 3,830,863</u>	<u>\$ 7,120,788</u>	<u>\$ 5,458,435</u>	<u>\$ 6,522,085</u>

CITY OF BARBERTON, OHIO

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues					
Taxes	\$ 12,601,886	\$ 12,732,465	\$ 13,279,202	\$ 11,927,679	\$ 11,960,729
Charges for services	2,348,503	2,146,709	2,019,348	1,638,856	1,216,431
Licenses and permits	483,615	611,907	683,398	446,544	287,608
Fines and forfeitures	202,586	178,769	171,796	167,198	167,498
Intergovernmental	5,646,214	5,428,350	6,482,569	6,431,013	6,953,520
Special assessments	187,152	129,680	159,635	239,011	90,295
Investment income	434,513	669,402	736,737	431,559	85,085
Contributions and donations	981,965	177,625	144,227	63,111	103,054
Other	568,318	1,169,287	1,086,628	1,508,184	1,315,743
Total revenues	<u>23,454,752</u>	<u>23,244,194</u>	<u>24,763,540</u>	<u>22,853,155</u>	<u>22,179,963</u>
Expenditures					
Current:					
General government	4,177,189	3,864,219	4,081,556	3,751,477	3,659,636
Public safety	10,273,963	9,876,927	9,832,423	9,505,500	9,491,837
Health and welfare	1,793,038	2,397,461	2,513,403	2,295,683	1,948,426
Transportation	1,611,276	1,328,988	1,576,717	1,599,891	1,750,043
Community environment	1,680,902	1,428,273	1,841,026	1,499,781	1,246,612
Leisure time activity	1,368,699	1,084,396	922,867	1,320,267	1,112,732
Capital outlay	3,552,712	1,557,554	2,053,974	1,250,150	3,212,171
Intergovernmental	-	1,578,763	1,328,572	-	-
Debt service:					
Principal retirement	932,580	856,591	883,603	888,081	1,773,799
Interest and fiscal charges	253,241	252,483	280,010	221,050	266,290
Bond issuance cost	-	-	-	3,985	18,955
Note issuance cost	10,745	10,292	-	-	5,671
Total expenditures	<u>25,654,345</u>	<u>24,235,947</u>	<u>25,314,151</u>	<u>22,335,865</u>	<u>24,486,172</u>
Excess of revenues over (under) expenditures	<u>(2,199,593)</u>	<u>(991,753)</u>	<u>(550,611)</u>	<u>517,290</u>	<u>(2,306,209)</u>
Other Financing Sources (Uses)					
Notes issued		20,000	40,000	96,000	120,000
Bonds issued	-	-	-	112,450	1,396,000
Premium on notes	17,282	-	-	8,754	1,842
Premium on bonds	-	-	-	-	-
Capital lease transaction	300,000	211,276	160,621	-	-
Sale of capital assets	79,843	10,388	149,224	19,629	6,332
Transfers in	1,771,349	1,853,518	1,955,289	1,835,266	2,193,627
Transfers (out)	(1,962,282)	(2,288,518)	(2,177,274)	(2,077,266)	(2,733,627)
Advances in	-	-	-	-	-
Advances (out)	-	-	-	-	-
Proceeds from Sale of Park Land	-	-	-	-	-
Total other financing sources (uses)	<u>206,192</u>	<u>(193,336)</u>	<u>127,860</u>	<u>(5,167)</u>	<u>984,174</u>
Net change in fund balances	<u>\$ (1,993,401)</u>	<u>\$ (1,185,089)</u>	<u>\$ (422,751)</u>	<u>\$ 512,123</u>	<u>\$ (1,322,035)</u>
Capital expenditures	2,916,887	1,571,458	1,999,901	1,431,678	4,515,836
Debt service as a percentage of noncapital expenditures.	5.26%	4.94%	4.99%	5.32%	10.34%

