

CITY OF BARBERTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

PREPARED BY:

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

*104 THIRD STREET
BARBERTON, OHIO 44203*



Dave Yost • Auditor of State

Members of Council
City of Barberton
104 3rd Street NW
Barberton, Ohio 44203

We have reviewed the *Independent Auditor's Report* of the City of Barberton, Summit County, prepared by Julian & Grube, Inc., for the audit period January 1, 2012 through December 31, 2012. 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, 2013

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INTRODUCTORY SECTION

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CITY OF BARBERTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

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City of Barberton

Finance Department

June 18, 2013

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, 2012, and has been developed to accurately detail the status of the City finances to Barberton residents and elected officials, investment banks and underwriters and all other interested parties. This report is presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments". It is intended to provide all pertinent and necessary information to the citizens of Barberton.

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

The City is responsible for establishing and maintaining internal controls 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 accounting principles generally accepted in the United States of America (GAAP). Internal controls are 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. The City continues to receive an unmodified opinion. The Independent Auditor's 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 controls, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with 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). GAAP 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 Auditor's 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 26,800.

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 reductions 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 be a burden 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. The BCDC, through business financing, gap loans, construction of infrastructure and redevelopment projects have assisted over 200 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.

In October of 2011, the BCDC was awarded \$1,000,000 from the Small Business Administration to assist businesses in the City of Barberton. Within an 8 month period of time, the BCDC has loaned \$800,000 of the available SBA funds. 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 5 leases. 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.

In September of 2011, the BCDC launched the Barberton Growth Fund in partnership with JumpStart Inc. The fund is designed to assist start-up companies in new and emerging technologies. To date, three companies have utilized the funds and have begun operations within the city.

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 reducing expenses. An example of this effort is that the full-time staffing levels have been reduced from 283 employees in 2001 to 217 at the end of 2012. The result of the staffing reductions and other cuts has helped minimize expenditure growth since 2001 in the General Fund, the City's major (non-utility) operating fund.

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, 2012 the city has invested approximately \$2.034 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 had nearly completed renovation of the wastewater treatment facilities and processes. Total costs are estimated at approximately \$6.2 million. In addition, stimulus dollars of approximately \$469,000 were 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 had two ongoing Ohio Public Works Commission (OPWC) no 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 during 2012 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 approved. Engineering design work is almost complete and construction is underway. Total project costs are estimated at \$2.164 million.

The City applied for and was awarded a 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 loaned approved included a 20% principal forgiveness. Construction began in 2012.

The Utility Department also has completed design work on the Snyder Avenue (sewage) Pump Station financed by a low interest loan by Ohio EPA and the Ohio Water Development Authority (OWDA) through the Ohio Water Pollution Control Fund. Costs are estimated at \$2.4 million.

Design work has also been completed on addition sewage plant improvements finance with a low interest loan, also through OWDA. This project is estimated at \$500,000.

The City Planning Department was 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 fiscal year ended December 31, 2011. 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 GAAP 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 22 consecutive years (1990-2011). 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,



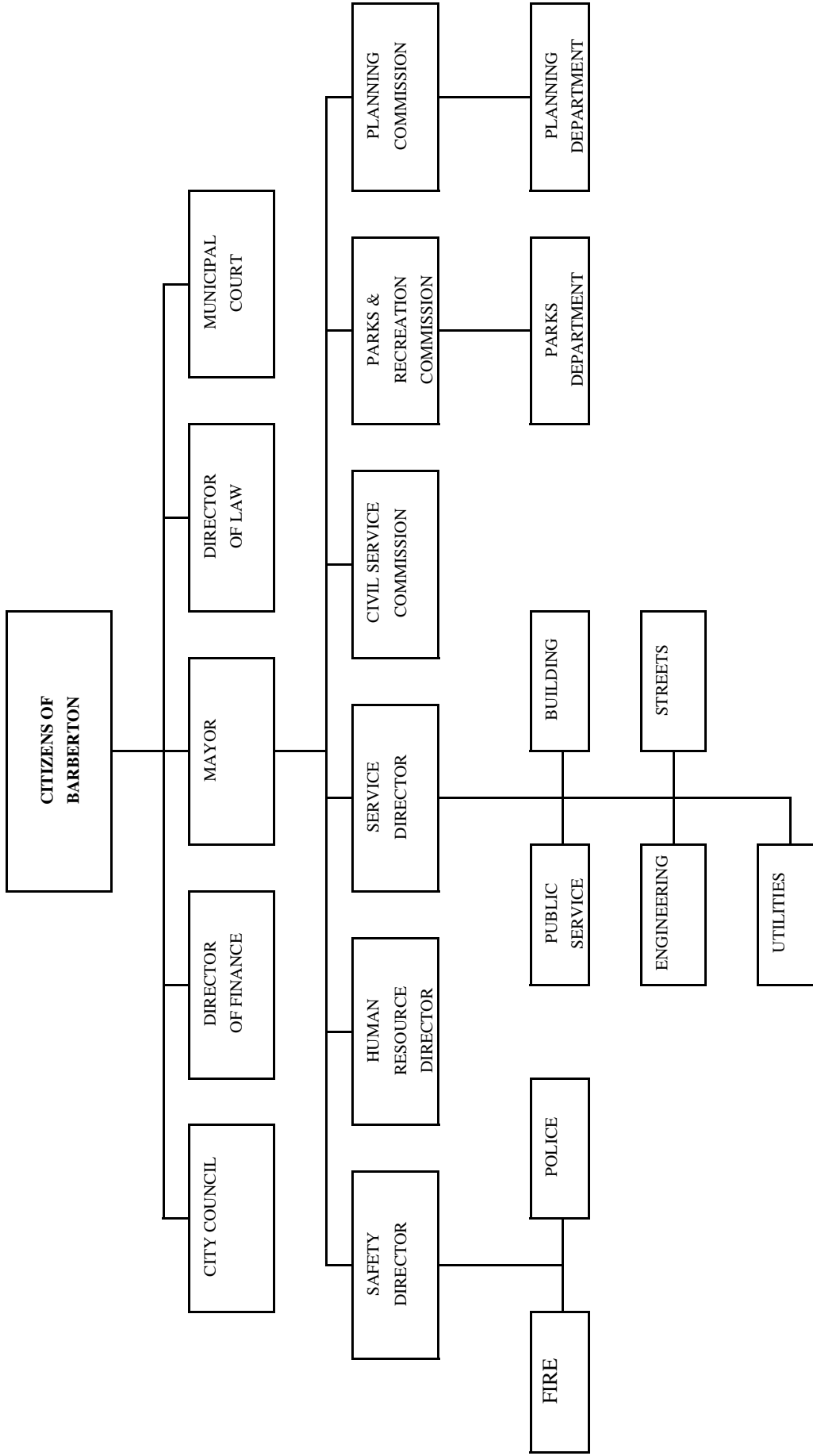
Raymond E. Flickinger, Jr., CPFA
Director of Finance

CITY OF BARBERTON, OHIO

**LIST OF PRINCIPAL CITY OFFICIALS
AS OF DECEMBER 31, 2012**

Mayor	(Elected: four-year term)	William B. Judge
Cabinet of the Mayor:	(Appointed)	
Service Director		Elwood Palmer
Safety Director		Vacant
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)	David Fish Christine Croce
Clerk of Municipal Court	(Elected: six-year term)	Diana Stevenson
Council:	(Elected: four-year term)	
President		Frederick S. Maurer
Members:		
At-Large		Michael R. Soyars
At-Large		Carla S. Debevec
Ward 1		Gary L. Endres
Ward 2		John Lysenko
Ward 3		John D. Wagner
Ward 4		Craig Megyes
Ward 5		Terry L. Avant
Ward 6		Carol A. Frey

**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, 2011

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.



Christopher P. Moynell

President

Jeffrey R. Enev

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 Auditor's Report

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

To the Members of Council and Mayor:

Report on the Financial Statements

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, 2012 and the related notes to the financial statements, which collectively comprise the City of Barberton's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City of Barberton's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City of Barberton's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

City of Barberton
Independent Auditor's Report

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended December 31, 2012, the City of Barberton adopted the provisions of Governmental Accounting Standard No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on 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 present 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. We subjected these statements and schedules 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, and other additional procedures 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2013, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Barberton's internal control over financial reporting and compliance.



Julian & Grube, Inc.
June 18, 2013

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012 (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, 2012. 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 2012 follows:

- The total assets of the City of Barberton exceeded its liabilities and deferred inflows at December 31, 2012 by \$72,585,482 (net position). Of this amount, \$3,179,143 is considered restricted for various purposes such as capital projects, debt service and other restrictions. Another \$56,533,349 is invested in capital assets and the remaining \$12,872,990 is considered unrestricted and may be used to meet the City's ongoing services and other obligations.
- Total net position increased \$1,511,961 as a result of this year's operations. Net position of business-type activities increased \$1,542,168, or 3.52 percent, while the net position of governmental activities decreased \$30,207, or 0.11 percent.
- The total cost of the City's service programs was \$32,764,314, while the total revenues were \$34,276,275. Of these amounts the governmental activities represented \$20,728,899 (63.27%) of the expenses and \$20,729,838 (60.48%) of the revenues. The business-type activities represented the remaining \$12,035,415 (36.73%) of expenses and \$13,546,437 (39.52%) of revenues.
- At the end of 2012, the fund balance for the general fund was \$4,241,032 on a modified accrual basis. This balance provides the City with the equivalent of 100 working days of expenditures.

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 position and the statement of activities provide information from a summary perspective showing the results of the operations for the year 2012 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, 2012 (UNAUDITED)

Reporting the City of Barberton as a Whole

Statement of Net Position and Statement of Activities

The statement of net position 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, deferred outflows, liabilities and all deferred inflows 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 position, you can determine what the City's current financial position is by subtracting total liabilities and deferred inflows (what the City owes) from total assets and deferred outflows (what the City owns). Over time, increases or decreases in the City's net position 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 9. Fund financial reports give a detailed accounting of the activities within the funds. The City currently has 48 funds, as presented in this report. These funds are in existence to provide a multitude of services to the citizens of Barberton. For example, some funds provide for police and fire protection, street repair and maintenance as well as water, sewer, storm water and solid waste disposal services. In addition, a number of funds serve a variety of other purposes ranging from accounting for the City's construction of capital and infrastructure assets to providing health care benefits to the City's employees. Each fund is in some ways an entity unto itself. Each fund has a designated revenue stream and restricted uses for the monies within the fund.

In this report, the focus is on 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 position 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, 2012
(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 Position

As noted earlier, the statement of net position 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 position for 2012 compared to 2011. The 2011 net position for both the governmental activities and business-type activities have been restated as described in Note 3.A.

	Net Position					
	Governmental	Business-type	Restated	Restated		Restated
	Activities	Activities	Governmental	Business-type	2012	2011
	<u>2012</u>	<u>2012</u>	<u>2011</u>	<u>2011</u>	<u>Total</u>	<u>Total</u>
<u>Assets</u>						
Current and other assets	\$ 13,660,069	\$ 10,454,179	\$ 13,959,780	\$ 10,378,795	\$ 24,114,248	\$ 24,338,575
Capital assets, net	<u>23,882,997</u>	<u>50,254,167</u>	<u>24,396,526</u>	<u>47,497,626</u>	<u>74,137,164</u>	<u>71,894,152</u>
Total assets	<u>37,543,066</u>	<u>60,708,346</u>	<u>38,356,306</u>	<u>57,876,421</u>	<u>98,251,412</u>	<u>96,232,727</u>
<u>Liabilities</u>						
Current and other liabilities	1,695,654	1,032,144	1,966,528	916,068	2,727,798	2,882,596
Long-term liabilities:						
Due within one year	2,417,241	879,622	1,966,405	1,336,172	3,296,863	3,302,577
Due in more than one year	<u>4,850,095</u>	<u>13,501,373</u>	<u>5,839,909</u>	<u>11,871,142</u>	<u>18,351,468</u>	<u>17,711,051</u>
Total liabilities	<u>8,962,990</u>	<u>15,413,139</u>	<u>9,772,842</u>	<u>14,123,382</u>	<u>24,376,129</u>	<u>23,896,224</u>
Deferred inflows	<u>1,289,801</u>	<u>-</u>	<u>1,262,982</u>	<u>-</u>	<u>1,289,801</u>	<u>1,262,982</u>

- - Continued

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)*

	Net Position					
	Governmental	Business-type	Restated	Restated		Restated
	Activities	Activities	Governmental	Business-type	2012	2011
	<u>2012</u>	<u>2012</u>	<u>2011</u>	<u>2011</u>	<u>Total</u>	<u>Total</u>
<u>Net Position</u>						
Net investment in capital assets	\$ 20,259,877	\$ 36,273,472	\$ 19,800,292	\$ 34,551,830	\$ 56,533,349	\$ 54,352,122
Restricted:						
Capital projects	13,978	-	13,961	-	13,978	13,961
Special assessments debt service	388,438	-	391,077	-	388,438	391,077
Street construction, maintenance and repair	673,038	-	863,555	-	673,038	863,555
Court	1,052,276	-	840,533	-	1,052,276	840,533
Recreation	77,404	-	101,358	-	77,404	101,358
Community development and improvements	90,316	-	151,125	-	90,316	151,125
Law enforcement	368,927	-	246,286	-	368,927	246,286
Police and fire pension	84,448	-	99,395	-	84,448	99,395
Fire capital	59,523	-	104,056	-	59,523	104,056
Miscellaneous grants	-	-	23,588	-	-	23,588
911 phone system	25,368	-	22,612	-	25,368	22,612
Sewer replacement and improvement	-	345,427	-	419,483	345,427	419,483
Unrestricted	<u>4,196,682</u>	<u>8,676,308</u>	<u>4,662,644</u>	<u>8,781,726</u>	<u>12,872,990</u>	<u>13,444,370</u>
Total net position	<u>\$ 27,290,275</u>	<u>\$ 45,295,207</u>	<u>\$ 27,320,482</u>	<u>\$ 43,753,039</u>	<u>\$ 72,585,482</u>	<u>\$ 71,073,521</u>

Total assets increased in 2012 by \$2,018,685. This net increase is comprised of a \$224,327 decrease in current assets and an increase of \$2,243,012 in capital assets.

Total liabilities and deferred inflows increased \$506,724 in 2012. 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.

Total net position increased \$1,511,961, due primarily to the increased investment in capital assets. Unrestricted net position decreased \$571,380 or 4.2 percent.

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)*

Statement of Activities

The table below shows the changes in net position for fiscal years 2012 and 2011.

	Change in Net Position					
	Governmental Activities <u>2012</u>	Business-type Activities <u>2012</u>	Governmental Activities <u>2011</u>	Business-type Activities <u>2011</u>	2012 Total	2011 Total
Revenues						
Program revenues:						
Charges for services	\$ 3,382,048	\$ 12,571,941	\$ 3,308,801	\$ 11,935,301	\$ 15,953,989	\$ 15,244,102
Operating grants and contributions	4,081,718	-	3,863,176	-	4,081,718	3,863,176
Capital grants and contributions	<u>250,412</u>	<u>953,470</u>	<u>459,731</u>	<u>547,789</u>	<u>1,203,882</u>	<u>1,007,520</u>
Total program revenues	<u>7,714,178</u>	<u>13,525,411</u>	<u>7,631,708</u>	<u>12,483,090</u>	<u>21,239,589</u>	<u>20,114,798</u>
General revenues:						
Property taxes	1,018,954	-	1,499,793	-	1,018,954	1,499,793
Income taxes	9,913,010	-	12,086,007	-	9,913,010	12,086,007
Grants and entitlements	1,965,699	-	2,322,927	-	1,965,699	2,322,927
Investment earnings	31,249	6,071	39,742	11,031	37,320	50,773
Other	<u>86,748</u>	<u>14,955</u>	<u>304,492</u>	<u>4,960</u>	<u>101,703</u>	<u>309,452</u>
Total general revenues	<u>13,015,660</u>	<u>21,026</u>	<u>16,252,961</u>	<u>15,991</u>	<u>13,036,686</u>	<u>16,268,952</u>
Total revenues	<u>20,729,838</u>	<u>13,546,437</u>	<u>23,884,669</u>	<u>12,499,081</u>	<u>34,276,275</u>	<u>36,383,750</u>
Expenses						
Program expenses:						
General government	4,150,178	-	4,408,029	-	4,150,178	4,408,029
Public safety	10,221,486	-	10,096,123	-	10,221,486	10,096,123
Health and welfare	-	-	28,342	-	-	28,342
Transportation	2,725,173	-	2,730,584	-	2,725,173	2,730,584
Community environment	2,109,074	-	2,741,517	-	2,109,074	2,741,517
Leisure time activity	1,334,529	-	1,328,524	-	1,334,529	1,328,524
Interest and fiscal charges	188,459	-	233,974	-	188,459	233,974
Water	-	4,335,601	-	4,058,731	4,335,601	4,058,731
Sewer	-	4,987,464	-	4,598,025	4,987,464	4,598,025
Solid waste	-	1,894,645	-	1,872,929	1,894,645	1,872,929
Storm water	<u>-</u>	<u>817,705</u>	<u>-</u>	<u>786,687</u>	<u>817,705</u>	<u>786,687</u>
Total expenses	<u>20,728,899</u>	<u>12,035,415</u>	<u>21,567,093</u>	<u>11,316,372</u>	<u>32,764,314</u>	<u>32,883,465</u>
Change in net position before transfers	939	1,511,022	2,317,576	1,182,709	1,511,961	3,500,285
Transfers	<u>(31,146)</u>	<u>31,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(30,207)	1,542,168	2,317,576	1,182,709	1,511,961	3,500,285
Net position at beginning of year (restated)	<u>27,320,482</u>	<u>43,753,039</u>	<u>25,002,906</u>	<u>42,570,330</u>	<u>71,073,521</u>	<u>67,573,236</u>
Net position at end of year	<u>\$ 27,290,275</u>	<u>\$ 45,295,207</u>	<u>\$ 27,320,482</u>	<u>\$ 43,753,039</u>	<u>\$ 72,585,482</u>	<u>\$ 71,073,521</u>

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012 (UNAUDITED)

Governmental Activities

The City's funding for governmental activities comes from a variety of sources, the most significant being the municipal income tax. The City levies an income tax of 2.0 percent on all income earned within the City as well as on the income of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent on the income taxes paid to another municipality by residents of Barberton, up to 2.0 percent of the income. On a full accrual basis, the City received \$9,913,010 in income tax collections, or 47.82 percent of the total governmental revenues in 2012, compared to \$12,086,007 in income tax collections received in 2011. The decrease is a result of significantly higher income tax refunds issued in 2012.

Intergovernmental revenue (i.e. state shared support) represents the City's second largest source of general revenue for the governmental activities. In 2012, the City received \$1,965,699 in unrestricted intergovernmental revenues or 9.48 percent of total revenue. Unrestricted intergovernmental revenues totaled \$2,322,927 or 9.73 percent of total revenue in 2011. The remaining general revenue sources represent smaller amounts and include property taxes (4.92 percent) and various others (0.57 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 2012, the City received \$3,382,048 in charges for services and a combined total of \$4,332,130 in various operating and capital grants. In 2011, these amounts were \$3,308,801 and \$4,322,907, respectively.

The City's governmental activity expenses totaled \$20,728,899 in 2012, 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 49.31 percent and 20.02 percent, respectively. The City's total governmental activities expenses decreased \$838,194 or 3.89 percent from 2011.

Public safety expenses totaled \$10,221,486 and represented 49.31 percent of the City's total governmental activity expenses in 2012 compared to 46.81 percent in 2011. The public safety classification consists of the Police Department, which includes 9-1-1 dispatchers, and the Fire Department. As of December 31, 2012, the City employed 40 full-time police officers, 9 full-time 9-1-1 dispatchers and 40 full-time firefighters.

At \$2,725,173 or 13.15 percent, transportation represents the City's third largest category of governmental activity expenses. The transportation classification consists of the City's Street Department and the Paint and Signal Division. In addition, the City has several funds established that are used to pay private contractors for road resurfacing and general street maintenance. The expenses for the private street resurfacing contracts are also included as transportation related expenses. As of December 31, 2012, the City employed 12 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 10.17% and 6.44% of governmental activity expenses. Expenses for community environment include those related to the community development block grant program and the state clean Ohio and neighborhood stabilization programs. Expenses for recreation programs, parks maintenance, and the sports operating complex make up leisure time activity expenses.

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 2012, the rates were established at \$4.04 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 were completed in 2012 financed by federal grant, State of Ohio loan and customer user charges.

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)*

Water distribution and treatment services are provided to approximately 12,250 customers in and around the Barberton area. Water billing rates are set by the Service Director. In 2012, the rates were established at \$5.80 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 and equipment 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 2012, 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 2012, the charges for services amount of \$12,571,941 accounted for 92.81 percent of the total revenues compared to 95.49 percent in 2011. The other primary source of revenues for the business-type activities in 2012 was capital contributions, consisting of various grants, in the amount of \$953,470. The total expenses for all the business-type activities were \$12,035,415 during 2012, compared to \$11,316,372 in 2011. Net position of the business-type activities increased \$1,542,168 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>2012</u>	Net Cost of Services <u>2012</u>	Total Cost of Services <u>2011</u>	Net Cost of Services <u>2011</u>
Program Expenses:				
General government	\$ 4,150,178	\$ 2,015,188	\$ 4,408,029	\$ 2,258,540
Public safety	10,221,486	9,221,752	10,096,123	9,171,125
Health and welfare		-	28,342	28,322
Transportation	2,725,173	1,382,957	2,730,584	911,160
Community environment	2,109,074	(352,130)	2,741,517	565,694
Leisure time activities	1,334,529	981,798	1,328,524	1,190,025
Interest and fiscal charges	<u>188,459</u>	<u>(234,844)</u>	<u>233,974</u>	<u>(189,481)</u>
Total Expenses	<u>\$ 20,728,899</u>	<u>\$ 13,014,721</u>	<u>\$ 21,567,093</u>	<u>\$ 13,935,385</u>

The dependence upon general revenues for governmental activities is apparent, with 62.79 percent of expenses supported through taxes and other general revenues in 2012 and 64.62 percent in 2011.

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 \$20,855,541 and expenditures of \$21,562,270.

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2012 (UNAUDITED)

The general fund is the chief operating fund of the City of Barberton. During 2012, the City's general fund balance decreased \$444,439. General fund revenues in 2012 decreased \$1,533,883 or about 8.68% compared to 2011. The general fund's primary source of revenue is the municipal income tax. Income tax revenues decreased \$981,593 or 8.76% alongside a decrease in property and other taxes revenues of \$274,019. The decrease in income tax revenues is a result of significantly higher refunds issued during 2012. The assessed values of taxable property within the City continues to decline, which contributed to the decrease in property and other taxes revenues. General fund expenditures decreased slightly in 2012 by \$245,729 or 1.56%. The majority of general fund expenditures consist of general government and public safety functions, which combined accounted for 88.20% of the expenditures in 2012.

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 \$12,583,736 and operating expenses of \$11,522,589, resulting in operating income of \$1,061,147 or 8.43 percent of the total operating revenues compared to 8.12 percent in 2011. Operating revenues for both the water and solid waste funds were sufficient to meet the operating expenses in 2012, while the sewer fund experienced an operating loss. Total operating revenues, primarily charges for services, increased 5.39% while operating expenses increased 5.03%. Small increases in all areas of operating expenses were the primary cause of the increased expenses. The water fund had capital contributions of \$984,616 which consists of contributions of capital assets and capital-related grants and contributions of resources.

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 each department within the general fund and at the personal services, operating, and capital expenditures level for all other 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 2012, 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 2012 original and final budgeted revenues and financing sources were \$16,055,032. The actual revenue collections were \$16,187,756. The largest variances in revenues were for property and other taxes and intergovernmental revenues. The negative variance in property and other taxes revenue of \$125,553 or 15.66% is the result of a significant reduction in appraised real property values in the City. Actual intergovernmental revenues were \$147,170 or 6.80% higher than the final budget, which was primarily the result of a large inheritance tax settlement received in 2012.

During 2012, the City increased general fund appropriations from \$16,200,301 in the original budget to \$16,588,697 in the final budget. Actual expenditures and other financing uses of \$15,610,246 were \$978,451 less than the final budget. 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.

The City's ending unencumbered cash balance of \$2,346,623 in the general fund was \$1,111,175 higher than the final adjusted budgeted amount and represented an increase in the unencumbered balance of \$949,823.

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)*

Capital Assets and Debt Administration

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 6,316,825	\$ 6,387,028	\$ 982,340	\$ 899,541	\$ 7,299,165	\$ 7,286,569
Construction in progress	1,535,327	1,354,297	15,309,194	17,628,551	16,844,521	18,982,848
Buildings	4,252,256	4,530,246	17,742,680	12,590,116	21,994,936	17,120,362
Vehicles and equipment	2,999,663	2,863,878	1,365,001	1,131,719	4,364,664	3,995,597
Infrastructure						
Street subsystem	7,465,176	7,888,150	-	-	7,465,176	7,888,150
Storm sewer subsystem	-	-	2,672,709	2,746,449	2,672,709	2,746,449
Traffic signals subsystem	1,313,750	1,372,927	-	-	1,313,750	1,372,927
Water lines	-	-	5,290,248	5,278,985	5,290,248	5,278,985
Sewer lines	-	-	6,891,995	7,222,265	6,891,995	7,222,265
Totals	\$23,882,997	\$24,396,526	\$50,254,167	\$47,497,626	\$74,137,164	\$71,894,152

Total capital assets for the year ended December 31, 2012 were \$74,137,164, which is an increase from the 2011 figure by \$2,243,012. The increase is primarily the result of expenditures for on-going construction projects for the business-type activities, primarily for the water fund. Total new asset additions of \$5,693,206 exceeded depreciation expense of \$3,322,434, and disposals, net of accumulated depreciation, of \$127,760. 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, 2012 was \$17,720,954. This balance reflects a decrease of \$11,548 from the prior year's balance of \$17,732,502. Moody's Investors Service, Inc. has given the City a bond rating of Aa3.

