

**CITY OF BARBERTON
SUMMIT COUNTY, OHIO**

SUPPLEMENTAL REPORTS

FOR THE YEAR ENDED
DECEMBER 31, 2011

RAYMOND FLICKINGER, DIRECTOR OF FINANCE



Dave Yost • Auditor of State

Members of Council
City of Barberton
104 Third Street, N.W.
Barberton, Ohio 44203

We have reviewed the *Independent Accountants' Report* of the City of Barberton, Summit County, prepared by Julian & Grube, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 1, 2012

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**CITY OF BARBERTON
SUMMIT COUNTY, OHIO**

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**CITY OF BARBERTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL DISBURSEMENTS
U.S. ARMY CORPS OF ENGINEERS PASSED THROUGH THE N/A			
(D) Ohio Environmental Infrastructure (Section 594)	12.118	N/A	\$ 486,687
Total U.S. Army Corps of Engineers			<u>486,687</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH THE OHIO DEPARTMENT OF DEVELOPMENT			
(B)(C)(D) Community Development Block Grants/Entitlement Grant	14.218	N/A	709,300
Community Development Block Grants/State's Program	14.228	A-Z-08-255-1	347,118
(E) Community Development Block Grants/State's Program	14.228	N/A	27,713
Total Community Development Block Grants/State's Program			<u>374,831</u>
Total U.S. Department of Housing and Urban Development			<u>1,084,131</u>
U.S. DEPARTMENT OF JUSTICE PASSED THROUGH THE N/A			
(D) Bulletproof Vest Partnership Program	16.607	N/A	1,397
(D) Regional Information Sharing System	16.610	N/A	793
(D) ARRA - Public Safety Partnership and Community Policing Grant	16.710	N/A	129,346
Total U.S. Department of Justice			<u>131,536</u>
U.S. DEPARTMENT OF TRANSPORTATION PASSED THROUGH THE OHIO DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction	20.205	86923	28,761
ARRA - Surface Transportation_Discretionary Grants for Capital Improvement	20.932	69	268,000
Total U.S. Department of Transportation			<u>296,761</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY PASSED THROUGH THE N/A			
(D) Brownfields Assessment and Cleanup Cooperative Agreement	66.818	N/A	184,457
(D) ARRA - Brownfields Assessment and Cleanup Cooperative Agreement	66.818	N/A	135,895
Total Brownsfields Assessment and Cleanup Cooperative Agreements			<u>320,352</u>
Total U.S. Environmental Protection Agency			<u>320,352</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES AREA AGENCY ON AGING PASSED THROUGH THE AREA AGENCY ON AGING			
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Center	93.044	227B	1,036
Total U.S. Department of Health and Human Services Area Agency on Aging			<u>1,036</u>
Total Federal Financial Assistance			<u>\$ 2,320,503</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

- (A) The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the City's federal award programs. The Schedule has been prepared on the cash basis of accounting.
- (B) 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 Expenditures of Federal Awards (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, 2011, the gross amount of loans outstanding under this program was \$95,726. The City did not issue any new loans during the year ended December 31, 2011.
- Activity in the CDBG revolving loan fund during 2011 is as follows
- | | |
|--|------------------|
| Beginning loans receivable balance as of January 1, 2011 | \$ 98,736 |
| Loans made | - |
| Penalties assessed to late payments | 8,343 |
| Loan principal repaid | <u>(11,353)</u> |
| | <u>\$ 95,726</u> |
- (C) 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). 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.
- (D) This grant was received directly from the federal agency
- (E) This grant was passed through Summit County, Ohio, a pass-thru number was not available



Julian & Grube, Inc.
Serving Ohio Local Governments

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

**Independent Accountants' Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Required by *Government Auditing Standards***

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

To the Members of Council and Mayor:

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, as of and for the year ended December 31, 2011, which collectively comprise the City of Barberton's basic financial statements and have issued our report thereon dated June 28, 2012. We noted the City of Barberton adopted Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". 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 of Barberton's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the City of Barberton's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City of Barberton's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City of Barberton's financial statements will not be prevented, or detected and timely corrected.

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

Members of Council and Mayor
City of Barberton

Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the City of Barberton's management in a separate letter dated June 28, 2012.

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



Julian & Grube, Inc.
June 28, 2012



Julian & Grube, Inc.
Serving Ohio Local Governments

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

**Independent Accountants' Report on Compliance With Requirements Applicable
to Each Major Federal Program and on Internal Control Over Compliance
Required by OMB Circular A-133 and the Schedule of
Expenditures of Federal Awards**

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

To the Members of Council and Mayor:

Compliance

We have audited the compliance of the City of Barberton, Summit County, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the City of Barberton's major federal programs for the year ended December 31, 2011. The *summary of auditor's results* section of the accompanying schedule of findings identifies the City of Barberton's major federal programs. The City of Barberton'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 opine on the City of Barberton's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the 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 of Barberton's compliance with these 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 of Barberton's compliance with these requirements.

In our opinion, the City of Barberton complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2011.

Members of Council and Mayor
City of Barberton

Internal Control Over Compliance

The City of Barberton'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 of Barberton's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City of Barberton's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, 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.

Schedule of Expenditures of Federal Awards

We have also audited and issued our unqualified opinion on 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 as of and for the year ended December 31, 2011, and have issued our report thereon dated June 28, 2012. Our opinion also explained that the City of Barberton adopted Governmental Accounting Standard No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" during the year. Our audit was performed to form opinions on the financial statements that collectively comprise the City of Barberton's basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards (the "schedule") provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Members of Council and Mayor
City of Barberton

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

Julian & Grube, Inc.

Julian & Grube, Inc.
June 28, 2012

**CITY OF BARBERTON
SUMMIT COUNTY, OHIO**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2011**

1. SUMMARY OF AUDITORS' RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Ohio Environmental Infrastructure (Section 594) - CFDA #12.118; Brownfields Assessment and Cleanup Cooperative Agreements - CFDA #66.818
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS

None

CITY OF BARBERTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011

PREPARED BY:

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

*104 THIRD STREET
BARBERTON, OHIO 44203*

INTRODUCTORY SECTION

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CITY OF BARBERTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011

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City of Barberton

Finance Department

June 28, 2012

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

The Comprehensive Annual Financial Report (CAFR) of the City of Barberton, Ohio (City) is hereby presented. This CAFR represents the official report of the City of Barberton's operations and financial position for the year ended December 31, 2011, and has been developed to accurately detail the status of the City's finances to Barberton residents and elected officials, investment banks and underwriters and all other interested parties. This report is presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments". It is intended to provide all pertinent and necessary information to the citizens of Barberton.

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

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

The City is required by state law to have an annual financial and compliance audit performed by the Auditor of State's Office or his/her designee. Julian & Grube, Inc. performed the audit for the year ended December 31, 2011. The City continues to receive an unqualified opinion. The Independent Accountants' Report on the City's financial statements is included in the Financial Section of this report.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2011 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 complement the required Management's Discussion and Analysis (MD&A). Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The City's MD&A, which focuses on the government-wide statements, can be found immediately following the Independent Accountants' Report.

Finance Department

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

Community Profile

The City of Barberton is located in northeast Ohio, adjacent to the City of Akron and approximately 75 miles south of Cleveland. Incorporated in 1891, Barberton operates under a charter form of government which was adopted by its voters in 1973. The City is governed by an elected Mayor and a nine-member City Council. Founded by industrialist Ohio Columbus Barber, Barberton earned the nickname of the Magic City because of its early rapid growth. Today, Barberton covers an area of approximately nine square miles and is the fourth largest city in Summit County with a population of approximately 26,824.

The City provides a full range of municipal services mandated by statute or charter, including police and fire protection, parks, recreation, street maintenance, planning, zoning and other general government services. Health services are provided by the Summit County Health Department. In addition, water, sanitary sewer 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.

Economic Condition and Outlook

Local Economy

The City's economy has historically been associated with the manufacturing industry. Major industries with headquarters or divisions within Barberton's boundaries include manufacturers of fossil fuel and nuclear power generating equipment, automobile components, energy products management systems and producers of chemical products. The City's largest withholder accounts for approximately 30 percent of the City's total income tax collections.

Due to the ongoing economic difficulties throughout Ohio and the nation, the City will continue to have difficulty balancing its budget for the near future. Income tax, the City's largest source of operating revenue, continued to remain stagnant, though showing signs of slight recovery. State of Ohio budget difficulties have resulted in cuts to local government support such as the local government fund subsidy. Operating costs, such as fuel and health care, continue to increase and capital replacement needs are ongoing.

Despite the challenges the declining resources have presented, there are development projects taking place that are intended to help restore Barberton's long-term economic stability. The Barberton Community Development Corporation (BCDC) is a tax exempt, non-political agency founded for the purpose of enhancing the City's tax base by providing opportunities to create or retain jobs in the City of Barberton. There are several development projects taking place that are intended to help restore Barberton's long-term economic stability. The Barberton Community Development Corporation (BCDC) is a tax exempt, non-political agency founded for the purpose of enhancing the City's tax base by providing opportunities to create or retain jobs in the City of Barberton. The BCDC, through business financing, gap loans, construction of infrastructure and redevelopment projects have assisted over 150 businesses, facilitating over \$100 million in private sector investment. The Barberton Community Foundation invests up to \$6 million in a revolving loan fund administered by BCDC. The BCDC, in collaboration with the City and the Barberton Community Foundation (BCF) have retained or created more than 2,500 jobs generating more than \$1 million annually in income and property taxes.

The BCDC was awarded approximately \$1,600,000 from the Economic Development Administration to construct a roadway on 120 acres of BCDC owned property. This project is scheduled to break ground in the fourth quarter of 2012. Once completed, the newly created business park will have the potential to create hundreds of jobs for the City of Barberton. In addition, the Barberton Land and Improvement Company (BLIC), a wholly owned subsidiary of the BCDC acquired the former Seiberling Tire and Rubber Company property in February, 2012. Since the acquisition, the BLIC has started renovations to the 400,000+ square foot facility and has successfully executed 2 leases with a third lease pending. Once fully renovated, the City of Barberton will have ample office and manufacturing space available to accommodate the needs of area businesses as they expand.

Long-Term Financial Planning

The City had been able to offset the loss of revenues the last few years by using its Emergency Reserve monies as well as a number of other one-time revenues. Although the City continues to pursue grants and low-interest loans for capital improvements, with those operating reserves exhausted the City has been required to raise user charges and fees and as well as reduce expenses. An example of this effort is that the full-time staffing levels have been reduced from 283 employees in 2001 to 218 at the end of 2011. The result of the staffing reductions and other cuts has helped minimize expenditure growth in the General Fund, the City's major operating fund, since 2001.

Major Initiatives

The City was awarded a \$1.2 million Grant from the Ohio Department of Development Office of Housing to establish a Neighborhood Stabilization Program. An additional \$980,000 was added to the program through Summit County. The program is administered by the Neighborhood Development Services (NDS), a non-profit organization that specializes in revitalizing neighborhood housing. The City purchases homes with the intent to either raze or rehab in conjunction with NDS. Through December 31, 2011 the city has invested approximately \$1.2 million dollars of the grants.

With the aid of a federal stimulus grant of \$2.6 million and a low-interest loan of \$2.5 million from the Ohio Water Development Authority (OWDA) the City began renovation of the wastewater treatment facilities and processes. Total costs are estimated at approximately \$6.2 million. In addition, stimulus dollars are funding two police patrolmen for approximately three years (2010-2012) through the U.S. Department of Justice.

Construction was completed on the 15th Street bridge replacement which was jointly funded by the City and the Ohio Department of Transportation and supplemented by another stimulus grant of \$268,000. The total cost was approximately \$1.7 million, including design and engineering administration expenses.

The City has also applied for and received approval of two Ohio Public Works Commission (OPWC) no or low interest loans (\$250,000 and \$230,000) to help finance Grand Boulevard waterlines, storm drainage and roadway improvements. At December 31, 2011 the waterline portion was complete at a total cost of \$351,000. The roadway and storm sewer portions were still under construction with total estimated costs of \$461,000.

A third OPWC loan was also approved for Summit Road waterline improvements. Total cost for the project is estimated at approximately \$1,770,000. In addition, a grant/loan application to OPWC for \$1.5 million in assistance for the 31st Waterline project had also been submitted and was awaiting approval at December 31, 2011.

The City applied for and was awarded an Ohio EPA Water Supply Revolving Loan Account (WSRLA) loan in an amount not to exceed \$4,000,000 for replacing two water storage tanks and painting another. The loan approved included a 20% principal forgiveness. Construction began in 2012.

The City Planning Department has been awarded \$676,938 in Clean Ohio Assistance Fund ("COAF") assistance to conduct asbestos abatement and other clean-up and an environmental assessment of the former Seiberling Industrial property. The City and the Barberton Land Improvement Company are partnering to redevelop the property into commercial or industrial end uses.

Certificate of Achievement for Excellence in Financial Reporting

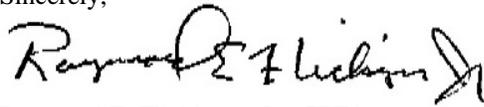
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Barberton, Ohio for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2010. The Certificate of Achievement 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 21 consecutive years (1990-2010). 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 publication of this report could not have been accomplished without the efforts of the Finance Department staff. I would also like to express my appreciation to the other city departments directly involved in the preparation of the report and all other City employees and managers for their dedicated service to the Citizens of Barberton throughout the year.

Sincerely,

A handwritten signature in black ink, appearing to read "Raymond E. Flickinger, Jr.", with a stylized flourish at the end.

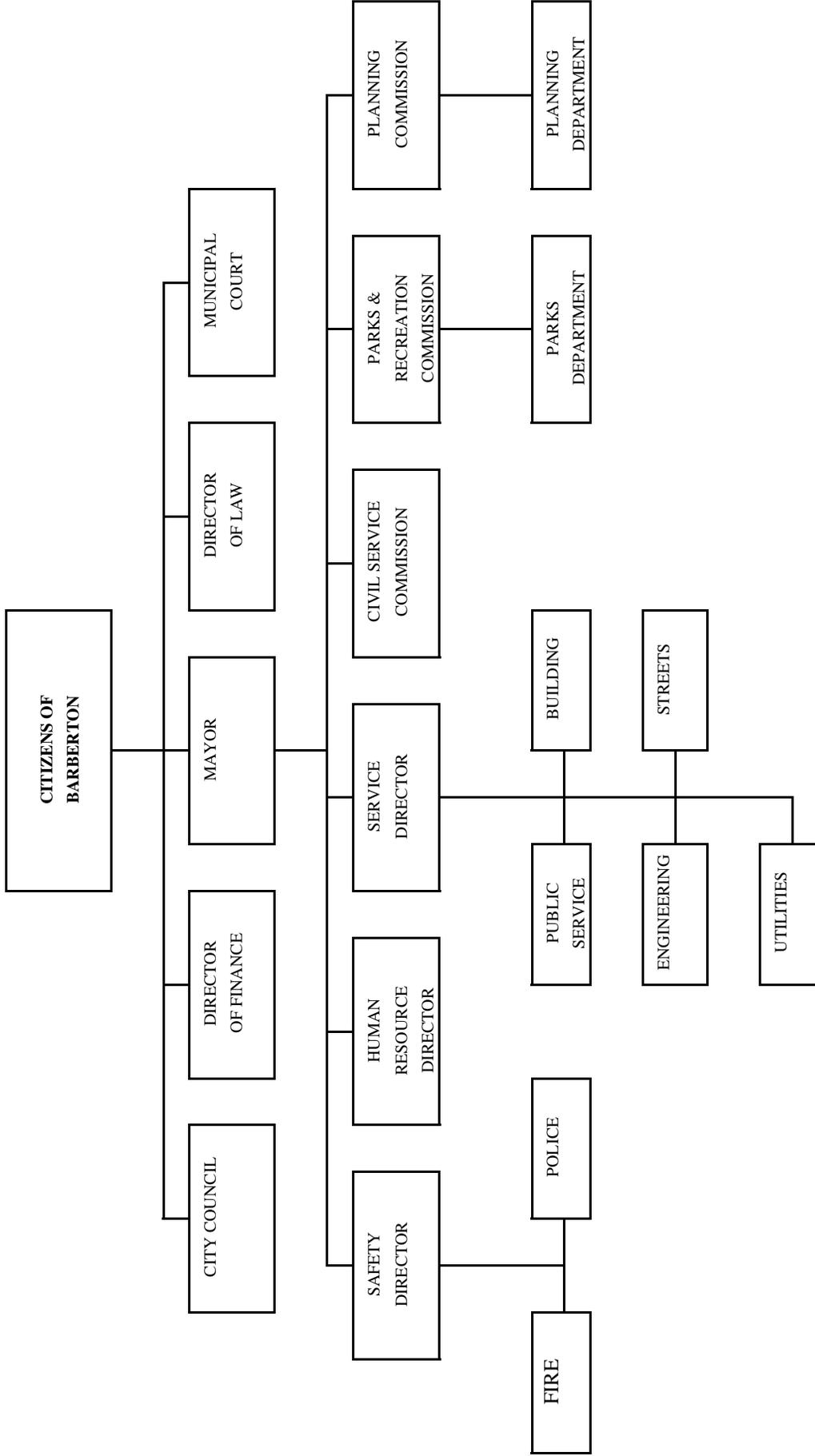
Raymond E. Flickinger, Jr., CPFA
Director of Finance

CITY OF BARBERTON, OHIO

**LIST OF PRINCIPAL CITY OFFICIALS
AS OF DECEMBER 31, 2011**

Mayor	(Elected: four-year term)	Robert J. Genet
Cabinet of the Mayor:	(Appointed)	
Service Director		Elwood Palmer
Safety Director		Marta Savula
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)	Christine Croce
Council:	(Elected: four-year term)	
President		Frederick S. Maurer
Members:		
At-Large		Michael R. Soyars
At-Large		William B. Judge
Ward 1		Paul J. Suboticki
Ward 2		John Lysenko
Ward 3		John D. Wagner
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, 2010

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.



Linda C. Dandson

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION

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Julian & Grube, Inc.
Serving Ohio Local Governments

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

Independent Accountants' Report

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

To the Members of Council and Mayor:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Barberton, Summit County, Ohio, as of and for the year ended December 31, 2011, which collectively comprise the City of Barberton's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Barberton'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, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2011, the City of Barberton adopted the provisions of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2012, on our consideration of the City of Barberton's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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.

Members of Council and Mayor
City of Barberton
Page Two

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

We conducted our audit to opine on the financial statements that collectively comprise the City of Barberton's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provides additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Julian & Grube, Inc.
June 28, 2012

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011 (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, 2011. 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 2011 follows:

- The total assets of the City of Barberton exceeded its liabilities at December 31, 2011 by \$71,421,699 (net assets). Of this amount, \$3,277,029 is considered restricted for various purposes such as capital projects, debt service and other restrictions. Another \$54,700,300 is invested in capital assets, net of related debt, and the remaining \$13,444,370 is considered unrestricted and may be used to meet the City's ongoing services and other obligations.
- Total net assets increased \$3,500,285 as a result of this year's operations. Net assets of business-type activities increased \$1,182,709, or 2.76 percent, while the net assets of governmental activities increased \$2,317,576, or 9.23 percent.
- The total cost of the City's service programs was \$32,883,465, while the total revenues were \$36,383,750. Of these amounts the governmental activities represented \$21,567,093 (65.59%) of the expenses and \$23,884,669 (65.65%) of the revenues. The business-type activities represented the remaining \$11,316,372 (34.41%) of expenses and \$12,499,081 (34.35%) of revenues.
- At the end of the current fiscal year, the fund balance for the general fund was \$4,685,471 on a modified accrual basis. This balance provides the City with the equivalent of 111 working days of expenditures.
- The City's total outstanding debt increased \$590,358 during 2011, an increase of approximately 3.44 percent. Key factors in this increase were the issuance of two new loans to fund water and sewer capital improvements.

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 2011 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, 2011 (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 49 funds, as presented in this report. These funds are in existence to provide a multitude of services to the citizens of Barberton. For example, some funds provide for police and fire protection, street repair and maintenance as well as water, sewer, storm water and solid waste disposal services. In addition, a number of funds serve a variety of other purposes ranging from accounting for the City's construction of capital and infrastructure assets to providing health care benefits to the City's employees. Each fund is in some ways an entity unto itself. Each fund has a designated revenue stream and restricted uses for the monies within the fund.

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

Governmental Funds

All of the City's major activities (excluding the utilities) are reported in the governmental funds, which focus on how money flows into and out of these funds and also depicts the balances available for future expenditures. These funds are reported using an accounting method called modified accrual accounting. This method reports cash and like-cash items and shows the level of financial resources that are available to provide general government services in the near future. Examples of these services include police and fire protection, 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, 2011
(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 2011 compared to 2010. The 2010 restricted and unrestricted net asset categories for the governmental activities have been restated in order to conform to 2011 presentation.

	Net Assets					
	Governmental Activities 2011	Business-type Activities 2011	Governmental Activities 2010	Business-type Activities 2010	2011 Total	2010 Total
<u>Assets</u>						
Current and other assets	\$ 14,053,244	\$ 10,633,509	\$ 12,784,208	\$ 12,048,140	\$ 24,686,753	\$ 24,832,348
Capital assets, net	<u>24,396,526</u>	<u>47,497,626</u>	<u>25,246,901</u>	<u>44,511,166</u>	<u>71,894,152</u>	<u>69,758,067</u>
Total assets	<u>38,449,770</u>	<u>58,131,135</u>	<u>38,031,109</u>	<u>56,559,306</u>	<u>96,580,905</u>	<u>94,590,415</u>
<u>Liabilities</u>						
Current and other liabilities	3,229,510	916,068	4,022,981	2,449,325	4,145,578	6,472,306
Long-term liabilities:						
Due within one year	1,966,405	1,336,172	1,968,699	1,241,572	3,302,577	3,210,271
Due in more than one year	<u>5,839,909</u>	<u>11,871,142</u>	<u>6,943,059</u>	<u>10,043,365</u>	<u>17,711,051</u>	<u>16,986,424</u>
Total liabilities	<u>11,035,824</u>	<u>14,123,382</u>	<u>12,934,739</u>	<u>13,734,262</u>	<u>25,159,206</u>	<u>26,669,001</u>

- - Continued

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
(UNAUDITED)*

Net Assets

	Governmental	Business-type	Restated	Business-type		Restated
	Activities	Activities	Governmental	Activities	2011	2010
	2011	2011	2010	2010	Total	Total
<u>Net Assets</u>						
Invested in capital assets, net of related debt	\$ 19,893,756	\$ 34,806,544	\$ 19,684,621	\$ 33,376,864	\$ 54,700,300	\$ 53,061,485
Restricted:						
Capital projects	13,961	-	17,514	-	13,961	17,514
Debt service	391,077	-	388,275	-	391,077	388,275
Street construction, maintenance and repair	863,555	-	865,379	-	863,555	865,379
Court	840,533	-	597,171	-	840,533	597,171
Recreation	101,358	-	90,218	-	101,358	90,218
Health district	-	-	221,258	-	-	221,258
Community development and improvements	151,125	-	617,997	-	151,125	617,997
Law enforcement	246,286	-	198,779	-	246,286	198,779
Police and fire pension	99,395	-	82,700	-	99,395	82,700
Fire capital	104,056	-	74,312	-	104,056	74,312
Miscellaneous grants	23,588	-	57,457	-	23,588	57,457
911 phone system	22,612	-	68,953	-	22,612	68,953
Sewer replacement and improvement	-	419,483	-	566,545	419,483	566,545
Unrestricted	<u>4,662,644</u>	<u>8,781,726</u>	<u>2,131,736</u>	<u>8,881,635</u>	<u>13,444,370</u>	<u>11,013,371</u>
Total net assets	<u>\$ 27,413,946</u>	<u>\$ 44,007,753</u>	<u>\$ 25,096,370</u>	<u>\$ 42,825,044</u>	<u>\$ 71,421,699</u>	<u>\$ 67,921,414</u>

Total assets increased in 2011 by \$1,990,490. This net increase is comprised of a \$145,595 decrease in current assets and an increase of \$2,136,085 in capital assets.

Total liabilities decreased \$1,509,795 in 2011. Long-term liabilities increased slightly as a result of two loan issuances during the year to help fund the on-going capital projects of the business-type activities. Current liabilities decreased \$2,326,728, a result of significantly lower year-end obligations for accounts and contracts payable related to the City's construction in progress.

As a result of the increase in total assets and the decrease in total liabilities, the total net assets increased \$3,500,285. Unrestricted net assets increased \$2,430,999.

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
(UNAUDITED)*

Statement of Activities

The table below shows the changes in net assets for fiscal years 2011 and 2010.

	Change in Net Assets					
	Governmental Activities <u>2011</u>	Business-type Activities <u>2011</u>	Governmental Activities <u>2010</u>	Business-type Activities <u>2010</u>	2011 Total	2010 Total
Revenues						
Program revenues:						
Charges for services	\$ 3,308,801	\$ 11,935,301	\$ 3,153,495	\$ 12,036,033	\$ 15,244,102	\$ 15,189,528
Operating grants and contributions	3,863,176	-	5,092,156	-	3,863,176	5,092,156
Capital grants and contributions	<u>459,731</u>	<u>547,789</u>	<u>67,564</u>	<u>2,547,429</u>	<u>1,007,520</u>	<u>2,614,993</u>
Total program revenues	<u>7,631,708</u>	<u>12,483,090</u>	<u>8,313,215</u>	<u>14,583,462</u>	<u>20,114,798</u>	<u>22,896,677</u>
General revenues:						
Property taxes	1,499,793	-	1,740,349	-	1,499,793	1,740,349
Income taxes	12,086,007	-	10,849,848	-	12,086,007	10,849,848
Grants and entitlements	2,322,927	-	2,571,074	-	2,322,927	2,571,074
Investment earnings	39,742	11,031	40,544	4,516	50,773	45,060
Other	<u>304,492</u>	<u>4,960</u>	<u>350,631</u>	<u>15,401</u>	<u>309,452</u>	<u>366,032</u>
Total general revenues	<u>16,252,961</u>	<u>15,991</u>	<u>15,552,446</u>	<u>19,917</u>	<u>16,268,952</u>	<u>15,572,363</u>
Total revenues	<u>23,884,669</u>	<u>12,499,081</u>	<u>23,865,661</u>	<u>14,603,379</u>	<u>36,383,750</u>	<u>38,469,040</u>
Expenses						
Program expenses:						
General government	4,408,029	-	4,259,141	-	4,408,029	4,259,141
Public safety	10,096,123	-	10,082,932	-	10,096,123	10,082,932
Health and welfare	28,342	-	847,498	-	28,342	847,498
Transportation	2,730,584	-	1,866,192	-	2,730,584	1,866,192
Community environment	2,741,517	-	3,321,424	-	2,741,517	3,321,424
Leisure time activity	1,328,524	-	1,314,014	-	1,328,524	1,314,014
Interest and fiscal charges	233,974	-	268,040	-	233,974	268,040
Water	-	4,058,731	-	4,364,080	4,058,731	4,364,080
Sewer	-	4,598,025	-	4,277,917	4,598,025	4,277,917
Solid waste	-	1,872,929	-	1,868,090	1,872,929	1,868,090
Storm water	<u>-</u>	<u>786,687</u>	<u>-</u>	<u>703,295</u>	<u>786,687</u>	<u>703,295</u>
Total expenses	<u>21,567,093</u>	<u>11,316,372</u>	<u>21,959,241</u>	<u>11,213,382</u>	<u>32,883,465</u>	<u>33,172,623</u>
Change in net assets	2,317,576	1,182,709	1,906,420	3,389,997	3,500,285	5,296,417
Net assets at beginning of year	<u>25,096,370</u>	<u>42,825,044</u>	<u>23,189,950</u>	<u>39,435,047</u>	<u>67,921,414</u>	<u>62,624,997</u>
Net assets at end of year	<u>\$ 27,413,946</u>	<u>\$ 44,007,753</u>	<u>\$ 25,096,370</u>	<u>\$ 42,825,044</u>	<u>\$ 71,421,699</u>	<u>\$ 67,921,414</u>

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011 (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 \$12,086,007 in income tax collections, or 50.60 percent of the total governmental revenues in 2011, compared to \$10,849,848 in income tax collections received in 2010.