2003	2002	2001	2000	1999
\$ 11,183,137	\$ 11,506,273	\$ 11,061,586	\$ 11,493,618	\$ 11,539,292
1,444,431	1,253,346	1,284,076	1,094,676	1,003,184
319,293	-	-	-	-
124,520	481,448	409,842	332,977	394,210
5,502,060	6,272,143	7,291,904	5,030,544	5,102,726
58,408	77,415	75,554	-	-
159,936	256,061	596,880	785,250	638,227
107,607	145,587	-	-	-
822,919	1,364,777	2,950,929	1,321,609	1,362,579
<u>19,722,311</u>	<u>21,357,050</u>	<u>23,670,771</u>	<u>20,058,674</u>	<u>20,040,218</u>
3,679,467	3,534,937	3,506,389	3,628,810	3,195,289
8,788,013	8,234,631	7,838,848	8,490,187	7,079,716
1,995,233	1,511,059	1,551,580	1,479,699	1,367,907
2,084,648	2,022,707	2,117,422	2,184,005	2,147,045
1,481,803	1,644,131	2,250,150	1,258,922	1,287,598
1,128,444	1,410,912	1,153,810	1,124,321	1,021,407
3,370,531	4,083,068	4,734,189	3,759,579	2,945,187
-	-	-	-	-
281,544	305,738	625,729	327,961	426,264
280,871	212,878	182,584	182,799	176,503
68,142	-	-	-	-
-	-	-	-	-
<u>23,158,696</u>	<u>22,960,061</u>	<u>23,960,701</u>	<u>22,436,283</u>	<u>19,646,916</u>
<u>(3,436,385)</u>	<u>(1,603,011)</u>	<u>(289,930)</u>	<u>(2,377,609)</u>	<u>393,302</u>
1,180,000	31,318	2,095,000	315,000	-
4,967,610	-	237,000	-	-
15,241	-	-	-	-
17,194	-	-	-	-
-	-	-	-	706,451
3,855	4,616	8,452	20,078	12,484
3,023,461	11,009,340	10,652,498	10,748,243	10,643,620
(3,182,461)	(11,305,260)	(10,870,218)	(10,884,683)	(10,733,373)
-	-	2,224,334	-	-
-	-	(2,224,334)	-	-
1,000,000	-	-	-	-
<u>7,024,900</u>	<u>(259,986)</u>	<u>2,122,732</u>	<u>198,638</u>	<u>629,182</u>
<u>\$ 3,588,515</u>	<u>\$ (1,862,997)</u>	<u>\$ 1,832,802</u>	<u>\$ (2,178,971)</u>	<u>\$ 1,022,484</u>
1,112,511	4,083,068	4,734,189	3,759,579	2,945,187
2.86%	2.75%	4.20%	2.73%	3.61%

CITY OF BARBERTON, OHIO

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

Year	Real Property		Public Utility Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value (a)	Assessed Value	Estimated Actual Value (b)	Assessed Value	Estimated Actual Value (c)
2008	\$ 396,658,680	\$ 1,133,310,514	\$ 8,342,960	9,480,636	\$ 23,995,575	383,929,200
2007	395,700,530	1,130,572,943	11,588,150	13,168,352	27,517,101	220,136,808
2006	394,443,500	1,126,981,429	11,919,510	13,544,898	39,558,953	210,981,083
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

Source: Summit County, Ohio; Fiscal Officer

- (a) Real property is assessed at 35% of actual value.
- (b) Public utility is assessed at 88% percent of actual value.
- (c) For 2005 and prior, tangible personal is assessed at 25% of true value for capital assets and 23% of true value for inventory included in tangible personal property.
 For 2006, tangible personal is assessed at 18.75% of property value, including inventory.
 For 2007, tangible personal is assessed at 12.50% of property value, including inventory.
 For 2008, tangible personal is assessed at 6.25% of property value, including inventory.

