

**CITY OF BARBERTON, OHIO**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2017

PREPARED BY:

JEREMY FLAKER  
DIRECTOR OF FINANCE

*104 THIRD STREET NW  
BARBERTON, OHIO 44203*





# Dave Yost • Auditor of State

Members of Council  
City of Barberton  
104 Third 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, 2017 through December 31, 2017. 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

September 5, 2018

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# **INTRODUCTORY SECTION**

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**CITY OF BARBERTON, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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# City of Barberton

Finance Department

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June 12, 2018

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, 2017, and has been developed to accurately detail the status of the City finances to Barberton residents and elected officials, investment banks and underwriters and all other interested parties. This report is presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments". It is intended to provide all pertinent and necessary information to the citizens of Barberton.

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

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

The City is required by state law to have an annual financial and compliance audit performed by the Auditor of State's Office or his/her designee. The City continues to receive an unqualified 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 control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2017 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

*Finance Department*  
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## 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, storm water management and solid waste disposal services are provided under the enterprise fund concept with user charges set to ensure adequate coverage of operating expenses, payments on outstanding debt and adequate infrastructure maintenance, repair and replacement and expansion.

## 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 employer accounts for approximately 15 percent of the City's total income tax collections.

Employment in the City has been relatively steady over the last several years. Employment levels have remained between 11,800 and 12,100 over the last six years after falling from a high of 12,900 in 2006 and 2007.

#### Civilian Labor Force Estimates

December 2017 <u>Area Name</u>	Civilian <u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	Unemployment <u>Rate</u>
Barberton	12,800	12,100	700	5.6
Summit County	274,700	261,500	13,200	4.8
Ohio Seasonally Adjusted	5,782,000	5,501,000	281,000	4.9
U.S. Seasonally Adjusted	160,597,000	154,021,000	6,576,000	4.1

Source: Ohio Department of Job and Family Services

Due to the continuing slow economic recovery 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 General Fund 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. Personal services costs (wages and benefits) are driven by bargaining unit contracts and health care costs. Operating costs, such as fuel, electric and gas power costs continue to be a growing burden. Infrastructure (streets, waterlines, sewer lines and storm water construction), vehicles (police cruisers and snow plows, for example), and other capital replacement requirements are ongoing.

Real property assessed values have continued to decline, dropping off from \$396.7 million in tax year 2008 to \$319.5 million in tax year 2017. General Fund property tax collections have fallen from \$1.02 million in 2008 to \$0.85 million in 2017.

Despite the budgetary challenges over the last several years, 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 250 businesses, facilitating over \$100 million in private sector investment. The Barberton Community Foundation invests up to \$4 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 3,000 jobs generating more than \$1.5 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 a two-year period of time, the BCDC had loaned almost the full \$1,000,000 of the available SBA funds. 2016 brought the approval of the largest loan in the history of the organization. Through a special PRI fund at the BCF, the BCDC was able to issue a \$2,500,000 loan to attract a global business to the City of Barberton. Within the next three years, the company will relocate over 100 new jobs to the city.

The City Planning Department with Clean Ohio Assistance Fund ("COAF") assistance conducted asbestos abatement and other clean-up along with an environmental assessment of the former Seiberling Industrial property. The City and the Barberton Land Improvement Company (BLIC) are partnering to redevelop the property into commercial or industrial end uses. The 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 plus square foot facility and has successfully executed six 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. To date, approximately \$2.5 million has been invested in the facility. Through the BCDC business attraction efforts, there are 9 leases at the property and additional space is available for future growth.

In September of 2011, the BCDC launched the Barberton Growth Fund in partnership with JumpStart Inc. (a national economic development non-profit). 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. A second round of funding has been launched and has generated interest from six new companies.

In 2013, the BLIC acquired the former Shamrock motel and nightclub. Both structures have been razed and the land is being held for future development.

In 2014, Mayor William Judge proposed and City Council approved a new "Business Incentive Program". The program offers monetary incentives to businesses occupying new and or existing industrial, commercial, or retail buildings where such occupancy creates new jobs and or eliminates blight from the community to enhance economic development and saves or creates new jobs. Funding comes from income tax revenues and may include Barberton Community Foundation grants.

### ***Long-Term Financial Planning***

The City had been able to begin rebuilding its Emergency Reserve Fund monies despite the loss of revenues the last few years with a number of one-time or unexpected revenues as well as various cost-cutting measures. Although the City continues to pursue grants and low-interest loans for capital improvements, with reduced operating reserves the City has been required to raise user charges, license and permit fees as well as cutting expenses. An example of this effort is that the full-time staffing levels have been reduced from 257 employees in 2005 to 219 at the end of 2016. The result of the staffing reductions and other cuts has helped minimize expenditure growth in the General Fund, the City's major (non-utility) operating fund.

### ***Major Initiatives***

At the November 2013 general election, the Citizens of Barberton approved a one-quarter of a percent increase in the city income tax. The additional revenue (11.11% of total income tax receipts) is restricted to paving and reconstructing streets. The increase raised approximately \$1.4 million in 2017 for street improvements.

As a result of this tax increase, construction began on the 9<sup>th</sup> Street N.E. Improvement project in 2016. The \$1,710,000 project included the complete reconstruction of the street including curbs, storm sewers, water and sewer lines. The project was financed by the issuance of \$1,710,000 in General Obligation Bond Anticipation Notes. The notes will be retired by using a portion of the additional income tax. The project was completed in early 2017.

The City was also awarded \$8.8 million in federal grants from Akron Metropolitan Transportation Study (AMATS). These grant monies will be used for various projects in the City. Those projects include reconstruction of the intersection at Wooster Road North and State Street, reconstruction of Wooster Road West from Second Street Northwest to Hudson Run Road, resurfacing Van Buren Avenue, resurfacing West Waterloo Road, resurfacing Norton Avenue, and resurfacing Wooster Road North from Burt Street to Norton Avenue. These projects are scheduled to begin in 2021/2022.

A major reconstruction of 31<sup>st</sup> Street between Wooster Road West and City of Norton Corporation limit has been under way including an Ohio Public Works Commission (OPWC) no interest loan to help finance the waterline portion. At December 31, 2015 the waterline portion, estimated at \$2.164 million, was substantially completed.

The roadway reconstruction portion continued through 2016. Roadway funding includes an OPWC grant and ODOT reimbursements for engineering costs, right-of-way and easement expenses and direct construction contractor payments. The project cost was \$4.38 million and completed in late 2016.

Design work has also been completed on additional sewage plant improvements financed with a 20-year, low interest loan, also through OWDA. This project is estimated at approximately \$2.8 million.

OWDA and the EPA are also funding with a low interest loan the improvements to the water intake structure and equipment at the Wolf Creek Reservoir. The project is expected to cost approximately \$3.24 million with \$790,000 in loan forgiveness (an EPA grant). The balance of \$2.44 million will be repaid by the City with water user charges over a 30-year period beginning July of 2015.

The Highlands is a single-family housing development on the site of the former Highland Junior High School, covering one city block. The development plan calls for a total of 10 new homes to be built. Currently 7 have been constructed and are occupied. Design and preparation continues for the remaining 3 lots. Houses are expected to be priced in the \$130,000 to \$140,000 range.

The City has looked to regionalism as a way to reduce taxpayers cost while maintaining or improving the level of service. The City has purchased the City of Norton's sanitary sewer system from Summit County. The City has agreed to pay Summit County \$175,000 per year for ten years. The City of Barberton will own, operate and maintain the system. City of Norton customers will be billed and pay for costs of the sewer system.

During 2016, the Barberton City Council authorized the Mayor to enter into an agreement with the City of Norton to authorize the transfer of the Nash Heights Sewer Project to Barberton. This included the transfer of an OWDA loan for the Nash Heights Sewer project. Total cost of the project exceeds \$8 million. Debt service on the OWDA loan will be paid by the City of Norton.

The City of Barberton, Copley Township and the City of Norton entered into an agreement for the purpose of creating a shared dispatch safety service center. The Southwest Summit Council of Governments was created to share in the costs of operating and maintaining the dispatch center with the expectation that sharing the services will result in lower dispatch costs and improved service for each member community. Operation of the center began January 2014. Dispatch employees of each organization were hired by the Southwest Summit Communications Center (SWSCOM). Each organization contributed equally to equip and start up the center. Since operational, each member is billed quarterly for their share of the budgeted expenditures. The City of Barberton's share was \$862,178 for 2017 operations. The City also absorbed the City of Norton Building Department in 2015. This process not only eliminates duplication but allows for expanded services to businesses and residents.

## **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, 2016. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Barberton, Ohio, has received Certificates of Achievement for the last 27 consecutive years (1990-2016). We believe our current report continues to conform to the Certificate of Achievement program requirements and 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 every City employee and manager for their dedicated service to the Citizens of Barberton throughout the year.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeremy Flaker', with a long, sweeping horizontal stroke extending to the right.

Jeremy Flaker  
Director of Finance

**CITY OF BARBERTON, OHIO  
LIST OF PRINCIPAL CITY OFFICIALS  
AS OF DECEMBER 31, 2017**

**Elected Officials (Four-year terms):**

**ADMINISTRATION AND MUNICIPAL COURT:**

<b>Mayor</b>	<b>William B. Judge</b>	12/31/2019
<b>Director of Finance</b>	<b>Raymond E. Flickinger, Jr.</b>	12/31/2019
<b>Director of Law</b>	<b>Lisa Okolish Miller</b>	12/31/2019
<b>Municipal Court Judge (Presiding)</b>	<b>David Fish</b>	12/31/2019
<b>Municipal Court Judge</b>	<b>Todd McKenney</b>	12/31/2017
<b>Clerk of Municipal Court</b>	<b>Diana Stevenson</b>	12/31/2019

**CITY COUNCIL:**

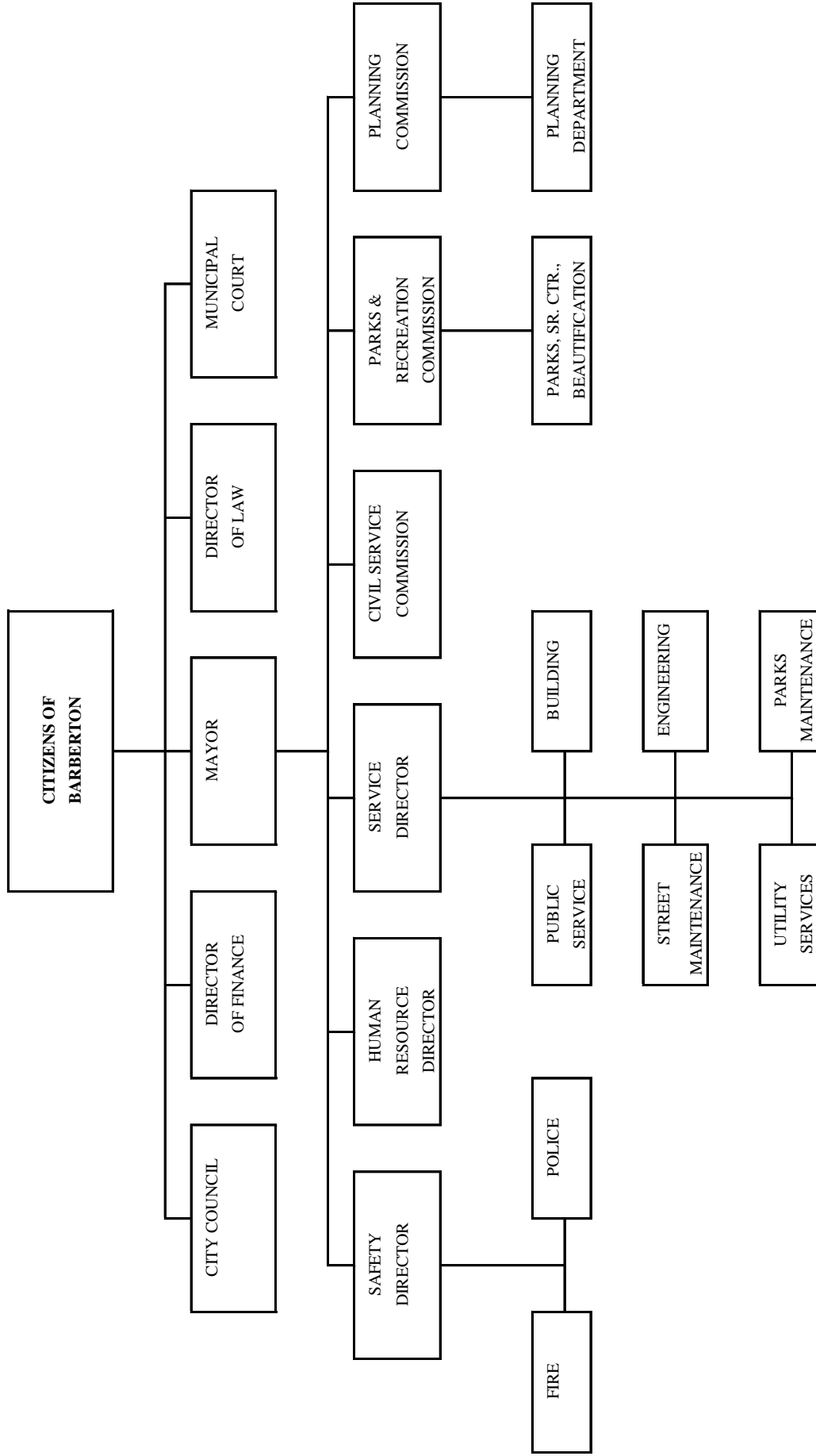
<b>President</b>	<b>Frederick S. Maurer</b>	12/31/2017
<b>Members:</b>		
<b>At-Large</b>	<b>Michael R. Soyars</b>	12/31/2017
<b>At-Large</b>	<b>Carla S. Debevec</b>	12/31/2017
<b>Ward 1</b>	<b>Shannon C. Wokojance</b>	12/31/2019
<b>Ward 2</b>	<b>Nina Angeloff</b>	12/31/2019
<b>Ward 3</b>	<b>Elwood Palmer</b>	12/31/2019
<b>Ward 4</b>	<b>Craig Megyes</b>	12/31/2019
<b>Ward 5</b>	<b>Joyce Coburn</b>	12/31/2019
<b>Ward 6</b>	<b>Carol A. Frey</b>	12/31/2019

**Mayor's Staff (Appointed):**

Service Director	Michael Vinay
Safety/Human Resources Director	Elizabeth Daugherty
Utilities Director	Denny Weaver (Interim)
Building Commissioner	Vacant
<b>Department Heads:</b>	
Police Chief	Vince Morber
Fire Chief	Kim Baldwin
City Engineer	Vacant
Planning Director	Joseph Stefan
Parks Director	Lisa McLean



**CITY OF BARBERTON, OHIO  
 ORGANIZATIONAL CHART  
 December 31, 2017**





Government Finance Officers Association

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, 2016**

*Christopher P. Morill*

Executive Director/CEO

# **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, 2017, 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, 2017, 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.

Independent Auditor's Report  
City of Barberton

***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*, and schedules of net pension liability / net pension asset and pension contributions 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 statements and schedules are management's responsibility, and derive 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 in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2018, 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 12, 2018

## CITY OF BARBERTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (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, 2017. 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 2017 follows:

- The total assets and deferred outflows of the City of Barberton exceeded its liabilities and deferred inflows of resources at December 31, 2017 by \$64,596,167 (net position). Of this amount, \$5,448,643 is considered restricted for various purposes such as capital projects and court operations. Another \$64,596,167 represents the net investment in capital assets and the remaining unrestricted net position is a deficit of \$5,380,460.
- Total net position decreased \$2,743,958 as a result of this year's operations. Net position of business-type activities decreased \$911,282, or 1.97 percent, while the net position of governmental activities decreased \$1,832,676, or 8.70 percent.
- The total cost of the City's service programs was \$40,023,777, while total revenues amounted to \$37,279,819. Of these amounts the governmental activities represented \$24,851,663 (62.09%) of the expenses and \$23,024,459 (61.76%) of the revenues. The business-type activities represented the remaining \$15,172,114 (37.91%) of expenses and \$14,255,360 (38.24%) of revenues.
- At the end of 2017, the fund balance for the general fund was \$3,942,868 on a modified accrual basis. This balance provides the City with the equivalent of approximately 85 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 2017 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.

#### 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, liabilities and deferred inflows and outflows of resources 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.

## CITY OF BARBERTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

From the statement of net position, you can determine what the City's current financial position is by subtracting total liabilities and deferred inflows of resources (what the City owes) from total assets and deferred outflows of resources (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 49 funds, as presented in this report. These funds are in existence to provide a multitude of services to the citizens of Barberton. For example, some funds provide for police and fire protection, street repair and maintenance as well as water, sewer, storm water and solid waste disposal services. In addition, a number of funds serve a variety of other purposes ranging from accounting for the City's construction of capital and infrastructure assets to providing health care benefits to the City's employees. Each fund is in some ways an entity unto itself. Each fund has a designated revenue stream and specific uses for the monies within the fund.

In this report, the focus is on the five major funds; the general fund, the street capital improvement 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, operations of the Municipal Court 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.

##### *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.



**CITY OF BARBERTON, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)*

**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 2017 compared to 2016.

	Governmental Activities		Business-Type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b><u>Assets</u></b>						
Other assets	\$ 16,406,680	\$ 17,272,681	\$ 14,854,475	\$ 14,652,614	\$ 31,261,155	\$ 31,925,295
Capital assets, net	<u>34,229,762</u>	<u>34,373,764</u>	<u>60,311,144</u>	<u>57,092,368</u>	<u>94,540,906</u>	<u>91,466,132</u>
Total assets	<u>50,636,442</u>	<u>51,646,445</u>	<u>75,165,619</u>	<u>71,744,982</u>	<u>125,802,061</u>	<u>123,391,427</u>
<b><u>Deferred outflows of resources</u></b>						
Unamortized deferred charges	146,826	159,147	72,429	78,507	219,255	237,654
Pension	<u>5,602,104</u>	<u>6,417,213</u>	<u>2,326,515</u>	<u>1,773,592</u>	<u>7,928,619</u>	<u>8,190,805</u>
Total deferred outflows of resources	<u>5,748,930</u>	<u>6,576,360</u>	<u>2,398,944</u>	<u>1,852,099</u>	<u>8,147,874</u>	<u>8,428,459</u>
<b><u>Liabilities</u></b>						
Current liabilities	1,848,646	2,048,851	1,740,629	675,186	3,589,275	2,724,037
Long-term liabilities:						
Due within one year	1,692,542	3,261,463	1,524,629	1,512,193	3,217,171	4,773,656
Net pension liability	23,923,046	23,385,426	5,938,071	4,553,707	29,861,117	27,939,133
Other amounts	<u>7,932,924</u>	<u>7,052,557</u>	<u>22,900,197</u>	<u>20,438,119</u>	<u>30,833,121</u>	<u>27,490,676</u>
Total liabilities	<u>35,397,158</u>	<u>35,748,297</u>	<u>32,103,526</u>	<u>27,179,205</u>	<u>67,500,684</u>	<u>62,927,502</u>
<b><u>Deferred inflows of resources</u></b>						
Property taxes	1,260,961	1,214,571	-	-	1,260,961	1,214,571
Pension	<u>495,417</u>	<u>195,425</u>	<u>96,706</u>	<u>142,263</u>	<u>592,123</u>	<u>337,688</u>
Total deferred inflows of resources	<u>1,756,378</u>	<u>1,409,996</u>	<u>96,706</u>	<u>142,263</u>	<u>1,853,084</u>	<u>1,552,259</u>
<b><u>Net Position</u></b>						
Net investment in capital assets	28,253,025	27,880,547	36,274,959	35,869,387	64,527,984	63,749,934
Restricted	5,126,680	5,419,843	321,963	321,963	5,448,643	5,741,806
Unrestricted	<u>(14,147,869)</u>	<u>(12,235,878)</u>	<u>8,767,409</u>	<u>10,084,263</u>	<u>(5,380,460)</u>	<u>(2,151,615)</u>
Total net position	<u>\$ 19,231,836</u>	<u>\$ 21,064,512</u>	<u>\$ 45,364,331</u>	<u>\$ 46,275,613</u>	<u>\$ 64,596,167</u>	<u>\$ 67,340,125</u>

In a prior year the City adopted Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68" which significantly revises accounting for pension costs, liabilities and assets. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension and the net pension asset. The result would be net position at December 31, 2017 of \$38,025,414 and \$49,049,556 for the governmental activities and business-type activities, respectively.

## CITY OF BARBERTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows. In addition, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

Total assets increased in 2017 by \$2,410,634 (1.95%). This increase is primarily due to higher capital asset balances for the business-type activities as the City continued various water and sewer improvement projects during the year.

Total liabilities increased \$4,573,182 (7.27%) in 2017. Most of this increase is reflected in the long-term liabilities due to an increase in the net pension liability for the business-type activities. The business-type activities also reported an increase in current liabilities which is primarily the result of amounts payable to contractors for various construction projects.

## CITY OF BARBERTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

Total net position decreased \$2,743,958 or 4.07%. The net investment in capital assets of \$64,527,984 represents the City's net capital assets, less any outstanding borrowings used to acquire those assets. Another \$5,448,643 represents net position that is subject to external restrictions on its use. The remaining balance of unrestricted net position is a deficit of \$5,380,460. The deficit is a result of reporting the City's share of the pension systems' net pension liability/net pension asset and deferred inflows and outflows of resources related to pensions.

#### Statement of Activities

The table below shows the changes in net position for fiscal years 2017 and 2016.

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 4,248,120	\$ 4,132,815	\$ 13,992,859	\$ 13,409,784	\$ 18,240,979	\$ 17,542,599
Operating grants and contributions	2,501,122	2,783,793	-	-	2,501,122	2,783,793
Capital grants and contributions	<u>650,158</u>	<u>756,976</u>	<u>130,976</u>	<u>289,025</u>	<u>781,134</u>	<u>1,046,001</u>
Total program revenues	<u>7,399,400</u>	<u>7,673,584</u>	<u>14,123,835</u>	<u>13,698,809</u>	<u>21,523,235</u>	<u>21,372,393</u>
General revenues:						
Property taxes	1,248,301	1,202,839	-	-	1,248,301	1,202,839
Income taxes	12,621,247	13,752,346	-	-	12,621,247	13,752,346
Unrestricted grants and entitlements	1,247,376	1,347,149	26,550	21,560	1,273,926	1,368,709
Investment earnings	296,114	74,208	-	(15,185)	296,114	59,023
Other	<u>212,021</u>	<u>199,589</u>	<u>104,975</u>	<u>17,853</u>	<u>316,996</u>	<u>217,442</u>
Total general revenues	<u>15,625,059</u>	<u>16,576,131</u>	<u>131,525</u>	<u>24,228</u>	<u>15,756,584</u>	<u>16,600,359</u>
Total revenues	<u>23,024,459</u>	<u>24,249,715</u>	<u>14,255,360</u>	<u>13,723,037</u>	<u>37,279,819</u>	<u>37,972,752</u>
<b>Expenses</b>						
Program expenses:						
General government	5,934,454	5,764,628	-	-	5,934,454	5,764,628
Public safety	12,924,756	12,493,616	-	-	12,924,756	12,493,616
Transportation	3,011,919	2,256,377	-	-	3,011,919	2,256,377
Community environment	1,472,044	1,463,504	-	-	1,472,044	1,463,504
Leisure time activity	1,373,446	1,322,359	-	-	1,373,446	1,322,359
Interest and fiscal charges	135,044	213,698	-	-	135,044	213,698
Water	-	-	6,267,581	5,133,511	6,267,581	5,133,511
Sewer	-	-	6,201,994	5,775,809	6,201,994	5,775,809
Solid waste	-	-	1,864,795	1,697,077	1,864,795	1,697,077
Storm water	-	-	<u>837,744</u>	<u>768,452</u>	<u>837,744</u>	<u>768,452</u>
Total expenses	<u>24,851,663</u>	<u>23,514,182</u>	<u>15,172,114</u>	<u>13,374,849</u>	<u>40,023,777</u>	<u>36,889,031</u>
Transfers	<u>(5,472)</u>	<u>-</u>	<u>5,472</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(1,832,676)	735,533	(911,282)	348,188	(2,743,958)	1,083,721
Net position at beginning of year	<u>21,064,512</u>	<u>20,328,979</u>	<u>46,275,613</u>	<u>45,927,425</u>	<u>67,340,125</u>	<u>66,256,404</u>
Net position at end of year	<u>\$ 19,231,836</u>	<u>\$ 21,064,512</u>	<u>\$ 45,364,331</u>	<u>\$ 46,275,613</u>	<u>\$ 64,596,167</u>	<u>\$ 67,340,125</u>

## CITY OF BARBERTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (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 and ¼ 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 and ¼ percent of the income. On a full accrual basis, the City received \$12,621,247 in income taxes revenue, or 54.82 percent of the total governmental revenues in 2017, compared to \$13,752,346 and 56.71% in 2016. The decrease in income taxes revenue in 2017 was a result of a decline in collections on business income and withholding taxes.

Intergovernmental revenue (i.e., state shared support) represents the City's third largest source of general revenue for the governmental activities. In 2017, the City received \$1,247,376 in unrestricted grants and entitlements or 5.42 percent of total revenues. The other main source of general revenue is property taxes, which accounted for 5.42 percent of total revenues in 2017.

Program revenues include charges for services and operating and capital grants and contributions that are restricted for specific purposes. Program revenues decreased \$274,184 in 2017 compared to the prior year, mostly in operating grants and contributions and capital grants and contributions. Capital grants and contributions were higher in the prior year due to grant funding from the Ohio Department of Transportation that the City used to finance streets infrastructure improvements. Operating grants and contributions were higher in 2016 as a result of additional grants from FEMA and State sources such as Ohio Criminal Justice Services and the Ohio Department of Mental Health.

The City's governmental activity expenses totaled \$24,851,663 in 2017, which represents an increase of \$1,337,481 or 5.69 percent from 2016. This increase is a result of several factors, the most significant of which are higher pension expense and higher outstanding balances of compensated absences payable. Public safety (police and fire protection) and general government (city council, mayor, finance, service director, etc.) represent the largest portion of governmental activities expenses at 52.01 percent and 23.88 percent, respectively.

The public safety classification consists of the Police Department and the Fire Department. As of December 31, 2017, the City employed 43 full-time police officers and 43 full-time firefighters. Public safety expenses totaled \$12,924,756 compared to \$12,493,616 in 2016, an increase of 3.45 percent.

Expenses for community environment include those related to the community development block grant program and the clean Ohio and neighborhood stabilization programs. These operations are primarily financed by direct charges to users and operating grants and contributions. In 2017, community environment expenses accounted for 5.92% of total governmental activities expenses, down slightly from 6.22% in 2016.

Transportation accounted for 12.12 percent of total governmental activities expenses. Transportation expenses were considerably higher in 2017 which is primarily due to an increase in road maintenance costs. 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. As of December 31, 2017, the City employed 11 full-time employees in the Street Department and 1 full-time employee in the Signal Division.

Leisure time activities expenses make up 5.53% of governmental activities expenses. These expenses include the City's recreation programs, parks maintenance, and the operations of the sports complex.

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.

## CITY OF BARBERTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2017</u>	Total Cost of Services <u>2016</u>	Net Cost of Services <u>2016</u>
Program Expenses:				
General government	\$ 5,934,454	\$ 3,008,123	\$ 5,764,628	\$ 2,743,184
Public safety	12,924,756	11,992,009	12,493,616	11,302,348
Transportation	3,011,919	1,138,284	2,256,377	479,330
Community environment	1,472,044	133,924	1,463,504	222,272
Leisure time activities	1,373,446	1,044,879	1,322,359	879,766
Interest and fiscal charges	<u>135,044</u>	<u>135,044</u>	<u>213,698</u>	<u>213,698</u>
Total Expenses	<u>\$ 24,851,663</u>	<u>\$ 17,452,263</u>	<u>\$ 23,514,182</u>	<u>\$ 15,840,598</u>

The dependence upon general revenues for governmental activities is apparent, with 70.23 percent of expenses supported through taxes and other general revenues in 2017 and 67.37 percent in 2016.

#### *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 11,428 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 2017, the rates were established at \$4.80 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 additional upgrades in 2002 and 2012, and current improvement underway which are expected to be completed in 2018.

Water distribution and treatment services are provided to approximately 11,493 customers in and around the Barberton area. Water billing rates are set by the Service Director. In 2017, the rates were established at \$6.73 per thousand gallons for residential and commercial users. Over the past year, improvements and upgrades to the water treatment plant, distribution infrastructure and treatment process equipment have continued.

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 2017, the monthly rate charged was \$16.25.

Revenues for the business-type activities are derived primarily from user charges. In 2017, charges for services revenue of \$13,992,859 represents an increase of 4.35% from 2016. Total expenses for all the business-type activities amounted to \$15,172,114 in 2017, compared to \$13,374,849 in 2016, an increase of 13.44%. This increase is a result of several factors, the most significant of which are higher pension expense and an increase in purchased services for water, sewer, and solid waste operations. Net position of the business-type activities decreased \$911,282 or 1.97%.

#### **The City's Funds**

The City's governmental fund financial statements begin on page 16. Governmental funds are accounted for using the modified accrual method of accounting. All governmental funds had revenues and other financing sources of \$25,154,221 and expenditures and other financing uses of \$25,866,628.

## CITY OF BARBERTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

The general fund is the chief operating fund of the City of Barberton. During 2017, the City's general fund's fund balance decreased \$826,043 or 17.32%, primarily due to a decline in revenues. The overall decrease in general fund revenues was \$904,287 or 5.15%. The general fund's primary source of revenue is the municipal income tax, comprising 67.39 percent of total general fund revenues. Income tax revenues decreased in 2017 by \$785,391 (6.54%), primarily due to a decline in collections on business income and withholding taxes. Intergovernmental revenues also decreased as a result additional federal grant funding in 2016. The only significant increase in general fund revenues was investment income which is a result of higher interest rates on the City's investments and an increase in the fair value of those investments.

General fund expenditures in 2017 of \$16,922,633 represents an increase of \$364,108 or 2.20%. Overall, employee wages and benefits increased slightly in 2017, particularly for the City's Police and Fire department operations.

The street capital improvement fund is reported as a major governmental fund and is used to account for income taxes and other revenues which are restricted for road and street improvements. Revenues and other financing sources in 2017 totaled \$2,769,552 while expenditures totaled \$3,282,733. These represent decreases from 2016 amounts as the City issued bonds and bond anticipation notes in the prior year for street improvement projects.

The City's proprietary fund financial statements start on page 21. These funds are accounted for on an accrual basis. All enterprise funds had operating revenues of \$14,042,242 and operating expenses of \$14,666,690, resulting in an operating loss of \$624,448. Operating revenues for both the water and solid waste funds were sufficient to meet the operating expenses in 2017, while the sewer fund and storm water fund (a nonmajor fund) experienced an operating loss. The overall decrease in net position was \$1,215,453 or 6.43% for the sewer fund and \$39,633 or 1.06% for the storm water fund (a nonmajor fund). Net position for all other funds increased in 2017: \$355,874 (1.65%) for the water fund, and \$48,729 (2.38%) for the solid waste fund.

#### *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 Director of Finance. During the course of 2017, 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 2017 original budgeted revenues and other financing sources were \$16,310,151. This was increased slightly to \$16,318,499 in the final budget. The actual revenue collections were \$16,410,452 or \$91,953 (0.56%) more than the final budget.

During 2017, the City increased general fund appropriations from \$17,534,122 in the original budget to \$17,971,475 in the final budget. The increase was primarily the result of higher costs for employee wages and benefits, particularly for the police and fire departments. Actual expenditures and other financing uses of \$17,097,713 were \$873,762 (4.86%) less than the final budget. All general fund departments came in below budget in both personal services and operating costs which contributed to the positive variance in expenditures. The most notable variances were for the planning department (\$111,119), police department (\$100,361) and building department (\$94,053). Capital outlays were also lower than the final budget (\$133,833) as a result of delaying capital purchases for equipment and building improvements.