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 2,670,376	\$ 3,524,427	\$ 1,156,242	\$ 1,885,704	\$ 3,826,618	\$ 5,410,131
Revenue bonds	-	-	7,259,715	7,629,035	7,259,715	7,629,035
Capital leases	310,376	234,272	267,540	-	577,916	234,272
Special assessment bonds	38,868	50,841	-	-	38,868	50,841
Notes payable	83,500	204,375	246,500	360,625	330,000	565,000
Other debt	637,139	772,791	5,050,698	3,070,432	5,687,837	3,843,223
Total long-term obligations	\$ 3,740,259	\$ 4,786,706	\$ 13,980,695	\$ 12,945,796	\$ 17,720,954	\$ 17,732,502

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, 2012 (UNAUDITED)

Economic Factors and the 2013 General Fund Budget

Some of the economic trends impacting Barberton that were considered in developing the 2013 budget include the following:

- Barberton's average annual unemployment rate during 2012 was 8.0 percent, compared to 6.8 percent for Summit County and 7.2 percent for the State of Ohio.
- 2012 income tax revenue amounted to approximately \$9.91 million compared with \$12.08 million in 2011. Income tax receipts through April 2013 are 6.2 percent ahead of April 2012 year to date collections.
- Barberton's assessed real property values have decreased approximately \$4.9 million, or about 1.4 percent since 2003. Real property values increased annually through 2008; however, since 2008 the assessed values have declined approximately \$55.4 million or 14%. The latest reappraisal occurred in 2012 and resulted in a decrease in real property values of approximately \$48.1 million or 12%.

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 an alternative, the City has pursued and been awarded several no or low-interest loans to assist in improving and maintaining its infrastructure. It is anticipated that further cost containment efforts, service reductions, and/or revenue enhancement actions may be necessary through the remainder of 2013 and into 2014 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 POSITION
DECEMBER 31, 2012*

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 8,042,285	\$ 7,092,510	\$ 15,134,795
Cash and cash equivalents in segregated accounts . . .	201,481	-	201,481
Investments	-	1,810,282	1,810,282
Receivables:			
Property taxes	1,515,710	-	1,515,710
Income taxes	1,705,151	-	1,705,151
Accounts	134,962	1,009,582	1,144,544
Intergovernmental	1,983,572	-	1,983,572
Accrued interest	4,239	2,547	6,786
Special assessments	38,869	-	38,869
Internal balance	(125,568)	125,568	-
Notes receivable	92,615	-	92,615
Prepayments	66,753	64,365	131,118
Materials and supplies inventory	-	349,325	349,325
Capital assets:			
Nondepreciable capital assets	7,852,152	16,291,534	24,143,686
Depreciable capital assets, net	16,030,845	33,962,633	49,993,478
Total capital assets, net	<u>23,882,997</u>	<u>50,254,167</u>	<u>74,137,164</u>
Total assets	<u>37,543,066</u>	<u>60,708,346</u>	<u>98,251,412</u>
Liabilities:			
Accounts payable	359,776	227,472	587,248
Contracts payable	292,294	400,647	692,941
Accrued wages and benefits payable	49,794	44,206	94,000
Intergovernmental payable	725,042	77,207	802,249
Accrued interest payable	32,533	36,112	68,645
Claims payable	152,715	-	152,715
Notes payable	83,500	246,500	330,000
Long-term liabilities:			
Due within one year	2,417,241	879,622	3,296,863
Due in more than one year	4,850,095	13,501,373	18,351,468
Total liabilities	<u>8,962,990</u>	<u>15,413,139</u>	<u>24,376,129</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	1,289,801	-	1,289,801
Total deferred inflows of resources	<u>1,289,801</u>	<u>-</u>	<u>1,289,801</u>
Net position:			
Net investment in capital assets	20,259,877	36,273,472	56,533,349
Restricted for:			
Capital projects	13,978	-	13,978
Special assessments debt service	388,438	-	388,438
Street construction, maintenance and repair	673,038	-	673,038
Court	1,052,276	-	1,052,276
Recreation	77,404	-	77,404
Community development and improvements	90,316	-	90,316
Law enforcement	368,927	-	368,927
Police and fire pension	84,448	-	84,448
Fire capital	59,523	-	59,523
911 phone system	25,368	-	25,368
Sewer replacement and improvement	-	345,427	345,427
Unrestricted	4,196,682	8,676,308	12,872,990
Total net position	<u>\$ 27,290,275</u>	<u>\$ 45,295,207</u>	<u>\$ 72,585,482</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012*

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 4,150,178	\$ 2,133,191	\$ 1,799	\$ -
Public safety	10,221,486	743,319	256,415	-
Transportation	2,725,173	85,187	1,006,617	250,412
Community environment	2,109,074	316,971	2,144,233	-
Leisure time activities	1,334,529	103,380	249,351	-
Interest and fiscal charges	188,459	-	423,303	-
Total governmental activities	<u>20,728,899</u>	<u>3,382,048</u>	<u>4,081,718</u>	<u>250,412</u>
Business-type activities:				
Water	4,335,601	5,651,426	-	953,470
Sewer	4,987,464	4,115,822	-	-
Storm water	817,705	772,796	-	-
Solid waste	1,894,645	2,031,897	-	-
Total business-type activities	<u>12,035,415</u>	<u>12,571,941</u>	<u>-</u>	<u>953,470</u>
Total primary government	<u>\$ 32,764,314</u>	<u>\$ 15,953,989</u>	<u>\$ 4,081,718</u>	<u>\$ 1,203,882</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

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year (restated) . .

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Governmental Activities	Business-type Activities	Total
\$ (2,015,188)	\$ -	\$ (2,015,188)
(9,221,752)	-	(9,221,752)
(1,382,957)	-	(1,382,957)
352,130	-	352,130
(981,798)	-	(981,798)
234,844	-	234,844
<u>(13,014,721)</u>	<u>-</u>	<u>(13,014,721)</u>
-	2,269,295	2,269,295
-	(871,642)	(871,642)
-	(44,909)	(44,909)
-	137,252	137,252
<u>-</u>	<u>1,489,996</u>	<u>1,489,996</u>
<u>(13,014,721)</u>	<u>1,489,996</u>	<u>(11,524,725)</u>
637,608	-	637,608
211,858	-	211,858
84,744	-	84,744
84,744	-	84,744
9,913,010	-	9,913,010
1,965,699	-	1,965,699
31,249	6,071	37,320
86,748	14,955	101,703
<u>13,015,660</u>	<u>21,026</u>	<u>13,036,686</u>
<u>(31,146)</u>	<u>31,146</u>	<u>-</u>
<u>12,984,514</u>	<u>52,172</u>	<u>13,036,686</u>
(30,207)	1,542,168	1,511,961
<u>27,320,482</u>	<u>43,753,039</u>	<u>71,073,521</u>
<u>\$ 27,290,275</u>	<u>\$ 45,295,207</u>	<u>\$ 72,585,482</u>

CITY OF BARBERTON, OHIO

*BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012*

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 2,485,914	\$ 4,047,016	\$ 6,532,930
Cash and cash equivalents in segregated accounts	201,481	-	201,481
Receivables:			
Property taxes	1,034,248	481,462	1,515,710
Income taxes	1,705,151	-	1,705,151
Accounts	73,242	50,000	123,242
Intergovernmental	882,513	1,101,059	1,983,572
Accrued interest	4,239	-	4,239
Due from other funds	734,112	-	734,112
Special assessments	-	38,869	38,869
Notes receivable	1,777	90,838	92,615
Prepayments	58,551	8,202	66,753
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 7,181,228</u>	<u>\$ 5,817,446</u>	<u>\$ 12,998,674</u>
Liabilities:			
Accounts payable	\$ 101,954	\$ 257,822	\$ 359,776
Contracts payable	28,324	263,970	292,294
Accrued wages and benefits payable	38,918	10,876	49,794
Compensated absences payable	92,691	-	92,691
Intergovernmental payable	706,448	18,594	725,042
Due to other funds	-	734,112	734,112
Accrued interest payable	-	237	237
Notes payable	-	83,500	83,500
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>968,335</u>	<u>1,369,111</u>	<u>2,337,446</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	880,099	409,702	1,289,801
Delinquent property tax revenue not available	154,149	71,760	225,909
Accrued interest not available	4,239	-	4,239
Special assessments revenue not available	-	38,869	38,869
Income tax revenue not available	580,648	-	580,648
Intergovernmental revenue not available	352,726	881,083	1,233,809
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>1,971,861</u>	<u>1,401,414</u>	<u>3,373,275</u>
Fund balances:			
Nonspendable	60,328	8,202	68,530
Restricted	-	2,640,966	2,640,966
Committed	21,271	1,412,462	1,433,733
Assigned	1,257,550	-	1,257,550
Unassigned (deficit)	2,901,883	(1,014,709)	1,887,174
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>4,241,032</u>	<u>3,046,921</u>	<u>7,287,953</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,181,228</u>	<u>\$ 5,817,446</u>	<u>\$ 12,998,674</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2012*

Total governmental fund balances		\$	7,287,953
 <i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			23,882,997
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Delinquent property taxes receivable	\$	225,909	
Municipal income taxes receivable		580,648	
Intergovernmental receivable		1,233,809	
Special assessments receivable		38,869	
Accrued interest receivable		4,239	
Total		4,239	2,083,474
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		(3,517,886)	
General obligation bonds payable		(2,670,376)	
Special assessment bonds payable		(38,868)	
Section 108 loan payable		(520,000)	
State infrastructure bank loan payable		(117,139)	
Capital lease obligation		(310,376)	
Total		(3,517,886)	(7,174,645)
On the statement of net position interest is accrued on outstanding bonds and loans payable, whereas in governmental funds interest is accrued when due.			(32,296)
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position.			1,368,360
An internal balance is recorded in governmental activities to reflect overpayments to the internal service funds by the business-type activities.			(125,568)
Net position of governmental activities		\$	27,290,275

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, 2012*

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Property and other taxes.	\$ 676,147	\$ 399,285	\$ 1,075,432
Municipal income taxes.	10,218,388	-	10,218,388
Charges for services.	1,919,146	192,815	2,111,961
Licenses and permits	494,997	-	494,997
Fines and forfeitures	87,402	415,234	502,636
Intergovernmental.	2,466,861	2,713,568	5,180,429
Special assessments	-	110,140	110,140
Investment income.	31,082	2,792	33,874
Contributions and donations.	-	547,490	547,490
Other	235,327	344,867	580,194
Total revenues	<u>16,129,350</u>	<u>4,726,191</u>	<u>20,855,541</u>
Expenditures:			
Current:			
General government	4,039,518	36,077	4,075,595
Public safety	9,622,414	233,789	9,856,203
Transportation	134,704	1,201,327	1,336,031
Community environment	716,829	1,323,200	2,040,029
Leisure time activities	782,485	344,473	1,126,958
Capital outlay.	194,196	1,615,679	1,809,875
Debt service:			
Principal retirement.	-	1,135,496	1,135,496
Interest and fiscal charges	-	182,083	182,083
Total expenditures	<u>15,490,146</u>	<u>6,072,124</u>	<u>21,562,270</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>639,204</u>	<u>(1,345,933)</u>	<u>(706,729)</u>
Other financing sources (uses):			
Sale of assets	12,721	3,468	16,189
Capital lease transaction.	-	207,780	207,780
Transfers in	15,790	1,262,154	1,277,944
Transfers (out).	(1,112,154)	(165,790)	(1,277,944)
Loan proceeds.	-	3,036	3,036
Total other financing sources (uses)	<u>(1,083,643)</u>	<u>1,310,648</u>	<u>227,005</u>
Net change in fund balances	(444,439)	(35,285)	(479,724)
Fund balances at beginning of year (restated).	<u>4,685,471</u>	<u>3,082,206</u>	<u>7,767,677</u>
Fund balances at end of year.	<u>\$ 4,241,032</u>	<u>\$ 3,046,921</u>	<u>\$ 7,287,953</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, 2012*

Net change in fund balances - total governmental funds \$ (479,724)

*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	\$ 974,169	
Current year depreciation	(1,411,780)	
Total	(437,611)	(437,611)

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. (75,918)

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

Delinquent property taxes	(56,478)	
Municipal income taxes	(305,378)	
Intergovernmental revenues	250,750	
Special assessments	(11,972)	
Investment income	(2,625)	
Total	(125,703)	(125,703)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. 1,135,496

In the statement of activities, interest is accrued on outstanding bonds, loans and capital leases, 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:

Increase in accrued interest payable	(7,268)	
Amortization of bond premiums	1,720	
Amortization of bond discounts	(828)	
Total	(6,376)	(6,376)

Proceeds from capital lease transactions and the issuance of loans are recorded as other financing sources in the governmental funds; however, in the statement of activities they are not reported as revenues as they increase liabilities on the statement of net position. (210,816)

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. (293,903)

Internal service funds used by management to charge the cost of insurance, postage and gasoline to individual funds are not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenues (expenses) of the internal service funds are allocated among the governmental activities. 464,348

Change in net position of governmental activities **\$ (30,207)**

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, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other taxes	\$ 805,812	\$ 801,700	\$ 676,147	\$ (125,553)
Municipal income taxes	10,300,000	10,300,000	10,300,000	-
Charges for services	1,933,919	1,924,050	2,008,063	84,013
Licenses and permits	488,593	486,100	495,394	9,294
Fines and forfeitures	76,390	76,000	90,674	14,674
Intergovernmental	2,161,042	2,163,592	2,310,762	147,170
Investment income	40,205	40,000	31,588	(8,412)
Other	249,071	247,800	246,617	(1,183)
Total revenues	<u>16,055,032</u>	<u>16,039,242</u>	<u>16,159,245</u>	<u>120,003</u>
Expenditures:				
Current:				
General government	4,016,481	4,118,681	3,818,585	300,096
Public safety	9,783,657	9,938,047	9,677,032	261,015
Transportation	167,259	167,259	137,894	29,365
Community environment	891,966	960,576	872,749	87,827
Leisure time activities	822,669	827,729	796,012	31,717
Capital outlay	516,115	574,251	305,820	268,431
Total expenditures	<u>16,198,147</u>	<u>16,586,543</u>	<u>15,608,092</u>	<u>978,451</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(143,115)</u>	<u>(547,301)</u>	<u>551,153</u>	<u>1,098,454</u>
Other financing sources (uses):				
Sale of assets	-	-	12,721	12,721
Transfers in	-	15,790	15,790	-
Transfers (out)	(2,154)	(2,154)	(2,154)	-
Total other financing sources (uses)	<u>(2,154)</u>	<u>13,636</u>	<u>26,357</u>	<u>12,721</u>
Net change in fund balances	(145,269)	(533,665)	577,510	1,111,175
Fund balances at beginning of year	1,396,800	1,396,800	1,396,800	-
Prior year encumbrances appropriated	372,313	372,313	372,313	-
Fund balance at end of year	<u>\$ 1,623,844</u>	<u>\$ 1,235,448</u>	<u>\$ 2,346,623</u>	<u>\$ 1,111,175</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF BARBERTON, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2012

Business-type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents . . .	\$ 3,098,052	\$ 1,713,904	\$ 1,175,877	\$ 759,250	\$ 6,747,083
Investments	1,810,282	-	-	-	1,810,282
Receivables:					
Accounts	483,948	376,470	75,671	73,493	1,009,582
Accrued interest	2,547	-	-	-	2,547
Prepayments	32,355	31,574	266	170	64,365
Materials and supplies inventory	320,543	28,782	-	-	349,325
Total current assets	<u>5,747,727</u>	<u>2,150,730</u>	<u>1,251,814</u>	<u>832,913</u>	<u>9,983,184</u>
Noncurrent assets:					
Restricted assets:					
Equity in pooled cash and cash equivalents . . .	-	345,427	-	-	345,427
Capital assets:					
Nondepreciable capital assets	15,390,392	381,543	-	519,599	16,291,534
Depreciable capital assets, net	6,944,032	24,097,615	-	2,920,986	33,962,633
Total capital assets, net	<u>22,334,424</u>	<u>24,479,158</u>	<u>-</u>	<u>3,440,585</u>	<u>50,254,167</u>
Total noncurrent assets	<u>22,334,424</u>	<u>24,824,585</u>	<u>-</u>	<u>3,440,585</u>	<u>50,599,594</u>
Total assets	<u>28,082,151</u>	<u>26,975,315</u>	<u>1,251,814</u>	<u>4,273,498</u>	<u>60,582,778</u>
Liabilities:					
Current liabilities:					
Accounts payable	109,124	75,588	-	42,760	227,472
Contracts payable	151,765	81,264	152,043	15,575	400,647
Accrued wages and benefits payable	22,248	18,739	174	3,045	44,206
Intergovernmental payable	37,558	33,171	842	5,636	77,207
Accrued interest payable	31,180	3,853	-	1,079	36,112
Claims payable	-	-	-	-	-
Notes payable	246,500	-	-	-	246,500
Current portion of general obligation bonds . .	126,711	69,110	-	-	195,821
Current portion of revenue bonds	375,000	-	-	-	375,000
Current portion of compensated absences . . .	65,539	77,440	284	-	143,263
Current portion of OWDA loans	-	100,946	-	-	100,946
Current portion of capital lease obligations . .	-	48,179	-	16,413	64,592
Total current liabilities	<u>1,165,625</u>	<u>508,290</u>	<u>153,343</u>	<u>84,508</u>	<u>1,911,766</u>
Long-term liabilities:					
General obligation bonds	871,656	88,765	-	-	960,421
Revenue bonds	6,884,715	-	-	-	6,884,715
Compensated absences	230,353	272,184	1,000	-	503,537
OWDA loans	1,985,389	2,088,699	-	-	4,074,088
OPWC loans	875,664	-	-	-	875,664
Capital lease obligations	-	151,377	-	51,571	202,948
Total long-term liabilities	<u>10,847,777</u>	<u>2,601,025</u>	<u>1,000</u>	<u>51,571</u>	<u>13,501,373</u>
Total liabilities	<u>12,013,402</u>	<u>3,109,315</u>	<u>154,343</u>	<u>136,079</u>	<u>15,413,139</u>
Net position:					
Net investment in capital assets	10,968,789	21,932,082	-	3,372,601	36,273,472
Restricted for replacement and improvement . .	-	345,427	-	-	345,427
Unrestricted	5,099,960	1,588,491	1,097,471	764,818	8,550,740
Total net position	<u>\$ 16,068,749</u>	<u>\$ 23,866,000</u>	<u>\$ 1,097,471</u>	<u>\$ 4,137,419</u>	<u>45,169,639</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.					<u>125,568</u>
Net position of business-type activities					<u>\$ 45,295,207</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Governmental
Activities -
Internal
Service Funds**

\$ 1,509,355

-

11,720

-

-

-

1,521,075

-

-

-

-

1,521,075

-

-

-

-

-

152,715

-

-

-

-

-

-

152,715

-

-

-

-

-

152,715

-

-

1,368,360

\$ 1,368,360

CITY OF BARBERTON, OHIO

*STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012*

Business-type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Operating revenues:					
Charges for services	\$ 5,651,426	\$ 4,115,822	\$ 2,031,897	\$ 772,796	\$ 12,571,941
Other	6,777	4,618	-	400	11,795
Total operating revenues	<u>5,658,203</u>	<u>4,120,440</u>	<u>2,031,897</u>	<u>773,196</u>	<u>12,583,736</u>
Operating expenses:					
Personal services	2,186,991	2,053,681	51,711	312,352	4,604,735
Contract services	173,515	368,940	1,832,148	12,963	2,387,566
Materials and supplies	1,047,590	1,287,319	9,967	222,745	2,567,621
Claims	-	-	-	-	-
Other	30,937	21,076	-	-	52,013
Depreciation	526,988	1,116,898	-	266,768	1,910,654
Total operating expenses	<u>3,966,021</u>	<u>4,847,914</u>	<u>1,893,826</u>	<u>814,828</u>	<u>11,522,589</u>
Operating income (loss)	<u>1,692,182</u>	<u>(727,474)</u>	<u>138,071</u>	<u>(41,632)</u>	<u>1,061,147</u>
Nonoperating revenues (expenses):					
Interest revenue	5,866	205	-	-	6,071
Interest and fiscal charges	(352,257)	(67,807)	-	(1,079)	(421,143)
Loss on disposal of capital assets	-	(51,842)	-	-	(51,842)
Special assessments	-	3,160	-	-	3,160
Total nonoperating revenues (expenses)	<u>(346,391)</u>	<u>(116,284)</u>	<u>-</u>	<u>(1,079)</u>	<u>(463,754)</u>
Income (loss) before capital contributions	1,345,791	(843,758)	138,071	(42,711)	597,393
Capital contributions	984,616	-	-	-	984,616
Change in net position	2,330,407	(843,758)	138,071	(42,711)	1,582,009
Net position at beginning of year (restated)	<u>13,738,342</u>	<u>24,709,758</u>	<u>959,400</u>	<u>4,180,130</u>	
Net position at end of year	<u>\$ 16,068,749</u>	<u>\$ 23,866,000</u>	<u>\$ 1,097,471</u>	<u>\$ 4,137,419</u>	
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.					<u>(39,841)</u>
Change in net position of business-type activities.					<u>\$ 1,542,168</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Governmental
Activities -
Internal
Service Funds**

\$ 3,269,660
20,426

3,290,086

-
29,760
491,748
2,341,771
2,300

-

2,865,579

424,507

-
-
-
-

-

424,507

-

424,507

943,853

\$ 1,368,360

CITY OF BARBERTON, OHIO

*STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012*

Business-type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Cash flows from operating activities:					
Cash received from customers	\$ 5,619,048	\$ 4,059,958	\$ 2,035,640	\$ 774,014	\$ 12,488,660
Cash received from other operations	6,777	1,109	-	400	8,286
Cash payments for personal services	(2,175,378)	(2,047,291)	(50,172)	(322,838)	(4,595,679)
Cash payments for contract services	(154,519)	(387,257)	(1,832,683)	(12,963)	(2,387,422)
Cash payments for materials and supplies.	(1,016,251)	(1,250,065)	(9,958)	(210,755)	(2,487,029)
Cash payments for claims.	-	-	-	-	-
Cash payments for other expenses	(32,008)	(11,358)	-	-	(43,366)
Net cash provided by operating activities	<u>2,247,669</u>	<u>365,096</u>	<u>142,827</u>	<u>227,858</u>	<u>2,983,450</u>
Cash flows from noncapital financing activities:					
Cash received from special assessments	-	3,160	-	-	3,160
Net cash provided by noncapital financing activities.	<u>-</u>	<u>3,160</u>	<u>-</u>	<u>-</u>	<u>3,160</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets.	(3,190,902)	(750,408)	-	(212,404)	(4,153,714)
Capital contributions	953,470	-	-	-	953,470
Principal retirement	(1,177,300)	(428,400)	-	(17,998)	(1,623,698)
Note issuance	246,500	-	-	-	246,500
Loan issuance.	1,985,389	95,283	-	-	2,080,672
Interest and fiscal charges.	(389,893)	(65,383)	-	-	(455,276)
Net cash used in capital and related financing activities	<u>(1,572,736)</u>	<u>(1,148,908)</u>	<u>-</u>	<u>(230,402)</u>	<u>(2,952,046)</u>
Cash flows from investing activities:					
Interest received	5,945	205	-	-	6,150
Sale of investments	459,304	-	-	-	459,304
Net cash provided by investing activities.	<u>465,249</u>	<u>205</u>	<u>-</u>	<u>-</u>	<u>465,454</u>
Net increase (decrease) in cash and cash equivalents.	1,140,182	(780,447)	142,827	(2,544)	500,018
Cash and cash equivalents at beginning 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>
Cash and cash equivalents at end of year.	<u>\$ 3,098,052</u>	<u>\$ 2,059,331</u>	<u>\$ 1,175,877</u>	<u>\$ 759,250</u>	<u>\$ 7,092,510</u>

**Governmental
Activities -
Internal
Service Funds**

\$ 3,271,480
16,933
-
(29,760)
(491,748)
(2,402,496)
(2,300)

362,109

-

-

-
-
-
-
-
-

-

-
-

-

362,109
1,147,246
\$ 1,509,355

-- Continued

CITY OF BARBERTON, OHIO

*STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2012*

Business-type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 1,692,182	\$ (727,474)	\$ 138,071	\$ (41,632)	\$ 1,061,147
Adjustments:					
Depreciation.	526,988	1,116,898	-	266,768	1,910,654
Changes in assets and liabilities:					
Decrease (increase) in materials and supplies inventory	(4,576)	15,756	-	-	11,180
Decrease (increase) in accounts receivable.	(30,559)	(59,331)	3,556	1,157	(85,177)
Decrease (increase) in prepayments	(215)	(392)	9	5	(593)
Increase (decrease) in accounts payable	37,286	(1,470)	-	12,046	47,862
Increase (decrease) in contracts payable	14,950	14,719	(348)	-	29,321
Increase (decrease) in accrued wages and benefits.	(1)	(2,906)	174	(830)	(3,563)
Increase (decrease) in due to other governments.	(4,491)	(5,890)	81	(1,738)	(12,038)
Increase (decrease) in compensated absences payable.	16,105	15,186	1,284	(7,918)	24,657
(Decrease) in claims payable.	-	-	-	-	-
Net cash provided by operating activities	<u>\$ 2,247,669</u>	<u>\$ 365,096</u>	<u>\$ 142,827</u>	<u>\$ 227,858</u>	<u>\$ 2,983,450</u>
Reconciliation of cash and cash equivalents:					
Equity in pooled cash and cash equivalents.	\$ 3,098,052	\$ 1,713,904	\$ 1,175,877	\$ 759,250	\$ 6,747,083
Restricted equity in pooled cash and cash equivalents.	-	345,427	-	-	345,427
Total cash and cash equivalents	<u>\$ 3,098,052</u>	<u>\$ 2,059,331</u>	<u>\$ 1,175,877</u>	<u>\$ 759,250</u>	<u>\$ 7,092,510</u>

At December 31, 2012 and December 31, 2011, the Water fund purchased \$171,284 and \$23,270, respectively, in capital assets on account. The Water fund received a transfer of capital assets from the governmental activities in the amount of \$31,146 in 2012.

At December 31, 2012 and December 31, 2011, the Sewer fund purchased \$51,594 and \$50,086, respectively, in capital assets on account. The Sewer fund entered into a capital lease transaction for \$252,384 in 2012.

At December 31, 2012, the Storm Water nonmajor enterprise fund purchased \$46,289 in capital assets on account. The Storm Water nonmajor enterprise fund entered into a capital lease transaction for \$85,982 in 2012.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Governmental
Activities -
Internal
Service Funds**

\$ 424,507

-

-

(1,673)

-

-

-

-

-

-

(60,725)

\$ 362,109

\$ 1,509,355

-

\$ 1,509,355

CITY OF BARBERTON, OHIO

*STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
DECEMBER 31, 2012*

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 264,430
	<u>264,430</u>
Liabilities:	
Deposits held and due to others	\$ 264,430
	<u>264,430</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, 2012

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. 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.