Total			
Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Ratio
\$ 428,997,215	\$ 1,526,720,350	3.50	28.10%
434,805,781	1,363,878,103	3.50	31.88%
445,921,963	1,351,507,410	3.50	32.99%
420,900,043	1,239,646,576	3.50	33.95%
414,923,323	1,222,395,092	3.50	33.94%
415,088,815	1,226,076,160	3.50	33.86%
369,420,185	1,103,007,141	3.50	33.49%
357,002,567	1,059,813,736	3.50	33.69%
353,444,088	1,044,150,407	3.50	33.85%
324,473,809	963,592,312	3.50	33.67%

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	
2008	2.90	0.60	3.50	14.26	59.89	1.37	79.02
2007	2.90	0.60	3.50	14.57	58.94	1.37	78.38
2006	2.90	0.60	3.50	13.07	64.06	1.37	82.00
2005	2.90	0.60	3.50	13.07	56.90	-	73.47
2004	2.90	0.60	3.50	13.07	56.90	-	73.47
2003	2.90	0.60	3.50	13.07	56.73	-	73.30
2002	2.90	0.60	3.50	13.07	56.73	-	73.30
2001	2.90	0.60	3.50	13.07	53.36	-	69.93
2000	2.90	0.60	3.50	12.27	53.44	-	69.21
1999	2.90	0.60	3.50	12.27	53.36	-	69.13

Source: Summit County, Ohio; Fiscal Officer

CITY OF BARBERTON, OHIO

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

December 31, 2008			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Barberton Health System LLC	\$ 9,170,520	1	2.31%
Kimco of Ohio, Inc.	2,097,800	2	0.53%
Babcock & Wilcox Power Generation Group	1,723,870	3	0.43%
BWX Technologies, Inc.	1,663,990	4	0.42%
B & C Diversified Products Inc.	1,415,730	5	0.36%
B & C Research Inc.	1,290,890	6	0.33%
LRC Magic Investors LTD	1,171,640	7	0.30%
Daniel L. Pohl Family Limited Partnership	1,042,620	8	0.26%
Heritage Place Limited Partnership	988,740	9	0.25%
Littman & Benedik Austin Lake Apartments	959,000	10	0.24%
Total, Top Ten Principal Real Property Taxpayers	\$ 21,524,800		5.43%
Total City Real Property Tax Assessed Valuation	\$ 396,658,680		

December 31, 1999			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Barberton Health System LLC	\$ 9,369,690	1	3.84%
B & C Industries	3,587,700	2	1.47%
Pendleton Magic LLC	1,883,670	3	0.77%
Babcock & Wilcox Company	1,718,200	4	0.70%
BWX Technologies, Inc.	1,688,480	5	0.69%
PPG Industries	1,110,410	6	0.46%
Heritage Place LP	886,700	7	0.36%
Littman, et al	830,790	8	0.34%
Bergit Realty Co.	809,160	9	0.33%
Kimco of Ohio	643,210	10	0.26%
Total, Top Ten Principal Real Property Taxpayers	\$ 22,528,010		9.22%
Total City Real Property Tax Assessed Valuation	\$ 243,813,600		

Source: Summit County, Ohio; Fiscal Officer

CITY OF BARBERTON, OHIO

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

December 31, 2008

Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison Co.	\$ 5,194,940	1	62.27%
American Transmission	1,704,390	2	20.43%
East Ohio Gas Co.	1,094,010	3	13.11%
CSX	172,540	4	2.07%
Akron & Barberton RR	105,320	5	1.26%
Total, Top Five Principal Public Utility Property Taxpayers	<u>\$ 8,271,200</u>		<u>99.14%</u>
Total City Public Utility Property Tax Assessed Valuation	<u>\$ 8,342,960</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, 2008			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
McDermott Inc.	\$ 5,044,710	1	21.02%
Alcoa, Inc.	3,761,640	2	15.68%
Wright Tool Company	2,072,640	3	8.64%
Triad Hospitals, Inc. C/O EMA	1,946,260	4	8.11%
PPG Industries, Inc.	1,989,260	5	8.29%
B & C Corporation	1,682,970	6	7.01%
B & C Research, Inc.	1,642,120	7	6.84%
Ohio Bell Telephone Co	1,523,570	8	6.35%
Malco Products, Inc.	665,250	9	2.77%
Tamarkin	485,860	10	2.02%
Total, Top Ten Principal Tangible Personal Property Taxpayers	\$ 20,814,280		86.73%
Total City Tangible Personal Property Tax Assessed Valuation	\$ 23,995,575		