**CITY OF BARBERTON, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)*

**Capital Assets and Debt Administration**

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 5,763,298	\$ 5,763,298	\$ 1,043,728	\$ 1,043,728	\$ 6,807,026	\$ 6,807,026
Construction in progress	2,150,428	5,294,597	6,464,398	10,433,135	8,614,826	15,727,732
Buildings	2,522,643	2,770,119	32,854,395	24,754,658	35,377,038	27,524,777
Vehicles and equipment	3,387,605	3,808,504	1,195,605	1,137,731	4,583,210	4,946,235
Infrastructure						
Street subsystem	19,344,878	15,621,072	-	-	19,344,878	15,621,072
Storm sewer subsystem	-	-	2,240,007	2,435,266	2,240,007	2,435,266
Traffic signals subsystem	1,060,910	1,116,174	-	-	1,060,910	1,116,174
Water lines	-	-	9,829,884	10,196,890	9,829,884	10,196,890
Sewer lines	-	-	6,683,127	7,090,960	6,683,127	7,090,960
Totals	<u>\$ 34,229,762</u>	<u>\$ 34,373,764</u>	<u>\$ 60,311,144</u>	<u>\$ 57,092,368</u>	<u>\$ 94,540,906</u>	<u>\$ 91,466,132</u>

Total capital assets at December 31, 2017 amounted to \$94,540,906, which is an increase of \$2,984,774 or 3.26% from 2016. Total new asset additions were \$7,608,547, depreciation expense was \$4,525,773, and disposals, net of accumulated depreciation, were \$8,000. Additional information regarding the City's capital assets can be found in Note 7 in the notes to the basic financial statements.

For the governmental activities, the most significant asset additions during the year were for various street infrastructure improvement projects, amounting to approximately \$1.56 million.

For the business-type activities, most of the additions to capital assets are for various construction projects including: Nash Heights sewer improvements (\$3.33 million), fixed network meter replacement project (\$0.87 million), and the water treatment plant PAC feeder replacement (\$0.49 million). The water treatment plant improvements project was completed and placed into operation in 2017. The final cost of the project was approximately \$9.5 million.

*Debt*

Outstanding debt as of December 31, 2017 was \$29,834,784. This balance reflects an increase of \$1,818,265 from the prior year. New debt issues totaled \$5,485,683 in 2017 and debt retirements amounted to \$3,667,418. The City issued bond anticipation notes totaling \$2,040,000 in order to finance road improvements and sewer equipment purchases. Other significant debt issuances include OWDA and OPWC loans payable of \$3,312,681 for various water and sewer improvement projects. Additional information regarding the City's debt obligations can be found in Notes 9 and 10 in the notes to the basic financial statements.

**CITY OF BARBERTON, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(UNAUDITED)*

The following table presents the City's outstanding debt obligations at December 31, 2017 and 2016.

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General obligation bonds	\$ 4,214,140	\$ 4,593,010	\$ 850,861	\$ 911,990	\$ 5,065,001	\$ 5,505,000
Revenue bonds	-	-	5,310,000	5,835,000	5,310,000	5,835,000
Capital leases	369,423	435,419	23,732	47,534	393,155	482,953
Notes payable	1,540,000	1,715,000	500,000	-	2,040,000	1,715,000
Loans payable	-	13,804	15,626,628	12,889,762	15,626,628	12,903,566
Other debt	-	-	1,400,000	1,575,000	1,400,000	1,575,000
<b>Total long-term obligations</b>	<b>\$ 6,123,563</b>	<b>\$ 6,757,233</b>	<b>\$ 23,711,221</b>	<b>\$ 21,259,286</b>	<b>\$ 29,834,784</b>	<b>\$ 28,016,519</b>

**Economic Factors and the 2018 General Fund Budget**

Some of the economic trends impacting Barberton that were considered in developing the 2017 budget include the following:

- Barberton's seasonally adjusted unemployment rate for December 2017 was 5.6 percent, compared to 4.8 percent for Summit County and 4.9 percent for the State of Ohio.
- 2017 income tax revenue amounted to approximately \$12.62 million compared to \$13.75 million in 2016. Income tax receipts through April 2018 are 3.97 percent above April 2017 year to date collections.
- Barberton's assessed real property values have decreased approximately \$77.1 million, or about 19.4% since 2008. A full reappraisal of real property is conducted every six years, and values are updated every third year following each sexennial reappraisal. The latest reappraisal occurred in 2014 and resulted in a decrease in real property values of approximately \$5.6 million or 1.6%.
- General fund budgeted revenues for 2018 are \$17,451,697 and budgeted expenditures are \$17,791,144.

Despite the City's cost cutting efforts over the last few 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 personal services and operating costs such as fuel, electric and gas power 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 state agency loans to assist in improving and maintaining its utility and some roadway infrastructure. It is anticipated that further cost containment efforts, service reductions, and/or revenue enhancement actions may be necessary through the remainder of 2018 and into 2019 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 or visit our website at [www.cityofbarberton.com/oc/finance.shtml](http://www.cityofbarberton.com/oc/finance.shtml).



**CITY OF BARBERTON, OHIO**

*STATEMENT OF NET POSITION*

DECEMBER 31, 2017

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and investments . . . . .	\$ 11,175,076	\$ 13,135,453	\$ 24,310,529
Cash and cash equivalents in segregated accounts . .	193,452	-	193,452
Receivables:			
Property taxes . . . . .	1,364,588	-	1,364,588
Income taxes . . . . .	2,285,563	-	2,285,563
Accounts . . . . .	139,599	1,304,794	1,444,393
Intergovernmental . . . . .	1,016,140	26,550	1,042,690
Accrued interest . . . . .	60,301	-	60,301
Internal balance . . . . .	63,145	(63,145)	-
Prepayments . . . . .	86,035	86,002	172,037
Materials and supplies inventory . . . . .	-	341,784	341,784
Net pension asset . . . . .	22,781	23,037	45,818
Capital assets:			
Nondepreciable capital assets . . . . .	7,913,726	7,508,126	15,421,852
Depreciable capital assets, net . . . . .	26,316,036	52,803,018	79,119,054
Total capital assets, net . . . . .	34,229,762	60,311,144	94,540,906
Total assets . . . . .	50,636,442	75,165,619	125,802,061
<b>Deferred outflows of resources:</b>			
Unamortized deferred charges on debt refunding . . .	146,826	72,429	219,255
Pension - Ohio Police & Fire . . . . .	3,309,015	-	3,309,015
Pension - OPERS . . . . .	2,293,089	2,326,515	4,619,604
Total deferred outflows of resources . . . . .	5,748,930	2,398,944	8,147,874
<b>Liabilities:</b>			
Accounts payable . . . . .	238,870	308,310	547,180
Contracts payable . . . . .	107,020	1,260,705	1,367,725
Accrued wages and benefits payable . . . . .	233,708	128,647	362,355
Intergovernmental payable . . . . .	256,341	25,253	281,594
Accrued interest payable . . . . .	26,979	17,714	44,693
Notes payable . . . . .	555,000	100,000	655,000
Claims payable . . . . .	430,728	-	430,728
Long-term liabilities:			
Due within one year . . . . .	1,692,542	1,524,629	3,217,171
Due in more than one year:			
Net pension liability . . . . .	23,923,046	5,938,071	29,861,117
Other amounts due in more than one year . . . . .	7,932,924	22,800,197	30,733,121
Total liabilities . . . . .	35,397,158	32,103,526	67,500,684
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year . . . . .	1,260,961	-	1,260,961
Pension - Ohio Police & Fire . . . . .	377,900	-	377,900
Pension - OPERS . . . . .	117,517	96,706	214,223
Total deferred inflows of resources . . . . .	1,756,378	96,706	1,853,084
<b>Net position:</b>			
Net investment in capital assets . . . . .	28,253,025	36,274,959	64,527,984
Restricted for:			
Capital projects . . . . .	702,170	-	702,170
Street construction, maintenance and repair . . . . .	368,973	-	368,973
Court . . . . .	3,281,090	-	3,281,090
Recreation . . . . .	1,432	-	1,432
Community development and improvements . . . . .	52,231	-	52,231
Law enforcement . . . . .	611,223	-	611,223
Fire capital . . . . .	87,694	-	87,694
Miscellaneous grants . . . . .	21,867	-	21,867
Sewer replacement and improvement . . . . .	-	321,963	321,963
Unrestricted (deficit) . . . . .	(14,147,869)	8,767,409	(5,380,460)
Total net position . . . . .	\$ 19,231,836	\$ 45,364,331	\$ 64,596,167

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BARBERTON, OHIO**

*STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental activities:</b>				
General government . . . . .	\$ 5,934,454	\$ 2,885,996	\$ 40,335	\$ -
Public safety . . . . .	12,924,756	698,887	233,860	-
Transportation . . . . .	3,011,919	116,576	1,106,901	650,158
Community environment . . . . .	1,472,044	397,945	940,175	-
Leisure time activities . . . . .	1,373,446	148,716	179,851	-
Interest and fiscal charges . . . . .	135,044	-	-	-
<b>Total governmental activities . . . . .</b>	<b>24,851,663</b>	<b>4,248,120</b>	<b>2,501,122</b>	<b>650,158</b>
<b>Business-type activities:</b>				
Water . . . . .	6,267,581	6,453,317	-	101,001
Sewer . . . . .	6,201,994	4,874,435	-	29,975
Storm water . . . . .	837,744	759,777	-	-
Solid waste . . . . .	1,864,795	1,905,330	-	-
<b>Total business-type activities . . . . .</b>	<b>15,172,114</b>	<b>13,992,859</b>	<b>-</b>	<b>130,976</b>
<b>Total primary government . . . . .</b>	<b>\$ 40,023,777</b>	<b>\$ 18,240,979</b>	<b>\$ 2,501,122</b>	<b>\$ 781,134</b>

**General revenues:**

Property taxes levied for:
General purposes . . . . .
Fire capital levy . . . . .
Police pension . . . . .
Fire pension . . . . .
Municipal income taxes levied for:
General purposes . . . . .
Capital outlay . . . . .
Grants and entitlements not restricted to specific programs . . . . .
Investment earnings . . . . .
Other . . . . .

Total general revenues . . . . .

Transfers . . . . .

Change in net position . . . . .

**Net position at beginning of year . . . . .**

**Net position at end of year . . . . .**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (3,008,123)	\$ -	\$ (3,008,123)
(11,992,009)	-	(11,992,009)
(1,138,284)	-	(1,138,284)
(133,924)	-	(133,924)
(1,044,879)	-	(1,044,879)
(135,044)	-	(135,044)
<u>(17,452,263)</u>	<u>-</u>	<u>(17,452,263)</u>
-	286,737	286,737
-	(1,297,584)	(1,297,584)
-	(77,967)	(77,967)
-	40,535	40,535
<u>-</u>	<u>(1,048,279)</u>	<u>(1,048,279)</u>
<u>(17,452,263)</u>	<u>(1,048,279)</u>	<u>(18,500,542)</u>
853,713	-	853,713
218,790	-	218,790
87,899	-	87,899
87,899	-	87,899
11,218,426	-	11,218,426
1,402,821	-	1,402,821
1,247,376	26,550	1,273,926
296,114	-	296,114
<u>212,021</u>	<u>104,975</u>	<u>316,996</u>
<u>15,625,059</u>	<u>131,525</u>	<u>15,756,584</u>
<u>(5,472)</u>	<u>5,472</u>	<u>-</u>
<u>(1,832,676)</u>	<u>(911,282)</u>	<u>(2,743,958)</u>
<u>21,064,512</u>	<u>46,275,613</u>	<u>67,340,125</u>
<u>\$ 19,231,836</u>	<u>\$ 45,364,331</u>	<u>\$ 64,596,167</u>

**CITY OF BARBERTON, OHIO**

*BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2017*

	<u>General</u>	<u>Street Capital Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and investments. . . . .	\$ 2,931,556	\$ 1,110,312	\$ 6,060,588	\$ 10,102,456
Cash and cash equivalents in segregated accounts . . . . .	193,452	-	-	193,452
Receivables:				
Property taxes . . . . .	935,907	-	428,681	1,364,588
Income taxes. . . . .	2,031,612	253,951	-	2,285,563
Accounts. . . . .	54,828	-	67,911	122,739
Intergovernmental . . . . .	605,080	-	411,060	1,016,140
Accrued interest . . . . .	60,301	-	-	60,301
Due from other funds . . . . .	16,850	-	-	16,850
Prepayments . . . . .	75,345	-	10,690	86,035
Total assets . . . . .	<u>\$ 6,904,931</u>	<u>\$ 1,364,263</u>	<u>\$ 6,978,930</u>	<u>\$ 15,248,124</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 91,336	\$ -	\$ 68,880	\$ 160,216
Contracts payable. . . . .	8,800	87,161	11,059	107,020
Accrued wages and benefits payable . . . . .	202,903	-	30,805	233,708
Intergovernmental payable . . . . .	250,133	-	6,208	256,341
Due to other funds . . . . .	-	-	16,850	16,850
Notes payable . . . . .	-	555,000	-	555,000
Accrued interest payable . . . . .	-	5,777	-	5,777
Total liabilities . . . . .	<u>553,172</u>	<u>647,938</u>	<u>133,802</u>	<u>1,334,912</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . . .	865,197	-	395,764	1,260,961
Delinquent property tax revenue not available. . . . .	70,710	-	32,917	103,627
Accrued interest not available . . . . .	29,791	-	-	29,791
Income tax revenue not available . . . . .	1,050,914	131,378	-	1,182,292
Intergovernmental revenue not available . . . . .	392,279	-	288,151	680,430
Total deferred inflows of resources . . . . .	<u>2,408,891</u>	<u>131,378</u>	<u>716,832</u>	<u>3,257,101</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	75,345	-	10,690	86,035
Restricted. . . . .	-	584,947	5,010,694	5,595,641
Committed . . . . .	101,595	-	1,127,881	1,229,476
Assigned . . . . .	501,277	-	-	501,277
Unassigned (deficit) . . . . .	3,264,651	-	(20,969)	3,243,682
Total fund balances. . . . .	<u>3,942,868</u>	<u>584,947</u>	<u>6,128,296</u>	<u>10,656,111</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 6,904,931</u>	<u>\$ 1,364,263</u>	<u>\$ 6,978,930</u>	<u>\$ 15,248,124</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, 2017*

<b>Total governmental fund balances</b>	\$	10,656,111
 <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.		34,229,762
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds.		
Delinquent property taxes receivable	\$ 103,627	
Municipal income taxes receivable	1,182,292	
Intergovernmental receivable	680,430	
Accrued interest receivable	29,791	
Total	1,996,140	1,996,140
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	22,781	
Deferred outflows of resources	5,602,104	
Deferred inflows of resources	(495,417)	
Net pension liability	(23,923,046)	
Total	(18,793,578)	(18,793,578)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(4,056,903)	
General obligation bonds payable	(4,214,140)	
Notes payable	(985,000)	
Capital lease obligation	(369,423)	
Total	(9,625,466)	(9,625,466)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		146,826
On the statement of net position interest is accrued on outstanding bonds and loans payable, whereas in governmental funds interest is accrued when due.		(21,202)
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.		580,098
An internal balance is recorded in governmental activities to reflect underpayments to the internal service funds by the business-type activities.		63,145
<b>Net position of governmental activities</b>	<b>\$</b>	<b>19,231,836</b>

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, 2017*

	<u>General</u>	<u>Street Capital Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 846,534	\$ -	\$ 391,245	\$ 1,237,779
Municipal income taxes . . . . .	11,223,268	1,404,684	-	12,627,952
Charges for services . . . . .	1,326,259	-	223,712	1,549,971
Licenses and permits . . . . .	513,332	-	-	513,332
Fines and forfeitures . . . . .	81,331	-	1,226,279	1,307,610
Intergovernmental . . . . .	1,392,016	379,868	2,334,517	4,106,401
Special assessments . . . . .	52,248	-	5,609	57,857
Investment income . . . . .	273,491	-	15,799	289,290
Contributions and donations . . . . .	-	-	39,003	39,003
Other . . . . .	946,423	-	228,860	1,175,283
Total revenues . . . . .	<u>16,654,902</u>	<u>1,784,552</u>	<u>4,465,024</u>	<u>22,904,478</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	4,693,515	-	753,918	5,447,433
Public safety . . . . .	10,814,947	-	199,686	11,014,633
Transportation . . . . .	113,126	-	1,287,877	1,401,003
Community environment . . . . .	480,245	-	947,643	1,427,888
Leisure time activities . . . . .	751,348	-	370,542	1,121,890
Capital outlay . . . . .	31,250	1,412,213	597,653	2,041,116
Debt service:				
Principal retirement . . . . .	36,675	1,795,000	299,997	2,131,672
Interest and fiscal charges . . . . .	1,527	75,520	48,948	125,995
Debt issuance costs . . . . .	-	-	2,000	2,000
Total expenditures . . . . .	<u>16,922,633</u>	<u>3,282,733</u>	<u>4,508,264</u>	<u>24,713,630</u>
Excess of expenditures over revenues . . . . .	<u>(267,731)</u>	<u>(1,498,181)</u>	<u>(43,240)</u>	<u>(1,809,152)</u>
<b>Other financing sources (uses):</b>				
Note issuance . . . . .	-	985,000	-	985,000
Sale of capital assets . . . . .	-	-	29,215	29,215
Capital lease transaction . . . . .	-	-	133,002	133,002
Transfers in . . . . .	186,160	-	880,160	1,066,320
Transfers (out) . . . . .	(744,472)	-	(372,320)	(1,116,792)
Total other financing sources (uses) . . . . .	<u>(558,312)</u>	<u>985,000</u>	<u>670,057</u>	<u>1,096,745</u>
Net change in fund balances . . . . .	(826,043)	(513,181)	626,817	(712,407)
<b>Fund balances at beginning of year . . . . .</b>	<u>4,768,911</u>	<u>1,098,128</u>	<u>5,501,479</u>	<u>11,368,518</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 3,942,868</u>	<u>\$ 584,947</u>	<u>\$ 6,128,296</u>	<u>\$ 10,656,111</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, 2017*

**Net change in fund balances - total governmental funds** \$ (712,407)

*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	\$ 1,799,580	
Current year depreciation	<u>(1,943,582)</u>	
Total		(144,002)

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

Delinquent property taxes	10,522	
Municipal income taxes	(6,705)	
Intergovernmental revenues	80,125	
Investment income	<u>6,824</u>	
Total		90,766

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. 2,131,672

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. Higher interest expense is reported in the statement of activities due to the following:

Decrease in accrued interest payable	5,272	
Amortization of deferred amounts on refunding	<u>(12,321)</u>	
Total		(7,049)

Proceeds from capital lease transactions and the issuance of notes are recorded as an other financing source in the governmental funds; however, in the statement of activities they are not reported as revenue as they increase liabilities on the statement of net position. (1,118,002)

Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,797,763

Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities. (3,452,726)

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. (325,116)

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. (93,575)

**Change in net position of governmental activities** \$ (1,832,676)

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, 2017*

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 841,360	\$ 841,791	\$ 846,534	\$ 4,743
Municipal income taxes . . . . .	11,081,850	11,087,522	11,150,000	62,478
Charges for services . . . . .	1,329,633	1,330,314	1,337,810	7,496
Licenses and permits . . . . .	511,608	511,870	514,754	2,884
Fines and forfeitures . . . . .	80,233	80,274	80,726	452
Intergovernmental . . . . .	1,146,552	1,147,139	1,153,603	6,464
Special assessments . . . . .	51,929	51,955	52,248	293
Investment income . . . . .	294,627	294,778	296,439	1,661
Other . . . . .	927,077	927,551	932,778	5,227
<b>Total revenues . . . . .</b>	<u>16,264,869</u>	<u>16,273,194</u>	<u>16,364,892</u>	<u>91,698</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	4,934,177	5,033,077	4,701,211	331,866
Public safety . . . . .	10,748,058	10,999,816	10,871,426	128,390
Transportation . . . . .	140,175	140,175	117,832	22,343
Community environment . . . . .	688,964	761,049	555,877	205,172
Leisure time activities . . . . .	796,578	818,438	766,290	52,148
Capital outlay . . . . .	190,846	177,374	43,541	133,833
Debt service:				
Principal retirement . . . . .	33,807	33,807	33,802	5
Interest and fiscal charges . . . . .	1,517	1,517	1,512	5
<b>Total expenditures . . . . .</b>	<u>17,534,122</u>	<u>17,965,253</u>	<u>17,091,491</u>	<u>873,762</u>
Excess of expenditures over revenues . . . . .	<u>(1,269,253)</u>	<u>(1,692,059)</u>	<u>(726,599)</u>	<u>965,460</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	45,282	45,305	45,560	255
Transfers out . . . . .	-	(6,222)	(6,222)	-
<b>Total other financing sources (uses) . . . . .</b>	<u>45,282</u>	<u>39,083</u>	<u>39,338</u>	<u>255</u>
Net change in fund balances . . . . .	(1,223,971)	(1,652,976)	(687,261)	965,715
<b>Fund balance at beginning of year . . . . .</b>	\$2,580,835	2,580,835	2,580,835	-
<b>Prior year encumbrances appropriated . . . . .</b>	166,247	166,247	166,247	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,523,111</u>	<u>\$ 1,094,106</u>	<u>\$ 2,059,821</u>	<u>\$ 965,715</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**CITY OF BARBERTON, OHIO**

*STATEMENT OF NET POSITION*

*PROPRIETARY FUNDS*

*DECEMBER 31, 2017*

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental</b>
	<b>Water</b>	<b>Sewer</b>	<b>Solid Waste</b>	<b>Nonmajor Fund</b>	<b>Total</b>	<b>Activities - Internal Service Funds</b>
<b>Assets:</b>						
Current assets:						
Equity in pooled cash and investments. . . . .	\$ 7,530,153	\$ 1,734,436	\$ 2,406,591	\$ 1,142,310	\$ 12,813,490	\$ 1,072,620
Receivables:						
Accounts. . . . .	649,383	536,993	54,419	63,999	1,304,794	16,860
Intergovernmental. . . . .	-	-	-	26,550	26,550	-
Prepayments. . . . .	28,408	55,608	-	1,986	86,002	-
Materials and supplies inventory. . . . .	205,563	136,221	-	-	341,784	-
Total current assets. . . . .	<u>8,413,507</u>	<u>2,463,258</u>	<u>2,461,010</u>	<u>1,234,845</u>	<u>14,572,620</u>	<u>1,089,480</u>
Noncurrent assets:						
Net pension asset. . . . .	11,149	10,080	567	1,241	23,037	-
Restricted assets:						
Equity in pooled cash and investments. . . . .	-	321,963	-	-	321,963	-
Capital assets:						
Nondepreciable capital assets. . . . .	2,972,504	4,148,230	-	387,392	7,508,126	-
Depreciable capital assets, net. . . . .	26,024,931	24,452,220	-	2,325,867	52,803,018	-
Total noncurrent assets. . . . .	<u>29,008,584</u>	<u>28,932,493</u>	<u>567</u>	<u>2,714,500</u>	<u>60,656,144</u>	<u>-</u>
Total assets. . . . .	<u>37,422,091</u>	<u>31,395,751</u>	<u>2,461,577</u>	<u>3,949,345</u>	<u>75,228,764</u>	<u>1,089,480</u>
<b>Deferred outflows of resources:</b>						
Unamortized deferred charges on debt refunding. . . . .	65,787	6,642	-	-	72,429	-
Pension - OPERS. . . . .	1,129,363	1,014,572	57,652	124,928	2,326,515	-
Total deferred outflows of resources. . . . .	<u>1,195,150</u>	<u>1,021,214</u>	<u>57,652</u>	<u>124,928</u>	<u>2,398,944</u>	<u>-</u>
<b>Liabilities:</b>						
Current liabilities:						
Accounts payable. . . . .	179,258	125,361	2,195	1,496	308,310	78,654
Contracts payable. . . . .	647,777	350,318	260,810	1,800	1,260,705	-
Accrued wages and benefits payable. . . . .	63,665	54,858	2,249	7,875	128,647	-
Intergovernmental payable. . . . .	12,438	10,828	480	1,507	25,253	-
Accrued interest payable. . . . .	11,931	5,352	-	431	17,714	-
Claims payable. . . . .	-	-	-	-	-	430,728
Notes payable. . . . .	-	100,000	-	-	100,000	-
Current portion of general obligation bonds. . . . .	57,037	5,749	-	-	62,786	-
Current portion of revenue bonds. . . . .	535,000	-	-	-	535,000	-
Current portion of compensated absences. . . . .	83,829	65,984	2,464	1,712	153,989	-
Current portion of OWDA loans. . . . .	204,678	294,403	-	-	499,081	-
Current portion of OPWC loans. . . . .	75,041	-	-	-	75,041	-
Current portion of due to Summit County. . . . .	-	175,000	-	-	175,000	-
Current portion of capital lease obligations. . . . .	-	-	-	23,732	23,732	-
Total current liabilities. . . . .	<u>1,870,654</u>	<u>1,187,853</u>	<u>268,198</u>	<u>38,553</u>	<u>3,365,258</u>	<u>509,382</u>
Long-term liabilities:						
General obligation bonds. . . . .	715,810	72,265	-	-	788,075	-
Revenue bonds. . . . .	4,775,000	-	-	-	4,775,000	-
Compensated absences. . . . .	329,604	259,447	9,687	6,730	605,468	-
OWDA loans. . . . .	4,021,955	7,503,462	-	-	11,525,417	-
OPWC loans. . . . .	2,042,759	1,438,478	-	-	3,481,237	-
Due to Summit County. . . . .	-	1,225,000	-	-	1,225,000	-
Net pension liability. . . . .	2,873,822	2,598,182	146,146	319,921	5,938,071	-
Notes payable. . . . .	-	400,000	-	-	400,000	-
Total long-term liabilities. . . . .	<u>14,758,950</u>	<u>13,496,834</u>	<u>155,833</u>	<u>326,651</u>	<u>28,738,268</u>	<u>-</u>
Total liabilities. . . . .	<u>16,629,604</u>	<u>14,684,687</u>	<u>424,031</u>	<u>365,204</u>	<u>32,103,526</u>	<u>509,382</u>
<b>Deferred inflows of resources:</b>						
Pension - OPERS. . . . .	33,806	37,757	1,714	23,429	96,706	-
Total deferred inflows of resources. . . . .	<u>33,806</u>	<u>37,757</u>	<u>1,714</u>	<u>23,429</u>	<u>96,706</u>	<u>-</u>
<b>Net position:</b>						
Net investment in capital assets. . . . .	16,418,710	17,166,722	-	2,689,527	36,274,959	-
Restricted for replacement and improvement. . . . .	-	321,963	-	-	321,963	-
Unrestricted. . . . .	5,535,121	205,836	2,093,484	996,113	8,830,554	580,098
Total net position. . . . .	<u>\$ 21,953,831</u>	<u>\$ 17,694,521</u>	<u>\$ 2,093,484</u>	<u>\$ 3,685,640</u>	<u>45,427,476</u>	<u>\$ 580,098</u>
Adjustment to reflect the consolidation of the internal service fund activities related to enterprise funds. . . . .					(63,145)	
Net position of business-type activities. . . . .					<u>\$ 45,364,331</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF BARBERTON, OHIO**

*STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**Business-type Activities - Enterprise Funds**

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Fund</u>	<u>Total</u>
<b>Operating revenues:</b>					
Charges for services . . . . .	\$ 6,453,317	\$ 4,874,435	\$ 1,905,330	\$ 759,777	\$ 13,992,859
Other . . . . .	24,050	21,664	476	3,193	49,383
Total operating revenues . . . . .	<u>6,477,367</u>	<u>4,896,099</u>	<u>1,905,806</u>	<u>762,970</u>	<u>14,042,242</u>
<b>Operating expenses:</b>					
Personal services . . . . .	3,196,049	2,799,954	149,039	340,892	6,485,934
Contract services . . . . .	489,305	579,182	1,702,376	50,816	2,821,679
Materials and supplies . . . . .	1,424,991	1,120,787	12,203	180,682	2,738,663
Claims . . . . .	-	-	-	-	-
Other . . . . .	27,367	10,856	-	-	38,223
Depreciation . . . . .	844,089	1,484,638	-	253,464	2,582,191
Total operating expenses . . . . .	<u>5,981,801</u>	<u>5,995,417</u>	<u>1,863,618</u>	<u>825,854</u>	<u>14,666,690</u>
Operating income (loss) . . . . .	<u>495,566</u>	<u>(1,099,318)</u>	<u>42,188</u>	<u>(62,884)</u>	<u>(624,448)</u>
<b>Nonoperating revenues (expenses):</b>					
Interest and fiscal charges . . . . .	(254,846)	(177,030)	-	(771)	(432,647)
Loss on disposal of capital assets . . . . .	-	-	-	(8,000)	(8,000)
Intergovernmental . . . . .	-	-	-	26,550	26,550
Special assessments . . . . .	14,153	34,898	6,541	-	55,592
Debt issuance costs . . . . .	-	(3,978)	-	-	(3,978)
Total nonoperating revenues (expenses) . . . . .	<u>(240,693)</u>	<u>(146,110)</u>	<u>6,541</u>	<u>17,779</u>	<u>(362,483)</u>
Income (loss) before capital contributions and transfers . . . . .	254,873	(1,245,428)	48,729	(45,105)	(986,931)
Transfers in . . . . .	-	-	-	5,472	5,472
Capital contributions . . . . .	101,001	29,975	-	-	130,976
Change in net position . . . . .	355,874	(1,215,453)	48,729	(39,633)	(850,483)
<b>Net position at beginning of year . . . . .</b>	<u>21,597,957</u>	<u>18,909,974</u>	<u>2,044,755</u>	<u>3,725,273</u>	
<b>Net position at end of year . . . . .</b>	<u>\$ 21,953,831</u>	<u>\$ 17,694,521</u>	<u>\$ 2,093,484</u>	<u>\$ 3,685,640</u>	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					<u>(60,799)</u>
Change in net position of business-type activities.					<u>\$ (911,282)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Governmental  
Activities -  
Internal  
Service Funds**

\$ 4,428,660
14,219
<hr/>
4,442,879
<hr/>
-
44,616
418,851
4,173,950
4,836
-
<hr/>
4,642,253
<hr/>
(199,374)
<hr/>
-
-
-
-
-
<hr/>
-
<hr/>
(199,374)
45,000
-
<hr/>
(154,374)
734,472
<hr/>
\$ 580,098
<hr/>
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**CITY OF BARBERTON, OHIO**

*STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

**Business-type Activities - Enterprise Funds**

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Fund</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>					
Cash received from customers . . . . .	\$ 6,375,700	\$ 4,797,006	\$ 1,920,214	\$ 767,103	\$ 13,860,023
Cash received from other operations . . . . .	24,050	21,664	476	3,193	49,383
Cash payments for personal services . . . . .	(2,751,415)	(2,438,750)	(130,545)	(301,630)	(5,622,340)
Cash payments for contract services . . . . .	(564,169)	(659,576)	(1,570,902)	(51,002)	(2,845,649)
Cash payments for materials and supplies . . . . .	(1,398,215)	(1,102,065)	(13,451)	(177,273)	(2,691,004)
Cash payments for claims . . . . .	-	-	-	-	-
Cash payments for other expenses . . . . .	(16,926)	(7,256)	-	-	(24,182)
Net cash provided by (used in) operating activities . . . . .	<u>1,669,025</u>	<u>611,023</u>	<u>205,792</u>	<u>240,391</u>	<u>2,726,231</u>
<b>Cash flows from noncapital financing activities:</b>					
Intergovernmental grants . . . . .	-	-	-	21,560	21,560
Cash received from transfers in . . . . .	-	-	-	5,472	5,472
Special assessments . . . . .	<u>14,153</u>	<u>34,898</u>	<u>6,541</u>	<u>-</u>	<u>55,592</u>
Net cash provided by noncapital financing activities . . . . .	<u>14,153</u>	<u>34,898</u>	<u>6,541</u>	<u>27,032</u>	<u>82,624</u>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets . . . . .	(1,150,712)	(3,682,081)	-	(23,055)	(4,855,848)
Capital contributions . . . . .	-	4,060	-	-	4,060
Principal retirement . . . . .	(843,755)	(412,783)	-	(23,144)	(1,279,682)
Note issuance . . . . .	-	500,000	-	-	500,000
Loan issuance . . . . .	800	3,311,881	-	-	3,312,681
Interest and fiscal charges . . . . .	(250,523)	(171,272)	-	(1,191)	(422,986)
Debt issuance costs . . . . .	-	(3,978)	-	-	(3,978)
Net cash used in capital and related financing activities . . . . .	<u>(2,244,190)</u>	<u>(454,173)</u>	<u>-</u>	<u>(47,390)</u>	<u>(2,745,753)</u>
Net increase (decrease) in cash and investments . . . . .	(561,012)	191,748	212,333	220,033	63,102
<b>Cash and investments at beginning of year . . . .</b>	<u>8,091,165</u>	<u>1,864,651</u>	<u>2,194,258</u>	<u>922,277</u>	<u>13,072,351</u>
<b>Cash and investments at end of year . . . . .</b>	<u>\$ 7,530,153</u>	<u>\$ 2,056,399</u>	<u>\$ 2,406,591</u>	<u>\$ 1,142,310</u>	<u>\$ 13,135,453</u>

**Governmental  
Activities -  
Internal  
Service Funds**

\$ 4,411,800  
14,219  
-  
(44,616)  
(395,167)  
(4,089,324)  
(4,836)

(107,924)

-  
45,000  
-

45,000

-  
-  
-  
-  
-  
-  
-

-

(62,924)

1,135,544

\$ 1,072,620

-- Continued

**CITY OF BARBERTON, OHIO**

*STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2017*

	<b>Business-type Activities - Enterprise Funds</b>				
	<b>Water</b>	<b>Sewer</b>	<b>Solid Waste</b>	<b>Nonmajor Fund</b>	<b>Total</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss) . . . . .	\$ 495,566	\$ (1,099,318)	\$ 42,188	\$ (62,884)	\$ (624,448)
Adjustments:					
Depreciation . . . . .	844,089	1,484,638	-	253,464	2,582,191
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
(Increase) in materials and supplies inventory . . .	(20,336)	(36,375)	-	-	(56,711)
(Increase) decrease in accounts receivable . . . . .	(90,733)	(73,829)	14,884	7,326	(142,352)
(Increase) decrease in prepayments. . . . .	76	2,562	-	(73)	2,565
Decrease in net pension asset. . . . .	751	832	35	312	1,930
(Increase) in deferred outflows - pension - OPERS	(284,032)	(239,421)	(14,892)	(14,578)	(552,923)
Increase (decrease) in accounts payable . . . . .	(4,271)	(27,859)	2,195	1,496	(28,439)
Increase in contracts payable . . . . .	-	-	128,031	1,800	129,831
Increase (decrease) in accrued wages and benefits .	966	2,303	(126)	551	3,694
Increase in intergovernmental payable . . . . .	1,638	1,731	64	222	3,655
Increase (decrease) in compensated absences payable . . . . .	55,880	12,198	(1,230)	1,583	68,431
Increase in claims payable . . . . .	-	-	-	-	-
Increase in net pension liability. . . . .	703,430	607,980	36,359	36,595	1,384,364
Increase (decrease) in deferred inflows - pension - OPERS . . . . .	(33,999)	(24,419)	(1,716)	14,577	(45,557)
Net cash provided by (used in) operating activities. . .	<u>\$ 1,669,025</u>	<u>\$ 611,023</u>	<u>\$ 205,792</u>	<u>\$ 240,391</u>	<u>\$ 2,726,231</u>
<b>Reconciliation of cash and investments:</b>					
Equity in pooled cash and investments . . . . .	\$ 7,530,153	\$ 1,734,436	\$ 2,406,591	\$ 1,142,310	\$ 12,813,490
Restricted equity in pooled cash and investments . . . . .	-	321,963	-	-	321,963
Total cash and investments . . . . .	<u>\$ 7,530,153</u>	<u>\$ 2,056,399</u>	<u>\$ 2,406,591</u>	<u>\$ 1,142,310</u>	<u>\$ 13,135,453</u>

At December 31, 2017, the Water fund purchased \$647,461 in capital assets on account, consisting of \$60,471 in accounts payable and \$586,990 in contracts payable. At December 31, 2016, the Water fund purchased \$5,638 in capital assets on account, consisting of contracts payable. At December 31, 2017, the Sewer fund purchased \$348,518 in capital assets on account, consisting of \$7,301 in accounts payable and \$341,217 in contracts payable. At December 31, 2016, the Sewer fund purchased \$29,222 in capital assets on account, consisting of contracts payable. At December 31, 2016, the Storm Water nonmajor enterprise fund purchased \$8,000 in capital assets on account, consisting of accounts payable.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Governmental  
Activities -  
Internal  
Service Funds**

---

\$ (199,374)

-

-

(16,860)

-

-

-

23,684

-

-

-

84,626

-

-

---

\$ (107,924)

\$ 1,072,620

---

-

\$ 1,072,620

**CITY OF BARBERTON, OHIO**

*STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUND  
DECEMBER 31, 2017*

	<u>Agency</u>
<b>Assets:</b>	
Equity in pooled cash and investments. . . . .	\$ 449,573
<b>Liabilities:</b>	
Deposits held and due to others . . . . .	\$ 449,573

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



## CITY OF BARBERTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

#### NOTE 1 - DESCRIPTION OF THE CITY

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

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City's significant accounting policies are described below.