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

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

B. Basis of Presentation - Fund Accounting

The City's BFS consist of government-wide statements, including a statement of net position 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 position 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 position 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, 2012

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. Governmental fund assets and deferred outflows of resources less liabilities and deferred inflows of resources 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 position, 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 position and changes in net position. 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, 2012

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 position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

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, deferred outflows of resources, current liabilities and deferred inflows of resources 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, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. 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 inflows of resources 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, 2012

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.

Deferred Inflows of Resources and Deferred Outflows of Resources - A deferred inflow of resources is an acquisition of net position by the City that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the City that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance year 2013 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows. 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, 2012, are recorded as deferred inflows in governmental funds.

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

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 2012, 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, 2012

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, Cash Equivalents 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 2012, investments were limited to federal agency securities, U.S. Treasury notes, repurchase agreements, U.S. Treasury money market accounts and the State Treasury Asset Reserve of Ohio (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, 2012.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2012 amounted to \$31,082 which includes \$24,373 assigned from other City funds.

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

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

H. Materials and Supplies Inventory

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

I. Restricted Assets

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

Restricted assets at December 31, 2012, were as follows:

Restricted assets held by the City	
Replacement and improvement	\$345,427

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 position, 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 position and in the respective funds.

The City maintains a capitalization threshold of \$5,000. 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

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

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.

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. Prepayments

Payments made to vendors for services that will benefit periods beyond December 31, 2012, 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 Bond Premiums and Discounts/Accounting Gain or Loss

Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an addition to the face amount of the bonds. Bond discounts are presented as a reduction to the face amount of the bonds.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 a deferred outflow.

On the governmental fund financial statements, issuance costs, bond premiums, and deferred charges from refunding 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 position, except for the net residual amount due between governmental and business-type activities which is presented as an internal balance.

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, 2012**

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 Ordinance of the 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 Position

Net position represents the difference between assets plus deferred outflows less liabilities less deferred inflows. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on 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 position are available.

T. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from contributions of capital assets, or from grants or 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, 2012

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2012, the City has implemented GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements", GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities".

GASB Statement No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. An SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the City.

GASB Statement No. 62 codifies accounting and financial reporting guidance contained in pre-November 30, 1989 FASB and AICPA pronouncements in an effort to codify all sources of GAAP for State and local governments so that they derive from a single source. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the City.

GASB Statement No. 63 provides financial and reporting guidance for *deferred outflows of resources* and *deferred inflows of resources* which are financial statement elements that are distinct from assets and liabilities. GASB Statement No. 63 standardizes the presentation of deferred outflows or resources and deferred inflows of resources and their effects on a government's *net position*. The implementation of GASB Statement No. 63 has changed the presentation of the City's financial statements to incorporate the concepts of net position, deferred outflows of resources and deferred inflows of resources.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as *deferred outflows of resources* or *deferred inflows of resources*, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources* and *deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The implementation of GASB Statement No. 65 had the following effect on the financial statements of the City:

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

	Governmental	Business-type	<u>Enterprise Funds</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Water</u>	<u>Sewer</u>
Net assets as previously reported	\$ 27,413,946	\$ 44,007,753	\$ 13,974,123	\$ 24,728,691
Removal of unamortized bond issuance costs	<u>(93,464)</u>	<u>(254,714)</u>	<u>(235,781)</u>	<u>(18,933)</u>
Net position at January 1, 2012	<u>\$ 27,320,482</u>	<u>\$ 43,753,039</u>	<u>\$ 13,738,342</u>	<u>\$ 24,709,758</u>

	Nonmajor Governmental Funds
Fund balance as previously reported	\$ 3,084,071
Removal of unamortized note issuance costs	<u>(1,865)</u>
Fund balance at January 1, 2012	<u>\$ 3,082,206</u>

B. Deficit Fund Balances

Fund balances at December 31, 2012 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Probation services	\$ 100
City grant	294,879
Federal Emergency Management Agency	230,289
Neighborhood stabilization program	184,750
Project impact	220,954
Street improvement	13,538
Issue II improvement	70,199

Other than the city grant, neighborhood stabilization and project impact funds, 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.

C. Compliance

The City had appropriations in excess of estimated resources at year end and throughout the year in noncompliance with Ohio Revised Code Sections 5705.36 and 5705.39.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; 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, 2012, the carrying amount of all City deposits was \$8,047,644. As of December 31, 2012, \$1,494,834 of the City's bank balance of \$8,511,944 was exposed to custodial risk as discussed below, while \$7,017,110 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by Ohio Revised Code, is held in collateral pools at Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the depository bank and pledged as a pool of collateral against all public deposits held by the depository. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of December 31, 2012, 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>	<u>Greater than 24 months</u>
FFCB	\$ 385,145	\$ 250,128	\$ -	\$ -	\$ -	\$ 135,017
FHLB	1,151,788	576,308	125,262	200,394	-	249,824
FHLB discount note	799,939	799,939	-	-	-	-
FHLMC	1,504,930	125,030	601,740	651,543	126,617	-
FHLMC discount note	299,997	299,997	-	-	-	-
FNMA	1,235,241	125,117	275,914	405,320	428,890	-
FNMA discount note	524,953	524,953	-	-	-	-
U.S. Treasury notes	200,516	-	200,516	-	-	-
STAR Ohio	3,041,196	3,041,196	-	-	-	-
Repurchase agreement	120,000	120,000	-	-	-	-
U.S. Treasury money market	99,639	99,639	-	-	-	-
Total	\$ 9,363,344	\$ 5,962,307	\$ 1,203,432	\$ 1,257,257	\$ 555,507	\$ 384,841

The weighted average maturity of investments is 0.52 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 carries a rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investments in 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.

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 the securities 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.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

The following table includes the percentage of each investment type held by the City at December 31, 2012:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FFCB	\$ 385,145	4.11
FHLB	1,151,788	12.30
FHLB discount note	799,939	8.54
FHLMC	1,504,930	16.07
FHLMC discount note	299,997	3.20
FNMA	1,235,241	13.19
FNMA discount note	524,953	5.61
U.S. Treasury notes	200,516	2.14
STAR Ohio	3,041,196	32.50
Repurchase agreement	120,000	1.28
U.S. Treasury money market	99,639	1.06
Total	<u>\$ 9,363,344</u>	<u>100.00</u>

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

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 position as of December 31, 2012:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 8,047,644
Investments	9,363,344
Total	<u>\$ 17,410,988</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 8,243,766
Business type activities	8,902,792
Agency funds	264,430
Total	<u>\$ 17,410,988</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2012, consisted of the following:

<u>Transfer to</u>	<u>Transfers from</u>	
	<u>General</u>	<u>Nonmajor Governmental Funds</u>
General fund	\$ -	\$ 15,790
Nonmajor governmental funds	1,112,154	150,000
Total	<u>\$ 1,112,154</u>	<u>\$ 165,790</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

Transfers presented in the statement of activities consist of a \$31,146 capital asset transfer from the governmental activities to the business-type activities.

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.

Transfers included \$15,790 from the city grant nonmajor governmental fund to the general fund. This transfer was made to close out a grant program and return the remaining cash to the general fund.

- B.** Interfund balances at December 31, 2012 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	<u>\$ 734,112</u>

The purpose of the due to/from other funds is to cover the negative cash balances at year end in various special revenue funds. The interfund balances will be repaid once the anticipated revenues are received.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2012, 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 \$38,869 in the special assessment bond retirement debt service fund (a nonmajor governmental fund).

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 Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 6 - RECEIVABLES - (Continued)

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 preceeding 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. 2012 public utility property taxes became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Fiscal Officer 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, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2012 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow since the current taxes were not levied to finance 2012 operations. The collection of delinquent taxes has also been offset by a deferred inflow 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 reported as a deferred inflow.

The full tax rate for all City operations for the year ended December 31, 2012 was \$3.50 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2012 property tax receipts were based are as follows:

Real property	\$ 341,221,550
Public utility property	<u>9,489,460</u>
Total assessed value	<u>\$ 350,711,010</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.

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

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 6 - RECEIVABLES - (Continued)

C. Intergovernmental Receivables

A summary of the intergovernmental receivables follows:

<u>Governmental activities:</u>	<u>Amounts</u>
Local government State support	\$ 429,096
Motor vehicle and gas tax	362,285
Community development and improvement grants	684,112
Secure our schools grant	268,247
Other grants and entitlements	129,019
Homestead and rollback	107,068
Permissive license tax	<u>3,745</u>
Total	<u>\$ 1,983,572</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, 2012 is \$1,777 and \$90,838 in the general fund and the nonmajor special revenue funds, respectively. The City will collect approximately \$6,454 in 2013.

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CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 7 - CAPITAL ASSETS

A. Capital asset activity for the year ended December 31, 2012, was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/11</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/12</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 6,387,028	\$ -	\$ (70,203)	\$ 6,316,825
Construction in progress	<u>1,354,297</u>	<u>181,030</u>	<u>-</u>	<u>1,535,327</u>
Total capital assets, not being depreciated	<u>7,741,325</u>	<u>181,030</u>	<u>(70,203)</u>	<u>7,852,152</u>
<i>Capital assets, being depreciated:</i>				
Buildings	9,250,709	65,330	-	9,316,039
Vehicles and equipment	11,902,685	610,909	(166,790)	12,346,804
Infrastructure:				
Street subsystem	16,828,112	116,900	-	16,945,012
Traffic signals subsystem	<u>1,777,402</u>	<u>-</u>	<u>-</u>	<u>1,777,402</u>
Total capital assets, being depreciated	<u>39,758,908</u>	<u>793,139</u>	<u>(166,790)</u>	<u>40,385,257</u>
Less: accumulated depreciation:				
Buildings	(4,720,463)	(343,320)	-	(5,063,783)
Vehicles and equipment	(9,038,807)	(469,409)	161,075	(9,347,141)
Infrastructure:				
Street subsystem	(8,939,962)	(539,874)	-	(9,479,836)
Traffic signal subsystem	<u>(404,475)</u>	<u>(59,177)</u>	<u>-</u>	<u>(463,652)</u>
Total accumulated depreciation	<u>(23,103,707)</u>	<u>(1,411,780)</u>	<u>161,075</u>	<u>(24,354,412)</u>
Total capital assets being depreciated, net	<u>16,655,201</u>	<u>(618,641)</u>	<u>(5,715)</u>	<u>16,030,845</u>
Governmental activities capital assets, net	<u>\$ 24,396,526</u>	<u>\$ (437,611)</u>	<u>\$ (75,918)</u>	<u>\$ 23,882,997</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 100,593
Public safety	401,383
Transportation	609,369
Community environment	83,116
Leisure time activities	<u>217,319</u>
Total depreciation expense	<u>\$ 1,411,780</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 7 - CAPITAL ASSETS - (Continued)

B. Capital asset activity for the year ended December 31, 2012 was as follows:

<u>Business-type activities:</u>	<u>Balance</u> 12/31/11	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> 12/31/12
<i>Capital assets, not being depreciated:</i>				
Land	\$ 899,541	\$ 82,799	\$ -	\$ 982,340
Construction in progress	<u>17,628,551</u>	<u>3,470,354</u>	<u>(5,789,711)</u>	<u>15,309,194</u>
Total capital assets, not being depreciated	<u>18,528,092</u>	<u>3,553,153</u>	<u>(5,789,711)</u>	<u>16,291,534</u>
<i>Capital assets, being depreciated:</i>				
Buildings	31,258,036	6,021,203	-	37,279,239
Vehicles and equipment	4,342,334	524,175	(247,986)	4,618,523
Infrastructure				
Water lines	10,757,850	232,076	-	10,989,926
Sewer lines	17,597,271	40,549	-	17,637,820
Storm sewer lines	<u>6,321,821</u>	<u>137,592</u>	<u>-</u>	<u>6,459,413</u>
Total capital assets, being depreciated	<u>70,277,312</u>	<u>6,955,595</u>	<u>(247,986)</u>	<u>76,984,921</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(18,667,920)	(868,639)	-	(19,536,559)
Vehicles and equipment	(3,210,615)	(239,051)	196,144	(3,253,522)
Infrastructure				
Water lines	(5,478,865)	(220,813)	-	(5,699,678)
Sewer lines	(10,375,006)	(370,819)	-	(10,745,825)
Storm sewer lines	<u>(3,575,372)</u>	<u>(211,332)</u>	<u>-</u>	<u>(3,786,704)</u>
Total accumulated depreciation	<u>(41,307,778)</u>	<u>(1,910,654)</u>	<u>196,144</u>	<u>(43,022,288)</u>
Total capital assets, being depreciated, net	<u>28,969,534</u>	<u>5,044,941</u>	<u>(51,842)</u>	<u>33,962,633</u>
Business-type activities capital assets, net	<u>\$ 47,497,626</u>	<u>\$ 8,598,094</u>	<u>\$ (5,841,553)</u>	<u>\$ 50,254,167</u>

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

Water	\$ 526,988
Sewer	1,116,898
Storm water	<u>266,768</u>
Total depreciation expense	<u>\$ 1,910,654</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 8 - CAPITAL LEASES

During 2012, the City entered into capital lease agreements for two dump trucks, a sewer cleaner and a backhoe. In prior years, the City entered into capital lease agreements for an ambulance, a ladder truck, a case loader and a street sweeper. The dump trucks lease payments are paid from the street construction, maintenance and repair nonmajor special revenue fund. The ambulance and ladder truck capital lease payments are paid from the fire capital levy nonmajor special revenue fund. The sewer cleaner capital lease payments are made from the sewer enterprise fund and the backhoe lease payments are made from the storm water nonmajor enterprise fund.

The lease agreements meet the criteria of a capital lease as defined by GASB Statement No. 62, 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 vehicles and equipment have been capitalized in the statement of net position in the amount of \$619,869 in governmental activities. A liability of \$310,376 is reported on the statement of net position at year end, which represents the remaining amount of principal payments outstanding on the leases. The governmental funds made \$131,676 and \$8,491 in principal and interest payments, respectively, during 2012.

For the business-type activities, capital assets consisting of vehicles and equipment have been capitalized in the statement of net position in the amount of \$465,997. A liability of \$267,540 is reported on the statement of net position at year end, which represents the remaining amount of principal payments outstanding on the leases. The enterprise funds made \$70,826 in principal payments during 2012.

The net capital assets acquired through the capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Asset:		
Equipment and vehicles	\$ 619,869	\$ 465,997
Less: accumulated depreciation	<u>(179,849)</u>	<u>(24,054)</u>
Total	<u>\$ 440,020</u>	<u>\$ 441,943</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 8 - CAPITAL LEASES - (Continued)

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

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2013	\$ 140,167	\$ 70,826
2014	100,311	70,826
2015	43,492	70,825
2016	<u>43,492</u>	<u>70,827</u>
Total	327,462	283,304
Less: amount representing interest	<u>(17,086)</u>	<u>(15,764)</u>
Present value of net minimum lease payments	<u>\$ 310,376</u>	<u>\$ 267,540</u>

NOTE 9 - NOTES PAYABLE

Changes in the City's note activity for the year ended December 31, 2012, were as follows:

	<u>Balance 12/31/2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/2012</u>
<u>Governmental fund notes</u>				
Various purpose improvement notes - 1.625%	\$ 204,375	\$ -	\$ (204,375)	\$ -
Various purpose improvement notes - 1.249%	<u>-</u>	<u>83,500</u>	<u>-</u>	<u>83,500</u>
Total governmental fund notes	<u>\$ 204,375</u>	<u>\$ 83,500</u>	<u>\$ (204,375)</u>	<u>\$ 83,500</u>
	<u>Balance 12/31/2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/2012</u>
<u>Enterprise fund notes</u>				
Various purpose improvement notes - 1.625%	\$ 360,625	\$ -	\$ (360,625)	\$ -
Various purpose improvement notes - 1.249%	<u>-</u>	<u>246,500</u>	<u>-</u>	<u>246,500</u>
Total enterprise fund notes	<u>\$ 360,625</u>	<u>\$ 246,500</u>	<u>\$ (360,625)</u>	<u>\$ 246,500</u>

All notes are 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 2012 notes were issued on October 11, 2012 and mature on October 9, 2013.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 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 Issued</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
Governmental Activities				
<u>General Obligation Bonds:</u>				
Construction	2003	1.15-4.00%	\$ 4,967,810	2013
Fifth Street	2004	2.00-3.55%	300,000	2014
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	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
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%	2,388,322	2031
Elevated Water Storage Tank	2012	2.00%	3,253,989	2033
<u>OPWC Loan:</u>				
Summit Road Water Main Project	2011	0.00%	875,664	2043

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

	Balance			Balance	Amounts
	<u>12/31/11</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/12</u>	<u>Due in</u>
Governmental activities:					<u>One Year</u>
<u>General Obligation Bonds:</u>					
Construction Bonds	\$ 1,107,866	\$ -	\$ (544,078)	\$ 563,788	\$ 563,788
Fifth Street Bonds	105,000	-	(35,000)	70,000	35,000
Sports Complex Bonds	128,106	-	(128,106)	-	-
Community Center Bonds	55,590	-	(55,590)	-	-
Various Purpose Improvement Bonds	2,139,261	-	(90,385)	2,048,876	90,391
Discount on Various Purpose Improvement Bonds	(14,831)	-	828	(14,003)	-
Premium on Construction Bonds	<u>3,435</u>	<u>-</u>	<u>(1,720)</u>	<u>1,715</u>	<u>-</u>
Total General Obligation Bonds	<u>3,524,427</u>	<u>-</u>	<u>(854,051)</u>	<u>2,670,376</u>	<u>689,179</u>
<u>Special Assessment Bonds with Government Commitment:</u>					
Street Improvement	<u>50,841</u>	<u>-</u>	<u>(11,973)</u>	<u>38,868</u>	<u>12,452</u>
Total Special Assessment Bonds	<u>50,841</u>	<u>-</u>	<u>(11,973)</u>	<u>38,868</u>	<u>12,452</u>
<u>Other Debt:</u>					
HUD Section 108 Loan	635,000	-	(115,000)	520,000	520,000
State Infrastructure Bank Loan	137,791	3,036	(23,688)	117,139	24,691
Capital Lease	234,272	207,780	(131,676)	310,376	131,002
Compensated Absences	<u>3,223,983</u>	<u>1,275,991</u>	<u>(889,397)</u>	<u>3,610,577</u>	<u>1,039,917</u>
Total Other Debt	<u>4,231,046</u>	<u>1,486,807</u>	<u>(1,159,761)</u>	<u>4,558,092</u>	<u>1,715,610</u>
Total Governmental Activities	<u>\$ 7,806,314</u>	<u>\$ 1,486,807</u>	<u>\$ (2,025,785)</u>	<u>\$ 7,267,336</u>	<u>\$ 2,417,241</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Business-type activities:	Balance <u>12/31/11</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>12/31/12</u>	Amounts Due in <u>One Year</u>
<u>General Obligation Bonds:</u>					
Water Bonds Refunding	\$ 295,000	\$ -	\$ (295,000)	\$ -	\$ -
Water Revenue Bonds Refunding - Deferred Amount	(2,113)	-	2,113	-	-
Various Purpose - New Haven	297,140	-	(145,928)	151,212	151,212
Sanitary Sewer Bonds	208,326	-	(208,326)	-	-
Wolf Creek Dam Repair Bonds	37,978	-	(37,978)	-	-
Various Purpose - Series 2009	1,055,738	-	(44,609)	1,011,129	44,609
Discount on Various Purpose - Series 2009	(7,274)	-	406	(6,868)	-
Premium on Various Purpose - New Haven	909	-	(140)	769	-
Total General Obligation Bonds	<u>1,885,704</u>	<u>-</u>	<u>(729,462)</u>	<u>1,156,242</u>	<u>195,821</u>
<u>Revenue Bonds:</u>					
Waterworks System Revenue Bonds	7,490,000	-	(360,000)	7,130,000	375,000
Waterworks System Revenue Bonds - Unamortized Premium	139,035	-	(9,320)	129,715	-
Total Revenue Refunding Bonds	<u>7,629,035</u>	<u>-</u>	<u>(369,320)</u>	<u>7,259,715</u>	<u>375,000</u>
OWDA Loans	2,194,768	2,080,672	(100,406)	4,175,034	100,946
OPWC Loan	875,664	-	-	875,664	-
Capital Leases	-	338,366	(70,826)	267,540	64,592
Compensated Absences	622,143	169,142	(144,485)	646,800	143,263
Total Business-Type Activities	<u>\$ 13,207,314</u>	<u>\$ 2,588,180</u>	<u>\$ (1,414,499)</u>	<u>\$ 14,380,995</u>	<u>\$ 879,622</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 includes 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 will be retired in 2013.

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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 and solid waste 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, 2012 the bonds have an outstanding balance of \$7,130,000 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 31.02 percent of net revenues. The total principal and interest remaining to be paid on the water revenue bonds is \$9,643,038. Principal and interest paid for the current year and total customer net revenues were \$688,379 and \$2,219,170, respectively.

OWDA Loans

The City has entered into debt financing arrangements through the Ohio Water Development Authority (OWDA) to fund capital improvements to the City's wastewater treatment plant and for a water storage tank. The amount due to the OWDA is payable solely from sewer and water fund revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2012, the City has outstanding borrowings of \$4,175,034. The loan agreements require semi-annual payments based on the permissible borrowings rather than the actual amount loaned.

The City has pledged future sewer and water customer revenues to repay the loans. The loans are payable solely from sewer and water fund revenues and are payable through 2033. Annual principal and interest payments on the loan for the sewer fund are expected to require less than 38.57% of available net revenues. The total principal and interest remaining to be paid on the loans is approximately \$2,702,989 and \$3,964,277 for the sewer and water funds, respectively. The loans have not been closed out as of December 31, 2012, therefore the future annual debt service principal and interest requirements are not available. Principal and interest paid for the current year totaled \$150,210 for the sewer fund.

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, 2012, 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 position. The refunding bonds matured on December 1, 2012.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire the outstanding debt at December 31, 2012, 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>
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	100,435	72,165	172,600	-	-	-
2018 - 2022	559,087	301,899	860,986	-	-	-
2023 - 2027	689,652	174,281	863,933	-	-	-
2028 - 2029	324,746	22,966	347,712	-	-	-
Total	\$ 2,682,664	\$ 912,303	\$ 3,594,967	\$ 38,868	\$ 3,150	\$ 42,018

<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>
2013	\$ 520,000	\$ 25,116	\$ 545,116	\$ 24,691	\$ 4,151	\$ 28,842
2014	-	-	-	25,438	3,405	28,843
2015	-	-	-	26,207	2,636	28,843
2016	-	-	-	26,999	1,844	28,843
2017	-	-	-	13,804	618	14,422
Total	\$ 520,000	\$ 25,116	\$ 545,116	\$ 117,139	\$ 12,654	\$ 129,793

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	Business-Type Activities					
	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 195,821	\$ 46,061	\$ 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	49,565	35,614	85,179	450,000	239,566	689,566
2018 - 2022	275,913	148,989	424,902	2,590,000	852,321	3,442,321
2023 - 2027	340,348	86,009	426,357	2,490,000	263,074	2,753,074
2028 - 2029	160,259	11,338	171,597	-	-	-
Total	<u>\$ 1,162,341</u>	<u>\$ 443,688</u>	<u>\$ 1,606,029</u>	<u>\$ 7,130,000</u>	<u>\$ 2,513,038</u>	<u>\$ 9,643,038</u>

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, 2012, the City's total debt margin was \$32,980,718 and the unvoted debt margin was \$15,444,101.

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 \$72,480,555 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 2012 payroll (payable in 2013) is 2.2863%.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 11 - RISK MANAGEMENT - (Continued)

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 \$622.29 for family coverage or \$276.29 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 \$275.00 for single coverage and \$621.00 for family coverage. The City also pays \$208.25 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, 2012, 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 \$152,715 reported in the internal service fund at December 31, 2012 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 2011 and 2012 are:

	<u>Balance at Beginning of Year</u>	<u>Current Claims</u>	<u>Claims Payment</u>	<u>Balance at End of Year</u>
2011	\$ 252,207	\$ 2,556,468	\$ (2,595,235)	\$ 213,440
2012	213,440	2,341,771	(2,402,496)	152,715

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.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 12 - PENSION PLANS - (Continued)

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 2012, member and contribution rates were consistent across all three plans. The 2012 member contribution rates were 10.00% for members. The City's contribution rate for 2012 was 14.00% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan for 2012 was 10.00%. The City's contribution rate for pension benefits for members in the Combined Plan for 2012 was 7.95%. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$698,345, \$689,147, and \$705,805, respectively; 100% has been contributed for all three years. Contributions to the member-directed plan for 2012 were \$12,244 made by the City and \$8,746 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 or by visiting the website at www.op-f.org.

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 2012, 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 \$316,159 and \$496,300 for the year ended December 31, 2012, \$313,634 and \$478,711 for the year ended December 31, 2011, and \$360,242 and \$518,567 for the year ended December 31, 2010. The full amount has been contributed for 2011 and 2010. 71.53% has been contributed for police and 73.55% has been contributed for firefighters for 2012. The remaining 2012 pension liability has been reported as an intergovernmental payable on the basic financial statements.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 2012, 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 2012 was 4.00%. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2012 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.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010 were \$287,777, \$282,563, and \$399,420, respectively; 100% has been contributed for all three years.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 13 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)

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 or by visiting the website at www.op-f.org.

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.

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, 2012, 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.

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 13 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$167,379 and \$194,205 for the year ended December 31, 2012, \$166,041 and \$187,322 for the year ended December 31, 2011, and \$180,182 and \$200,148 for the year ended December 31, 2010. The full amount has been contributed for 2011 and 2010. 71.53% has been contributed for police and 73.55% has been contributed for firefighters for 2012. The remaining 2012 post-employment health care benefits liability has been reported as an intergovernmental payable on the basic 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.

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:

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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. Investments are reported at fair value (GAAP basis) rather than cost (budget basis);
5. 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,
6. 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	\$ 577,510
Net adjustment for revenue accruals	(101,649)
Net adjustment for expenditure accruals	44,665
Funds budgeted elsewhere	(1,319,748)
Adjustment for encumbrances	<u>354,783</u>
GAAP basis	<u>\$ (444,439)</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.

NOTE 16 - RELATED ORGANIZATIONS

A. Barberton Community Development Corporation

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

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 16 - RELATED ORGANIZATIONS - (Continued)

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 2012, the City received \$618,871 in grants from the Foundation.