December 31, 1999			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
McDermott Inc.	\$ 8,976,390	1	14.66%
B & C Corporation	5,240,850	2	8.56%
Machining Tool Corp of America	3,989,060	3	6.52%
B & C Research Inc.	3,341,270	4	5.46%
Aluminum Company of America	3,048,330	5	4.98%
Reiter Dairy, Inc.	3,031,270	6	4.95%
Wright Tool Company	2,789,290	7	4.56%
Quorum Health Group	2,371,250	8	3.87%
PPG Industries	1,716,590	9	2.80%
Malco Products, Inc.	1,326,890	10	2.17%
Total, Top Ten Principal Tangible Personal Property Taxpayers	\$ 35,831,190		58.53%
Total City Tangible Personal Property Tax Assessed Valuation	\$ 61,223,799		

Source: Summit County, Ohio; Fiscal Officer

CITY OF BARBERTON, OHIO

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

Year	Total Levy	Current Collection (1)	Percent of Current Collections to Tax Levy	Delinquent Collections	Total Collections	Percent of Total Collections to Tax Levy	Outstanding Delinquent Taxes (2)	Percentage of Delinquent Taxes to Tax Levy
2008	\$ 1,721,174	\$ 1,649,458	95.83%	\$ 79,227	\$ 1,728,685	100.44%	\$ 161,862	9.40%
2007	1,535,079	1,451,556	94.56%	83,524	1,535,080	100.00%	176,270	11.48%
2006	1,570,201	1,491,083	94.96%	79,117	1,570,200	100.00%	188,607	12.01%
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%

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.

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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
2008	2.00%	\$ 11,146,258	\$ 9,343,780	83.83%	\$ 737,551	6.62%
2007	2.00%	11,379,007	9,545,043	83.88%	813,468	7.15%
2006	2.00%	11,300,258	9,431,669	83.46%	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%

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

	Taxes from Individuals	Percentage of Taxes from Individuals
\$	983,226	8.82%
	944,752	8.30%
	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%

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
2008	\$ 3,369,659	\$ 166,466	\$ 980,000	\$ 2,770,000	\$ 544,771	\$ 3,010,358	\$ 8,495,000
2007	4,034,195	201,800	1,095,000	699,000	342,481	3,695,812	8,805,000
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

Sources:

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

Business-Type Activities, continued

<u>Notes</u>	<u>Capital Leases</u>	<u>(a) Total Primary Government</u>	<u>(b) Total Personal Income</u>	<u>Percentage of Personal Income</u>	<u>(b) Population</u>	<u>Per Capita</u>
\$ 1,590,000	\$ 185,617	\$ 21,111,871	\$ 495,597,836	4.26%	27,899	\$ 757
2,066,000	125,839	21,065,127	495,597,836	4.25%	27,899	\$ 755
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

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>
2008	27,899	\$ 1,526,720,350	\$ 6,380,017	0.42%	\$ 229
2007	27,899	1,363,878,103	7,730,007	0.57%	277
2006	27,899	1,351,507,410	9,040,001	0.67%	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