##### A. Reporting Entity

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

Included as part of the City's primary government in the determination of the City's reporting entity is the Barberton Municipal Court (the "Court"). Although the Court's territorial jurisdiction extends beyond the boundaries of the City and the Judges of the Court are separately elected, the Court's operations are not legally separate from the City. In addition, the City is responsible for budgeting and appropriating funds for the operation of the Court and is ultimately responsible for any operating deficits sustained by the Court. The City's share of the fines collected by the Court, along with its shares of the Court's administrative and operating costs, 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 participates in two related organizations, the Barberton Community Development Corporation and the Barberton Community Foundation. These organizations are described in Note 16 to the basic financial statements. The City participates in one jointly governed organization, the Southwest Summit Council of Governments. This organization is described in Note 17 to the basic financial statements.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**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.

**C. Fund Accounting**

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

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

*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.

*Street capital improvement fund* - This fund accounts for revenue from a 0.25% income tax levy which is restricted for road and street improvements.

Other governmental funds of the City are used to account for (a) financial resources that are restricted or committed to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted or committed to expenditure for principal and interest.

***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.

The City's nonmajor enterprise fund accounts for storm drainage runoff services to City residents.

*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.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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

*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 has no trust funds. 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 on behalf of external parties.

**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 deferred outflows of resources and all liabilities and deferred inflows of resources 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, 2017

**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 taxes, State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), fines and forfeitures, interest, grants and reimbursements.

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Note 12 for deferred outflows of resources related the City's net pension liability. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance 2018 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Note 12 for deferred inflows of resources related to the City's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

*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.

**CITY OF BARBERTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**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 2017.

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 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 2017, investments were limited to federal agency securities, U.S. Treasury money market accounts, negotiable certificates of deposit, commercial paper 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.

**CITY OF BARBERTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2017 amounted to \$273,491 which includes \$232,115 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 expended/expensed when used. Inventory consists of expendable supplies held for consumption.

**I. Restricted Assets**

Certain cash and investments 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, 2017 consist of \$321,963 held by the City for sewer replacement and improvement.

**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 acquisition value 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.

**CITY OF BARBERTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

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 - 25

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, 2017, 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.



**CITY OF BARBERTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, net pension liability 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 Issuance Costs**

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.

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 inflow or outflow of resources on the statement of net position.

Bond premiums and discounts and gains/losses from refunding are recognized in the current period on the governmental fund financial statements. Bond issuance costs are expensed/expensed when they occur.

**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.

## CITY OF BARBERTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

##### **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.

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 committed. City Council has by ordinance authorized the Director of Finance to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

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.

**CITY OF BARBERTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**S. Net Position**

Net position represents the difference between assets plus deferred outflows of resources less liabilities less deferred inflows of resources. 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.

**U. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

**V. Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For 2017, the City has implemented GASB Statement No. 80, "*Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*", GASB Statement No. 81 "*Irrevocable Split-Interest Agreements*", and GASB Statement No. 82, "*Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*".

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the City.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the City.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the City.

**B. Negative Cash Balance / Deficit Fund Balances**

Fund balances at December 31, 2017 included the following individual fund deficits:

<u>Nonmajor fund</u>	<u>Deficit</u>
Community development block grant	\$ 20,969
<u>Internal service fund</u>	
Internal allocation fund	27,546

The general fund is liable for any deficit in this fund and provides transfers when cash is required. The deficit fund balances resulted from advance spending of approved grant monies and adjustments for accrued liabilities.

Contrary to Ohio Revised Code Section 5705.10, the City had a negative cash balance in the community development block grant fund of \$16,850. For GAAP purposes, this amount has been reported as a fund liability (See Note 5.B).

**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.

**CITY OF BARBERTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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.

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.

**CITY OF BARBERTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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, 2017, the carrying amount of all City deposits was \$1,580,922 and the bank balance of all City deposits was \$2,310,110. Of the bank balance, \$1,692,896 was covered by the FDIC and \$617,214 was potentially exposed to custodial credit risk as discussed below because those deposits were uninsured and could be uncollateralized. Although 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.

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. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State. Financial institutions which have received an extension (the "grace period") from the Ohio Treasurer of State to participate in the OPCS beyond December 31, 2017 may also pledge a single pool of eligible securities to secure the repayment of all public moneys deposited in the institution and not otherwise secured pursuant to law, provided that at all times the total market value of the securities so pledged is at least equal to 105% of the total amount of all public deposits to be secured by the pooled securities that are not covered by any federal deposit insurance. For 2017, certain City financial institutions participated in OPCS and some did not participate in the OPCS because they received an extension of time to participate.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**B. Investments**

As of December 31, 2017, the City had the following investments and maturities:

Measurement/ <u>Investment type</u>	Measurement <u>Amount</u>	<u>Investment Maturities</u>				
		6 months or <u>less</u>	7 to 12 <u>months</u>	13 to 18 <u>months</u>	19 to 24 <u>months</u>	Greater than <u>24 months</u>
Fair value:						
FFCB Notes	\$ 263,119	\$ -	\$ -	\$ -	\$ -	\$ 263,119
FHLB Notes	3,595,472	-	-	-	1,216,080	2,379,392
FHLMC Notes	5,833,217	249,883	-	1,042,781	2,464,405	2,076,148
FNMA Notes	4,466,134	-	496,055	990,550	257,239	2,722,290
Commercial Paper	3,785,698	3,169,160	616,538	-	-	-
Negotiable CDs	4,410,341	247,988	247,166	347,900	736,876	2,830,411
U.S. Treasury Money Market	96,136	96,136	-	-	-	-
Amortized cost:						
STAR Ohio	922,515	922,515	-	-	-	-
<b>Total</b>	<b><u>\$ 23,372,632</u></b>	<b><u>\$ 4,685,682</u></b>	<b><u>\$ 1,359,759</u></b>	<b><u>\$ 2,381,231</u></b>	<b><u>\$ 4,674,600</u></b>	<b><u>\$ 10,271,360</u></b>

The U.S. Treasury money market investments are valued using quoted market prices in active markets (Level 1 inputs). The City's other investments measured at fair value are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs). The weighted average maturity of investments is 2.00 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 were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The City's investments in commercial paper and negotiable CDs were not rated. 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.

*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, 2017

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

The following table includes the percentage of each investment type held by the City at December 31, 2017:

<u>Investment type</u>	Measurement	
	<u>Amount</u>	<u>% of Total</u>
FFCB Notes	\$ 263,119	1.13
FHLB Notes	3,595,472	15.38
FHLMC Notes	5,833,217	24.96
FNMA Notes	4,466,134	19.11
Commercial Paper	3,785,698	16.20
Negotiable CDs	4,410,341	18.87
U.S. Treasury Money Market	96,136	0.40
STAR Ohio	922,515	3.95
Total	<u>\$ 23,372,632</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, 2017:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 1,580,922
Investments	<u>23,372,632</u>
Total	<u>\$ 24,953,554</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 11,368,528
Business type activities	13,135,453
Agency funds	<u>449,573</u>
Total	<u>\$ 24,953,554</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

A. Interfund transfers for the year ended December 31, 2017, consisted of the following:

<u>Transfer to</u>	<u>Transfers from</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
General fund	\$ -	\$ 186,160	\$ 186,160
Nonmajor governmental funds	694,000	186,160	880,160
Nonmajor enterprise fund	5,472	-	5,472
Internal service funds	<u>45,000</u>	<u>-</u>	<u>45,000</u>
Total	<u>\$ 744,472</u>	<u>\$ 372,320</u>	<u>\$ 1,116,792</u>



**CITY OF BARBERTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 5 - INTERFUND TRANSACTIONS – (Continued)**

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

Transfers between governmental funds and transfers between enterprise funds are eliminated on the government-wide financial statements. All transfers were in compliance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16.

- B.** Interfund balances at December 31, 2017 as reported on the fund financial statements consist of \$16,850 due to the general fund from nonmajor governmental funds. 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, 2017, consisted primarily of municipal income taxes, property and other taxes, accounts (fees and billings for user charged services), interest and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full and are expected to be received within one year.

**A. Property Taxes**

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 6 - RECEIVABLES - (Continued)**

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, 2017 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 2017 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 of resources.

The full tax rate for all City operations for the year ended December 31, 2017 was \$4.25 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2017 property tax receipts were based are as follows:

Real property	\$ 319,535,820
Public utility property	<u>15,287,390</u>
Total assessed value	<u>\$ 334,823,210</u>

**B. Municipal Income Taxes**

The City levies a municipal income tax of 2 and ¼ percent on all income earned within the City as well as on income of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent on 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.

**C. Intergovernmental Receivables**

A summary of the intergovernmental receivables follows:

<u>Governmental activities:</u>	<u>Amounts</u>
Local government State support	\$ 388,859
Motor vehicle and gas tax	382,723
C.O.P.S. grant	13,958
Homestead and rollback	87,302
Joint Economic Development Zone reimbursements	88,229
Other grants and entitlements	55,069
 <u>Business-type activities:</u>	
Recycle grant	<u>26,550</u>
Total	<u>\$ 1,042,690</u>

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 7 - CAPITAL ASSETS**

A. Capital asset activity for the year ended December 31, 2017, was as follows:

<b><u>Governmental activities:</u></b>	<u>Balance</u> <u>12/31/16</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/17</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,763,298	\$ -	\$ -	\$ 5,763,298
Construction in progress	<u>5,294,597</u>	<u>540,723</u>	<u>(3,684,892)</u>	<u>2,150,428</u>
Total capital assets, not being depreciated	<u>11,057,895</u>	<u>540,723</u>	<u>(3,684,892)</u>	<u>7,913,726</u>
<i>Capital assets, being depreciated:</i>				
Buildings	7,737,957	33,143	-	7,771,100
Vehicles and equipment	13,680,210	204,219	(22,100)	13,862,329
Infrastructure:				
Street subsystem	27,951,675	4,706,387	-	32,658,062
Traffic signals subsystem	<u>1,815,949</u>	<u>-</u>	<u>-</u>	<u>1,815,949</u>
Total capital assets, being depreciated	<u>51,185,791</u>	<u>4,943,749</u>	<u>(22,100)</u>	<u>56,107,440</u>
Less: accumulated depreciation:				
Buildings	(4,967,838)	(280,619)	-	(5,248,457)
Vehicles and equipment	(9,871,706)	(625,118)	22,100	(10,474,724)
Infrastructure:				
Street subsystem	(12,330,603)	(982,581)	-	(13,313,184)
Traffic signal subsystem	<u>(699,775)</u>	<u>(55,264)</u>	<u>-</u>	<u>(755,039)</u>
Total accumulated depreciation	<u>(27,869,922)</u>	<u>(1,943,582)</u>	<u>22,100</u>	<u>(29,791,404)</u>
Total capital assets being depreciated, net	<u>23,315,869</u>	<u>3,000,167</u>	<u>-</u>	<u>26,316,036</u>
Governmental activities capital assets, net	<u>\$ 34,373,764</u>	<u>\$ 3,540,890</u>	<u>\$ (3,684,892)</u>	<u>\$ 34,229,762</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 91,121
Public safety	489,628
Transportation	1,167,859
Community environment	30,208
Leisure time activities	<u>164,766</u>
Total depreciation expense	<u>\$ 1,943,582</u>

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 7 - CAPITAL ASSETS - (Continued)**

**B.** Capital asset activity for the year ended December 31, 2017 was as follows:

<b><u>Business-type activities:</u></b>	<u>Balance</u> <u>12/31/16</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/17</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,043,728	\$ -	\$ -	\$ 1,043,728
Construction in progress	<u>10,433,135</u>	<u>5,512,866</u>	<u>(9,481,603)</u>	<u>6,464,398</u>
Total capital assets, not being depreciated	<u>11,476,863</u>	<u>5,512,866</u>	<u>(9,481,603)</u>	<u>7,508,126</u>
<i>Capital assets, being depreciated:</i>				
Buildings	48,664,860	9,481,603	-	58,146,463
Vehicles and equipment	5,069,347	296,101	(8,000)	5,357,448
Infrastructure				
Water lines	17,092,054	-	-	17,092,054
Sewer lines	19,622,448	-	-	19,622,448
Storm sewer lines	<u>7,141,158</u>	<u>-</u>	<u>-</u>	<u>7,141,158</u>
Total capital assets, being depreciated	<u>97,589,867</u>	<u>9,777,704</u>	<u>(8,000)</u>	<u>107,359,571</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(23,910,202)	(1,381,866)	-	(25,292,068)
Vehicles and equipment	(3,931,616)	(230,227)	-	(4,161,843)
Infrastructure				
Water lines	(6,895,164)	(367,006)	-	(7,262,170)
Sewer lines	(12,531,488)	(407,833)	-	(12,939,321)
Storm sewer lines	<u>(4,705,892)</u>	<u>(195,259)</u>	<u>-</u>	<u>(4,901,151)</u>
Total accumulated depreciation	<u>(51,974,362)</u>	<u>(2,582,191)</u>	<u>-</u>	<u>(54,556,553)</u>
Total capital assets, being depreciated, net	<u>45,615,505</u>	<u>7,195,513</u>	<u>(8,000)</u>	<u>52,803,018</u>
Business-type activities capital assets, net	<u>\$ 57,092,368</u>	<u>\$ 12,708,379</u>	<u>\$ (9,489,603)</u>	<u>\$ 60,311,144</u>

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

Water	\$ 844,089
Sewer	1,484,638
Storm water	<u>253,464</u>
Total depreciation expense	<u>\$ 2,582,191</u>

**NOTE 8 - CAPITAL LEASES**

The City has entered into capital lease agreements for various equipment and vehicles. The lease payments are paid from the general fund, sewer fund, water fund, storm water fund (a nonmajor enterprise fund) and the following nonmajor governmental funds: street construction, maintenance and repair fund, fire capital levy fund and the local law enforcement trust fund.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 8 - CAPITAL LEASES - (Continued)**

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 \$1,446,154 in governmental activities. A liability of \$369,423 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 payments of \$198,998 and \$10,544 in principal and interest, respectively, during 2017.

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 \$581,788. A liability of \$23,732 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 payments of \$23,802 and \$1,195 in principal and interest, respectively, during 2017.

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	\$ 1,446,154	\$ 581,788
Less: accumulated depreciation	<u>(713,316)</u>	<u>(299,509)</u>
Total	<u>\$ 732,838</u>	<u>\$ 282,279</u>

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>
2018	\$ 235,103	\$ 24,335
2019	65,352	-
2020	28,614	-
2021	28,614	-
2022	<u>28,614</u>	<u>-</u>
Total	386,297	24,335
Less: amount representing interest	<u>(16,874)</u>	<u>(603)</u>
Present value of net minimum lease payments	<u>\$ 369,423</u>	<u>\$ 23,732</u>

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 9 - NOTES PAYABLE**

Changes in the City's note activity for the year ended December 31, 2017, were as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>12/31/2016</u>	<u>Issued</u>	<u>Retired</u>	<u>12/31/2017</u>
<u>Governmental fund notes</u>				
Street improvement notes - 1.19%	\$ 175,000	\$ -	\$ (175,000)	\$ -
Street improvement notes - 1.49%	<u>-</u>	<u>555,000</u>	<u>-</u>	<u>555,000</u>
Total governmental fund notes	<u>\$ 175,000</u>	<u>\$ 555,000</u>	<u>\$ (175,000)</u>	<u>\$ 555,000</u>
 <u>Enterprise fund notes</u>				
Sewer radio metering equipment - 1.49%	\$ -	\$ 100,000	\$ -	\$ 100,000

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 notes were issued April 20, 2017 and mature April 20, 2018.

**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>Year</u>	<u>Interest</u>	<u>Original</u>	<u>Year of</u>
	<u>Issued</u>	<u>Rate</u>	<u>Issue Amount</u>	<u>Maturity</u>
<b>Governmental Activities</b>				
<u>General Obligation Bonds:</u>				
Various Purpose Improvement	2009	2.00-4.70%	\$ 2,310,000	2018
Various Purpose Improvement Refunding	2016	1.95%	1,660,534	2029
Street Improvement	2016	1.85%	2,745,000	2026
<u>Bond Anticipation Notes</u>				
Street Improvement	2017	1.49%	985,000	2018
<u>Other Debt:</u>				
State Infrastructure Bank Loan	2007	3.00%	193,342	2017
 <b>Business-Type Activities</b>				
<u>General Obligation Bonds:</u>				
Various Purpose Improvement	2009	2.00-4.70%	1,140,000	2018
Various Purpose Improvement Refunding	2016	1.95%	819,466	2029
<u>Revenue Bonds:</u>				
Waterworks System Revenue, Refunding	2014	2.34%	6,850,000	2026
<u>Bond Anticipation Notes:</u>				
Sewer Radio Metering Equipment	2017	1.49%	400,000	2018

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

<u>Debt issue</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Year of Maturity</u>
<b>Business-Type Activities (Continued)</b>				
<u>OWDA Loans:</u>				
Wastewater Treatment Plant Improvements	2011	2.16%	\$ 2,388,322	2030
Elevated Water Storage Tank	2012	2.00%	3,260,439	2032
Wastewater Treatment Plant Improvements	2014	3.37%	2,819,428	2035
Snyder Avenue Pump Station Improvements	2014	3.37%	2,390,246	2035
Wolf Creek Dam Intake Extension	2014	2.00%	2,454,501	2044
Norton Nash Heights Sewer & Pump Station	2017	1.70%	1,873,403	2048
Frashure Park Package Plant Elimination	2017	3.06%	400	2023
Brentwood Package Plant Elimination	2017	3.06%	400	2023
<u>OPWC Loans:</u>				
Summit Road Water Main Project	2011	0.00%	875,664	2044
31st Street Waterline Replacement	2013	0.00%	1,514,561	2033
Nash Heights Sanitary Sewer Project	2017	0.00%	1,438,478	2048
<u>Due to Summit County:</u>				
Sanitary Sewer Facilities	2016	0.00%	1,750,000	2025

The following tables present the changes in long-term obligations during the year.

	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>	<u>Amounts</u>
<b>Governmental activities:</b>	<u>12/31/16</u>			<u>12/31/17</u>	<u>Due in</u>
					<u>One Year</u>
<u>General Obligation Bonds:</u>					
Various Purpose Improvement Bonds	\$ 204,215	\$ -	\$ (100,435)	\$ 103,780	103,780
Various Purpose Refunding Bonds	1,643,795	-	(23,435)	1,620,360	23,435
Street Improvement Bonds	<u>2,745,000</u>	<u>-</u>	<u>(255,000)</u>	<u>2,490,000</u>	<u>260,000</u>
Total General Obligation Bonds	<u>4,593,010</u>	<u>-</u>	<u>(378,870)</u>	<u>4,214,140</u>	<u>387,215</u>
<u>Bond Anticipation Notes</u>					
Street Improvement	1,540,000	985,000	(1,540,000)	985,000	-
<u>Other Obligations:</u>					
State Infrastructure Bank Loan	13,804	-	(13,804)	-	-
Capital Leases	435,419	133,002	(198,998)	369,423	227,287
Compensated Absences	3,731,787	1,383,855	(1,058,739)	4,056,903	1,078,040
Net Pension Liability	<u>23,385,426</u>	<u>1,308,604</u>	<u>(770,984)</u>	<u>23,923,046</u>	<u>-</u>
Total Other Obligations	<u>27,566,436</u>	<u>2,825,461</u>	<u>(2,042,525)</u>	<u>28,349,372</u>	<u>1,305,327</u>
Total Governmental Activities	<u>\$ 33,699,446</u>	<u>\$ 3,810,461</u>	<u>\$ (3,961,395)</u>	<u>\$ 33,548,512</u>	<u>\$ 1,692,542</u>

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

<b>Business-type activities:</b>	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
	<u>12/31/16</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/17</u>	<u>Due in</u>
					<u>One Year</u>
<b><u>General Obligation Bonds:</u></b>					
Various Purpose - Series 2009	\$ 100,785	\$ -	\$ (49,565)	\$ 51,220	\$ 51,220
Various Purpose Refunding	<u>811,205</u>	<u>-</u>	<u>(11,564)</u>	<u>799,641</u>	<u>11,566</u>
Total General Obligation Bonds	<u>911,990</u>	<u>-</u>	<u>(61,129)</u>	<u>850,861</u>	<u>62,786</u>
<b><u>Revenue Bonds:</u></b>					
Waterworks System Revenue Bonds, Refunding	5,835,000	-	(525,000)	5,310,000	535,000
<b><u>Bond Anticipation Notes:</u></b>					
Sewer Radio Metering Equipment	-	400,000	-	400,000	-
<b><u>Other Obligations:</u></b>					
OWDA Loans	10,696,921	1,874,203	(546,626)	12,024,498	499,081
OPWC Loans	2,192,841	1,438,478	(75,041)	3,556,278	75,041
Capital Leases	47,534	-	(23,802)	23,732	23,732
Compensated Absences	691,026	211,992	(143,561)	759,457	153,989
Due to Summit County	1,575,000	-	(175,000)	1,400,000	175,000
Net Pension Liability	<u>4,553,707</u>	<u>1,384,364</u>	<u>-</u>	<u>5,938,071</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 26,504,019</u>	<u>\$ 5,309,037</u>	<u>\$ (1,550,159)</u>	<u>\$ 30,262,897</u>	<u>\$ 1,524,629</u>

See Note 8 for more information on capital leases and Note 12 for more information on the net pension liability.

***General Obligation Bonds***

All bonds are secured by the full faith and credit of the City. General obligation bonds will be paid from the street capital improvement fund and the fire capital levy fund (a nonmajor governmental fund). The business-type activities revenue bonds and general obligation bonds will be paid from charges for services revenues in the enterprise funds.

On June 9, 2016, the City issued \$2,480,000 in Various Purpose Refunding Bonds in order to advance refund a portion of the outstanding 2009 bond issue. The City used the proceeds from the refunding to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. The refunded debt is considered defeased and the applicable liability has been removed from the financial statements. At December 31, 2017, the principal amount of defeased debt outstanding was \$2,195,000.

***Bond Anticipation Notes***

These notes are general obligation notes which are secured by the full faith and credit of the City. The notes were issued in anticipation of the issuance of bonds, for the purpose of paying the costs of road and street improvements and sewer equipment upgrades. Prior to the issuance of the financial statements, the 2017 note issue was refinanced and replaced by debt with a maturity that extends at least one year beyond the date of the balance sheet (see Note 21); therefore, the notes are reported in the government-wide statements as a long-term liability.



**CITY OF BARBERTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

***Loans***

Other long-term debt includes a loan from the State Infrastructure Bank (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 final payment on the loan was made in 2017.

***Compensated Absences***

The compensated absences liability for governmental activities will be paid out of the general fund and the following nonmajor funds: street construction, maintenance and repair, community development block grant and beautification funds. For business-type activities, the liability will be paid from the water, sewer, solid waste and storm water enterprise funds.

***Revenue Bonds***

On April 1, 2006, the City issued \$9,305,000 in Waterworks System Improvement Revenue Bonds. The City issued refunding revenue bonds in 2014 to advance refund the outstanding 2006 revenue bond issue. The City used the proceeds from the refunding issue to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunding debt. The refunded debt is considered defeased and the applicable liability has been removed from the financial statements. At December 31, 2017, the principal amount of defeased debt outstanding was \$5,080,000.

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 approximately 49.38% of net revenues. The total principal and interest remaining to be paid on the water revenue bonds is \$5,950,224. Principal and interest paid for the current year and net customer revenues were \$661,472 and \$1,339,655, 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, a water storage tank, pump station improvements, a dam intake extension and a plant elimination project. 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 and 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 2048. Annual principal and interest payments on the loan for the sewer fund and water fund are expected to require approximately 100% and 56.81%, respectively, of available net revenues. The total principal and interest remaining to be paid on the loans is approximately \$12,699,441 and \$6,271,005 for the sewer and water funds, respectively. Four of the eight loans, having an outstanding balance of \$3,993,579, have not been closed out as of December 31, 2017, therefore the future annual debt service principal and interest requirements are not available. Principal and interest paid for the current year totaled \$427,314 for the sewer fund and \$385,247 for the water fund.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

***OPWC Loans***

The City has obtained loans from the Ohio Public Works Commission (OPWC) to help fund water main improvements, a waterline replacement project and sewer plant improvements. The interest-free loans are paid from the water and sewer fund in semi-annual installments over a twenty to thirty year period. The Nash Heights Sanitary Sewer Project, with an outstanding balance of \$1,438,478, has not been closed out as of December 31, 2017; therefore, the annual principal and interest requirements are not available.

***Due to Summit County***

On January 6, 2016, the City entered into an agreement with Summit County to purchase the sanitary sewer facilities within the City of Norton. The purchase price of \$1,750,000 is payable in ten annual interest-free payments of \$175,000 in the years 2016 through 2025.

Principal and interest requirements to retire the outstanding debt at December 31, 2017, are as follows:

Year Ending December 31,	Governmental Activities			Business-Type Activities		
	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 387,215	\$ 81,398	\$ 468,613	\$ 535,000	\$ 124,254	\$ 659,254
2019	393,914	72,395	466,309	550,000	111,735	661,735
2020	398,914	64,974	463,888	565,000	98,865	663,865
2021	403,914	57,460	461,374	575,000	85,644	660,644
2022	412,262	49,854	462,116	590,000	72,189	662,189
2023 - 2027	1,899,875	129,243	2,029,118	2,495,000	147,537	2,642,537
2028 - 2029	318,046	9,270	327,316	-	-	-
<b>Total</b>	<b>\$ 4,214,140</b>	<b>\$ 464,594</b>	<b>\$ 4,678,734</b>	<b>\$ 5,310,000</b>	<b>\$ 640,224</b>	<b>\$ 5,950,224</b>

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

Year Ending December 31,	Business-Type Activities					
	OWDA Loans			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 353,918	\$ 203,613	\$ 557,531	\$ 75,041	\$ -	\$ 75,041
2019	363,742	194,469	558,211	75,041	-	75,041
2020	373,853	185,061	558,914	75,041	-	75,041
2021	384,260	175,380	559,640	75,041	-	75,041
2022	394,972	165,419	560,391	75,041	-	75,041
2023 - 2027	2,146,893	667,253	2,814,146	375,203	-	375,203
2028 - 2032	2,165,996	375,758	2,541,754	375,203	-	375,203
2033 - 2037	1,188,332	124,275	1,312,607	375,203	-	375,203
2038 - 2042	461,223	45,519	506,742	375,203	-	375,203
2043 - 2046	197,730	4,967	202,697	241,783	-	241,783
Total	<u>\$ 8,030,919</u>	<u>\$ 2,141,714</u>	<u>\$ 10,172,633</u>	<u>\$ 2,117,800</u>	<u>\$ -</u>	<u>\$ 2,117,800</u>

Year Ending December 31,	Business-Type Activities		
	Due to Summit County		
	Principal	Interest	Total
2018	\$ 175,000	\$ -	\$ 175,000
2019	175,000	-	175,000
2020	175,000	-	175,000
2021	175,000	-	175,000
2022	175,000	-	175,000
2023 - 2025	525,000	-	525,000
Total	<u>\$ 1,400,000</u>	<u>\$ -</u>	<u>\$ 1,400,000</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, 2017, the City's total debt margin was \$30,117,602 and the unvoted debt margin was \$13,350,276.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**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 \$90,665,707 with a variety of deductibles beginning at \$10,000. 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 \$10,000,000 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 2017 payroll is 2.702%.