Intergovernmental revenue (i.e. state shared support) represents the City's second largest source of general revenue for the governmental activities. In 2011, the City received \$2,322,927 in unrestricted intergovernmental revenues or 9.73 percent of total revenue. Unrestricted intergovernmental revenues totaled \$2,571,074 or 10.77 percent of total revenue in 2010. The remaining general revenue sources represent smaller amounts and include property taxes (6.28 percent) and various others (1.44 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 2011, the City received \$3,308,801 in charges for services and a combined total of \$4,322,907 in various operating and capital grants. In 2010, these amounts were \$3,153,495 and \$5,159,720, respectively. The significant decrease in operating grants and contributions is primarily the result of a reduction in federal grant funding for the City's community development program.

The City's governmental activity expenses totaled \$21,567,093 in 2011, 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 46.81 percent and 20.44 percent, respectively. The City's total governmental activities expenses decreased \$392,148 or 1.79 percent from 2010.

Public safety expenses totaled \$10,096,123 and represented 46.81 percent of the City's total governmental activity expenses in 2011 compared to 45.92 percent in 2010. The public safety classification consists of the Police Department, which includes 9-1-1 dispatchers, and the Fire Department. As of December 31, 2011, the City employed 38 full-time police officers, 11 full-time 9-1-1 dispatchers and 40 full-time firefighters.

At \$2,730,584 or 12.66 percent, transportation represents the City's fourth largest category of governmental activity expenses. The transportation classification consists of the City's Street Department and the Paint and Signal Division. In addition, the City has several funds established that are used to pay private contractors for road resurfacing and general street maintenance. The expenses for the private street resurfacing contracts are also included as transportation related expenses. Transportation expenses increased approximately 46% from 2010, which is a result of several road maintenance and repair projects undertaken during 2011. As of December 31, 2011, the City employed 13 full-time employees in the Street Department and 2 full-time employees in the Signal Division.

Community environment and leisure time activities expenses make up 12.71% and 6.16% of governmental activity expenditures. Expenses for community environment include those related to the community development block grant program and the state neighborhood stabilization program. Both of these programs received considerably less funding in 2011, which led to the corresponding decrease in community environment expenses. The decrease in community environment expenses compared to 2010 was approximately 17.5%. Expenses for recreation programs, parks maintenance, and the sports operating complex make up leisure time activity expenses.

Health and welfare expenses comprise programs for the City's health district fund. City Council passed an ordinance to close out this fund early in 2011 which accounts for the significant decrease in expenses.

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
(UNAUDITED)*

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 and Utilities Directors. In 2011, the rates were established at \$3.94 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. Further improvements to the sewage treatment processes began in 2010 financed by federal grant, State of Ohio loan and customer user charges. Cost of the project is estimated to be approximately \$6,252,260.

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 2011, the rates were established at \$5.28 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 2011, the monthly rate charged was \$17.38.

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 2011, the charges for services amount of \$11,935,301 accounted for 95.49 percent of the total revenues compared to 82.42 percent in 2010. The other primary source of revenues for the business-type activities in 2011 was capital contributions, consisting of various grants, in the amount of \$547,789. The total expenses for all the business-type activities were \$11,316,372 during 2011, compared to \$11,213,382 in 2010. Net assets of the business-type activities increased \$1,182,709 due primarily to capital asset acquisitions.

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>2011</u>	Net Cost of Services <u>2011</u>	Total Cost of Services <u>2010</u>	Net Cost of Services <u>2010</u>
Program Expenses:				
General government	\$ 4,408,029	\$ 2,258,540	\$ 4,259,141	\$ 2,433,707
Public safety	10,096,123	9,171,125	10,082,932	9,022,300
Health and welfare	28,342	28,322	847,498	231,330
Transportation	2,730,584	911,160	1,866,192	712,920
Community environment	2,741,517	565,694	3,321,424	578,633
Leisure time activities	1,328,524	1,190,025	1,314,014	945,934
Interest and fiscal charges	<u>233,974</u>	<u>(189,481)</u>	<u>268,040</u>	<u>(278,798)</u>
Total Expenses	<u>\$ 21,567,093</u>	<u>\$ 13,935,385</u>	<u>\$ 21,959,241</u>	<u>\$ 13,646,026</u>

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011 (UNAUDITED)

The dependence upon general revenues for governmental activities is apparent, with 64.62 percent of expenses supported through taxes and other general revenues in 2011 and 62.14 percent in 2010.

The City's Funds

Information about the City's governmental funds begins on page 18. Governmental funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues of \$23,115,734 and expenditures of \$22,172,452.

The general fund is the chief operating fund of the City of Barberton. During 2011, the City's general fund balance increased \$1,085,286. General fund revenues in 2011 increased \$151,021 or about 0.86% compared to 2010, while expenditures were \$1,079,062 or 7.36% higher. The general fund's primary source of revenue is the municipal income tax. Income tax revenues increased \$350,133 or 3.23% which helped offset a decrease in property and other taxes revenues of \$275,751. Most general fund departments experienced moderate increases in costs, including slight increases in wages and benefits expenditures. The majority of general fund expenditures consist of general government and public safety functions. Expenditures for these functions increased 7.74% and 6.18%, respectively.

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 \$11,940,261 and operating expenses of \$10,970,371, resulting in operating income of \$969,890 or 8.12 percent of the total operating revenues compared to 12.23 percent in 2010. Operating revenues for both the water and solid waste funds were sufficient to meet the operating expenses in 2011, while the sewer fund experienced an operating loss. Total operating revenues decreased slightly from 2010, falling 0.91% while operating expenses increased 3.73%. Small increases in personal services expenses (employee wages and benefits costs) were the primary cause of the increased expenses. In addition, increases in materials and supplies expenses in the sewer fund and nonmajor storm water fund contributed to the overall increase in operating expenses. The losses on disposal of capital assets were a result of a change in the City's capitalization policy which increased the minimum threshold for capitalized items.

Budgeting Highlights

The City's budget is prepared according to the laws of the State of Ohio and is based on accounting for certain transactions on a cash basis for receipts, expenditures and encumbrances. The most significant budgeted fund is the general fund. The legal level of control is established by City Council at the personal services, operating and capital expenditure level for all City funds. Any budget modifications at these levels may only be made through an ordinance of City Council. City policy permits fund transfers within management control levels with the approval of the department head and the Finance Director. During the course of 2011, 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 2011 original and final budgeted revenues and financing sources were \$15,765,309 and \$15,893,376, respectively. The actual revenue collections were \$15,944,723. Actual intergovernmental receipts were \$259,312 less than the final budget, which was primarily the result of budgeting for U.S. Environmental Protection Agency grant that will be received in subsequent years. The biggest positive variance in revenues was for charges for services. The positive variance of \$184,936 is a result of several factors, the most significant of which is higher than expected fees for the City's EMS transport services.

During 2011, actual expenditures and other financing uses of \$15,652,312 were \$948,266 less than the final appropriated expenditures of \$16,600,578. Most general fund departments came in below budget in both personal services and operating costs which contributed to the positive variance in expenditures. In addition, capital expenditures were lower than budgeted due to delaying some of the budgeted capital projects.

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
(UNAUDITED)*

The City's ending unencumbered cash balance of \$1,396,800 in the general fund was \$99,613 higher than the final adjusted budgeted amount and represented an increase in the unencumbered balance of \$1,047,037.

Capital Assets and Debt Administration

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 6,387,028	\$ 6,314,610	\$ 899,541	\$ 899,541	\$ 7,286,569	\$ 7,214,151
Construction in progress	1,354,297	719,534	17,628,551	13,271,348	18,982,848	13,990,882
Buildings	4,530,246	4,929,943	12,590,116	13,459,134	17,120,362	18,389,077
Vehicles and equipment	2,863,878	3,424,709	1,131,719	1,193,292	3,995,597	4,618,001
Infrastructure						
Street subsystem	7,888,150	8,440,891	-	-	7,888,150	8,440,891
Storm sewer subsystem	-	-	2,746,449	2,956,076	2,746,449	2,956,076
Traffic signals subsystem	1,372,927	1,417,214	-	-	1,372,927	1,417,214
Water lines	-	-	5,278,985	5,144,702	5,278,985	5,144,702
Sewer lines	-	-	7,222,265	7,587,073	7,222,265	7,587,073
Totals	<u>\$24,396,526</u>	<u>\$25,246,901</u>	<u>\$47,497,626</u>	<u>\$44,511,166</u>	<u>\$71,894,152</u>	<u>\$69,758,067</u>

Total capital assets for the year ended December 31, 2011 were \$71,894,152, which is an increase from the 2010 figure by \$2,136,085. The increase is primarily the result of expenditures for new construction projects for the business-type activities, primarily for the water and sewer funds. Total new asset additions of \$5,795,346 exceeded depreciation expense of \$3,354,413, and disposals, net of accumulated depreciation, of \$304,848. 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, 2011 was \$17,732,502. This balance reflects an increase of \$590,358 from the prior year's balance of \$17,142,144. The increase is a result of two new loans for the business-type activities, listed in "other debt" below. Moody's Investors Service, Inc. has given the City a bond rating of Aa3.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General obligation bonds	\$ 3,524,427	\$ 4,347,960	\$ 1,885,704	\$ 2,590,497	\$ 5,410,131	\$ 6,938,457
Revenue bonds	-	-	7,629,035	7,983,356	7,629,035	7,983,356
Capital leases	234,272	354,696	-	64,073	234,272	418,769
Special assessment bonds	50,841	91,053	-	-	50,841	91,053
Notes payable	204,375	322,000	360,625	478,000	565,000	800,000
Other debt	<u>772,791</u>	<u>910,509</u>	<u>3,070,432</u>	<u>-</u>	<u>3,843,223</u>	<u>910,509</u>
Total long-term obligations	<u>\$ 4,786,706</u>	<u>\$ 6,026,218</u>	<u>\$ 12,945,796</u>	<u>\$ 11,115,926</u>	<u>\$ 17,732,502</u>	<u>\$ 17,142,144</u>

Please see Notes 8, 9 and 10 in the financial statements for more information regarding the City's long-term debt.

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2011 (UNAUDITED)

Economic Factors and the 2012 General Fund Budget

Some of the economic trends impacting Barberton that were considered in developing the 2012 budget include the following:

- Barberton's average annual unemployment rate during 2011 was 9.7 percent, compared to 8.5 percent for Summit County and 8.6 percent for the State of Ohio.
- 2011 income tax revenue amounted to approximately \$12.08 million compared with \$10.85 million in 2010. Income tax receipts through April 2012 are 4.2 percent behind April 2011 year to date collections.
- Barberton's assessed real property values have increased approximately \$95 million, or about 32 percent since 2002. Recent years however show a slowing of the growth rate through 2007, and assessed values have declined approximately \$7.3 million or 1.85% since 2008. The latest reappraisal occurred in 2008.

Despite the City's cost cutting efforts over the last two years, balancing the budget for the foreseeable future will continue to be difficult. Other revenues such as shared support from the State are estimated to decline while certain operating costs such as fuel continue to increase. Capital replacement continues to be difficult as federal and state grants are reduced or eliminated. As a result, it is anticipated that further cost containment efforts, service reductions, and/or revenue enhancement actions will be necessary through the remainder of 2012 and into 2013 and beyond.

Request for Information

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

**BASIC
FINANCIAL STATEMENTS**

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CITY OF BARBERTON, OHIO

*STATEMENT OF NET ASSETS
DECEMBER 31, 2011*

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents. . . .	\$ 8,092,400	\$ 6,592,492	\$ 14,684,892
Investments	-	2,268,464	2,268,464
Cash and cash equivalents in segregated accounts .	268,748	-	268,748
Receivables:			
Property taxes	1,545,369	-	1,545,369
Income taxes.	1,957,634	-	1,957,634
Accounts.	100,026	924,405	1,024,431
Intergovernmental	1,941,377	-	1,941,377
Accrued interest	7,870	3,748	11,618
Special assessments	50,841	-	50,841
Internal balance	(165,409)	165,409	-
Notes receivable.	97,503	-	97,503
Prepayments.	63,421	63,772	127,193
Materials and supplies inventory	-	360,505	360,505
Deferred charges	93,464	254,714	348,178
Capital assets:			
Nondepreciable capital assets	7,741,325	18,528,092	26,269,417
Depreciable capital assets, net	16,655,201	28,969,534	45,624,735
Total capital assets, net.	<u>24,396,526</u>	<u>47,497,626</u>	<u>71,894,152</u>
Total assets	<u>38,449,770</u>	<u>58,131,135</u>	<u>96,580,905</u>
Liabilities:			
Accounts payable.	238,565	107,371	345,936
Contracts payable.	442,673	247,754	690,427
Accrued wages and benefits payable	20,278	47,769	68,047
Intergovernmental payable	821,321	89,245	910,566
Unearned revenue	1,262,982	-	1,262,982
Accrued interest payable	25,767	63,304	89,071
Claims payable	213,440	-	213,440
Notes payable.	204,375	360,625	565,000
Premium on notes payable.	109	-	109
Long-term liabilities:			
Due within one year	1,966,405	1,336,172	3,302,577
Due in more than one year	5,839,909	11,871,142	17,711,051
Total liabilities	<u>11,035,824</u>	<u>14,123,382</u>	<u>25,159,206</u>
Net assets:			
Invested in capital assets, net of related debt. . .	19,893,756	34,806,544	54,700,300
Restricted for:			
Debt service	391,077	-	391,077
Capital projects	13,961	-	13,961
Street construction, maintenance and repair. . .	863,555	-	863,555
Court	840,533	-	840,533
Recreation	101,358	-	101,358
Community development and improvements. . . .	151,125	-	151,125
Law enforcement	246,286	-	246,286
Police and fire pension	99,395	-	99,395
Fire capital	104,056	-	104,056
Miscellaneous grants	23,588	-	23,588
911 phone system	22,612	-	22,612
Sewer replacement and improvement	-	419,483	419,483
Unrestricted.	4,662,644	8,781,726	13,444,370
Total net assets	<u>\$ 27,413,946</u>	<u>\$ 44,007,753</u>	<u>\$ 71,421,699</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011*

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 4,408,029	\$ 2,148,444	\$ 1,045	\$ -
Public safety	10,096,123	677,035	244,013	3,950
Health and welfare	28,342	20	-	-
Transportation	2,730,584	41,657	1,321,986	455,781
Community environment	2,741,517	334,881	1,840,942	-
Leisure time activities	1,328,524	106,764	31,735	-
Interest and fiscal charges	233,974	-	423,455	-
Total governmental activities	<u>21,567,093</u>	<u>3,308,801</u>	<u>3,863,176</u>	<u>459,731</u>
Business-type activities:				
Water	4,058,731	5,063,541	-	486,687
Sewer	4,598,025	4,066,329	-	61,102
Solid Waste	1,872,929	2,023,183	-	-
Storm Water	786,687	782,248	-	-
Total business-type activities	<u>11,316,372</u>	<u>11,935,301</u>	<u>-</u>	<u>547,789</u>
Totals	<u>\$ 32,883,465</u>	<u>\$ 15,244,102</u>	<u>\$ 3,863,176</u>	<u>\$ 1,007,520</u>

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

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
\$ (2,258,540)	\$ -	\$ (2,258,540)
(9,171,125)	-	(9,171,125)
(28,322)	-	(28,322)
(911,160)	-	(911,160)
(565,694)	-	(565,694)
(1,190,025)	-	(1,190,025)
189,481	-	189,481
<u>(13,935,385)</u>	<u>-</u>	<u>(13,935,385)</u>
-	1,491,497	1,491,497
-	(470,594)	(470,594)
-	150,254	150,254
-	(4,439)	(4,439)
<u>-</u>	<u>1,166,718</u>	<u>1,166,718</u>
<u>(13,935,385)</u>	<u>1,166,718</u>	<u>(12,768,667)</u>
1,023,447	-	1,023,447
264,636	-	264,636
105,855	-	105,855
105,855	-	105,855
12,086,007	-	12,086,007
2,322,927	-	2,322,927
39,742	11,031	50,773
304,492	4,960	309,452
<u>16,252,961</u>	<u>15,991</u>	<u>16,268,952</u>
2,317,576	1,182,709	3,500,285
25,096,370	42,825,044	67,921,414
<u>\$ 27,413,946</u>	<u>\$ 44,007,753</u>	<u>\$ 71,421,699</u>

CITY OF BARBERTON, OHIO

*BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011*

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 3,278,540	\$ 3,666,614	\$ 6,945,154
Cash and cash equivalents in segregated accounts	268,748	-	268,748
Receivables (net of allowance for uncollectibles):			
Property taxes	1,054,486	490,883	1,545,369
Income taxes	1,957,634	-	1,957,634
Accounts	84,979	5,000	89,979
Intergovernmental	1,047,953	893,424	1,941,377
Accrued interest	7,870	-	7,870
Due from other funds	284,200	-	284,200
Special assessments	-	50,841	50,841
Notes receivable	1,777	95,726	97,503
Prepayments	55,221	8,200	63,421
Deferred charges	-	1,865	1,865
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 8,041,408</u>	<u>\$ 5,212,553</u>	<u>\$ 13,253,961</u>
Liabilities:			
Accounts payable	\$ 195,067	\$ 43,498	\$ 238,565
Contracts payable	26,982	415,691	442,673
Accrued wages and benefits payable	7,814	12,464	20,278
Intergovernmental payable	799,196	22,125	821,321
Due to other funds	-	284,200	284,200
Deferred revenue	1,465,080	744,097	2,209,177
Unearned revenue	861,798	401,184	1,262,982
Accrued interest payable	-	739	739
Notes payable	-	204,375	204,375
Premium on notes payable	-	109	109
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>3,355,937</u>	<u>2,128,482</u>	<u>5,484,419</u>
Fund balances:			
Nonspendable	56,998	8,200	65,198
Restricted	-	2,503,349	2,503,349
Committed	8,533	1,259,417	1,267,950
Assigned	236,644	-	236,644
Unassigned (deficit)	4,383,296	(686,895)	3,696,401
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>4,685,471</u>	<u>3,084,071</u>	<u>7,769,542</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 8,041,408</u>	<u>\$ 5,212,553</u>	<u>\$ 13,253,961</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, 2011*

Total governmental fund balances		\$	7,769,542
<i>Amounts reported for governmental activities on 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.			24,396,526
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Delinquent property taxes receivable	\$	282,387	
Municipal income taxes receivable		886,026	
Intergovernmental receivable		983,059	
Special assessments receivable		50,841	
Accrued interest receivable		6,864	
Total			2,209,177
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		(3,223,983)	
General obligation bonds payable		(3,524,427)	
Special assessment bonds payable		(50,841)	
Section 108 loan payable		(635,000)	
State infrastructure bank loan payable		(137,791)	
Capital lease obligation		(234,272)	
Total			(7,806,314)
On the statement of net assets interest is accrued on outstanding bonds and loans payable, whereas in governmental funds, interest is accrued when due.			(25,028)
Bond issuance costs are amortized over the life of the bonds on the statement of net assets.			91,599
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 on the statement of net assets.			943,853
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.			(165,409)
Net assets of governmental activities		\$	27,413,946

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, 2011*

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Property and other taxes	\$ 950,166	\$ 442,232	\$ 1,392,398
Municipal income taxes	11,199,981	-	11,199,981
Charges for services.	1,868,733	192,479	2,061,212
Licenses and permits	556,560	-	556,560
Fines and forfeitures.	72,325	342,353	414,678
Intergovernmental.	2,743,019	3,541,619	6,284,638
Special assessments	-	154,792	154,792
Investment income.	33,559	3,712	37,271
Contributions and donations.	8,050	547,940	555,990
Other	230,840	227,374	458,214
Total revenues	<u>17,663,233</u>	<u>5,452,501</u>	<u>23,115,734</u>
Expenditures:			
Current:			
General government.	4,301,227	44,011	4,345,238
Public safety	9,465,574	307,671	9,773,245
Health and welfare.	-	9,531	9,531
Transportation.	167,309	1,231,413	1,398,722
Community environment	898,457	1,778,259	2,676,716
Leisure time activities	740,872	326,037	1,066,909
Capital outlay	127,691	1,428,477	1,556,168
Debt service:			
Principal retirement.	33,279	1,087,715	1,120,994
Interest and fiscal charges	1,466	223,463	224,929
Total expenditures	<u>15,735,875</u>	<u>6,436,577</u>	<u>22,172,452</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>1,927,358</u>	<u>(984,076)</u>	<u>943,282</u>
Other financing sources (uses):			
Sale of assets.	11,321	13,114	24,435
Transfers in	206,607	1,228,293	1,434,900
Transfers out.	<u>(1,060,000)</u>	<u>(374,900)</u>	<u>(1,434,900)</u>
Total other financing sources (uses)	<u>(842,072)</u>	<u>866,507</u>	<u>24,435</u>
Net change in fund balances	1,085,286	(117,569)	967,717
Fund balances at beginning of year (restated) .	<u>3,600,185</u>	<u>3,201,640</u>	<u>6,801,825</u>
Fund balances at end of year	<u>\$ 4,685,471</u>	<u>\$ 3,084,071</u>	<u>\$ 7,769,542</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, 2011*

Net change in fund balances - total governmental funds \$ 967,717

*Amounts reported for governmental activities in the
statement of activities are different because:*

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital asset additions	\$ 806,628	
Current year depreciation	<u>(1,465,049)</u>	
Total		(658,421)

Governmental activities 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. (191,954)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent property taxes	107,395	
Municipal income taxes	886,026	
Intergovernmental	(186,744)	
Special assessments	(40,213)	
Interest	<u>2,471</u>	
Total		768,935

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. 1,120,994

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. More interest expense is reported in the statement of activities due to the following:

Accrued interest	4,554	
Bond premium	1,720	
Discount on bond issuance	(827)	
Bond issuance costs	<u>(14,492)</u>	
Total		(9,045)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (16,443)

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. 335,793

Change in net assets of governmental activities \$ 2,317,576

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, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 886,249	\$ 873,941	\$ 950,166	\$ 76,225
Municipal income taxes	9,750,000	9,750,000	9,750,000	-
Charges for services.	1,693,380	1,669,863	1,854,799	184,936
Licenses and permits	450,436	444,180	482,921	38,741
Fines and forfeitures	78,712	77,619	74,990	(2,629)
Intergovernmental.	2,630,844	2,594,307	2,334,995	(259,312)
Investment income.	48,231	47,561	39,516	(8,045)
Other	227,457	224,298	239,408	15,110
Total revenues	15,765,309	15,681,769	15,726,795	45,026
Expenditures:				
Current:				
General government	4,177,711	4,219,107	3,942,754	276,353
Public safety.	9,785,954	9,819,898	9,500,781	319,117
Transportation	163,614	164,714	168,209	(3,495)
Community environment	1,252,339	1,276,084	1,159,367	116,717
Leisure time activities.	771,710	790,226	752,496	37,730
Capital outlay	112,807	330,549	128,705	201,844
Total expenditures	16,264,135	16,600,578	15,652,312	948,266
Excess/deficiency of revenues over/under expenditures.	(498,826)	(918,809)	74,483	993,292
Other financing sources:				
Sale of assets.	-	5,000	11,321	6,321
Transfers in	-	206,607	206,607	-
Total other financing sources	-	211,607	217,928	6,321
Net change in fund balances	(498,826)	(707,202)	292,411	999,613
Fund balances at beginning of year (restated).	349,763	349,763	349,763	-
Prior year encumbrances appropriated	754,626	754,626	754,626	-
Fund balance at end of year	\$ 605,563	\$ 397,187	\$ 1,396,800	\$ 999,613

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF BARBERTON, OHIO

*STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2011*

Business-type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor</u>	<u>Total</u>
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents . . .	\$ 1,957,870	\$ 2,420,295	\$ 1,033,050	\$ 761,794	\$ 6,173,009
Investments	2,268,464	-	-	-	2,268,464
Receivables (net of allowance for uncollectibles):					
Accounts	453,389	317,139	79,227	74,650	924,405
Accrued interest	3,748	-	-	-	3,748
Materials and supplies inventory	315,967	44,538	-	-	360,505
Prepayments	32,140	31,182	275	175	63,772
Total current assets	<u>5,031,578</u>	<u>2,813,154</u>	<u>1,112,552</u>	<u>836,619</u>	<u>9,793,903</u>
Noncurrent assets:					
Restricted assets:					
Equity in pooled cash and cash equivalents . . .	-	419,483	-	-	419,483
Deferred charges	235,781	18,933	-	-	254,714
Capital assets:					
Nondepreciable capital assets	12,268,639	5,824,538	-	434,915	18,528,092
Depreciable capital assets, net	<u>7,222,711</u>	<u>18,819,060</u>	<u>-</u>	<u>2,927,763</u>	<u>28,969,534</u>
Total capital assets, net	<u>19,491,350</u>	<u>24,643,598</u>	<u>-</u>	<u>3,362,678</u>	<u>47,497,626</u>
Total noncurrent assets	<u>19,727,131</u>	<u>25,082,014</u>	<u>-</u>	<u>3,362,678</u>	<u>48,171,823</u>
Total assets	<u>24,758,709</u>	<u>27,895,168</u>	<u>1,112,552</u>	<u>4,199,297</u>	<u>57,965,726</u>
Liabilities:					
Current liabilities:					
Accounts payable	30,313	77,058	-	-	107,371
Contracts payable	30,326	65,037	152,391	-	247,754
Accrued wages and benefits payable	22,249	21,645	-	3,875	47,769
Intergovernmental payable	42,049	39,061	761	7,374	89,245
Accrued interest payable	61,978	1,326	-	-	63,304
Claims payable	-	-	-	-	-
Notes payable	360,625	-	-	-	360,625
Current portion of general obligation bonds . . .	456,675	275,166	-	-	731,841
Current portion of revenue bonds	360,000	-	-	-	360,000
Current portion of compensated absences	65,448	78,231	-	1,852	145,531
Current portion of OWDA loans	-	98,800	-	-	98,800
Total current liabilities	<u>1,429,663</u>	<u>656,324</u>	<u>153,152</u>	<u>13,101</u>	<u>2,252,240</u>
Long-term liabilities:					
General obligation bonds	995,885	157,978	-	-	1,153,863
Revenue bonds	7,269,035	-	-	-	7,269,035
Compensated absences	214,339	256,207	-	6,066	476,612
OWDA loans payable	-	2,095,968	-	-	2,095,968
OPWC loans payable	875,664	-	-	-	875,664
Total long-term liabilities	<u>9,354,923</u>	<u>2,510,153</u>	<u>-</u>	<u>6,066</u>	<u>11,871,142</u>
Total liabilities	<u>10,784,586</u>	<u>3,166,477</u>	<u>153,152</u>	<u>19,167</u>	<u>14,123,382</u>
Net assets:					
Invested in capital assets, net of related debt . .	9,409,247	22,034,619	-	3,362,678	34,806,544
Restricted for replacement and improvement . . .	-	419,483	-	-	419,483
Unrestricted	<u>4,564,876</u>	<u>2,274,589</u>	<u>959,400</u>	<u>817,452</u>	<u>8,616,317</u>
Total net assets	<u>\$ 13,974,123</u>	<u>\$ 24,728,691</u>	<u>\$ 959,400</u>	<u>\$ 4,180,130</u>	<u>43,842,344</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.					<u>165,409</u>
Net assets of business-type activities					<u>\$ 44,007,753</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Governmental
Activities -
Internal
Service Funds**