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, 2008*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Barberton	\$ 6,380,017	100.00%	\$ 6,380,017
Overlapping debt:			
Barberton City School District	56,674,983	97.79%	55,422,466
Northwest Local School District	20,300,000	0.01%	2,030
Summit County	38,420,000	3.38%	1,298,596
Akron-Summit County Library District	50,700,000	0.08%	40,560
Akron Metro Regional Transit Authority	570,000	3.38%	19,266
Total direct and overlapping debt	<u>\$ 173,045,000</u>		<u>\$ 63,162,935</u>

Source: Ohio Municipal Advisory Council

CITY OF BARBERTON, OHIO

*COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS*

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Assesed Value (a)	\$ 405,001,640	\$ 403,765,630	\$ 445,921,963	\$ 420,900,043
Legal debt margin:				
Debt limitation - 10.5% of Assesed Value	42,525,172	42,395,391	46,821,806	44,194,505
Debt Applicable to Limitation:				
General Obligation Bonds	6,380,017	7,730,007	9,040,001	10,338,819
Special Assessment Bond	166,466	201,800	235,641	266,950
Notes	4,360,000	2,765,000	3,535,000	5,665,000
Revenue Bonds	8,495,000	8,805,000	9,105,000	630,000
Gross Indebtedness				
(Total Voted and Unvoted Debt)	<u>19,401,483</u>	<u>19,501,807</u>	<u>21,915,642</u>	<u>16,900,769</u>
Less: Debt Outside Limitations				
Special Assessment Bond	(166,466)	(201,800)	(235,641)	(266,950)
Notes	(4,360,000)	(2,765,000)	(3,535,000)	(4,652,000)
Revenue Bonds	(8,495,000)	(8,805,000)	(9,105,000)	(630,000)
Total Debt Outside Limitations	<u>(13,021,466)</u>	<u>(11,771,800)</u>	<u>(12,875,641)</u>	<u>(5,548,950)</u>
Total Debt Applicable to Limitation - Within 10.5% Limitations	6,380,017	7,730,007	9,040,001	11,351,819
Less: Amount Available in Debt Service Fund to pay debt applicable to limitation	<u>(23,302)</u>	<u>(18,797)</u>	<u>(3,189)</u>	<u>(503)</u>
Net Debt Within 10.5% Limitation	<u>6,356,715</u>	<u>7,711,210</u>	<u>9,036,812</u>	<u>11,351,316</u>
Overall Debt Margin Within 10.5% Limitation	<u>\$ 36,168,457</u>	<u>\$ 34,684,181</u>	<u>\$ 37,784,994</u>	<u>\$ 32,843,189</u>
Unvoted Debt Limitation - 5.5% of Assesed Valuation	\$ 22,275,090	\$ 22,207,110	\$ 24,525,708	\$ 23,149,502
Gross Indebtedness Authorized by Council	19,401,483	19,501,807	21,915,642	16,900,769
Less: Debt Outside Limitations:				
Total Debt Outside Limitations	<u>(13,021,466)</u>	<u>(11,771,800)</u>	<u>(12,875,641)</u>	<u>(5,548,950)</u>
Debt Within 5.5% Limitations	6,380,017	7,730,007	9,040,001	11,351,819
Less Amount Available in Debt Service Fund	(23,302)	(18,797)	(3,189)	(503)
Net Debt Within 5.5% Limitation	<u>6,356,715</u>	<u>7,711,210</u>	<u>9,036,812</u>	<u>11,351,316</u>
Unvoted Debt Margin Within 5.5% Limitation	<u>\$ 15,918,375</u>	<u>\$ 14,495,900</u>	<u>\$ 15,488,896</u>	<u>\$ 11,798,186</u>

Source: City of Barberton financial records

(a) Beginning in 2007, the debt limit excludes the assessed valuations of tangible personal property and railroad and telephone public utility personal property as required by Ohio House Bill 530.