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

The City purchases stop-loss coverage for claims in excess of \$100,000 per employee with an aggregate of \$1,000,000 per year. The City pays into the self-insurance internal service fund \$1,236 for family coverage or \$683 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 \$755 for single coverage and \$1,367 for family coverage. The City also pays \$208 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. AFSCME participating employees contribute 5% of total cost for single (\$48) and family (\$87) coverage per month. All other covered employees paid 15% of the total cost for single (\$60-\$121) and family (\$120-\$218) coverage per month.

The claims liability of \$430,728 reported in the internal service fund at December 31, 2017 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 2016 and 2017 are:

	Balance at Beginning <u>of Year</u>	Current <u>Claims</u>	Claims <u>Payments</u>	Balance at <u>End of Year</u>
2017	\$ 346,102	\$ 4,173,950	\$ (4,089,324)	\$ 430,728
2016	158,956	3,622,842	(3,435,696)	346,102

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

*Net Pension Liability/Asset*

The net pension liability/asset reported on the statement of net position represents a liability or asset to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/asset represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes any net pension liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits or overfunded benefits is presented as a long-term *net pension liability* or *net pension asset*, respectively, on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is reported as an *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police and firefighters, participate 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 and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

**CITY OF BARBERTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.25%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	State and Local	Public Safety	Law Enforcement
<b>2017 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
<b>2017 Actual Contribution Rates</b>			
Employer:			
Pension	13.0 %	17.1 %	17.1 %
Post-employment Health Care Benefits	1.0 %	1.0 %	1.0 %
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

\* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

\*\* This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$940,412 for 2017. Of this amount, \$28,745 is reported as an intergovernmental payable.

***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension 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 information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.



**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police	Firefighters
<b>2017 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2017 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,330,176 for 2017. Of this amount \$33,724 is reported as an intergovernmental payable.

***Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2016, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.05263700%	0.10264000%	0.01155900%	0.29257800%	
Proportion of the net pension liability/asset current measurement date	<u>0.05200900%</u>	<u>0.08219700%</u>	<u>0.01673200%</u>	<u>0.28498600%</u>	
Change in proportionate share	<u>-0.00062800%</u>	<u>-0.02044300%</u>	<u>0.00517300%</u>	<u>-0.00759200%</u>	
Proportionate share of the net pension liability	\$ 11,810,360	\$ -	\$ -	\$ 18,050,757	\$ 29,861,117
Proportionate share of the net pension asset	-	45,748	70	-	45,818
Pension expense	2,465,265	33,052	86	2,214,962	4,713,365

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources</b>					
Differences between expected and actual experience	\$ 16,008	\$ -	\$ 711	\$ 5,107	\$ 21,826
Net difference between projected and actual earnings on pension plan investments	1,758,836	11,162	59	1,755,353	3,525,410
Changes of assumptions	1,873,266	11,150	79	-	1,884,495
Changes in employer's proportionate percentage/ difference between employer contributions	7,921	-	-	218,379	226,300
City contributions subsequent to the measurement date	885,961	43,642	10,809	1,330,176	2,270,588
Total deferred outflows of resources	<u>\$ 4,541,992</u>	<u>\$ 65,954</u>	<u>\$ 11,658</u>	<u>\$ 3,309,015</u>	<u>\$ 7,928,619</u>

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
<b>Deferred inflows of resources</b>					
Differences between expected and actual experience	\$ 70,291	\$ 23,395	\$ -	\$ 41,560	\$ 135,246
Changes in employer's proportionate percentage/ difference between employer contributions	120,537	-	-	336,340	456,877
Total deferred outflows of resources	<u>\$ 190,828</u>	<u>\$ 23,395</u>	<u>\$ -</u>	<u>\$ 377,900</u>	<u>\$ 592,123</u>

\$2,270,588 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Year Ending December 31:					
2018	\$ 1,404,437	\$ 2,167	\$ 124	\$ 652,995	\$ 2,059,723
2019	1,489,828	2,167	124	652,992	2,145,111
2020	622,496	1,684	118	492,592	1,116,890
2021	(51,558)	(2,270)	97	(134,095)	(187,826)
2022	-	(1,856)	101	(57,052)	(58,807)
Thereafter	-	(2,975)	285	(6,493)	(9,183)
Total	<u>\$ 3,465,203</u>	<u>\$ (1,083)</u>	<u>\$ 849</u>	<u>\$ 1,600,939</u>	<u>\$ 5,065,908</u>

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, for the defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	7.50%
Actuarial cost method	Individual entry age

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed income	23.00 %	2.75 %
Domestic equities	20.70	6.34
Real estate	10.00	4.75
Private equity	10.00	8.97
International equities	18.30	7.95
Other investments	18.00	4.92
Total	<u>100.00 %</u>	<u>5.66 %</u>

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. A discount rate of 8.00% was used in the previous measurement period. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the City's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.50%, as well as what the City's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 18,042,962	\$ 11,810,359	\$ 6,616,585
Combined Plan	3,288	(45,748)	(86,841)
Member-Directed Plan	167	(70)	(167)

***Actuarial Assumptions – OP&F***

OP&F's total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

Valuation date	January 1, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8.25%
Projected salary increases	4.25% - 11.00%
Payroll increases	3.75%
Inflation assumptions	3.25%
Cost of living adjustments	2.60% and 3.00% simple

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed for the five-year period ended December 31, 2016. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2017 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2016 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.46 %	5.21 %
Non-US Equity	16.00	4.66	5.40
Core Fixed Income *	20.00	1.67	2.37
Global Inflation			
Protected Securities *	20.00	0.49	2.33
High Yield	15.00	3.33	4.48
Real Estate	12.00	4.71	5.65
Private Markets	8.00	7.31	7.99
Timber	5.00	6.87	6.87
Master Limited Partnerships	8.00	6.92	7.36
<b>Total</b>	<b>120.00 %</b>		

Note: assumptions are geometric.

\* levered 2x

\*\* numbers include inflation

OPF’s Board of Trustees has incorporated the “risk parity” concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** - The total pension liability was calculated using the discount rate of 8.25%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25%. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25%), or one percentage point higher (9.25%) than the current rate.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 24,041,430	\$ 18,050,757	\$ 12,973,526

**Changes Between Measurement Date and Report Date** - In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25% to 8.00%. Although the exact amount of these changes is not known, it has the potential to impact the City's net pension liability.

**NOTE 13 - POSTEMPLOYMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

Plan Description - OPERS administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees (OPERS Board) 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/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (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.



**CITY OF BARBERTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 13 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)**

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2017, 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 and Combined Plan for 2017 was 1.00%.

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, 2017, 2016, and 2015 were \$75,831, \$143,854, and \$138,280, respectively; 97.17% has been contributed for 2017 and 100% has been contributed for 2016 and 2015. The remaining 2017 post-employment health care benefits liability has been reported as an intergovernmental payable on the basic financial statements.

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 4.00% of the employer contributions toward the health care fund after the end of the transition period.

**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 health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

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](http://www.op-f.org).

**CITY OF BARBERTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 13 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)**

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. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2017 thru December 31, 2017. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$14,486 and \$16,589 for the year ended December 31, 2017, \$14,322 and \$16,188 for the year ended December 31, 2016, and \$14,184 and \$15,402, for the year ended December 31, 2015. 100% has been contributed for 2016 and 2015. 97.46% has been contributed for police and 95.57% has been contributed for firefighters for 2017. The remaining 2017 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 except for 1) firefighters who can carry-over two weeks, and 2) special approval by the department head for additional time to be carried over. 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 10 years can bank up to 912 hours at retirement, 2) non-bargaining workers who can bank up to 90 days at retirement and 3) AFSCME workers who can bank up to 75 days at retirement.

**CITY OF BARBERTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS - (Continued)**

Sick leave is earned for all full time employees at the rate of 4.6 hours per 80 hours, except for firefighters working 24 hour shifts earn 8.3 hours per 80 hours. Employees, at the time of retirement, are paid for up to 480-1,200 hours of unused sick leave (depending on bargaining unit).

Employees also receive a tenure payment of 14.4 hours (or 1.8 days) - 17.3 hours up to various maximum amounts (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. There is no retiree life insurance coverage provided for any police or fire personnel who retire on or after December 31, 2013, nor ASFCME employees who retire on or after December 31, 2014. 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:

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.

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

**Net Change in Fund Balance**

	<u>General</u>
Budget basis	\$ (687,261)
Net adjustment for revenue accruals	(104,042)
Net adjustment for expenditure accruals	254,343
Net adjustment for other financing sources (uses)	(44,810)
Funds budgeted elsewhere	(420,478)
Adjustment for encumbrances	<u>176,205</u>
GAAP basis	<u>\$ (826,043)</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 fire prevention and education fund, income tax fund, general liability loss 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.

**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 2017, the City received \$73,120 in grants from the Foundation.

**NOTE 17 - JOINTLY GOVERNED ORGANIZATION**

The Southwest Summit Council of Governments (the "Council") was formed to share services, promote cooperative arrangements and coordinate action among its members in matters relating to public safety dispatch operations. The Council may also, at its discretion, promote cooperative agreements and contracts among its members or other governmental agencies and private persons, corporations, or agencies. Member entities include the City of Barberton, City of Norton and Copley Township. The Council's affairs are managed by a governing board which consists of one representative from each member entity.

**CITY OF BARBERTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NOTE 18 - 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, 2017.

**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.

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**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 19 - 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	Street Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepayments	\$ 75,345	\$ -	\$ 10,690	\$ 86,035
Total nonspendable	<u>75,345</u>	<u>-</u>	<u>10,690</u>	<u>86,035</u>
Restricted:				
Capital projects	-	584,947	-	584,947
Street construction, maintenance and repair	-	-	791,768	791,768
Court	-	-	3,390,131	3,390,131
Recreation	-	-	1,432	1,432
Community development and improvement	-	-	137,357	137,357
Law enforcement	-	-	596,518	596,518
Police and fire pension	-	-	13,613	13,613
Fire capital	-	-	58,008	58,008
Miscellaneous grants	-	-	21,867	21,867
Total restricted	<u>-</u>	<u>584,947</u>	<u>5,010,694</u>	<u>5,595,641</u>
Committed:				
Insurance premiums	101,595	-	-	101,595
Street construction, maintenance and repair	-	-	13,635	13,635
Recreation	-	-	103,009	103,009
Law enforcement	-	-	15,510	15,510
Community development and improvement	-	-	192,771	192,771
Animal control	-	-	8,066	8,066
Capital projects	-	-	768,724	768,724
General obligation debt service	-	-	26,166	26,166
Total committed	<u>101,595</u>	<u>-</u>	<u>1,127,881</u>	<u>1,229,476</u>

-Continued

**CITY OF BARBERTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

**NOTE 19 - FUND BALANCE - (Continued)**

Fund balance (continued)	General	Street Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assigned:				
Subsequent year appropriations	339,447	-	-	339,447
Police operations	29,587	-	-	29,587
Fire operations	19,281	-	-	19,281
Street construction, maintenance and repair	4,860	-	-	4,860
Parks and recreation	14,082	-	-	14,082
Community development and improvement	34,300	-	-	34,300
Capital expenditures	12,291	-	-	12,291
Other purposes	47,429	-	-	47,429
Total assigned	<u>501,277</u>	<u>-</u>	<u>-</u>	<u>501,277</u>
Unassigned (deficit)	<u>3,264,651</u>	<u>-</u>	<u>(20,969)</u>	<u>3,243,682</u>
Total fund balances	<u>\$ 3,942,868</u>	<u>\$ 584,947</u>	<u>\$ 6,128,296</u>	<u>\$ 10,656,111</u>

**NOTE 20 - 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	\$ 166,073
Street capital improvement fund	490,649
Nonmajor governmental funds	<u>643,031</u>
Total	<u>\$ 1,299,753</u>

**NOTE 21 - SUBSEQUENT EVENTS**

On April 19, 2018, the City issued bond anticipation notes in the amount of \$985,000 for road repairs and improvements and \$400,000 for radio metering system equipment. The notes mature April 18, 2019 with interest at 3%.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BARBERTON, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY/NET PENSION ASSET  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST FOUR YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.052009%	0.052637%	0.053172%	0.053172%
City's proportionate share of the net pension liability	\$ 11,810,359	\$ 9,117,392	\$ 6,413,136	\$ 6,268,286
City's covered payroll	\$ 6,677,283	\$ 6,116,500	\$ 6,547,517	\$ 6,862,777
City's proportionate share of the net pension liability as a percentage of its covered payroll	176.87%	149.06%	97.95%	91.34%
Plan fiduciary net position as a percentage of the total pension liability	77.25%	81.08%	86.45%	86.36%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.082197%	0.102640%	0.100251%	0.100251%
City's proportionate share of the net pension asset	\$ 45,748	\$ 49,946	\$ 38,599	\$ 10,519
City's covered payroll	\$ 319,958	\$ 353,008	\$ 366,458	\$ 325,369
City's proportionate share of the net pension asset as a percentage of its covered payroll	14.30%	14.15%	10.53%	3.23%
Plan fiduciary net position as a percentage of the total pension asset	116.55%	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.016732%	0.011559%	n/a	n/a
City's proportionate share of the net pension asset	\$ 70	\$ 44	n/a	n/a
City's covered payroll	\$ 68,758	\$ 64,375	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.10%	0.07%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	103.40%	103.91%	n/a	n/a

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF BARBERTON, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
OHIO POLICE AND FIRE (OP&F) PENSION FUND

	LAST FOUR YEARS			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.28498600%	0.29257800%	0.28618560%	0.28618560%
City's proportionate share of the net pension liability	\$ 18,050,757	\$ 18,821,741	\$ 14,825,607	\$ 13,938,137
City's covered payroll	\$ 6,102,045	\$ 5,842,665	\$ 5,619,508	\$ 5,515,942
City's proportionate share of the net pension liability as a percentage of its covered payroll	295.81%	322.14%	263.82%	252.69%
Plan fiduciary net position as a percentage of the total pension liability	68.36%	66.77%	72.20%	73.00%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF BARBERTON, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 885,961	\$ 801,274	\$ 733,980	\$ 785,702
Contributions in relation to the contractually required contribution	<u>(885,961)</u>	<u>(801,274)</u>	<u>(733,980)</u>	<u>(785,702)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 6,815,085	\$ 6,677,283	\$ 6,116,500	\$ 6,547,517
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 43,642	\$ 38,395	\$ 42,361	\$ 43,975
Contributions in relation to the contractually required contribution	<u>(43,642)</u>	<u>(38,395)</u>	<u>(42,361)</u>	<u>(43,975)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 335,708	\$ 319,958	\$ 353,008	\$ 366,458
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 10,809	\$ 8,251	\$ 7,725	
Contributions in relation to the contractually required contribution	<u>(10,809)</u>	<u>(8,251)</u>	<u>(7,725)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
City's covered payroll	\$ 108,090	\$ 68,758	\$ 64,375	
Contributions as a percentage of covered payroll	10.00%	12.00%	12.00%	

Note: information prior to 2010 for the Combined Plan and prior to 2015 for the Member Directed Plan was unavailable.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 892,161	\$ 674,967	\$ 670,020	\$ 682,128	\$ 673,853	\$ 576,754
<u>(892,161)</u>	<u>(674,967)</u>	<u>(670,020)</u>	<u>(682,128)</u>	<u>(673,853)</u>	<u>(576,754)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,862,777	\$ 6,749,670	\$ 6,700,200	\$ 7,650,034	\$ 8,293,575	\$ 8,239,343
13.00%	10.00%	10.00%	8.92%	8.13%	7.00%
\$ 42,298	\$ 23,378	\$ 19,127	\$ 23,677		
<u>(42,298)</u>	<u>(23,378)</u>	<u>(19,127)</u>	<u>(23,677)</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
\$ 325,369	\$ 294,063	\$ 240,591	\$ 244,429		
13.00%	7.95%	7.95%	9.69%		

**CITY OF BARBERTON, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS  
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Police:</i>				
Contractually required contribution	\$ 550,486	\$ 544,230	\$ 524,819	\$ 490,915
Contributions in relation to the contractually required contribution	<u>(550,486)</u>	<u>(544,230)</u>	<u>(524,819)</u>	<u>(490,915)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,897,295	\$ 2,864,368	\$ 2,762,205	\$ 2,583,763
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 779,690	\$ 760,854	\$ 723,908	\$ 713,400
Contributions in relation to the contractually required contribution	<u>(779,690)</u>	<u>(760,854)</u>	<u>(723,908)</u>	<u>(713,400)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,317,830	\$ 3,237,677	\$ 3,080,460	\$ 3,035,745
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 421,155	\$ 316,159	\$ 313,634	\$ 340,343	\$ 360,242	\$ 345,852
<u>(421,155)</u>	<u>(316,159)</u>	<u>(313,634)</u>	<u>(340,343)</u>	<u>(360,242)</u>	<u>(345,852)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,651,553	\$ 2,479,678	\$ 2,459,875	\$ 2,669,357	\$ 2,825,427	\$ 2,712,565
15.88%	12.75%	12.75%	12.75%	12.75%	12.75%
\$ 583,858	\$ 496,300	\$ 478,711	\$ 511,488	\$ 518,567	\$ 517,757
<u>(583,858)</u>	<u>(496,300)</u>	<u>(478,711)</u>	<u>(511,488)</u>	<u>(518,567)</u>	<u>(517,757)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,864,389	\$ 2,877,101	\$ 2,775,136	\$ 2,965,148	\$ 3,006,186	\$ 3,001,490
20.38%	17.25%	17.25%	17.25%	17.25%	17.25%

**CITY OF BARBERTON, OHIO**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2017

*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2017.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.

*OHIO POLICE AND FIRE (OP&F) PENSION FUND*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014-2017.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. See the notes to the basic financial statements for the methods and assumptions in this calculation.



**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 2.25% municipal income tax.

***General Liability Loss 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.

***Fire Prevention and Education Fund***

This fund accounts for donations and other revenues that are expected to be used for special projects for the fire department.

**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.

***Court Computer Fund***

This fund accounts for additional court fees designated for the computerization of the municipal court.

***Court Special Projects Capital Fund***

This fund accounts for revenues collected from the municipal court to be used on various capital improvement projects of the municipal court.

***Indigent Drivers Alcohol Treatment Fund***

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

**CITY OF BARBERTON, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

***Sports Complex Operating Fund***

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

***Parks Recreation Improvement Fund***

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

***Gas and Oil Royalty Fund***

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

***D.A.R.E. Program Fund***

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

***Mandatory Drug Fines Fund***

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

***Local Law Enforcement Trust Fund***

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

***Parks Revolving Loan Fund***

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

***Sidewalk Improvement Program Fund***

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

***City Grant Fund***

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

***Federal Emergency Management Agency Fund***

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

***Rental Registration Program Fund***

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

***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.

***Tax Increment Financing Fund***

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

***Project Impact Fund***

This fund accounts for grant monies 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.

**CITY OF BARBERTON, OHIO**

*INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

**NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

***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.

***Court Special Projects Operating Fund***

This fund accounts for revenues collected from the municipal court to be used on various special projects of the municipal court.

***Computer Legal Research Fund***

This fund accounts for court fees used to make available computerized legal research services for the municipal court.

***Business Incentive Program Fund***

This fund accounts for monies used to assist in economic development; attracting new businesses to the City and the expansion of current businesses.

***Vacant Property Registration Fund***

This fund accounts for monies from fees and charges to property owners used for the regulation and maintenance of properties which are in the foreclosure process, abandoned or vacant.

**NONMAJOR DEBT SERVICE FUNDS**

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

***General Obligation Bond Retirement Fund***

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

***Special Assessment Bond Retirement Fund***

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

**NONMAJOR CAPITAL PROJECTS FUND**

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:

***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.

**MAJOR CAPITAL PROJECTS FUND**

***Street Capital Improvement Fund***

This fund accounts for revenue from a 0.25% income tax levy which is restricted for road and street improvements.

**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, 2017*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 841,360	\$ 841,791	\$ 846,534	\$ 4,743
Municipal income taxes. . . . .	11,081,850	11,087,522	11,150,000	62,478
Charges for services. . . . .	1,329,633	1,330,314	1,337,810	7,496
Licenses and permits . . . . .	511,608	511,870	514,754	2,884
Fines and forfeitures . . . . .	80,233	80,274	80,726	452
Intergovernmental . . . . .	1,146,552	1,147,139	1,153,603	6,464
Special assessments. . . . .	51,929	51,955	52,248	293
Investment income . . . . .	294,627	294,778	296,439	1,661
Other . . . . .	927,077	927,551	932,778	5,227
<b>Total revenues. . . . .</b>	<b>16,264,869</b>	<b>16,273,194</b>	<b>16,364,892</b>	<b>91,698</b>
<b>Expenditures:</b>				
Current:				
General government				
City council				
Personal services. . . . .	202,277	202,977	202,441	536
Operating. . . . .	12,083	12,083	6,884	5,199
Municipal court judges				
Personal services. . . . .	480,220	480,220	439,100	41,120
Operating. . . . .	18,081	18,081	15,627	2,454
Clerk of court				
Personal services. . . . .	746,265	746,265	720,337	25,928
Operating. . . . .	87,618	87,618	73,410	14,208
Mayor				
Personal services. . . . .	52,457	52,457	51,322	1,135
Operating. . . . .	20,501	21,001	18,766	2,235
Service director				
Personal services. . . . .	23,139	23,839	23,658	181
Operating. . . . .	278,175	303,175	297,336	5,839
Civil service commission				
Personal services. . . . .	8,822	10,322	10,002	320
Operating. . . . .	10,500	10,500	10,001	499
Finance department				
Personal services. . . . .	309,708	309,708	298,940	10,768
Operating. . . . .	86,039	86,039	82,755	3,284
Law department				
Personal services. . . . .	394,289	394,289	367,273	27,016
Operating. . . . .	147,732	151,232	118,333	32,899
Safety director				
Personal services. . . . .	39,336	39,686	39,453	233
Operating. . . . .	930,371	930,371	898,810	31,561
Human resources				
Personal services. . . . .	15,177	20,577	20,365	212
Operating. . . . .	67,673	107,673	84,368	23,305
Information systems				
Personal services. . . . .	46,185	46,185	45,152	1,033
Operating. . . . .	110,039	110,039	85,346	24,693

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, 2017*

	<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. . . . .	\$ 83,934	\$ 83,934	\$ 80,110	\$ 3,824
Operating. . . . .	176,013	196,313	189,203	7,110
Probation				
Personal services. . . . .	203,150	203,150	192,004	11,146
Operating. . . . .	9,201	9,201	5,481	3,720
Other				
Personal services. . . . .	76,500	76,500	46,599	29,901
Operating. . . . .	298,692	299,642	278,135	21,507
Total general government. . . . .	<u>4,934,177</u>	<u>5,033,077</u>	<u>4,701,211</u>	<u>331,866</u>
Public safety				
Police department				
Personal services. . . . .	4,873,550	4,993,550	4,889,407	104,143
Operating. . . . .	514,162	533,232	537,014	(3,782)
Fire department				
Personal services. . . . .	5,028,300	5,128,300	5,110,360	17,940
Operating. . . . .	332,046	344,734	334,645	10,089
Total public safety . . . . .	<u>10,748,058</u>	<u>10,999,816</u>	<u>10,871,426</u>	<u>128,390</u>
Transportation				
Paint/signal				
Personal services. . . . .	105,345	105,345	89,530	15,815
Operating. . . . .	34,830	34,830	28,302	6,528
Total transportation. . . . .	<u>140,175</u>	<u>140,175</u>	<u>117,832</u>	<u>22,343</u>
Leisure time activities				
Parks administration				
Personal services. . . . .	231,087	242,587	239,236	3,351
Operating. . . . .	23,068	31,068	29,940	1,128
Senior center				
Personal services. . . . .	33,214	34,914	33,662	1,252
Operating. . . . .	34,601	34,601	34,509	92
Recreation programs				
Personal services. . . . .	15,594	15,594	14,649	945
Operating. . . . .	10,650	10,650	10,355	295
Parks maintenance				
Personal services. . . . .	345,159	345,159	320,604	24,555
Operating. . . . .	103,205	103,865	83,335	20,530
Total leisure time activities . . . . .	<u>796,578</u>	<u>818,438</u>	<u>766,290</u>	<u>52,148</u>

**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, 2017*

	<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 . . . . .	\$ 273,554	\$ 273,554	\$ 187,715	\$ 85,839
Operating . . . . .	71,858	72,133	63,919	8,214
Planning				
Personal services . . . . .	127,326	154,326	151,246	3,080
Operating . . . . .	216,226	261,036	152,997	108,039
Total community environment . . . . .	<u>688,964</u>	<u>761,049</u>	<u>555,877</u>	<u>205,172</u>
Capital outlay				
Service director . . . . .	6,500	1,028	-	1,028
Finance department . . . . .	17,346	17,346	17,083	263
Human resources . . . . .	1,500	1,500	170	1,330
Parks administration . . . . .	5,000	5,000	-	5,000
Parks maintenance . . . . .	30,000	30,000	21,750	8,250
Senior center . . . . .	80,000	72,000	-	72,000
Planning . . . . .	50,500	50,500	4,538	45,962
Total capital outlay . . . . .	<u>190,846</u>	<u>177,374</u>	<u>43,541</u>	<u>133,833</u>
Debt service:				
Principal retirement . . . . .	33,807	33,807	33,802	5
Interest and fiscal charges . . . . .	1,517	1,517	1,512	5
Total debt service . . . . .	<u>35,324</u>	<u>35,324</u>	<u>35,314</u>	<u>10</u>
Total expenditures . . . . .	<u>17,534,122</u>	<u>17,965,253</u>	<u>17,091,491</u>	<u>873,762</u>
Excess of expenditures over revenues . . . . .	<u>(1,269,253)</u>	<u>(1,692,059)</u>	<u>(726,599)</u>	<u>965,460</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	45,282	45,305	45,560	255
Transfers out . . . . .	-	(6,222)	(6,222)	-
Total other financing sources (uses) . . . . .	<u>45,282</u>	<u>39,083</u>	<u>39,338</u>	<u>255</u>
Net change in fund balance . . . . .	(1,223,971)	(1,652,976)	(687,261)	965,715
<b>Fund balance at beginning of year . . . . .</b>	<b>2,580,835</b>	<b>2,580,835</b>	<b>2,580,835</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>166,247</b>	<b>166,247</b>	<b>166,247</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 1,523,111</b>	<b>\$ 1,094,106</b>	<b>\$ 2,059,821</b>	<b>\$ 965,715</b>

**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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$ 568,000	\$ 675,000	\$ 150,657	\$ (524,343)
Intergovernmental . . . . .	282,000	282,000	219,463	(62,537)
Other . . . . .	-	-	15,291	15,291
Total revenues. . . . .	<u>850,000</u>	<u>957,000</u>	<u>385,411</u>	<u>(571,589)</u>
<b>Expenditures:</b>				
Current:				
General government				
Operating . . . . .	<u>285,000</u>	<u>285,000</u>	<u>259,954</u>	<u>25,046</u>
Total expenditures. . . . .	<u>285,000</u>	<u>285,000</u>	<u>259,954</u>	<u>25,046</u>
Excess of revenues over expenditures . . . . .	<u>565,000</u>	<u>672,000</u>	<u>125,457</u>	<u>(546,543)</u>
<b>Other financing uses:</b>				
Transfers out . . . . .	<u>(1,209,000)</u>	<u>(1,244,000)</u>	<u>(804,000)</u>	<u>440,000</u>
Total other financing uses . . . . .	<u>(1,209,000)</u>	<u>(1,244,000)</u>	<u>(804,000)</u>	<u>440,000</u>
Net change in fund balance. . . . .	(644,000)	(572,000)	(678,543)	(106,543)
<b>Fund balance at beginning of year . . . . .</b>	<u>679,571</u>	<u>679,571</u>	<u>679,571</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 35,571</u>	<u>\$ 107,571</u>	<u>\$ 1,028</u>	<u>\$ (106,543)</u>



**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL LIABILITY LOSS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Current:				
General government				
Operating . . . . .	\$ 49,500	\$ 49,500	\$ 4,499	\$ 45,001
Total expenditures . . . . .	<u>49,500</u>	<u>49,500</u>	<u>4,499</u>	<u>45,001</u>
Excess of expenditures over revenues . . . . .	<u>(49,500)</u>	<u>(49,500)</u>	<u>(4,499)</u>	<u>45,001</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Total other financing sources. . . . .	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net change in fund balance. . . . .	(9,500)	(9,500)	35,501	45,001
<b>Fund balance at beginning of year . . . . .</b>	57,351	57,351	57,351	-
<b>Prior year encumbrances appropriated . . .</b>	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 52,351</u>	<u>\$ 52,351</u>	<u>\$ 97,352</u>	<u>\$ 45,001</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Investment income . . . . .	\$ -	\$ -	\$ 8,011	\$ 8,011
Total revenues . . . . .	<u>-</u>	<u>-</u>	<u>8,011</u>	<u>8,011</u>
<b>Expenditures:</b>				
Current:				
Community environment				
Operating . . . . .	200	200	502	(302)
Total expenditures . . . . .	<u>200</u>	<u>200</u>	<u>502</u>	<u>(302)</u>
Excess of revenues over expenditures . . . . .	<u>(200)</u>	<u>(200)</u>	<u>7,509</u>	<u>7,709</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	-	-	211,160	211,160
Total other financing sources . . . . .	<u>-</u>	<u>-</u>	<u>211,160</u>	<u>211,160</u>
Net change in fund balance . . . . .	(200)	(200)	218,669	218,869
<b>Fund balance at beginning of year . . . . .</b>	<u>602,788</u>	<u>602,788</u>	<u>602,788</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ 602,588</u></u>	<u><u>\$ 602,588</u></u>	<u><u>\$ 821,457</u></u>	<u><u>\$ 218,869</u></u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**FIRE PREVENTION AND EDUCATION FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 500	\$ 500	\$ 630	\$ 130
Total revenues . . . . .	<u>500</u>	<u>500</u>	<u>630</u>	<u>130</u>
<b>Expenditures:</b>				
Current:				
Public safety				
Operating . . . . .	<u>1,000</u>	<u>1,000</u>	<u>978</u>	<u>22</u>
Total expenditures . . . . .	<u>1,000</u>	<u>1,000</u>	<u>978</u>	<u>22</u>
Net change in fund balance . . . . .	(500)	(500)	(348)	152
<b>Fund balance at beginning of year . . . . .</b>	2,330	2,330	2,330	-
<b>Prior year encumbrances appropriated . . .</b>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 2,830</u>	<u>\$ 2,830</u>	<u>\$ 2,982</u>	<u>\$ 152</u>

**CITY OF BARBERTON, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2017*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and investments. . . . .	\$ 5,265,698	\$ 26,166	\$ 768,724	\$ 6,060,588
Receivables:				
Property taxes. . . . .	428,681	-	-	428,681
Accounts . . . . .	67,911	-	-	67,911
Intergovernmental . . . . .	411,060	-	-	411,060
Prepayments . . . . .	10,690	-	-	10,690
Total assets . . . . .	<u>\$ 6,184,040</u>	<u>\$ 26,166</u>	<u>\$ 768,724</u>	<u>\$ 6,978,930</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 68,880	\$ -	\$ -	\$ 68,880
Contracts payable . . . . .	11,059	-	-	11,059
Accrued wages and benefits payable. . . . .	30,805	-	-	30,805
Intergovernmental payable. . . . .	6,208	-	-	6,208
Due to other funds . . . . .	16,850	-	-	16,850
Total liabilities . . . . .	<u>133,802</u>	<u>-</u>	<u>-</u>	<u>133,802</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . . .	395,764	-	-	395,764
Delinquent property tax revenue not available. . . . .	32,917	-	-	32,917
Intergovernmental revenue not available . . . . .	288,151	-	-	288,151
Total deferred inflows of resources . . . . .	<u>716,832</u>	<u>-</u>	<u>-</u>	<u>716,832</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	10,690	-	-	10,690
Restricted. . . . .	5,010,694	-	-	5,010,694
Committed . . . . .	332,991	26,166	768,724	1,127,881
Unassigned (deficit) . . . . .	(20,969)	-	-	(20,969)
Total fund balances . . . . .	<u>5,333,406</u>	<u>26,166</u>	<u>768,724</u>	<u>6,128,296</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 6,184,040</u>	<u>\$ 26,166</u>	<u>\$ 768,724</u>	<u>\$ 6,978,930</u>