\$ 1,147,246

-

10,047

-

-

-

1,157,293

-

-

-

-

1,157,293

-

-

-

-

-

213,440

-

-

-

-

-

213,440

-

-

-

-

-

213,440

-

-

943,853

\$ 943,853

CITY OF BARBERTON, OHIO

*STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011*

	Business-type Activities - Enterprise Funds				
	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor</u>	<u>Total</u>
Operating revenues:					
Charges for services	\$ 5,063,541	\$ 4,066,329	\$ 2,023,183	\$ 782,248	\$ 11,935,301
Other	4,337	523	-	100	4,960
Total operating revenues.	<u>5,067,878</u>	<u>4,066,852</u>	<u>2,023,183</u>	<u>782,348</u>	<u>11,940,261</u>
Operating expenses:					
Personal services	2,142,539	2,099,989	36,839	304,141	4,583,508
Contract services.	62,141	222,989	1,836,400	11,375	2,132,905
Materials and supplies.	967,900	1,177,708	4,010	181,789	2,331,407
Claims.	-	-	-	-	-
Other	26,452	6,735	-	-	33,187
Depreciation.	517,188	1,113,481	-	258,695	1,889,364
Total operating expenses.	<u>3,716,220</u>	<u>4,620,902</u>	<u>1,877,249</u>	<u>756,000</u>	<u>10,970,371</u>
Operating income (loss)	<u>1,351,658</u>	<u>(554,050)</u>	<u>145,934</u>	<u>26,348</u>	<u>969,890</u>
Nonoperating revenues (expenses):					
Interest revenue	10,765	266	-	-	11,031
Interest and fiscal charges	(465,300)	(86,375)	(7)	(2,359)	(554,041)
Loss on disposal of capital assets	(32,309)	(35,621)	-	(44,964)	(112,894)
Total nonoperating revenues (expenses).	<u>(486,844)</u>	<u>(121,730)</u>	<u>(7)</u>	<u>(47,323)</u>	<u>(655,904)</u>
Income (loss) before capital contributions	864,814	(675,780)	145,927	(20,975)	313,986
Capital contributions.	486,687	61,102	-	-	547,789
Change in net assets	1,351,501	(614,678)	145,927	(20,975)	861,775
Net assets at beginning of year.	<u>12,622,622</u>	<u>25,343,369</u>	<u>813,473</u>	<u>4,201,105</u>	
Net assets at end of year	<u>\$ 13,974,123</u>	<u>\$ 24,728,691</u>	<u>\$ 959,400</u>	<u>\$ 4,180,130</u>	
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.					<u>320,934</u>
Change in net assets of business-type activities.					<u>\$ 1,182,709</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Governmental
Activities -
Internal
Service Funds**

\$ 3,681,852
3,058

3,684,910

-
28,800
442,915
2,556,468

-
-

3,028,183

656,727

-
-
-

-

656,727

-

656,727

287,126

\$ 943,853

CITY OF BARBERTON, OHIO

*STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011*

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Solid Waste	Nonmajor	Total
Cash flows from operating activities:					
Cash received from customers	\$ 5,112,730	\$ 4,177,866	\$ 2,035,672	\$ 787,291	\$ 12,113,559
Cash received from other operations	4,337	523	-	100	4,960
Cash payments for personal services	(2,150,486)	(2,069,491)	(39,378)	(326,733)	(4,586,088)
Cash payments for contract services.	(74,321)	(184,991)	(1,837,466)	(11,375)	(2,108,153)
Cash payments for materials and supplies.	(979,766)	(1,203,168)	(4,006)	(189,481)	(2,376,421)
Cash payments for claims	-	-	-	-	-
Cash payments for other expenses.	(30,244)	(8,448)	-	-	(38,692)
Net cash provided by operating activities.	<u>1,882,250</u>	<u>712,291</u>	<u>154,822</u>	<u>259,802</u>	<u>3,009,165</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(2,856,018)	(3,190,891)	-	(394,791)	(6,441,700)
Capital contributions.	486,687	727,209	-	-	1,213,896
Principal retirement	(1,267,779)	(367,541)	(169)	(57,222)	(1,692,711)
Note issuance	360,625	-	-	-	360,625
Premium on note issuance	191	-	-	-	191
Loan issuance	875,664	2,293,040	-	-	3,168,704
Interest and fiscal charges	(418,790)	(76,646)	(7)	(2,359)	(497,802)
Net cash used in capital and related financing activities.	<u>(2,819,420)</u>	<u>(614,829)</u>	<u>(176)</u>	<u>(454,372)</u>	<u>(3,888,797)</u>
Cash flows from investing activities:					
Interest received	11,737	266	-	-	12,003
Sale of investments.	160,386	-	-	-	160,386
Net cash provided by investing activities	<u>172,123</u>	<u>266</u>	<u>-</u>	<u>-</u>	<u>172,389</u>
Net increase (decrease) in cash and cash equivalents.	(765,047)	97,728	154,646	(194,570)	(707,243)
Cash and cash equivalents at beginning of year	<u>2,722,917</u>	<u>2,742,050</u>	<u>878,404</u>	<u>956,364</u>	<u>7,299,735</u>
Cash and cash equivalents at end of year	<u>\$ 1,957,870</u>	<u>\$ 2,839,778</u>	<u>\$ 1,033,050</u>	<u>\$ 761,794</u>	<u>\$ 6,592,492</u>

**Governmental
Activities -
Internal
Service Funds**

\$ 3,679,577
3,058
-
(471,715)
-
(2,595,235)

-

615,685

-
-
-
-
-
-

-

-

-

-

-

615,685

531,561

\$ 1,147,246

- - Continued

CITY OF BARBERTON, OHIO

*STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2011*

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Solid Waste	Nonmajor	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 1,351,658	\$ (554,050)	\$ 145,934	\$ 26,348	\$ 969,890
Adjustments:					
Depreciation	517,188	1,113,481	-	258,695	1,889,364
Changes in assets and liabilities:					
(Increase) decrease in materials and supplies inventory	2,499	(11,304)	-	-	(8,805)
(Increase) decrease in accounts receivable	46,530	109,824	11,865	4,791	173,010
(Increase) decrease in prepayments	(476)	(1,215)	12	(175)	(1,854)
Increase (decrease) in accounts payable	(34,306)	9,806	(152,841)	(7,265)	(184,606)
Increase in contracts payable	7,056	14,951	152,391	-	174,398
Increase (decrease) in accrued wages and benefits	(1,112)	2,103	(283)	(396)	312
Increase (decrease) due to other governments	9,497	10,658	(18)	2,187	22,324
Increase (decrease) in compensated absences payable	(16,284)	18,037	(2,238)	(24,383)	(24,868)
(Decrease) in claims payable	-	-	-	-	-
Net cash provided by operating activities	<u>\$ 1,882,250</u>	<u>\$ 712,291</u>	<u>\$ 154,822</u>	<u>\$ 259,802</u>	<u>\$ 3,009,165</u>
Reconciliation of cash and cash equivalents:					
Equity in pooled cash and cash equivalents	\$ 1,957,870	\$ 2,420,295	\$ 1,033,050	\$ 761,794	\$ 6,173,009
Restricted equity in pooled cash and cash equivalents	-	419,483	-	-	419,483
Total cash and cash equivalents	<u>\$ 1,957,870</u>	<u>\$ 2,839,778</u>	<u>\$ 1,033,050</u>	<u>\$ 761,794</u>	<u>\$ 6,592,492</u>

At December 31, 2011 and December 31, 2010, the Water fund purchased \$23,270 and \$695,556, respectively, in capital assets on account.
 At December 31, 2011 and December 31, 2010, the Sewer fund purchased \$50,086 and \$763,781, respectively, in capital assets on account.
 At December 31, 2010, the Storm Water nonmajor enterprise fund purchased \$67,001 in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Governmental
Activities -
Internal
Service Funds**

\$ 656,727

-

-

(2,275)

-

-

-

-

-

-

(38,767)

\$ 615,685

\$ 1,147,246

-

\$ 1,147,246

CITY OF BARBERTON, OHIO

*STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2011*

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents . . .	\$ 156,072
Receivables:	
Accounts.	4,520
Total assets	<u>\$ 160,592</u>
Liabilities:	
Deposits held and due to others	<u>\$ 160,592</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, 2011

NOTE 1 - DESCRIPTION OF THE CITY

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its governmental and business-type activities and its proprietary funds provided it does not conflict with or contradict GASB pronouncements. The City has the option to also apply FASB guidance 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 this FASB guidance. 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. The City's health district operations were turned over to Summit County effective October 1, 2010.

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's Governing Board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the financial statements incomplete or misleading. The City has no component units.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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.

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 function is self-financing or draws from the general revenues of the City.

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

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

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

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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.

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 is the City's major governmental fund:

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

Other governmental funds of the City are used to account for 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, 2011

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

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income 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, 2011, but which were levied to finance year 2012 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, 2011, are recorded as deferred revenue in the governmental funds.

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. Annual budgets were adopted for all City funds during 2011, except for the street improvement and Issue II nonmajor capital projects funds. These funds did not have any activity on cash-basis during the year; therefore no budget was necessary.

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

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

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

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

G. Cash 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 2011, investments were limited to federal agency securities, U.S. Treasury notes, repurchase agreements, 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, 2011.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2011 amounted to \$33,559 which includes \$25,860 assigned from other City funds.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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, 2011, were as follows:

Restricted assets held by the City	
Replacement and improvement	\$419,483

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.

Effective January 1, 2011, the City increased its capitalization threshold from \$2,000 to \$5,000. Previously reported capital assets falling below this threshold have been recorded as disposals for 2011. 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. 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 street subsystems, traffic signal subsystems, storm sewer lines, water lines and sewer lines. The City reports all infrastructure, including that acquired prior to 1980.

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

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, 2011, 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.

M. Accrued Liabilities and Long-Term Obligations

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

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

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.

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

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, bond premiums, and bond discounts are recognized in the current period.

O. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans to cover deficit cash balances are classified as “due to/from other funds”. These amounts are eliminated on the statement of net assets.

P. Interfund Activity

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

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

Q. Fund Balance

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

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

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

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

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of City Council, which includes giving the Director of Finance the authority to constrain monies for intended purposes.

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

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

R. Estimates

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

S. 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.

T. 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, 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.

U. 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.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2011, the City has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", and GASB Statement No. 59, "Financial Instruments Omnibus".

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB Statement No. 54 also clarifies the definitions of governmental fund types.

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of GASB Statement No. 59 did not have an effect on the financial statements of the City.

B. Fund Reclassification

A fund reclassification is required in order to report funds in accordance with GASB Statement No 54. The fund reclassification had the following effect on the City's governmental fund balances as previously reported:

	General	Nonmajor Governmental	Total Governmental
Fund balance as previously reported	\$ 3,599,902	\$ 3,201,923	\$ 6,801,825
Fund reclassification:			
Emergency reserve	283	(283)	-
Restated fund balance at January 1, 2011	\$ 3,600,185	\$ 3,201,640	\$ 6,801,825

The reclassification did not have an effect on net assets as previously reported.

C. Budgetary Prior Period Adjustment

In prior years certain funds that are legally budgeted in separate special revenue funds were considered part of the general fund on a budgetary basis. The City has elected to report only the legally budgeted general fund in the budgetary statement; therefore, a restatement to the beginning budgetary balance is required. The restatement of the general fund's budgetary-basis fund balance at December 31, 2010 is as follows:

	Budgetary Basis General Fund
Balance at December 31, 2010	\$ 1,500,546
Funds budgeted elsewhere	(1,150,783)
Restated balance at January 1, 2011	\$ 349,763

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

D. Deficit Fund Balances

Fund balances at December 31, 2011 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Neighborhood stabilization program	\$ 483,537
Street improvement	83,955
Issue II improvement	119,403

Other than the neighborhood stabilization program fund, these funds complied with Ohio State law, which does not permit a cash basis deficit at year end. The community development block grant fund, which is not presented in the schedule above, had a cash basis deficit at year end as well. 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 presented above 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;

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in 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 finance director or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits with Financial Institutions

At December 31, 2011, the carrying amount of all City deposits was \$4,938,946, exclusive of the \$3,055,000 repurchase agreement included in investments below. As of December 31, 2011, \$1,493,476 of the City's bank balance of \$5,562,848 was exposed to custodial risk as discussed below, while \$4,069,372 was covered by the FDIC.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

B. Investments

As of December 31, 2011, 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>	<u>19 to 24 months</u>
FHLB	\$ 1,257,326	\$ 675,988	\$ 174,970	\$ 406,368	\$ -
FHLB discount note	199,998	199,998	-	-	-
FHLMC	1,182,858	-	456,908	126,442	599,508
FHLMC discount note	799,841	399,985	399,856	-	-
FNMA	1,980,977	1,128,410	451,075	125,697	275,795
FNMA discount note	174,998	174,998	-	-	-
U.S. Treasury notes	952,571	-	952,571	-	-
STAR Ohio	2,721,158	2,721,158	-	-	-
Repurchase agreement	3,055,000	3,055,000	-	-	-
U.S. Treasury money market	114,503	114,503	-	-	-
Total	<u>\$ 12,439,230</u>	<u>\$ 8,470,040</u>	<u>\$ 2,435,380</u>	<u>\$ 658,507</u>	<u>\$ 875,303</u>

The weighted average maturity of investments is 0.37 years.

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

Credit Risk: STAR Ohio 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 rating service. The City's investments in U.S Treasury notes and federal agency securities, and the federal agency securities that underlie the repurchase agreement were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State statute.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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%.

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, 2011:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 1,257,326	10.11
FHLB discount note	199,998	1.61
FHLMC	1,182,858	9.51
FHLMC discount note	799,841	6.43
FNMA	1,980,977	15.93
FNMA discount note	174,998	1.41
U.S. Treasury notes	952,571	7.66
STAR Ohio	2,721,158	21.88
Repurchase agreement	3,055,000	24.54
U.S. Treasury money market	<u>114,503</u>	<u>0.92</u>
Total	<u>\$ 12,439,230</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, 2011:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 4,938,946
Investments	<u>12,439,230</u>
Total	<u>\$ 17,378,176</u>

<u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 8,361,148
Business type activities	8,860,956
Agency funds	<u>156,072</u>
Total	<u>\$ 17,378,176</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2011, consisted of the following:

	Transfers from	
<u>Transfer to</u>	<u>General</u>	<u>Nonmajor Governmental</u>
General fund	\$ -	\$ 206,607
Nonmajor governmental funds	1,060,000	168,293
Total	\$ 1,060,000	\$ 374,900

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.

During 2011, City Council voted to close out the health district fund, a nonmajor governmental fund, and transferred the remaining cash balance of \$206,607 to the general fund.

B. Interfund balances at December 31, 2011 as reported on the fund financial statements consist of the following amounts due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 284,200

The purpose of the due to/from other funds is to cover the negative cash balances at year end in the neighborhood stabilization program and community development block grant nonmajor special revenue funds. The interfund balances will be repaid once the anticipated revenues are received.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2011, 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 \$50,841 in the special assessment bond retirement debt service fund (a nonmajor governmental fund).

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 6 - RECEIVABLES - (Continued)

A. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Fiscal Officer at 35 percent of appraised market value. All property is required to be 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. 2011 public utility property taxes became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Barberton. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2011 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 2011 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, 2011 was \$3.50 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2011 property tax receipts were based are as follows:

Real property	\$ 389,314,830
Public utility property	<u>9,200,850</u>
Total assessed value	<u>\$ 398,515,680</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 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.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 6 - RECEIVABLES - (Continued)

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

C. Intergovernmental Receivables

A summary of the intergovernmental receivables follows:

<u>Governmental activities:</u>	<u>Amounts</u>
Local government State support	\$ 542,500
Motor vehicle and gas tax	453,990
Other	62,628
Community development grants	124,725
Other State and federal grants	529,553
Homestead and rollback	117,950
Municipal court	106,196
Permissive license tax	<u>3,835</u>
Total	<u>\$ 1,941,377</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, 2011 is \$1,777 and \$95,726 in the general fund and the nonmajor special revenue funds, respectively. The City will collect approximately \$12,000 in 2012.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 7 - CAPITAL ASSETS

A. Capital asset activity for the year ended December 31, 2011, was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/10</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/11</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 6,314,610	\$ 79,093	\$ (6,675)	\$ 6,387,028
Construction in progress	<u>719,534</u>	<u>634,763</u>	<u>-</u>	<u>1,354,297</u>
Total capital assets, not being depreciated	<u>7,034,144</u>	<u>713,856</u>	<u>(6,675)</u>	<u>7,741,325</u>
<i>Capital assets, being depreciated:</i>				
Buildings	9,439,271	5,900	(194,462)	9,250,709
Vehicles and equipment	12,875,528	72,385	(1,045,228)	11,902,685
Infrastructure:				
Street subsystem	16,828,112	-	-	16,828,112
Traffic signals subsystem	<u>1,762,915</u>	<u>14,487</u>	<u>-</u>	<u>1,777,402</u>
Total capital assets, being depreciated	<u>40,905,826</u>	<u>92,772</u>	<u>(1,239,690)</u>	<u>39,758,908</u>
Less: accumulated depreciation:				
Buildings	(4,509,328)	(346,861)	135,726	(4,720,463)
Vehicles and equipment	(9,450,819)	(506,673)	918,685	(9,038,807)
Infrastructure:				
Street subsystem	(8,387,221)	(552,741)	-	(8,939,962)
Traffic signal subsystem	<u>(345,701)</u>	<u>(58,774)</u>	<u>-</u>	<u>(404,475)</u>
Total accumulated depreciation	<u>(22,693,069)</u>	<u>(1,465,049)</u>	<u>1,054,411</u>	<u>(23,103,707)</u>
Total capital assets being depreciated, net	<u>18,212,757</u>	<u>(1,372,277)</u>	<u>(185,279)</u>	<u>16,655,201</u>
Governmental activities capital assets, net	<u>\$ 25,246,901</u>	<u>\$ (658,421)</u>	<u>\$ (191,954)</u>	<u>\$ 24,396,526</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 109,842
Public safety	425,797
Health and welfare	3,451
Transportation	613,762
Community environment	83,900
Leisure time activities	<u>228,297</u>
Total depreciation expense	<u>\$ 1,465,049</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 7 - CAPITAL ASSETS - (Continued)

B. Capital asset activity for the year ended December 31, 2011 was as follows:

<u>Business-type activities:</u>	<u>Balance</u> <u>12/31/10</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/11</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 899,541	\$ -	\$ -	\$ 899,541
Construction in progress	13,271,348	4,381,426	(24,223)	17,628,551
Total capital assets, not being depreciated	<u>14,170,889</u>	<u>4,381,426</u>	<u>(24,223)</u>	<u>18,528,092</u>
<i>Capital assets, being depreciated:</i>				
Buildings	31,258,036	-	-	31,258,036
Vehicles and equipment	4,498,657	280,612	(436,935)	4,342,334
Infrastructure				
Water lines	10,406,947	350,903	-	10,757,850
Sewer lines	17,597,271	-	-	17,597,271
Storm sewer lines	6,321,821	-	-	6,321,821
Total capital assets, being depreciated	<u>70,082,732</u>	<u>631,515</u>	<u>(436,935)</u>	<u>70,277,312</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(17,798,902)	(869,018)	-	(18,667,920)
Vehicles and equipment	(3,305,365)	(229,291)	324,041	(3,210,615)
Infrastructure				
Water lines	(5,262,245)	(216,620)	-	(5,478,865)
Sewer lines	(10,010,198)	(364,808)	-	(10,375,006)
Storm sewer lines	(3,365,745)	(209,627)	-	(3,575,372)
Total accumulated depreciation	<u>(39,742,455)</u>	<u>(1,889,364)</u>	<u>324,041</u>	<u>(41,307,778)</u>
Total capital assets, being depreciated, net	<u>30,340,277</u>	<u>(1,257,849)</u>	<u>(112,894)</u>	<u>28,969,534</u>
Business-type activities capital assets, net	<u>\$ 44,511,166</u>	<u>\$ 3,123,577</u>	<u>\$ (137,117)</u>	<u>\$ 47,497,626</u>

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

Water	\$ 517,188
Sewer	1,113,481
Storm water	<u>258,695</u>
Total depreciation expense	<u>\$ 1,889,364</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 8 - CAPITAL LEASES

In prior years, the City entered into capital lease agreements for an ambulance, a phone system, a ladder truck, a case loader and a street sweeper. A portion of the principal and interest payments for the phone system capital lease will be paid from both governmental and enterprise funds. The ambulance and ladder truck 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 \$817,001 in governmental activities. This amount represents the present value of the minimum lease payments at the time of acquisition. A liability of \$234,272 is reported on the statement of net assets at year end, which represents the remaining amount of principal payments the governmental funds will be making. The governmental funds made \$120,424 and \$13,090 in principal and interest payments, respectively, during 2011.

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 final principal and interest payments were made in 2011 and totaled \$64,073 and \$2,662, respectively.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Asset:		
Equipment and vehicles	\$ 817,001	\$ 242,355
Less: accumulated depreciation	<u>(408,407)</u>	<u>(109,037)</u>
Total	<u>\$ 408,594</u>	<u>\$ 133,318</u>

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2012	\$ 96,675
2013	96,675
2014	<u>56,819</u>
Total	250,169
Less: amount representing interest	<u>(15,897)</u>
Present value of net minimum lease payments	<u>\$ 234,272</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 9 - NOTES PAYABLE

Changes in the City's note activity for the year ended December 31, 2011, were as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>12/31/2010</u>	<u>Issued</u>	<u>Retired</u>	<u>12/31/2011</u>
<u>Governmental fund notes</u>				
Street improvement notes - 1.625%	\$ 160,000	\$ -	\$ (160,000)	\$ -
Street improvement notes - 1.625%	162,000	-	(162,000)	-
Various purpose improvement notes - 1.625%	<u>-</u>	<u>204,375</u>	<u>-</u>	<u>204,375</u>
Total governmental fund notes	<u>\$ 322,000</u>	<u>\$ 204,375</u>	<u>\$ (322,000)</u>	<u>\$ 204,375</u>
	<u>Balance</u>			<u>Balance</u>
	<u>12/31/2010</u>	<u>Issued</u>	<u>Retired</u>	<u>12/31/2011</u>
<u>Enterprise fund notes</u>				
Robinson Avenue waterline notes - 1.625%	\$ 78,000	\$ -	\$ (78,000)	\$ -
Summit/Grand waterline notes - 1.60%	400,000	-	(400,000)	-
Various purpose improvement notes - 1.625%	<u>-</u>	<u>360,625</u>	<u>-</u>	<u>360,625</u>
Total enterprise fund notes	<u>\$ 478,000</u>	<u>\$ 360,625</u>	<u>\$ (478,000)</u>	<u>\$ 360,625</u>

All notes were backed by the full faith and credit of the City. 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 bonds are issued. The 2011 notes were issued on October 12, 2011 and mature on October 11, 2012.

NOTE 10 - LONG-TERM OBLIGATIONS

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

<u>Debt issue</u>	<u>Date</u>	<u>Interest</u>	<u>Original</u>	<u>Date of</u>
	<u>Issued</u>	<u>Rate</u>	<u>Issue Amount</u>	<u>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
Sports Complex	2004	2.00-3.55%	931,000	2012
Community Center	2004	2.00-3.55%	404,000	2012
Various Purpose Improvement	2009	2.00-4.70%	2,310,000	2029
<u>Special Assessment Bonds with Government Commitment:</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
State Infrastructure Bank Loan	2007	3.00%	193,342	2017

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

<u>Debt issue</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Year of Maturity</u>
Business-Type Activities				
<u>General Obligation Bonds:</u>				
Various Purpose - New Haven	2003	1.15-4.00%	\$ 1,332,390	2013
Water Refunding	2004	2.00-3.55%	2,340,000	2012
Sanitary Sewer	2004	2.00-3.55%	1,514,000	2012
Wolf Creek Dam Repair	2004	2.00-3.55%	276,000	2012
Various Purpose Improvement	2009	2.00-4.70%	1,140,000	2029
<u>Revenue Bonds:</u>				
Waterworks System Revenue	2006	3.75-5.00%	9,305,000	2026
<u>OWDA Loans:</u>				
Wastewater Treatment Plant Improvements	2011	2.16%	2,293,040	2031
<u>OPWC Loans:</u>				
Summit Road Water Main Project	2011	0.00%	875,664	2043

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CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

	Balance			Balance	Amounts
	12/31/10	Increase	Decrease	12/31/11	Due in
Governmental activities:					One Year
<u>General Obligation Bonds:</u>					
Construction Bonds	\$ 1,636,174	\$ -	\$ (528,308)	\$ 1,107,866	\$ 544,078
Fifth Street Bonds	135,000	-	(30,000)	105,000	35,000
Sports Complex Bonds	251,743	-	(123,637)	128,106	128,106
Community Center Bonds	109,242	-	(53,652)	55,590	55,590
Various Purpose Improvement Bonds	2,226,304	-	(87,043)	2,139,261	90,391
Discount on Various Purpose Improvement Bonds	(15,658)	-	827	(14,831)	-
Premium on Construction Bonds	5,155	-	(1,720)	3,435	-
Total General Obligation Bonds	<u>4,347,960</u>	<u>-</u>	<u>(823,533)</u>	<u>3,524,427</u>	<u>853,165</u>
<u>Special Assessment Bonds with Government Commitment:</u>					
Street Improvement	28,700	-	(28,700)	-	-
Street Improvement	62,353	-	(11,512)	50,841	11,973
Total Special Assessment Bonds	<u>91,053</u>	<u>-</u>	<u>(40,212)</u>	<u>50,841</u>	<u>11,973</u>
<u>Other Debt:</u>					
HUD Section 108 Loan	750,000	-	(115,000)	635,000	115,000
State Infrastructure Bank Loan	160,509	-	(22,718)	137,791	23,404
Capital Lease	354,696	-	(120,424)	234,272	88,184
Compensated Absences	3,207,540	1,048,818	(1,032,375)	3,223,983	874,679
Total Other Debt	<u>4,472,745</u>	<u>1,048,818</u>	<u>(1,290,517)</u>	<u>4,231,046</u>	<u>1,101,267</u>
Total Governmental Activities	<u>\$ 8,911,758</u>	<u>\$ 1,048,818</u>	<u>\$ (2,154,262)</u>	<u>\$ 7,806,314</u>	<u>\$ 1,966,405</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Business-type activities:	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
	<u>12/31/10</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/11</u>	<u>Due in</u>
					<u>One Year</u>
<u>General Obligation Bonds:</u>					
Water Bonds Refunding	\$ 580,000	\$ -	\$ (285,000)	\$ 295,000	\$ 295,000
Water Revenue Bonds Refunding - Deferred Amount	(4,419)	-	2,306	(2,113)	-
Various Purpose - New Haven	438,838	-	(141,698)	297,140	145,928
Sanitary Sewer Bonds	409,385	-	(201,059)	208,326	208,326
Wolf Creek Dam Repair Bonds	74,630	-	(36,652)	37,978	37,978
Various Purpose - Series 2009	1,098,695	-	(42,957)	1,055,738	44,609
Discount on Various Purpose - Series 2009	(7,681)	-	407	(7,274)	-
Premium on Various Purpose - New Haven	1,049	-	(140)	909	-
Total General Obligation Bonds	<u>2,590,497</u>	<u>-</u>	<u>(704,793)</u>	<u>1,885,704</u>	<u>731,841</u>
<u>Revenue Bonds:</u>					
Waterworks System Revenue Bonds	7,835,000	-	(345,000)	7,490,000	360,000
Waterworks System Revenue Bonds - Unamortized Premium	148,356	-	(9,321)	139,035	-
Total Revenue Refunding Bonds	<u>7,983,356</u>	<u>-</u>	<u>(354,321)</u>	<u>7,629,035</u>	<u>360,000</u>
OWDA Loans	-	2,293,040	(98,272)	2,194,768	98,800
OPWC Loans	-	875,664	-	875,664	-
Capital Leases	64,073	-	(64,073)	-	-
Compensated Absences	647,011	139,985	(164,853)	622,143	145,531
Total Business-Type Activities	<u>\$ 11,284,937</u>	<u>\$ 3,308,689</u>	<u>\$ (1,386,312)</u>	<u>\$ 13,207,314</u>	<u>\$ 1,336,172</u>

General Obligation and Special Assessment Bonds

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.