2004	2003	2002	2001	2000	1999
\$ 414,923,323	\$ 415,088,815	\$ 369,420,185	\$ 357,002,567	\$ 353,444,088	\$ 324,473,809
43,566,949	43,584,326	38,789,119	37,485,270	37,111,629	34,069,750
11,611,800	8,608,993	2,990,437	3,321,183	3,636,273	3,965,747
176,500	197,600	217,700	237,000	-	-
3,675,000	7,415,000	13,545,000	6,720,000	3,760,000	4,215,000
1,235,000	1,815,000	2,370,000	2,900,000	3,410,000	3,900,000
<u>16,698,300</u>	<u>18,036,593</u>	<u>19,123,137</u>	<u>13,178,183</u>	<u>10,806,273</u>	<u>12,080,747</u>
(176,500)	(197,600)	(217,700)	(237,000)	-	-
(2,459,000)	(4,700,000)	(6,190,000)	(4,625,000)	(3,445,000)	(4,215,000)
<u>(1,235,000)</u>	<u>(1,815,000)</u>	<u>(2,370,000)</u>	<u>(2,900,000)</u>	<u>(3,410,000)</u>	<u>(3,900,000)</u>
<u>(3,870,500)</u>	<u>(6,712,600)</u>	<u>(8,777,700)</u>	<u>(7,762,000)</u>	<u>(6,855,000)</u>	<u>(8,115,000)</u>
12,827,800	11,323,993	10,345,437	5,416,183	3,951,273	3,965,747
(21,518)	(181,829)	(40,329)	(2,984)	(6,212)	(6,211)
<u>12,806,282</u>	<u>11,142,164</u>	<u>10,305,108</u>	<u>5,413,199</u>	<u>3,945,061</u>	<u>3,959,536</u>
<u>\$ 30,760,667</u>	<u>\$ 32,442,162</u>	<u>\$ 28,484,011</u>	<u>\$ 32,072,071</u>	<u>\$ 33,166,568</u>	<u>\$ 30,110,214</u>
\$ 22,820,783	\$ 22,829,885	\$ 20,318,110	\$ 19,635,141	\$ 19,439,425	\$ 17,846,059
16,698,300	18,036,593	19,123,137	13,178,183	10,806,273	12,080,747
<u>(3,870,500)</u>	<u>(6,712,600)</u>	<u>(8,777,700)</u>	<u>(7,762,000)</u>	<u>(6,855,000)</u>	<u>(8,115,000)</u>
12,827,800	11,323,993	10,345,437	5,416,183	3,951,273	3,965,747
(21,518)	(181,829)	(40,329)	(2,984)	(6,212)	(6,211)
<u>12,806,282</u>	<u>11,142,164</u>	<u>10,305,108</u>	<u>5,413,199</u>	<u>3,945,061</u>	<u>3,959,536</u>
<u>\$ 10,014,501</u>	<u>\$ 11,687,721</u>	<u>\$ 10,013,002</u>	<u>\$ 14,221,942</u>	<u>\$ 15,494,364</u>	<u>\$ 13,886,523</u>

CITY OF BARBERTON, OHIO

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

SEWER REVENUE BONDS:

<u>Year</u>	<u>Operating Revenue</u>	<u>Operating Expenses (1)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements (2)</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2006 (4)	\$ 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

WATER REVENUE BONDS:

<u>Year</u>	<u>Operating Revenue</u>	<u>Operating Expenses (1)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements (2)</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2008	\$ 4,582,696	\$ 2,631,713	\$ 1,950,983	\$ 310,000	\$ 377,691	\$ 687,691	2.84
2007	4,246,190	3,087,191	1,158,999	300,000	388,941	688,941	1.68
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.

(4) The Sewer Revenue bonds matured during 2006; therefore information after 2006 is not presented.