**CITY OF BARBERTON, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 391,245	\$ -	\$ -	\$ 391,245
Charges for services . . . . .	223,712	-	-	223,712
Fines and forfeitures . . . . .	1,226,279	-	-	1,226,279
Intergovernmental . . . . .	2,333,905	-	612	2,334,517
Special assessments . . . . .	5,609	-	-	5,609
Investment income . . . . .	8,233	-	7,566	15,799
Contributions and donations . . . . .	39,003	-	-	39,003
Other . . . . .	228,860	-	-	228,860
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues . . . . .	4,456,846	-	8,178	4,465,024
<b>Expenditures:</b>				
Current:				
General government . . . . .	753,918	-	-	753,918
Public safety . . . . .	199,686	-	-	199,686
Transportation . . . . .	1,287,877	-	-	1,287,877
Community environment. . . . .	947,643	-	-	947,643
Leisure time activities . . . . .	370,542	-	-	370,542
Capital outlay. . . . .	498,349	-	99,304	597,653
Debt service:				
Principal retirement. . . . .	299,997	-	-	299,997
Interest and fiscal charges . . . . .	48,948	-	-	48,948
Debt issuance costs. . . . .	500	1,500	-	2,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	4,407,460	1,500	99,304	4,508,264
Excess (deficiency) of revenues over (under) expenditures . . . . .	49,386	(1,500)	(91,126)	(43,240)
<b>Other financing sources (uses):</b>				
Sale of assets. . . . .	29,215	-	-	29,215
Capital lease transaction . . . . .	133,002	-	-	133,002
Transfers in. . . . .	544,000	-	336,160	880,160
Transfers out . . . . .	-	(372,320)	-	(372,320)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses) . . . . .	706,217	(372,320)	336,160	670,057
Net change in fund balances . . . . .	755,603	(373,820)	245,034	626,817
<b>Fund balances at beginning of year . . . . .</b>	<b>4,577,803</b>	<b>399,986</b>	<b>523,690</b>	<b>5,501,479</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 5,333,406</b>	<b>\$ 26,166</b>	<b>\$ 768,724</b>	<b>\$ 6,128,296</b>

**CITY OF BARBERTON, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2017*

	<b>Street Construction Maintenance and Repair</b>	<b>State Highway Improvement</b>	<b>Permissive License Tax</b>	<b>Residential Street</b>
<b>Assets:</b>				
Equity in pooled cash and investments. . . . .	\$ 406,528	\$ 9,230	\$ 243,370	\$ 13,635
Receivables (net of allowances for uncollectibles):				
Property taxes. . . . .	-	-	-	-
Accounts . . . . .	-	-	-	-
Intergovernmental. . . . .	353,601	29,122	-	-
Prepayments . . . . .	10,538	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets . . . . .	<u>\$ 770,667</u>	<u>\$ 38,352</u>	<u>\$ 243,370</u>	<u>\$ 13,635</u>
 <b>Liabilities:</b>				
Accounts payable . . . . .	\$ 6,474	\$ -	\$ -	\$ -
Contracts payable . . . . .	-	-	-	-
Accrued wages and benefits payable. . . . .	24,894	-	-	-
Intergovernmental payable. . . . .	4,638	66	-	-
Due to other funds . . . . .	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities . . . . .	<u>36,006</u>	<u>66</u>	<u>-</u>	<u>-</u>
 <b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . . .	-	-	-	-
Delinquent property tax revenue not available . . . . .	-	-	-	-
Intergovernmental revenue not available. . . . .	239,910	19,904	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources . . . . .	<u>239,910</u>	<u>19,904</u>	<u>-</u>	<u>-</u>
 <b>Fund balances:</b>				
Nonspendable . . . . .	10,538	-	-	-
Restricted. . . . .	484,213	18,382	243,370	-
Committed . . . . .	-	-	-	13,635
Unassigned (deficit) . . . . .	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances (deficits). . . . .	<u>494,751</u>	<u>18,382</u>	<u>243,370</u>	<u>13,635</u>
Total liabilities, deferred inflows of resources and fund balances. . . . .	<u>\$ 770,667</u>	<u>\$ 38,352</u>	<u>\$ 243,370</u>	<u>\$ 13,635</u>

<b>Fire Capital Levy</b>	<b>Animal Control</b>	<b>Probation Services</b>	<b>Court Special Projects Operating</b>	<b>Court Computer</b>	<b>Court Special Project</b>
\$ 58,008	\$ 8,066	\$ 426,167	\$ 348,405	\$ 403,310	\$ 2,046,063
-	-	-	-	-	-
235,867	-	-	-	-	-
-	-	5,833	36,682	7,145	14,292
15,727	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 309,602</u>	<u>\$ 8,066</u>	<u>\$ 432,000</u>	<u>\$ 385,087</u>	<u>\$ 410,455</u>	<u>\$ 2,060,355</u>
\$ -	\$ -	\$ -	\$ -	\$ 309	\$ -
-	-	-	-	5,000	-
-	-	1,558	782	-	-
-	-	333	181	-	-
-	-	-	-	-	-
-	-	1,891	963	5,309	-
217,580	-	-	-	-	-
18,287	-	-	-	-	-
15,727	-	-	-	-	-
<u>251,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
58,008	-	430,109	384,124	405,146	2,060,355
-	8,066	-	-	-	-
-	-	-	-	-	-
<u>58,008</u>	<u>8,066</u>	<u>430,109</u>	<u>384,124</u>	<u>405,146</u>	<u>2,060,355</u>
<u>\$ 309,602</u>	<u>\$ 8,066</u>	<u>\$ 432,000</u>	<u>\$ 385,087</u>	<u>\$ 410,455</u>	<u>\$ 2,060,355</u>

-- Continued

**CITY OF BARBERTON, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)  
DECEMBER 31, 2017*

	<b>Computer Legal Research</b>	<b>Indigent Drivers Alcohol Treatment</b>	<b>Sports Complex Operating</b>	<b>Parks Recreation Improvement</b>
<b>Assets:</b>				
Equity in pooled cash and investments. . . . .	\$ 108,273	\$ 535,405	\$ 12,070	\$ 1,432
Receivables (net of allowances for uncollectibles):	-	-	-	-
Property taxes. . . . .	-	-	-	-
Accounts . . . . .	2,124	1,830	-	-
Intergovernmental. . . . .	-	-	-	-
Prepayments . . . . .	-	-	-	-
Total assets . . . . .	<u>\$ 110,397</u>	<u>\$ 537,235</u>	<u>\$ 12,070</u>	<u>\$ 1,432</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ -	\$ -	\$ -
Contracts payable . . . . .	-	-	-	-
Accrued wages and benefits payable. . . . .	-	-	-	-
Intergovernmental payable. . . . .	-	-	19	-
Due to other funds . . . . .	-	-	-	-
Total liabilities . . . . .	<u>-</u>	<u>-</u>	<u>19</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . . .	-	-	-	-
Delinquent property tax revenue not available . . . . .	-	-	-	-
Intergovernmental revenue not available. . . . .	-	-	-	-
Total deferred inflows of resources . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	-	-	-	-
Restricted. . . . .	110,397	537,235	-	1,432
Committed . . . . .	-	-	12,051	-
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances (deficits). . . . .	<u>110,397</u>	<u>537,235</u>	<u>12,051</u>	<u>1,432</u>
Total liabilities, deferred inflows of resources and fund balances. . . . .	<u>\$ 110,397</u>	<u>\$ 537,235</u>	<u>\$ 12,070</u>	<u>\$ 1,432</u>



<b>Gas and Oil Royalty</b>	<b>D.A.R.E. Program</b>	<b>Mandatory Drug Fines</b>	<b>Local Law Enforcement Trust</b>	<b>Parks Revolving Loan</b>	<b>Sidewalk Improvement Program</b>
\$ 15,510	\$ 2,980	\$ 13,709	\$ 42,589	\$ 67,809	\$ 45,803
-	-	-	-	-	-
-	-	-	-	-	-
-	-	5	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 15,510</u>	<u>\$ 2,980</u>	<u>\$ 13,714</u>	<u>\$ 42,589</u>	<u>\$ 67,809</u>	<u>\$ 45,803</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	601	-
-	-	-	-	142	-
-	-	-	-	-	-
-	-	-	-	743	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,980	13,714	42,589	-	45,803
15,510	-	-	-	67,066	-
-	-	-	-	-	-
<u>15,510</u>	<u>2,980</u>	<u>13,714</u>	<u>42,589</u>	<u>67,066</u>	<u>45,803</u>
<u>\$ 15,510</u>	<u>\$ 2,980</u>	<u>\$ 13,714</u>	<u>\$ 42,589</u>	<u>\$ 67,809</u>	<u>\$ 45,803</u>

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**CITY OF BARBERTON, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)  
DECEMBER 31, 2017*

	<u>City Grant</u>	<u>Rental Registration Program</u>	<u>Community Development Block Grant</u>	<u>Business Incentive Program</u>
<b>Assets:</b>				
Equity in pooled cash and investments. . . . .	\$ 66,750	\$ 82,228	\$ 4,336	\$ 45,250
Receivables (net of allowances for uncollectibles):	-	-	-	-
Property taxes. . . . .	-	-	-	-
Accounts . . . . .	-	-	-	-
Intergovernmental. . . . .	-	-	-	-
Prepayments . . . . .	-	-	-	-
Total assets . . . . .	<u>\$ 66,750</u>	<u>\$ 82,228</u>	<u>\$ 4,336</u>	<u>\$ 45,250</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 38,824	\$ -	\$ 6,500	\$ -
Contracts payable . . . . .	6,059	-	-	-
Accrued wages and benefits payable. . . . .	-	613	1,685	-
Intergovernmental payable. . . . .	-	141	270	-
Due to other funds . . . . .	-	-	16,850	-
Total liabilities . . . . .	<u>44,883</u>	<u>754</u>	<u>25,305</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . . .	-	-	-	-
Delinquent property tax revenue not available . . . . .	-	-	-	-
Intergovernmental revenue not available. . . . .	-	-	-	-
Total deferred inflows of resources . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable . . . . .	-	-	-	-
Restricted. . . . .	21,867	-	-	-
Committed . . . . .	-	81,474	-	45,250
Unassigned (deficit) . . . . .	-	-	(20,969)	-
Total fund balances (deficits). . . . .	<u>21,867</u>	<u>81,474</u>	<u>(20,969)</u>	<u>45,250</u>
Total liabilities, deferred inflows of resources and fund balances. . . . .	<u>\$ 66,750</u>	<u>\$ 82,228</u>	<u>\$ 4,336</u>	<u>\$ 45,250</u>

<b>Tax Increment Financing</b>	<b>Vacation Property Registration</b>	<b>Project Impact</b>	<b>Beautification</b>	<b>Senior Center Trust</b>	<b>Fire Pension</b>
\$ 41,653	\$ 66,437	\$ 27,351	\$ 85,667	\$ 24,051	\$ 4,994
-	-	-	-	-	-
-	-	-	-	-	96,407
-	-	-	-	-	-
-	-	-	-	-	6,305
-	-	-	-	152	-
<u>\$ 41,653</u>	<u>\$ 66,437</u>	<u>\$ 27,351</u>	<u>\$ 85,667</u>	<u>\$ 24,203</u>	<u>\$ 107,706</u>
\$ -	\$ -	\$ 16,773	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	128	-	413	131	-
-	262	-	128	28	-
-	-	-	-	-	-
-	390	16,773	541	159	-
-	-	-	-	-	89,092
-	-	-	-	-	7,315
-	-	-	-	-	6,305
-	-	-	-	-	102,712
-	-	-	-	152	-
41,653	-	10,578	85,126	-	4,994
-	66,047	-	-	23,892	-
-	-	-	-	-	-
<u>41,653</u>	<u>66,047</u>	<u>10,578</u>	<u>85,126</u>	<u>24,044</u>	<u>4,994</u>
<u>\$ 41,653</u>	<u>\$ 66,437</u>	<u>\$ 27,351</u>	<u>\$ 85,667</u>	<u>\$ 24,203</u>	<u>\$ 107,706</u>

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**CITY OF BARBERTON, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)  
DECEMBER 31, 2017*

	<b>Police Pension</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Assets:</b>		
Equity in pooled cash and investments. . . . .	\$ 8,619	\$ 5,265,698
Receivables (net of allowances for uncollectibles):	-	
Property taxes. . . . .	96,407	428,681
Accounts . . . . .	-	67,911
Intergovernmental. . . . .	6,305	411,060
Prepayments . . . . .	-	10,690
	<hr/>	<hr/>
Total assets . . . . .	<u>\$ 111,331</u>	<u>\$ 6,184,040</u>
 <b>Liabilities:</b>		
Accounts payable . . . . .	\$ -	\$ 68,880
Contracts payable . . . . .	-	11,059
Accrued wages and benefits payable. . . . .	-	30,805
Intergovernmental payable. . . . .	-	6,208
Due to other funds . . . . .	-	16,850
	<hr/>	<hr/>
Total liabilities . . . . .	-	133,802
 <b>Deferred inflows of resources:</b>		
Property taxes levied for the next fiscal year. . . . .	89,092	395,764
Delinquent property tax revenue not available . . . . .	7,315	32,917
Intergovernmental revenue not available. . . . .	6,305	288,151
	<hr/>	<hr/>
Total deferred inflows of resources . . . . .	102,712	716,832
 <b>Fund balances:</b>		
Nonspendable . . . . .	-	10,690
Restricted. . . . .	8,619	5,010,694
Committed . . . . .	-	332,991
Unassigned (deficit) . . . . .	-	(20,969)
Total fund balances (deficits). . . . .	<hr/> 8,619	<hr/> 5,333,406
Total liabilities, deferred inflows of resources and fund balances. . . . .	<u>\$ 111,331</u>	<u>\$ 6,184,040</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, 2017*

	<b>Street Construction Maintenance and Repair</b>	<b>State Highway Improvement</b>	<b>Permissive License Tax</b>	<b>Residential Street</b>
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	-	-
Fines and forfeitures . . . . .	-	-	-	-
Intergovernmental . . . . .	860,794	58,096	412,794	-
Special assessments . . . . .	-	-	-	4,051
Investment income . . . . .	5,295	763	1,859	-
Contributions and donations . . . . .	-	-	-	-
Other . . . . .	12,278	-	23,050	-
<b>Total revenues . . . . .</b>	<b>878,367</b>	<b>58,859</b>	<b>437,703</b>	<b>4,051</b>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	-	-
Public safety . . . . .	-	-	-	-
Transportation . . . . .	1,210,564	57,170	13,318	6,825
Community environment. . . . .	-	-	-	-
Leisure time activities . . . . .	-	-	-	-
Capital outlay. . . . .	49,467	-	294,678	-
Debt service:				
Principal retirement. . . . .	92,845	-	13,804	-
Interest and fiscal charges. . . . .	4,152	-	618	-
Debt issuance costs . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<b>1,357,028</b>	<b>57,170</b>	<b>322,418</b>	<b>6,825</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(478,661)	1,689	115,285	(2,774)
<b>Other financing sources (uses):</b>				
Capital lease transaction. . . . .	-	-	-	-
Sale of assets. . . . .	-	-	-	-
Transfers in . . . . .	525,000	-	-	-
<b>Total other financing sources (uses) . . . . .</b>	<b>525,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances. . . . .</b>	<b>46,339</b>	<b>1,689</b>	<b>115,285</b>	<b>(2,774)</b>
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<b>448,412</b>	<b>16,693</b>	<b>128,085</b>	<b>16,409</b>
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ 494,751</b>	<b>\$ 18,382</b>	<b>\$ 243,370</b>	<b>\$ 13,635</b>

<b>Fire Capital Levy</b>	<b>Animal Control</b>	<b>Probation Services</b>	<b>Court Special Projects Operating</b>	<b>Court Computer</b>	<b>Court Special Project</b>
\$ 216,933	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	1,804	101,232	638,629	123,019	246,417
32,020	-	34,854	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>248,953</u>	<u>1,804</u>	<u>136,086</u>	<u>638,629</u>	<u>123,019</u>	<u>246,417</u>
-	-	88,489	591,897	37,268	8,297
3,911	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
133,002	-	-	-	-	-
157,721	-	-	-	-	-
42,200	-	-	-	-	-
500	-	-	-	-	-
<u>337,334</u>	<u>-</u>	<u>88,489</u>	<u>591,897</u>	<u>37,268</u>	<u>8,297</u>
(88,381)	1,804	47,597	46,732	85,751	238,120
133,002	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>133,002</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
44,621	1,804	47,597	46,732	85,751	238,120
13,387	6,262	382,512	337,392	319,395	1,822,235
<u>\$ 58,008</u>	<u>\$ 8,066</u>	<u>\$ 430,109</u>	<u>\$ 384,124</u>	<u>\$ 405,146</u>	<u>\$ 2,060,355</u>

-- Continued

**CITY OF BARBERTON, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<b>Computer Legal Research</b>	<b>Indigent Drivers Alcohol Treatment</b>	<b>Sports Complex Operating</b>	<b>Parks Recreation Improvement</b>
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	63,151	-
Fines and forfeitures . . . . .	34,804	79,390	-	-
Intergovernmental . . . . .	-	-	-	-
Special assessments . . . . .	-	-	-	-
Investment income . . . . .	-	-	-	23
Contributions and donations . . . . .	-	-	-	-
Other . . . . .	-	-	-	-
<b>Total revenues . . . . .</b>	<b>34,804</b>	<b>79,390</b>	<b>63,151</b>	<b>23</b>
<b>Expenditures:</b>				
Current:				
General government . . . . .	13,462	11,363	-	-
Public safety . . . . .	-	-	-	-
Transportation . . . . .	-	-	-	-
Community environment . . . . .	-	-	-	-
Leisure time activities . . . . .	-	-	67,756	1
Capital outlay . . . . .	-	-	-	-
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
Debt issuance costs . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<b>13,462</b>	<b>11,363</b>	<b>67,756</b>	<b>1</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	21,342	68,027	(4,605)	22
<b>Other financing sources (uses):</b>				
Capital lease transaction . . . . .	-	-	-	-
Sale of assets . . . . .	-	-	-	-
Transfers in . . . . .	-	-	14,000	-
<b>Total other financing sources (uses) . . . . .</b>	<b>-</b>	<b>-</b>	<b>14,000</b>	<b>-</b>
<b>Net change in fund balances . . . . .</b>	<b>21,342</b>	<b>68,027</b>	<b>9,395</b>	<b>22</b>
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<b>89,055</b>	<b>469,208</b>	<b>2,656</b>	<b>1,410</b>
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ 110,397</b>	<b>\$ 537,235</b>	<b>\$ 12,051</b>	<b>\$ 1,432</b>



<b>Gas and Oil Royalty</b>	<b>D.A.R.E. Program</b>	<b>Mandatory Drug Fines</b>	<b>Local Law Enforcement Trust</b>	<b>Parks Revolving Loan</b>	<b>Sidewalk Improvement Program</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	51,631	-
-	-	984	-	-	-
-	-	-	-	1,000	-
-	-	-	-	-	1,558
-	-	-	-	-	-
-	-	-	-	31,540	-
1,500	-	-	-	26,335	1,779
1,500	-	984	-	110,506	3,337
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	140,386	-
-	-	-	-	-	14,266
-	-	-	28,995	-	-
-	-	-	1,617	-	-
-	-	-	-	-	-
-	-	-	30,612	140,386	14,266
1,500	-	984	(30,612)	(29,880)	(10,929)
-	-	-	-	-	-
-	-	-	29,215	-	-
-	-	-	-	-	-
-	-	-	29,215	-	-
1,500	-	984	(1,397)	(29,880)	(10,929)
14,010	2,980	12,730	43,986	96,946	56,732
\$ 15,510	\$ 2,980	\$ 13,714	\$ 42,589	\$ 67,066	\$ 45,803

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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, 2017*

	<b>City Grant</b>	<b>Rental Registration Program</b>	<b>Community Development Block Grant</b>	<b>Business Incentive Program</b>
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	51,867	-	-
Fines and forfeitures . . . . .	-	-	-	-
Intergovernmental . . . . .	326,680	-	507,070	-
Special assessments . . . . .	-	-	-	-
Investment income . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	-	-
Other . . . . .	5,000	-	-	-
<b>Total revenues . . . . .</b>	<b>331,680</b>	<b>51,867</b>	<b>507,070</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	-	-
Public safety . . . . .	5,775	-	-	-
Transportation . . . . .	-	-	-	-
Community environment . . . . .	242,188	53,353	530,292	-
Leisure time activities . . . . .	-	-	-	-
Capital outlay . . . . .	6,936	-	-	-
Debt service:				
Principal retirement . . . . .	-	-	6,632	-
Interest and fiscal charges . . . . .	-	-	361	-
Debt issuance costs . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<b>254,899</b>	<b>53,353</b>	<b>537,285</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	76,781	(1,486)	(30,215)	-
<b>Other financing sources (uses):</b>				
Capital lease transaction . . . . .	-	-	-	-
Sale of assets . . . . .	-	-	-	-
Transfers in . . . . .	-	-	-	-
<b>Total other financing sources (uses) . . . . .</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances . . . . .</b>	<b>76,781</b>	<b>(1,486)</b>	<b>(30,215)</b>	<b>-</b>
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<b>(54,914)</b>	<b>82,960</b>	<b>9,246</b>	<b>45,250</b>
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ 21,867</b>	<b>\$ 81,474</b>	<b>\$ (20,969)</b>	<b>\$ 45,250</b>

<b>Tax Increment Financing</b>	<b>Vacant Property Registration</b>	<b>Project Impact</b>	<b>Beautification</b>	<b>Senior Center Trust</b>	<b>Fire Pension</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,156
-	36,580	-	-	20,483	-
-	-	-	-	-	-
74,925	-	-	-	-	12,836
-	-	-	-	-	-
-	-	-	-	293	-
-	-	-	-	7,463	-
-	-	25,000	133,848	70	-
<u>74,925</u>	<u>36,580</u>	<u>25,000</u>	<u>133,848</u>	<u>28,309</u>	<u>99,992</u>
-	-	-	-	-	1,571
-	-	-	-	-	95,000
-	-	-	-	-	-
66,354	12,627	42,829	-	-	-
-	-	-	132,195	30,204	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>66,354</u>	<u>12,627</u>	<u>42,829</u>	<u>132,195</u>	<u>30,204</u>	<u>96,571</u>
<u>8,571</u>	<u>23,953</u>	<u>(17,829)</u>	<u>1,653</u>	<u>(1,895)</u>	<u>3,421</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	5,000	-	-
-	-	-	5,000	-	-
<u>8,571</u>	<u>23,953</u>	<u>(17,829)</u>	<u>6,653</u>	<u>(1,895)</u>	<u>3,421</u>
<u>33,082</u>	<u>42,094</u>	<u>28,407</u>	<u>78,473</u>	<u>25,939</u>	<u>1,573</u>
<u>\$ 41,653</u>	<u>\$ 66,047</u>	<u>\$ 10,578</u>	<u>\$ 85,126</u>	<u>\$ 24,044</u>	<u>\$ 4,994</u>

-- Continued

**CITY OF BARBERTON, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<b>Police Pension</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues:</b>		
Property and other taxes . . . . .	\$ 87,156	\$ 391,245
Charges for services . . . . .	-	223,712
Fines and forfeitures . . . . .	-	1,226,279
Intergovernmental . . . . .	12,836	2,333,905
Special assessments . . . . .	-	5,609
Investment income . . . . .	-	8,233
Contributions and donations . . . . .	-	39,003
Other . . . . .	-	228,860
	<hr/>	<hr/>
Total revenues . . . . .	99,992	4,456,846
	<hr/>	<hr/>
<b>Expenditures:</b>		
Current:		
General government . . . . .	1,571	753,918
Public safety . . . . .	95,000	199,686
Transportation . . . . .	-	1,287,877
Community environment. . . . .	-	947,643
Leisure time activities . . . . .	-	370,542
Capital outlay. . . . .	-	498,349
Debt service:		
Principal retirement. . . . .	-	299,997
Interest and fiscal charges. . . . .	-	48,948
Debt issuance costs . . . . .	-	500
	<hr/>	<hr/>
Total expenditures . . . . .	96,571	4,407,460
	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures . . . . .	3,421	49,386
	<hr/>	<hr/>
<b>Other financing sources (uses):</b>		
Capital lease transaction. . . . .	-	133,002
Sale of assets. . . . .	-	29,215
Transfers in . . . . .	-	544,000
	<hr/>	<hr/>
Total other financing sources (uses) . . . . .	-	706,217
	<hr/>	<hr/>
Net change in fund balances. . . . .	3,421	755,603
	<hr/>	<hr/>
<b>Fund balances (deficit) at beginning of year . . . . .</b>	5,198	4,577,803
	<hr/>	<hr/>
<b>Fund balances (deficit) at end of year . . . . .</b>	\$ 8,619	\$ 5,333,406
	<hr/>	<hr/>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ 1,098,000	\$ 1,098,000	\$ 859,486	\$ (238,514)
Investment income . . . . .	2,000	2,000	5,295	3,295
Other . . . . .	5,000	5,000	12,278	7,278
Total revenues. . . . .	<u>1,105,000</u>	<u>1,105,000</u>	<u>877,059</u>	<u>(227,941)</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Personal services . . . . .	923,931	923,931	849,025	74,906
Operating . . . . .	491,502	467,537	421,728	45,809
Capital outlay . . . . .	35,000	61,000	49,467	11,533
Debt service:				
Principal retirement . . . . .	92,845	92,845	92,845	-
Interest and fiscal charges . . . . .	4,155	10,266	4,152	6,114
Total expenditures . . . . .	<u>1,547,433</u>	<u>1,555,579</u>	<u>1,417,217</u>	<u>138,362</u>
Excess of expenditures over revenues . . . . .	<u>(442,433)</u>	<u>(450,579)</u>	<u>(540,158)</u>	<u>(89,579)</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	<u>525,000</u>	<u>525,000</u>	<u>525,000</u>	<u>-</u>
Total other financing sources . . . . .	<u>525,000</u>	<u>525,000</u>	<u>525,000</u>	<u>-</u>
Net change in fund balance. . . . .	82,567	74,421	(15,158)	(89,579)
<b>Fund balance at beginning of year . . . . .</b>	315,105	315,105	315,105	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>33,506</u>	<u>33,506</u>	<u>33,506</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 431,178</u>	<u>\$ 423,032</u>	<u>\$ 333,453</u>	<u>\$ (89,579)</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ 55,000	\$ 55,000	\$ 58,214	\$ 3,214
Investment income . . . . .	-	-	763	763
Total revenues. . . . .	<u>55,000</u>	<u>55,000</u>	<u>58,977</u>	<u>3,977</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Personal services . . . . .	57,300	57,300	57,207	93
Operating . . . . .	-	-	9	(9)
Total expenditures. . . . .	<u>57,300</u>	<u>57,300</u>	<u>57,216</u>	<u>84</u>
Net change in fund balance . . . . .	(2,300)	(2,300)	1,761	4,061
<b>Fund balance at beginning of year. . . . .</b>	<u>5,812</u>	<u>5,812</u>	<u>5,812</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 3,512</u>	<u>\$ 3,512</u>	<u>\$ 7,573</u>	<u>\$ 4,061</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ 150,000	\$ 487,097	\$ 412,794	\$ (74,303)
Investment income . . . . .	-	-	1,859	1,859
Other . . . . .	-	-	23,050	23,050
Total revenues. . . . .	<u>150,000</u>	<u>487,097</u>	<u>437,703</u>	<u>(49,394)</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Operating. . . . .	30,000	30,000	13,318	16,682
Capital outlay . . . . .	25,000	294,678	294,678	-
Debt service:				
Principal retirement. . . . .	13,805	13,805	13,804	1
Interest and fiscal charges. . . . .	620	620	618	2
Total expenditures. . . . .	<u>69,425</u>	<u>339,103</u>	<u>322,418</u>	<u>16,685</u>
Net change in fund balance . . . . .	80,575	147,994	115,285	(32,709)
<b>Fund balance at beginning of year. . . . .</b>	<u>128,085</u>	<u>128,085</u>	<u>128,085</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 208,660</u>	<u>\$ 276,079</u>	<u>\$ 243,370</u>	<u>\$ (32,709)</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Special assessments . . . . .	\$ 7,500	\$ 7,500	\$ 4,051	\$ (3,449)
Total revenues . . . . .	<u>7,500</u>	<u>7,500</u>	<u>4,051</u>	<u>(3,449)</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Operating . . . . .	12,042	12,042	12,042	-
Capital outlay . . . . .	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total expenditures . . . . .	<u>12,043</u>	<u>12,043</u>	<u>12,042</u>	<u>1</u>
Net change in fund balance. . . . .	(4,543)	(4,543)	(7,991)	(3,448)
<b>Fund balance at beginning of year . . . . .</b>	6,901	6,901	6,901	-
<b>Prior year encumbrances appropriated . . .</b>	<u>12,043</u>	<u>12,043</u>	<u>12,043</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 14,401</u>	<u>\$ 14,401</u>	<u>\$ 10,953</u>	<u>\$ (3,448)</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 202,619	\$ 202,695	\$ 216,933	\$ 14,238
Intergovernmental. . . . .	45,661	45,661	32,020	(13,641)
Total revenues . . . . .	<u>248,280</u>	<u>248,356</u>	<u>248,953</u>	<u>597</u>
<b>Expenditures:</b>				
Current:				
Public safety				
Operating . . . . .	40,880	44,880	43,869	1,011
Debt service:				
Principal retirement . . . . .	57,286	157,731	157,721	10
Interest and fiscal charges . . . . .	34,969	42,212	42,200	12
Debt issue costs . . . . .	-	500	500	-
Total expenditures . . . . .	<u>133,135</u>	<u>245,323</u>	<u>244,290</u>	<u>1,033</u>
Net change in fund balance . . . . .	115,145	3,033	4,663	1,630
<b>Fund balance at beginning of year. . . . .</b>	<u>13,387</u>	<u>13,387</u>	<u>13,387</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 128,532</u>	<u>\$ 16,420</u>	<u>\$ 18,050</u>	<u>\$ 1,630</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures. . . . .	\$ 1,000	\$ 1,000	\$ 1,804	\$ 804
Total revenues. . . . .	<u>1,000</u>	<u>1,000</u>	<u>1,804</u>	<u>804</u>
<b>Expenditures:</b>				
Current:				
Public safety				
Operating. . . . .	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Total expenditures. . . . .	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Net change in fund balance . . . . .	(200)	(200)	1,804	2,004
<b>Fund balance at beginning of year. . . . .</b>	<u>6,262</u>	<u>6,262</u>	<u>6,262</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 6,062</u>	<u>\$ 6,062</u>	<u>\$ 8,066</u>	<u>\$ 2,004</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**PROBATION SERVICES FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 115,000	\$ 115,000	\$ 101,702	\$ (13,298)
Intergovernmental. . . . .	60,000	60,000	34,854	(25,146)
Total revenues . . . . .	<u>175,000</u>	<u>175,000</u>	<u>136,556</u>	<u>(38,444)</u>
<b>Expenditures:</b>				
Current:				
General government				
Personal services . . . . .	101,650	101,650	84,013	17,637
Operating . . . . .	<u>60,792</u>	<u>60,792</u>	<u>4,249</u>	<u>56,543</u>
Total expenditures. . . . .	<u>162,442</u>	<u>162,442</u>	<u>88,262</u>	<u>74,180</u>
Net change in fund balance . . . . .	12,558	12,558	48,294	35,736
<b>Fund balance at beginning of year. . . . .</b>	372,268	372,268	372,268	-
<b>Prior year encumbrances appropriated . . .</b>	<u>3,292</u>	<u>3,292</u>	<u>3,292</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 388,118</u>	<u>\$ 388,118</u>	<u>\$ 423,854</u>	<u>\$ 35,736</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**COURT COMPUTER FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 120,000	\$ 120,000	\$ 123,386	\$ 3,386
Total revenues . . . . .	<u>120,000</u>	<u>120,000</u>	<u>123,386</u>	<u>3,386</u>
<b>Expenditures:</b>				
Current:				
General government				
Operating . . . . .	326,304	326,304	42,408	283,896
Total expenditures. . . . .	<u>326,304</u>	<u>326,304</u>	<u>42,408</u>	<u>283,896</u>
Net change in fund balance . . . . .	(206,304)	(206,304)	80,978	287,282
<b>Fund balance at beginning of year. . . . .</b>	314,057	314,057	314,057	-
<b>Prior year encumbrances appropriated . . .</b>	<u>1,114</u>	<u>1,114</u>	<u>1,114</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 108,867</u>	<u>\$ 108,867</u>	<u>\$ 396,149</u>	<u>\$ 287,282</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
COURT SPECIAL PROJECTS CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 218,000	\$ 218,000	\$ 247,387	\$ 29,387
Total revenues . . . . .	218,000	218,000	247,387	29,387
<b>Expenditures:</b>				
Current:				
General government				
Operating . . . . .	1,017,800	1,017,800	16,510	1,001,290
Total expenditures. . . . .	1,017,800	1,017,800	16,510	1,001,290
Net change in fund balance . . . . .	(799,800)	(799,800)	230,877	1,030,677
<b>Fund balance at beginning of year. . . . .</b>	1,797,386	1,797,386	1,797,386	-
<b>Prior year encumbrances appropriated . . .</b>	17,800	17,800	17,800	-
<b>Fund balance at end of year . . . . .</b>	\$ 1,015,386	\$ 1,015,386	\$ 2,046,063	\$ 1,030,677