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, 2012.

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 on the following table.

Fund balance	General	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Prepayments	\$ 58,551	\$ 8,202	\$ 66,753
Long-term notes	<u>1,777</u>	<u>-</u>	<u>1,777</u>
Total nonspendable	<u>60,328</u>	<u>8,202</u>	<u>68,530</u>

-Continued

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 18 - FUND BALANCE - (Continued)

Fund balance (continued)	General	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:			
Capital projects	\$ -	\$ 13,978	\$ 13,978
Special assessments debt service	-	349,958	349,958
Street construction, maintenance and repair	-	572,009	572,009
Court	-	1,052,276	1,052,276
Recreation	-	77,404	77,404
Community development and improvement	-	137,414	137,414
Law enforcement	-	360,917	360,917
Police and fire pension	-	36,894	36,894
Fire capital	-	14,748	14,748
911 phone system	-	25,368	25,368
Total restricted	-	2,640,966	2,640,966
Committed:			
Insurance premiums	21,271	-	21,271
Street construction, maintenance and repair	-	198,349	198,349
Recreation	-	167,352	167,352
Law enforcement	-	8,010	8,010
Community development and improvement	-	102,298	102,298
Animal control	-	2,729	2,729
Capital projects	-	932,657	932,657
General obligation debt service	-	1,067	1,067
Total committed	21,271	1,412,462	1,433,733
Assigned:			
Subsequent year appropriations	964,782	-	964,782
Police operations	57,794	-	57,794
Fire operations	14,109	-	14,109
Street construction, maintenance and repair	1,283	-	1,283
Parks and recreation	9,852	-	9,852
Building inspection	45,485	-	45,485
Capital expenditures	111,624	-	111,624
Other purposes	52,621	-	52,621
Total assigned	1,257,550	-	1,257,550
Unassigned (deficit)	2,901,883	(1,014,709)	1,887,174
Total fund balances	\$ 4,241,032	\$ 3,046,921	\$ 7,287,953

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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>	<u>Year-End Encumbrances</u>
General fund	\$ 293,215
Nonmajor governmental funds	<u>2,003,777</u>
Total	<u>\$ 2,296,992</u>

NOTE 20 - SUBSEQUENT EVENTS

On February 25, 2013 City Council authorized the Mayor to execute an agreement with the Neighborhood Development Services (NDS) for the sale of the Lake Theater in the amount of \$545,000. NDS has made several improvements/renovations to the theater, hired an operating manager and reopened the theater to the public. The proceeds of the sale will be used to retire the HUD Section 108 loan related to the theater.

On March 11, 2013 City Council passed two resolutions granting the Mayor authority to enter into loan agreements with the Ohio Environmental Protection Agency through the OWDA. The first was in the amount of \$2,400,000 to construct wastewater facilities at the Snyder Avenue Pumping Station. The second was in the amount of \$500,000 for improvements at the Wastewater Treatment plant. Both loans will be repaid with Sewer fund user charge revenue.

**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.

Animal Control Fund

This fund accounts for fines assessed to animal owners for failing to keep their animals properly constrained. Expenditures are devoted solely to furthering animal control purposes within the City.

Probation Services Fund

This fund accounts for probation fees and expenditures related to placing offenders under a community control sanction. This fund did not have any activity on cash-basis during 2012; therefore a budget and actual (non-GAAP budgetary basis) schedule has not been presented.

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.

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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.

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.

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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.

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.

Project Impact Fund

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

Beautification Fund

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

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:

Street Improvement Fund

This fund accounts for revenues and expenditures for street improvements. This fund did not have any activity on cash-basis during 2012; 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 2012; 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.

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, 2012*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property and other taxes	\$ 805,812	\$ 801,700	\$ 676,147	\$ (125,553)
Municipal income taxes.	10,300,000	10,300,000	10,300,000	-
Charges for services.	1,933,919	1,924,050	2,008,063	84,013
Licenses and permits	488,593	486,100	495,394	9,294
Fines and forfeitures	76,390	76,000	90,674	14,674
Intergovernmental	2,161,042	2,163,592	2,310,762	147,170
Investment income	40,205	40,000	31,588	(8,412)
Other	249,071	247,800	246,617	(1,183)
Total revenues.	16,055,032	16,039,242	16,159,245	120,003
Expenditures:				
Current:				
General government				
City council				
Personal services.	195,550	195,550	193,759	1,791
Operating.	4,175	4,175	2,653	1,522
Municipal court judges				
Personal services.	452,540	452,540	420,351	32,189
Operating.	21,487	21,487	18,493	2,994
Clerk of court				
Personal services.	721,543	721,543	662,567	58,976
Operating.	105,679	105,679	91,101	14,578
Mayor				
Personal services.	64,370	64,370	62,321	2,049
Operating.	18,834	23,834	11,596	12,238
Service director				
Personal services.	38,575	38,575	33,980	4,595
Operating.	272,666	272,666	243,742	28,924
Civil service commission				
Personal services.	9,180	9,180	9,247	(67)
Operating.	27,568	27,568	25,260	2,308
Finance department				
Personal services.	292,645	292,645	291,651	994
Operating.	93,947	93,947	80,952	12,995
Law department				
Personal services.	325,904	329,404	329,151	253
Operating.	105,973	115,973	97,459	18,514
Safety director				
Personal services.	26,810	26,810	25,706	1,104
Operating.	13,800	20,500	19,331	1,169
Human resources				
Personal services.	15,057	15,057	15,142	(85)
Operating.	44,499	69,499	58,578	10,921
Information systems				
Personal services.	66,295	66,295	65,794	501
Operating.	75,836	75,336	69,269	6,067

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, 2012*

	<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.	\$ 99,734	\$ 99,734	\$ 99,357	\$ 377
Operating.	233,756	233,756	184,294	49,462
Probation				
Personal services.	116,000	147,000	157,176	(10,176)
Operating.	31,869	7,869	7,659	210
Other				
Personal services.	155,000	155,000	148,917	6,083
Operating.	387,189	432,689	393,079	39,610
Total general government.	<u>4,016,481</u>	<u>4,118,681</u>	<u>3,818,585</u>	<u>300,096</u>
Public safety				
Police department				
Personal services.	4,074,034	4,045,534	3,836,830	208,704
Operating.	506,953	550,343	526,029	24,314
Dispatch service				
Personal services.	632,700	632,700	629,920	2,780
Operating.	41,000	111,000	110,853	147
Fire department				
Personal services.	4,218,651	4,278,651	4,271,784	6,867
Operating.	310,319	319,819	301,616	18,203
Total public safety	<u>9,783,657</u>	<u>9,938,047</u>	<u>9,677,032</u>	<u>261,015</u>
Transportation				
Paint/signal				
Personal services.	148,347	148,347	120,354	27,993
Operating.	18,912	18,912	17,540	1,372
Total transportation.	<u>167,259</u>	<u>167,259</u>	<u>137,894</u>	<u>29,365</u>
Leisure time activities				
Parks administration				
Personal services.	172,555	176,055	177,266	(1,211)
Operating.	26,253	26,253	25,442	811
Senior center				
Personal services.	41,948	43,508	42,213	1,295
Operating.	39,569	39,569	38,901	668
Recreation programs				
Personal services.	12,280	12,280	12,183	97
Operating.	11,835	11,835	11,619	216
Parks maintenance				
Personal services.	422,905	422,905	395,081	27,824
Operating.	95,324	95,324	93,307	2,017
Total leisure time activities	<u>822,669</u>	<u>827,729</u>	<u>796,012</u>	<u>31,717</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, 2012*

	<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	\$ 356,350	\$ 397,350	\$ 398,300	\$ (950)
Operating	117,275	115,275	95,817	19,458
Planning				
Personal services	114,706	139,706	139,899	(193)
Operating	303,635	308,245	238,733	69,512
Total community environment	<u>891,966</u>	<u>960,576</u>	<u>872,749</u>	<u>87,827</u>
Capital outlay				
Municipal court judges	15,000	15,000	-	15,000
Finance department	8,029	8,029	7,013	1,016
Information systems	12,500	13,000	13,000	-
Municipal buildings	175,000	175,000	15,000	160,000
Police department	64,000	64,000	64,000	-
Fire department	95,636	120,272	79,932	40,340
Transportation	10,000	43,000	39,594	3,406
Parks maintenance	135,950	135,950	87,281	48,669
Total capital outlay	<u>516,115</u>	<u>574,251</u>	<u>305,820</u>	<u>268,431</u>
Total expenditures	<u>16,198,147</u>	<u>16,586,543</u>	<u>15,608,092</u>	<u>978,451</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(143,115)</u>	<u>(547,301)</u>	<u>551,153</u>	<u>1,098,454</u>
Other financing sources (uses):				
Transfers in	-	15,790	15,790	-
Transfers out	(2,154)	(2,154)	(2,154)	-
Sale of assets	-	-	12,721	12,721
Total other financing sources (uses)	<u>(2,154)</u>	<u>13,636</u>	<u>26,357</u>	<u>12,721</u>
Net change in fund balance	(145,269)	(533,665)	577,510	1,111,175
Fund balance at beginning of year	1,396,800	1,396,800	1,396,800	-
Prior year encumbrances appropriated	372,313	372,313	372,313	-
Fund balance at end of year	<u>\$ 1,623,844</u>	<u>\$ 1,235,448</u>	<u>\$ 2,346,623</u>	<u>\$ 1,111,175</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Municipal income taxes	\$ (65,000)	\$ (65,000)	\$ (134,507)	\$ (69,507)
Intergovernmental	175,000	175,000	202,574	27,574
Other	15,000	15,000	50	(14,950)
Total revenues.	<u>125,000</u>	<u>125,000</u>	<u>68,117</u>	<u>(56,883)</u>
Expenditures:				
Current:				
General government				
Personal services	-	702	702	-
Operating	<u>375,000</u>	<u>375,000</u>	<u>268,330</u>	<u>106,670</u>
Total expenditures	<u>375,000</u>	<u>375,702</u>	<u>269,032</u>	<u>106,670</u>
Excess of expenditures over revenues	<u>(250,000)</u>	<u>(250,702)</u>	<u>(200,915)</u>	<u>49,787</u>
Other financing uses:				
Transfers out	<u>(1,385,000)</u>	<u>(1,385,000)</u>	<u>(1,385,000)</u>	<u>-</u>
Total other financing uses	<u>(1,385,000)</u>	<u>(1,385,000)</u>	<u>(1,385,000)</u>	<u>-</u>
Net change in fund balance.	(1,635,000)	(1,635,702)	(1,585,915)	49,787
Fund balance at beginning of year	<u>1,684,137</u>	<u>1,684,137</u>	<u>1,684,137</u>	<u>-</u>
Fund balance at end of year	<u>\$ 49,137</u>	<u>\$ 48,435</u>	<u>\$ 98,222</u>	<u>\$ 49,787</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, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
General government				
Operating	\$ 37,000	\$ 37,000	\$ 21,822	\$ 15,178
Total expenditures	<u>37,000</u>	<u>37,000</u>	<u>21,822</u>	<u>15,178</u>
Excess of expenditures over revenues	<u>(37,000)</u>	<u>(37,000)</u>	<u>(21,822)</u>	<u>15,178</u>
Other financing sources:				
Transfers in.	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total other financing sources	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balance.	(12,000)	(12,000)	3,178	15,178
Fund balance at beginning of year	15,646	15,646	15,646	-
Prior year encumbrances appropriated . . .	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 5,646</u></u>	<u><u>\$ 5,646</u></u>	<u><u>\$ 20,824</u></u>	<u><u>\$ 15,178</u></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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 700	\$ 700	\$ 650	\$ (50)
Total revenues	<u>700</u>	<u>700</u>	<u>650</u>	<u>(50)</u>
Expenditures:				
Current:				
Community environment				
Operating	<u>250</u>	<u>525</u>	<u>208</u>	<u>317</u>
Total expenditures	<u>250</u>	<u>525</u>	<u>208</u>	<u>317</u>
Excess of revenues over expenditures	<u>450</u>	<u>175</u>	<u>442</u>	<u>267</u>
Other financing sources:				
Transfers in	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Total other financing sources	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net change in fund balance	250,450	250,175	250,442	267
Fund balance at beginning of year	<u>225,513</u>	<u>225,513</u>	<u>225,513</u>	<u>-</u>
Fund balance at end of year	<u>\$ 475,963</u>	<u>\$ 475,688</u>	<u>\$ 475,955</u>	<u>\$ 267</u>

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 2,661,387	\$ 351,025	\$ 1,034,604	\$ 4,047,016
Receivables (net of allowances of uncollectibles):				
Property taxes	481,462	-	-	481,462
Accounts	50,000	-	-	50,000
Intergovernmental	1,084,587	-	16,472	1,101,059
Special assessments	-	38,869	-	38,869
Notes receivable	90,838	-	-	90,838
Prepayments	8,202	-	-	8,202
Total assets	\$ 4,376,476	\$ 389,894	\$ 1,051,076	\$ 5,817,446
Liabilities:				
Accounts payable	\$ 257,822	\$ -	\$ -	\$ 257,822
Contracts payable	170,669	-	93,301	263,970
Accrued wages and benefits	10,876	-	-	10,876
Intergovernmental payable	18,594	-	-	18,594
Due to other funds	734,112	-	-	734,112
Accrued interest payable.	-	-	237	237
Notes payable.	-	-	83,500	83,500
Total liabilities	1,192,073	-	177,038	1,369,111
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	409,702	-	-	409,702
Delinquent property tax revenue not available.	71,760	-	-	71,760
Special assessments revenue not available.	-	38,869	-	38,869
Intergovernmental revenue not available	869,943	-	11,140	881,083
Total deferred inflows of resources	1,351,405	38,869	11,140	1,401,414
Fund balances:				
Nonspendable	8,202	-	-	8,202
Restricted.	2,277,030	349,958	13,978	2,640,966
Committed	478,738	1,067	932,657	1,412,462
Unassigned (deficit)	(930,972)	-	(83,737)	(1,014,709)
Total fund balances	1,832,998	351,025	862,898	3,046,921
Total liabilities, deferred inflows of resources and fund balances	\$ 4,376,476	\$ 389,894	\$ 1,051,076	\$ 5,817,446

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other taxes	\$ 399,285	\$ -	\$ -	\$ 399,285
Charges for services	192,815	-	-	192,815
Fines and forfeitures	415,234	-	-	415,234
Intergovernmental	2,598,483	-	115,085	2,713,568
Special assessments	46,914	63,226	-	110,140
Investment income	1,002	-	1,790	2,792
Contributions and donations	-	423,303	124,187	547,490
Other	344,867	-	-	344,867
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	3,998,600	486,529	241,062	4,726,191
Expenditures:				
Current:				
General government	36,077	-	-	36,077
Public safety	233,789	-	-	233,789
Transportation	1,201,327	-	-	1,201,327
Community environment.	1,323,200	-	-	1,323,200
Leisure time activities	344,473	-	-	344,473
Capital outlay.	1,445,067	-	170,612	1,615,679
Debt service:				
Principal retirement.	516,240	619,256	-	1,135,496
Interest and fiscal charges	135,240	44,142	2,701	182,083
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	5,235,413	663,398	173,313	6,072,124
Excess (deficiency) of revenues over (under) expenditures	(1,236,813)	(176,869)	67,749	(1,345,933)
Other financing sources (uses):				
Sale of assets.	3,468	-	-	3,468
Capital lease transaction	207,780	-	-	207,780
Transfers in.	727,154	185,000	350,000	1,262,154
Transfers out	(15,790)	-	(150,000)	(165,790)
Loan proceeds	3,036	-	-	3,036
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	925,648	185,000	200,000	1,310,648
Net change in fund balances	(311,165)	8,131	267,749	(35,285)
Fund balances at beginning of year (restated) .	<hr/>	<hr/>	<hr/>	<hr/>
	2,144,163	342,894	595,149	3,082,206
Fund balances at end of year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 1,832,998	\$ 351,025	\$ 862,898	\$ 3,046,921

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2012*

	Street Construction Maintenance and Repair	State Highway Improvement	Permissive License Tax	Residential Street
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 316,813	\$ 25,350	\$ 82,312	\$ 198,349
Receivables (net of allowances for uncollectibles):				
Property taxes	-	-	-	-
Accounts	-	-	-	-
Intergovernmental	335,114	27,171	3,745	-
Notes receivable	-	-	-	-
Prepayments	7,692	-	-	-
Total assets	<u>\$ 659,619</u>	<u>\$ 52,521</u>	<u>\$ 86,057</u>	<u>\$ 198,349</u>
Liabilities:				
Accounts payable	\$ 13,189	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits	9,190	-	-	-
Intergovernmental payable	11,951	1,029	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>34,330</u>	<u>1,029</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Intergovernmental revenue not available	224,361	18,191	-	-
Total deferred inflows of resources	<u>224,361</u>	<u>18,191</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	7,692	-	-	-
Restricted	393,236	33,301	86,057	-
Committed	-	-	-	198,349
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>400,928</u>	<u>33,301</u>	<u>86,057</u>	<u>198,349</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 659,619</u>	<u>\$ 52,521</u>	<u>\$ 86,057</u>	<u>\$ 198,349</u>

Fire Capital Levy	Animal Control	Probation Services	Court Computer	Court Special Projects	9-1-1 Phone System
\$ 14,748	\$ 2,729	\$ -	\$ 83,304	\$ 969,017	\$ 25,368
267,478	-	-	-	-	-
-	-	-	-	-	-
18,785	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 301,011</u>	<u>\$ 2,729</u>	<u>\$ -</u>	<u>\$ 83,304</u>	<u>\$ 969,017</u>	<u>\$ 25,368</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	87	-	39	-
-	-	13	-	6	-
-	-	-	-	-	-
-	-	100	-	45	-
227,612	-	-	-	-	-
39,866	-	-	-	-	-
18,785	-	-	-	-	-
<u>286,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
14,748	-	-	83,304	968,972	25,368
-	2,729	-	-	-	-
-	-	(100)	-	-	-
<u>14,748</u>	<u>2,729</u>	<u>(100)</u>	<u>83,304</u>	<u>968,972</u>	<u>25,368</u>
<u>\$ 301,011</u>	<u>\$ 2,729</u>	<u>\$ -</u>	<u>\$ 83,304</u>	<u>\$ 969,017</u>	<u>\$ 25,368</u>

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CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2012*

	Indigent Drivers Alcohol Treatment	Sports Complex Operating	Parks Recreation Improvement	Gas and Oil Royalty
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ 314,274	\$ 11,386	\$ 77,404	\$ 8,010
Receivables (net of allowances for uncollectibles):				
Property taxes	-	-	-	-
Accounts	-	-	-	-
Intergovernmental	-	-	-	-
Notes receivable	-	-	-	-
Prepayments	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 314,274</u>	<u>\$ 11,386</u>	<u>\$ 77,404</u>	<u>\$ 8,010</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits	-	19	-	-
Intergovernmental payable	-	536	-	-
Due to other funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>555</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Intergovernmental revenue not available	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	314,274	-	77,404	-
Committed	-	10,831	-	8,010
Unassigned (deficit)	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>314,274</u>	<u>10,831</u>	<u>77,404</u>	<u>8,010</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 314,274</u>	<u>\$ 11,386</u>	<u>\$ 77,404</u>	<u>\$ 8,010</u>

<u>D.A.R.E. Program</u>	<u>Mandatory Drug Fines</u>	<u>Local Law Enforcement Trust</u>	<u>Parks Revolving Loan</u>	<u>Sidewalk Improvement Program</u>	<u>City Grant</u>
\$ 180	\$ 8,517	\$ 37,946	\$ 55,380	\$ 59,415	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	285,751
-	-	-	-	-	-
<u>\$ 180</u>	<u>\$ 8,517</u>	<u>\$ 37,946</u>	<u>\$ 55,380</u>	<u>\$ 59,415</u>	<u>\$ 285,751</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	9,128
-	-	-	260	-	-
-	-	-	820	-	-
-	-	-	-	-	285,751
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,080</u>	<u>-</u>	<u>294,879</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	285,751
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>285,751</u>
-	-	-	-	-	-
180	8,517	37,946	-	59,415	-
-	-	-	54,300	-	-
-	-	-	-	-	(294,879)
<u>180</u>	<u>8,517</u>	<u>37,946</u>	<u>54,300</u>	<u>59,415</u>	<u>(294,879)</u>
<u>\$ 180</u>	<u>\$ 8,517</u>	<u>\$ 37,946</u>	<u>\$ 55,380</u>	<u>\$ 59,415</u>	<u>\$ 285,751</u>

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CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2012*

	Federal Emergency Management Agency	Rental Registration Program	Neighborhood Stabilization Program	Community Development Block Grant
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets:				
Equity in pooled cash, cash equivalents and investments.	\$ 103,708	\$ -	\$ -	\$ 2,506
Receivables (net of allowances for uncollectibles):				
Property taxes.	-	-	-	-
Accounts	-	-	-	-
Intergovernmental.	-	187,687	-	87,584
Notes receivable	-	-	-	90,838
Prepayments	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 103,708</u>	<u>\$ 187,687</u>	<u>\$ -</u>	<u>\$ 180,928</u>
 Liabilities:				
Accounts payable	\$ 230,289	\$ -	\$ -	\$ 4,237
Contracts payable	-	-	8,463	65,321
Accrued wages and benefits	-	441	-	324
Intergovernmental payable.	-	969	-	1,808
Due to other funds	-	-	187,687	87,584
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>230,289</u>	<u>1,410</u>	<u>196,150</u>	<u>159,274</u>
 Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Intergovernmental revenue not available.	-	-	176,287	7,818
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>176,287</u>	<u>7,818</u>
 Fund balances:				
Nonspendable	-	-	-	-
Restricted.	-	-	-	13,836
Committed	-	102,298	-	-
Unassigned (deficit)	(230,289)	-	(184,750)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>(230,289)</u>	<u>102,298</u>	<u>(184,750)</u>	<u>13,836</u>
 Total liabilities, deferred inflows of resources and fund balances.	<u>\$ -</u>	<u>\$ 103,708</u>	<u>\$ 187,687</u>	<u>\$ 180,928</u>

Rental Rehabilitation	Tax Increment Financing	Lake Cinema Complex Maintenance	Project Impact	Beautification	Senior Center Trust
\$ 143	\$ 78,347	\$ 48,200	\$ -	\$ 46,820	\$ 54,267
-	-	-	-	-	-
-	-	-	50,000	-	-
-	-	-	123,090	-	-
-	-	-	-	-	-
-	-	-	-	-	510
<u>\$ 143</u>	<u>\$ 78,347</u>	<u>\$ 48,200</u>	<u>\$ 173,090</u>	<u>\$ 46,820</u>	<u>\$ 54,777</u>
\$ -	\$ -	\$ -	\$ 10,107	\$ -	\$ -
-	-	-	87,757	-	-
-	-	-	-	453	63
-	457	-	-	822	183
-	-	-	173,090	-	-
-	457	-	270,954	1,275	246
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	123,090	-	-
-	-	-	123,090	-	-
-	-	-	-	-	510
143	77,890	-	-	45,545	-
-	-	48,200	-	-	54,021
-	-	-	(220,954)	-	-
<u>143</u>	<u>77,890</u>	<u>48,200</u>	<u>(220,954)</u>	<u>45,545</u>	<u>54,531</u>
<u>\$ 143</u>	<u>\$ 78,347</u>	<u>\$ 48,200</u>	<u>\$ 173,090</u>	<u>\$ 46,820</u>	<u>\$ 54,777</u>

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CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2012*

	Fire Pension	Police Pension	Total Nonmajor Special Revenue Funds
	<hr/>	<hr/>	<hr/>
Assets:			
Equity in pooled cash, cash equivalents and investments.	\$ 12,797	\$ 24,097	\$ 2,661,387
Receivables (net of allowances for uncollectibles):			
Property taxes.	106,992	106,992	481,462
Accounts	-	-	50,000
Intergovernmental.	7,830	7,830	1,084,587
Notes receivable	-	-	90,838
Prepayments	-	-	8,202
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 127,619</u>	<u>\$ 138,919</u>	<u>\$ 4,376,476</u>
 Liabilities:			
Accounts payable	\$ -	\$ -	\$ 257,822
Contracts payable	-	-	170,669
Accrued wages and benefits	-	-	10,876
Intergovernmental payable.	-	-	18,594
Due to other funds	-	-	734,112
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>-</u>	<u>1,192,073</u>
 Deferred inflows of resources:			
Property taxes levied for the next fiscal year.	91,045	91,045	409,702
Delinquent property tax revenue not available	15,947	15,947	71,760
Intergovernmental revenue not available.	7,830	7,830	869,943
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	<u>114,822</u>	<u>114,822</u>	<u>1,351,405</u>
 Fund balances:			
Nonspendable	-	-	8,202
Restricted.	12,797	24,097	2,277,030
Committed	-	-	478,738
Unassigned (deficit)	-	-	(930,972)
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>12,797</u>	<u>24,097</u>	<u>1,832,998</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 127,619</u>	<u>\$ 138,919</u>	<u>\$ 4,376,476</u>

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CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012*

	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	831,772	55,648	183,693	-
Special assessments	-	-	-	32,232
Investment income	480	46	222	-
Other	4,009	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	836,261	55,694	183,915	32,232
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	1,127,256	53,777	3,117	17,177
Community environment.	-	-	-	-
Leisure time activities	-	-	-	-
Capital outlay.	236,834	-	278,434	200,519
Debt service:				
Principal retirement.	43,492	-	23,688	-
Interest and fiscal charges.	-	-	4,826	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	1,407,582	53,777	310,065	217,696
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(571,321)	1,917	(126,150)	(185,464)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses):				
Sale of assets.	-	-	-	-
Capital lease transaction	207,780	-	-	-
Transfers in	375,000	-	-	185,000
Transfers out.	-	-	-	-
Loan proceeds	-	-	3,036	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses).	582,780	-	3,036	185,000
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances.	11,459	1,917	(123,114)	(464)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at beginning of year	389,469	31,384	209,171	198,813
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at end of year	\$ 400,928	\$ 33,301	\$ 86,057	\$ 198,349
	<hr/>	<hr/>	<hr/>	<hr/>