CITY OF BARBERTON, OHIO

*DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS*

Year	Population (1)	Personal Income	Per Capita Personal Income (1)	Annual Average Unemployment Rates (2)			
				City of Barberton	Summit County	Ohio	United States
2008	27,899	\$ 495,597,836	\$ 17,764	7.4%	6.1%	6.5%	5.8%
2007	27,899	495,597,836	17,764	6.7%	5.4%	5.6%	4.6%
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%

Sources:

(1) U.S. Census Bureau

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

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

Employer	2008			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Babcock and Wilcox Co.	1,371	1	8.64%	1,098	2	7.04%
QHG of Barberton	1,364	2	8.60%	1,361	1	8.72%
B&C Corporation	869	3	5.48%	(a)	(a)	0.00%
Barberton Board of Education	812	4	5.12%	899	3	5.76%
BWX Technologies	587	5	3.70%	695	4	4.46%
City of Barberton	391	6	2.46%	408	7	2.62%
B&C Research Inc.	345	7	2.17%	410	6	2.63%
Kellou LLC	311	8	1.96%	383	8	2.46%
B&C Industries	269	9	1.70%	552	5	3.54%
Tamarkin Co.	268	10	1.69%	211	10	1.35%
Reiter Dairy Inc.	237	11	1.49%	354	9	2.27%
Total	<u>6,824</u>		<u>43.01%</u>	<u>6,371</u>		<u>40.85%</u>
Total City Employment	<u>15,864</u>			<u>15,600</u>		

Source: CCA Division of Taxation.

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

(a) Number of employees was not reported in 2004 but was over 1,400 in 2005.

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CITY OF BARBERTON, OHIO

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

Function/Program	2008	2007	2006	2005	2004	2003	2002	2001
General Government								
Clerk of Council	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Municipal Court - Judges	6.00	6.00	8.00	8.00	8.00	8.00	8.00	8.00
Municipal Clerk of Courts	11.28	11.28	12.30	13.30	12.30	12.30	12.30	12.50
Mayor	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Service Director	0.84	0.84	1.30	1.30	1.30	1.30	1.30	1.30
Finance	5.20	5.20	5.20	5.20	4.60	5.60	5.60	5.60
Law	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00
Safety Director	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Human Resources	1.50	-	-	1.00	1.00	1.00	2.00	2.00
Information Systems	0.93	0.93	0.90	1.70	1.70	1.70	1.70	1.50
Income Tax	1.00	1.00	1.00	2.60	4.60	4.60	4.60	4.60
Other	3.00	3.00	2.00	2.00	2.00	2.00	1.00	1.00
Public Safety								
Police/Dispatch	51.00	54.00	51.00	53.00	55.00	56.00	56.00	56.00
Fire	43.00	46.00	44.00	46.00	46.00	44.00	45.00	46.00
Health and Welfare								
Health	20.00	23.00	24.00	24.00	24.00	25.00	23.00	22.00
Transportation								
Signal	2.00	2.00	2.00	2.00	4.00	4.00	4.00	4.00
Streets	19.00	16.00	13.00	15.00	22.00	23.00	23.00	25.00
Community Environment								
Engineering/Building	6.83	6.59	5.60	5.60	6.60	8.30	9.30	10.30
Planning	3.00	3.50	2.00	3.00	3.00	3.00	3.00	5.00
Engineering	-	-	-	-	-	-	-	-
Leisure Time Activity								
Parks Administration	5.35	4.00	2.00	2.00	3.00	3.00	3.00	3.00
Parks Maintenance	5.00	4.00	5.00	6.00	7.00	7.00	7.00	7.00
Beautification	1.00	1.00	-	-	2.00	2.00	2.00	2.00
Utility Services								
Water	28.65	28.53	29.50	30.00	27.40	30.00	28.60	30.60
Sewer	30.12	21.33	26.40	26.00	25.20	28.00	26.40	26.40
Storm Water	3.00	3.00	-	-	-	-	-	-
Solid Waste	0.80	0.80	0.80	0.30	0.30	0.20	0.20	0.20
Community Center	-	-	2.00	2.00	2.00	3.00	3.00	2.00
Total	256.00	250.00	246.00	257.00	270.00	280.00	277.00	283.00