On July 6, 2009, the City issued \$3,450,000 in various purpose general obligation bonds to provide fire and waterworks improvements. The issue is comprised of current interest bonds with an annual interest rate ranging from 2.00% to 4.70%. The scheduled maturity is December 1, 2029.

Loans

Other long-term debt represents a loan from HUD for the redevelopment of the Lake Theater Building and the State Infrastructure Bank loan (SIB) for the City's share of the cost for a street resurfacing project. The SIB Loan is to be repaid over a ten-year period with revenues from motor vehicle license fees. 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, 2011**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Compensated Absences

The compensated absences liability will be paid out of the general fund, street construction, maintenance and repair 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, 2011 the bonds have an outstanding balance of \$7,490,000 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 2026. Annual principal and interest payments on the bonds are expected to require less than 36.72 percent of net revenues. The total principal and interest remaining to be paid on the water revenue bonds is \$10,331,417. Principal and interest paid for the current year and total customer net revenues were \$686,316 and \$1,868,846, respectively.

OWDA Loans

The City has entered into a debt financing arrangement through the Ohio Water Development Authority (OWDA) to fund capital improvements to the City's wastewater treatment plant. The amount due to the OWDA is payable solely from sewer fund revenues. The loan agreement functions similar to a line-of-credit agreement. At December 31, 2011, the City has outstanding borrowings of \$2,194,768. The loan agreement requires semi-annual payments based on the permissible borrowings rather than the actual amount loaned. The loan has not been closed out as of December 31, 2011, therefore the future annual debt service principal and interest requirement is not available.

The City has pledged future sewer customer revenues to repay the loan. The loan is payable solely from sewer fund revenues and is payable through 2031. Annual principal and interest payments on the loan are expected to require less than 26.90% of net revenues. The total principal and interest remaining to be paid on the loan is approximately \$3,116,742. The loan has not been closed out as of December 31, 2011, therefore the future annual debt service principal and interest requirement is not available. Principal and interest paid for the current year and total customer net revenues were \$150,465 and \$559,431, respectively.

OPWC Loans

The City obtained a loan from the Ohio Public Works Commission (OPWC) to help fund water main improvements. The interest-free loan will be payable in semi-annual installments over a thirty year period. As of December 31, 2011, the loan proceeds have not been completely disbursed, therefore the future annual debt requirement is not available.

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, 2011 was \$295,000.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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.

Legal Debt Margin

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2011, the City's total debt margin was \$36,416,799 and the unvoted debt margin was \$16,488,357.

Principal and interest requirements to retire the outstanding debt at December 31, 2011, are as follows:

<u>Year Ending December 31,</u>	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>
2012	\$ 853,165	\$ 133,566	\$ 986,731	\$ 11,973	\$ 2,034	\$ 14,007
2013	689,179	105,055	794,234	12,452	1,555	14,007
2014	125,391	82,267	207,658	12,949	1,057	14,006
2015	93,739	78,241	171,980	13,467	538	14,005
2016	100,435	75,429	175,864	-	-	-
2017 - 2021	539,000	322,602	861,602	-	-	-
2022 - 2026	659,523	203,401	862,924	-	-	-
2027 - 2029	475,391	45,316	520,707	-	-	-
Total	\$ 3,535,823	\$ 1,045,877	\$ 4,581,700	\$ 50,841	\$ 5,184	\$ 56,025

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

<u>Year Ending December 31,</u>	Governmental Activities					
	HUD Section 108 Loans			State Infrastructure Bank Loan		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 115,000	\$ 30,475	\$ 145,475	\$ 23,404	\$ 4,780	\$ 28,184
2013	520,000	25,116	545,116	24,112	4,073	28,185
2014	-	-	-	24,840	3,344	28,184
2015	-	-	-	25,591	2,593	28,184
2016	-	-	-	26,364	1,820	28,184
2017	-	-	-	13,480	613	14,093
Total	<u>\$ 635,000</u>	<u>\$ 55,591</u>	<u>\$ 690,591</u>	<u>\$ 137,791</u>	<u>\$ 17,223</u>	<u>\$ 155,014</u>

<u>Year Ending December 31,</u>	Business-Type Activities					
	General Obligation Bonds			Revenue Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 731,841	\$ 71,240	\$ 803,081	\$ 360,000	\$ 328,379	\$ 688,379
2013	195,820	46,062	241,882	375,000	314,879	689,879
2014	44,609	39,839	84,448	390,000	300,816	690,816
2015	46,261	38,613	84,874	405,000	281,316	686,316
2016	49,565	37,225	86,790	430,000	261,066	691,066
2017 - 2021	266,000	159,206	425,206	2,475,000	966,251	3,441,251
2022 - 2026	325,477	100,379	425,856	3,055,000	388,710	3,443,710
2027 - 2029	234,609	22,364	256,973	-	-	-
Total	<u>\$ 1,894,182</u>	<u>\$ 514,928</u>	<u>\$ 2,409,110</u>	<u>\$ 7,490,000</u>	<u>\$ 2,841,417</u>	<u>\$ 10,331,417</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. As of December 31, 2011, the borrower of the bonds has stopped making payments to the City and is in default. Payments to the assignee, the Barberton Community Foundation, have ceased and the borrower has offered a deed in lieu of foreclosure to the assignee.

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, 2011, there were three series of housing revenue bonds outstanding. The aggregate principal amount in default at December 31, 2011 was approximately \$2,266,757.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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 \$81,850,576 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 rate for 2011 payroll (payable in 2012) is 2.6277%.

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.

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 \$1,044.00 for family coverage or \$463.00 for individual coverage per employee per month which represents the entire premium required for the non-bargaining, dispatch, police and fire employees. For AFSCME employees the City pays \$463.00 for single coverage and \$1,045.00 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, 2011, AFSCME participating employees contributed \$15.00 for single and \$25.00 for family coverage per pay towards healthcare. All other covered employees paid \$50.00 for single and \$90.00 for family coverage per pay.

The claims liability of \$213,440 reported in the internal service fund at December 31, 2011 is estimated by a third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. The claims liability is expected to be paid within one year. Changes in the fund's claims liability amounts in 2010 and 2011 are:

	<u>Balance at Beginning of Year</u>	<u>Current Claims</u>	<u>Claims Payment</u>	<u>Balance at End of Year</u>
2010	\$ 255,779	\$ 2,819,568	\$ (2,823,140)	\$ 252,207
2011	252,207	2,556,468	(2,595,235)	213,440

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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.

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 which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, 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 Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, member and contribution rates were consistent across all three plans. The 2011 member contribution rates were 10.00% for members. The City's contribution rate for 2011 was 14.00% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan for 2011 was 10.00%. The City's contribution rate for pension benefits for members in the Combined Plan for 2011 was 7.95%. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$689,147, \$705,805, and \$673,853, respectively; 100% has been contributed for 2011, 2010 and 2009. Contributions to the member-directed plan for 2011 were \$12,772 made by the City and \$9,123 made by the plan members.

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.

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 12 - PENSION PLANS - (Continued)

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 2011, 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 \$313,634 and \$478,711 for the year ended December 31, 2011, \$360,242 and \$518,567 for the year ended December 31, 2010, and \$345,852 and \$517,757, for the year ended December 31, 2009. The full amount has been contributed for 2010 and 2009. 71.90% has been contributed for police and 73.11% has been contributed for firefighters for 2011. The unpaid portion for 2011 has been reported as an intergovernmental payable in the financial statements.

NOTE 13 - POSTEMPLOYMENT 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 visiting <https://www.opers.org/investments/cafr.shtml>, 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 administered 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 2011, local government employers contributed 14.00% of covered payroll. 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 portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2011 was 4.00%. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2011 was 6.05%.

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.

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 13 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2011, 2010, and 2009 were \$282,563, \$399,420, and \$492,781, respectively; 100% has been contributed for 2011, 2010 and 2009.

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 for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases 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.

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 Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One account is for health care benefits under an Internal Revenue Code Section 115 trust and the other account is for Medicare Part B reimbursements administered as an Internal Revenue Code Section 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 13 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)

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, 2011, 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.

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$166,041 and \$187,322 for the year ended December 31, 2011, \$180,182 and \$200,148 for the year ended December 31, 2010, and \$190,716, \$202,918, for the year ended December 31, 2009. The full amount has been contributed for 2010 and 2009. 71.90% has been contributed for police and 73.11% has been contributed for firefighters for 2011. The unpaid portion for 2011 has been reported as an intergovernmental payable in the financial statements.

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 their estate) is paid for his unused vacation to a maximum of the one week carry-over from the previous year plus any current year accrual which depends on number of years of service. Employees with a minimum of 12 to 15 years of service (depending on the bargaining unit) may "bank" any amount of unused vacation leave, up to a maximum accumulation of 108 to 120 days to be paid upon retirement except for 1) firefighters with more than 14 years can bank up to 912 hours at retirement; and 2) finance workers who can bank up to 90 days at retirement.

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; and 2) 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 the negotiated rate in force at the time of their retirement. 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.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

Net Change in Fund Balance

	<u>General</u>
Budget basis	\$ 292,411
Net adjustment for revenue accruals	(366,995)
Net adjustment for expenditure accruals	(19,956)
Funds budgeted elsewhere	807,513
Adjustment for encumbrances	<u>372,313</u>
GAAP basis	<u>\$ 1,085,286</u>

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

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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 2011, the City received \$587,191 in grants from the Foundation. During 2011, 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, 2011.

B. Litigation

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

NOTE 18 - FUND BALANCE

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

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 18 - FUND BALANCE – (Continued)

Fund balance	General	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Prepays	\$ 55,221	\$ 8,200	\$ 63,421
Long-term notes	1,777	-	1,777
Total nonspendable	<u>56,998</u>	<u>8,200</u>	<u>65,198</u>
Restricted:			
Capital projects	-	13,961	13,961
Debt service	-	340,236	340,236
Street construction, maintenance and repair	-	684,457	684,457
Court	-	840,533	840,533
Recreation	-	101,358	101,358
Community development and improvement	-	153,815	153,815
Law enforcement	-	246,286	246,286
Police and fire pension	-	42,357	42,357
Fire capital	-	34,146	34,146
Miscellaneous grants	-	23,588	23,588
911 phone system	-	22,612	22,612
Total restricted	<u>-</u>	<u>2,503,349</u>	<u>2,503,349</u>
Committed:			
Insurance premiums	8,533	-	8,533
Street construction, maintenance and repair	-	198,813	198,813
Recreation	-	168,352	168,352
Law enforcement	-	6,510	6,510
Community development and improvement	-	96,673	96,673
Capital projects	-	786,411	786,411
Debt service	-	2,658	2,658
Total committed	<u>8,533</u>	<u>1,259,417</u>	<u>1,267,950</u>
Assigned:			
General government	39,759	-	39,759
Public safety	70,173	-	70,173
Street construction, maintenance and repair	1,562	-	1,562
Recreation	5,134	-	5,134
Community development and improvement	119,002	-	119,002
Capital outlay	1,014	-	1,014
Total assigned	<u>236,644</u>	<u>-</u>	<u>236,644</u>
Unassigned (deficit)	<u>4,383,296</u>	<u>(686,895)</u>	<u>3,696,401</u>
Total fund balances	<u>\$ 4,685,471</u>	<u>\$ 3,084,071</u>	<u>\$ 7,769,542</u>

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

NOTE 19 - OTHER COMMITMENTS

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

<u>Fund</u>	Year-End <u>Encumbrances</u>
General fund	\$ 236,644
Other governmental	<u>1,068,807</u>
Total	<u>\$ 1,305,451</u>

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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.

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

Income Tax Fund

This fund accounts for the collection of and fees associated with the 2% municipal income tax.

General Liability Insurance Fund

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

Emergency Reserve Fund

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

NONMAJOR SPECIAL REVENUE FUNDS

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

Street Construction, Maintenance and Repair Fund

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

State Highway Improvement Fund

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

Permissive License Tax Fund

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

Residential Street Fund

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

Fire Capital Levy Fund

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

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.

9-1-1 Phone System Fund

This fund accounts for revenues that are designated for the replacement of the 911 phone system and computer aided dispatch records.

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.

Rental Registration Program Fund

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

Neighborhood Stabilization Program Fund

This fund accounts for monies received from the Neighborhood Stabilization Program for the purpose of stabilizing communities that have suffered from foreclosures and abandonment.

Clean Ohio Revitalization Fund

This fund accounts for monies received from the Clean Ohio Fund to restore, protect, and connect Ohio's important natural and urban places by preserving green space and farmland, improving outdoor recreation, and by cleaning up brownfields to encourage redevelopment and revitalize communities.

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Community Development Block Grant Fund (CDBG)

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

Rental Rehabilitation Fund

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

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.

Health District Fund

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

Beautification Fund

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

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*

NONMAJOR CAPITAL PROJECTS FUNDS

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

Fire Station Construction Fund

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

Street Improvement Fund

This fund accounts for revenues and expenditures for street improvements. This fund did not have any activity on cash-basis during 2011; therefore a budget and actual (non-GAAP budgetary basis) schedule has not been presented.

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. This fund did not have any activity on cash-basis during 2011; therefore a budget and actual (non-GAAP budgetary basis) schedule has not been presented.

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, 2011*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property and other taxes	\$ 886,249	\$ 873,941	\$ 950,166	\$ 76,225
Municipal income taxes.	9,750,000	9,750,000	9,750,000	-
Charges for services.	1,693,380	1,669,863	1,854,799	184,936
Licenses and permits	450,436	444,180	482,921	38,741
Fines and forfeitures	78,712	77,619	74,990	(2,629)
Intergovernmental	2,630,844	2,594,307	2,334,995	(259,312)
Investment income	48,231	47,561	39,516	(8,045)
Other	227,457	224,298	239,408	15,110
Total revenues.	15,765,309	15,681,769	15,726,795	45,026
Expenditures:				
Current:				
General government				
City council				
Personal services.	198,928	200,768	195,423	5,345
Operating.	3,740	3,740	2,609	1,131
Municipal court judges				
Personal services.	444,667	444,667	430,324	14,343
Operating.	22,556	22,556	18,530	4,026
Clerk of court				
Personal services.	740,305	740,305	730,867	9,438
Operating.	97,733	97,733	96,623	1,110
Mayor				
Personal services.	73,308	75,143	70,533	4,610
Operating.	13,800	13,776	12,307	1,469
Service director				
Personal services.	36,342	36,342	33,869	2,473
Operating.	254,508	260,508	266,000	(5,492)
Civil service commission				
Personal services.	9,631	9,631	9,409	222
Operating.	28,546	28,546	25,100	3,446
Finance department				
Personal services.	329,433	335,163	319,579	15,584
Operating.	98,565	98,565	88,613	9,952
Law department				
Personal services.	346,299	353,259	333,496	19,763
Operating.	136,642	136,642	84,895	51,747
Safety director				
Personal services.	29,548	29,548	28,520	1,028
Operating.	13,955	13,955	6,932	7,023
Human resources				
Personal services.	15,848	17,473	15,586	1,887
Operating.	61,347	61,347	57,253	4,094
Information systems				
Personal services.	73,323	73,323	65,509	7,814
Operating.	91,298	91,298	81,492	9,806

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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Municipal buildings				
Personal services.	\$ 102,584	\$ 114,514	\$ 113,478	\$ 1,036
Operating.	221,474	225,474	215,648	9,826
Probation				
Personal services.	161,508	161,508	125,405	36,103
Operating.	6,428	6,428	4,849	1,579
Other				
Personal services.	173,019	173,019	146,092	26,927
Operating.	392,376	393,876	363,813	30,063
Total general government.	<u>4,177,711</u>	<u>4,219,107</u>	<u>3,942,754</u>	<u>276,353</u>
Public safety				
Police department				
Personal services.	4,629,052	4,625,019	4,488,625	136,394
Operating.	430,628	447,490	422,087	25,403
Fire department				
Personal services.	4,457,300	4,467,665	4,322,766	144,899
Operating.	268,974	279,724	267,303	12,421
Total public safety	<u>9,785,954</u>	<u>9,819,898</u>	<u>9,500,781</u>	<u>319,117</u>
Transportation				
Paint/signal				
Personal services.	149,564	149,564	153,639	(4,075)
Operating.	14,050	15,150	14,570	580
Total transportation.	<u>163,614</u>	<u>164,714</u>	<u>168,209</u>	<u>(3,495)</u>
Leisure time activities				
Parks administration				
Personal services.	166,749	170,499	164,115	6,384
Operating.	25,743	26,408	25,416	992
Senior center				
Personal services.	42,159	42,619	40,361	2,258
Operating.	38,004	38,004	35,973	2,031
Recreation programs				
Personal services.	12,400	12,400	12,028	372
Operating.	3,511	11,511	11,427	84
Parks maintenance				
Personal services.	412,204	414,745	390,914	23,831
Operating.	70,940	74,040	72,262	1,778
Total leisure time activities	<u>771,710</u>	<u>790,226</u>	<u>752,496</u>	<u>37,730</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, 2011*

	<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.	\$ 433,550	\$ 436,455	\$ 442,462	\$ (6,007)
Operating.	101,106	103,556	105,178	(1,622)
Planning				
Personal services.	38,595	45,544	40,329	5,215
Operating.	679,088	690,529	571,398	119,131
Total community environment	<u>1,252,339</u>	<u>1,276,084</u>	<u>1,159,367</u>	<u>116,717</u>
Capital outlay				
Service director	13,000	13,000	1,440	11,560
Finance department.	2,400	2,400	2,400	-
Municipal buildings.	-	217,682	28,275	189,407
Police department.	60,000	60,000	59,730	270
Parks administration	3,550	3,610	3,517	93
Parks maintenance	33,857	33,857	33,343	514
Total capital outlay	<u>112,807</u>	<u>330,549</u>	<u>128,705</u>	<u>201,844</u>
Total expenditures.	<u>16,264,135</u>	<u>16,600,578</u>	<u>15,652,312</u>	<u>948,266</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(498,826)</u>	<u>(918,809)</u>	<u>74,483</u>	<u>993,292</u>
Other financing sources (uses):				
Transfers in	-	206,607	206,607	-
Sale of assets	-	5,000	11,321	6,321
Total other financing sources (uses)	<u>-</u>	<u>211,607</u>	<u>217,928</u>	<u>6,321</u>
Net change in fund balance	(498,826)	(707,202)	292,411	999,613
Fund balance at beginning of year (restated) .	349,763	349,763	349,763	-
Prior year encumbrances appropriated	<u>754,626</u>	<u>754,626</u>	<u>754,626</u>	<u>-</u>
Fund balance at end of year	<u>\$ 605,563</u>	<u>\$ 397,187</u>	<u>\$ 1,396,800</u>	<u>\$ 999,613</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INCOME TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Municipal income taxes	\$ 715,000	\$ 715,000	\$ 2,079,779	\$ 1,364,779
Intergovernmental	210,000	210,000	167,280	(42,720)
Other	-	-	18,455	18,455
Total revenues	<u>925,000</u>	<u>925,000</u>	<u>2,265,514</u>	<u>1,340,514</u>
Expenditures:				
Current:				
General government				
Personal services	56,098	56,098	37,447	18,651
Operating	<u>330,000</u>	<u>367,700</u>	<u>359,260</u>	<u>8,440</u>
Total expenditures	<u>386,098</u>	<u>423,798</u>	<u>396,707</u>	<u>27,091</u>
Excess of revenues over expenditures	<u>538,902</u>	<u>501,202</u>	<u>1,868,807</u>	<u>1,367,605</u>
Other financing uses:				
Transfers out	<u>(1,285,000)</u>	<u>(1,285,000)</u>	<u>(1,285,000)</u>	<u>-</u>
Total other financing uses	<u>(1,285,000)</u>	<u>(1,285,000)</u>	<u>(1,285,000)</u>	<u>-</u>
Net change in fund balance	(746,098)	(783,798)	583,807	1,367,605
Fund balance at beginning of year	<u>1,100,330</u>	<u>1,100,330</u>	<u>1,100,330</u>	<u>-</u>
Fund balance at end of year	<u>\$ 354,232</u>	<u>\$ 316,532</u>	<u>\$ 1,684,137</u>	<u>\$ 1,367,605</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL LIABILITY INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General government				
Operating.	\$ 35,000	\$ 37,700	\$ 34,807	\$ 2,893
Total expenditures	<u>35,000</u>	<u>37,700</u>	<u>34,807</u>	<u>2,893</u>
Net change in fund balance.	(35,000)	(37,700)	(34,807)	2,893
Fund balance at beginning of year	<u>50,453</u>	<u>50,453</u>	<u>50,453</u>	<u>-</u>
Fund balance at end of year	<u>\$ 15,453</u>	<u>\$ 12,753</u>	<u>\$ 15,646</u>	<u>\$ 2,893</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, 2011*

	<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	\$ 602	\$ 349	\$ (253)
Total revenues	<u>2</u>	<u>602</u>	<u>349</u>	<u>(253)</u>
Expenditures:				
Current:				
Community environment				
Operating	250	250	119	131
Total expenditures	<u>250</u>	<u>250</u>	<u>119</u>	<u>131</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(248)</u>	<u>352</u>	<u>230</u>	<u>(122)</u>
Other financing uses:				
Transfers in	-	225,000	225,000	-
Total other financing uses	<u>-</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>
Net change in fund balance.	(248)	225,352	225,230	(122)
Fund balance at beginning of year	<u>283</u>	<u>283</u>	<u>283</u>	<u>-</u>
Fund balance at end of year	<u>\$ 35</u>	<u>\$ 225,635</u>	<u>\$ 225,513</u>	<u>\$ (122)</u>

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,555,700	\$ 342,894	\$ 768,020	\$ 3,666,614
Receivables (net of allowances of uncollectibles):				
Property taxes	490,883	-	-	490,883
Accounts	5,000	-	-	5,000
Intergovernmental	843,808	-	49,616	893,424
Special assessments	-	50,841	-	50,841
Notes receivable	95,726	-	-	95,726
Prepayments	8,200	-	-	8,200
Deferred charges	-	-	1,865	1,865
Total assets	\$ 3,999,317	\$ 393,735	\$ 819,501	\$ 5,212,553
Liabilities:				
Accounts payable	\$ 43,498	\$ -	\$ -	\$ 43,498
Contracts payable	398,427	-	17,264	415,691
Accrued wages and benefits	12,464	-	-	12,464
Intergovernmental payable	22,125	-	-	22,125
Due to other funds	284,200	-	-	284,200
Deferred revenue	693,256	50,841	-	744,097
Unearned revenue	401,184	-	-	401,184
Accrued interest payable.	-	-	739	739
Notes payable.	-	-	204,375	204,375
Premium on notes payable.	-	-	109	109
Total liabilities	1,855,154	50,841	222,487	2,128,482
Fund Balances:				
Nonspendable	8,200	-	-	8,200
Restricted.	2,149,152	340,236	13,961	2,503,349
Committed	470,348	2,658	786,411	1,259,417
Unassigned (deficit)	(483,537)	-	(203,358)	(686,895)
Total fund balances	2,144,163	342,894	597,014	3,084,071
Total liabilities and fund balances	\$ 3,999,317	\$ 393,735	\$ 819,501	\$ 5,212,553

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other taxes	\$ 442,232	\$ -	\$ -	\$ 442,232
Charges for services	192,479	-	-	192,479
Fines and forfeitures	342,353	-	-	342,353
Intergovernmental	3,210,073	-	331,546	3,541,619
Special assessments	61,664	93,128	-	154,792
Investment income	1,499	-	2,213	3,712
Contributions and donations	250	423,455	124,235	547,940
Other	227,374	-	-	227,374
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	4,477,924	516,583	457,994	5,452,501
Expenditures:				
Current:				
General government	44,011	-	-	44,011
Public safety	307,671	-	-	307,671
Health and welfare	9,531	-	-	9,531
Transportation	1,231,413	-	-	1,231,413
Community environment.	1,778,259	-	-	1,778,259
Leisure time activities	326,037	-	-	326,037
Capital outlay.	880,427	-	548,050	1,428,477
Debt service:				
Principal retirement.	462,135	625,580	-	1,087,715
Interest and fiscal charges	150,842	64,697	7,924	223,463
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	5,190,326	690,277	555,974	6,436,577
Deficiency of revenues under expenditures	(712,402)	(173,694)	(97,980)	(984,076)
Other financing sources (uses):				
Sale of assets	13,114	-	-	13,114
Transfers in.	703,568	189,725	335,000	1,228,293
Transfers out	(221,332)	-	(153,568)	(374,900)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	495,350	189,725	181,432	866,507
Net change in fund balances	(217,052)	16,031	83,452	(117,569)
Fund balances at beginning of year (restated) .	<hr/>	<hr/>	<hr/>	<hr/>
	2,361,215	326,863	513,562	3,201,640
Fund balances at end of year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 2,144,163	\$ 342,894	\$ 597,014	\$ 3,084,071

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2011*

	Street Construction Maintenance and Repair	State Highway Improvement	Permissive License Tax	Residential Street
Assets:				
Equity in pooled cash and cash equivalents.	\$ 327,347	\$ 23,208	\$ 225,582	\$ 207,075
Receivables (net of allowances for uncollectibles):				
Property taxes.	-	-	-	-
Accounts	-	-	-	-
Intergovernmental.	425,849	28,141	3,835	-
Notes receivable	-	-	-	-
Prepayments	7,674	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 760,870</u>	<u>\$ 51,349</u>	<u>\$ 229,417</u>	<u>\$ 207,075</u>
Liabilities:				
Accounts payable	\$ 10,048	\$ -	\$ 5,700	\$ -
Contracts payable	47,999	-	14,546	8,262
Accrued wages and benefits	11,243	-	-	-
Intergovernmental payable.	14,043	985	-	-
Due to other funds	-	-	-	-
Deferred revenue.	288,068	18,980	-	-
Unearned revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>371,401</u>	<u>19,965</u>	<u>20,246</u>	<u>8,262</u>
Fund Balances:				
Nonspendable	7,674	-	-	-
Restricted.	381,795	31,384	209,171	-
Committed	-	-	-	198,813
Unassigned (deficit)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>389,469</u>	<u>31,384</u>	<u>209,171</u>	<u>198,813</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 760,870</u>	<u>\$ 51,349</u>	<u>\$ 229,417</u>	<u>\$ 207,075</u>