Fire Capital Levy	Animal Control	Probation Services	Court Computer	Court Special Projects	9-1-1 Phone System
\$ 221,825	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	575	-	75,684	202,347	-
38,076	-	-	-	-	3,955
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>259,901</u>	<u>575</u>	<u>-</u>	<u>75,684</u>	<u>202,347</u>	<u>3,955</u>
-	-	100	28,574	45	-
7,221	-	-	-	-	1,199
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	37,669	-	-
178,569	-	-	-	-	-
93,509	-	-	-	-	-
<u>279,299</u>	<u>-</u>	<u>100</u>	<u>66,243</u>	<u>45</u>	<u>1,199</u>
<u>(19,398)</u>	<u>575</u>	<u>(100)</u>	<u>9,441</u>	<u>202,302</u>	<u>2,756</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	2,154	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>2,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(19,398)</u>	<u>2,729</u>	<u>(100)</u>	<u>9,441</u>	<u>202,302</u>	<u>2,756</u>
34,146	-	-	73,863	766,670	22,612
<u>\$ 14,748</u>	<u>\$ 2,729</u>	<u>\$ (100)</u>	<u>\$ 83,304</u>	<u>\$ 968,972</u>	<u>\$ 25,368</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, 2012*

	Indigent Drivers Alcohol Treatment	Sports Complex Operating	Parks Recreation Improvement	Gas and Oil Royalty
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	50,475	-	-
Fines and forfeitures	135,541	-	-	-
Intergovernmental	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	153	-
Other	-	-	65,280	1,500
Total revenues	<u>135,541</u>	<u>50,475</u>	<u>65,433</u>	<u>1,500</u>
Expenditures:				
Current:				
General government	465	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Community environment.	-	-	-	-
Leisure time activities	-	92,779	-	-
Capital outlay.	-	-	89,387	-
Debt service:				
Principal retirement.	-	128,106	-	-
Interest and fiscal charges.	-	4,548	-	-
Total expenditures	<u>465</u>	<u>225,433</u>	<u>89,387</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>135,076</u>	<u>(174,958)</u>	<u>(23,954)</u>	<u>1,500</u>
Other financing sources (uses):				
Sale of assets.	-	-	-	-
Capital lease transaction	-	-	-	-
Transfers in	-	165,000	-	-
Transfers out.	-	-	-	-
Loan proceeds	-	-	-	-
Total other financing sources (uses).	<u>-</u>	<u>165,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances.	135,076	(9,958)	(23,954)	1,500
Fund balances (deficit) at beginning of year	<u>179,198</u>	<u>20,789</u>	<u>101,358</u>	<u>6,510</u>
Fund balances (deficit) at end of year	<u>\$ 314,274</u>	<u>\$ 10,831</u>	<u>\$ 77,404</u>	<u>\$ 8,010</u>

D.A.R.E. Program	Mandatory Drug Fines	Local Law Enforcement Trust	Parks Revolving Loan	Sidewalk Improvement Program	City Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	34,356	-	-
-	1,087	-	-	-	-
-	-	-	1,000	-	1,584
-	-	-	-	14,682	-
-	-	-	-	-	-
-	-	-	60,650	-	1,000
-	1,087	-	96,006	14,682	2,584
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	89,208	-	-
-	-	25,000	-	17,374	303,769
-	-	-	-	-	-
-	-	-	-	-	-
-	-	25,000	89,208	17,374	303,769
-	1,087	(25,000)	6,798	(2,692)	(301,185)
1	-	3,467	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(15,790)
-	-	-	-	-	-
1	-	3,467	-	-	(15,790)
1	1,087	(21,533)	6,798	(2,692)	(316,975)
179	7,430	59,479	47,502	62,107	22,096
\$ 180	\$ 8,517	\$ 37,946	\$ 54,300	\$ 59,415	\$ (294,879)

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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, 2012*

	Federal Emergency Management Agency	Rental Registration Program	Neighborhood Stabilization Program	Community Development Block Grant
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	89,435	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	24,300	-	474,291	751,388
Special assessments	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	911
Total revenues	24,300	89,435	474,291	752,299
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Community environment.	-	83,810	175,504	599,950
Leisure time activities	-	-	-	-
Capital outlay.	256,081	-	-	-
Debt service:				
Principal retirement.	-	-	-	142,385
Interest and fiscal charges.	-	-	-	32,357
Total expenditures	256,081	83,810	175,504	774,692
Excess (deficiency) of revenues over (under) expenditures	(231,781)	5,625	298,787	(22,393)
Other financing sources (uses):				
Sale of assets.	-	-	-	-
Capital lease transaction	-	-	-	-
Transfers in	-	-	-	-
Transfers out.	-	-	-	-
Loan proceeds	-	-	-	-
Total other financing sources (uses).	-	-	-	-
Net change in fund balances.	(231,781)	5,625	298,787	(22,393)
Fund balances (deficit) at beginning of year	1,492	96,673	(483,537)	36,229
Fund balances (deficit) at end of year	\$ (230,289)	\$ 102,298	\$ (184,750)	\$ 13,836

Rental Rehabilitation	Tax Increment Financing	Lake Cinema Complex Maintenance	Project Impact	Beautification	Senior Center Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	18,549
-	-	-	-	-	-
-	165,103	-	-	20,191	-
-	-	-	-	-	-
-	-	-	-	-	101
-	-	3,750	90,000	104,741	13,026
-	165,103	3,750	90,000	124,932	31,676
1,857	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	152,982	-	310,954	-	-
-	-	-	-	129,204	33,282
-	-	-	-	-	-
-	-	-	-	-	-
1,857	152,982	-	310,954	129,204	33,282
(1,857)	12,121	3,750	(220,954)	(4,272)	(1,606)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(1,857)	12,121	3,750	(220,954)	(4,272)	(1,606)
2,000	65,769	44,450	-	49,817	56,137
\$ 143	\$ 77,890	\$ 48,200	\$ (220,954)	\$ 45,545	\$ 54,531

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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, 2012*

	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues:			
Property and other taxes	\$ 88,730	\$ 88,730	\$ 399,285
Charges for services	-	-	192,815
Fines and forfeitures	-	-	415,234
Intergovernmental	24,866	22,616	2,598,483
Special assessments	-	-	46,914
Investment income	-	-	1,002
Other	-	-	344,867
	<hr/>	<hr/>	<hr/>
Total revenues	113,596	111,346	3,998,600
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
General government	1,806	3,230	36,077
Public safety	115,000	110,369	233,789
Transportation	-	-	1,201,327
Community environment.	-	-	1,323,200
Leisure time activities	-	-	344,473
Capital outlay.	-	-	1,445,067
Debt service:			
Principal retirement.	-	-	516,240
Interest and fiscal charges.	-	-	135,240
	<hr/>	<hr/>	<hr/>
Total expenditures	116,806	113,599	5,235,413
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(3,210)	(2,253)	(1,236,813)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Sale of assets.	-	-	3,468
Capital lease transaction	-	-	207,780
Transfers in	-	-	727,154
Transfers out.	-	-	(15,790)
Loan proceeds	-	-	3,036
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses).	-	-	925,648
	<hr/>	<hr/>	<hr/>
Net change in fund balances.	(3,210)	(2,253)	(311,165)
	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at beginning of year	16,007	26,350	2,144,163
	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at end of year	\$ 12,797	\$ 24,097	\$ 1,832,998
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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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 840,000	\$ 840,000	\$ 858,800	\$ 18,800
Investment income	350	350	480	130
Other	8,000	8,000	4,009	(3,991)
Total revenues.	<u>848,350</u>	<u>848,350</u>	<u>863,289</u>	<u>14,939</u>
Expenditures:				
Current:				
Transportation				
Personal services	784,666	784,666	725,637	59,029
Operating	557,936	593,166	490,913	102,253
Capital outlay	38,000	38,000	29,054	8,946
Debt service:				
Principal retirement	73,350	73,350	43,492	29,858
Interest and fiscal charges	4,000	4,000	-	4,000
Total expenditures	<u>1,457,952</u>	<u>1,493,182</u>	<u>1,289,096</u>	<u>204,086</u>
Excess of expenditures over revenues	<u>(609,602)</u>	<u>(644,832)</u>	<u>(425,807)</u>	<u>219,025</u>
Other financing sources:				
Transfers in.	375,000	375,000	375,000	-
Sale of assets	1,300	1,300	-	(1,300)
Total other financing sources.	<u>376,300</u>	<u>376,300</u>	<u>375,000</u>	<u>(1,300)</u>
Net change in fund balance.	(233,302)	(268,532)	(50,807)	217,725
Fund balance at beginning of year	224,927	224,927	224,927	-
Prior year encumbrances appropriated . . .	<u>89,986</u>	<u>89,986</u>	<u>89,986</u>	<u>-</u>
Fund balance at end of year	<u>\$ 81,611</u>	<u>\$ 46,381</u>	<u>\$ 264,106</u>	<u>\$ 217,725</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 57,000	\$ 57,000	\$ 55,829	\$ (1,171)
Investment income	50	50	46	(4)
Total revenues.	<u>57,050</u>	<u>57,050</u>	<u>55,875</u>	<u>(1,175)</u>
Expenditures:				
Current:				
Transportation				
Personal services	74,800	74,800	58,585	16,215
Operating	<u>50</u>	<u>100</u>	<u>17</u>	<u>83</u>
Total expenditures.	<u>74,850</u>	<u>74,900</u>	<u>58,602</u>	<u>16,298</u>
Net change in fund balance	(17,800)	(17,850)	(2,727)	15,123
Fund balance at beginning of year.	<u>22,209</u>	<u>22,209</u>	<u>22,209</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,409</u>	<u>\$ 4,359</u>	<u>\$ 19,482</u>	<u>\$ 15,123</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 301,000	\$ 301,000	\$ 183,783	\$ (117,217)
Investment income	750	750	222	(528)
Total revenues.	<u>301,750</u>	<u>301,750</u>	<u>184,005</u>	<u>(117,745)</u>
Expenditures:				
Current:				
Transportation				
Operating.	32,450	32,550	81	32,469
Capital outlay	308,997	370,723	323,724	46,999
Debt service:				
Principal retirement.	27,255	27,255	23,688	3,567
Interest and fiscal charges.	<u>4,785</u>	<u>4,785</u>	<u>4,826</u>	<u>(41)</u>
Total expenditures.	<u>373,487</u>	<u>435,313</u>	<u>352,319</u>	<u>82,994</u>
Excess of expenditures over revenues	<u>(71,737)</u>	<u>(133,563)</u>	<u>(168,314)</u>	<u>(34,751)</u>
Other financing sources:				
Loan proceeds	<u>115,250</u>	<u>115,250</u>	<u>-</u>	<u>(115,250)</u>
Total other financing sources.	<u>115,250</u>	<u>115,250</u>	<u>-</u>	<u>(115,250)</u>
Net change in fund balance	43,513	(18,313)	(168,314)	(150,001)
Fund balance at beginning of year.	186,412	186,412	186,412	-
Prior year encumbrances appropriated . . .	<u>39,170</u>	<u>39,170</u>	<u>39,170</u>	<u>-</u>
Fund balance at end of year	<u>\$ 269,095</u>	<u>\$ 207,269</u>	<u>\$ 57,268</u>	<u>\$ (150,001)</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessments	\$ 35,000	\$ 35,000	\$ 32,232	\$ (2,768)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>32,232</u>	<u>(2,768)</u>
Expenditures:				
Current:				
Community environment				
Operating	22,000	24,634	17,367	7,267
Capital outlay	<u>235,959</u>	<u>233,325</u>	<u>211,234</u>	<u>22,091</u>
Total expenditures	<u>257,959</u>	<u>257,959</u>	<u>228,601</u>	<u>29,358</u>
Excess of expenditures over revenues	<u>(222,959)</u>	<u>(222,959)</u>	<u>(196,369)</u>	<u>26,590</u>
Other financing sources:				
Transfers in	<u>185,000</u>	<u>185,000</u>	<u>185,000</u>	<u>-</u>
Total other financing sources	<u>185,000</u>	<u>185,000</u>	<u>185,000</u>	<u>-</u>
Net change in fund balance	(37,959)	(37,959)	(11,369)	26,590
Fund balance at beginning of year	196,116	196,116	196,116	-
Prior year encumbrances appropriated . . .	<u>10,959</u>	<u>10,959</u>	<u>10,959</u>	<u>-</u>
Fund balance at end of year	<u>\$ 169,116</u>	<u>\$ 169,116</u>	<u>\$ 195,706</u>	<u>\$ 26,590</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 223,044	\$ 223,044	\$ 221,825	\$ (1,219)
Intergovernmental.	40,000	40,000	38,076	(1,924)
Total revenues	<u>263,044</u>	<u>263,044</u>	<u>259,901</u>	<u>(3,143)</u>
Expenditures:				
Current:				
Public safety				
Operating	12,800	12,800	7,221	5,579
Debt service:				
Principal retirement	178,585	178,585	178,569	16
Interest and fiscal charges	<u>93,525</u>	<u>93,525</u>	<u>93,509</u>	<u>16</u>
Total expenditures.	<u>284,910</u>	<u>284,910</u>	<u>279,299</u>	<u>5,611</u>
Net change in fund balance	(21,866)	(21,866)	(19,398)	2,468
Fund balance at beginning of year.	<u>34,146</u>	<u>34,146</u>	<u>34,146</u>	<u>-</u>
Fund balance at end of year	<u>\$ 12,280</u>	<u>\$ 12,280</u>	<u>\$ 14,748</u>	<u>\$ 2,468</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ANIMAL CONTROL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 575	\$ 575
Total revenues	-	-	575	575
Other financing sources:				
Transfers in	-	-	2,154	2,154
Total other financing sources	-	-	2,154	2,154
Net change in fund balance	-	-	2,729	2,729
Fund balance at beginning of year.	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 2,729	\$ 2,729

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, 2012*

	<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	\$ 75,000	\$ 75,000	\$ 79,687	\$ 4,687
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>79,687</u>	<u>4,687</u>
Expenditures:				
Current:				
General government				
Operating	37,894	47,565	45,608	1,957
Capital outlay	<u>52,901</u>	<u>43,230</u>	<u>37,669</u>	<u>5,561</u>
Total expenditures.	<u>90,795</u>	<u>90,795</u>	<u>83,277</u>	<u>7,518</u>
Net change in fund balance	(15,795)	(15,795)	(3,590)	12,205
Fund balance at beginning of year.	55,307	55,307	55,307	-
Prior year encumbrances appropriated . . .	<u>30,795</u>	<u>30,795</u>	<u>30,795</u>	<u>-</u>
Fund balance at end of year	<u>\$ 70,307</u>	<u>\$ 70,307</u>	<u>\$ 82,512</u>	<u>\$ 12,205</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, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 215,000	\$ 215,000	\$ 218,226	\$ 3,226
Total revenues	215,000	215,000	218,226	3,226
Expenditures:				
Current:				
General government				
Personal services	-	32,000	-	32,000
Operating	-	58,000	-	58,000
Total expenditures.	-	90,000	-	90,000
Net change in fund balance	215,000	125,000	218,226	93,226
Fund balance at beginning of year.	750,791	750,791	750,791	-
Fund balance at end of year	\$ 965,791	\$ 875,791	\$ 969,017	\$ 93,226

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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 14,000	\$ 14,000	\$ 3,955	\$ (10,045)
Total revenues	<u>14,000</u>	<u>14,000</u>	<u>3,955</u>	<u>(10,045)</u>
Expenditures:				
Current:				
Public safety				
Operating	15,000	20,500	5,500	15,000
Total expenditures.	<u>15,000</u>	<u>20,500</u>	<u>5,500</u>	<u>15,000</u>
Net change in fund balance	(1,000)	(6,500)	(1,545)	4,955
Fund balance at beginning of year.	<u>21,413</u>	<u>21,413</u>	<u>21,413</u>	<u>-</u>
Fund balance at end of year	<u>\$ 20,413</u>	<u>\$ 14,913</u>	<u>\$ 19,868</u>	<u>\$ 4,955</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 57,950	\$ 57,950	\$ 135,541	\$ 77,591
Total revenues	<u>57,950</u>	<u>57,950</u>	<u>135,541</u>	<u>77,591</u>
Expenditures:				
Current:				
General government				
Operating	<u>150,000</u>	<u>150,000</u>	<u>1,000</u>	<u>149,000</u>
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>1,000</u>	<u>149,000</u>
Net change in fund balance.	(92,050)	(92,050)	134,541	226,591
Fund balance at beginning of year	<u>179,198</u>	<u>179,198</u>	<u>179,198</u>	<u>-</u>
Fund balance at end of year	<u>\$ 87,148</u>	<u>\$ 87,148</u>	<u>\$ 313,739</u>	<u>\$ 226,591</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 61,500	\$ 61,500	\$ 50,475	\$ (11,025)
Total revenues	<u>61,500</u>	<u>61,500</u>	<u>50,475</u>	<u>(11,025)</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services.	25,752	28,952	27,876	1,076
Operating.	87,841	87,841	72,892	14,949
Debt service:				
Principal retirement	128,110	128,110	128,106	4
Interest and fiscal charges	4,550	4,550	4,548	2
Total expenditures	<u>246,253</u>	<u>249,453</u>	<u>233,422</u>	<u>16,031</u>
Excess of expenditures over revenues	<u>(184,753)</u>	<u>(187,953)</u>	<u>(182,947)</u>	<u>5,006</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	(19,753)	(22,953)	(17,947)	5,006
Fund balance at beginning of year.	16,441	16,441	16,441	-
Prior year encumbrances appropriated	<u>4,341</u>	<u>4,341</u>	<u>4,341</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 1,029</u>	<u>\$ (2,171)</u>	<u>\$ 2,835</u>	<u>\$ 5,006</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, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Investment income	\$ 275	\$ 275	\$ 153	\$ (122)
Other	20,000	20,000	65,280	45,280
Total revenues	<u>20,275</u>	<u>20,275</u>	<u>65,433</u>	<u>45,158</u>
Expenditures:				
Capital outlay	80,150	90,225	89,692	533
Total expenditures.	<u>80,150</u>	<u>90,225</u>	<u>89,692</u>	<u>533</u>
Net change in fund balance	(59,875)	(69,950)	(24,259)	45,691
Fund balance at beginning of year	<u>101,358</u>	<u>101,358</u>	<u>101,358</u>	<u>-</u>
Fund balance at end of year	<u>\$ 41,483</u>	<u>\$ 31,408</u>	<u>\$ 77,099</u>	<u>\$ 45,691</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other.	\$ 1,500	\$ 1,500	\$ 1,500	\$ -
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Expenditures:				
Current:				
Community environment				
Operating.	7,500	7,500	-	7,500
Total expenditures	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Net change in fund balance.	(6,000)	(6,000)	1,500	7,500
Fund balance at beginning of year	<u>6,510</u>	<u>6,510</u>	<u>6,510</u>	<u>-</u>
Fund balance at end of year	<u>\$ 510</u>	<u>\$ 510</u>	<u>\$ 8,010</u>	<u>\$ 7,500</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Public safety				
Operating	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Excess of expenditures over revenues	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>	<u>1,000</u>
Other financing sources:				
Sale of assets	<u>1,000</u>	<u>1,000</u>	<u>1</u>	<u>(999)</u>
Total other financing sources.	<u>1,000</u>	<u>1,000</u>	<u>1</u>	<u>(999)</u>
Net change in fund balance.	-	-	1	1
Fund balance at beginning of year	<u>179</u>	<u>179</u>	<u>179</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 179</u>	<u>\$ 179</u>	<u>\$ 180</u>	<u>\$ 1</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MANDATORY DRUG FINES FUND
FOR THE YEAR ENDED DECEMBER 31, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 1,500	\$ 1,500	\$ 1,087	\$ (413)
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>1,087</u>	<u>(413)</u>
Expenditures:				
Current:				
Public safety				
Operating	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Net change in fund balance.	(5,500)	(5,500)	1,087	6,587
Fund balance at beginning of year	<u>7,430</u>	<u>7,430</u>	<u>7,430</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 1,930</u>	<u>\$ 1,930</u>	<u>\$ 8,517</u>	<u>\$ 6,587</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Public safety				
Personal services	\$ 2,000	\$ 2,000	\$ -	\$ 2,000
Capital outlay	25,000	50,000	25,000	25,000
Total expenditures	<u>27,000</u>	<u>52,000</u>	<u>25,000</u>	<u>27,000</u>
Excess of expenditures over revenues	<u>(27,000)</u>	<u>(52,000)</u>	<u>(25,000)</u>	<u>27,000</u>
Other financing sources:				
Sale of assets	12,000	12,000	3,467	(8,533)
Total other financing sources	<u>12,000</u>	<u>12,000</u>	<u>3,467</u>	<u>(8,533)</u>
Net change in fund balance	(15,000)	(40,000)	(21,533)	18,467
Fund balance at beginning of year	<u>59,479</u>	<u>59,479</u>	<u>59,479</u>	<u>-</u>
Fund balance at end of year	<u>\$ 44,479</u>	<u>\$ 19,479</u>	<u>\$ 37,946</u>	<u>\$ 18,467</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 6,500	\$ 6,500	\$ 1,000	\$ (5,500)
Charges for services.	18,500	18,500	34,356	15,856
Other	65,000	65,000	60,650	(4,350)
Total revenues.	<u>90,000</u>	<u>90,000</u>	<u>96,006</u>	<u>6,006</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services	39,459	43,459	40,694	2,765
Operating	<u>49,302</u>	<u>50,302</u>	<u>49,796</u>	<u>506</u>
Total expenditures.	<u>88,761</u>	<u>93,761</u>	<u>90,490</u>	<u>3,271</u>
Net change in fund balance	1,239	(3,761)	5,516	9,277
Fund balance at beginning of year.	45,990	45,990	45,990	-
Prior year encumbrances appropriated . . .	<u>1,669</u>	<u>1,669</u>	<u>1,669</u>	<u>-</u>
Fund balance at end of year	<u>\$ 48,898</u>	<u>\$ 43,898</u>	<u>\$ 53,175</u>	<u>\$ 9,277</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessment	\$ 18,000	\$ 18,000	\$ 14,682	\$ (3,318)
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>14,682</u>	<u>(3,318)</u>
Expenditures:				
Capital outlay	<u>60,456</u>	<u>60,456</u>	<u>17,774</u>	<u>42,682</u>
Total expenditures	<u>60,456</u>	<u>60,456</u>	<u>17,774</u>	<u>42,682</u>
Net change in fund balance	(42,456)	(42,456)	(3,092)	39,364
Fund balance at beginning of year	41,651	41,651	41,651	-
Prior year encumbrances appropriated . . .	<u>20,456</u>	<u>20,456</u>	<u>20,456</u>	<u>-</u>
Fund balance at end of year	<u>\$ 19,651</u>	<u>\$ 19,651</u>	<u>\$ 59,015</u>	<u>\$ 39,364</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 676,935	\$ 676,935	\$ 1,584	\$ (675,351)
Other	-	-	1,000	1,000
Total revenues.	<u>676,935</u>	<u>676,935</u>	<u>2,584</u>	<u>(674,351)</u>
Expenditures:				
Current:				
Public safety				
Operating.	-	2,000	1,264	736
Community environment				
Operating.	-	676,938	676,938	-
Total expenditures	<u>-</u>	<u>678,938</u>	<u>678,202</u>	<u>736</u>
Excess (deficiency) of revenues over (under) expenditures	<u>676,935</u>	<u>(2,003)</u>	<u>(675,618)</u>	<u>(673,615)</u>
Other financing uses:				
Transfers out	-	(15,790)	(15,790)	-
Total other financing uses	<u>-</u>	<u>(15,790)</u>	<u>(15,790)</u>	<u>-</u>
Net change in fund balance.	676,935	(17,793)	(691,408)	(673,615)
Fund balance at beginning of year	<u>22,096</u>	<u>22,096</u>	<u>22,096</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 699,031</u>	<u>\$ 4,303</u>	<u>\$ (669,312)</u>	<u>\$ (673,615)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL EMERGENCY MANAGEMENT AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 24,300	\$ 24,300
Total revenues	-	-	24,300	24,300
Expenditures:				
Current:				
Public safety				
Operating	1,492	877,516	877,516	-
Total expenditures	1,492	877,516	877,516	-
Net change in fund balance.	(1,492)	(877,516)	(853,216)	24,300
Fund balance at beginning of year	<u>1,492</u>	<u>1,492</u>	<u>1,492</u>	<u>-</u>
Fund balance (deficit) at end of year.	<u>\$ -</u>	<u>\$ (876,024)</u>	<u>\$ (851,724)</u>	<u>\$ 24,300</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 50,000	\$ 50,000	\$ 89,435	\$ 39,435
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>89,435</u>	<u>39,435</u>
Expenditures:				
Current:				
Community environment				
Personal services	59,375	59,375	58,441	934
Operating	<u>73,610</u>	<u>73,610</u>	<u>41,537</u>	<u>32,073</u>
Total expenditures	<u>132,985</u>	<u>132,985</u>	<u>99,978</u>	<u>33,007</u>
Net change in fund balance	(82,985)	(82,985)	(10,543)	72,442
Fund balance at beginning of year	89,001	89,001	89,001	-
Prior year encumbrances appropriated . . .	<u>16,610</u>	<u>16,610</u>	<u>16,610</u>	<u>-</u>
Fund balance at end of year	<u>\$ 22,626</u>	<u>\$ 22,626</u>	<u>\$ 95,068</u>	<u>\$ 72,442</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, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 727,060	\$ 727,060	\$ 462,891	\$ (264,169)
Total revenues.	<u>727,060</u>	<u>727,060</u>	<u>462,891</u>	<u>(264,169)</u>
Expenditures:				
Current:				
Community environment				
Operating	<u>567,585</u>	<u>611,088</u>	<u>607,838</u>	<u>3,250</u>
Total expenditures.	<u>567,585</u>	<u>611,088</u>	<u>607,838</u>	<u>3,250</u>
Net change in fund balance	159,475	115,972	(144,947)	(260,919)
Fund balance (deficit) at beginning of year. . .	(727,060)	(727,060)	(727,060)	-
Prior year encumbrances appropriated. . . .	<u>567,585</u>	<u>567,585</u>	<u>567,585</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ (43,503)</u>	<u>\$ (304,422)</u>	<u>\$ (260,919)</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, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 289,278	\$ 289,278	\$ -	\$ (289,278)
Total revenues	<u>289,278</u>	<u>289,278</u>	<u>-</u>	<u>(289,278)</u>
Expenditures:				
Current:				
Community environment				
Operating	<u>289,278</u>	<u>289,278</u>	<u>289,278</u>	<u>-</u>
Total expenditures.	<u>289,278</u>	<u>289,278</u>	<u>289,278</u>	<u>-</u>
Net change in fund balance	-	-	(289,278)	(289,278)
Fund balance (deficit) at beginning of year. .	(289,278)	(289,278)	(289,278)	-
Prior year encumbrances appropriated . . .	<u>289,278</u>	<u>289,278</u>	<u>289,278</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (289,278)</u>	<u>\$ (289,278)</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 854,970	\$ 854,970	\$ 741,214	\$ (113,756)
Other	-	-	9,239	9,239
Total revenues	<u>854,970</u>	<u>854,970</u>	<u>750,453</u>	<u>(104,517)</u>
Expenditures:				
Current:				
Community environment				
Operating	343,899	1,190,374	693,914	496,460
Debt service:				
Principal retirement	-	142,385	142,385	-
Interest and fiscal charges	-	32,357	32,357	-
Total expenditures	<u>343,899</u>	<u>1,365,116</u>	<u>868,656</u>	<u>496,460</u>
Net change in fund balance.	511,071	(510,146)	(118,203)	391,943
Fund balance (deficit) at beginning of year.	(468,624)	(468,624)	(468,624)	-
Prior year encumbrances appropriated	<u>343,899</u>	<u>343,899</u>	<u>343,899</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 386,346</u>	<u>\$ (634,871)</u>	<u>\$ (242,928)</u>	<u>\$ 391,943</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, 2012*