Source: City of Barberton records

<u>2000</u>	<u>1999</u>
1.00	1.00
8.00	8.00
11.50	11.00
2.00	2.00
1.30	1.30
5.60	5.60
3.00	3.00
1.00	1.00
2.00	2.00
1.00	-
4.60	4.60
1.00	1.00
60.00	59.00
46.00	45.00
25.00	20.00
4.00	4.00
25.00	24.00
7.30	8.30
4.00	5.00
-	-
4.00	4.00
6.00	5.00
2.00	2.00
29.80	30.80
25.90	25.40
-	-
1.00	1.00
2.00	2.00
<u>284.00</u>	<u>276.00</u>

CITY OF BARBERTON, OHIO

*OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS*

Function	1999	2000	2001	2002	2003	2004	2005
General Government							
Positions Filled	26	27	19	7	7	13	2
Building Permits Issued	812	665	816	772	695	629	550
Building Inspections Performed	2,030	1,662	3,264	3,072	2,780	2,516	2,200
Ordinances & Resolutions	283	227	272	214	175	202	214
Public Safety							
Police:							
Physical Arrests	2,233	1,866	2,018	1,972	2,073	2,040	2,170
Parking Violations	1,511	942	2,073	677	1,638	1,697	890
Traffic Violations	3,268	2,247	1,996	2,310	2,902	2,950	2,324
Fire:							
Emergency Responses	3,502	3,387	3,422	3,442	3,370	3,558	3,571
Fire Responses	659	630	663	590	576	692	599
Inspections conducted	900	900	1,063	859	828	700	685
Leisure Time Activities							
Recreation Center Attendance	N/A	N/A	N/A	N/A	N/A	110,888	100,371
Recreation Center Memberships	N/A	N/A	N/A	N/A	2,909	1,883	1,459
Transportation							
Street Resurfacing (miles)	0.65	0.76	0.22	1.67	0	0	1.8
Tons of salt used	4,995	4,513	4,538	3,544	6,594	3,837	4,433
Water							
New Connections	125	164	123	152	116	90	110
Water Main Breaks	86	74	112	91	107	93	84

Source: City of Barberton Departments.

Note: Information for 10 years prior was not available for all functions.
Leisure Time statistics not available at publication date.

2006	2007	2008
21	22	9
504	293	1,008
2,016	1,593	2,762
250	213	231
2,381	2,062	2,149
273	1,560	1,476
2,110	1,724	2,579
3,754	4,022	3,479
583	749	611
729	124	819
94,774	75,000	N/A
998	700	N/A
2.64	1.42	1.66
2,366	2,750	4,049
81	60	32
124	131	128

CITY OF BARBERTON, OHIO

*CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN YEARS*

Function	1999	2000	2001	2002	2003	2004
Public Safety						
Police:						
Stations	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
Leisure Time Activities						
Parks	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
Fitness Center	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
Wading Pools	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
Baseball Diamonds	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
Transportation						
Streets (Paved Miles)	123.90	124.66	124.88	126.55	126.55	126.55
Water						
Water Mains (miles)	130.81	133.03	133.28	135.97	135.97	135.97
Sewer						
Sanitary Sewers (miles)	86.45	87.43	87.68	91.25	91.25	91.25

Source: City of Barberton Departments.

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00
15.00	15.00	16.00	16.00
140.00	140.00	161.10	161.00
1.00	1.00	0.00	0.00
0.00	0.00	0.00	0.00
5.00	5.00	0.00	0.00
8.00	8.00	8.00	8.00
3.00	3.00	11.00	11.00
12.00	12.00	7.00	7.00
128.35	130.99	130.99	130.99
135.97	136.37	136.70	137.50
91.25	91.25	91.25	92.50

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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
AUGUST 4, 2009**