**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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 70,000	\$ 70,000	\$ 81,962	\$ 11,962
Total revenues . . . . .	<u>70,000</u>	<u>70,000</u>	<u>81,962</u>	<u>11,962</u>
<b>Expenditures:</b>				
Current:				
General government				
Operating . . . . .	256,518	256,518	11,363	245,155
Total expenditures . . . . .	<u>256,518</u>	<u>256,518</u>	<u>11,363</u>	<u>245,155</u>
Net change in fund balance. . . . .	(186,518)	(186,518)	70,599	257,117
<b>Fund balance at beginning of year . . . . .</b>	383,288	383,288	383,288	-
<b>Prior year encumbrances appropriated . .</b>	<u>81,518</u>	<u>81,518</u>	<u>81,518</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 278,288</u>	<u>\$ 278,288</u>	<u>\$ 535,405</u>	<u>\$ 257,117</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 62,500	\$ 62,500	\$ 63,151	\$ 651
Total revenues . . . . .	<u>62,500</u>	<u>62,500</u>	<u>63,151</u>	<u>651</u>
<b>Expenditures:</b>				
Current:				
Leisure time activities				
Personal services. . . . .	11,995	15,795	15,707	88
Operating. . . . .	<u>51,361</u>	<u>53,861</u>	<u>52,524</u>	<u>1,337</u>
Total expenditures . . . . .	<u>63,356</u>	<u>69,656</u>	<u>68,231</u>	<u>1,425</u>
Excess of expenditures over revenues . . . . .	<u>(856)</u>	<u>(7,156)</u>	<u>(5,080)</u>	<u>2,076</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	-	14,000	14,000	-
Total other financing sources . . . . .	<u>-</u>	<u>14,000</u>	<u>14,000</u>	<u>-</u>
Net change in fund balance . . . . .	(856)	6,844	8,920	2,076
<b>Fund balance at beginning of year . . . . .</b>	1,051	1,051	1,051	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>1,111</u>	<u>1,111</u>	<u>1,111</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,306</u>	<u>\$ 9,006</u>	<u>\$ 11,082</u>	<u>\$ 2,076</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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Investment income . . . . .	\$ 1,000	\$ 1,000	\$ 23	\$ (977)
Total revenues . . . . .	1,000	1,000	23	(977)
<b>Expenditures:</b>				
Current:				
Leisure time activities				
Operating . . . . .	-	-	1	(1)
Total expenditures . . . . .	-	-	1	(1)
Net change in fund balance . . . . .	1,000	1,000	22	(978)
<b>Fund balance at beginning of year . . . . .</b>	1,410	1,410	1,410	-
<b>Fund balance at end of year . . . . .</b>	\$ 2,410	\$ 2,410	\$ 1,432	\$ (978)



**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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 1,500	\$ 1,500	\$ 1,500	\$ -
Total revenues . . . . .	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Net change in fund balance. . . . .	1,500	1,500	1,500	-
<b>Fund balance at beginning of year . . . . .</b>	<u>14,010</u>	<u>14,010</u>	<u>14,010</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 15,510</u>	<u>\$ 15,510</u>	<u>\$ 15,510</u>	<u>\$ -</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 200	\$ 200	\$ -	\$ (200)
Total revenues . . . . .	<u>200</u>	<u>200</u>	<u>-</u>	<u>(200)</u>
Net change in fund balance. . . . .	200	200	-	(200)
<b>Fund balance at beginning of year . . . . .</b>	<u>2,980</u>	<u>2,980</u>	<u>2,980</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 3,180</u>	<u>\$ 3,180</u>	<u>\$ 2,980</u>	<u>\$ (200)</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 1,000	\$ 1,000	\$ 1,029	\$ 29
Total revenues . . . . .	<u>1,000</u>	<u>1,000</u>	<u>1,029</u>	<u>29</u>
Net change in fund balance. . . . .	1,000	1,000	1,029	29
<b>Fund balance at beginning of year . . . . .</b>	<u>12,680</u>	<u>12,680</u>	<u>12,680</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 13,680</u>	<u>\$ 13,680</u>	<u>\$ 13,709</u>	<u>\$ 29</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Debt service:				
Principal retirement. . . . .	\$ 29,000	\$ 29,000	\$ 28,995	\$ 5
Interest and fiscal charges. . . . .	1,870	1,870	1,617	253
Total expenditures. . . . .	<u>30,870</u>	<u>30,870</u>	<u>30,612</u>	<u>258</u>
Excess of expenditures over revenues. . . . .	<u>(30,870)</u>	<u>(30,870)</u>	<u>(30,612)</u>	<u>258</u>
<b>Other financing sources:</b>				
Sale of assets . . . . .	<u>20,000</u>	<u>20,000</u>	<u>29,215</u>	<u>9,215</u>
Total other financing sources. . . . .	<u>20,000</u>	<u>20,000</u>	<u>29,215</u>	<u>9,215</u>
Net change in fund balance. . . . .	(10,870)	(10,870)	(1,397)	9,473
<b>Fund balance at beginning of year . . . . .</b>	<u>43,986</u>	<u>43,986</u>	<u>43,986</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 33,116</u>	<u>\$ 33,116</u>	<u>\$ 42,589</u>	<u>\$ 9,473</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services. . . . .	\$ 60,000	\$ 60,000	\$ 51,631	\$ (8,369)
Intergovernmental. . . . .	3,125	3,125	1,000	(2,125)
Contributions and donations. . . . .	43,750	43,750	31,540	(12,210)
Other . . . . .	23,125	23,125	26,335	3,210
Total revenues. . . . .	<u>130,000</u>	<u>130,000</u>	<u>110,506</u>	<u>(19,494)</u>
<b>Expenditures:</b>				
Current:				
Leisure time activities				
Personal services . . . . .	41,383	41,383	40,163	1,220
Operating . . . . .	<u>90,553</u>	<u>110,553</u>	<u>104,298</u>	<u>6,255</u>
Total expenditures. . . . .	<u>131,936</u>	<u>151,936</u>	<u>144,461</u>	<u>7,475</u>
Net change in fund balance . . . . .	(1,936)	(21,936)	(33,955)	(12,019)
<b>Fund balance at beginning of year. . . . .</b>	93,411	93,411	93,411	-
<b>Prior year encumbrances appropriated . . .</b>	<u>3,053</u>	<u>3,053</u>	<u>3,053</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 94,528</u>	<u>\$ 74,528</u>	<u>\$ 62,509</u>	<u>\$ (12,019)</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Special assessments. . . . .	\$ 28,000	\$ 28,000	\$ 1,558	\$ (26,442)
Other . . . . .	-	-	1,779	1,779
Total revenues . . . . .	<u>28,000</u>	<u>28,000</u>	<u>3,337</u>	<u>(24,663)</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Capital outlay. . . . .	<u>22,775</u>	<u>22,775</u>	<u>14,266</u>	<u>8,509</u>
Total expenditures . . . . .	<u>22,775</u>	<u>22,775</u>	<u>14,266</u>	<u>8,509</u>
Net change in fund balance. . . . .	5,225	5,225	(10,929)	(16,154)
<b>Fund balance at beginning of year . . . . .</b>	53,957	53,957	53,957	-
<b>Prior year encumbrances appropriated . . .</b>	<u>2,775</u>	<u>2,775</u>	<u>2,775</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 61,957</u>	<u>\$ 61,957</u>	<u>\$ 45,803</u>	<u>\$ (16,154)</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ 100,000	\$ 500,706	\$ 326,680	\$ (174,026)
Other . . . . .	-	-	5,000	5,000
Total revenues. . . . .	<u>100,000</u>	<u>500,706</u>	<u>331,680</u>	<u>(169,026)</u>
<b>Expenditures:</b>				
Current:				
Public safety				
Operating . . . . .	-	5,911	5,775	136
Community environment				
Operating . . . . .	341,219	456,366	366,420	89,946
Capital outlay . . . . .	<u>18,190</u>	<u>18,190</u>	<u>18,190</u>	<u>-</u>
Total expenditures . . . . .	<u>359,409</u>	<u>480,467</u>	<u>390,385</u>	<u>90,082</u>
Excess of expenditures over revenues . . . . .	<u>(259,409)</u>	<u>20,239</u>	<u>(58,705)</u>	<u>(78,944)</u>
<b>Other financing uses:</b>				
Transfers out . . . . .	-	(36,206)	-	36,206
Total other financing uses . . . . .	<u>-</u>	<u>(36,206)</u>	<u>-</u>	<u>36,206</u>
Net change in fund balance. . . . .	(259,409)	(15,967)	(58,705)	(42,738)
<b>Fund balance (deficit) at beginning of year .</b>	(369,942)	(369,942)	(369,942)	-
<b>Prior year encumbrances appropriated . . .</b>	<u>331,773</u>	<u>331,773</u>	<u>331,773</u>	<u>-</u>
<b>Fund balance (deficit) at end of year . . . . .</b>	<u>\$ (297,578)</u>	<u>\$ (54,136)</u>	<u>\$ (96,874)</u>	<u>\$ (42,738)</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 359,453	\$ -	\$ (359,453)
Total revenues . . . . .	-	359,453	-	(359,453)
<b>Expenditures:</b>				
Capital outlay . . . . .	\$ -	\$ 359,453	\$ 359,453	\$ -
Total expenditures . . . . .	-	359,453	359,453	-
Net change in fund balance . . . . .	-	-	(359,453)	(359,453)
<b>Fund balance at beginning of year. . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance (deficit) at end of year. . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (359,453)</u>	<u>\$ (359,453)</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 60,000	\$ 60,000	\$ 51,867	\$ (8,133)
Total revenues . . . . .	<u>60,000</u>	<u>60,000</u>	<u>51,867</u>	<u>(8,133)</u>
<b>Expenditures:</b>				
Current:				
Community environment				
Personal services . . . . .	78,906	78,906	52,155	26,751
Operating . . . . .	<u>10,300</u>	<u>10,300</u>	<u>2,332</u>	<u>7,968</u>
Total expenditures . . . . .	<u>89,206</u>	<u>89,206</u>	<u>54,487</u>	<u>34,719</u>
Net change in fund balance. . . . .	(29,206)	(29,206)	(2,620)	26,586
<b>Fund balance at beginning of year . . . . .</b>	<u>82,912</u>	<u>82,912</u>	<u>82,912</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 53,706</u>	<u>\$ 53,706</u>	<u>\$ 80,292</u>	<u>\$ 26,586</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 780,140	\$ 564,648	\$ (215,492)
Total revenues . . . . .	-	780,140	564,648	(215,492)
<b>Expenditures:</b>				
Current:				
Community environment				
Operating . . . . .	777,126	813,583	587,862	225,721
Total expenditures . . . . .	777,126	813,583	587,862	225,721
Excess of expenditures over revenues . . . . .	(777,126)	(33,443)	(23,214)	10,229
<b>Other financing sources:</b>				
Transfers in . . . . .	-	36,206	-	(36,206)
Total other financing sources . . . . .	-	36,206	-	(36,206)
Net change in fund balance . . . . .	(777,126)	2,763	(23,214)	(25,977)
<b>Fund balance (deficit) at beginning of year . .</b>	(136,154)	(136,154)	(136,154)	-
<b>Prior year encumbrances appropriated . . .</b>	96,934	96,934	96,934	-
<b>Fund balance (deficit) at end of year . . . . .</b>	<u>\$ (816,346)</u>	<u>\$ (36,457)</u>	<u>\$ (62,434)</u>	<u>\$ (25,977)</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ 75,000	\$ 75,000	\$ 74,925	\$ (75)
Total revenues. . . . .	<u>75,000</u>	<u>75,000</u>	<u>74,925</u>	<u>(75)</u>
<b>Expenditures:</b>				
Current:				
Community environment				
Operating. . . . .	<u>77,001</u>	<u>77,001</u>	<u>66,157</u>	<u>10,844</u>
Total expenditures . . . . .	<u>77,001</u>	<u>77,001</u>	<u>66,157</u>	<u>10,844</u>
Net change in fund balance . . . . .	(2,001)	(2,001)	8,768	10,769
<b>Fund balance at beginning of year . . . . .</b>	31,884	31,884	31,884	-
<b>Prior year encumbrances appropriated . . .</b>	<u>1,001</u>	<u>1,001</u>	<u>1,001</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 30,884</u>	<u>\$ 30,884</u>	<u>\$ 41,653</u>	<u>\$ 10,769</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ -	\$ 25,000	\$ 25,000	\$ -
Total revenues . . . . .	-	25,000	25,000	-
<b>Expenditures:</b>				
Current:				
Community environment				
Operating . . . . .	-	53,407	42,829	10,578
Total expenditures . . . . .	-	53,407	42,829	10,578
Net change in fund balance. . . . .	-	(28,407)	(17,829)	10,578
<b>Fund balance at beginning of year . . . . .</b>	<u>28,407</u>	<u>28,407</u>	<u>28,407</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 28,407</u>	<u>\$ -</u>	<u>\$ 10,578</u>	<u>\$ 10,578</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BEAUTIFICATION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other . . . . .	\$ 115,000	\$ 115,000	\$ 133,848	\$ 18,848
Total revenues. . . . .	115,000	115,000	133,848	18,848
<b>Expenditures:</b>				
Current:				
Leisure time activities				
Personal services . . . . .	57,630	57,630	57,324	306
Operating . . . . .	81,435	81,435	80,877	558
Total expenditures. . . . .	139,065	139,065	138,201	864
Excess of expenditures over revenues. . . . .	(24,065)	(24,065)	(4,353)	19,712
<b>Other financing sources:</b>				
Transfers in. . . . .	5,000	5,000	5,000	-
Total other financing sources. . . . .	5,000	5,000	5,000	-
Net change in fund balance. . . . .	(19,065)	(19,065)	647	19,712
<b>Fund balance at beginning of year . . . . .</b>	75,328	75,328	75,328	-
<b>Prior year encumbrances appropriated . . . . .</b>	3,735	3,735	3,735	-
<b>Fund balance at end of year . . . . .</b>	\$ 59,998	\$ 59,998	\$ 79,710	\$ 19,712

**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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 21,000	\$ 21,000	\$ 20,483	\$ (517)
Investment income . . . . .	120	120	293	173
Contributions and donations . . . . .	7,600	7,600	7,463	(137)
Other . . . . .	11,280	11,280	70	(11,210)
<b>Total revenues.</b> . . . .	<u>40,000</u>	<u>40,000</u>	<u>28,309</u>	<u>(11,691)</u>
<b>Expenditures:</b>				
Current:				
Leisure time activities				
Personal services . . . . .	9,596	9,596	6,611	2,985
Operating . . . . .	30,914	30,914	24,866	6,048
Capital outlay . . . . .	5,000	5,000	-	5,000
<b>Total expenditures</b> . . . . .	<u>45,510</u>	<u>45,510</u>	<u>31,477</u>	<u>14,033</u>
Net change in fund balance. . . . .	(5,510)	(5,510)	(3,168)	2,342
<b>Fund balance at beginning of year</b> . . . . .	24,271	24,271	24,271	-
<b>Prior year encumbrances appropriated</b> . . .	1,544	1,544	1,544	-
<b>Fund balance at end of year</b> . . . . .	<u>\$ 20,305</u>	<u>\$ 20,305</u>	<u>\$ 22,647</u>	<u>\$ 2,342</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property and other taxes. . . . .	\$ 87,095	\$ 87,127	\$ 87,156	\$ 29
Intergovernmental . . . . .	12,827	12,827	12,836	9
Total revenues . . . . .	<u>99,922</u>	<u>99,954</u>	<u>99,992</u>	<u>38</u>
<b>Expenditures:</b>				
Current:				
General government				
Operating . . . . .	2,500	2,500	1,571	929
Public safety				
Personal services. . . . .	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>	<u>-</u>
Total expenditures . . . . .	<u>97,500</u>	<u>97,500</u>	<u>96,571</u>	<u>929</u>
Net change in fund balance. . . . .	2,422	2,454	3,421	967
<b>Fund balance at beginning of year . . . . .</b>	<u>1,573</u>	<u>1,573</u>	<u>1,573</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 3,995</u>	<u>\$ 4,027</u>	<u>\$ 4,994</u>	<u>\$ 967</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property and other taxes. . . . .	\$ 89,884	\$ 89,916	\$ 87,156	\$ (2,760)
Intergovernmental . . . . .	13,238	13,238	12,836	(402)
Total revenues . . . . .	<u>103,122</u>	<u>103,154</u>	<u>99,992</u>	<u>(3,162)</u>
<b>Expenditures:</b>				
Current:				
General government				
Operating . . . . .	2,500	2,500	1,571	929
Public safety				
Personal services. . . . .	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>	<u>-</u>
Total expenditures . . . . .	<u>97,500</u>	<u>97,500</u>	<u>96,571</u>	<u>929</u>
Net change in fund balance. . . . .	5,622	5,654	3,421	(2,233)
<b>Fund balance at beginning of year . . . . .</b>	<u>5,198</u>	<u>5,198</u>	<u>5,198</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 10,820</u>	<u>\$ 10,852</u>	<u>\$ 8,619</u>	<u>\$ (2,233)</u>



**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
COURT SPECIAL PROJECTS OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 600,000	\$ 600,000	\$ 641,574	\$ 41,574
Total revenues . . . . .	<u>600,000</u>	<u>600,000</u>	<u>641,574</u>	<u>41,574</u>
<b>Expenditures:</b>				
Current:				
General government				
Personal services . . . . .	68,750	68,750	65,604	3,146
Operating . . . . .	<u>571,014</u>	<u>571,014</u>	<u>551,949</u>	<u>19,065</u>
Total expenditures. . . . .	<u>639,764</u>	<u>639,764</u>	<u>617,553</u>	<u>22,211</u>
Net change in fund balance . . . . .	(39,764)	(39,764)	24,021	63,785
<b>Fund balance at beginning of year. . . . .</b>	301,584	301,584	301,584	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>1,514</u>	<u>1,514</u>	<u>1,514</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 263,334</u>	<u>\$ 263,334</u>	<u>\$ 327,119</u>	<u>\$ 63,785</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
COMPUTER LEGAL RESEARCH FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 31,000	\$ 31,000	\$ 34,905	\$ 3,905
Total revenues . . . . .	31,000	31,000	34,905	3,905
<b>Expenditures:</b>				
Current:				
General government				
Operating . . . . .	35,525	35,525	19,680	15,845
Total expenditures. . . . .	35,525	35,525	19,680	15,845
Net change in fund balance . . . . .	(4,525)	(4,525)	15,225	19,750
<b>Fund balance at beginning of year. . . . .</b>	86,948	86,948	86,948	-
<b>Prior year encumbrances appropriated . . .</b>	5,525	5,525	5,525	-
<b>Fund balance at end of year . . . . .</b>	\$ 87,948	\$ 87,948	\$ 107,698	\$ 19,750

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**BUSINESS INCENTIVE PROGRAM FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Total revenues. . . . .	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Net change in fund balance . . . . .	20,000	20,000	-	(20,000)
<b>Fund balance at beginning of year. . . . .</b>	<u>45,250</u>	<u>45,250</u>	<u>45,250</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 65,250</u>	<u>\$ 65,250</u>	<u>\$ 45,250</u>	<u>\$ (20,000)</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
VACANT PROPERTY REGISTRATION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 20,000	\$ 20,000	\$ 40,830	\$ 20,830
Total revenues . . . . .	<u>20,000</u>	<u>20,000</u>	<u>40,830</u>	<u>20,830</u>
<b>Expenditures:</b>				
Current:				
Community environment				
Personal services . . . . .	10,693	10,693	11,401	(708)
Operating . . . . .	<u>6,000</u>	<u>6,000</u>	<u>1,223</u>	<u>4,777</u>
Total expenditures . . . . .	<u>16,693</u>	<u>16,693</u>	<u>12,624</u>	<u>4,069</u>
Net change in fund balance . . . . .	3,307	3,307	28,206	24,899
<b>Fund balance at beginning of year . . . . .</b>	37,487	37,487	37,487	-
<b>Prior year encumbrances appropriated . . .</b>	<u>500</u>	<u>500</u>	<u>500</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 41,294</u>	<u>\$ 41,294</u>	<u>\$ 66,193</u>	<u>\$ 24,899</u>

**CITY OF BARBERTON, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
DECEMBER 31, 2017*

	<b>General Obligation Bond Retirement</b>	<b>Total Nonmajor Debt Service Funds</b>
	<hr/>	<hr/>
<b>Assets:</b>		
Equity in pooled cash and investments . . . . .	\$ 26,166	\$ 26,166
Total assets . . . . .	<hr/> <u>\$ 26,166</u>	<hr/> <u>\$ 26,166</u>
<b>Fund balances:</b>		
Committed . . . . .	<hr/> 26,166	<hr/> 26,166
Total fund balances . . . . .	<hr/> <u>26,166</u>	<hr/> <u>26,166</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<hr/> <u>\$ 26,166</u>	<hr/> <u>\$ 26,166</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, 2017*

	<b>General Obligation Bond Retirement</b>	<b>Special Assesment Bond Retirement</b>	<b>Total Nonmajor Debt Service Funds</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Expenditures:</b>			
Debt service:			
Debt issuance costs . . . . .	\$ 1,500	\$ -	\$ 1,500
Total expenditures . . . . .	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Excess of expenditures over revenues. . . . .	<u>(1,500)</u>	<u>-</u>	<u>(1,500)</u>
<b>Other financing uses:</b>			
Transfers (out). . . . .	<u>-</u>	<u>(372,320)</u>	<u>(372,320)</u>
Total other financing uses. . . . .	<u>-</u>	<u>(372,320)</u>	<u>(372,320)</u>
Net change in fund balances. . . . .	(1,500)	(372,320)	(373,820)
<b>Fund balances at beginning of year . . . . .</b>	<u>27,666</u>	<u>372,320</u>	<u>399,986</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 26,166</u>	<u>\$ -</u>	<u>\$ 26,166</u>

**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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Debt service:				
Debt issuance costs. . . . .	\$ 5,000	\$ 5,000	\$ 1,500	\$ 3,500
Total expenditures . . . . .	<u>5,000</u>	<u>5,000</u>	<u>1,500</u>	<u>3,500</u>
Net change in fund balance . . . . .	(5,000)	(5,000)	(1,500)	3,500
<b>Fund balance at beginning of year . . . . .</b>	<u>27,666</u>	<u>27,666</u>	<u>27,666</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 22,666</u>	<u>\$ 22,666</u>	<u>\$ 26,166</u>	<u>\$ 3,500</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Special assessments. . . . .	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)
Total revenues. . . . .	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>
Excess of revenues over expenditures. . . . .	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>
<b>Other financing uses:</b>				
Transfers out. . . . .	-	(372,320)	(372,320)	-
Total other financing uses . . . . .	<u>-</u>	<u>(372,320)</u>	<u>(372,320)</u>	<u>-</u>
Net change in fund balance . . . . .	3,000	(369,320)	(372,320)	(3,000)
<b>Fund balance at beginning of year. . . . .</b>	<u>372,320</u>	<u>372,320</u>	<u>372,320</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 375,320</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ (3,000)</u>



**CITY OF BARBERTON, OHIO**

*COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2017*

	<b>Infrastructure Improvement Reserve</b>	<b>Total Nonmajor Capital Projects Funds</b>
	<u>                    </u>	<u>                    </u>
<b>Assets:</b>		
Equity in pooled cash and investments . . . . .	\$ 768,724	\$ 768,724
	<u>                    </u>	<u>                    </u>
Total assets. . . . .	<u>\$ 768,724</u>	<u>\$ 768,724</u>
 <b>Fund balances:</b>		
Committed . . . . .	<u>768,724</u>	<u>768,724</u>
Total fund balances . . . . .	<u>768,724</u>	<u>768,724</u>
 Total liabilities, deferred inflows of resources and fund balances . . . . .	 <u>\$ 768,724</u>	 <u>\$ 768,724</u>

**CITY OF BARBERTON, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<b>Infrastructure Improvement Reserve</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>Revenues:</b>		
Intergovernmental . . . . .	\$ 612	\$ 612
Investment income . . . . .	7,566	7,566
	<hr/>	<hr/>
Total revenues . . . . .	8,178	8,178
	<hr/>	<hr/>
<b>Expenditures:</b>		
Capital outlay . . . . .	99,304	99,304
	<hr/>	<hr/>
Total expenditures . . . . .	99,304	99,304
	<hr/>	<hr/>
Excess of expenditures over revenues. . . . .	(91,126)	(91,126)
	<hr/>	<hr/>
<b>Other financing sources:</b>		
Transfers in . . . . .	336,160	336,160
	<hr/>	<hr/>
Total other financing sources. . . . .	336,160	336,160
	<hr/>	<hr/>
Net change in fund balances. . . . .	245,034	245,034
	<hr/>	<hr/>
<b>Fund balances at beginning of year . . . . .</b>	523,690	523,690
	<hr/>	<hr/>
<b>Fund balances at end of year. . . . .</b>	\$ 768,724	\$ 768,724
	<hr/> <hr/>	<hr/> <hr/>

**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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ -	\$ -	\$ 612	\$ 612
Investment income . . . . .	-	-	7,566	7,566
Total revenues. . . . .	<u>-</u>	<u>-</u>	<u>8,178</u>	<u>8,178</u>
<b>Expenditures:</b>				
Capital outlay:				
Operating . . . . .	-	10,000	10,478	(478)
Capital outlay . . . . .	8,048	98,048	91,987	6,061
Total expenditures. . . . .	<u>8,048</u>	<u>108,048</u>	<u>102,465</u>	<u>5,583</u>
Excess of expenditures over revenues . . . . .	<u>(8,048)</u>	<u>(108,048)</u>	<u>(94,287)</u>	<u>13,761</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	101,000	101,000	336,160	235,160
Total other financing sources. . . . .	<u>101,000</u>	<u>101,000</u>	<u>336,160</u>	<u>235,160</u>
Net change in fund balance. . . . .	92,952	(7,048)	241,873	248,921
<b>Fund balance at beginning of year . . . . .</b>	515,642	515,642	515,642	-
<b>Prior year encumbrances appropriated . . . . .</b>	8,048	8,048	8,048	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 616,642</u>	<u>\$ 516,642</u>	<u>\$ 765,563</u>	<u>\$ 248,921</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
STREET CAPITAL IMPROVEMENTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Municipal income taxes. . . . .	\$ 700,000	\$ 1,563,768	\$ 1,414,357	\$ (149,411)
Intergovernmental. . . . .	-	-	379,868	379,868
Total revenues. . . . .	<u>700,000</u>	<u>1,563,768</u>	<u>1,794,225</u>	<u>230,457</u>
<b>Expenditures:</b>				
Capital outlay:				
Operating . . . . .	35,000	35,000	32,518	2,482
Capital outlay . . . . .	2,175,989	2,623,759	2,457,565	166,194
Debt service:				
Principal retirement. . . . .	1,970,000	1,970,000	1,970,000	-
Interest and fiscal charges. . . . .	<u>71,300</u>	<u>71,300</u>	<u>71,192</u>	<u>108</u>
Total expenditures. . . . .	<u>4,252,289</u>	<u>4,700,059</u>	<u>4,531,275</u>	<u>168,784</u>
Excess of expenditures over revenues. . . . .	<u>(3,552,289)</u>	<u>(3,136,291)</u>	<u>(2,737,050)</u>	<u>399,241</u>
<b>Other financing sources:</b>				
Notes issued. . . . .	-	1,540,000	1,540,000	-
Total other financing sources . . . . .	<u>-</u>	<u>1,540,000</u>	<u>1,540,000</u>	<u>-</u>
Net change in fund balance. . . . .	(3,552,289)	(1,596,291)	(1,197,050)	399,241
<b>Fund balance at beginning of year . . . . .</b>	563,563	563,563	563,563	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>1,165,989</u>	<u>1,165,989</u>	<u>1,165,989</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ (1,822,737)</u>	<u>\$ 133,261</u>	<u>\$ 532,502</u>	<u>\$ 399,241</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 EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
WATER FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 6,308,050	\$ 6,308,050	\$ 6,375,700	\$ 67,650
Other . . . . .	-	-	24,050	24,050
Total revenues . . . . .	6,308,050	6,308,050	6,399,750	91,700
<b>Operating expenses:</b>				
Personal services . . . . .	3,041,922	3,041,922	2,760,554	281,368
Contractual services . . . . .	963,694	963,694	692,649	271,045
Materials and supplies . . . . .	1,369,614	1,369,614	1,375,446	(5,832)
Other . . . . .	19,991	19,991	16,926	3,065
Capital outlay . . . . .	4,143,791	4,467,932	3,150,234	1,317,698
Total expenses . . . . .	9,539,012	9,863,153	7,995,809	1,867,344
Operating loss . . . . .	(3,230,962)	(3,555,103)	(1,596,059)	1,959,044
<b>Nonoperating revenues (expenses):</b>				
Special assessments . . . . .	-	-	14,153	14,153
Loans issued . . . . .	-	-	800	800
Debt service:				
Principal retirement . . . . .	(863,620)	(863,620)	(843,371)	20,249
Interest and fiscal charges . . . . .	(205,680)	(253,960)	(250,521)	3,439
Total nonoperating revenues (expenses) . . .	(1,069,300)	(1,117,580)	(1,078,939)	38,641
Net change in fund equity . . . . .	(4,300,262)	(4,672,683)	(2,674,998)	1,997,685
<b>Fund equity at beginning of year . . . . .</b>	5,636,829	5,636,829	5,636,829	-
<b>Prior year encumbrances appropriated . . .</b>	2,035,342	2,035,342	2,035,342	-
<b>Fund equity at end of year . . . . .</b>	\$ 3,371,909	\$ 2,999,488	\$ 4,997,173	\$ 1,997,685