	<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	-	-	-	-
Prior year encumbrances appropriated . .	<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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 63,500	\$ 63,500	\$ 165,103	\$ 101,603
Total revenues.	<u>63,500</u>	<u>63,500</u>	<u>165,103</u>	<u>101,603</u>
Expenditures:				
Current:				
Community environment				
Personal services.	30,000	30,000	20,475	9,525
Operating.	<u>25,745</u>	<u>126,745</u>	<u>132,040</u>	<u>(5,295)</u>
Total expenditures	<u>55,745</u>	<u>156,745</u>	<u>152,515</u>	<u>4,230</u>
Net change in fund balance.	7,755	(93,245)	12,588	105,833
Fund balance at beginning of year	<u>65,759</u>	<u>65,759</u>	<u>65,759</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 73,514</u>	<u>\$ (27,486)</u>	<u>\$ 78,347</u>	<u>\$ 105,833</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 24,300	\$ 24,300	\$ 8,750	\$ (15,550)
Total revenues	<u>24,300</u>	<u>24,300</u>	<u>8,750</u>	<u>(15,550)</u>
Net change in fund balance.	24,300	24,300	8,750	(15,550)
Fund balance at beginning of year	<u>39,450</u>	<u>39,450</u>	<u>39,450</u>	<u>-</u>
Fund balance at end of year	<u>\$ 63,750</u>	<u>\$ 63,750</u>	<u>\$ 48,200</u>	<u>\$ (15,550)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PROJECT IMPACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ -	\$ -	\$ 40,000	\$ 40,000
Total revenues	-	-	40,000	40,000
Expenditures:				
Current:				
Community environment				
Operating	-	400,000	350,841	49,159
Total expenditures	-	400,000	350,841	49,159
Net change in fund balance.	-	(400,000)	(310,841)	89,159
Fund balance at beginning of year	-	-	-	-
Fund balance (deficit) at end of year	\$ -	\$ (400,000)	\$ (310,841)	\$ 89,159

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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 24,000	\$ 24,000	\$ 20,191	\$ (3,809)
Other.	93,000	93,000	104,741	11,741
Total revenues.	<u>117,000</u>	<u>117,000</u>	<u>124,932</u>	<u>7,932</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services.	63,146	63,146	52,842	10,304
Operating.	<u>91,117</u>	<u>91,117</u>	<u>84,955</u>	<u>6,162</u>
Total expenditures	<u>154,263</u>	<u>154,263</u>	<u>137,797</u>	<u>16,466</u>
Net change in fund balance.	(37,263)	(37,263)	(12,865)	24,398
Fund balance at beginning of year	41,880	41,880	41,880	-
Prior year encumbrances appropriated . . .	<u>12,602</u>	<u>12,602</u>	<u>12,602</u>	<u>-</u>
Fund balance at end of year	<u>\$ 17,219</u>	<u>\$ 17,219</u>	<u>\$ 41,617</u>	<u>\$ 24,398</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 19,000	\$ 19,000	\$ 18,549	\$ (451)
Investment income	150	150	101	(49)
Other	17,600	17,600	13,026	(4,574)
Total revenues.	<u>36,750</u>	<u>36,750</u>	<u>31,676</u>	<u>(5,074)</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services	9,693	9,693	9,071	622
Operating	28,365	28,415	26,748	1,667
Total expenditures	<u>38,058</u>	<u>38,108</u>	<u>35,819</u>	<u>2,289</u>
Net change in fund balance.	(1,308)	(1,358)	(4,143)	(2,785)
Fund balance at beginning of year	53,636	53,636	53,636	-
Prior year encumbrances appropriated . . .	<u>2,065</u>	<u>2,065</u>	<u>2,065</u>	<u>-</u>
Fund balance at end of year	<u>\$ 54,393</u>	<u>\$ 54,343</u>	<u>\$ 51,558</u>	<u>\$ (2,785)</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 82,800	\$ 82,800	\$ 88,730	\$ 5,930
Intergovernmental	22,418	22,418	24,866	2,448
Total revenues	<u>105,218</u>	<u>105,218</u>	<u>113,596</u>	<u>8,378</u>
Expenditures:				
Current:				
General government				
Operating	2,500	2,500	1,806	694
Public safety				
Personal services	<u>115,000</u>	<u>115,000</u>	<u>115,000</u>	<u>-</u>
Total expenditures	<u>117,500</u>	<u>117,500</u>	<u>116,806</u>	<u>694</u>
Net change in fund balance.	(12,282)	(12,282)	(3,210)	9,072
Fund balance at beginning of year	<u>16,007</u>	<u>16,007</u>	<u>16,007</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,725</u>	<u>\$ 3,725</u>	<u>\$ 12,797</u>	<u>\$ 9,072</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 82,800	\$ 82,800	\$ 88,730	\$ 5,930
Intergovernmental	22,414	22,414	22,616	202
Total revenues	<u>105,214</u>	<u>105,214</u>	<u>111,346</u>	<u>6,132</u>
Expenditures:				
Current:				
General government				
Operating	2,500	3,250	3,230	20
Public safety				
Personal services	<u>125,000</u>	<u>125,000</u>	<u>110,369</u>	<u>14,631</u>
Total expenditures	<u>127,500</u>	<u>128,250</u>	<u>113,599</u>	<u>14,651</u>
Net change in fund balance.	(22,286)	(23,036)	(2,253)	20,783
Fund balance at beginning of year	<u>26,350</u>	<u>26,350</u>	<u>26,350</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 4,064</u>	<u>\$ 3,314</u>	<u>\$ 24,097</u>	<u>\$ 20,783</u>

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2012*

	General Obligation Bond Retirement	Special Assesment Bond Retirement	Total Nonmajor Debt Service Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in pooled cash, cash equivalents and investments.	\$ 1,067	\$ 349,958	\$ 351,025
Receivables (net of allowances for uncollectibles):			
Special assessments	<u> -</u>	<u> 38,869</u>	<u> 38,869</u>
Total assets	<u><u>\$ 1,067</u></u>	<u><u>\$ 388,827</u></u>	<u><u>\$ 389,894</u></u>
 Deferred inflows of resources:			
Special assessments revenue not available.	<u> -</u>	<u> 38,869</u>	<u> 38,869</u>
Total deferred inflows of resources.	<u> -</u>	<u> 38,869</u>	<u> 38,869</u>
 Fund balances:			
Restricted.	-	349,958	349,958
Committed	<u> 1,067</u>	<u> -</u>	<u> 1,067</u>
Total fund balances	<u><u> 1,067</u></u>	<u><u> 349,958</u></u>	<u><u> 351,025</u></u>
Total deferred inflows of resources and fund balance .	<u><u>\$ 1,067</u></u>	<u><u>\$ 388,827</u></u>	<u><u>\$ 389,894</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, 2012*

	General Obligation Bond Retirement	Special Assesment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Special assessments	\$ -	\$ 63,226	\$ 63,226
Contributions and donations	423,303	-	423,303
Total revenues	423,303	63,226	486,529
Expenditures:			
Debt service:			
Principal retirement.	572,283	46,973	619,256
Interest and fiscal charges	37,611	6,531	44,142
Total expenditures	609,894	53,504	663,398
Excess (deficiency) of revenues over (under) expenditures.	(186,591)	9,722	(176,869)
Other financing sources:			
Transfers in	185,000	-	185,000
Total other financing sources	185,000	-	185,000
Net change in fund balances.	(1,591)	9,722	8,131
Fund balances at beginning of year	2,658	340,236	342,894
Fund balances at end of year	\$ 1,067	\$ 349,958	\$ 351,025

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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions and donations.	\$ 552,340	\$ 552,340	\$ 547,490	\$ (4,850)
Total revenues.	<u>552,340</u>	<u>552,340</u>	<u>547,490</u>	<u>(4,850)</u>
Expenditures:				
Debt service:				
Principal retirement	776,665	776,665	776,658	7
Interest and fiscal charges	40,965	40,965	40,923	42
Total expenditures	<u>817,630</u>	<u>817,630</u>	<u>817,581</u>	<u>49</u>
Excess of expenditures over revenues	<u>(265,290)</u>	<u>(265,290)</u>	<u>(270,091)</u>	<u>(4,801)</u>
Other financing sources:				
Transfers in.	185,000	185,000	185,000	-
Note issuance.	83,000	83,000	83,500	500
Total other financing sources.	<u>268,000</u>	<u>268,000</u>	<u>268,500</u>	<u>500</u>
Net change in fund balance	2,710	2,710	(1,591)	(4,301)
Fund balance at beginning of year	<u>2,658</u>	<u>2,658</u>	<u>2,658</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,368</u>	<u>\$ 5,368</u>	<u>\$ 1,067</u>	<u>\$ (4,301)</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, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Special assessment	\$ 90,000	\$ 90,000	\$ 63,226	\$ (26,774)
Total revenues.	<u>90,000</u>	<u>90,000</u>	<u>63,226</u>	<u>(26,774)</u>
Expenditures:				
Debt service:				
Principal retirement.	46,975	46,975	46,973	2
Interest and fiscal charges.	<u>6,550</u>	<u>6,550</u>	<u>6,531</u>	<u>19</u>
Total expenditures.	<u>53,525</u>	<u>53,525</u>	<u>53,504</u>	<u>21</u>
Net change in fund balance	36,475	36,475	9,722	(26,753)
Fund balance at beginning of year.	<u>340,236</u>	<u>340,236</u>	<u>340,236</u>	<u>-</u>
Fund balance at end of year	<u>\$ 376,711</u>	<u>\$ 376,711</u>	<u>\$ 349,958</u>	<u>\$ (26,753)</u>

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CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2012*

	<u>Street Improvement</u>	<u>Senior Center Construction</u>	<u>Issue II</u>	<u>Infrastructure Improvement Reserve</u>
Assets:				
Equity in pooled cash, cash equivalents and investments	\$ -	\$ 13,978	\$ -	\$ 1,020,626
Receivables (net of allowances for uncollectibles):				
Intergovernmental	-	-	-	16,472
Total assets	<u>\$ -</u>	<u>\$ 13,978</u>	<u>\$ -</u>	<u>\$ 1,037,098</u>
Liabilities:				
Contracts payable	\$ -	\$ -	\$ -	\$ 93,301
Accrued interest payable.	38	-	199	-
Notes payable	13,500	-	70,000	-
Total liabilities	<u>13,538</u>	<u>-</u>	<u>70,199</u>	<u>93,301</u>
Deferred inflows of resources:				
Intergovernmental revenue not available.	-	-	-	11,140
Total deferred inflows of resources.	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,140</u>
Fund balances:				
Restricted.	-	13,978	-	-
Committed	-	-	-	932,657
Unassigned (deficit)	(13,538)	-	(70,199)	-
Total fund balances (deficit)	<u>(13,538)</u>	<u>13,978</u>	<u>(70,199)</u>	<u>932,657</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ -</u>	<u>\$ 13,978</u>	<u>\$ -</u>	<u>\$ 1,037,098</u>

**Total
Nonmajor
Capital
Projects
Funds**

\$ 1,034,604

16,472

\$ 1,051,076

\$ 93,301

237

83,500

177,038

11,140

11,140

13,978

932,657

(83,737)

862,898

\$ 1,051,076

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012*

	<u>Street Improvement</u>	<u>Senior Center Construction</u>	<u>Issue II</u>	<u>Infrastructure Improvement Reserve</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 115,085
Investment income	-	25	-	1,765
Contributions and donations	<u>72,242</u>	<u>-</u>	<u>51,945</u>	<u>-</u>
Total revenues	<u>72,242</u>	<u>25</u>	<u>51,945</u>	<u>116,850</u>
Expenditures:				
Capital outlay.	-	8	-	170,604
Debt service:				
Interest and fiscal charges	<u>1,055</u>	<u>-</u>	<u>1,646</u>	<u>-</u>
Total expenditures	<u>1,055</u>	<u>8</u>	<u>1,646</u>	<u>170,604</u>
Excess (deficiency) of revenues over (under) expenditures	<u>71,187</u>	<u>17</u>	<u>50,299</u>	<u>(53,754)</u>
Other financing sources (uses):				
Transfers in.	-	-	-	350,000
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
Total other financing sources (uses).	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Net change in fund balances.	71,187	17	50,299	146,246
Fund balances (deficit) at beginning of year (restated)	<u>(84,725)</u>	<u>13,961</u>	<u>(120,498)</u>	<u>786,411</u>
Fund balances (deficit) at end of year	<u><u>\$ (13,538)</u></u>	<u><u>\$ 13,978</u></u>	<u><u>\$ (70,199)</u></u>	<u><u>\$ 932,657</u></u>

**Total
Nonmajor
Capital
Projects
Funds**

\$ 115,085
1,790
124,187

241,062

170,612

2,701

173,313

67,749

350,000
(150,000)

200,000

267,749

595,149

\$ 862,898

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, 2012*

	<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	\$ 25	\$ (15)
Total revenues.	<u>40</u>	<u>40</u>	<u>25</u>	<u>(15)</u>
Expenditures:				
Capital outlay:				
Operating	25	50	8	42
Total expenditures.	<u>25</u>	<u>50</u>	<u>8</u>	<u>42</u>
Net change in fund balance	15	(10)	17	27
Fund balance at beginning of year.	<u>13,961</u>	<u>13,961</u>	<u>13,961</u>	<u>-</u>
Fund balance at end of year	<u>\$ 13,976</u>	<u>\$ 13,951</u>	<u>\$ 13,978</u>	<u>\$ 27</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ -	\$ -	\$ 159,369	\$ 159,369
Investment income	2,250	2,250	1,765	(485)
Total revenues.	<u>2,250</u>	<u>2,250</u>	<u>161,134</u>	<u>158,884</u>
Expenditures:				
Capital outlay:				
Operating	70,910	71,585	62,097	9,488
Capital outlay	412,168	424,168	103,409	320,759
Total expenditures.	<u>483,078</u>	<u>495,753</u>	<u>165,506</u>	<u>330,247</u>
Excess of expenditures over revenues	<u>(480,828)</u>	<u>(493,503)</u>	<u>(4,372)</u>	<u>489,131</u>
Other financing sources (uses):				
Transfers in.	350,000	350,000	350,000	-
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net change in fund balance.	(280,828)	(293,503)	195,628	489,131
Fund balance at beginning of year	659,731	659,731	659,731	-
Prior year encumbrances appropriated . . .	<u>94,328</u>	<u>94,328</u>	<u>94,328</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 473,231</u>	<u>\$ 460,556</u>	<u>\$ 949,687</u>	<u>\$ 489,131</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, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 5,537,500	\$ 5,537,500	\$ 5,619,048	\$ 81,548
Other	-	-	6,777	6,777
Total revenues	5,537,500	5,537,500	5,625,825	88,325
Operating expenses:				
Personal services	2,224,257	2,248,757	2,185,958	62,799
Contractual services	484,367	578,726	477,173	101,553
Materials and supplies	1,244,247	1,253,947	1,135,895	118,052
Other	31,500	31,500	32,008	(508)
Capital outlay	6,312,694	6,467,694	5,427,216	1,040,478
Total expenses	10,297,065	10,580,624	9,258,250	1,322,374
Operating loss	(4,759,565)	(5,043,124)	(3,632,425)	1,410,699
Nonoperating revenues (expenses):				
Investment income	10,000	10,000	5,945	(4,055)
Notes issued	246,500	246,500	246,500	-
Loans issued	3,503,975	3,503,975	1,978,938	(1,525,037)
Debt service:				
Principal retirement	(1,218,945)	(1,218,945)	(1,177,300)	41,645
Interest and fiscal charges	(389,955)	(389,955)	(389,893)	62
Total nonoperating revenues (expenses)	2,151,575	2,151,575	664,190	(1,487,385)
Net loss before capital contributions	(2,607,990)	(2,891,549)	(2,968,235)	(76,686)
Capital contributions	799,725	799,725	752,540	(47,185)
Net change in fund equity	(1,808,265)	(2,091,824)	(2,215,695)	(123,871)
Fund equity at beginning of year	1,179,588	1,179,588	1,179,588	-
Prior year encumbrances appropriated	2,651,323	2,651,323	2,651,323	-
Fund equity at end of year	\$ 2,022,646	\$ 1,739,087	\$ 1,615,216	\$ (123,871)

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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 4,300,300	\$ 4,300,300	\$ 4,059,958	\$ (240,342)
Other	2,500	2,500	1,109	(1,391)
Total revenues	<u>4,302,800</u>	<u>4,302,800</u>	<u>4,061,067</u>	<u>(241,733)</u>
Operating expenses:				
Personal services	2,101,180	2,113,780	2,055,914	57,866
Contractual services	516,147	554,624	510,743	43,881
Materials and supplies	1,299,137	1,271,887	1,132,861	139,026
Other	24,300	24,300	21,034	3,266
Capital outlay	<u>1,379,995</u>	<u>1,721,495</u>	<u>1,214,941</u>	<u>506,554</u>
Total expenses	<u>5,320,759</u>	<u>5,686,086</u>	<u>4,935,493</u>	<u>750,593</u>
Operating loss	<u>(1,017,959)</u>	<u>(1,383,286)</u>	<u>(874,426)</u>	<u>508,860</u>
Nonoperating revenues (expenses):				
Investment income	300	300	205	(95)
Special assessments	2,000	2,000	3,160	1,160
Loans issued	280,000	280,000	95,283	(184,717)
Debt service:				
Principal retirement	(433,030)	(433,030)	(428,400)	4,630
Interest and fiscal charges	<u>(67,350)</u>	<u>(67,350)</u>	<u>(65,383)</u>	<u>1,967</u>
Total nonoperating revenues (expenses)	<u>(218,080)</u>	<u>(218,080)</u>	<u>(395,135)</u>	<u>(177,055)</u>
Net change in fund equity	(1,236,039)	(1,601,366)	(1,269,561)	331,805
Fund equity at beginning of year	2,235,262	2,235,262	2,235,262	-
Prior year encumbrances appropriated	<u>567,258</u>	<u>567,258</u>	<u>567,258</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,566,481</u>	<u>\$ 1,201,154</u>	<u>\$ 1,532,959</u>	<u>\$ 331,805</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 2,055,000	\$ 2,055,000	\$ 2,035,640	\$ (19,360)
Total revenues	<u>2,055,000</u>	<u>2,055,000</u>	<u>2,035,640</u>	<u>(19,360)</u>
Operating expenses:				
Personal services	40,790	51,990	50,719	1,271
Contractual services	1,907,000	1,907,000	1,832,683	74,317
Materials and supplies	<u>17,725</u>	<u>17,725</u>	<u>9,958</u>	<u>7,767</u>
Total expenses	<u>1,965,515</u>	<u>1,976,715</u>	<u>1,893,360</u>	<u>83,355</u>
Net change in fund equity	89,485	78,285	142,280	63,995
Fund equity at beginning of year	<u>1,032,415</u>	<u>1,032,415</u>	<u>1,032,415</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,121,900</u>	<u>\$ 1,110,700</u>	<u>\$ 1,174,695</u>	<u>\$ 63,995</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, 2012*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 804,000	\$ 804,000	\$ 774,014	\$ (29,986)
Other.	1,000	1,000	400	(600)
Total revenues	<u>805,000</u>	<u>805,000</u>	<u>774,414</u>	<u>(30,586)</u>
Operating expenses:				
Personal services.	326,890	326,890	324,143	2,747
Contractual services	17,254	24,754	14,543	10,211
Materials and supplies	236,144	236,144	165,759	70,385
Capital outlay	939,859	1,029,859	600,829	429,030
Total expenses	<u>1,520,147</u>	<u>1,617,647</u>	<u>1,105,274</u>	<u>512,373</u>
Operating loss	<u>(715,147)</u>	<u>(812,647)</u>	<u>(330,860)</u>	<u>481,787</u>
Nonoperating revenues (expenses):				
Loans issued	115,270	115,270	-	(115,270)
Debt service:				
Principal retirement	(25,515)	(25,515)	(17,998)	7,517
Interest and fiscal charges	(3,680)	(3,680)	-	3,680
Total nonoperating revenues (expenses). . .	<u>86,075</u>	<u>86,075</u>	<u>(17,998)</u>	<u>(104,073)</u>
Net change in fund equity	(629,072)	(726,572)	(348,858)	377,714
Fund equity at beginning of year.	528,856	528,856	528,856	-
Prior year encumbrances appropriated . . .	<u>226,607</u>	<u>226,607</u>	<u>226,607</u>	<u>-</u>
Fund equity at end of year	<u>\$ 126,391</u>	<u>\$ 28,891</u>	<u>\$ 406,605</u>	<u>\$ 377,714</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2012*

	Health Insurance	Internal Allocation	Total Internal Service Funds
	<hr/>	<hr/>	<hr/>
Assets:			
Current assets:			
Equity in pooled cash, cash equivalents and investments.	\$ 1,465,510	\$ 43,845	\$ 1,509,355
Receivables (net of allowance for uncollectibles):			
Accounts	3,493	8,227	11,720
	<hr/>	<hr/>	<hr/>
Total assets	1,469,003	52,072	1,521,075
	<hr/>	<hr/>	<hr/>
Liabilities:			
Current liabilities:			
Claims payable.	152,715	-	152,715
	<hr/>	<hr/>	<hr/>
Total liabilities	152,715	-	152,715
	<hr/>	<hr/>	<hr/>
Net position:			
Unrestricted	1,316,288	52,072	1,368,360
	<hr/>	<hr/>	<hr/>
Total net position.	\$ 1,316,288	\$ 52,072	\$ 1,368,360
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012*

	Health Insurance	Internal Allocation	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 2,771,763	\$ 497,897	\$ 3,269,660
Other	20,426	-	20,426
Total operating revenues.	<u>2,792,189</u>	<u>497,897</u>	<u>3,290,086</u>
Operating expenses:			
Contract services.	29,760	-	29,760
Materials and supplies	-	491,748	491,748
Claims	2,341,771	-	2,341,771
Other	<u>2,300</u>	<u>-</u>	<u>2,300</u>
Total operating expenses.	<u>2,373,831</u>	<u>491,748</u>	<u>2,865,579</u>
Changes in net position.	418,358	6,149	424,507
Net position at beginning of year	<u>897,930</u>	<u>45,923</u>	<u>943,853</u>
Net position at end of year	<u><u>\$ 1,316,288</u></u>	<u><u>\$ 52,072</u></u>	<u><u>\$ 1,368,360</u></u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012*

	Health Insurance	Internal Allocation	Total Internal Service Funds
Cash flows from operating activities:			
Cash received from customers	\$ 2,771,763	\$ 499,717	\$ 3,271,480
Cash received from other operations	16,933	-	16,933
Cash payments for contract services	(29,760)	-	(29,760)
Cash payments for materials and supplies	-	(491,748)	(491,748)
Cash payments for claims	(2,402,496)	-	(2,402,496)
Cash payments for other expenses	(2,300)	-	(2,300)
Net increase in cash and cash equivalents	354,140	7,969	362,109
Cash and cash equivalents at beginning of year	<u>1,111,370</u>	<u>35,876</u>	<u>1,147,246</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,465,510</u></u>	<u><u>\$ 43,845</u></u>	<u><u>\$ 1,509,355</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 418,358	\$ 6,149	\$ 424,507
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(3,493)	1,820	(1,673)
(Decrease) in claims payable	(60,725)	-	(60,725)
Net cash provided by operating activities	<u><u>\$ 354,140</u></u>	<u><u>\$ 7,969</u></u>	<u><u>\$ 362,109</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, 2012*

	<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	\$ 2,662,600	\$ 2,662,600	\$ 2,771,763	\$ 109,163
Other.	3,000	3,000	16,933	13,933
Total revenues	<u>2,665,600</u>	<u>2,665,600</u>	<u>2,788,696</u>	<u>123,096</u>
Operating expenses:				
Contractual services	31,151	31,151	29,760	1,391
Claims	2,813,000	2,813,000	2,402,496	410,504
Other.	-	2,300	2,300	-
Total expenses	<u>2,844,151</u>	<u>2,846,451</u>	<u>2,434,556</u>	<u>411,895</u>
Net change in fund equity	(178,551)	(180,851)	354,140	534,991
Fund equity at beginning of year.	1,109,019	1,109,019	1,109,019	-
Prior year encumbrances appropriated . . .	<u>2,351</u>	<u>2,351</u>	<u>2,351</u>	<u>-</u>
Fund equity at end of year	<u>\$ 932,819</u>	<u>\$ 930,519</u>	<u>\$ 1,465,510</u>	<u>\$ 534,991</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, 2012*

	<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	\$ 509,400	\$ 509,400	\$ 499,717	\$ (9,683)
Total revenues	<u>509,400</u>	<u>509,400</u>	<u>499,717</u>	<u>(9,683)</u>
Operating expenses:				
Materials and supplies	531,400	531,400	500,000	31,400
Total expenses	<u>531,400</u>	<u>531,400</u>	<u>500,000</u>	<u>31,400</u>
Net change in fund equity	(22,000)	(22,000)	(283)	21,717
Fund equity at beginning of year.	10,876	10,876	10,876	-
Prior year encumbrances appropriated . . .	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Fund equity at end of year	<u>\$ 13,876</u>	<u>\$ 13,876</u>	<u>\$ 35,593</u>	<u>\$ 21,717</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, 2012*

	Beginning Balance 12/31/2011	Additions	Reductions	Ending Balance 12/31/2012
Deposit				
Assets:				
Equity in pooled cash and cash equivalents	\$ 156,072	\$ 8,358	\$ -	\$ 164,430
Receivables:				
Accounts	4,520	-	4,520	-
Total assets.	<u>\$ 160,592</u>	<u>\$ 8,358</u>	<u>\$ 4,520</u>	<u>\$ 164,430</u>
Liabilities:				
Deposits held and due to others	<u>\$ 160,592</u>	<u>\$ 8,358</u>	<u>\$ 4,520</u>	<u>\$ 164,430</u>
Total liabilities	<u>\$ 160,592</u>	<u>\$ 8,358</u>	<u>\$ 4,520</u>	<u>\$ 164,430</u>
 New Haven/Forest City				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 100,000	\$ -	\$ 100,000
Total assets.	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Liabilities:				
Deposits held and due to others	\$ -	\$ 100,000	\$ -	\$ 100,000
Total liabilities	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
 Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 156,072	\$ 108,358	\$ -	\$ 264,430
Receivables:				
Accounts	4,520	-	4,520	-
Total assets.	<u>\$ 160,592</u>	<u>\$ 108,358</u>	<u>\$ 4,520</u>	<u>\$ 264,430</u>
Liabilities:				
Deposits held and due to others	<u>\$ 160,592</u>	<u>\$ 108,358</u>	<u>\$ 4,520</u>	<u>\$ 264,430</u>
Total liabilities	<u>\$ 160,592</u>	<u>\$ 108,358</u>	<u>\$ 4,520</u>	<u>\$ 264,430</u>

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STATISTICAL SECTION

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CITY OF BARBERTON, OHIO
STATISTICAL SECTION
TABLE OF CONTENTS

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	156-165
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources; income and property taxes.	166-173
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	174-180
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	181-182
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	184-189

Sources: Sources are noted on the individual schedules.