Fire Capital Levy	Court Computer	Court Special Projects	9-1-1 Phone System	Indigent Drivers Alcohol Treatment	Sports Complex Operating
\$ 34,146	\$ 86,102	\$ 750,791	\$ 22,612	\$ 179,198	\$ 21,285
272,713	-	-	-	-	-
-	-	-	-	-	-
20,077	4,003	15,879	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 326,936</u>	<u>\$ 90,105</u>	<u>\$ 766,670</u>	<u>\$ 22,612</u>	<u>\$ 179,198</u>	<u>\$ 21,285</u>
\$ -	\$ 16,242	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	496
-	-	-	-	-	-
69,910	-	-	-	-	-
222,880	-	-	-	-	-
<u>292,790</u>	<u>16,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>496</u>
-	-	-	-	-	-
34,146	73,863	766,670	22,612	179,198	-
-	-	-	-	-	20,789
-	-	-	-	-	-
<u>34,146</u>	<u>73,863</u>	<u>766,670</u>	<u>22,612</u>	<u>179,198</u>	<u>20,789</u>
<u>\$ 326,936</u>	<u>\$ 90,105</u>	<u>\$ 766,670</u>	<u>\$ 22,612</u>	<u>\$ 179,198</u>	<u>\$ 21,285</u>

- - Continued

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2011*

	Parks Recreation Improvement	Gas and Oil Royalty	D.A.R.E. Program	Mandatory Drug Fines
Assets:				
Equity in pooled cash and cash equivalents	\$ 101,358	\$ 6,510	\$ 179	\$ 7,430
Receivables (net of allowances for uncollectibles):				
Property taxes	-	-	-	-
Accounts	-	-	-	-
Intergovernmental	-	-	-	-
Notes receivable	-	-	-	-
Prepayments	-	-	-	-
Total assets	<u>\$ 101,358</u>	<u>\$ 6,510</u>	<u>\$ 179</u>	<u>\$ 7,430</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits	-	-	-	-
Intergovernmental payable	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	101,358	-	179	7,430
Committed	-	6,510	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>101,358</u>	<u>6,510</u>	<u>179</u>	<u>7,430</u>
Total liabilities and fund balances	<u>\$ 101,358</u>	<u>\$ 6,510</u>	<u>\$ 179</u>	<u>\$ 7,430</u>

Local Law Enforcement Trust	Parks Revolving Loan	Sidewalk Improvement Program	City Grant	Federal Emergency Management Agency	Rental Registration Program
\$ 59,479	\$ 48,319	\$ 62,107	\$ 22,096	\$ 1,492	\$ 106,505
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 59,479</u>	<u>\$ 48,319</u>	<u>\$ 62,107</u>	<u>\$ 22,096</u>	<u>\$ 1,492</u>	<u>\$ 106,505</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,480
-	-	-	-	-	-
-	145	-	-	-	430
-	672	-	-	-	922
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,832</u>
-	-	-	-	-	-
59,479	-	62,107	22,096	1,492	-
-	47,502	-	-	-	96,673
-	-	-	-	-	-
<u>59,479</u>	<u>47,502</u>	<u>62,107</u>	<u>22,096</u>	<u>1,492</u>	<u>96,673</u>
<u>\$ 59,479</u>	<u>\$ 48,319</u>	<u>\$ 62,107</u>	<u>\$ 22,096</u>	<u>\$ 1,492</u>	<u>\$ 106,505</u>

- - Continued

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2011*

	Neighborhood Stabilization Program	Community Development Block Grant	Rental Rehabilitation	Tax Increment Financing
Assets:				
Equity in pooled cash and cash equivalents.	\$ -	\$ 2,447	\$ 2,000	\$ 66,244
Receivables (net of allowances for uncollectibles):				
Property taxes.	-	-	-	-
Accounts	-	-	-	-
Intergovernmental.	204,127	124,725	-	-
Notes receivable	-	95,726	-	-
Prepayments	-	-	-	-
Total assets	<u>\$ 204,127</u>	<u>\$ 222,898</u>	<u>\$ 2,000</u>	<u>\$ 66,244</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts payable	323,074	4,546	-	-
Accrued wages and benefits	-	-	-	-
Intergovernmental payable.	988	2,265	-	475
Due to other funds	159,475	124,725	-	-
Deferred revenue.	204,127	55,133	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>687,664</u>	<u>186,669</u>	<u>-</u>	<u>475</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted.	-	36,229	2,000	65,769
Committed	-	-	-	-
Unassigned (deficit)	(483,537)	-	-	-
Total fund balances	<u>(483,537)</u>	<u>36,229</u>	<u>2,000</u>	<u>65,769</u>
Total liabilities and fund balances	<u>\$ 204,127</u>	<u>\$ 222,898</u>	<u>\$ 2,000</u>	<u>\$ 66,244</u>

Lake Cinema Complex Maintenance	Beautification	Senior Center Trust	Fire Pension	Police Pension	Total Nonmajor Special Revenue Funds
\$ 39,450	\$ 54,482	\$ 55,899	\$ 16,007	\$ 26,350	\$ 2,555,700
-	-	-	109,085	109,085	490,883
5,000	-	-	-	-	5,000
-	-	-	8,586	8,586	843,808
-	-	-	-	-	95,726
-	-	526	-	-	8,200
<u>\$ 44,450</u>	<u>\$ 54,482</u>	<u>\$ 56,425</u>	<u>\$ 133,678</u>	<u>\$ 144,021</u>	<u>\$ 3,999,317</u>
\$ -	\$ 3,028	\$ -	\$ -	\$ -	\$ 43,498
-	-	-	-	-	398,427
-	566	80	-	-	12,464
-	1,071	208	-	-	22,125
-	-	-	-	-	284,200
-	-	-	28,519	28,519	693,256
-	-	-	89,152	89,152	401,184
-	4,665	288	117,671	117,671	1,855,154
-	-	526	-	-	8,200
-	49,817	-	16,007	26,350	2,149,152
44,450	-	55,611	-	-	470,348
-	-	-	-	-	(483,537)
<u>44,450</u>	<u>49,817</u>	<u>56,137</u>	<u>16,007</u>	<u>26,350</u>	<u>2,144,163</u>
<u>\$ 44,450</u>	<u>\$ 54,482</u>	<u>\$ 56,425</u>	<u>\$ 133,678</u>	<u>\$ 144,021</u>	<u>\$ 3,999,317</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011*

	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	880,038	55,852	327,402	-
Special assessments	-	-	-	41,647
Investment income	343	35	728	-
Contributions and donations	-	-	-	-
Other	7,950	-	-	-
Total revenues	888,331	55,887	328,130	41,647
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Transportation	1,169,472	45,565	16,376	-
Community environment.	-	-	-	-
Leisure time activities	-	-	-	-
Capital outlay	-	-	438,551	324,422
Debt service:				
Principal retirement.	1,171	-	22,718	-
Interest and fiscal charges	52	-	5,467	-
Total expenditures	1,170,695	45,565	483,112	324,422
Excess (deficiency) of revenues over (under) expenditures	(282,364)	10,322	(154,982)	(282,775)
Other financing sources (uses):				
Sale of assets	1,226	-	-	-
Transfers in.	350,000	-	-	185,000
Transfers out	-	-	-	-
Total other financing sources (uses).	351,226	-	-	185,000
Net change in fund balances.	68,862	10,322	(154,982)	(97,775)
Fund balances (deficit) at beginning of year (restated)	320,607	21,062	364,153	296,588
Fund balances (deficit) at end of year.	\$ 389,469	\$ 31,384	\$ 209,171	\$ 198,813

Fire Capital Levy	Court Computer	Court Special Projects	9-1-1 Phone System	Indigent Drivers Alcohol Treatment	Sports Complex Operating
\$ 245,684	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	60,440
-	70,376	210,947	-	58,832	-
40,795	-	-	7,901	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	302	-	-	-	-
<u>286,479</u>	<u>70,678</u>	<u>210,947</u>	<u>7,901</u>	<u>58,832</u>	<u>60,440</u>
-	38,263	-	-	1,325	-
-	-	-	54,242	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	90,755
8,752	-	-	-	-	-
172,183	-	-	-	-	123,637
98,296	-	-	-	-	8,690
<u>279,231</u>	<u>38,263</u>	<u>-</u>	<u>54,242</u>	<u>1,325</u>	<u>223,082</u>
<u>7,248</u>	<u>32,415</u>	<u>210,947</u>	<u>(46,341)</u>	<u>57,507</u>	<u>(162,642)</u>
-	-	-	-	-	-
3,568	-	-	-	-	165,000
-	-	-	-	-	-
<u>3,568</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,000</u>
10,816	32,415	210,947	(46,341)	57,507	2,358
<u>23,330</u>	<u>41,448</u>	<u>555,723</u>	<u>68,953</u>	<u>121,691</u>	<u>18,431</u>
<u>\$ 34,146</u>	<u>\$ 73,863</u>	<u>\$ 766,670</u>	<u>\$ 22,612</u>	<u>\$ 179,198</u>	<u>\$ 20,789</u>

- - Continued

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011*

	Parks Recreation Improvement	Gas and Oil Royalty	D.A.R.E. Program	Mandatory Drug Fines
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	2,198
Intergovernmental	-	-	-	-
Special assessments	-	-	-	-
Investment income	248	-	-	-
Contributions and donations	-	-	250	-
Other	-	1,500	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	248	1,500	250	2,198
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	1,625	-
Health and welfare	-	-	-	-
Transportation	-	-	-	-
Community environment	-	-	-	-
Leisure time activities	-	-	-	-
Capital outlay	23,558	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	23,558	-	1,625	-
Excess (deficiency) of revenues over (under) expenditures	(23,310)	1,500	(1,375)	2,198
Other financing sources (uses):				
Sale of assets	-	-	225	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	225	-
Net change in fund balances	(23,310)	1,500	(1,150)	2,198
Fund balances (deficit) at beginning of year (restated)	<hr/>	<hr/>	<hr/>	<hr/>
	124,668	5,010	1,329	5,232
Fund balances (deficit) at end of year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 101,358	\$ 6,510	\$ 179	\$ 7,430

Local Law Enforcement Trust	Parks Revolving Loan	Sidewalk Improvement Program	City Grant	Federal Emergency Management Agency	Rental Registration Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	23,700	-	-	-	93,695
-	-	-	-	-	-
-	6,383	-	13,581	-	-
-	-	20,017	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	63,265	-	-	-	-
-	93,348	20,017	13,581	-	93,695
-	-	-	-	-	-
1,718	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	48,461
-	67,397	-	-	-	-
20,993	-	255	13,000	-	50,896
-	-	-	-	-	-
-	-	-	-	-	-
22,711	67,397	255	13,000	-	99,357
(22,711)	25,951	19,762	581	-	(5,662)
11,663	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,663	-	-	-	-	-
(11,048)	25,951	19,762	581	-	(5,662)
70,527	21,551	42,345	21,515	1,492	102,335
<u>\$ 59,479</u>	<u>\$ 47,502</u>	<u>\$ 62,107</u>	<u>\$ 22,096</u>	<u>\$ 1,492</u>	<u>\$ 96,673</u>

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CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011*

	Neighborhood Stabilization Program	Clean Ohio Revitalization	Community Development Block Grant	Rental Rehabilitation
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	355,630	825,716	548,916	-
Special assessments	-	-	-	-
Investment income	-	-	-	-
Contributions and donations	-	-	-	-
Other	-	-	9,993	-
Total revenues	355,630	825,716	558,909	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Transportation	-	-	-	-
Community environment.	565,175	590,613	518,272	-
Leisure time activities	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement.	-	-	141,592	-
Interest and fiscal charges	-	-	38,300	-
Total expenditures	565,175	590,613	698,164	-
Excess (deficiency) of revenues over (under) expenditures	(209,545)	235,103	(139,255)	-
Other financing sources (uses):				
Sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses).	-	-	-	-
Net change in fund balances.	(209,545)	235,103	(139,255)	-
Fund balances (deficit) at beginning of year (restated)	(273,992)	(235,103)	175,484	2,000
Fund balances (deficit) at end of year.	\$ (483,537)	\$ -	\$ 36,229	\$ 2,000

Tax Increment Financing	Lake Cinema Complex Maintenance	Health District	Beautification	Senior Center Trust	Fire Pension
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,274
-	-	20	-	14,624	-
-	-	-	-	-	-
63,871	-	-	24,316	-	29,836
-	-	-	-	-	-
-	-	-	-	145	-
-	-	-	-	-	-
-	10,000	6,938	111,895	15,531	-
<u>63,871</u>	<u>10,000</u>	<u>6,958</u>	<u>136,211</u>	<u>30,300</u>	<u>128,110</u>
-	-	-	-	-	2,212
-	-	-	-	-	125,000
-	-	9,531	-	-	-
-	-	-	-	-	-
55,738	-	-	-	-	-
-	-	-	133,147	34,738	-
-	-	-	-	-	-
-	-	-	-	834	-
-	-	-	-	37	-
<u>55,738</u>	<u>-</u>	<u>9,531</u>	<u>133,147</u>	<u>35,609</u>	<u>127,212</u>
<u>8,133</u>	<u>10,000</u>	<u>(2,573)</u>	<u>3,064</u>	<u>(5,309)</u>	<u>898</u>
-	-	-	-	-	-
-	-	-	-	-	-
(14,725)	-	(206,607)	-	-	-
<u>(14,725)</u>	<u>-</u>	<u>(206,607)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(6,592)	10,000	(209,180)	3,064	(5,309)	898
<u>72,361</u>	<u>34,450</u>	<u>209,180</u>	<u>46,753</u>	<u>61,446</u>	<u>15,109</u>
<u>\$ 65,769</u>	<u>\$ 44,450</u>	<u>\$ -</u>	<u>\$ 49,817</u>	<u>\$ 56,137</u>	<u>\$ 16,007</u>

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CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2011*

	Police Pension	Total Nonmajor Special Revenue Funds
Revenues:		
Property and other taxes	\$ 98,274	\$ 442,232
Charges for services	-	192,479
Fines and forfeitures	-	342,353
Intergovernmental	29,836	3,210,073
Special assessments	-	61,664
Investment income	-	1,499
Contributions and donations	-	250
Other	-	227,374
	<hr/>	<hr/>
Total revenues	128,110	4,477,924
	<hr/>	<hr/>
Expenditures:		
Current:		
General government	2,211	44,011
Public safety	125,086	307,671
Health and welfare	-	9,531
Transportation	-	1,231,413
Community environment.	-	1,778,259
Leisure time activities	-	326,037
Capital outlay	-	880,427
Debt service:		
Principal retirement.	-	462,135
Interest and fiscal charges	-	150,842
	<hr/>	<hr/>
Total expenditures	127,297	5,190,326
	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	813	(712,402)
	<hr/>	<hr/>
Other financing sources (uses):		
Sale of assets	-	13,114
Transfers in.	-	703,568
Transfers out	-	(221,332)
	<hr/>	<hr/>
Total other financing sources (uses).	-	495,350
	<hr/>	<hr/>
Net change in fund balances.	813	(217,052)
	<hr/>	<hr/>
Fund balances (deficit) at beginning of year (restated)	25,537	2,361,215
	<hr/>	<hr/>
Fund balances (deficit) at end of year.	\$ 26,350	\$ 2,144,163
	<hr/>	<hr/>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental.	\$ 908,249	\$ 824,208	\$ 862,258	\$ 38,050
Investment income	505	458	343	(115)
Other	5,046	4,579	7,950	3,371
Total revenues.	<u>913,800</u>	<u>829,245</u>	<u>870,551</u>	<u>41,306</u>
Expenditures:				
Current:				
Transportation				
Personal services.	778,600	781,720	717,240	64,480
Operating.	561,049	563,009	543,700	19,309
Capital outlay	6,000	6,000	-	6,000
Total expenditures.	<u>1,345,649</u>	<u>1,350,729</u>	<u>1,260,940</u>	<u>89,789</u>
Excess of expenditures over revenues	<u>(431,849)</u>	<u>(521,484)</u>	<u>(390,389)</u>	<u>131,095</u>
Other financing sources:				
Transfers in.	341,700	341,700	350,000	8,300
Sale of assets	-	-	1,226	1,226
Total other financing sources.	<u>341,700</u>	<u>341,700</u>	<u>351,226</u>	<u>9,526</u>
Net change in fund balance.	(90,149)	(179,784)	(39,163)	140,621
Fund balance at beginning of year	167,891	167,891	167,891	-
Prior year encumbrances appropriated . . .	<u>96,199</u>	<u>96,199</u>	<u>96,199</u>	<u>-</u>
Fund balance at end of year	<u>\$ 173,941</u>	<u>\$ 84,306</u>	<u>\$ 224,927</u>	<u>\$ 140,621</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 59,000	\$ 53,285	\$ 56,421	\$ 3,136
Investment income	100	90	35	(55)
Total revenues.	<u>59,100</u>	<u>53,375</u>	<u>56,456</u>	<u>3,081</u>
Expenditures:				
Current:				
Transportation				
Personal services.	<u>60,550</u>	<u>60,550</u>	<u>45,579</u>	<u>14,971</u>
Total expenditures.	<u>60,550</u>	<u>60,550</u>	<u>45,579</u>	<u>14,971</u>
Net change in fund balance	(1,450)	(7,175)	10,877	18,052
Fund balance at beginning of year.	<u>11,332</u>	<u>11,332</u>	<u>11,332</u>	<u>-</u>
Fund balance at end of year	<u>\$ 9,882</u>	<u>\$ 4,157</u>	<u>\$ 22,209</u>	<u>\$ 18,052</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 168,054	\$ 326,734	\$ 327,409	\$ 675
Investment income	716	1,392	728	(664)
Total revenues.	<u>168,770</u>	<u>328,126</u>	<u>328,137</u>	<u>11</u>
Expenditures:				
Current:				
Transportation				
Operating.	25,104	25,104	24,830	274
Capital outlay	-	485,000	457,475	27,525
Debt service:				
Principal retirement.	26,570	26,570	22,718	3,852
Interest and fiscal charges.	<u>5,475</u>	<u>5,475</u>	<u>5,467</u>	<u>8</u>
Total expenditures.	<u>57,149</u>	<u>542,149</u>	<u>510,490</u>	<u>31,659</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>111,621</u>	<u>(214,023)</u>	<u>(182,353)</u>	<u>31,670</u>
Other financing sources:				
Loan proceeds	-	115,269	-	(115,269)
Total other financing sources.	<u>-</u>	<u>115,269</u>	<u>-</u>	<u>(115,269)</u>
Net change in fund balance	111,621	(98,754)	(182,353)	(83,599)
Fund balance at beginning of year.	344,311	344,311	344,311	-
Prior year encumbrances appropriated	<u>24,454</u>	<u>24,454</u>	<u>24,454</u>	<u>-</u>
Fund balance at end of year	<u>\$ 480,386</u>	<u>\$ 270,011</u>	<u>\$ 186,412</u>	<u>\$ (83,599)</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessments	\$ 43,300	\$ 37,945	\$ 41,647	\$ 3,702
Total revenues	<u>43,300</u>	<u>37,945</u>	<u>41,647</u>	<u>3,702</u>
Expenditures:				
Capital outlay	<u>500,000</u>	<u>500,000</u>	<u>327,119</u>	<u>172,881</u>
Total expenditures	<u>500,000</u>	<u>500,000</u>	<u>327,119</u>	<u>172,881</u>
Excess of expenditures over revenues	<u>(456,700)</u>	<u>(462,055)</u>	<u>(285,472)</u>	<u>176,583</u>
Other financing sources:				
Transfers in.	<u>188,700</u>	<u>188,700</u>	<u>185,000</u>	<u>(3,700)</u>
Total other financing sources.	<u>188,700</u>	<u>188,700</u>	<u>185,000</u>	<u>(3,700)</u>
Net change in fund balance.	(268,000)	(273,355)	(100,472)	172,883
Fund balance at beginning of year	<u>296,588</u>	<u>296,588</u>	<u>296,588</u>	<u>-</u>
Fund balance at end of year	<u>\$ 28,588</u>	<u>\$ 23,233</u>	<u>\$ 196,116</u>	<u>\$ 172,883</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, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other taxes	\$ 256,628	\$ 245,684	\$ 245,684	\$ -
Intergovernmental.	42,259	40,795	40,795	-
Total revenues	<u>298,887</u>	<u>286,479</u>	<u>286,479</u>	<u>-</u>
Expenditures:				
Capital outlay	20,100	20,100	8,752	11,348
Debt service:				
Principal retirement	172,190	172,190	172,183	7
Interest and fiscal charges	<u>98,305</u>	<u>98,305</u>	<u>98,296</u>	<u>9</u>
Total expenditures.	<u>290,595</u>	<u>290,595</u>	<u>279,231</u>	<u>11,364</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>8,292</u>	<u>(4,116)</u>	<u>7,248</u>	<u>11,364</u>
Other financing sources:				
Transfers in	-	3,568	3,568	-
Total other financing sources.	<u>-</u>	<u>3,568</u>	<u>3,568</u>	<u>-</u>
Net change in fund balance	8,292	(548)	10,816	11,364
Fund balance at beginning of year.	<u>23,330</u>	<u>23,330</u>	<u>23,330</u>	<u>-</u>
Fund balance (deficit) at end of year.	<u>\$ 31,622</u>	<u>\$ 22,782</u>	<u>\$ 34,146</u>	<u>\$ 11,364</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 69,000	\$ 69,000	\$ 73,050	\$ 4,050
Other	-	-	303	303
Total revenues	<u>69,000</u>	<u>69,000</u>	<u>73,353</u>	<u>4,353</u>
Expenditures:				
Current:				
General government				
Operating	36,512	36,512	31,694	4,818
Capital outlay	<u>34,414</u>	<u>34,414</u>	<u>22,901</u>	<u>11,513</u>
Total expenditures.	<u>70,926</u>	<u>70,926</u>	<u>54,595</u>	<u>16,331</u>
Net change in fund balance	(1,926)	(1,926)	18,758	20,684
Fund balance at beginning of year.	30,938	30,938	30,938	-
Prior year encumbrances appropriated	<u>5,611</u>	<u>5,611</u>	<u>5,611</u>	<u>-</u>
Fund balance at end of year	<u>\$ 34,623</u>	<u>\$ 34,623</u>	<u>\$ 55,307</u>	<u>\$ 20,684</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURT SPECIAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2011*

	<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	\$ 218,000	\$ 211,125	\$ 211,126	\$ 1
Total revenues	<u>218,000</u>	<u>211,125</u>	<u>211,126</u>	<u>1</u>
Net change in fund balance	218,000	211,125	211,126	1
Fund balance at beginning of year.	<u>539,665</u>	<u>539,665</u>	<u>539,665</u>	<u>-</u>
Fund balance at end of year	<u>\$ 757,665</u>	<u>\$ 750,790</u>	<u>\$ 750,791</u>	<u>\$ 1</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
9-1-1 PHONE SYSTEM FUND
FOR THE YEAR ENDED DECEMBER 31, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental.	\$ 48,000	\$ 14,105	\$ 14,109	\$ 4
Total revenues	<u>48,000</u>	<u>14,105</u>	<u>14,109</u>	<u>4</u>
Expenditures:				
Current:				
Public safety				
Personal services	55,440	55,441	55,441	-
Total expenditures.	<u>55,440</u>	<u>55,441</u>	<u>55,441</u>	<u>-</u>
Net change in fund balance	(7,440)	(41,336)	(41,332)	4
Fund balance at beginning of year.	<u>62,745</u>	<u>62,745</u>	<u>62,745</u>	<u>-</u>
Fund balance at end of year	<u>\$ 55,305</u>	<u>\$ 21,409</u>	<u>\$ 21,413</u>	<u>\$ 4</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 57,551	\$ 49,231	\$ 60,252	\$ 11,021
Total revenues	<u>57,551</u>	<u>49,231</u>	<u>60,252</u>	<u>11,021</u>
Expenditures:				
Current:				
General government				
Operating	<u>125,000</u>	<u>125,000</u>	<u>3,131</u>	<u>121,869</u>
Total expenditures	<u>125,000</u>	<u>125,000</u>	<u>3,131</u>	<u>121,869</u>
Net change in fund balance.	(67,449)	(75,769)	57,121	132,890
Fund balance at beginning of year	<u>122,077</u>	<u>122,077</u>	<u>122,077</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 54,628</u>	<u>\$ 46,308</u>	<u>\$ 179,198</u>	<u>\$ 132,890</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 61,500	\$ 60,440	\$ 60,440	\$ -
Total revenues	<u>61,500</u>	<u>60,440</u>	<u>60,440</u>	<u>-</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services.	25,640	25,640	22,170	3,470
Operating.	77,184	77,184	73,561	3,623
Debt service:				
Principal retirement	123,650	123,650	123,637	13
Interest and fiscal charges	8,700	8,700	8,690	10
Total expenditures	<u>235,174</u>	<u>235,174</u>	<u>228,058</u>	<u>7,116</u>
Excess of expenditures over revenues	<u>(173,674)</u>	<u>(174,734)</u>	<u>(167,618)</u>	<u>7,116</u>
Other financing sources:				
Transfers in	165,000	165,000	165,000	-
Total other financing sources	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>	<u>-</u>
Net change in fund balance	(8,674)	(9,734)	(2,618)	7,116
Fund balance at beginning of year	14,875	14,875	14,875	-
Prior year encumbrances appropriated	4,184	4,184	4,184	-
Fund balance at end of year	<u>\$ 10,385</u>	<u>\$ 9,325</u>	<u>\$ 16,441</u>	<u>\$ 7,116</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, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental.	\$ 66,000	\$ 66,000	\$ 66,000	\$ -
Investment income.	601	236	248	12
Total revenues.	<u>66,601</u>	<u>66,236</u>	<u>66,248</u>	<u>12</u>
Expenditures:				
Capital outlay	<u>36,910</u>	<u>39,310</u>	<u>35,510</u>	<u>3,800</u>
Total expenditures	<u>36,910</u>	<u>39,310</u>	<u>35,510</u>	<u>3,800</u>
Net change in fund balance	29,691	26,926	30,738	3,812
Fund balance at beginning of year	53,960	53,960	53,960	-
Prior year encumbrances appropriated. . .	<u>16,660</u>	<u>16,660</u>	<u>16,660</u>	<u>-</u>
Fund balance at end of year	<u>\$ 100,311</u>	<u>\$ 97,546</u>	<u>\$ 101,358</u>	<u>\$ 3,812</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ -	\$ -	\$ 1,500	\$ 1,500
Total revenues	-	-	1,500	1,500
Net change in fund balance.	-	-	1,500	1,500
Fund balance at beginning of year	<u>5,010</u>	<u>5,010</u>	<u>5,010</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,010</u>	<u>\$ 5,010</u>	<u>\$ 6,510</u>	<u>\$ 1,500</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, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions and donations	\$ 526	\$ 250	\$ 250	\$ -
Total revenues	526	250	250	-
Expenditures:				
Current:				
Public safety				
Operating	265	1,594	1,625	(31)
Total expenditures	265	1,594	1,625	(31)
Excess (deficiency) of revenues over (under) expenditures	261	(1,344)	(1,375)	(31)
Other financing sources:				
Sale of assets	474	225	225	-
Total other financing sources.	474	225	225	-
Net change in fund balance.	735	(1,119)	(1,150)	(31)
Fund balance at beginning of year	1,064	1,064	1,064	-
Prior year encumbrances appropriated . .	265	265	265	-
Fund balance at end of year.	\$ 2,064	\$ 210	\$ 179	\$ (31)