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY- BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SEWER FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 5,160,000	\$ 5,160,000	\$ 4,797,006	\$ (362,994)
Other . . . . .	-	-	21,664	21,664
Total revenues . . . . .	<u>5,160,000</u>	<u>5,160,000</u>	<u>4,818,670</u>	<u>(341,330)</u>
<b>Operating expenses:</b>				
Personal services . . . . .	2,602,792	2,602,792	2,444,964	157,828
Contractual services . . . . .	999,240	999,240	782,490	216,750
Materials and supplies . . . . .	1,150,354	1,150,354	1,006,039	144,315
Other . . . . .	16,865	16,865	7,256	9,609
Capital outlay . . . . .	1,431,654	9,860,554	4,489,804	5,370,750
Total expenses . . . . .	<u>6,200,905</u>	<u>14,629,805</u>	<u>8,730,553</u>	<u>5,899,252</u>
Operating loss . . . . .	<u>(1,040,905)</u>	<u>(9,469,805)</u>	<u>(3,911,883)</u>	<u>5,557,922</u>
<b>Nonoperating revenues (expenses):</b>				
Special assessments . . . . .	-	-	34,898	34,898
Notes issued . . . . .	-	-	500,000	500,000
Loans issued . . . . .	-	8,428,900	3,311,881	(5,117,019)
Debt service:				
Principal retirement . . . . .	(486,276)	(486,276)	(412,509)	73,767
Interest and fiscal charges . . . . .	(181,072)	(185,967)	(171,270)	14,697
Debt issuance costs . . . . .	-	-	(3,978)	(3,978)
Total nonoperating revenues (expenses) . . . . .	<u>(667,348)</u>	<u>7,756,657</u>	<u>3,259,022</u>	<u>(4,497,635)</u>
Net loss before capital contributions . . . . .	(1,708,253)	(1,713,148)	(652,861)	1,060,287
Capital contributions . . . . .	-	-	4,060	4,060
Net change in fund equity . . . . .	(1,708,253)	(1,713,148)	(648,801)	1,064,347
<b>Fund equity at beginning of year . . . . .</b>	1,099,070	1,099,070	1,099,070	-
<b>Prior year encumbrances appropriated . . . . .</b>	711,722	711,722	711,722	-
<b>Fund equity at end of year . . . . .</b>	<u>\$ 102,539</u>	<u>\$ 97,644</u>	<u>\$ 1,161,991</u>	<u>\$ 1,064,347</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SOLID WASTE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 1,900,000	\$ 1,900,000	\$ 1,920,214	\$ 20,214
Other. . . . .	-	-	476	476
Total revenues . . . . .	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,920,690</u>	<u>20,690</u>
<b>Operating expenses:</b>				
Personal services. . . . .	154,414	154,414	130,862	23,552
Contractual services . . . . .	1,967,927	1,967,927	1,706,685	261,242
Materials and supplies . . . . .	34,834	34,834	25,639	9,195
Total expenses . . . . .	<u>2,157,175</u>	<u>2,157,175</u>	<u>1,863,186</u>	<u>293,989</u>
Operating income (loss) . . . . .	<u>(257,175)</u>	<u>(257,175)</u>	<u>57,504</u>	<u>314,679</u>
<b>Nonoperating revenues:</b>				
Special assessments . . . . .	-	-	6,541	6,541
Total nonoperating revenues. . . . .	<u>-</u>	<u>-</u>	<u>6,541</u>	<u>6,541</u>
Net change in fund equity . . . . .	(257,175)	(257,175)	64,045	321,220
<b>Fund equity at beginning of year. . . . .</b>	2,058,334	2,058,334	2,058,334	-
<b>Prior year encumbrances appropriated . . .</b>	<u>132,936</u>	<u>132,936</u>	<u>132,936</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 1,934,095</u>	<u>\$ 1,934,095</u>	<u>\$ 2,255,315</u>	<u>\$ 321,220</u>



CITY OF BARBERTON, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
**STORM WATER FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 780,000	\$ 780,000	\$ 767,103	\$ (12,897)
Other. . . . .	-	-	3,193	3,193
Total revenues . . . . .	<u>780,000</u>	<u>780,000</u>	<u>770,296</u>	<u>(9,704)</u>
<b>Operating expenses:</b>				
Personal services. . . . .	365,800	365,800	301,184	64,616
Contractual services . . . . .	72,738	72,738	63,145	9,593
Materials and supplies . . . . .	184,296	184,296	130,500	53,796
Capital outlay . . . . .	279,608	285,079	134,281	150,798
Total expenses . . . . .	<u>902,442</u>	<u>907,913</u>	<u>629,110</u>	<u>278,803</u>
Operating income (loss) . . . . .	<u>(122,442)</u>	<u>(127,913)</u>	<u>141,186</u>	<u>269,099</u>
<b>Nonoperating revenues (expenses):</b>				
Intergovernmental. . . . .	-	-	21,560	21,560
Debt service:				
Principal retirement. . . . .	(23,150)	(23,150)	(23,144)	6
Interest and fiscal charges. . . . .	(1,200)	(1,200)	(1,191)	9
Total nonoperating revenues (expenses) . . . . .	<u>(24,350)</u>	<u>(24,350)</u>	<u>(2,775)</u>	<u>21,575</u>
Net income (loss) before transfers. . . . .	(146,792)	(152,263)	138,411	290,674
Transfers in. . . . .	-	-	5,472	5,472
Net change in fund equity . . . . .	(146,792)	(152,263)	143,883	296,146
<b>Fund equity at beginning of year. . . . .</b>	815,123	815,123	815,123	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>99,472</u>	<u>99,472</u>	<u>99,472</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 767,803</u>	<u>\$ 762,332</u>	<u>\$ 1,058,478</u>	<u>\$ 296,146</u>

**CITY OF BARBERTON, OHIO**

*COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2017*

	<b>Health Insurance</b>	<b>Internal Allocation</b>	<b>Total Internal Service Funds</b>
<b>Assets:</b>			
Current assets:			
Equity in pooled cash and investments. . . . .	\$ 1,038,372	\$ 34,248	\$ 1,072,620
Accounts . . . . .	-	16,860	16,860
Total assets . . . . .	<u>1,038,372</u>	<u>51,108</u>	<u>1,089,480</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable. . . . .	-	78,654	78,654
Claims payable . . . . .	430,728	-	430,728
Total liabilities . . . . .	<u>430,728</u>	<u>78,654</u>	<u>509,382</u>
<b>Net position:</b>			
Unrestricted (deficit) . . . . .	607,644	(27,546)	580,098
Total net position . . . . .	<u>\$ 607,644</u>	<u>\$ (27,546)</u>	<u>\$ 580,098</u>

**CITY OF BARBERTON, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<b>Health Insurance</b>	<b>Internal Allocation</b>	<b>Total Internal Service Funds</b>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 4,053,969	\$ 374,691	\$ 4,428,660
Other . . . . .	14,219	-	14,219
Total operating revenues. . . . .	<u>4,068,188</u>	<u>374,691</u>	<u>4,442,879</u>
<b>Operating expenses:</b>			
Contract services. . . . .	44,616	-	44,616
Materials and supplies . . . . .	4,000	414,851	418,851
Claims . . . . .	4,173,950	-	4,173,950
Other . . . . .	4,836	-	4,836
Total operating expenses. . . . .	<u>4,227,402</u>	<u>414,851</u>	<u>4,642,253</u>
Operating loss before transfers. . . . .	<u>(159,214)</u>	<u>(40,160)</u>	<u>(199,374)</u>
Transfers in. . . . .	-	45,000	45,000
Changes in net position. . . . .	(159,214)	4,840	(154,374)
<b>Net position (deficit) at beginning of year . . .</b>	<u>766,858</u>	<u>(32,386)</u>	<u>734,472</u>
<b>Net position (deficit) at end of year. . . . .</b>	<u>\$ 607,644</u>	<u>\$ (27,546)</u>	<u>\$ 580,098</u>

**CITY OF BARBERTON, OHIO**

*COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<b>Health Insurance</b>	<b>Internal Allocation</b>	<b>Total Internal Service Funds</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers . . . . .	\$ 4,053,969	\$ 357,831	\$ 4,411,800
Cash received from other operations. . . . .	14,219	-	14,219
Cash payments for contract services . . . . .	(44,616)	-	(44,616)
Cash payments for materials and supplies . . . . .	(4,000)	(391,167)	(395,167)
Cash payments for claims . . . . .	(4,089,324)	-	(4,089,324)
Cash payments for other expenses . . . . .	(4,836)	-	(4,836)
	<hr/>	<hr/>	<hr/>
Net cash used in operating activities. . . . .	(74,588)	(33,336)	(107,924)
<b>Cash flows from noncapital financing activities:</b>			
Transfers in from other funds . . . . .	-	45,000	45,000
	<hr/>	<hr/>	<hr/>
Net cash provided by noncapital financing activities . . . . .	-	45,000	45,000
	<hr/>	<hr/>	<hr/>
Net increase (decrease) in cash and investments. . . . .	(74,588)	11,664	(62,924)
<b>Cash and investments at beginning of year . . . . .</b>	<b>1,112,960</b>	<b>22,584</b>	<b>1,135,544</b>
<b>Cash and investments at end of year . . . . .</b>	<b><u>\$ 1,038,372</u></b>	<b><u>\$ 34,248</u></b>	<b><u>\$ 1,072,620</u></b>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>			
Operating loss . . . . .	\$ (159,214)	\$ (40,160)	\$ (199,374)
Changes in assets and liabilities:			
Decrease in accounts receivable . . . . .	-	(16,860)	(16,860)
Increase in accounts payable. . . . .	-	23,684	23,684
Increase in claims payable . . . . .	84,626	-	84,626
	<hr/>	<hr/>	<hr/>
Net cash used in operating activities . . . . .	<u>\$ (74,588)</u>	<u>\$ (33,336)</u>	<u>\$ (107,924)</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
HEALTH INSURANCE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 3,990,000	\$ 3,990,000	\$ 4,053,969	\$ 63,969
Other. . . . .	-	-	14,219	14,219
Total revenues . . . . .	<u>3,990,000</u>	<u>3,990,000</u>	<u>4,068,188</u>	<u>78,188</u>
<b>Operating expenses:</b>				
Contractual services . . . . .	50,000	50,000	44,616	5,384
Claims . . . . .	3,701,500	4,071,500	4,089,324	(17,824)
Other. . . . .	27,050	27,050	4,836	22,214
Capital outlay . . . . .	22,000	22,000	4,000	18,000
Total expenses . . . . .	<u>3,800,550</u>	<u>4,170,550</u>	<u>4,142,776</u>	<u>27,774</u>
Net change in fund equity . . . . .	189,450	(180,550)	(74,588)	105,962
<b>Fund equity at beginning of year. . . . .</b>	1,109,810	1,109,810	1,109,810	-
<b>Prior year encumbrances appropriated . . .</b>	<u>3,150</u>	<u>3,150</u>	<u>3,150</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 1,302,410</u>	<u>\$ 932,410</u>	<u>\$ 1,038,372</u>	<u>\$ 105,962</u>

**CITY OF BARBERTON, OHIO**

*SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
INTERNAL ALLOCATION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 455,000	\$ 455,000	\$ 357,831	\$ (97,169)
Total revenues . . . . .	<u>455,000</u>	<u>455,000</u>	<u>357,831</u>	<u>(97,169)</u>
<b>Operating expenses:</b>				
Materials and supplies . . . . .	382,800	447,800	410,593	37,207
Total expenses . . . . .	<u>382,800</u>	<u>447,800</u>	<u>410,593</u>	<u>37,207</u>
Net income (loss) before transfers . . . . .	72,200	7,200	(52,762)	(59,962)
Transfers in. . . . .	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Net change in fund equity . . . . .	117,200	52,200	(7,762)	(59,962)
<b>Fund equity at beginning of year. . . . .</b>	8,084	8,084	8,084	-
<b>Prior year encumbrances appropriated . . .</b>	<u>14,500</u>	<u>14,500</u>	<u>14,500</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 139,784</u>	<u>\$ 74,784</u>	<u>\$ 14,822</u>	<u>\$ (59,962)</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, 2017*

	<b>Beginning Balance 12/31/2016</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 12/31/2017</b>
<b>Deposit</b>				
<b>Assets:</b>				
Equity in pooled cash and investments. . . . .	\$ 441,039	\$ 73,776	\$ 87,242	\$ 427,573
Receivables:				
Accounts . . . . .	46,250	-	46,250	-
Total assets. . . . .	<u>\$ 487,289</u>	<u>\$ 73,776</u>	<u>\$ 133,492</u>	<u>\$ 427,573</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	<u>\$ 487,289</u>	<u>\$ 73,776</u>	<u>\$ 133,492</u>	<u>\$ 427,573</u>
Total liabilities . . . . .	<u>\$ 487,289</u>	<u>\$ 73,776</u>	<u>\$ 133,492</u>	<u>\$ 427,573</u>
 <b>New Haven/Forest City</b>				
<b>Assets:</b>				
Equity in pooled cash and investments. . . . .	\$ 22,000	\$ -	\$ -	\$ 22,000
Total assets. . . . .	<u>\$ 22,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,000</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	<u>\$ 22,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,000</u>
Total liabilities . . . . .	<u>\$ 22,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,000</u>
 <b>Total Agency Funds</b>				
<b>Assets:</b>				
Equity in pooled cash and investments. . . . .	\$ 463,039	\$ 73,776	\$ 87,242	\$ 449,573
Receivables:				
Accounts . . . . .	46,250	-	46,250	-
Total assets. . . . .	<u>\$ 509,289</u>	<u>\$ 73,776</u>	<u>\$ 133,492</u>	<u>\$ 449,573</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	<u>\$ 509,289</u>	<u>\$ 73,776</u>	<u>\$ 133,492</u>	<u>\$ 449,573</u>
Total liabilities . . . . .	<u>\$ 509,289</u>	<u>\$ 73,776</u>	<u>\$ 133,492</u>	<u>\$ 449,573</u>



# **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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>166-175</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources; income and property taxes.	<b>176-183</b>
<b>Debt Capacity</b> 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.	<b>184-191</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>192-193</b>
<b>Operating Information</b> 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.	<b>194-199</b>

**Sources:** Sources are noted on the individual schedules.

**CITY OF BARBERTON, OHIO**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 26,213,025	\$ 27,880,547	\$ 26,141,902	\$ 24,516,073
Restricted for:				
Capital projects	702,170	1,214,315	1,667,101	1,272,184
Debt service	-	372,320	371,073	384,276
Transportation projects	368,973	333,789	156,342	487,752
Community development projects	52,231	61,489	103,851	232,228
Other projects	4,003,306	3,437,930	3,183,731	2,773,322
Unrestricted (deficit)	<u>(12,107,869)</u>	<u>(12,235,878)</u>	<u>(11,295,021)</u>	<u>(11,738,830)</u>
Total governmental activities net position	<u>\$ 19,231,836</u>	<u>\$ 21,064,512</u>	<u>\$ 20,328,979</u>	<u>\$ 17,927,005</u>
<b>Business-type Activities</b>				
Net investment in capital assets	\$ 36,274,959	\$ 35,869,387	\$ 35,691,780	\$ 35,824,961
Restricted for:				
Other projects	321,963	321,963	321,963	321,963
Unrestricted	<u>8,767,409</u>	<u>10,084,263</u>	<u>9,913,682</u>	<u>8,756,671</u>
Total business-type activities net position	<u>\$ 45,364,331</u>	<u>\$ 46,275,613</u>	<u>\$ 45,927,425</u>	<u>\$ 44,903,595</u>
<b>Total Primary Government</b>				
Net investment in capital assets	\$ 62,487,984	\$ 63,749,934	\$ 61,833,682	\$ 60,341,034
Restricted for:				
Capital projects	702,170	1,214,315	1,667,101	1,272,184
Debt service	-	372,320	371,073	384,276
Transportation projects	368,973	333,789	156,342	487,752
Community development projects	52,231	61,489	103,851	232,228
Other projects	4,325,269	3,759,893	3,505,694	3,095,285
Unrestricted (deficit)	<u>(3,340,460)</u>	<u>(2,151,615)</u>	<u>(1,381,339)</u>	<u>(2,982,159)</u>
Total primary government net position	<u>\$ 64,596,167</u>	<u>\$ 67,340,125</u>	<u>\$ 66,256,404</u>	<u>\$ 62,830,600</u>

Note: 2014 amounts have been restated to account for the implementation of GASB Statements 68 and 71.

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 23,611,193	\$ 20,259,877	\$ 19,800,292	\$ 19,684,621	\$ 18,536,399	\$ 17,207,130
13,989	13,978	13,961	17,514	1,142,832	633,917
387,469	388,438	391,077	388,275	415,866	299,259
325,916	673,038	863,555	865,379	881,165	1,204,290
156,812	90,316	151,125	617,997	588,994	1,028,741
2,051,785	1,667,946	1,437,828	1,390,848	1,223,244	1,269,994
4,084,879	4,196,682	4,662,644	2,131,736	401,450	3,298,794
<u>\$ 30,632,043</u>	<u>\$ 27,290,275</u>	<u>\$ 27,320,482</u>	<u>\$ 25,096,370</u>	<u>\$ 23,189,950</u>	<u>\$ 24,942,125</u>
\$ 36,308,495	\$ 36,273,472	\$ 34,551,830	\$ 33,376,864	\$ 30,422,322	\$ 31,995,482
321,963	345,427	419,483	566,545	801,222	1,039,101
9,425,873	8,676,308	8,781,726	8,881,635	8,211,503	6,806,972
<u>\$ 46,056,331</u>	<u>\$ 45,295,207</u>	<u>\$ 43,753,039</u>	<u>\$ 42,825,044</u>	<u>\$ 39,435,047</u>	<u>\$ 39,841,555</u>
\$ 59,919,688	\$ 56,533,349	\$ 54,352,122	\$ 53,061,485	\$ 48,958,721	\$ 49,202,612
13,989	13,978	13,961	17,514	1,142,832	633,917
387,469	388,438	391,077	388,275	415,866	299,259
325,916	673,038	863,555	865,379	881,165	1,204,290
156,812	90,316	151,125	617,997	588,994	1,028,741
2,373,748	2,013,373	1,857,311	1,957,393	2,024,466	2,309,095
13,510,752	12,872,990	13,444,370	11,013,371	8,612,953	10,105,766
<u>\$ 76,688,374</u>	<u>\$ 72,585,482</u>	<u>\$ 71,073,521</u>	<u>\$ 67,921,414</u>	<u>\$ 62,624,997</u>	<u>\$ 64,783,680</u>

**CITY OF BARBERTON, OHIO**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Program Revenues:</b>				
Governmental activities:				
Charges for services:				
General government	\$ 2,885,996	\$ 2,869,310	\$ 2,612,322	\$ 2,643,878
Public safety	698,887	701,689	801,105	654,036
Health and welfare	-	-	-	-
Transportation	116,576	103,035	88,894	82,032
Community environment	397,945	325,641	578,647	242,385
Leisure time activities	148,716	133,140	118,879	117,156
Operating grants and contributions	2,501,122	2,783,793	2,618,738	2,650,831
Capital grants and contributions	650,158	756,976	2,620,245	1,268,540
Total governmental activities program revenues	<u>7,399,400</u>	<u>7,673,584</u>	<u>9,438,830</u>	<u>7,658,858</u>
Business-type activities:				
Charges for services:				
Water	6,453,317	6,181,148	6,274,503	5,841,318
Sewer	4,874,435	4,589,192	4,381,027	4,372,354
Storm Water	759,777	757,575	774,231	769,099
Solid Waste	1,905,330	1,881,869	1,909,441	1,893,792
Capital grants and contributions	130,976	289,025	890,093	363,719
Total business-type activities program revenues	<u>14,123,835</u>	<u>13,698,809</u>	<u>14,229,295</u>	<u>13,240,282</u>
Total primary government	<u>\$ 21,523,235</u>	<u>\$ 21,372,393</u>	<u>\$ 23,668,125</u>	<u>\$ 20,899,140</u>
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 5,934,454	\$ 5,764,628	\$ 5,960,722	\$ 4,529,680
Public safety	12,924,756	12,493,616	11,042,798	10,867,615
Health and welfare	-	-	-	-
Transportation	3,011,919	2,256,377	3,144,466	1,997,575
Community environment	1,472,044	1,463,504	1,478,578	1,106,684
Leisure time activities	1,373,446	1,322,359	1,353,380	1,380,232
Interest and fiscal charges	135,044	213,698	74,699	134,565
Total governmental activities expenses	<u>24,851,663</u>	<u>23,514,182</u>	<u>23,054,643</u>	<u>20,016,351</u>
Business-type activities:				
Water	6,267,581	5,133,511	5,152,707	4,500,198
Sewer	6,201,994	5,775,809	5,559,234	5,241,551
Solid Waste	1,864,795	1,697,077	1,649,099	1,475,887
Storm Water	837,744	768,452	947,090	807,629
Community Center	-	-	-	-
Total business-type activities expenses	<u>15,172,114</u>	<u>13,374,849</u>	<u>13,308,130</u>	<u>12,025,265</u>
Total primary government	<u>\$ 40,023,777</u>	<u>\$ 36,889,031</u>	<u>\$ 36,362,773</u>	<u>\$ 32,041,616</u>
Governmental activities	\$ (17,452,263)	\$ (15,840,598)	\$ (13,615,813)	\$ (12,357,493)
Business-type activities	(1,048,279)	323,960	921,165	1,215,017
Total primary government net expense	<u>\$ (18,500,542)</u>	<u>\$ (15,516,638)</u>	<u>\$ (12,694,648)</u>	<u>\$ (11,142,476)</u>

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 2,574,433	\$ 2,133,191	\$ 2,148,444	\$ 1,824,354	\$ 1,892,083	\$ 1,786,759
703,890	743,319	677,035	777,898	603,223	621,327
-	-	20	296,202	616,814	798,884
90,413	85,187	41,657	42,851	46,636	79,507
306,094	316,971	334,881	120,405	167,840	172,991
95,759	103,380	106,764	91,785	130,748	94,240
4,402,420	4,081,718	3,863,176	5,092,156	4,164,877	3,855,139
3,016,298	250,412	459,731	67,564	145,229	147,321
<u>11,189,307</u>	<u>7,714,178</u>	<u>7,631,708</u>	<u>8,313,215</u>	<u>7,767,450</u>	<u>7,556,168</u>
5,751,556	5,651,426	5,063,541	5,100,123	4,594,956	4,574,609
3,991,723	4,115,822	4,066,329	4,163,396	4,096,518	4,289,991
784,719	772,796	782,248	770,433	743,787	796,332
1,926,288	2,031,897	2,023,183	2,002,081	1,939,373	1,835,994
270,164	953,470	547,789	2,547,429	-	-
<u>12,724,450</u>	<u>13,525,411</u>	<u>12,483,090</u>	<u>14,583,462</u>	<u>11,374,634</u>	<u>11,496,926</u>
<u>\$ 23,913,757</u>	<u>\$ 21,239,589</u>	<u>\$ 20,114,798</u>	<u>\$ 22,896,677</u>	<u>\$ 19,142,084</u>	<u>\$ 19,053,094</u>
\$ 4,485,947	\$ 4,150,178	\$ 4,408,029	\$ 4,259,141	\$ 4,554,994	\$ 4,619,097
10,692,505	10,221,486	10,096,123	10,082,932	11,207,888	11,339,496
-	-	28,342	847,498	1,511,973	1,889,854
2,227,248	2,725,173	2,730,584	1,866,192	2,340,290	2,265,378
3,108,590	2,109,074	2,741,517	3,321,424	2,292,939	1,855,258
1,468,383	1,334,529	1,328,524	1,314,014	1,294,285	1,636,664
129,056	188,459	233,974	268,040	289,245	253,275
<u>22,111,729</u>	<u>20,728,899</u>	<u>21,567,093</u>	<u>21,959,241</u>	<u>23,491,614</u>	<u>23,859,022</u>
4,389,879	4,335,601	4,058,731	4,364,080	4,158,746	3,778,649
5,004,111	4,987,464	4,598,025	4,277,917	4,497,443	4,542,875
1,786,391	1,894,645	1,872,929	1,868,090	1,760,928	1,773,299
892,421	817,705	786,687	703,295	684,083	650,516
-	-	-	-	-	131,104
<u>12,072,802</u>	<u>12,035,415</u>	<u>11,316,372</u>	<u>11,213,382</u>	<u>11,101,200</u>	<u>10,876,443</u>
<u>\$ 34,184,531</u>	<u>\$ 32,764,314</u>	<u>\$ 32,883,465</u>	<u>\$ 33,172,623</u>	<u>\$ 34,592,814</u>	<u>\$ 34,735,465</u>
\$ (10,922,422)	\$ (13,014,721)	\$ (13,935,385)	\$ (13,646,026)	\$ (15,724,164)	\$ (16,302,854)
651,648	1,489,996	1,166,718	3,370,080	273,434	620,483
<u>\$ (10,270,774)</u>	<u>\$ (11,524,725)</u>	<u>\$ (12,768,667)</u>	<u>\$ (10,275,946)</u>	<u>\$ (15,450,730)</u>	<u>\$ (15,682,371)</u>

**CITY OF BARBERTON, OHIO**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>General Revenues and Other Changes in Net Position:</b>				
Governmental activities				
Taxes:				
Property taxes levied for:				
General purposes	\$ 853,713	\$ 821,725	\$ 838,174	\$ 821,891
Fire capital levy	218,790	211,116	214,886	212,496
Police pension	87,899	84,999	86,700	85,016
Fire pension	87,899	84,999	86,700	85,016
Municipal income taxes levied for:				
General purposes	11,218,426	12,218,127	11,777,925	11,105,638
Capital outlay	1,402,821	1,534,219	1,450,801	1,315,595
Grants and entitlements				
not restricted to specific programs	1,247,376	1,347,149	1,327,145	1,396,374
Investment earnings	296,114	74,208	85,109	55,658
Other	212,021	199,589	150,347	287,063
Transfers	<u>(5,472)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>15,619,587</u>	<u>16,576,131</u>	<u>16,017,787</u>	<u>15,364,747</u>
Business-type activities				
Grants and entitlements				
not restricted to specific programs	26,550	21,560	21,962	18,686
Investment earnings	-	(15,185)	18,155	6,808
Other	104,975	17,853	62,548	56,373
Transfers	5,472	-	-	-
Special item - disposal of community center	-	-	-	-
Total business-type activities	<u>136,997</u>	<u>24,228</u>	<u>102,665</u>	<u>81,867</u>
Total primary government	<u>\$ 15,756,584</u>	<u>\$ 16,600,359</u>	<u>\$ 16,120,452</u>	<u>\$ 15,446,614</u>
<b>Change in Net Position:</b>				
Governmental activities	\$ (1,832,676)	\$ 735,533	\$ 2,401,974	\$ 3,007,254
Business-type activities	(911,282)	348,188	1,023,830	1,296,884
Total primary government	<u>\$ (2,743,958)</u>	<u>\$ 1,083,721</u>	<u>\$ 3,425,804</u>	<u>\$ 4,304,138</u>



<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 819,091	\$ 637,608	\$ 1,023,447	\$ 1,272,525	\$ 1,188,981	\$ 1,209,964
211,786	211,858	264,636	259,904	239,362	288,602
84,714	84,744	105,855	103,960	95,772	104,512
84,714	84,744	105,855	103,960	95,772	104,512
11,304,650	9,913,010	12,086,007	10,849,848	10,320,696	10,859,015
-	-	-	-	-	-
1,574,050	1,965,699	2,322,927	2,571,074	2,159,444	2,821,199
17,499	31,249	39,742	40,544	72,965	398,822
167,686	86,748	304,492	350,631	141,724	199,199
-	(31,146)	-	-	(149,385)	(106,342)
<u>14,264,190</u>	<u>12,984,514</u>	<u>16,252,961</u>	<u>15,552,446</u>	<u>14,165,331</u>	<u>15,879,483</u>
-	-	-	-	-	-
35,066	6,071	11,031	4,516	10,580	163,851
74,410	14,955	4,960	15,401	8,716	72,295
-	31,146	-	-	149,385	106,342
-	-	-	-	(848,623)	-
<u>109,476</u>	<u>52,172</u>	<u>15,991</u>	<u>19,917</u>	<u>(679,942)</u>	<u>342,488</u>
<u>\$ 14,373,666</u>	<u>\$ 13,036,686</u>	<u>\$ 16,268,952</u>	<u>\$ 15,572,363</u>	<u>\$ 13,485,389</u>	<u>\$ 16,221,971</u>
\$ 3,341,768	\$ (30,207)	\$ 2,317,576	\$ 1,906,420	\$ (1,558,833)	\$ (423,371)
761,124	1,542,168	1,182,709	3,389,997	(406,508)	962,971
<u>\$ 4,102,892</u>	<u>\$ 1,511,961</u>	<u>\$ 3,500,285</u>	<u>\$ 5,296,417</u>	<u>\$ (1,965,341)</u>	<u>\$ 539,600</u>

**CITY OF BARBERTON, OHIO**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>General Fund:</b>						
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-
Nonspendable	75,345	75,179	71,604	80,673	68,219	60,328
Committed	101,595	61,851	21,851	-	11,840	21,271
Assigned	501,277	1,210,471	1,597,877	835,457	742,993	1,257,550
Unassigned	<u>3,264,651</u>	<u>3,421,410</u>	<u>2,791,757</u>	<u>3,284,407</u>	<u>2,697,128</u>	<u>2,901,883</u>
Total general fund	<u>\$ 3,942,868</u>	<u>\$ 4,768,911</u>	<u>\$ 4,483,089</u>	<u>\$ 4,200,537</u>	<u>\$ 3,520,180</u>	<u>\$ 4,241,032</u>
<b>All Other Governmental Funds:</b>						
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:						
Special revenue funds	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-
Nonspendable	10,690	10,504	10,135	12,059	9,473	8,202
Restricted	5,595,641	5,760,281	5,743,323	4,846,873	2,798,672	2,640,966
Committed	1,127,881	883,736	922,078	951,876	1,168,115	1,412,462
Unassigned (deficit), reported in:						
Special revenue funds	(20,969)	(54,914)	(114,795)	(137,620)	(35,005)	(930,972)
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(83,737)</u>
Total all other governmental funds	<u>\$ 6,713,243</u>	<u>\$ 6,599,607</u>	<u>\$ 6,560,741</u>	<u>\$ 5,673,188</u>	<u>\$ 3,941,255</u>	<u>\$ 3,046,921</u>

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

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ -	\$ 549,557	\$ 355,293	\$ 323,073
-	3,050,628	1,779,411	3,053,359
56,998	-	-	-
8,533	-	-	-
236,644	-	-	-
4,383,296	-	-	-
<u>\$ 4,685,471</u>	<u>\$ 3,600,185</u>	<u>\$ 2,134,704</u>	<u>\$ 3,376,432</u>
\$ -	\$ 2,502,925	\$ 2,017,577	\$ 2,037,009
-	225,878	661,851	1,757,970
-	472,837	619,490	(1,793,737)
8,200	-	-	-
2,503,349	-	-	-
1,259,417	-	-	-
(483,537)	-	-	-
(203,358)	-	-	-
<u>\$ 3,084,071</u>	<u>\$ 3,201,640</u>	<u>\$ 3,298,918</u>	<u>\$ 2,001,242</u>