CITY OF BARBERTON, OHIO

*NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental Activities				
Net investment in capital assets	\$ 20,259,877	\$ 19,800,292	\$ 19,684,621	\$ 18,536,399
Restricted for:				
Capital projects	13,978	13,961	17,514	1,142,832
Debt service	388,438	391,077	388,275	415,866
Transportation projects	673,038	863,555	865,379	881,165
Community development projects	90,316	151,125	617,997	588,994
Other projects	1,667,946	1,437,828	1,390,848	1,223,244
Unrestricted	<u>4,196,682</u>	<u>4,662,644</u>	<u>2,131,736</u>	<u>401,450</u>
Total governmental activities net position	<u>\$ 27,290,275</u>	<u>\$ 27,320,482</u>	<u>\$ 25,096,370</u>	<u>\$ 23,189,950</u>
Business-type Activities				
Net investment in capital assets	\$ 36,273,472	\$ 34,551,830	\$ 33,376,864	\$ 30,422,322
Restricted for:				
Debt service	-	-	-	-
Other projects	345,427	419,483	566,545	801,222
Unrestricted	<u>8,676,308</u>	<u>8,781,726</u>	<u>8,881,635</u>	<u>8,211,503</u>
Total business-type activities net position	<u>\$ 45,295,207</u>	<u>\$ 43,753,039</u>	<u>\$ 42,825,044</u>	<u>\$ 39,435,047</u>
Total Primary Government				
Net investment in capital assets	\$ 56,533,349	\$ 54,352,122	\$ 53,061,485	\$ 48,958,721
Restricted for:				
Capital projects	13,978	13,961	17,514	1,142,832
Debt service	388,438	391,077	388,275	415,866
Transportation projects	673,038	863,555	865,379	881,165
Community development projects	90,316	151,125	617,997	588,994
Other projects	2,013,373	1,857,311	1,957,393	2,024,466
Unrestricted	<u>12,872,990</u>	<u>13,444,370</u>	<u>11,013,371</u>	<u>8,612,953</u>
Total primary government net position	<u>\$ 72,585,482</u>	<u>\$ 71,073,521</u>	<u>\$ 67,921,414</u>	<u>\$ 62,624,997</u>

Note: In 2012 the City implemented GASB Statement No. 65; 2011 amounts have been restated to conform to 2012 presentation.

2008	2007	2006	2005	2004	2003
\$ 17,207,130	\$ 17,895,365	\$ 15,884,161	\$ 19,954,622	\$ 23,568,720	\$ 21,528,319
633,917	779,845	2,337,727	4,443,464	884,157	582,840
299,259	506,371	516,125	537,306	176,573	408,930
1,204,290	1,221,355	1,095,324	843,410	660,339	263,116
1,028,741	997,544	862,668	764,691	773,257	1,257,960
1,269,994	1,050,941	1,269,116	2,312,611	2,028,216	2,043,398
3,298,794	2,914,075	3,191,576	978,746	503,102	1,090,277
<u>\$ 24,942,125</u>	<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>
\$ 31,995,482	\$ 31,383,963	\$ 30,704,621	\$ 24,952,452	\$ 26,599,164	\$ 25,922,369
-	-	31,821	663,928	701,095	709,457
1,039,101	1,008,948	1,237,596	2,236,554	2,432,132	2,397,248
6,806,972	6,485,673	5,975,596	5,955,495	2,969,473	2,880,167
<u>\$ 39,841,555</u>	<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>
\$ 49,202,612	\$ 49,279,328	\$ 46,588,782	\$ 44,907,074	\$ 50,167,884	\$ 47,450,688
633,917	779,845	2,337,727	4,443,464	884,157	582,840
299,259	506,371	547,946	1,201,234	877,668	1,118,387
1,204,290	1,221,355	1,095,324	843,410	660,339	263,116
1,028,741	997,544	862,668	764,691	773,257	1,257,960
2,309,095	2,059,889	2,506,712	4,549,165	4,460,348	4,440,646
10,105,766	9,399,748	9,167,172	6,934,241	3,472,575	3,970,444
<u>\$ 64,783,680</u>	<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 POSITION
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 2,133,191	\$ 2,148,444	\$ 1,824,354	\$ 1,892,083
Public safety	743,319	677,035	777,898	603,223
Health and welfare	-	20	296,202	616,814
Transportation	85,187	41,657	42,851	46,636
Community environment	316,971	334,881	120,405	167,840
Leisure time activities	103,380	106,764	91,785	130,748
Operating grants and contributions	4,081,718	3,863,176	5,092,156	4,164,877
Capital grants and contributions	250,412	459,731	67,564	145,229
Total governmental activities program revenues	<u>7,714,178</u>	<u>7,631,708</u>	<u>8,313,215</u>	<u>7,767,450</u>
Business-type activities:				
Charges for services:				
Water	5,651,426	5,063,541	5,100,123	4,594,956
Sewer	4,115,822	4,066,329	4,163,396	4,096,518
Storm Water	772,796	782,248	770,433	743,787
Solid Waste	2,031,897	2,023,183	2,002,081	1,939,373
Community Center	-	-	-	-
Lake Cinema	-	-	-	-
Capital grants and contributions	953,470	547,789	2,547,429	-
Total business-type activities program revenues	<u>13,525,411</u>	<u>12,483,090</u>	<u>14,583,462</u>	<u>11,374,634</u>
Total primary government	<u>\$ 21,239,589</u>	<u>\$ 20,114,798</u>	<u>\$ 22,896,677</u>	<u>\$ 19,142,084</u>
Expenses:				
Governmental activities:				
General government	\$ 4,150,178	\$ 4,408,029	\$ 4,259,141	\$ 4,554,994
Public safety	10,221,486	10,096,123	10,082,932	11,207,888
Health and welfare	-	28,342	847,498	1,511,973
Transportation	2,725,173	2,730,584	1,866,192	2,340,290
Community environment	2,109,074	2,741,517	3,321,424	2,292,939
Leisure time activities	1,334,529	1,328,524	1,314,014	1,294,285
Intergovernmental	-	-	-	-
Interest and fiscal charges	188,459	233,974	268,040	289,245
Total governmental activities expenses	<u>20,728,899</u>	<u>21,567,093</u>	<u>21,959,241</u>	<u>23,491,614</u>
Business-type activities:				
Water	4,335,601	4,058,731	4,364,080	4,158,746
Sewer	4,987,464	4,598,025	4,277,917	4,497,443
Solid Waste	1,894,645	1,872,929	1,868,090	1,760,928
Storm Water	817,705	786,687	703,295	684,083
Community Center	-	-	-	-
Lake Cinema	-	-	-	-
Total business-type activities expenses	<u>12,035,415</u>	<u>11,316,372</u>	<u>11,213,382</u>	<u>11,101,200</u>
Total primary government	<u>\$ 32,764,314</u>	<u>\$ 32,883,465</u>	<u>\$ 33,172,623</u>	<u>\$ 34,592,814</u>
Governmental activities	\$ (13,014,721)	\$ (13,935,385)	\$ (13,646,026)	\$ (15,724,164)
Business-type activities	1,489,996	1,166,718	3,370,080	273,434
Total primary government net expense	<u>\$ (11,524,725)</u>	<u>\$ (12,768,667)</u>	<u>\$ (10,275,946)</u>	<u>\$ (15,450,730)</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 1,786,759	\$ 1,547,954	\$ 1,600,236	\$ 1,798,314	\$ 1,129,924	\$ 1,166,821
621,327	523,684	463,696	276,556	188,715	93,042
798,884	973,909	854,293	606,666	398,654	472,620
79,507	4,520	48,592	33,203	63	53,688
172,991	179,663	233,326	145,911	209,880	148,763
94,240	138,278	80,098	93,607	67,942	56,089
3,855,139	3,521,558	3,702,419	4,278,454	3,064,285	2,362,914
147,321	152,821	160,183	476,933	1,852,649	1,148,276
<u>7,556,168</u>	<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>
4,574,609	4,242,131	4,202,919	4,102,007	3,724,170	3,340,724
4,289,991	4,347,404	4,091,632	4,113,032	3,783,899	3,557,601
796,332	775,680	498,372	-	-	-
1,835,994	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>11,496,926</u>	<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>\$ 19,053,094</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>
\$ 4,619,097	\$ 3,883,172	\$ 4,097,563	\$ 3,837,242	\$ 3,733,749	\$ 4,133,258
11,339,496	10,049,252	9,745,177	9,579,081	9,077,025	9,704,268
1,889,854	2,343,579	2,384,744	2,246,143	1,903,090	2,105,425
2,265,378	2,025,147	2,218,732	2,606,966	2,543,136	5,216,097
1,855,258	1,535,323	1,303,440	1,404,166	1,526,834	1,432,849
1,636,664	1,240,444	1,742,270	1,705,276	1,505,036	1,755,276
-	1,578,763	1,328,572	-	-	-
253,275	265,787	283,305	223,084	300,427	236,121
<u>23,859,022</u>	<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>
3,778,649	4,241,689	4,295,926	3,377,859	3,490,864	3,625,367
4,542,875	4,284,959	4,017,338	3,816,607	3,379,220	4,576,124
1,773,299	1,785,145	1,500,928	1,393,999	1,359,244	1,325,266
650,516	648,268	292,441	-	-	-
131,104	362,163	547,635	544,489	702,065	688,010
-	2,005	2,005	946,621	1,046,021	1,080,084
<u>10,876,443</u>	<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>\$ 34,735,465</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>
\$ (16,302,854)	\$ (15,879,080)	\$ (15,960,960)	\$ (13,892,314)	\$ (13,677,185)	\$ (19,081,081)
620,483	(38,743)	(102,778)	751,505	341,803	(1,605,038)
<u>\$ (15,682,371)</u>	<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>

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CITY OF BARBERTON, OHIO

*CHANGES IN NET POSITION
LAST TEN YEARS (CONTINUED)
(ACCRUAL BASIS OF ACCOUNTING)*

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Revenues and Other Changes in Net Position:				
Governmental activities				
Taxes:				
Property taxes levied for:				
General purposes	\$ 637,608	\$ 1,023,447	\$ 1,272,525	\$ 1,188,981
Fire capital levy	211,858	264,636	259,904	239,362
Police pension	84,744	105,855	103,960	95,772
Fire pension	84,744	105,855	103,960	95,772
Municipal income taxes levied for:				
General purposes	9,913,010	12,086,007	10,849,848	10,320,696
Grants and entitlements				
not restricted to specific programs	1,965,699	2,322,927	2,571,074	2,159,444
Investment earnings	31,249	39,742	40,544	72,965
Other	86,748	304,492	350,631	141,724
Special item	-	-	-	-
Transfers	(31,146)	-	-	(149,385)
Total governmental activities	<u>12,984,514</u>	<u>16,252,961</u>	<u>15,552,446</u>	<u>14,165,331</u>
Business-type activities				
Investment earnings	6,071	11,031	4,516	10,580
Other	14,955	4,960	15,401	8,716
Transfers	31,146	-	-	149,385
Special item - disposal of community center	-	-	-	(848,623)
Total business-type activities	<u>52,172</u>	<u>15,991</u>	<u>19,917</u>	<u>(679,942)</u>
Total primary government	<u>\$ 13,036,686</u>	<u>\$ 16,268,952</u>	<u>\$ 15,572,363</u>	<u>\$ 13,485,389</u>
Change in Net Position:				
Governmental activities	\$ (30,207)	\$ 2,317,576	\$ 1,906,420	\$ (1,558,833)
Business-type activities	1,542,168	1,182,709	3,389,997	(406,508)
Total primary government	<u>\$ 1,511,961</u>	<u>\$ 3,500,285</u>	<u>\$ 5,296,417</u>	<u>\$ (1,965,341)</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 1,209,964	\$ 1,334,131	\$ 1,248,270	\$ 1,518,135	\$ 1,452,119	\$ 1,123,725
288,602	-	-	-	-	-
104,512	116,625	104,339	128,942	125,841	97,813
104,512	116,911	104,053	128,942	125,841	97,813
10,859,015	11,254,122	11,391,350	9,968,415	10,263,255	9,718,674
2,821,199	2,885,135	2,552,742	2,077,635	2,448,748	2,391,699
398,822	681,251	762,314	432,745	87,309	158,020
199,199	109,704	746,914	1,104,986	813,596	826,707
-	-	(1,856,330)	-	-	970,516
(106,342)	(410,000)	(3,770,845)	(227,000)	(220,000)	(159,000)
<u>15,879,483</u>	<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>
163,851	505,193	416,614	96,244	40,695	65,027
72,295	52,500	56,524	31,816	190,125	228,615
106,342	410,000	3,770,845	227,000	220,000	159,000
-	-	-	-	-	-
<u>342,488</u>	<u>967,693</u>	<u>4,243,983</u>	<u>355,060</u>	<u>450,820</u>	<u>452,642</u>
<u>\$ 16,221,971</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>
\$ (423,371)	\$ 208,799	\$ (4,678,153)	\$ 1,240,486	\$ 1,419,524	\$ (3,855,114)
962,971	928,950	4,141,205	1,106,565	792,623	(1,152,396)
<u>\$ 539,600</u>	<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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:						
Reserved	\$ -	\$ -	\$ 549,557	\$ 355,293	\$ 323,073	\$ 272,616
Unreserved	-	-	3,050,628	1,779,411	3,053,359	3,713,078
Nonspendable	60,328	56,998	-	-	-	-
Committed	21,271	8,533	-	-	-	-
Assigned	1,257,550	236,644	-	-	-	-
Unassigned	2,901,883	4,383,296	-	-	-	-
Total general fund	<u>\$ 4,241,032</u>	<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>
All Other Governmental Funds:						
Reserved	\$ -	\$ -	\$ 2,502,925	\$ 2,017,577	\$ 2,037,009	\$ 1,477,235
Unreserved, reported in:						
Special revenue funds	-	-	225,878	661,851	1,757,970	1,992,357
Capital projects funds	-	-	472,837	619,490	(1,793,737)	(84,211)
Nonspendable	8,202	8,200	-	-	-	-
Restricted	2,640,966	2,503,349	-	-	-	-
Committed	1,412,462	1,259,417	-	-	-	-
Unassigned (deficit), reported in:						
Special revenue funds	(930,972)	(483,537)	-	-	-	-
Capital projects funds	(83,737)	(203,358)	-	-	-	-
Total all other governmental funds	<u>\$ 3,046,921</u>	<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>

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

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 220,343	\$ 178,449	\$ 208,201	\$ 259,154
3,391,929	1,551,627	2,018,677	2,921,841
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 3,612,272</u>	<u>\$ 1,730,076</u>	<u>\$ 2,226,878</u>	<u>\$ 3,180,995</u>
\$ 2,592,065	\$ 1,877,103	\$ 1,893,382	\$ 2,424,692
1,819,428	1,799,025	2,236,562	2,271,484
532,399	3,572,711	2,109,970	1,911,656
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 4,943,892</u>	<u>\$ 7,248,839</u>	<u>\$ 6,239,914</u>	<u>\$ 6,607,832</u>

CITY OF BARBERTON, OHIO

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues					
Taxes	\$ 11,293,820	\$ 12,592,379	\$ 12,521,891	\$ 12,126,149	\$ 12,601,886
Charges for services	2,111,961	2,061,212	2,206,082	2,335,224	2,348,503
Licenses and permits	494,997	556,560	252,107	333,555	483,615
Fines and forfeitures	502,636	414,678	418,311	432,347	202,586
Intergovernmental	5,180,429	6,284,638	6,712,451	5,742,603	5,646,214
Special assessments	110,140	154,792	157,474	161,493	187,152
Investment income	33,874	37,271	38,593	76,849	434,513
Contributions and donations	547,490	555,990	627,447	623,630	981,965
Other	580,194	458,214	703,746	814,483	568,318
Total revenues	<u>20,855,541</u>	<u>23,115,734</u>	<u>23,638,102</u>	<u>22,646,333</u>	<u>23,454,752</u>
Expenditures					
Current:					
General government	4,075,595	4,345,238	4,017,338	4,396,948	4,177,189
Public safety	9,856,203	9,773,245	9,223,191	10,653,804	10,273,963
Health and welfare	-	9,531	971,656	1,472,491	1,793,038
Transportation	1,336,031	1,398,722	1,417,513	1,471,332	1,611,276
Community environment	2,040,029	2,676,716	3,202,840	2,213,192	1,680,902
Leisure time activity	1,126,958	1,066,909	1,068,312	1,217,596	1,368,699
Capital outlay	1,809,875	1,556,168	1,202,654	2,122,784	3,552,712
Intergovernmental	-	-	-	-	-
Debt service:					
Principal retirement	1,135,496	1,120,994	1,129,672	1,045,558	932,580
Interest and fiscal charges	182,083	224,929	258,650	278,130	253,241
Bond issuance cost	-	-	-	83,445	-
Note issuance cost	-	-	-	-	10,745
Total expenditures	<u>21,562,270</u>	<u>22,172,452</u>	<u>22,491,826</u>	<u>24,955,280</u>	<u>25,654,345</u>
Excess of revenues over (under) expenditures	<u>(706,729)</u>	<u>943,282</u>	<u>1,146,276</u>	<u>(2,308,947)</u>	<u>(2,199,593)</u>
Other Financing Sources (Uses)					
Notes issued	-	-	-	-	-
Bonds issued	-	-	-	2,310,000	-
Discount on bond issuance	-	-	-	(16,555)	-
Premium on notes	-	-	-	-	17,282
Premium on bonds	-	-	-	-	-
Capital lease transaction	207,780	-	112,089	-	300,000
Sale of capital assets	16,189	24,435	109,838	32,213	79,843
Transfers in	1,277,944	1,434,900	1,779,079	1,875,327	1,771,349
Transfers (out)	(1,277,944)	(1,434,900)	(1,779,079)	(1,836,090)	(1,962,282)
Loan proceeds	3,036	-	-	-	-
Proceeds from Sale of Park Land	-	-	-	-	-
Total other financing sources (uses)	<u>227,005</u>	<u>24,435</u>	<u>221,927</u>	<u>2,364,895</u>	<u>206,192</u>
Net change in fund balances	<u>\$ (479,724)</u>	<u>\$ 967,717</u>	<u>\$ 1,368,203</u>	<u>\$ 55,948</u>	<u>\$ (1,993,401)</u>
Capital expenditures	974,169	806,628	1,435,291	1,904,639	2,916,887
Debt service as a percentage of noncapital expenditures.	6.40%	6.30%	6.59%	5.74%	5.22%

2007	2006	2005	2004	2003
\$ 12,732,465	\$ 13,279,202	\$ 11,927,679	\$ 11,960,729	\$ 11,183,137
2,146,709	2,019,348	1,638,856	1,216,431	1,444,431
611,907	683,398	446,544	287,608	319,293
178,769	171,796	167,198	167,498	124,520
5,428,350	6,482,569	6,431,013	6,953,520	5,502,060
129,680	159,635	239,011	90,295	58,408
669,402	736,737	431,559	85,085	159,936
177,625	144,227	63,111	103,054	107,607
1,169,287	1,086,628	1,508,184	1,315,743	822,919
<u>23,244,194</u>	<u>24,763,540</u>	<u>22,853,155</u>	<u>22,179,963</u>	<u>19,722,311</u>
3,864,219	4,081,556	3,751,477	3,659,636	3,679,467
9,876,927	9,832,423	9,505,500	9,491,837	8,788,013
2,397,461	2,513,403	2,295,683	1,948,426	1,995,233
1,328,988	1,576,717	1,599,891	1,750,043	2,084,648
1,428,273	1,841,026	1,499,781	1,246,612	1,481,803
1,084,396	922,867	1,320,267	1,112,732	1,128,444
1,557,554	2,053,974	1,250,150	3,212,171	3,370,531
1,578,763	1,328,572	-	-	-
856,591	883,603	888,081	1,773,799	281,544
252,483	280,010	221,050	266,290	280,871
-	-	3,985	18,955	68,142
10,292	-	-	5,671	-
<u>24,235,947</u>	<u>25,314,151</u>	<u>22,335,865</u>	<u>24,486,172</u>	<u>23,158,696</u>
<u>(991,753)</u>	<u>(550,611)</u>	<u>517,290</u>	<u>(2,306,209)</u>	<u>(3,436,385)</u>
20,000	40,000	96,000	120,000	1,180,000
-	-	112,450	1,396,000	4,967,610
-	-	-	-	-
-	-	8,754	1,842	15,241
-	-	-	-	17,194
211,276	160,621	-	-	-
10,388	149,224	19,629	6,332	3,855
1,853,518	1,955,289	1,835,266	2,193,627	3,023,461
(2,288,518)	(2,177,274)	(2,077,266)	(2,733,627)	(3,182,461)
-	-	-	-	-
-	-	-	-	1,000,000
<u>(193,336)</u>	<u>127,860</u>	<u>(5,167)</u>	<u>984,174</u>	<u>7,024,900</u>
<u>\$ (1,185,089)</u>	<u>\$ (422,751)</u>	<u>\$ 512,123</u>	<u>\$ (1,322,035)</u>	<u>\$ 3,588,515</u>
1,571,458	1,999,901	1,431,678	4,515,836	1,112,511
4.89%	4.99%	5.31%	10.22%	2.55%

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)
2012	\$ 341,221,550	\$ 974,918,714	\$ 9,489,460	\$ 10,783,477	\$ -	\$ -
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

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
\$ 350,711,010	\$ 985,702,191	4.25	35.58%
398,515,680	1,122,783,597	4.25	35.49%
399,114,645	1,131,955,516	4.25	35.26%
400,621,928	1,144,301,945	4.25	35.01%
420,654,255	1,393,232,990	4.25	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%

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	Fire Capital	Total Direct Rate	Summit County	Barberton City School District	Barberton Public Library		Total Overlapping Rates
2012	2.90	0.60	0.75	4.25	14.16	60.04	1.37	75.57	79.82
2011	2.90	0.60	0.75	4.25	14.16	57.95	1.37	73.48	77.73
2010	2.90	0.60	0.75	4.25	14.16	58.02	1.37	73.55	77.80
2009	2.90	0.60	0.75	4.25	14.16	58.11	1.37	73.64	77.89
2008	2.90	0.60	0.75	4.25	14.26	59.89	1.37	75.52	79.77
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

Source: Summit County, Ohio; Fiscal Officer

CITY OF BARBERTON, OHIO

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

December 31, 2012			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Babcock & Wilcox Power Generation Group	\$ 2,736,500	1	0.80%
Summa Barberton Citizens Hospital	2,280,090	2	0.67%
LRC Magic Investors LTD	1,907,410	3	0.56%
Kimco of Ohio, Inc.	1,771,090	4	0.52%
K L Morris Family Limited Liability	1,707,630	5	0.50%
Babcock & Wilcox Nuclear Operations	1,450,430	6	0.43%
J R Engineering, Inc.	1,208,040	7	0.35%
B & C Research Inc.	1,048,590	8	0.31%
Malco Products, Inc.	836,810	9	0.25%
Daniel L. Pohl Family Limited Partnership	822,050	10	0.24%
Total, Top Ten Principal Real Property Taxpayers	\$ 15,768,640		4.63%
Total City Real Property Tax Assessed Valuation	\$ 341,221,550		

December 31, 2003			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Barberton Health System LLC	\$ 10,311,780	1	2.98%
Babcock & Wilcox Co.	3,361,530	2	0.97%
Pittsburgh Plate Glass Co.	2,184,490	3	0.63%
Kimco of Ohio, Inc.	2,171,210	4	0.63%
Pendleton Magic LLC	2,072,110	5	0.60%
Bergit Realty Co.	1,702,210	6	0.49%
BWX Technologies	1,661,040	7	0.48%
Elson pointe Limited Partnership	1,498,700	8	0.43%
KL Morris Family Limited	1,446,190	9	0.42%
B&C Industries	1,315,660	10	0.38%
Total, Top Ten Principal Real Property Taxpayers	\$ 27,724,920		8.01%
Total City Real Property Tax Assessed Valuation	\$ 346,150,520		

Source: Summit County, Ohio; Fiscal Officer

CITY OF BARBERTON, OHIO

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

December 31, 2012			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison Co.	\$ 6,323,290	1	66.6%
East Ohio Gas Co.	1,584,780	2	16.7%
American Transmission	1,581,390	3	16.7%
Total, Top Three Principal Public Utility Property Taxpayers	\$ 9,489,460		100.0%
Total City Public Utility Property Tax Assessed Valuation	\$ 9,489,460		

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

CITY OF BARBERTON, OHIO

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

Year	Total Levy	Current Collection (a)	Percent of Current Collections to Tax Levy	Delinquent Collections (b)	Total Collections	Percent of Total Collections to Tax Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Tax Levy
2012	\$ 1,491,751	\$ 1,388,023	93.05%	\$ 96,881	\$ 1,484,904	99.54%	\$ 268,189	17.98%
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%

Source: Summit County, Ohio; Fiscal Officer

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

(b) 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
2012	2.00%	\$ 11,093,167	\$ 9,629,279	86.80%	\$ 658,530	5.94%
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%

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

	Taxes from Individuals	Percentage of Taxes from Individuals
\$	805,358	7.26%
	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%

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
2012	\$ 2,682,664	\$ 38,868	\$ 520,000	\$ 117,139	\$ 83,500	\$ 310,376	\$ 1,162,341	\$ 7,130,000
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

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 Loans	OPWC Loan	Notes	Capital Leases	(a) Total Primary Government	(b) Total Personal Income	Percentage of Personal Income	(b) Population	Per Capita
\$ 4,175,034	\$ 875,664	\$ 246,500	\$ 267,540	\$ 17,609,626	\$ 515,584,104	3.42%	26,824	\$ 656
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

CITY OF BARBERTON, OHIO

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

<u>Year</u>	<u>Population (a)</u>	<u>Estimated Actual Value of Taxable Property (b)</u>	<u>Bonded Debt (c)</u>	<u>Ratio of Bonded Debt to Estimated Actual Value of Property</u>	<u>Bonded Debt Per Capita</u>
2012	26,824	\$ 985,702,191	\$ 3,845,005	0.39%	\$ 143
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

Sources:

(a) See Schedule " Demographic and Economic Statistics - Last Ten Years" for population.