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, 2011*

	<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	\$ 1,500	\$ 1,500	\$ 2,198	\$ 698
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>2,198</u>	<u>698</u>
Net change in fund balance.	1,500	1,500	2,198	698
Fund balance at beginning of year	<u>5,232</u>	<u>5,232</u>	<u>5,232</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 6,732</u>	<u>\$ 6,732</u>	<u>\$ 7,430</u>	<u>\$ 698</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Public safety	\$ -	\$ 2,000	\$ 1,718	\$ 282
Capital outlay	15,399	32,699	20,993	11,706
Total expenditures	<u>15,399</u>	<u>34,699</u>	<u>22,711</u>	<u>11,988</u>
Excess of expenditures over revenues	<u>(15,399)</u>	<u>(34,699)</u>	<u>(22,711)</u>	<u>11,988</u>
Other financing sources:				
Sale of assets	<u>20,000</u>	<u>11,660</u>	<u>11,663</u>	<u>3</u>
Total other financing sources	<u>20,000</u>	<u>11,660</u>	<u>11,663</u>	<u>3</u>
Net change in fund balance	4,601	(23,039)	(11,048)	11,991
Fund balance at beginning of year	55,128	55,128	55,128	-
Prior year encumbrances appropriated . .	<u>15,399</u>	<u>15,399</u>	<u>15,399</u>	<u>-</u>
Fund balance at end of year	<u>\$ 75,128</u>	<u>\$ 47,488</u>	<u>\$ 59,479</u>	<u>\$ 11,991</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 16,000	\$ 16,000	\$ 6,383	\$ (9,617)
Charges for services.	16,000	16,000	23,700	7,700
Other	50,500	50,500	63,265	12,765
Total revenues.	<u>82,500</u>	<u>82,500</u>	<u>93,348</u>	<u>10,848</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services.	42,146	42,146	29,711	12,435
Operating.	39,057	39,057	38,695	362
Total expenditures.	<u>81,203</u>	<u>81,203</u>	<u>68,406</u>	<u>12,797</u>
Net change in fund balance.	1,297	1,297	24,942	23,645
Fund balance at beginning of year	20,786	20,786	20,786	-
Prior year encumbrances appropriated	262	262	262	-
Fund balance at end of year.	<u>\$ 22,345</u>	<u>\$ 22,345</u>	<u>\$ 45,990</u>	<u>\$ 23,645</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessment	\$ 27,000	\$ 20,015	\$ 20,017	\$ 2
Other	3,400	-	-	-
Total revenues.	<u>30,400</u>	<u>20,015</u>	<u>20,017</u>	<u>2</u>
Expenditures:				
Capital outlay	<u>20,056</u>	<u>20,056</u>	<u>20,711</u>	<u>(655)</u>
Total expenditures.	<u>20,056</u>	<u>20,056</u>	<u>20,711</u>	<u>(655)</u>
Net change in fund balance.	10,344	(41)	(694)	(653)
Fund balance at beginning of year	22,289	22,289	22,289	-
Prior year encumbrances appropriated . . .	<u>20,056</u>	<u>20,056</u>	<u>20,056</u>	<u>-</u>
Fund balance at end of year	<u>\$ 52,689</u>	<u>\$ 42,304</u>	<u>\$ 41,651</u>	<u>\$ (653)</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, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 13,000	\$ 13,000	\$ 13,581	\$ 581
Total revenues	13,000	13,000	13,581	581
Expenditures:				
Capital outlay		13,000	13,000	-
Total expenditures	-	13,000	13,000	-
Net change in fund balance.	13,000	-	581	581
Fund balance at beginning of year	21,515	21,515	21,515	-
Fund balance at end of year	\$ 34,515	\$ 21,515	\$ 22,096	\$ 581

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, 2011*

	<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	\$ 1,492	\$ 1,492	\$ 1,492	\$ -
Fund balance at end of year.	<u>\$ 1,492</u>	<u>\$ 1,492</u>	<u>\$ 1,492</u>	<u>\$ -</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RENTAL REGISTRATION PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2011*

	<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	\$ 105,000	\$ 60,000	\$ 93,695	\$ 33,695
Total revenues	<u>105,000</u>	<u>60,000</u>	<u>93,695</u>	<u>33,695</u>
Expenditures:				
Current:				
Community environment				
Operating	60,060	67,060	39,523	27,537
Capital outlay	37,000	75,000	67,506	7,494
Total expenditures	<u>97,060</u>	<u>142,060</u>	<u>107,029</u>	<u>35,031</u>
Net change in fund balance	7,940	(82,060)	(13,334)	68,726
Fund balance at beginning of year	<u>102,335</u>	<u>102,335</u>	<u>102,335</u>	<u>-</u>
Fund balance at end of year	<u>\$ 110,275</u>	<u>\$ 20,275</u>	<u>\$ 89,001</u>	<u>\$ 68,726</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NEIGHBORHOOD STABILIZATION PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,104,812	\$ 1,104,812	\$ 355,630	\$ (749,182)
Total revenues	<u>1,104,812</u>	<u>1,104,812</u>	<u>355,630</u>	<u>(749,182)</u>
Expenditures:				
Current:				
Community environment	887,538	963,648	942,416	21,232
Total expenditures	<u>887,538</u>	<u>963,648</u>	<u>942,416</u>	<u>21,232</u>
Net change in fund balance	217,274	141,164	(586,786)	(727,950)
Fund balance (deficit) at beginning of year . .	(1,027,812)	(1,027,812)	(1,027,812)	-
Prior year encumbrances appropriated. . . .	<u>887,538</u>	<u>887,538</u>	<u>887,538</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 77,000</u>	<u>\$ 890</u>	<u>\$ (727,060)</u>	<u>\$ (727,950)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CLEAN OHIO REVITALIZATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 1,469,764	\$ 1,469,764	\$ 1,180,486	\$ (289,278)
Total revenues	<u>1,469,764</u>	<u>1,469,764</u>	<u>1,180,486</u>	<u>(289,278)</u>
Expenditures:				
Current:				
Community environment	1,469,764	1,723,424	1,469,764	253,660
Total expenditures	<u>1,469,764</u>	<u>1,723,424</u>	<u>1,469,764</u>	<u>253,660</u>
Net change in fund balance.	-	(253,660)	(289,278)	(35,618)
Fund balance (deficit) at beginning of year. .	(1,469,764)	(1,469,764)	(1,469,764)	-
Prior year encumbrances appropriated . . .	<u>1,469,764</u>	<u>1,469,764</u>	<u>1,469,764</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ (253,660)</u>	<u>\$ (289,278)</u>	<u>\$ (35,618)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DEVELOPMENT BLOCK GRANT FUND (CDBG)
FOR THE YEAR ENDED DECEMBER 31, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 1,375,378	\$ 1,548,473	\$ 567,698	\$ (980,775)
Other	9,569	10,774	13,003	2,229
Total revenues	<u>1,384,947</u>	<u>1,559,247</u>	<u>580,701</u>	<u>(978,546)</u>
Expenditures:				
Current:				
Community environment				
Operating	302,571	1,302,913	873,307	429,606
Debt service:				
Principal retirement	-	141,592	141,592	-
Interest and fiscal charges	-	38,300	38,300	-
Total expenditures	<u>302,571</u>	<u>1,482,805</u>	<u>1,053,199</u>	<u>429,606</u>
Net change in fund balance	1,082,376	76,442	(472,498)	(548,940)
Fund balance (deficit) at beginning of year . .	(298,697)	(298,697)	(298,697)	-
Prior year encumbrances appropriated . . .	<u>302,571</u>	<u>302,571</u>	<u>302,571</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 1,086,250</u>	<u>\$ 80,316</u>	<u>\$ (468,624)</u>	<u>\$ (548,940)</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General government				
Operating.	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Net change in fund balance.	(2,000)	(2,000)	(2,000)	-
Fund balance at beginning of year	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TAX INCREMENT FINANCING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 84,500	\$ 84,500	\$ 63,871	\$ (20,629)
Total revenues.	<u>84,500</u>	<u>84,500</u>	<u>63,871</u>	<u>(20,629)</u>
Expenditures:				
Current:				
Community environment				
Personal services.	27,280	29,815	29,516	299
Operating.	<u>48,000</u>	<u>48,000</u>	<u>25,807</u>	<u>22,193</u>
Total expenditures	<u>75,280</u>	<u>77,815</u>	<u>55,323</u>	<u>22,492</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>9,220</u>	<u>6,685</u>	<u>8,548</u>	<u>1,863</u>
Other financing uses:				
Transfers out	<u>(14,725)</u>	<u>(14,725)</u>	<u>(14,725)</u>	<u>-</u>
Total other financing uses	<u>(14,725)</u>	<u>(14,725)</u>	<u>(14,725)</u>	<u>-</u>
Net change in fund balance.	(5,505)	(8,040)	(6,177)	1,863
Fund balance at beginning of year	<u>71,936</u>	<u>71,936</u>	<u>71,936</u>	<u>-</u>
Fund balance at end of year	<u>\$ 66,431</u>	<u>\$ 63,896</u>	<u>\$ 65,759</u>	<u>\$ 1,863</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 27,000	\$ 27,000	\$ 5,000	\$ (22,000)
Total revenues	<u>27,000</u>	<u>27,000</u>	<u>5,000</u>	<u>(22,000)</u>
Net change in fund balance.	27,000	27,000	5,000	(22,000)
Fund balance at beginning of year	<u>34,450</u>	<u>34,450</u>	<u>34,450</u>	<u>-</u>
Fund balance at end of year	<u>\$ 61,450</u>	<u>\$ 61,450</u>	<u>\$ 39,450</u>	<u>\$ (22,000)</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, 2011*

	<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	\$ -	\$ 1,840	\$ 1,840	\$ -
Other	-	6,938	6,938	-
Total revenues	-	8,778	8,778	-
Expenditures:				
Current:				
Health and welfare				
Personal services	-	588	588	-
Operating	93	93	93	-
Total expenditures	93	681	681	-
Excess (deficiency) of revenues over (under) expenditures	(93)	8,097	8,097	-
Other financing uses:				
Transfers out	-	(206,607)	(206,607)	-
Total other financing uses	-	(206,607)	(206,607)	-
Net change in fund balance	(93)	(198,510)	(198,510)	-
Fund balance at beginning of year	198,417	198,417	198,417	-
Prior year encumbrances appropriated.	93	93	93	-
Fund balance at end of year	<u>\$ 198,417</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BEAUTIFICATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 25,000	\$ 25,000	\$ 24,316	\$ (684)
Contributions and donations.	92,000	92,000	111,895	19,895
Total revenues.	<u>117,000</u>	<u>117,000</u>	<u>136,211</u>	<u>19,211</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services.	61,103	67,273	60,735	6,538
Operating.	<u>76,662</u>	<u>83,912</u>	<u>81,671</u>	<u>2,241</u>
Total expenditures.	<u>137,765</u>	<u>151,185</u>	<u>142,406</u>	<u>8,779</u>
Net change in fund balance.	(20,765)	(34,185)	(6,195)	27,990
Fund balance at beginning of year	45,828	45,828	45,828	-
Prior year encumbrances appropriated . . .	<u>2,247</u>	<u>2,247</u>	<u>2,247</u>	<u>-</u>
Fund balance at end of year	<u>\$ 27,310</u>	<u>\$ 13,890</u>	<u>\$ 41,880</u>	<u>\$ 27,990</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 250	\$ 180	\$ 145	\$ (35)
Charges for services	22,000	15,826	14,623	(1,203)
Other	19,600	14,099	15,531	1,432
Total revenues.	<u>41,850</u>	<u>30,105</u>	<u>30,299</u>	<u>194</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services.	9,621	9,621	8,999	622
Operating.	<u>34,421</u>	<u>34,421</u>	<u>30,327</u>	<u>4,094</u>
Total expenditures	<u>44,042</u>	<u>44,042</u>	<u>39,326</u>	<u>4,716</u>
Net change in fund balance.	(2,192)	(13,937)	(9,027)	4,910
Fund balance at beginning of year	58,592	58,592	58,592	-
Prior year encumbrances appropriated . . .	<u>4,071</u>	<u>4,071</u>	<u>4,071</u>	<u>-</u>
Fund balance at end of year	<u>\$ 60,471</u>	<u>\$ 48,726</u>	<u>\$ 53,636</u>	<u>\$ 4,910</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 102,388	\$ 98,274	\$ 98,274	\$ -
Intergovernmental	31,084	29,835	29,835	-
Total revenues	<u>133,472</u>	<u>128,109</u>	<u>128,109</u>	<u>-</u>
Expenditures:				
Current:				
General government				
Operating	2,500	2,500	2,211	289
Public safety				
Personal services	<u>140,000</u>	<u>140,000</u>	<u>125,000</u>	<u>15,000</u>
Total expenditures	<u>142,500</u>	<u>142,500</u>	<u>127,211</u>	<u>15,289</u>
Net change in fund balance.	(9,028)	(14,391)	898	15,289
Fund balance at beginning of year	<u>15,109</u>	<u>15,109</u>	<u>15,109</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,081</u>	<u>\$ 718</u>	<u>\$ 16,007</u>	<u>\$ 15,289</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, 2011*

	<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	\$ 102,388	\$ 98,274	\$ 98,274	\$ -
Intergovernmental	31,084	29,835	29,836	1
Total revenues	<u>133,472</u>	<u>128,109</u>	<u>128,110</u>	<u>1</u>
Expenditures:				
Current:				
General government				
Operating	2,500	2,500	2,211	289
Public safety				
Personal services	<u>140,000</u>	<u>140,000</u>	<u>125,086</u>	<u>14,914</u>
Total expenditures	<u>142,500</u>	<u>142,500</u>	<u>127,297</u>	<u>15,203</u>
Net change in fund balance.	(9,028)	(14,391)	813	15,204
Fund balance at beginning of year	<u>25,537</u>	<u>25,537</u>	<u>25,537</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 16,509</u>	<u>\$ 11,146</u>	<u>\$ 26,350</u>	<u>\$ 15,204</u>

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2011*

	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.	\$ 2,658	\$ 340,236	\$ 342,894
Receivables (net of allowances for uncollectibles):			
Special assessments	<u> -</u>	<u> 50,841</u>	<u> 50,841</u>
Total assets	<u><u>\$ 2,658</u></u>	<u><u>\$ 391,077</u></u>	<u><u>\$ 393,735</u></u>
 Liabilities:			
Deferred revenue.	<u> -</u>	<u> 50,841</u>	<u> 50,841</u>
Total liabilities	<u> -</u>	<u> 50,841</u>	<u> 50,841</u>
 Fund Balances:			
Restricted.	-	340,236	340,236
Committed	<u> 2,658</u>	<u> -</u>	<u> 2,658</u>
Total fund balances	<u><u> 2,658</u></u>	<u><u> 340,236</u></u>	<u><u> 342,894</u></u>
Total liabilities and fund balance	<u><u>\$ 2,658</u></u>	<u><u>\$ 391,077</u></u>	<u><u>\$ 393,735</u></u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011*

	General Obligation Bond Retirement	Special Assesment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Special assessments	\$ -	\$ 93,128	\$ 93,128
Contributions and donations	423,455	-	423,455
Total revenues	423,455	93,128	516,583
Expenditures:			
Debt service:			
Principal retirement.	555,368	70,212	625,580
Interest and fiscal charges	55,214	9,483	64,697
Total expenditures	610,582	79,695	690,277
Excess (deficiency) of revenues over (under) expenditures.	(187,127)	13,433	(173,694)
Other financing sources:			
Transfers in.	189,725	-	189,725
Total other financing sources	189,725	-	189,725
Net change in fund balances.	2,598	13,433	16,031
Fund balances at beginning of year	60	326,803	326,863
Fund balances at end of year	\$ 2,658	\$ 340,236	\$ 342,894

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, 2011*

	<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.	\$ 377,900	\$ 373,895	\$ 547,690	\$ 173,795
Total revenues.	<u>377,900</u>	<u>373,895</u>	<u>547,690</u>	<u>173,795</u>
Expenditures:				
Debt service:				
Principal retirement.	877,385	877,385	877,368	17
Interest and fiscal charges.	60,420	60,420	60,068	352
Note issuance costs	-	1,865	1,865	-
Total expenditures.	<u>937,805</u>	<u>939,670</u>	<u>939,301</u>	<u>369</u>
Excess of expenditures over revenues	<u>(559,905)</u>	<u>(565,775)</u>	<u>(391,611)</u>	<u>174,164</u>
Other financing sources:				
Transfers in.	365,000	365,000	189,725	(175,275)
Note issuance.	203,000	203,000	204,375	1,375
Premium on note issuance	-	-	109	109
Total other financing sources.	<u>568,000</u>	<u>568,000</u>	<u>394,209</u>	<u>(173,791)</u>
Net change in fund balance	8,095	2,225	2,598	373
Fund balance at beginning of year	<u>60</u>	<u>60</u>	<u>60</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 8,155</u>	<u>\$ 2,285</u>	<u>\$ 2,658</u>	<u>\$ 373</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessment	\$ 88,000	\$ 88,000	\$ 93,128	\$ 5,128
Total revenues.	<u>88,000</u>	<u>88,000</u>	<u>93,128</u>	<u>5,128</u>
Expenditures:				
Debt service:				
Principal retirement.	70,225	70,225	70,212	13
Interest and fiscal charges.	<u>9,500</u>	<u>9,500</u>	<u>9,483</u>	<u>17</u>
Total expenditures.	<u>79,725</u>	<u>79,725</u>	<u>79,695</u>	<u>30</u>
Net change in fund balance.	8,275	8,275	13,433	5,158
Fund balance at beginning of year	<u>326,803</u>	<u>326,803</u>	<u>326,803</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 335,078</u>	<u>\$ 335,078</u>	<u>\$ 340,236</u>	<u>\$ 5,158</u>

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2011*

	<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	\$ -	\$ 13,961	\$ -	\$ 754,059
Receivables (net of allowances for uncollectibles):				
Intergovernmental	-	-	-	49,616
Deferred charges.	<u>770</u>	<u>-</u>	<u>1,095</u>	<u>-</u>
Total assets	<u>\$ 770</u>	<u>\$ 13,961</u>	<u>\$ 1,095</u>	<u>\$ 803,675</u>
Liabilities:				
Contracts payable	\$ -	\$ -	\$ -	\$ 17,264
Accrued interest payable.	305	-	434	-
Notes payable	84,375	-	120,000	-
Premium on notes payable.	<u>45</u>	<u>-</u>	<u>64</u>	<u>-</u>
Total liabilities	<u>84,725</u>	<u>-</u>	<u>120,498</u>	<u>17,264</u>
Fund Balances:				
Restricted.	-	13,961	-	-
Committed	-	-	-	786,411
Unassigned (deficit)	<u>(83,955)</u>	<u>-</u>	<u>(119,403)</u>	<u>-</u>
Total fund balances (deficit)	<u>(83,955)</u>	<u>13,961</u>	<u>(119,403)</u>	<u>786,411</u>
Total liabilities and fund balance	<u>\$ 770</u>	<u>\$ 13,961</u>	<u>\$ 1,095</u>	<u>\$ 803,675</u>

**Total
Nonmajor
Capital
Projects
Funds**

\$ 768,020

49,616

1,865

\$ 819,501

\$ 17,264

739

204,375

109

222,487

13,961

786,411

(203,358)

597,014

\$ 819,501

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011*

	Fire Station Construction	Street Improvement	Senior Center Construction	Issue II
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	31	-
Contributions and donations	-	80,792	-	43,443
Total revenues	-	80,792	31	43,443
Expenditures:				
Capital outlay.	-	-	16	-
Debt service:				
Interest and fiscal charges	-	3,920	-	4,004
Total expenditures	-	3,920	16	4,004
Excess (deficiency) of revenues over (under) expenditures	-	76,872	15	39,439
Other financing sources (uses):				
Transfers in.	-	-	-	-
Transfers out	(3,568)	-	-	-
Total other financing sources (uses).	(3,568)	-	-	-
Net change in fund balances.	(3,568)	76,872	15	39,439
Fund balances (deficit) at beginning of year . .	3,568	(160,827)	13,946	(158,842)
Fund balances (deficit) at end of year	\$ -	\$ (83,955)	\$ 13,961	\$ (119,403)

Infrastructure Improvement Reserve	Total Nonmajor Capital Projects Funds
\$ 331,546	\$ 331,546
2,182	2,213
-	124,235
<u>333,728</u>	<u>457,994</u>
548,034	548,050
-	7,924
<u>548,034</u>	<u>555,974</u>
<u>(214,306)</u>	<u>(97,980)</u>
335,000	335,000
<u>(150,000)</u>	<u>(153,568)</u>
<u>185,000</u>	<u>181,432</u>
(29,306)	83,452
<u>815,717</u>	<u>513,562</u>
<u>\$ 786,411</u>	<u>\$ 597,014</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, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures:				
Capital outlay	\$ 30	\$ -	\$ -	\$ -
Total expenditures.	30	-	-	-
Excess of expenditures over revenues	(30)	-	-	-
Other financing uses:				
Transfer out	(3,568)	(3,568)	(3,568)	-
Total other financing uses	(3,568)	(3,568)	(3,568)	-
Net change in fund balance.	(3,598)	(3,568)	(3,568)	-
Fund balance at beginning of year	<u>3,568</u>	<u>3,568</u>	<u>3,568</u>	<u>-</u>
Fund balance at end of year.	<u>\$ (30)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SENIOR CENTER CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 40	\$ 40	\$ 31	\$ (9)
Total revenues.	<u>40</u>	<u>40</u>	<u>31</u>	<u>(9)</u>
Expenditures:				
Capital outlay	-	30	16	14
Total expenditures.	<u>-</u>	<u>30</u>	<u>16</u>	<u>14</u>
Net change in fund balance.	40	10	15	5
Fund balance at beginning of year	<u>13,946</u>	<u>13,946</u>	<u>13,946</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 13,986</u>	<u>\$ 13,956</u>	<u>\$ 13,961</u>	<u>\$ 5</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 421	\$ 3,384	\$ 2,182	\$ (1,202)
Intergovernmental.	37,579	302,336	296,761	(5,575)
Total revenues.	<u>38,000</u>	<u>305,720</u>	<u>298,943</u>	<u>(6,777)</u>
Expenditures:				
Capital outlay	<u>350,225</u>	<u>991,519</u>	<u>695,170</u>	<u>296,349</u>
Total expenditures.	<u>350,225</u>	<u>991,519</u>	<u>695,170</u>	<u>296,349</u>
Excess of expenditures over revenues	<u>(312,225)</u>	<u>(685,799)</u>	<u>(396,227)</u>	<u>289,572</u>
Other financing sources (uses):				
Transfers in.	300,000	300,000	335,000	35,000
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>150,000</u>	<u>150,000</u>	<u>185,000</u>	<u>35,000</u>
Net change in fund balance.	(162,225)	(535,799)	(211,227)	324,572
Fund balance at beginning of year	790,233	790,233	790,233	-
Prior year encumbrances appropriated . . .	<u>80,725</u>	<u>80,725</u>	<u>80,725</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 708,733</u>	<u>\$ 335,159</u>	<u>\$ 659,731</u>	<u>\$ 324,572</u>

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - PROPRIETARY FUNDS*

ENTERPRISE FUNDS

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

Major Enterprise Funds

Water Fund

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

Sewer Fund

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

Solid Waste Fund

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

Nonmajor Enterprise Fund

Storm Water Fund

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

INTERNAL SERVICE FUNDS

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

Health Insurance Fund

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

Internal Allocation Fund

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

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 5,088,000	\$ 5,093,000	\$ 5,112,730	\$ 19,730
Other	-	-	4,337	4,337
Total revenues	<u>5,088,000</u>	<u>5,093,000</u>	<u>5,117,067</u>	<u>24,067</u>
Operating expenses:				
Personal services	2,416,735	2,425,985	2,141,083	284,902
Contractual services	357,906	488,406	456,247	32,159
Materials and supplies	1,061,223	1,151,412	1,083,552	67,860
Other	27,000	27,116	30,244	(3,128)
Capital outlay	<u>2,985,322</u>	<u>4,396,065</u>	<u>5,024,471</u>	<u>(628,406)</u>
Total expenses	<u>6,848,186</u>	<u>8,488,984</u>	<u>8,735,597</u>	<u>(246,613)</u>
Operating loss	<u>(1,760,186)</u>	<u>(3,395,984)</u>	<u>(3,618,530)</u>	<u>(222,546)</u>
Nonoperating revenues (expenses):				
Investment income	8,000	8,000	11,737	3,737
Notes issued	362,000	362,000	360,625	(1,375)
Loans issued	-	1,044,024	875,664	(168,360)
Premium on notes issued	-	-	191	191
Debt service:				
Principal retirement	(1,307,715)	(1,307,715)	(1,264,438)	43,277
Interest and fiscal charges	<u>(418,775)</u>	<u>(418,775)</u>	<u>(418,642)</u>	<u>133</u>
Total nonoperating revenues (expenses)	<u>(1,356,490)</u>	<u>(312,466)</u>	<u>(434,863)</u>	<u>(122,397)</u>
Net loss before capital contributions	(3,116,676)	(3,708,450)	(4,053,393)	(344,943)
Capital contributions	<u>465,000</u>	<u>465,000</u>	<u>486,687</u>	<u>21,687</u>
Net change in fund equity	(2,651,676)	(3,243,450)	(3,566,706)	(323,256)
Fund equity at beginning of year	2,021,820	2,021,820	2,021,820	-
Prior year encumbrances appropriated	<u>2,724,474</u>	<u>2,724,474</u>	<u>2,724,474</u>	<u>-</u>
Fund equity at end of year	<u>\$ 2,094,618</u>	<u>\$ 1,502,844</u>	<u>\$ 1,179,588</u>	<u>\$ (323,256)</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, 2011*