**CITY OF BARBERTON, OHIO**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Revenues</b>					
Taxes	\$ 13,865,731	\$ 14,730,058	\$ 14,015,406	\$ 13,951,825	\$ 12,368,144
Charges for services	1,549,971	1,520,685	1,914,225	1,529,314	1,795,854
Licenses and permits	513,332	477,793	490,637	408,808	482,369
Fines and forfeitures	1,307,610	1,216,459	1,157,006	1,254,398	846,510
Intergovernmental	4,106,401	4,551,772	6,421,875	4,006,819	8,606,417
Special assessments	57,857	86,792	106,712	192,030	94,334
Investment income	289,290	60,684	78,678	55,559	18,825
Contributions and donations	39,003	22,977	-	-	548,013
Other	1,175,283	1,335,246	874,559	1,183,255	1,200,321
Total revenues	<u>22,904,478</u>	<u>24,002,466</u>	<u>25,059,098</u>	<u>22,582,008</u>	<u>25,960,787</u>
<b>Expenditures</b>					
Current:					
General government	5,447,433	5,649,147	5,122,202	4,349,902	4,381,217
Public safety	11,014,633	10,398,990	9,903,619	10,292,503	10,511,629
Health and welfare	-	-	-	-	-
Transportation	1,401,003	1,255,885	1,417,219	1,260,053	1,529,068
Community environment	1,427,888	1,557,589	1,427,336	1,497,352	3,120,414
Leisure time activity	1,121,890	1,126,770	1,126,374	1,193,344	1,281,488
Capital outlay	2,041,116	4,055,609	6,643,420	3,209,208	4,057,346
Debt service:					
Principal retirement	2,131,672	3,900,203	2,191,983	275,445	1,390,388
Interest and fiscal charges	125,995	126,327	94,853	93,688	148,048
Bond issuance cost	-	-	-	-	-
Note issuance cost	2,000	81,662	4,962	-	-
Total expenditures	<u>24,713,630</u>	<u>28,152,182</u>	<u>27,931,968</u>	<u>22,171,495</u>	<u>26,419,598</u>
Excess of revenues over (under) expenditures	<u>(1,809,152)</u>	<u>(4,149,716)</u>	<u>(2,872,870)</u>	<u>410,513</u>	<u>(458,811)</u>
<b>Other Financing Sources (Uses)</b>					
Notes issued	985,000	1,540,000	3,500,000	2,000,000	-
Bonds issued	-	4,405,534	-	-	-
Discount on bond issuance	-	-	-	-	-
Premium on notes	-	-	-	-	-
Payment to refunded bond escrow agent	-	(1,624,868)	-	-	-
Capital lease transaction	133,002	109,340	518,800	-	67,240
Sale of capital assets	29,215	44,398	24,175	1,777	565,053
Transfers in	1,066,320	743,002	555,621	671,000	1,037,100
Transfers (out)	(1,116,792)	(743,002)	(555,621)	(671,000)	(1,037,100)
Loans issued	-	-	-	-	-
Total other financing sources (uses)	<u>1,096,745</u>	<u>4,474,404</u>	<u>4,042,975</u>	<u>2,001,777</u>	<u>632,293</u>
Net change in fund balances	<u>\$ (712,407)</u>	<u>\$ 324,688</u>	<u>\$ 1,170,105</u>	<u>\$ 2,412,290</u>	<u>\$ 173,482</u>
Capital expenditures	1,799,580	4,205,612	6,467,888	4,329,891	4,065,048
Debt service as a percentage of noncapital expenditures.	9.85%	16.81%	10.65%	2.07%	6.88%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 11,293,820	\$ 12,592,379	\$ 12,521,891	\$ 12,126,149	\$ 12,601,886
2,111,961	2,061,212	2,206,082	2,335,224	2,348,503
494,997	556,560	252,107	333,555	483,615
502,636	414,678	418,311	432,347	202,586
5,180,429	6,284,638	6,712,451	5,742,603	5,646,214
110,140	154,792	157,474	161,493	187,152
33,874	37,271	38,593	76,849	434,513
547,490	555,990	627,447	623,630	981,965
580,194	458,214	703,746	814,483	568,318
<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>
4,075,595	4,345,238	4,017,338	4,396,948	4,177,189
9,856,203	9,773,245	9,223,191	10,653,804	10,273,963
-	9,531	971,656	1,472,491	1,793,038
1,336,031	1,398,722	1,417,513	1,471,332	1,611,276
2,040,029	2,676,716	3,202,840	2,213,192	1,680,902
1,126,958	1,066,909	1,068,312	1,217,596	1,368,699
1,809,875	1,556,168	1,202,654	2,122,784	3,552,712
1,135,496	1,120,994	1,129,672	1,045,558	932,580
182,083	224,929	258,650	278,130	253,241
-	-	-	83,445	-
-	-	-	-	10,745
<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>
<u>(706,729)</u>	<u>943,282</u>	<u>1,146,276</u>	<u>(2,308,947)</u>	<u>(2,199,593)</u>
-	-	-	-	-
-	-	-	2,310,000	-
-	-	-	(16,555)	-
-	-	-	-	17,282
-	-	-	-	-
207,780	-	112,089	-	300,000
16,189	24,435	109,838	32,213	79,843
1,277,944	1,434,900	1,779,079	1,875,327	1,771,349
(1,277,944)	(1,434,900)	(1,779,079)	(1,836,090)	(1,962,282)
3,036	-	-	-	-
<u>227,005</u>	<u>24,435</u>	<u>221,927</u>	<u>2,364,895</u>	<u>206,192</u>
<u>\$ (479,724)</u>	<u>\$ 967,717</u>	<u>\$ 1,368,203</u>	<u>\$ 55,948</u>	<u>\$ (1,993,401)</u>
974,169	806,628	1,435,291	1,904,639	2,916,887
6.40%	6.30%	6.59%	5.74%	5.22%

**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)
2017	\$ 319,535,820	\$ 912,959,486	\$ 15,287,390	\$ 17,372,034	\$ -	\$ -
2016	320,433,710	915,524,886	13,248,470	15,055,080	-	-
2015	324,056,350	925,875,286	12,178,690	13,839,420	-	-
2014	337,489,450	964,255,571	11,314,460	12,857,341	-	-
2013	343,096,010	980,274,314	10,470,720	11,898,545	-	-
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

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**

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<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Total Direct Tax Rate</b>	<b>Ratio</b>
\$ 334,823,210	\$ 930,331,520	\$ 4.25	35.99%
333,682,180	930,579,966	4.25	35.86%
336,235,040	939,714,706	4.25	35.78%
348,803,910	977,112,912	4.25	35.70%
353,566,730	992,172,859	4.25	35.64%
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	1,144,301,946	4.25	35.01%
420,654,255	1,393,232,990	4.25	30.19%

**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	
2017	2.90	0.60	0.75	4.25	12.70	69.99	1.95	84.64	88.89
2016	2.90	0.60	0.75	4.25	12.70	69.86	1.95	84.51	88.76
2015	2.90	0.60	0.75	4.25	12.70	70.21	1.37	84.28	88.53
2014	2.90	0.60	0.75	4.25	12.70	68.83	1.37	82.90	87.15
2013	2.90	0.60	0.75	4.25	14.16	59.74	1.37	75.27	79.52
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

Source: Summit County, Ohio; Fiscal Officer



**CITY OF BARBERTON, OHIO**

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

<b>December 31, 2017</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
Babcock & Wilcox Power Generation Group	\$ 2,934,710	1	0.92%
Summa Barberton Citizens Hospital	2,598,520	2	0.81%
DFG Barberton LLC	2,097,650	3	0.66%
K L Morris Family Limited Partnership	1,711,340	4	0.54%
LRC Magic Investors LTD	1,657,310	5	0.52%
BWXT Nuclear Operations Group Inc.	1,531,470	6	0.48%
B&C Research Inc.	1,522,420	7	0.48%
Polymer Developments LTD	892,520	8	0.28%
Malco Products Inc.	886,200	9	0.28%
1 Kings Court LLC	872,650	10	0.27%
<b>Total, Top Ten Principal Real Property Taxpayers</b>	<b>\$ 16,704,790</b>		<b>5.24%</b>
<b>Total City Real Property Tax Assessed Valuation</b>	<b>\$ 319,535,820</b>		

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

Source: Summit County, Ohio; Fiscal Officer

**CITY OF BARBERTON, OHIO**

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

<b>December 31, 2017</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
Ohio Edison Co.	\$ 7,609,710	1	49.8%
American Transmission	5,125,050	2	33.5%
East Ohio Gas Co.	2,552,630	3	16.7%
<b>Total, Top Three Principal Public Utility Property Taxpayers</b>	<b>\$ 15,287,390</b>		<b>100.0%</b>
<b>Total City Public Utility Property Tax Assessed Valuation</b>	<b>\$ 15,287,390</b>		

<b>December 31, 2008</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Assessed Value</b>
Ohio Edison Co.	\$ 5,194,940	1	62.27%
American Transmission	1,704,390	2	20.43%
East Ohio Gas Co.	1,094,010	3	13.11%
CSX	172,540	4	2.07%
Akron & Barberton RR	105,320	5	1.26%
<b>Total, Top Five Principal Public Utility Property Taxpayers</b>	<b>\$ 8,271,200</b>		<b>99.14%</b>
<b>Total City Public Utility Property Tax Assessed Valuation</b>	<b>\$ 8,342,960</b>		

Source: Summit County, Ohio; Fiscal Officer

**CITY OF BARBERTON, OHIO**

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

<b>Year</b>	<b>Total Levy</b>	<b>Current Collection (a)</b>	<b>Percent of Current Collections to Tax Levy</b>	<b>Delinquent Collections</b>	<b>Total Collections (b)</b>	<b>Percent of Total Collections to Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Percentage of Delinquent Taxes to Tax Levy</b>
2017	\$ 1,422,091	\$ 1,411,172	99.23%	\$ 6,882	\$ 1,418,054	99.72%	\$ 114,545	8.05%
2016	1,416,769	1,345,151	94.94%	70,416	1,415,567	99.92%	164,724	11.63%
2015	1,427,048	1,344,319	94.20%	83,641	1,427,960	100.06%	193,248	13.54%
2014	1,482,382	1,396,588	94.21%	85,795	1,482,383	100.00%	195,064	13.16%
2013	1,502,673	1,396,737	92.95%	91,620	1,488,357	99.05%	262,138	17.44%
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	1,702,258	1,557,894	91.52%	144,365	1,702,259	100.00%	199,692	11.73%
2008	1,776,290	1,703,215	95.89%	73,075	1,776,290	100.00%	161,862	9.11%

Source: Summit County, Ohio; Fiscal Officer

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

(b) Total collections represent the current collections plus delinquent collections for the year noted. The Summit County Fiscal Officer is unable to identify and match delinquent collections to the year such taxes were originally levied and therefore in certain years the total collections to the tax levy may exceed 100%.

**CITY OF BARBERTON, OHIO**

*INCOME TAX REVENUE BASE AND COLLECTIONS  
LAST TEN YEARS*

<b>Year</b>	<b>Tax Rate (A)</b>	<b>Total Tax Collected</b>	<b>Taxes from Withholding</b>	<b>Percentage of Taxes from Withholding</b>	<b>Taxes From Net Profits</b>	<b>Percentage of Taxes from Net Profits</b>
2017	2.25%	\$ 12,798,336	\$ 10,666,359	83.34%	\$ 933,298	7.29%
2016	2.25%	13,821,097	11,169,609	80.82%	1,368,190	9.90%
2015	2.25%	13,050,102	10,868,480	83.28%	953,401	7.31%
2014	2.25%	12,585,576	10,459,696	83.11%	1,171,963	9.31%
2013	2.00%	11,291,939	9,370,791	82.99%	1,051,682	9.31%
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%

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

Note (A): The Citizens of Barberton approved an increase of 0.25 percent effective January 1, 2014. The whole quarter percent is required to be spent on street capital improvements.

	<b>Taxes from Individuals</b>	<b>Percentage of Taxes from Individuals</b>
\$	1,198,679	9.37%
	1,283,298	9.29%
	1,228,221	9.41%
	953,917	7.58%
	869,466	7.70%
	805,358	7.26%
	784,470	6.56%
	804,162	7.26%
	823,855	7.68%
	983,226	8.82%

**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
2017	\$ 4,214,140	\$ -	\$ -	\$ -	\$ 1,540,000	\$ 369,423	\$ 850,861	\$ 5,310,000
2016	4,593,010	-	-	13,804	1,540,000	435,419	911,990	5,835,000
2015	1,762,835	-	-	40,803	3,500,000	582,113	870,000	6,350,000
2014	1,855,747	13,467	-	67,010	2,000,000	121,883	915,854	6,850,000
2013	1,980,310	26,416	-	92,448	-	233,550	960,687	6,875,394
2012	2,670,376	38,868	520,000	117,139	-	310,376	1,156,242	7,259,715
2011	3,524,427	50,841	635,000	137,791	-	234,272	1,885,704	7,629,035
2010	4,347,960	91,053	750,000	160,509	-	354,696	2,590,497	7,983,356
2009	5,148,101	129,522	865,000	182,560	-	397,510	3,268,796	8,327,677
2008	3,378,254	166,466	980,000	-	-	544,771	3,002,954	8,661,998

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**

<b>OWDA Loans</b>	<b>OPWC Loans</b>	<b>Notes</b>	<b>Capital Leases</b>	<b>(a) Total Primary Government</b>	<b>(b) Total Personal Income</b>	<b>Percentage of Personal Income</b>	<b>(b) Population</b>	<b>Per Capita</b>
\$ 12,024,498	\$ 3,556,278	\$ 500,000	\$ 23,732	\$ 28,388,932	567,676,312	5.00%	26,824	1,058
10,696,921	2,192,841	1,575,000	47,534	27,841,519	554,720,320	5.02%	26,824	1,038
10,577,083	2,222,030	-	143,172	26,048,036	542,059,392	4.81%	26,824	971
7,919,968	2,134,745	-	236,514	22,115,188	550,052,944	4.02%	26,824	824
4,544,845	875,664	-	214,695	15,804,009	523,014,352	3.02%	26,824	589
4,175,034	875,664	-	267,540	17,390,954	515,584,104	3.37%	26,824	648
2,194,768	875,664	-	-	17,167,502	498,524,040	3.44%	26,824	640
-	-	-	64,073	16,342,144	509,441,408	3.21%	26,824	609
-	-	78,000	125,591	18,522,757	495,597,836	3.74%	27,899	664
-	-	1,204,000	185,617	18,124,060	495,597,836	3.66%	27,899	650

**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>
2017	26,824	\$ 930,331,520	\$ 5,065,001	0.54%	\$ 189
2016	26,824	930,579,966	5,505,000	0.59%	205
2015	26,824	939,714,706	2,632,835	0.28%	98
2014	26,824	977,112,912	2,771,601	0.28%	103
2013	26,824	992,172,859	2,940,997	0.30%	110
2012	26,824	985,702,191	3,826,618	0.39%	143
2011	26,824	1,122,783,597	5,410,131	0.48%	202
2010	27,899	1,131,955,516	6,938,457	0.61%	249
2009	27,899	1,144,301,946	8,416,897	0.74%	302
2008	27,899	1,393,232,990	6,381,208	0.46%	229

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, 2017*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct:</b>			
City of Barberton	\$ 6,123,563	100.00%	\$ 6,123,563
Total direct debt			<u>6,123,563</u>
<b>Overlapping debt:</b>			
Barberton City School District	28,640,000	97.64%	27,964,096
Summit County	42,675,000	2.88%	1,229,040
Coventry Local School District	28,293,425	2.13%	602,650
Akron-Summit County Library District	14,680,000	0.08%	11,744
Norton City School District	22,519,210	0.13%	29,275
Total overlapping debt			<u>29,836,805</u>
Total direct and overlapping debt			<u>\$ 35,960,368</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assessed Value	\$ 334,823,210	\$ 333,682,180	\$ 336,235,040	\$ 348,803,910
Legal debt margin:				
Debt limitation - 10.5% of Assessed Value	35,156,437	35,036,629	35,304,679	36,624,411
Outstanding Debt Obligations:				
General Obligation Bonds	5,065,001	5,505,000	2,650,005	2,790,005
Revenue Bonds	5,310,000	5,835,000	6,350,000	6,850,000
Special Assessment Bond	-	-	-	13,467
Notes	11,650,000	1,540,000	3,500,000	2,000,000
Capital Leases	393,155	482,953	725,285	358,397
OPWC/OWDA/SIB/HUD Loans	15,580,776	14,478,566	12,839,916	10,121,723
Gross Indebtedness (Total Voted and Unvoted Debt)	<u>37,998,932</u>	<u>27,841,519</u>	<u>26,065,206</u>	<u>22,133,592</u>
Less: Debt Outside Limitations				
Revenue Bonds	(5,310,000)	(5,835,000)	(6,350,000)	(6,850,000)
Special Assessment Bond	-	-	-	(13,467)
Notes	(11,650,000)	(1,540,000)	(3,500,000)	(2,000,000)
Capital Leases	(393,155)	(482,953)	(725,285)	(358,397)
OPWC/OWDA/SIB/HUD Loans	(15,580,776)	(14,478,566)	(12,839,916)	(10,121,723)
Total Debt Outside Limitations	<u>(32,933,931)</u>	<u>(22,336,519)</u>	<u>(23,415,201)</u>	<u>(19,343,587)</u>
Total Debt Applicable to 10.5% Limitation	5,065,001	5,505,000	2,650,005	2,790,005
Less: Amount Available in Debt Service Fund to pay debt applicable to limitation	<u>(26,166)</u>	<u>(27,666)</u>	<u>(32,665)</u>	<u>(37,627)</u>
Net Debt Within 10.5% Limitation	<u>5,038,835</u>	<u>5,477,334</u>	<u>2,617,340</u>	<u>2,752,378</u>
Overall Debt Margin Within 10.5% Limitation	<u>\$ 30,117,602</u>	<u>\$ 29,559,295</u>	<u>\$ 32,687,339</u>	<u>\$ 33,872,033</u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 18,415,277	\$ 18,352,520	\$ 18,492,927	\$ 19,184,215
Gross Indebtedness Authorized by Council	37,998,932	27,841,519	26,065,206	22,133,592
Less: Debt Outside Limitation: Total Debt Outside Limitation	<u>(32,933,931)</u>	<u>(22,336,519)</u>	<u>(23,415,201)</u>	<u>(19,343,587)</u>
Debt Within 5.5% Limitation	<u>5,065,001</u>	<u>5,505,000</u>	<u>2,650,005</u>	<u>2,790,005</u>
Unvoted Debt Margin Within 5.5% Limitation	<u>\$ 13,350,276</u>	<u>\$ 12,847,520</u>	<u>\$ 15,842,922</u>	<u>\$ 16,394,210</u>

Source: City of Barberton financial records

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 353,566,730	\$ 350,711,010	\$ 398,515,680	\$ 398,606,530	\$ 399,532,150	\$ 405,001,640
37,124,507	36,824,656	41,844,146	41,853,686	41,950,876	42,525,172
2,960,005	3,845,005	5,430,005	6,960,011	8,440,017	6,380,017
6,755,000	7,130,000	7,490,000	7,835,000	8,170,000	8,495,000
26,416	38,868	50,841	91,053	129,522	166,466
160,000	330,000	565,000	800,000	550,000	4,360,000
448,245	577,916	234,272	418,769	523,101	730,388
5,372,576	5,687,837	3,843,223	910,509	1,047,560	980,000
15,722,242	17,609,626	17,613,341	17,015,342	18,860,200	21,111,871
(6,755,000)	(7,130,000)	(7,490,000)	(7,835,000)	(8,170,000)	(8,495,000)
(26,416)	(38,868)	(50,841)	(91,053)	(129,522)	(166,466)
(160,000)	(330,000)	(565,000)	(800,000)	(550,000)	(4,360,000)
(448,245)	(577,916)	(234,272)	(418,769)	(523,101)	(730,388)
(5,372,576)	(5,687,837)	(3,843,223)	(910,509)	(1,047,560)	(980,000)
(12,762,237)	(13,764,621)	(12,183,336)	(10,055,331)	(10,420,183)	(14,731,854)
2,960,005	3,845,005	5,430,005	6,960,011	8,440,017	6,380,017
(37,627)	(1,067)	(2,658)	(60)	(428)	(23,302)
2,922,378	3,843,938	5,427,347	6,959,951	8,439,589	6,356,715
\$ 34,202,129	\$ 32,980,718	\$ 36,416,799	\$ 34,893,735	\$ 33,511,287	\$ 36,168,457
\$ 19,446,170	\$ 19,289,106	\$ 21,918,362	\$ 21,923,359	\$ 21,974,268	\$ 22,275,090
15,722,242	17,609,626	17,613,341	17,015,342	18,860,200	21,111,871
(12,762,237)	(13,764,621)	(12,183,336)	(10,055,331)	(10,420,183)	(14,731,854)
2,960,005	3,845,005	5,430,005	6,960,011	8,440,017	6,380,017
\$ 16,486,165	\$ 15,444,101	\$ 16,488,357	\$ 14,963,348	\$ 13,534,251	\$ 15,895,073

**CITY OF BARBERTON, OHIO**

*PLEDGED REVENUE COVERAGE - SEWER FUND  
LAST SEVEN YEARS*

**SEWER OWDA LOANS:**

<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>	
2017	\$ 4,896,099	\$ 4,510,779	\$ 385,320	\$ 257,819	\$ 169,495	\$ 427,314	0.90
2016	4,594,015	4,161,604	432,411	296,872	182,586	479,458	0.90
2015	4,394,532	3,931,004	463,528	220,257	130,181	350,438	1.32
2014	4,398,424	3,688,653	709,771	103,333	44,636	147,969	4.80
2013	4,013,972	3,572,626	441,346	149,480	50,840	200,320	2.20
2012	4,120,440	3,731,016	389,424	100,406	49,804	150,210	2.59
2011 (c)	4,066,852	3,507,421	559,431	98,272	52,193	150,465	3.72

(a) Total operating expenses are exclusive of depreciation.

(b) Includes principal and interest of the loans only.

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

**CITY OF BARBERTON, OHIO**

*PLEDGED REVENUE COVERAGE - WATER FUND  
LAST TEN YEARS*

**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>	
2017	\$ 6,477,367	\$ 5,137,712	\$ 1,339,655	\$ 525,000	\$ 136,472	\$ 661,472	2.03
2016	6,192,521	4,192,110	2,000,411	515,000	148,558	663,558	3.01
2015	6,297,660	4,048,668	2,248,992	500,000	159,845	659,845	3.41
2014	5,867,401	3,238,984	2,628,417	390,000	300,816	690,816	3.80
2013	5,797,344	3,365,022	2,432,322	375,000	314,879	689,879	3.53
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

**WATER OWDA LOANS:**

<u>Year</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Required for Revenue Bonds</u>	<u>Net Revenue Available for OWDA Loans</u>	<u>Debt Service Requirements (b)</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2017	\$ 1,339,655	\$ 661,472	\$ 678,183	\$ 288,807	\$ 96,440	\$ 385,247	1.76
2016	2,000,411	663,558	1,336,853	203,926	103,870	307,796	4.34
2015	2,248,992	659,845	1,589,147	199,908	107,888	307,796	5.16
2014	2,628,417	690,816	1,937,601	136,750	61,847	198,597	9.76
2013 (c)	2,432,322	689,879	1,742,443	134,055	64,542	198,597	8.77

(a) Total operating expenses are exclusive of depreciation.

(b) Includes principal and interest of the bonds and loans only.

(c) The Water OWDA loans were issued during 2013; therefore information prior to 2013 is not presented.

**CITY OF BARBERTON, OHIO**

*DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS*

<b>Year</b>	<b>Population (a)</b>	<b>Personal Income</b>	<b>Per Capita Personal Income (b)</b>	<b>Annual Average Unemployment Rates (c)</b>			
				<b>City of Barberton</b>	<b>Summit County</b>	<b>Ohio</b>	<b>United States</b>
2017	26,824	567,676,312	\$ 21,163	5.8%	5.1%	5.0%	4.4%
2016	26,824	554,720,320	20,680	5.9%	5.0%	4.9%	4.9%
2015	26,824	542,059,392	20,208	5.4%	4.9%	4.9%	5.3%
2014	26,824	550,052,944	20,506	6.2%	5.8%	5.7%	6.2%
2013	26,824	523,014,352	19,498	8.3%	7.6%	7.5%	7.4%
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%

Sources:

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

(b) U.S. Census Bureau. Per capita personal income for 2017 is in 2016 dollars, the latest available.

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

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

<b>Employer</b>	<b>2017</b>			<b>2008</b>		
	<b>Withholdings (b)</b>	<b>Rank (b)</b>	<b>Percentage of Total City Employment</b>	<b>Employees (a)</b>	<b>Rank (c)</b>	<b>Percentage of Total City Employment</b>
Babcock and Wilcox Companies	\$ 1,835,727	1	20.12%	1,371	1	8.64%
BWX Technologies	1,275,267	2	13.98%	587	5	3.70%
Summa Health Systems/QHG of Barberton (2007)	1,067,100	3	11.70%	1,364	2	8.60%
Barberton Board of Education	553,245	4	6.06%	812	4	
B&C Companies/Industries&Research (e)	385,227	5	4.22%	1,483	3,7, & 9	9.35%
City of Barberton	295,900	6	3.24%	391	6	2.46%
Malco Products Inc.	193,883	7	2.13%			
PPG Industries Inc	162,971	8	1.79%			
Christian Brotherhood Newsletter	159,067	9	1.74%			
Wright Tool Company	154,640	10	1.69%			
Tamarkin Co.				268	10	1.69%
Kellou LLC				311	8	1.96%
<b>Total</b>	<b>\$ 6,083,027</b>		<b>66.68%</b>	<b>6,587</b>		<b>36.41%</b>
Total City Employment (d)	12,100			15,864		
Total City Withholding (b)	\$ 9,123,311					

Source: CCA Division of Taxation.

- (a) Based on W-2's reported.
- (b) Based on total withholding taxes paid.
- (c) Based on the number of employees.
- (d) Ohio Labor Market Information (OhioLMI.com).
- (e) B&C divisions reported separately in 2006

**CITY OF BARBERTON, OHIO**

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

<b>Function/Program</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>General Government</b>								
Clerk of Council	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Municipal Court - Judges	8.00	8.00	6.78	7.40	7.40	7.21	7.00	7.00
Municipal Clerk of Courts	11.00	12.00	12.22	13.23	12.23	10.58	10.34	12.34
Probation	4.00	4.12	3.00	3.38	3.24	2.74	2.00	2.00
Mayor	2.00	0.51	0.51	0.51	0.84	0.84	0.84	0.84
Service Director	2.00	0.20	0.20	0.20	0.34	0.34	0.34	0.34
Finance	8.00	3.68	2.68	4.00	4.00	4.00	4.00	5.00
Law	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Safety Director	1.00	0.34	0.34	0.34	0.34	0.34	0.34	0.34
Human Resources	1.00	0.27	0.34	0.27	0.27	0.27	0.27	0.27
Information Systems	1.00	0.50	0.50	0.50	0.50	0.89	0.89	0.89
Income Tax	-	-	-	-	-	-	-	1.00
Other	1.00	0.07	1.00	1.00	4.45	3.81	3.07	4.00
<b>Public Safety</b>								
Police/Dispatch (a)	44.00	44.00	38.00	41.00	47.00	50.00	49.00	50.00
Fire	44.00	46.00	43.00	44.00	45.00	41.00	41.00	45.00
<b>Health and Welfare</b>								
Health District (b)	-	-	-	-	-	-	-	-
<b>Transportation</b>								
Signal	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Streets	18.00	11.00	10.00	12.00	12.00	10.00	13.00	13.00
<b>Community Environment</b>								
Engineering/Building	5.00	3.94	4.07	3.53	6.06	5.76	6.06	7.00
Planning	2.00	2.60	3.00	2.89	3.00	3.00	3.60	3.00
<b>Leisure Time Activity</b>								
Parks Administration	4.00	1.75	2.50	2.25	2.00	2.00	2.00	2.00
Parks Maintenance	4.00	4.00	5.00	6.00	6.00	6.00	5.00	6.00
Beautification	-	1.00	0.50	0.50	1.00	1.00	1.00	1.00
<b>Utility Services</b>								
Water	29.00	32.82	34.82	29.25	30.32	31.65	28.15	29.15
Sewer	25.00	28.12	25.46	23.37	26.46	26.80	26.30	25.95
Storm Water	1.00	5.00	5.00	5.00	5.00	4.00	4.00	3.00
Solid Waste	-	3.10	1.10	1.35	0.80	0.80	0.80	0.80
<b>Total</b>	<b>221.00</b>	<b>219.00</b>	<b>206.02</b>	<b>207.97</b>	<b>224.25</b>	<b>220.03</b>	<b>216.00</b>	<b>226.92</b>

(a) At January 1, 2014 the City formed a Council of Governments with Copley Township and the City of Norton to provide dispatch services.

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

Source: City of Barberton payroll records.



<u>2009</u>	<u>2008</u>
1.00	1.00
7.00	6.00
14.31	11.28
2.00	2.00
2.00	2.00
0.84	0.84
5.00	5.20
4.00	4.00
1.00	0.50
1.00	1.50
0.91	0.93
1.00	1.00
4.00	3.00
55.00	51.00
46.00	43.00
18.00	20.00
2.00	2.00
13.00	19.00
7.34	6.83
3.00	3.00
5.00	5.35
6.00	5.00
1.00	1.00
30.50	28.65
25.30	30.12
3.00	3.00
0.80	0.80
<u>260.00</u>	<u>258.00</u>

**CITY OF BARBERTON, OHIO**

*OPERATING INDICATORS BY FUNCTION  
LAST TEN YEARS*

<b>Function</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>General Government</b>							
Positions Filled	15	43	34	7	22	13	13
Building Permits Issued	1,263	717	693	742	830	805	653
Building Inspections Performed	2,637	2,762	6,876	7,196	7,792	7,880	6,777
Ordinances & Resolutions	174	162	205	179	217	232	201
<b>Public Safety</b>							
Police:							
Physical Arrests	1,389	1,266	1,571	2,101	1,885	2,128	2,154
Parking Violations	1,452	1,223	1,809	1,833	2,091	1,389	1,153
Traffic Violations	2,406	1,845	1,457	1,792	1,443	1,833	971
Fire:							
Emergency Responses	3,782	3,636	3,660	3,272	3,820	3,854	3,991
Fire Responses	1,268	1,107	1,006	1,113	621	661	594
Inspections conducted	365	280	300	368	180	280	380
<b>Leisure Time Activities</b>							
Recreation Center Attendance	8,595	8,226	9,974	12,320	8,036	7,036	6,936
Recreation Center Memberships	318	231	836	1,032	1,232	1,159	1,145
<b>Transportation</b>							
Street Resurfacing (miles)	N/A	N/A	N/A	N/A	1.91	1.80	4.37
Tons of salt used	3,567	3,660	4,965	5,436	3,404	3,206	2,203
<b>Water</b>							
New Connections	7	5	11	54	19	40	14
Water Main Breaks	70	65	111	121	67	127	126

Source: City of Barberton Departments.

N/A- Not available

<u>2010</u>	<u>2009</u>	<u>2008</u>
12	10	9
916	843	1,008
9,660	6,924	2,762
204	248	231
2,123	2,154	2,149
1,340	1,414	1,476
1,919	1,972	2,579
3,907	3,909	3,479
512	505	611
940	930	819
6,215	6,333	5,735
1,011	1,288	999
0.41	1.13	1.66
4,352	3,100	4,049
37	29	32
124	125	128

**CITY OF BARBERTON, OHIO**

*CAPITAL ASSETS STATISTICS BY FUNCTION  
LAST TEN YEARS*

<b>Function</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Public Safety</b>							
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
<b>Leisure Time Activities</b>							
Parks	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Park Acreage	161.00	161.00	161.00	161.00	161.00	161.00	161.00
Tennis Courts	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Baseball Diamonds	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Softball Fields	8.00	8.00	8.00	7.00	7.00	7.00	7.00
<b>Transportation</b>							
Streets (Paved Miles)	130.99	130.99	130.99	130.99	130.99	130.99	130.99
<b>Utility Services</b>							
Water Mains (miles)	130.00	130.00	130.00	130.00	137.50	137.50	137.50
Sanitary Sewers (miles)	134.92	134.92	110.00	110.00	92.50	92.50	92.50

Source: City of Barberton Departments.

<u>2010</u>	<u>2009</u>	<u>2008</u>
1.00	1.00	1.00
2.00	2.00	2.00
16.00	16.00	16.00
161.00	161.00	161.00
6.00	6.00	8.00
11.00	11.00	11.00
7.00	7.00	7.00
130.99	130.99	130.99
137.50	137.50	137.50
92.50	92.50	92.50

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**CITY OF BARBERTON  
SUMMIT COUNTY, OHIO**

*SUPPLEMENTAL REPORT*

FOR THE YEAR ENDED  
DECEMBER 31, 2017

**CITY OF BARBERTON  
SUMMIT COUNTY, OHIO**

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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 on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards***

City of Barberton  
Summit County  
104 3<sup>rd</sup> Street NW  
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, 2017, 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 12, 2018.

#### ***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. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider a material weakness. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider a significant deficiency. We consider finding 2017-001 to be a significant deficiency.

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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***City of Barberton's Response to Finding***

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

***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 report is not suitable for any other purpose.



Julian & Grube, Inc.  
June 12, 2018

**CITY OF BARBERTON  
SUMMIT COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2017**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2017-001

Significant Deficiency - Financial Statement Presentation

Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions.

Audit adjustments were posted to the financial statements for the year ended December 31, 2017, to properly state financial statement amounts. For the City of Barberton's government-wide financial statements, \$500,000 of governmental net position was reclassified from unrestricted net position to net investment in capital assets and \$1,938,478 of business-type net position was reclassified from net investment in capital assets to unrestricted net position. For the proprietary fund financial statements, \$1,938,478 of sewer fund net position was reclassified from net investment in capital assets to unrestricted net position.

The audited financial statements, note disclosures, and City records have been adjusted for the misstatements identified during the audit.

Presentation of materially correct financial statements and the related footnotes is the responsibility of management. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason. In either case, it is important that control procedures are developed related to the financial statements that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes. In general, an accounting and information system should be designed to provide management with accurate and timely information to enable well-informed business decisions to be made.

We recommend the City of Barberton implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the basic financial statements prior to presenting them to the auditors.

Client Response: The City will work to provide a sound fiscal environment and has implemented additional policies and procedures to help with financial statement presentation.

**CITY OF BARBERTON  
SUMMIT COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2017**

<b>Finding Number</b>	<b>Year Initially Occurred</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2016-001	2016	<u>Material Weakness - Financial Statement Presentation</u> – In general, an accounting and information system should be designed to provide City Council with accurate and timely information to enable well-informed business decisions to be made. Multiple audit adjustments were made to the financial statements for the year ending December 31, 2016.	Not Corrected	Repeated as finding 2017-001.



# 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  
SEPTEMBER 18, 2018**