(b) Summit County, Ohio; Fiscal Officer.

(c) 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, 2012*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Barberton	\$ 3,752,547	100.00%	\$ 3,752,547
Total direct debt			<u>3,752,547</u>
Overlapping debt:			
Barberton City School District	49,508,531	97.84%	48,439,147
Summit County	47,300,000	3.07%	1,452,110
Akron-Summit County Library District	35,405,000	0.08%	28,324
Akron Metro Regional Transit Authority	205,000	3.07%	6,294
Northwest Local School District	18,644,624	0.01%	1,864
Total overlapping debt			<u>49,927,739</u>
Total direct and overlapping debt			<u>\$ 53,680,286</u>

Source: Ohio Municipal Advisory Council

(a) The estimated percentage applicable to the City is calculated as each governmental unit's assessed valuation within the City divided by the governmental unit's total assessed valuation.

CITY OF BARBERTON, OHIO

*COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS*

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Assessed Value (a)	\$ 350,711,010	\$ 398,515,680	\$ 398,606,530	\$ 399,532,150
Legal debt margin:				
Debt limitation - 10.5% of Assesed Value	36,824,656	41,844,146	41,853,686	41,950,876
Debt Applicable to Limitation:				
General Obligation Bonds	3,845,005	5,430,005	6,960,011	8,440,017
Special Assessment Bond	38,868	50,841	91,053	129,522
Notes	330,000	565,000	800,000	550,000
Revenue Bonds	<u>7,130,000</u>	<u>7,490,000</u>	<u>7,835,000</u>	<u>8,170,000</u>
Gross Indebtedness (Total Voted and Unvoted Debt)	<u>11,343,873</u>	<u>13,535,846</u>	<u>15,686,064</u>	<u>17,289,539</u>
Less: Debt Outside Limitations				
Special Assessment Bond	(38,868)	(50,841)	(91,053)	(129,522)
Notes	(330,000)	(565,000)	(800,000)	(550,000)
Revenue Bonds	<u>(7,130,000)</u>	<u>(7,490,000)</u>	<u>(7,835,000)</u>	<u>(8,170,000)</u>
Total Debt Outside Limitations	<u>(7,498,868)</u>	<u>(8,105,841)</u>	<u>(8,726,053)</u>	<u>(8,849,522)</u>
Total Debt Applicable to Limitation - Within 10.5% Limitations	3,845,005	5,430,005	6,960,011	8,440,017
Less: Amount Available in Debt Service Fund to pay debt applicable to limitation	<u>(1,067)</u>	<u>(2,658)</u>	<u>(60)</u>	<u>(428)</u>
Net Debt Within 10.5% Limitation	<u>3,843,938</u>	<u>5,427,347</u>	<u>6,959,951</u>	<u>8,439,589</u>
Overall Debt Margin Within 10.5% Limitation	<u>\$ 32,980,718</u>	<u>\$ 36,416,799</u>	<u>\$ 34,893,735</u>	<u>\$ 33,511,287</u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 19,289,106	\$ 21,918,362	\$ 21,923,359	\$ 21,974,268
Gross Indebtedness Authorized by Council	11,343,873	13,535,846	15,686,064	17,289,539
Less: Debt Outside Limitations: Total Debt Outside Limitations	<u>(7,498,868)</u>	<u>(8,105,841)</u>	<u>(8,726,053)</u>	<u>(8,849,522)</u>
Debt Within 5.5% Limitations	<u>3,845,005</u>	<u>5,430,005</u>	<u>6,960,011</u>	<u>8,440,017</u>
Unvoted Debt Margin Within 5.5% Limitation	<u>\$ 15,444,101</u>	<u>\$ 16,488,357</u>	<u>\$ 14,963,348</u>	<u>\$ 13,534,251</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.

2008	2007	2006	2005	2004	2003
\$ 405,001,640	\$ 403,765,630	\$ 445,921,963	\$ 420,900,043	\$ 414,923,323	\$ 415,088,815
42,525,172	42,395,391	46,821,806	44,194,505	43,566,949	43,584,326
6,380,017	7,730,007	9,040,001	10,338,819	11,611,800	8,608,993
166,466	201,800	235,641	266,950	176,500	197,600
4,360,000	2,765,000	3,535,000	5,665,000	3,675,000	7,415,000
8,495,000	8,805,000	9,105,000	630,000	1,235,000	1,815,000
<u>19,401,483</u>	<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>
(166,466)	(201,800)	(235,641)	(266,950)	(176,500)	(197,600)
(4,360,000)	(2,765,000)	(3,535,000)	(4,652,000)	(2,459,000)	(4,700,000)
<u>(8,495,000)</u>	<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>(13,021,466)</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>
6,380,017	7,730,007	9,040,001	11,351,819	12,827,800	11,323,993
<u>(23,302)</u>	<u>(18,797)</u>	<u>(3,189)</u>	<u>(503)</u>	<u>(21,518)</u>	<u>(181,829)</u>
<u>6,356,715</u>	<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>\$ 36,168,457</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>
\$ 22,275,090	\$ 22,207,110	\$ 24,525,708	\$ 23,149,502	\$ 22,820,783	\$ 22,829,885
19,401,483	19,501,807	21,915,642	16,900,769	16,698,300	18,036,593
<u>(13,021,466)</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>6,380,017</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>\$ 15,895,073</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>

CITY OF BARBERTON, OHIO

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

SEWER OWDA LOAN:

<u>Year</u>	<u>Operating Revenue</u>	<u>Operating Expenses (a)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements (b)</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2012	\$ 4,120,440	\$ 3,731,016	\$ 389,424	\$ 100,406	\$ 49,804	\$ 150,210	2.59
2011 (e)	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 (a)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements (b)</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2006 (d)	\$ 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

WATER REVENUE BONDS:

<u>Year</u>	<u>Operating Revenue</u>	<u>Operating Expenses (a)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements (b)</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2012	\$ 5,658,203	\$ 3,439,033	\$ 2,219,170	\$ 360,000	\$ 328,379	\$ 688,379	3.22
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 (c)	4,220,667	3,295,618	925,049	200,000	260,990	460,990	2.01

(a) Total operating expenses are exclusive of depreciation.

(b) Includes principal and interest of bonds only.

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

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

(e) 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 (a)	Personal Income	Per Capita Personal Income (b)	Annual Average Unemployment Rates (c)			
				City of Barberton	Summit County	Ohio	United States
2012	26,824	\$ 515,584,104	\$ 19,221	8.0%	6.8%	7.2%	8.1%
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%

Sources:

(a) U.S. Census Bureau 2000 & 2010.

(b) U.S. Census Bureau. Per capita personal income for 2012 is in 2011 dollars, the latest available.

(c) Ohio Job & Family Services, Ohio Labor Market Information.

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

Employer	2012			2004		
	Employees (a)	Rank (b)	Percentage of Total City Withholding Taxes	Employees	Rank (c)	Percentage of Total City Employment
Summa Health Systems (f)	1,512	1	11.99%	1,361	1	10.98%
Babcock and Wilcox Power Generation Group	1,007	2	11.09%	1,098	2	8.85%
Babcock and Wilcox Nuclear Operations	719	3	9.83%	(e)	(e)	(e)
Barberton Board of Education	759	4	4.93%	899	3	7.25%
Babcock and Wilcox Co.	199	5	3.29%	(e)	(e)	(e)
B&C Research Inc.	451	6	2.67%	410	6	3.31%
City of Barberton	336	7	2.48%	408	7	3.29%
Wright Tool Company	127	8	1.50%	(e)	(e)	(e)
Malco Products Inc.	173	9	1.44%	(e)	(e)	(e)
Preferred Compounding Corp Deronde Acq. Corp.	129	10	1.39%	(e)	(e)	(e)
Total	5,412		50.61%	4,176		33.68%
Total City Employment (d)	11,900			12,400		

Source: CCA Division of Taxation.

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

- (a) Based on W-2's reported.
- (b) Based on total withholding taxes.
- (c) Based on the number of employees.
- (d) Ohio Labor Market Information (OhioLMI.com)
- (e) Number of employees was not reported in 2004.
- (f) 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	2012	2011	2010	2009	2008	2007	2006	2005
General Government								
Clerk of Council	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Municipal Court - Judges	7.21	7.00	7.00	7.00	6.00	6.00	8.00	8.00
Municipal Clerk of Courts	10.58	10.34	12.34	14.31	11.28	11.28	12.30	13.30
Mayor	0.84	0.84	0.84	2.00	2.00	2.00	2.00	2.00
Service Director	0.34	0.34	0.34	0.84	0.84	0.84	1.30	1.30
Finance	4.00	4.00	5.00	5.00	5.20	5.20	5.20	5.20
Law	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00
Safety Director	0.34	0.34	0.34	1.00	0.50	1.00	1.00	1.00
Human Resources	0.27	0.27	0.27	1.00	1.50	-	-	1.00
Information Systems	0.89	0.89	0.89	0.91	0.93	0.93	0.90	1.70
Income Tax	-	-	1.00	1.00	1.00	1.00	1.00	2.60
Other	3.81	3.07	4.00	4.00	3.00	3.00	2.00	2.00
Public Safety								
Police/Dispatch	50.00	49.00	50.00	55.00	51.00	54.00	51.00	53.00
Fire	41.00	41.00	45.00	46.00	43.00	46.00	44.00	46.00
Health and Welfare								
Health District (a)	-	-	-	18.00	20.00	23.00	24.00	24.00
Transportation								
Signal	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Streets	10.00	13.00	13.00	13.00	19.00	16.00	13.00	15.00
Community Environment								
Engineering/Building	5.76	6.06	7.00	7.34	6.83	6.59	5.60	5.60
Planning	3.00	3.60	3.00	3.00	3.00	3.50	2.00	3.00
Leisure Time Activity								
Parks Administration	2.00	2.00	2.00	5.00	5.35	4.00	2.00	2.00
Parks Maintenance	6.00	5.00	6.00	6.00	5.00	4.00	5.00	6.00
Beautification	1.00	1.00	1.00	1.00	1.00	1.00	-	-
Utility Services								
Water	31.65	28.15	29.15	30.50	28.65	28.53	29.50	30.00
Sewer	26.80	26.30	25.95	25.30	30.12	21.33	26.40	26.00
Storm Water	4.00	4.00	3.00	3.00	3.00	3.00	-	-
Solid Waste	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.30
Community Center	-	-	-	-	-	-	2.00	2.00
Total	217.29	214.00	224.92	258.00	256.00	250.00	246.00	257.00

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

Source: City of Barberton records

<u>2004</u>	<u>2003</u>
1.00	1.00
8.00	8.00
12.30	12.30
2.00	2.00
1.30	1.30
4.60	5.60
3.00	3.00
1.00	1.00
1.00	1.00
1.70	1.70
4.60	4.60
2.00	2.00
55.00	56.00
46.00	44.00
24.00	25.00
4.00	4.00
22.00	23.00
6.60	8.30
3.00	3.00
3.00	3.00
7.00	7.00
2.00	2.00
27.40	30.00
25.20	28.00
-	-
0.30	0.20
2.00	3.00
<u>270.00</u>	<u>280.00</u>

CITY OF BARBERTON, OHIO

*OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS*

Function	2012	2011	2010	2009	2008	2007
General Government						
Positions Filled	13	13	12	10	9	22
Building Permits Issued	805	653	916	843	1,008	293
Building Inspections Performed	7,880	6,777	9,660	6,924	2,762	1,593
Ordinances & Resolutions	232	201	204	248	231	213
Public Safety						
Police:						
Physical Arrests	2,128	2,154	2,123	2,154	2,149	2,062
Parking Violations	1,389	1,153	1,340	1,414	1,476	1,560
Traffic Violations	1,833	971	1,919	1,972	2,579	1,724
Fire:						
Emergency Responses	3,854	3,991	3,907	3,909	3,479	4,022
Fire Responses	661	594	512	505	611	749
Inspections conducted	280	380	940	930	819	124
Leisure Time Activities						
Recreation Center Attendance	7,036	6,936	6,215	6,333	5,735	N/A
Recreation Center Memberships	1,159	1,145	1,011	1,288	999	701
Transportation						
Street Resurfacing (miles)	1.8	4.37	0.41	1.13	1.66	1.42
Tons of salt used	3,206	2,203	4,352	3,100	4,049	2,750
Water						
New Connections	40	14	37	54	32	60
Water Main Breaks	127	126	124	125	128	131

Source: City of Barberton Departments.

2006	2005	2004	2003
21	2	13	7
504	550	629	695
2,016	2,200	2,516	2,780
250	214	202	175
2,381	2,170	2,040	2,073
273	890	1,697	1,638
2,110	2,324	2,950	2,902
3,754	3,571	3,558	3,370
583	599	692	576
729	685	700	828
N/A	N/A	N/A	N/A
998	1,459	1,883	2,909
2.64	1.8	0	0
2,366	4,433	3,837	6,594
81	110	90	116
124	84	93	107

CITY OF BARBERTON, OHIO

*CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN YEARS*

Function	2012	2011	2010	2009	2008	2007	2006
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	16.00	15.00
Park Acreage	161.00	161.00	161.00	161.00	161.00	161.10	140.00
Tennis Courts	6.00	6.00	6.00	6.00	8.00	8.00	8.00
Baseball Diamonds	11.00	11.00	11.00	11.00	11.00	11.00	3.00
Softball Fields	7.00	7.00	7.00	7.00	7.00	7.00	12.00
Transportation							
Streets (Paved Miles)	130.99	130.99	130.99	130.99	130.99	130.99	130.99
Water							
Water Mains (miles)	137.50	137.50	137.50	137.50	137.50	136.70	136.37
Sewer							
Sanitary Sewers (miles)	92.50	92.50	92.50	92.50	92.50	91.25	91.25

Source: City of Barberton Departments.

<u>2005</u>	<u>2004</u>	<u>2003</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
128.35	126.55	126.55
135.97	135.97	135.97
91.25	91.25	91.25

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**CITY OF BARBERTON
SUMMIT COUNTY, OHIO**

SUPPLEMENTAL REPORTS

FOR THE YEAR ENDED
DECEMBER 31, 2012

RAYMOND FLICKINGER, DIRECTOR OF FINANCE

**CITY OF BARBERTON
SUMMIT COUNTY, OHIO**

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**CITY OF BARBERTON
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2012**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Direct</i>			
(B)(C) Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 713,312
<i>Passed Through the Ohio Department of Development</i>			
Community Development Block Grants/State's Program	14.228	A-Z-08-255-1	43,724
<i>Passed Through Summit County, Ohio</i>			
(E) Community Development Block Grants/State's Program	14.228	N/A	447,379
Total Community Development Block Grants/State's Program			<u>491,103</u>
Total U.S. Department of Housing and Urban Development			<u>1,204,415</u>
U.S. DEPARTMENT OF JUSTICE			
PASSED THROUGH THE			
N/A			
Bulletproof Vest Partnership Program	16.607	N/A	2,911
Regional Information Sharing Systems	16.610	N/A	4,465
ARRA - Public Safety Partnership and Community Policing Grants, Recovery Act	16.710	N/A	142,995
Total U.S. Department of Justice			<u>150,371</u>
U.S. DEPARTMENT OF TRANSPORTATION			
PASSED THROUGH THE			
OHIO DEPARTMENT OF TRANSPORTATION			
<i>Highway Planning and Construction</i>			
(D) Barberton - 15th Street	20.205	24460	2,620
31st Street (CR17)	20.205	86923	84,372
SR 0619 0.12 Safety	20.205	90310	224,564
Safe Routes to School Program	20.205	85332	3,000
			<u>314,556</u>
Total U.S. Department of Transportation			<u>314,556</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
PASSED THROUGH THE			
N/A			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	N/A	183,589
Total U.S. Environmental Protection Agency			<u>183,589</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
PASSED THROUGH THE			
N/A			
Assistance to Firefighters Grant	97.044	N/A	24,300
Total U.S. Department of Homeland Security			<u>24,300</u>
Total Federal Financial Assistance			<u>\$ 1,877,231</u>

(A) The accompanying Schedule of Federal Awards Expenditures (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 Federal Award Expenditures (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule. These loans are collateralized by mortgages on the property. At December 31, 2012, the gross amount of loans outstanding under this program was \$90,838. The City did not issue any new loans during the year ended December 31, 2012.

Activity in the CDBG revolving loan fund during 2012 is as follows:

Beginning loans receivable balance as of January 1, 2012	\$ 95,726
Loans Made	-
Penalties assessed to late payments	3,482
Loan principal repaid	(8,370)
Loan balance December 31, 2012	<u>\$ 90,838</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 amount includes \$49,616 of 2011 expenditures not previously reported.

(E) This grant was passed through Summit County, Ohio. A pass-through grant number was not available.



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

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

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, 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, 2012, and the related notes to the financial statements, which collectively comprise the City of Barberton's basic financial statements and have issued our report thereon dated June 18, 2013, wherein we noted the City of Barberton adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City of Barberton's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City of Barberton's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City of Barberton's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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, opining 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 two instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as items 2012-COB-001 and 2012-COB-002.

City of Barberton's Response to Findings

The City of Barberton's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the City of Barberton's responses and, accordingly, we express no opinion on them.

We also noted certain matters not requiring inclusion in this report that we reported to City of Barberton's management in a separate letter dated June 18, 2013.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City of Barberton's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City of Barberton's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
June 18, 2013



Julian & Grube, Inc.
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**Independent Auditor's 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
Federal Awards Expenditures**

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

To the Members of Council and Mayor:

Report on Compliance for Each Major Federal Program

We have audited the City of Barberton's compliance with the applicable 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, 2012. The *Summary of Audit Results* in the accompanying schedule of findings and responses identifies the City of Barberton's major federal programs.

Management's Responsibility

The City of Barberton's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the City of Barberton's compliance for each of the City of Barberton's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for 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 us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Barberton's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City of Barberton's major programs. However, our audit does not provide a legal determination of the City of Barberton's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Barberton complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2012.

Members of Council and Mayor
City of Barberton

Other Matters

The results of our auditing procedures disclosed two instances of noncompliance which OMB Circular A-133 requires us to report, described in the accompanying schedule of findings and responses as items 2012-COB-003 and 2012-COB-004. These findings did not require us to modify our compliance opinion on each major federal program.

The City of Barberton's responses to our noncompliance findings are described in the accompanying schedule of findings and responses. We did not audit the City of Barberton's responses and, accordingly, we express no opinion on them.

Report on Internal Control over Compliance

The City of Barberton's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City of Barberton's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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's applicable 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's compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and responses as items 2012-COB-003 and 2012-COB-004 to be material weaknesses.

The City of Barberton's responses to our internal control compliance findings are described in the accompanying schedule of findings and responses. We did not audit the City of Barberton's responses and, accordingly, we express no opinion on them.

We also noted certain matters not requiring inclusion in this report that we reported to City of Barberton's management in a separate letter dated June 18, 2013.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Members of Council and Mayor
City of Barberton

Report on the Schedule of Federal Awards Expenditures

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Barberton as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City of Barberton's basic financial statements. We issued our unmodified report thereon dated June 18, 2013, wherein we noted the City of Barberton adopted the provisions of Governmental Accounting Standard No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities* during the year. We conducted our audit to opine on the City of Barberton's basic financial statements. The accompanying schedule of federal awards expenditures presents additional analysis 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 management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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 schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.
June 18, 2013

**CITY OF BARBERTON
SUMMIT COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2012**

1. SUMMARY OF AUDITORS' RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<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>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	Yes
<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>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510(a)?</i>	Yes
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Community Development Block Grants/State's Program - CFDA # 14.228; Highway Planning and Construction - CFDA # 20.205
<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

**CITY OF BARBERTON
SUMMIT COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2012**

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
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Finding Number	2012-COB-001
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Ohio Revised Code Section 5705.36 in part, requires subdivisions to request increased or reduced amended certificates of estimated resources upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the last certified amended certificate.

The City did not request timely amended certificates throughout the year upon notice of increased or decreased resources.

The City is not properly certifying its most current estimated resources to the appropriate authorities and thus causing appropriations to exceed estimated resources, throughout the year and at fiscal year end.

We recommend that the City review its available resources versus its appropriations throughout the year and file amended certificates when necessary. This will facilitate the City's appropriation process.

Client Response: The City is attempting to monitor its budget more closely and to submit additional amendments for estimated resources more frequently throughout the fiscal year and at fiscal year end.

Finding Number	2012-COB-002
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Ohio Revised Code Section 5705.39 requires that a subdivision's total appropriations from each fund should not exceed total estimated resources.

The City had total appropriations exceeding total estimated resources in the following funds at December 31, 2012:

Fund Name	Appropriations	Estimated Resources	Excess
Nonmajor Governmental:			
Sports Complex Operating Fund	\$ 245,112	\$ 242,941	\$ 2,171
Federal Emergency Management Agency Fund	877,516	1,492	876,024
Neighborhood Stabilization Program Fund	43,503	-	43,503
Community Development Block Grant Fund	1,021,217	386,346	634,871
Tax Increment Financing Fund	156,745	129,259	27,486
Project Impact Fund	400,000	-	400,000

With appropriations exceeding estimated resources, the City may spend more funds than in the Treasury or in process of collection and cause fund deficits.

We recommend that the City comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by keeping more accurate appropriations versus estimated resources records and amending the budget prior to year end. If it is determined that estimated revenues will be greater than initially anticipated, the City should amend its official estimate in order to provide for any additional appropriations; however, appropriations should not exceed estimated resources. In addition, the City should monitor its budgetary process on a regular basis.

Client Response: The City will monitor the budget on a continual basis and make modifications as necessary to ensure appropriations do not exceed estimated resources.

**CITY OF BARBERTON
SUMMIT COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2012**

3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS

Finding Number	2012-COB-003
CFDA Title and Number	Highway Planning and Construction (CFDA # 20.205)
Federal Award Number/Year	2012
Federal Agency	U.S. Department of Transportation
Pass-Through Agency	Ohio Department of Transportation

Material Weakness/Non-compliance Finding – Cash Management – Highway Planning and Construction

49 CFR 18.21 requires that methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasury regulations at 31 CFR part 205.

The LPA Federal Local-Let Project Agreement for PID 86923 section 8.3 states that the Federal-aid Highway Program operates on a reimbursement basis.

From April 2012 through December 2012, the City received \$74,997 of federal reimbursement for program expenditures that were not paid to the vendor until April 19, 2013. The City maintained these funds in a checking account with a sweep repurchase agreement. Interest earned on these funds during 2012 is estimated to be approximately \$23.

The City is not using effective cash management practices which could result in reduction of grant funding and/or return of grant funding to the United States Department of Transportation.

We recommend that the City review the Office of Management and Budget Circular A-133 regarding cash management requirements. We also recommend the City consult with the Ohio Department of Transportation regarding financial management rules and regulations. This will help to ensure compliance with cash management of Federal award programs and that proper action is taken.

Client Response: Compliance with all regulations and grant agreements is highly important to the City. The City will work diligently to ensure federal funds are timely spent in the future.

**CITY OF BARBERTON
SUMMIT COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2012**

3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS – (Continued)

Finding Number	2012-COB-004
CFDA Title and Number	Highway Planning and Construction (CFDA # 20.205)
Federal Award Number/Year	2012
Federal Agency	U.S. Department of Transportation
Pass-Through Agency	Ohio Department of Transportation

Material Weakness/Non-compliance Finding – Matching or Cost Sharing – Highway Planning and Construction

49 CFR 18.24 states that a matching or cost sharing requirement may be satisfied by allowable costs incurred by the grantee, subgrantee, or a cost-type contractor under the assistance agreement.

The LPA Federal Local-Let Project Agreement for PID 86923 section 3.1 provides that the Ohio Department of Transportation (ODOT) shall provide to the City 90 percent of the eligible preliminary engineering costs. In addition, section 8.3 states that the Federal-aid Highway Program operates on a reimbursement basis. From April 2012 through December 2012, the City received \$74,997 of federal reimbursement for program expenditures for which the City's related 10 percent match of \$8,333 was not paid to the vendor until December 21, 2012.

In addition, the City entered into consultant agreement No. 16972 for PID 90310. No LPA Federal Local-Let Project agreement was executed for this project as it was not deemed a local-let project. The project provided that the ODOT shall provide 90 percent of the eligible preliminary engineering costs which were made via direct pay to the contractor. From May 2012 through November 2012, the ODOT paid the contractor directly \$197,684 of federal funds for which the City's related 10 percent match of \$21,965 was not paid to the vendor until December 21, 2012.

The City is not contributing its matching portion of the related projects in a timely manner which could result in reduction of grant funding and/or return of grant funding to the United States Department of Transportation.

We recommend that the City review the Office of Management and Budget Circular A-133 regarding matching requirements. We also recommend the City consult with the Ohio Department of Transportation regarding financial management rules and regulations. This will help to ensure compliance with matching requirements of Federal award programs and that proper action is taken.

Client Response: Compliance with all regulations and grant agreements is highly important to the City. The City will work diligently to ensure federal funds are timely spent in the future.



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 13, 2013**