	<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	\$ 4,263,078	\$ 4,308,245	\$ 4,177,866	\$ (130,379)
Other	1,962	1,983	523	(1,460)
Total revenues	<u>4,265,040</u>	<u>4,310,228</u>	<u>4,178,389</u>	<u>(131,839)</u>
Operating expenses:				
Personal services	2,183,228	2,193,873	2,064,204	129,669
Contractual services	274,298	361,112	331,138	29,974
Materials and supplies	1,135,603	1,254,623	1,217,374	37,249
Other	17,700	15,008	8,448	6,560
Capital outlay	<u>4,563,110</u>	<u>4,440,223</u>	<u>3,600,445</u>	<u>839,778</u>
Total expenses	<u>8,173,939</u>	<u>8,264,839</u>	<u>7,221,609</u>	<u>1,043,230</u>
Operating loss	<u>(3,908,899)</u>	<u>(3,954,611)</u>	<u>(3,043,220)</u>	<u>911,391</u>
Nonoperating revenues (expenses):				
Investment income	-	-	266	266
Special assessments	1,962	1,983	-	(1,983)
Loans issued	2,475,151	2,501,375	2,293,040	(208,335)
Debt service:				
Principal retirement	(368,075)	(368,075)	(364,200)	3,875
Interest and fiscal charges	<u>(78,300)</u>	<u>(78,300)</u>	<u>(76,498)</u>	<u>1,802</u>
Total nonoperating revenues (expenses)	<u>2,030,738</u>	<u>2,056,983</u>	<u>1,852,608</u>	<u>(204,375)</u>
Net loss before capital contributions	(1,878,161)	(1,897,628)	(1,190,612)	707,016
Capital contributions	<u>702,452</u>	<u>709,894</u>	<u>727,209</u>	<u>17,315</u>
Net change in fund equity	(1,175,709)	(1,187,734)	(463,403)	724,331
Fund equity at beginning of year	2,092,656	2,092,656	2,092,656	-
Prior year encumbrances appropriated	<u>606,009</u>	<u>606,009</u>	<u>606,009</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,522,956</u>	<u>\$ 1,510,931</u>	<u>\$ 2,235,262</u>	<u>\$ 724,331</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 2,000,000	\$ 2,007,505	\$ 2,035,672	\$ 28,167
Total revenues	<u>2,000,000</u>	<u>2,007,505</u>	<u>2,035,672</u>	<u>28,167</u>
Operating expenses:				
Personal services	56,895	56,895	38,881	18,014
Contractual services	2,190,052	2,190,052	1,837,466	352,586
Materials and supplies	3,350	4,225	4,182	43
Capital outlay	4,000	4,000	-	4,000
Total expenses	<u>2,254,297</u>	<u>2,255,172</u>	<u>1,880,529</u>	<u>374,643</u>
Net change in fund equity	(254,297)	(247,667)	155,143	402,810
Fund equity at beginning of year	727,220	727,220	727,220	-
Prior year encumbrances appropriated . . .	<u>150,052</u>	<u>150,052</u>	<u>150,052</u>	<u>-</u>
Fund equity at end of year	<u>\$ 622,975</u>	<u>\$ 629,605</u>	<u>\$ 1,032,415</u>	<u>\$ 402,810</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 780,000	\$ 776,425	\$ 787,291	\$ 10,866
Other.	1,000	995	100	(895)
Total revenues	<u>781,000</u>	<u>777,420</u>	<u>787,391</u>	<u>9,971</u>
Operating expenses:				
Personal services.	313,127	313,127	325,576	(12,449)
Contractual services	21,872	21,872	14,029	7,843
Materials and supplies	178,310	178,310	155,222	23,088
Capital outlay	969,811	1,255,811	680,502	575,309
Total expenses	<u>1,483,120</u>	<u>1,769,120</u>	<u>1,175,329</u>	<u>593,791</u>
Operating loss	<u>(702,120)</u>	<u>(991,700)</u>	<u>(387,938)</u>	<u>603,762</u>
Nonoperating expenses:				
Loans issued	115,269	115,269	-	(115,269)
Debt service:				
Principal retirement	(61,100)	(61,100)	(30,884)	30,216
Interest and fiscal charges.	(2,375)	(2,375)	(1,198)	1,177
Total nonoperating expenses.	<u>51,794</u>	<u>51,794</u>	<u>(32,082)</u>	<u>(83,876)</u>
Net change in fund equity	(650,326)	(939,906)	(420,020)	519,886
Fund equity at beginning of year.	567,383	567,383	567,383	-
Prior year encumbrances appropriated . . .	<u>381,493</u>	<u>381,493</u>	<u>381,493</u>	<u>-</u>
Fund equity at end of year	<u>\$ 298,550</u>	<u>\$ 8,970</u>	<u>\$ 528,856</u>	<u>\$ 519,886</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2011*

	Health Insurance	Internal Allocation	Total Internal Service Funds
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents . . .	\$ 1,111,370	\$ 35,876	\$ 1,147,246
Receivables (net of allowance for uncollectibles):			
Accounts	-	10,047	10,047
Total assets	<u>1,111,370</u>	<u>45,923</u>	<u>1,157,293</u>
Liabilities:			
Current liabilities:			
Claims payable	213,440	-	213,440
Total liabilities	<u>213,440</u>	<u>-</u>	<u>213,440</u>
Net assets:			
Unrestricted	897,930	45,923	943,853
Total net assets	<u>\$ 897,930</u>	<u>\$ 45,923</u>	<u>\$ 943,853</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011*

	Health Insurance	Internal Allocation	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 3,239,670	\$ 442,182	\$ 3,681,852
Other.	3,058	-	3,058
	<hr/>	<hr/>	<hr/>
Total operating revenues	3,242,728	442,182	3,684,910
	<hr/>	<hr/>	<hr/>
Operating expenses:			
Contract services	28,800	-	28,800
Materials and supplies	-	442,915	442,915
Claims.	2,556,468	-	2,556,468
	<hr/>	<hr/>	<hr/>
Total operating expenses.	2,585,268	442,915	3,028,183
	<hr/>	<hr/>	<hr/>
Changes in net assets	657,460	(733)	656,727
	<hr/>	<hr/>	<hr/>
Net assets at beginning of year.	240,470	46,656	287,126
	<hr/>	<hr/>	<hr/>
Net assets at end of year	<u>\$ 897,930</u>	<u>\$ 45,923</u>	<u>\$ 943,853</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011*

	Health Insurance	Internal Allocation	Total Internal Service Funds
Cash flows from operating activities:			
Cash received from customers	\$ 3,239,670	\$ 439,907	\$ 3,679,577
Cash received from other operations.	3,058	-	3,058
Cash payments for contract services	(28,800)	-	(28,800)
Cash payments for materials and supplies	-	(442,915)	(442,915)
Cash payments for claims	(2,595,235)	-	(2,595,235)
Net increase (decrease) in cash and cash equivalents	618,693	(3,008)	615,685
Cash and cash equivalents at beginning of year	<u>492,677</u>	<u>38,884</u>	<u>531,561</u>
Cash and cash equivalents at end of year . . .	<u><u>\$ 1,111,370</u></u>	<u><u>\$ 35,876</u></u>	<u><u>\$ 1,147,246</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 657,460	\$ (733)	\$ 656,727
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	(2,275)	(2,275)
(Decrease) in claims payable	(38,767)	-	(38,767)
Net cash provided by (used in) operating activities.	<u><u>\$ 618,693</u></u>	<u><u>\$ (3,008)</u></u>	<u><u>\$ 615,685</u></u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HEALTH INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 3,315,316	\$ 3,224,886	\$ 3,239,670	\$ 14,784
Other.	16,684	16,229	3,058	(13,171)
Total revenues	<u>3,332,000</u>	<u>3,241,115</u>	<u>3,242,728</u>	<u>1,613</u>
Operating expenses:				
Contractual services	256,505	261,400	254,762	6,638
Claims	<u>3,076,295</u>	<u>3,135,000</u>	<u>2,371,624</u>	<u>763,376</u>
Total expenses	<u>3,332,800</u>	<u>3,396,400</u>	<u>2,626,386</u>	<u>770,014</u>
Net change in fund equity	(800)	(155,285)	616,342	771,627
Fund equity at beginning of year.	<u>492,677</u>	<u>492,677</u>	<u>492,677</u>	<u>-</u>
Fund equity at end of year	<u>\$ 491,877</u>	<u>\$ 337,392</u>	<u>\$ 1,109,019</u>	<u>\$ 771,627</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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 457,000	\$ 457,000	\$ 439,907	\$ (17,093)
Total revenues	<u>457,000</u>	<u>457,000</u>	<u>439,907</u>	<u>(17,093)</u>
Operating expenses:				
Materials and supplies	432,000	473,000	467,915	5,085
Total expenses	<u>432,000</u>	<u>473,000</u>	<u>467,915</u>	<u>5,085</u>
Net change in fund equity	25,000	(16,000)	(28,008)	(12,008)
Fund equity at beginning of year.	<u>38,884</u>	<u>38,884</u>	<u>38,884</u>	<u>-</u>
Fund equity at end of year	<u>\$ 63,884</u>	<u>\$ 22,884</u>	<u>\$ 10,876</u>	<u>\$ (12,008)</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, 2011*

	Beginning Balance 12/31/2010	Additions	Reductions	Ending Balance 12/31/2011
Deposit				
Assets:				
Equity in pooled cash and cash equivalents	\$ 155,998	\$ 174	\$ 100	\$ 156,072
Receivables:				
Accounts	-	4,520	-	4,520
Total assets.	<u>\$ 155,998</u>	<u>\$ 4,694</u>	<u>\$ 100</u>	<u>\$ 160,592</u>
Liabilities:				
Deposits held and due to others	<u>\$ 155,998</u>	<u>\$ 4,694</u>	<u>\$ 100</u>	<u>\$ 160,592</u>
Total liabilities	<u>\$ 155,998</u>	<u>\$ 4,694</u>	<u>\$ 100</u>	<u>\$ 160,592</u>
 New Haven/Forest City				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 140,787	\$ 140,787	\$ -
Total assets.	<u>\$ -</u>	<u>\$ 140,787</u>	<u>\$ 140,787</u>	<u>\$ -</u>
Liabilities:				
Deposits held and due to others	\$ -	\$ 140,787	\$ 140,787	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 140,787</u>	<u>\$ 140,787</u>	<u>\$ -</u>
 Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 155,998	\$ 140,961	\$ 140,887	\$ 156,072
Receivables:				
Accounts	-	4,520	-	4,520
Total assets.	<u>\$ 155,998</u>	<u>\$ 145,481</u>	<u>\$ 140,887</u>	<u>\$ 160,592</u>
Liabilities:				
Deposits held and due to others	\$ 155,998	\$ 145,481	\$ 140,887	\$ 160,592
Total liabilities	<u>\$ 155,998</u>	<u>\$ 145,481</u>	<u>\$ 140,887</u>	<u>\$ 160,592</u>

STATISTICAL SECTION

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CITY OF BARBERTON, OHIO
STATISTICAL SECTION
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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.

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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 NINE YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 19,893,756	\$ 19,684,621	\$ 18,536,399	\$ 17,207,130
Restricted for:				
Capital projects	13,961	17,514	1,142,832	633,917
Debt service	391,077	388,275	415,866	299,259
Transportation projects	863,555	865,379	881,165	1,204,290
Community development projects	151,125	617,997	588,994	1,028,741
Other projects	1,437,828	1,390,848	1,223,244	1,269,994
Unrestricted	<u>4,662,644</u>	<u>2,131,736</u>	<u>401,450</u>	<u>3,298,794</u>
Total governmental activities net assets	<u>\$ 27,413,946</u>	<u>\$ 25,096,370</u>	<u>\$ 23,189,950</u>	<u>\$ 24,942,125</u>
Business-type Activities				
Invested in capital assets, net of related debt	\$ 34,806,544	\$ 33,376,864	\$ 30,422,322	\$ 31,995,482
Restricted for:				
Debt service	-	-	-	-
Other projects	419,483	566,545	801,222	1,039,101
Unrestricted	<u>8,781,726</u>	<u>8,881,635</u>	<u>8,211,503</u>	<u>6,806,972</u>
Total business-type activities net assets	<u>\$ 44,007,753</u>	<u>\$ 42,825,044</u>	<u>\$ 39,435,047</u>	<u>\$ 39,841,555</u>
Total Primary Government				
Invested in capital assets, net of related debt	\$ 54,700,300	\$ 53,061,485	\$ 48,958,721	\$ 49,202,612
Restricted for:				
Capital projects	13,961	17,514	1,142,832	633,917
Debt service	391,077	388,275	415,866	299,259
Transportation projects	863,555	865,379	881,165	1,204,290
Community development projects	151,125	617,997	588,994	1,028,741
Other projects	1,857,311	1,957,393	2,024,466	2,309,095
Unrestricted	<u>13,444,370</u>	<u>11,013,371</u>	<u>8,612,953</u>	<u>10,105,766</u>
Total primary government net assets	<u>\$ 71,421,699</u>	<u>\$ 67,921,414</u>	<u>\$ 62,624,997</u>	<u>\$ 64,783,680</u>

Notes:

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

The 2010 restricted and unrestricted net assets categories for governmental activities for 2010 have been restated to conform to 2011 presentation.

2007	2006	2005	2004	2003
\$ 17,895,365	\$ 15,884,161	\$ 19,954,622	\$ 23,568,720	\$ 21,528,319
779,845	2,337,727	4,443,464	884,157	582,840
506,371	516,125	537,306	176,573	408,930
1,221,355	1,095,324	843,410	660,339	263,116
997,544	862,668	764,691	773,257	1,257,960
1,050,941	1,269,116	2,312,611	2,028,216	2,043,398
2,914,075	3,191,576	978,746	503,102	1,090,277
<u>\$ 25,365,496</u>	<u>\$ 25,156,697</u>	<u>\$ 29,834,850</u>	<u>\$ 28,594,364</u>	<u>\$ 27,174,840</u>
\$ 31,383,963	\$ 30,704,621	\$ 24,952,452	\$ 26,599,164	\$ 25,922,369
-	31,821	663,928	701,095	709,457
1,008,948	1,237,596	2,236,554	2,432,132	2,397,248
6,485,673	5,975,596	5,955,495	2,969,473	2,880,167
<u>\$ 38,878,584</u>	<u>\$ 37,949,634</u>	<u>\$ 33,808,429</u>	<u>\$ 32,701,864</u>	<u>\$ 31,909,241</u>
\$ 49,279,328	\$ 46,588,782	\$ 44,907,074	\$ 50,167,884	\$ 47,450,688
779,845	2,337,727	4,443,464	884,157	582,840
506,371	547,946	1,201,234	877,668	1,118,387
1,221,355	1,095,324	843,410	660,339	263,116
997,544	862,668	764,691	773,257	1,257,960
2,059,889	2,506,712	4,549,165	4,460,348	4,440,646
9,399,748	9,167,172	6,934,241	3,472,575	3,970,444
<u>\$ 64,244,080</u>	<u>\$ 63,106,331</u>	<u>\$ 63,643,279</u>	<u>\$ 61,296,228</u>	<u>\$ 59,084,081</u>

CITY OF BARBERTON, OHIO

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 2,148,444	\$ 1,824,354	\$ 1,892,083	\$ 1,786,759
Public safety	677,035	777,898	603,223	621,327
Health and welfare	20	296,202	616,814	798,884
Transportation	41,657	42,851	46,636	79,507
Community environment	334,881	120,405	167,840	172,991
Leisure time activities	106,764	91,785	130,748	94,240
Operating grants and contributions	3,863,176	5,092,156	4,164,877	3,855,139
Capital grants and contributions	459,731	67,564	145,229	147,321
Total governmental activities program revenues	<u>7,631,708</u>	<u>8,313,215</u>	<u>7,767,450</u>	<u>7,556,168</u>
Business-type activities:				
Charges for services:				
Water	5,063,541	5,100,123	4,594,956	4,574,609
Sewer	4,066,329	4,163,396	4,096,518	4,289,991
Storm Water	782,248	770,433	743,787	796,332
Solid Waste	2,023,183	2,002,081	1,939,373	1,835,994
Community Center	-	-	-	-
Lake Cinema	-	-	-	-
Capital grants and contributions	547,789	2,547,429	-	-
Total business-type activities program revenues	<u>12,483,090</u>	<u>14,583,462</u>	<u>11,374,634</u>	<u>11,496,926</u>
Total primary government	<u>\$ 20,114,798</u>	<u>\$ 22,896,677</u>	<u>\$ 19,142,084</u>	<u>\$ 19,053,094</u>
Expenses:				
Governmental activities:				
General government	\$ 4,408,029	\$ 4,259,141	\$ 4,554,994	\$ 4,619,097
Public safety	10,096,123	10,082,932	11,207,888	11,339,496
Health and welfare	28,342	847,498	1,511,973	1,889,854
Transportation	2,730,584	1,866,192	2,340,290	2,265,378
Community environment	2,741,517	3,321,424	2,292,939	1,855,258
Leisure time activities	1,328,524	1,314,014	1,294,285	1,636,664
Intergovernmental	-	-	-	-
Interest and fiscal charges	233,974	268,040	289,245	253,275
Total governmental activities expenses	<u>21,567,093</u>	<u>21,959,241</u>	<u>23,491,614</u>	<u>23,859,022</u>
Business-type activities:				
Water	4,058,731	4,364,080	4,158,746	3,778,649
Sewer	4,598,025	4,277,917	4,497,443	4,542,875
Solid Waste	1,872,929	1,868,090	1,760,928	1,773,299
Storm Water	786,687	703,295	684,083	650,516
Community Center	-	-	-	131,104
Lake Cinema	-	-	-	-
Total business-type activities expenses	<u>11,316,372</u>	<u>11,213,382</u>	<u>11,101,200</u>	<u>10,876,443</u>
Total primary government	<u>\$ 32,883,465</u>	<u>\$ 33,172,623</u>	<u>\$ 34,592,814</u>	<u>\$ 34,735,465</u>
Governmental activities	\$ (13,935,385)	\$ (13,646,026)	\$ (15,724,164)	\$ (16,302,854)
Business-type activities	1,166,718	3,370,080	273,434	620,483
Total primary government net expense	<u>\$ (12,768,667)</u>	<u>\$ (10,275,946)</u>	<u>\$ (15,450,730)</u>	<u>\$ (15,682,371)</u>

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 1,547,954	\$ 1,600,236	\$ 1,798,314	\$ 1,129,924	\$ 1,166,821
523,684	463,696	276,556	188,715	93,042
973,909	854,293	606,666	398,654	472,620
4,520	48,592	33,203	63	53,688
179,663	233,326	145,911	209,880	148,763
138,278	80,098	93,607	67,942	56,089
3,521,558	3,702,419	4,278,454	3,064,285	2,362,914
152,821	160,183	476,933	1,852,649	1,148,276
<u>7,042,387</u>	<u>7,142,843</u>	<u>7,709,644</u>	<u>6,912,112</u>	<u>5,502,213</u>
4,242,131	4,202,919	4,102,007	3,724,170	3,340,724
4,347,404	4,091,632	4,113,032	3,783,899	3,557,601
775,680	498,372	-	-	-
1,839,605	1,467,339	1,414,758	1,402,180	1,353,257
80,666	292,976	350,454	413,842	421,153
-	257	850,829	995,126	1,017,078
-	-	-	-	-
<u>11,285,486</u>	<u>10,553,495</u>	<u>10,831,080</u>	<u>10,319,217</u>	<u>9,689,813</u>
<u>\$ 18,327,873</u>	<u>\$ 17,696,338</u>	<u>\$ 18,540,724</u>	<u>\$ 17,231,329</u>	<u>\$ 15,192,026</u>
\$ 3,883,172	\$ 4,097,563	\$ 3,837,242	\$ 3,733,749	\$ 4,133,258
10,049,252	9,745,177	9,579,081	9,077,025	9,704,268
2,343,579	2,384,744	2,246,143	1,903,090	2,105,425
2,025,147	2,218,732	2,606,966	2,543,136	5,216,097
1,535,323	1,303,440	1,404,166	1,526,834	1,432,849
1,240,444	1,742,270	1,705,276	1,505,036	1,755,276
1,578,763	1,328,572	-	-	-
265,787	283,305	223,084	300,427	236,121
<u>22,921,467</u>	<u>23,103,803</u>	<u>21,601,958</u>	<u>20,589,297</u>	<u>24,583,294</u>
4,241,689	4,295,926	3,377,859	3,490,864	3,625,367
4,284,959	4,017,338	3,816,607	3,379,220	4,576,124
1,785,145	1,500,928	1,393,999	1,359,244	1,325,266
648,268	292,441	-	-	-
362,163	547,635	544,489	702,065	688,010
2,005	2,005	946,621	1,046,021	1,080,084
<u>11,324,229</u>	<u>10,656,273</u>	<u>10,079,575</u>	<u>9,977,414</u>	<u>11,294,851</u>
<u>\$ 34,245,696</u>	<u>\$ 33,760,076</u>	<u>\$ 31,681,533</u>	<u>\$ 30,566,711</u>	<u>\$ 35,878,145</u>
\$ (15,879,080)	\$ (15,960,960)	\$ (13,892,314)	\$ (13,677,185)	\$ (19,081,081)
(38,743)	(102,778)	751,505	341,803	(1,605,038)
<u>\$ (15,917,823)</u>	<u>\$ (16,063,738)</u>	<u>\$ (13,140,809)</u>	<u>\$ (13,335,382)</u>	<u>\$ (20,686,119)</u>

-- Continued

CITY OF BARBERTON, OHIO

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Revenues and Other Changes in Net Assets:				
Governmental activities				
Taxes:				
Property taxes levied for:				
General purposes	\$ 1,023,447	\$ 1,272,525	\$ 1,188,981	\$ 1,209,964
Fire capital levy	264,636	259,904	239,362	288,602
Police pension	105,855	103,960	95,772	104,512
Fire pension	105,855	103,960	95,772	104,512
Municipal income taxes levied for:				
General purposes	12,086,007	10,849,848	10,320,696	10,859,015
Grants and entitlements				
not restricted to specific programs	2,322,927	2,571,074	2,159,444	2,821,199
Investment earnings	39,742	40,544	72,965	398,822
Other	304,492	350,631	141,724	199,199
Special item	-	-	-	-
Transfers	-	-	(149,385)	(106,342)
Total governmental activities	<u>16,252,961</u>	<u>15,552,446</u>	<u>14,165,331</u>	<u>15,879,483</u>
Business-type activities				
Investment earnings	11,031	4,516	10,580	163,851
Other	4,960	15,401	8,716	72,295
Transfers	-	-	149,385	106,342
Special item - disposal of community center	-	-	(848,623)	-
Total business-type activities	<u>15,991</u>	<u>19,917</u>	<u>(679,942)</u>	<u>342,488</u>
Total primary government	<u>\$ 16,268,952</u>	<u>\$ 15,572,363</u>	<u>\$ 13,485,389</u>	<u>\$ 16,221,971</u>
Change in Net Assets:				
Governmental activities	\$ 2,317,576	\$ 1,906,420	\$ (1,558,833)	\$ (423,371)
Business-type activities	1,182,709	3,389,997	(406,508)	962,971
Total primary government	<u>\$ 3,500,285</u>	<u>\$ 5,296,417</u>	<u>\$ (1,965,341)</u>	<u>\$ 539,600</u>

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

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 1,334,131	\$ 1,248,270	\$ 1,518,135	\$ 1,452,119	\$ 1,123,725
-	-	-	-	-
116,625	104,339	128,942	125,841	97,813
116,911	104,053	128,942	125,841	97,813
11,254,122	11,391,350	9,968,415	10,263,255	9,718,674
2,885,135	2,552,742	2,077,635	2,448,748	2,391,699
681,251	762,314	432,745	87,309	158,020
109,704	746,914	1,104,986	813,596	826,707
-	(1,856,330)	-	-	970,516
(410,000)	(3,770,845)	(227,000)	(220,000)	(159,000)
<u>16,087,879</u>	<u>11,282,807</u>	<u>15,132,800</u>	<u>15,096,709</u>	<u>15,225,967</u>
505,193	416,614	96,244	40,695	65,027
52,500	56,524	31,816	190,125	228,615
410,000	3,770,845	227,000	220,000	159,000
-	-	-	-	-
<u>967,693</u>	<u>4,243,983</u>	<u>355,060</u>	<u>450,820</u>	<u>452,642</u>
<u>\$ 17,055,572</u>	<u>\$ 15,526,790</u>	<u>\$ 15,487,860</u>	<u>\$ 15,547,529</u>	<u>\$ 15,678,609</u>
\$ 208,799	\$ (4,678,153)	\$ 1,240,486	\$ 1,419,524	\$ (3,855,114)
928,950	4,141,205	1,106,565	792,623	(1,152,396)
<u>\$ 1,137,749</u>	<u>\$ (536,948)</u>	<u>\$ 2,347,051</u>	<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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:						
Reserved	\$ -	\$ 549,557	\$ 355,293	\$ 323,073	\$ 272,616	\$ 220,343
Unreserved	-	3,050,628	1,779,411	3,053,359	3,713,078	3,391,929
Nonspendable	56,998	-	-	-	-	-
Committed	8,533	-	-	-	-	-
Assigned	236,644	-	-	-	-	-
Unassigned	4,383,296	-	-	-	-	-
Total general fund	<u>\$ 4,685,471</u>	<u>\$ 3,600,185</u>	<u>\$ 2,134,704</u>	<u>\$ 3,376,432</u>	<u>\$ 3,985,694</u>	<u>\$ 3,612,272</u>
All Other Governmental Funds:						
Reserved	\$ -	\$ 2,502,925	\$ 2,017,577	\$ 2,037,009	\$ 1,477,235	\$ 2,592,065
Unreserved, reported in:						
Special revenue funds	-	225,878	661,851	1,757,970	1,992,357	1,819,428
Capital projects funds	-	472,837	619,490	(1,793,737)	(84,211)	532,399
Nonspendable	8,200	-	-	-	-	-
Restricted	2,503,349	-	-	-	-	-
Committed	1,259,417	-	-	-	-	-
Unassigned (deficit), reported in:						
Special revenue funds	(483,537)	-	-	-	-	-
Capital projects funds	(203,358)	-	-	-	-	-
Total all other governmental funds	<u>\$ 3,084,071</u>	<u>\$ 3,201,640</u>	<u>\$ 3,298,918</u>	<u>\$ 2,001,242</u>	<u>\$ 3,385,381</u>	<u>\$ 4,943,892</u>

Note: the City implemented GASB Statement No. 54 in 2011 which changed the fund balance classifications in governmental funds.

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 178,449	\$ 208,201	\$ 259,154	\$ 648,803
1,551,627	2,018,677	2,921,841	1,232,325
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 1,730,076</u>	<u>\$ 2,226,878</u>	<u>\$ 3,180,995</u>	<u>\$ 1,881,128</u>
\$ 1,877,103	\$ 1,893,382	\$ 2,424,692	\$ 3,989,023
1,799,025	2,236,562	2,271,484	3,877,995
3,572,711	2,109,970	1,911,656	(4,036,155)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 7,248,839</u>	<u>\$ 6,239,914</u>	<u>\$ 6,607,832</u>	<u>\$ 3,830,863</u>

CITY OF BARBERTON, OHIO

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues					
Taxes	\$ 12,592,379	\$ 12,521,891	\$ 12,126,149	\$ 12,601,886	\$ 12,732,465
Charges for services	2,061,212	2,206,082	2,335,224	2,348,503	2,146,709
Licenses and permits	556,560	252,107	333,555	483,615	611,907
Fines and forfeitures	414,678	418,311	432,347	202,586	178,769
Intergovernmental	6,284,638	6,712,451	5,742,603	5,646,214	5,428,350
Special assessments	154,792	157,474	161,493	187,152	129,680
Investment income	37,271	38,593	76,849	434,513	669,402
Contributions and donations	555,990	627,447	623,630	981,965	177,625
Other	458,214	703,746	814,483	568,318	1,169,287
Total revenues	<u>23,115,734</u>	<u>23,638,102</u>	<u>22,646,333</u>	<u>23,454,752</u>	<u>23,244,194</u>
Expenditures					
Current:					
General government	4,345,238	4,017,338	4,396,948	4,177,189	3,864,219
Public safety	9,773,245	9,223,191	10,653,804	10,273,963	9,876,927
Health and welfare	9,531	971,656	1,472,491	1,793,038	2,397,461
Transportation	1,398,722	1,417,513	1,471,332	1,611,276	1,328,988
Community environment	2,676,716	3,202,840	2,213,192	1,680,902	1,428,273
Leisure time activity	1,066,909	1,068,312	1,217,596	1,368,699	1,084,396
Capital outlay	1,556,168	1,202,654	2,122,784	3,552,712	1,557,554
Intergovernmental	-	-	-	-	1,578,763
Debt service:					
Principal retirement	1,120,994	1,129,672	1,045,558	932,580	856,591
Interest and fiscal charges	224,929	258,650	278,130	253,241	252,483
Bond issuance cost	-	-	83,445	-	-
Note issuance cost	-	-	-	10,745	10,292
Total expenditures	<u>22,172,452</u>	<u>22,491,826</u>	<u>24,955,280</u>	<u>25,654,345</u>	<u>24,235,947</u>
Excess of revenues over (under) expenditures	<u>943,282</u>	<u>1,146,276</u>	<u>(2,308,947)</u>	<u>(2,199,593)</u>	<u>(991,753)</u>
Other Financing Sources (Uses)					
Notes issued	-	-	-	-	20,000
Bonds issued	-	-	2,310,000	-	-
Discount on bond issuance	-	-	(16,555)	-	-
Premium on notes	-	-	-	17,282	-
Premium on bonds	-	-	-	-	-
Capital lease transaction	-	112,089	-	300,000	211,276
Sale of capital assets	24,435	109,838	32,213	79,843	10,388
Transfers in	1,434,900	1,779,079	1,875,327	1,771,349	1,853,518
Transfers (out)	(1,434,900)	(1,779,079)	(1,836,090)	(1,962,282)	(2,288,518)
Advances in	-	-	-	-	-
Advances (out)	-	-	-	-	-
Proceeds from Sale of Park Land	-	-	-	-	-
Total other financing sources (uses)	<u>24,435</u>	<u>221,927</u>	<u>2,364,895</u>	<u>206,192</u>	<u>(193,336)</u>
Net change in fund balances	<u>\$ 967,717</u>	<u>\$ 1,368,203</u>	<u>\$ 55,948</u>	<u>\$ (1,993,401)</u>	<u>\$ (1,185,089)</u>
Capital expenditures	806,628	1,435,291	1,904,639	2,916,887	1,571,458
Debt service as a percentage of noncapital expenditures.	6.30%	6.59%	6.10%	5.26%	4.94%

2006	2005	2004	2003	2002
\$ 13,279,202	\$ 11,927,679	\$ 11,960,729	\$ 11,183,137	\$ 11,506,273
2,019,348	1,638,856	1,216,431	1,444,431	1,253,346
683,398	446,544	287,608	319,293	-
171,796	167,198	167,498	124,520	481,448
6,482,569	6,431,013	6,953,520	5,502,060	6,272,143
159,635	239,011	90,295	58,408	77,415
736,737	431,559	85,085	159,936	256,061
144,227	63,111	103,054	107,607	145,587
1,086,628	1,508,184	1,315,743	822,919	1,364,777
<u>24,763,540</u>	<u>22,853,155</u>	<u>22,179,963</u>	<u>19,722,311</u>	<u>21,357,050</u>
4,081,556	3,751,477	3,659,636	3,679,467	3,534,937
9,832,423	9,505,500	9,491,837	8,788,013	8,234,631
2,513,403	2,295,683	1,948,426	1,995,233	1,511,059
1,576,717	1,599,891	1,750,043	2,084,648	2,022,707
1,841,026	1,499,781	1,246,612	1,481,803	1,644,131
922,867	1,320,267	1,112,732	1,128,444	1,410,912
2,053,974	1,250,150	3,212,171	3,370,531	4,083,068
1,328,572	-	-	-	-
883,603	888,081	1,773,799	281,544	305,738
280,010	221,050	266,290	280,871	212,878
-	3,985	18,955	68,142	-
-	-	5,671	-	-
<u>25,314,151</u>	<u>22,335,865</u>	<u>24,486,172</u>	<u>23,158,696</u>	<u>22,960,061</u>
<u>(550,611)</u>	<u>517,290</u>	<u>(2,306,209)</u>	<u>(3,436,385)</u>	<u>(1,603,011)</u>
40,000	96,000	120,000	1,180,000	31,318
-	112,450	1,396,000	4,967,610	-
-	-	-	-	-
-	8,754	1,842	15,241	-
-	-	-	17,194	-
160,621	-	-	-	-
149,224	19,629	6,332	3,855	4,616
1,955,289	1,835,266	2,193,627	3,023,461	11,009,340
(2,177,274)	(2,077,266)	(2,733,627)	(3,182,461)	(11,305,260)
-	-	-	-	-
-	-	-	-	-
-	-	-	1,000,000	-
<u>127,860</u>	<u>(5,167)</u>	<u>984,174</u>	<u>7,024,900</u>	<u>(259,986)</u>
<u>\$ (422,751)</u>	<u>\$ 512,123</u>	<u>\$ (1,322,035)</u>	<u>\$ 3,588,515</u>	<u>\$ (1,862,997)</u>
1,999,901	1,431,678	4,515,836	1,112,511	4,083,068
4.99%	5.32%	10.34%	2.86%	2.75%

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)
2011	\$ 389,314,830	\$ 1,112,328,086	\$ 9,200,850	\$ 10,455,511	\$ -	\$ -
2010	389,860,420	1,113,886,914	8,746,110	9,938,761	508,115	8,129,840
2009	391,015,700	1,117,187,714	8,516,450	9,677,784	1,089,778	17,436,448
2008	396,658,680	1,133,310,514	8,342,960	9,480,636	15,652,615	250,441,840
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

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.

For 2009 and subsequent years, tangible personal property tax is assessed at 0.00% of property value, including inventory, except for telephone tangible personal property which is assessed at 10% of property value, including inventory. In 2009 and 2010, telephone tangible is the only taxable tangible personal property.

Total

Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Ratio
\$ 398,515,680	\$ 1,122,783,597	3.50	35.49%
399,114,645	1,131,955,516	3.50	35.26%
400,621,928	1,144,301,945	3.50	35.01%
420,654,255	1,393,232,990	3.50	30.19%
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%

CITY OF BARBERTON, OHIO

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

Collection Year	City Direct Rates			Overlapping Rates			Total Direct and Overlapping Rates	
	Operating	Police and Fire Pension	Total Direct Rate	Summit County	Barberton City School District	Barberton Public Library		Total Overlapping Rates
2011	2.90	0.60	3.50	14.16	57.95	1.37	73.48	76.98
2010	2.90	0.60	3.50	14.16	58.02	1.37	73.55	77.05
2009	2.90	0.60	3.50	14.16	58.11	1.37	73.64	77.14
2008	2.90	0.60	3.50	14.26	59.89	1.37	75.52	79.02
2007	2.90	0.60	3.50	14.57	58.94	1.37	74.88	78.38
2006	2.90	0.60	3.50	13.07	64.06	1.37	78.50	82.00
2005	2.90	0.60	3.50	13.07	56.90	-	69.97	73.47
2004	2.90	0.60	3.50	13.07	56.90	-	69.97	73.47
2003	2.90	0.60	3.50	13.07	56.73	-	69.80	73.30
2002	2.90	0.60	3.50	13.07	56.73	-	69.80	73.30

Source: Summit County, Ohio; Fiscal Officer

CITY OF BARBERTON, OHIO

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

December 31, 2011			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Barberton Health System LLC	\$ 7,016,670	1	1.80%
Babcock & Wilcox Power Generation Group	4,908,480	2	1.26%
LRC Magic Investors LTD	2,276,370	3	0.58%
Kimco of Ohio, Inc.	2,131,620	4	0.55%
Babcock & Wilcox Nuclear Operations	1,693,350	5	0.43%
JR Engineering, Inc.	1,420,310	6	0.36%
B & C Research Inc.	1,265,250	7	0.32%
KL Morris Family Limited Liability	1,120,700	8	0.29%
Malco Products, Inc.	1,009,790	9	0.26%
Daniel L. Pohl Family Limited Partnership	1,002,660	10	0.26%
Total, Top Ten Principal Real Property Taxpayers	\$ 23,845,200		6.11%
Total City Real Property Tax Assessed Valuation	\$ 389,314,830		

December 31, 2002			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Barberton Health System LLC	\$ 10,311,780	1	3.51%
Babcock & Wilcox Co.	3,361,530	2	1.14%
B&C Industries	2,498,130	3	0.85%
Pittsburgh Plate Glass Co.	2,184,490	4	0.74%
Kimco of Ohio, Inc.	2,171,210	5	0.74%
Pendleton Magic LLC	2,072,110	6	0.71%
Bergit Realty Co.	1,702,210	7	0.58%
BWX Technologies	1,661,040	8	0.57%
Elson pointe Limited Partnership	1,498,700	9	0.51%
KL Morris Family Limited	1,446,190	10	0.49%
Total, Top Ten Principal Real Property Taxpayers	\$ 28,907,390		9.84%
Total City Real Property Tax Assessed Valuation	\$ 293,874,030		

Source: Summit County, Ohio; Fiscal Officer

CITY OF BARBERTON, OHIO

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

December 31, 2011			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison Co.	\$ 6,082,560	1	66.1%
American Transmission	1,615,650	2	17.6%
East Ohio Gas Co.	1,502,640	3	16.3%
Total, Top Three Principal Public Utility Property Taxpayers	\$ 9,200,850		100.0%
Total City Public Utility Property Tax Assessed Valuation	\$ 9,200,850		

December 31, 2003			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison Co.	\$ 4,461,890	1	33.0%
Ohio Bell Telephone	4,407,350	2	32.6%
American Transmission	2,097,790	3	15.5%
East Ohio Gas Co.	1,117,600	4	8.3%
Sprint	392,470	5	2.9%
Total, Top Five Principal Public Utility Property Taxpayers	\$ 12,477,100		92.4%
Total City Public Utility Property Tax Assessed Valuation	\$ 13,506,780		

Source: Summit County, Ohio; Fiscal Officer

Note: Information prior to 2003 was not available.

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 (2)	Total Collections	Percent of Total Collections to Tax Levy	Outstanding Delinquent Taxes (2)	Percentage of Delinquent Taxes to Tax Levy
2011	\$ 1,693,708	\$ 1,530,462	90.36%	\$ 87,060	\$ 1,617,522	95.50%	\$ 383,565	22.65%
2010	1,696,268	1,550,759	91.42%	77,415	1,628,174	95.99%	267,786	15.79%
2009	1,697,939	1,553,653	91.50%	144,365	1,698,018	100.00%	199,692	11.76%
2008	1,721,174	1,649,458	95.83%	73,075	1,722,533	100.08%	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%

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.

Note: Summit County does not identify delinquent tax collections by tax year; delinquent collections are reported in the year they are collected.

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
2011	2.00%	\$ 11,951,527	\$ 9,429,379	78.90%	\$ 1,660,548	13.89%
2010	2.00%	11,076,918	9,123,908	82.37%	999,404	9.02%
2009	2.00%	10,732,163	8,907,876	83.00%	887,140	8.27%
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%

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

	Taxes from Individuals	Percentage of Taxes from Individuals
\$	784,470	6.56%
	804,162	7.26%
	823,855	7.68%
	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%

CITY OF BARBERTON, OHIO

*RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS*

Year	Governmental Activities						Business-Type Activities	
	General Obligation Bonds	Special Assessment Bonds	HUD Section 108 Loan	State Infrastructure Bank Loan	Notes	Capital Leases	General Obligation Bonds	Revenue Bonds
2011	\$ 3,535,823	\$ 50,841	\$ 635,000	\$ 137,791	\$ 204,375	\$ 234,272	\$ 1,856,204	\$ 7,490,000
2010	4,358,463	91,053	750,000	160,509	322,000	354,696	2,601,548	7,835,000
2009	5,157,712	129,522	865,000	182,560	436,000	397,510	3,282,305	8,170,000
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

Sources:

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

Business-Type Activities, continued

OWDA Loan	OPWC Loan	Notes	Capital Leases	(a) Total Primary Government	(b) Total Personal Income	Percentage of Personal Income	(b) Population	Per Capita
\$ 2,194,768	\$ 875,664	\$ 360,625	\$ -	\$ 17,575,363	\$ 498,524,040	3.53%	26,824	\$ 655
-	-	478,000	64,073	17,015,342	509,441,408	3.34%	26,824	634
-	-	114,000	125,591	18,860,200	495,597,836	3.81%	27,899	676
-	-	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

CITY OF BARBERTON, OHIO

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

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Bonded Debt (3)	Ratio of Bonded Debt to Estimated Actual Value of Property	Bonded Debt Per Capita
2011	26,824	\$ 1,122,783,597	\$ 5,392,027	0.48%	\$ 201
2010	26,824	1,131,955,516	6,960,011	0.61%	259
2009	27,899	1,144,301,945	8,440,017	0.74%	303
2008	27,899	1,393,232,990	6,380,017	0.46%	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

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, 2011*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Barberton	\$ 4,798,102	100.00%	\$ 4,798,102
Total direct debt			<u>4,798,102</u>
Overlapping debt:			
Barberton City School District	50,814,983	97.83%	49,712,298
Summit County	51,525,000	3.07%	1,581,818
Akron-Summit County Library District	39,065,000	0.07%	27,346
Akron Metro Regional Transit Authority	300,000	3.07%	9,210
Total overlapping debt			<u>51,330,672</u>
Total direct and overlapping debt			<u>\$ 56,128,774</u>

Source: Ohio Municipal Advisory Council

CITY OF BARBERTON, OHIO

*COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS*

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Assesed Value (a)	\$ 398,515,680	\$ 398,606,530	\$ 399,532,150	\$ 405,001,640
Legal debt margin:				
Debt limitation - 10.5% of Assesed Value	41,844,146	41,853,686	41,950,876	42,525,172
Debt Applicable to Limitation:				
General Obligation Bonds	5,430,005	6,960,011	8,440,017	6,380,017
Special Assessment Bond	50,841	91,053	129,522	166,466
Notes	565,000	800,000	550,000	4,360,000
Revenue Bonds	<u>7,490,000</u>	<u>7,835,000</u>	<u>8,170,000</u>	<u>8,495,000</u>
Gross Indebtedness (Total Voted and Unvoted Debt)	<u>13,535,846</u>	<u>15,686,064</u>	<u>17,289,539</u>	<u>19,401,483</u>
Less: Debt Outside Limitations				
Special Assessment Bond	(50,841)	(91,053)	(129,522)	(166,466)
Notes	(565,000)	(800,000)	(550,000)	(4,360,000)
Revenue Bonds	<u>(7,490,000)</u>	<u>(7,835,000)</u>	<u>(8,170,000)</u>	<u>(8,495,000)</u>
Total Debt Outside Limitations	<u>(8,105,841)</u>	<u>(8,726,053)</u>	<u>(8,849,522)</u>	<u>(13,021,466)</u>
Total Debt Applicable to Limitation - Within 10.5% Limitations	5,430,005	6,960,011	8,440,017	6,380,017
Less: Amount Available in Debt Service Fund to pay debt applicable to limitation	<u>(2,658)</u>	<u>(60)</u>	<u>(428)</u>	<u>(23,302)</u>
Net Debt Within 10.5% Limitation	<u>5,427,347</u>	<u>6,959,951</u>	<u>8,439,589</u>	<u>6,356,715</u>
Overall Debt Margin Within 10.5% Limitation	<u>\$ 36,416,799</u>	<u>\$ 34,893,735</u>	<u>\$ 33,511,287</u>	<u>\$ 36,168,457</u>
Unvoted Debt Limitation - 5.5% of Assesed Valuation	\$ 21,918,362	\$ 21,923,359	\$ 21,974,268	\$ 22,275,090
Gross Indebtedness Authorized by Council	13,535,846	15,686,064	17,289,539	19,401,483
Less: Debt Outside Limitations:				
Total Debt Outside Limitations	<u>(8,105,841)</u>	<u>(8,726,053)</u>	<u>(8,849,522)</u>	<u>(13,021,466)</u>
Debt Within 5.5% Limitations	<u>5,430,005</u>	<u>6,960,011</u>	<u>8,440,017</u>	<u>6,380,017</u>
Unvoted Debt Margin Within 5.5% Limitation	<u>\$ 16,488,357</u>	<u>\$ 14,963,348</u>	<u>\$ 13,534,251</u>	<u>\$ 15,895,073</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.

2007	2006	2005	2004	2003	2002
\$ 403,765,630	\$ 445,921,963	\$ 420,900,043	\$ 414,923,323	\$ 415,088,815	\$ 369,420,185
42,395,391	46,821,806	44,194,505	43,566,949	43,584,326	38,789,119
7,730,007	9,040,001	10,338,819	11,611,800	8,608,993	2,990,437
201,800	235,641	266,950	176,500	197,600	217,700
2,765,000	3,535,000	5,665,000	3,675,000	7,415,000	13,545,000
8,805,000	9,105,000	630,000	1,235,000	1,815,000	2,370,000
<u>19,501,807</u>	<u>21,915,642</u>	<u>16,900,769</u>	<u>16,698,300</u>	<u>18,036,593</u>	<u>19,123,137</u>
(201,800)	(235,641)	(266,950)	(176,500)	(197,600)	(217,700)
(2,765,000)	(3,535,000)	(4,652,000)	(2,459,000)	(4,700,000)	(6,190,000)
<u>(8,805,000)</u>	<u>(9,105,000)</u>	<u>(630,000)</u>	<u>(1,235,000)</u>	<u>(1,815,000)</u>	<u>(2,370,000)</u>
<u>(11,771,800)</u>	<u>(12,875,641)</u>	<u>(5,548,950)</u>	<u>(3,870,500)</u>	<u>(6,712,600)</u>	<u>(8,777,700)</u>
7,730,007	9,040,001	11,351,819	12,827,800	11,323,993	10,345,437
(18,797)	(3,189)	(503)	(21,518)	(181,829)	(40,329)
<u>7,711,210</u>	<u>9,036,812</u>	<u>11,351,316</u>	<u>12,806,282</u>	<u>11,142,164</u>	<u>10,305,108</u>
<u>\$ 34,684,181</u>	<u>\$ 37,784,994</u>	<u>\$ 32,843,189</u>	<u>\$ 30,760,667</u>	<u>\$ 32,442,162</u>	<u>\$ 28,484,011</u>
\$ 22,207,110	\$ 24,525,708	\$ 23,149,502	\$ 22,820,783	\$ 22,829,885	\$ 20,318,110
19,501,807	21,915,642	16,900,769	16,698,300	18,036,593	19,123,137
<u>(11,771,800)</u>	<u>(12,875,641)</u>	<u>(5,548,950)</u>	<u>(3,870,500)</u>	<u>(6,712,600)</u>	<u>(8,777,700)</u>
<u>7,730,007</u>	<u>9,040,001</u>	<u>11,351,819</u>	<u>12,827,800</u>	<u>11,323,993</u>	<u>10,345,437</u>
<u>\$ 14,477,103</u>	<u>\$ 15,485,707</u>	<u>\$ 11,797,683</u>	<u>\$ 9,992,983</u>	<u>\$ 11,505,892</u>	<u>\$ 9,972,673</u>

CITY OF BARBERTON, OHIO

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

SEWER OWDA LOANS:

<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>	
2011 (5)	\$ 4,066,852	\$ 3,507,421	\$ 559,431	\$ 98,272	\$ 52,193	\$ 150,465	3.72

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

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>	
2011	\$ 5,067,878	\$ 3,199,032	\$ 1,868,846	\$ 345,000	\$ 341,316	\$ 686,316	2.72
2010	5,108,270	3,319,653	1,788,617	335,000	353,879	688,879	2.60
2009	4,595,933	3,212,261	1,383,672	325,000	366,066	691,066	2.00
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.

(5) The Sewer OWDA loans were issued during 2011; therefore the information prior to 2011 is not presented.

CITY OF BARBERTON, OHIO

*DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS*

Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Annual Average Unemployment Rates (3)			
				City of Barberton	Summit County	Ohio	United States
2011	26,824	\$ 498,524,040	\$ 18,585	9.7%	8.5%	8.6%	8.9%
2010	26,824	509,441,408	18,992	11.6%	9.9%	10.1%	9.6%
2009	27,899	495,597,836	17,764	12.3%	9.8%	10.2%	9.3%
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%

Sources:

- (1) U.S. Census Bureau 2000 & 2010.
- (2) U.S. Census Bureau. Per capita personal income for 2011 is in 2010 dollars, the latest available.
- (3) Ohio Job & Family Services, Ohio Labor Market Information.

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

Employer	2011			2004		
	Employees (1)	Rank (2)	Percentage of Total City Withholding Taxes	Employees	Rank (3)	Percentage of Total City Employment
Babcock and Wilcox Power Generation Group	1,011	1	18.51%	1,098	2	8.85%
Summa Health Systems (b)	1,454	2	12.03%	1,361	1	10.98%
Babcock and Wilcox Nuclear Operations	716	3	10.02%	(a)	(a)	(a)
Barberton Board of Education	795	4	5.37%	899	3	7.25%
Babcock and Wilcox Co.	196	5	3.33%	(a)	(a)	(a)
B&C Research Inc.	310	6	2.73%	410	6	3.31%
City of Barberton	320	7	1.44%	408	7	3.29%
Wright Tool Company	26	8	1.41%	(a)	(a)	(a)
Malco Products Inc.	162	9	1.38%	(a)	(a)	(a)
Preferred Compounding Corp Deronde Acq. Corp.	94	10	1.24%	(a)	(a)	(a)
Total	<u>5,084</u>		<u>57.46%</u>	<u>4,176</u>		<u>33.68%</u>
Total City Employment (4)	<u>11,700</u>			<u>12,400</u>		

Source: CCA Division of Taxation.

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

(1) Based on W-2's reported.

(2) Based on total withholding taxes.

(3) Based on the number of employees.

(4) Ohio Labor Market Information (OhioLMI.com)

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

(b) QHG of Barberton was the Hospital Administrator in 2004.

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CITY OF BARBERTON, OHIO

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

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004
General Government								
Clerk of Council	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Municipal Court - Judges	7.00	7.00	7.00	6.00	6.00	8.00	8.00	8.00
Municipal Clerk of Courts	10.34	12.34	14.31	11.28	11.28	12.30	13.30	12.30
Mayor	0.84	0.84	2.00	2.00	2.00	2.00	2.00	2.00
Service Director	0.34	0.34	0.84	0.84	0.84	1.30	1.30	1.30
Finance	4.00	5.00	5.00	5.20	5.20	5.20	5.20	4.60
Law	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Safety Director	0.34	0.34	1.00	0.50	1.00	1.00	1.00	1.00
Human Resources	0.27	0.27	1.00	1.50	-	-	1.00	1.00
Information Systems	0.89	0.89	0.91	0.93	0.93	0.90	1.70	1.70
Income Tax	-	1.00	1.00	1.00	1.00	1.00	2.60	4.60
Other	3.07	4.00	4.00	3.00	3.00	2.00	2.00	2.00
Public Safety								
Police/Dispatch	49.00	50.00	55.00	51.00	54.00	51.00	53.00	55.00
Fire	41.00	45.00	46.00	43.00	46.00	44.00	46.00	46.00
Health and Welfare								
Health District (1)	-	-	18.00	20.00	23.00	24.00	24.00	24.00
Transportation								
Signal	2.00	2.00	2.00	2.00	2.00	2.00	2.00	4.00
Streets	13.00	13.00	13.00	19.00	16.00	13.00	15.00	22.00
Community Environment								
Engineering/Building	6.06	7.00	7.34	6.83	6.59	5.60	5.60	6.60
Planning	3.60	3.00	3.00	3.00	3.50	2.00	3.00	3.00
Leisure Time Activity								
Parks Administration	2.00	2.00	5.00	5.35	4.00	2.00	2.00	3.00
Parks Maintenance	5.00	6.00	6.00	5.00	4.00	5.00	6.00	7.00
Beautification	1.00	1.00	1.00	1.00	1.00	-	-	2.00
Utility Services								
Water	28.15	29.15	30.50	28.65	28.53	29.50	30.00	27.40
Sewer	26.30	25.95	25.30	30.12	21.33	26.40	26.00	25.20
Storm Water	4.00	3.00	3.00	3.00	3.00	-	-	-
Solid Waste	0.80	0.80	0.80	0.80	0.80	0.80	0.30	0.30
Community Center	-	-	-	-	-	2.00	2.00	2.00
Total	214.00	224.92	258.00	256.00	250.00	246.00	257.00	270.00

(1) The Barberton Health District was consolidated with the Summit County Health Department effective October 1, 2010.

Source: City of Barberton records

<u>2003</u>	<u>2002</u>
1.00	1.00
8.00	8.00
12.30	12.30
2.00	2.00
1.30	1.30
5.60	5.60
3.00	3.00
1.00	1.00
1.00	2.00
1.70	1.70
4.60	4.60
2.00	1.00
56.00	56.00
44.00	45.00
25.00	23.00
4.00	4.00
23.00	23.00
8.30	9.30
3.00	3.00
3.00	3.00
7.00	7.00
2.00	2.00
30.00	28.60
28.00	26.40
-	-
0.20	0.20
3.00	3.00
<u>280.00</u>	<u>277.00</u>

CITY OF BARBERTON, OHIO

*OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS*

Function	2011	2010	2009	2008	2007	2006
General Government						
Positions Filled	13	12	10	9	22	21
Building Permits Issued	653	916	843	1,008	293	504
Building Inspections Performed	6,777	9,660	6,924	2,762	1,593	2,016
Ordinances & Resolutions	201	204	248	231	213	250
Public Safety						
Police:						
Physical Arrests	2,154	2,123	2,154	2,149	2,062	2,381
Parking Violations	1,153	1,340	1,414	1,476	1,560	273
Traffic Violations	971	1,919	1,972	2,579	1,724	2,110
Fire:						
Emergency Responses	3,991	3,907	3,909	3,479	4,022	3,754
Fire Responses	594	512	505	611	749	583
Inspections conducted	380	940	930	819	124	729
Leisure Time Activities						
Recreation Center Attendance	6,936	6,215	6,333	5,735	N/A	N/A
Recreation Center Memberships	1,145	1,011	1,288	999	701	998
Transportation						
Street Resurfacing (miles)	4.37	0.41	1.13	1.66	1.42	2.64
Tons of salt used	2,203	4,352	3,100	4,049	2,750	2,366
Water						
New Connections	14	37	58	32	60	81
Water Main Breaks	126	124	125	128	131	124

Source: City of Barberton Departments.

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

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
2	13	7	7
550	629	695	772
2,200	2,516	2,780	3,072
214	202	175	214
2,170	2,040	2,073	1,972
890	1,697	1,638	677
2,324	2,950	2,902	2,310
3,571	3,558	3,370	3,442
599	692	576	590
685	700	828	859
N/A	N/A	N/A	N/A
1,459	1,883	2,909	N/A
1.8	0	0	1.67
4,433	3,837	6,594	3,544
110	90	116	152
84	93	107	91

CITY OF BARBERTON, OHIO

*CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN YEARS*

Function	2011	2010	2009	2008	2007	2006	2005
Public Safety							
Police:							
Stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire:							
Stations	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Leisure Time Activities							
Parks	16.00	16.00	16.00	16.00	16.00	15.00	15.00
Park Acreage	161.00	161.00	161.00	161.00	161.10	140.00	140.00
Tennis Courts	6.00	6.00	6.00	8.00	8.00	8.00	8.00
Baseball Diamonds	11.00	11.00	11.00	11.00	11.00	3.00	3.00
Softball Fields	7.00	7.00	7.00	7.00	7.00	12.00	12.00
Transportation							
Streets (Paved Miles)	130.99	130.99	130.99	130.99	130.99	130.99	128.35
Water							
Water Mains (miles)	137.50	137.50	137.50	137.50	136.70	136.37	135.97
Sewer							
Sanitary Sewers (miles)	92.50	92.50	92.50	92.50	91.25	91.25	91.25

Source: City of Barberton Departments.

<u>2004</u>	<u>2003</u>	<u>2002</u>
1.00	1.00	1.00
2.00	2.00	2.00
15.00	15.00	15.00
140.00	140.00	140.00
8.00	8.00	8.00
3.00	3.00	3.00
12.00	12.00	12.00
126.55	126.55	126.55
135.97	135.97	135.97
91.25	91.25	91.25

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Dave Yost • 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 14, 2012**