

CITY OF BARBERTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

PREPARED BY:

RAYMOND E. FLICKINGER, JR., CPFA
DIRECTOR OF FINANCE

*104 THIRD STREET NW
BARBERTON, OHIO 44203*

INTRODUCTORY SECTION

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CITY OF BARBERTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Title Page	i-iv
Table of Contents	i-iv
Letter of Transmittal	v-ix
List of Principal City Officials	x
Organizational Chart	xi
Certificate of Achievement for Excellence in Financial Reporting.....	xii

II. FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT	1-2
MANAGEMENT’S DISCUSSION AND ANALYSIS	3-12
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14-15
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	16
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	19
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis): General Fund.....	20
Statement of Fund Net Position - Proprietary Funds	21
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds.....	22-23
Statement of Cash Flows - Proprietary Funds	24-27
Statement of Fiduciary Assets and Liabilities - Fiduciary Funds	28
Notes to the Basic Financial Statements	29-73

BASIC FINANCIAL STATEMENTS (CONTINUED):

Required Supplementary Information:

Schedule of the City's Proportionate Share of the Net Pension Liability/Net Pension Asset:	
Ohio Public Employees Retirement System (OPERS).....	76
Ohio Police and Fire (OP&F) Pension Fund.....	77
Schedule of City Contributions:	
Ohio Public Employees Retirement System (OPERS).....	78-79
Ohio Police and Fire (OP&F) Pension Fund.....	80-81
Notes to Required Supplementary Information	82

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Combining Statements and Individual Fund Schedules - Governmental Funds:

Fund Descriptions - Governmental Funds	84-86
Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual (Non-GAAP Budgetary Basis)	
General Fund	87-89
Income Tax Fund	90
General Liability Loss Fund.....	91
Emergency Reserve Fund.....	92
Fire Prevention and Education Fund	93
Combining Balance Sheet - Nonmajor Governmental Funds.....	94
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balances - Nonmajor Governmental Funds	95
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	96-102
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balances - Nonmajor Special Revenue Funds	104-110
Schedules of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual (Non-GAAP Budgetary Basis):	
Street Construction, Maintenance and Repair Fund.....	111
State Highway Improvement Fund.....	112
Permissive License Tax Fund.....	113
Residential Street Fund	114
Fire Capital Levy Fund	115
Animal Control Fund.....	116
Probation Services Fund.....	117
Court Computer Fund.....	118
Court Special Projects Capital Fund.....	119
Indigent Drivers Alcohol Treatment Fund	120
Sports Complex Operating Fund	121
Parks Recreation Improvement Fund	122
Gas and Oil Royalty Fund.....	123
D.A.R.E. Program Fund	124
Mandatory Drug Fines Fund	125
Local Law Enforcement Trust Fund.....	126
Parks Revolving Loan Fund	127
Sidewalk Improvement Program Fund.....	128
City Grant Fund	129
Federal Emergency Management Agency Fund.....	130
Rental Registration Program Fund	131
Community Development Block Grant Fund.....	132
Tax Increment Financing Fund	133

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES (CONTINUED):

Lake Cinema Complex Maintenance Fund	134
Project Impact Fund	135
Beautification Fund	136
Senior Center Trust Fund	137
Fire Pension Fund.....	138
Police Pension Fund	139
Court Special Projects Operating Fund	140
Computer Legal Research Fund	141
Business Incentive Program Fund.....	142
Vacant Property Registration Fund.....	143
 Combining Balance Sheet - Nonmajor Debt Service Funds.....	 144
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Funds	 145
 Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
General Obligation Bond Retirement Fund.....	146
Special Assessment Bond Retirement Fund	147
 Combining Balance Sheet - Nonmajor Capital Projects Funds	 148
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	 149
 Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Senior Center Construction Fund	150
Infrastructure Improvement Reserve Fund	151
Street Capital Improvements Fund	152
 Combining Statements and Individual Fund Schedules - Proprietary Funds:	
Fund Descriptions - Proprietary Funds.....	153
Schedules of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis):	
Water Fund.....	154
Sewer Fund.....	155
Solid Waste Fund	156
Storm Water Fund	157
 Combining Statement of Net Position - Internal Service Funds	 158
 Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	 159
 Combining Statement of Cash Flows - Internal Service Funds	 160
 Schedules of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis):	
Health Insurance Fund.....	161
Internal Allocation Fund.....	162
 Fund Descriptions - Agency Funds	 163
 Combining Statement of Changes in Assets and Liabilities - Agency Funds.....	 164

III. STATISTICAL SECTION

Statistical Section Table of Contents	165
Net Position by Component - Last Ten Years.....	166-167
Changes in Net Position - Last Ten Years.....	168-171
Fund Balances, Governmental Funds - Last Ten Years	172-173
Changes in Fund Balances, Governmental Funds - Last Ten Years	174-175
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years.....	176-177
Direct and Overlapping Property Tax Rates - Last Ten Years.....	178
Principal Taxpayers - Real Property Tax - Current Year and Nine Years Ago	179
Principal Taxpayers - Public Utility Property Tax - Current Year and Nine Years Ago	180
Real and Public Utility Property Tax Levies and Collections - Last Ten Years	181
Income Tax Revenue Base and Collections - Last Ten Years	182-183
Ratios of Outstanding Debt by Type - Last Ten Years	184-185
Ratio of General Bonded Debt to Assessed Value and Bonded Debt Per Capita - Last Ten Years.....	186
Direct and Overlapping Governmental Activities Debt as of December 31, 2016.....	187
Computation of Legal Debt Margin - Last Ten Years.....	188-189
Pledged Revenue Coverage - Sewer Fund - Last Six Years.....	190
Pledged Revenue Coverage - Water Fund - Last Ten Years.....	191
Demographic and Economic Statistics - Last Ten Years	192
Principal Employers - Current and Nine Years Ago	193
Full-Time-Equivalent City Employees by Function /Program - Last Ten Years	194-195
Operating Indicators by Function - Last Ten Years	196-197
Capital Assets Statistics by Function - Last Ten Years.....	198-199

City of Barberton

Finance Department

June 22, 2017

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, 2016, 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, 2016 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

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

Community Profile

The City of Barberton is located in northeast Ohio, adjacent to the City of Akron and approximately 75 miles south of Cleveland. Incorporated in 1891, Barberton operates under a charter form of government which was adopted by its voters in 1973. The City is governed by an elected Mayor and a nine-member City Council. Founded by industrialist Ohio Columbus Barber, Barberton earned the nickname of the Magic City because of its early rapid growth. Today, Barberton covers an area of approximately nine square miles and is the fourth largest city in Summit County with a population of approximately 26,800.

The City provides a full range of municipal services mandated by statute or charter, including police and fire protection, parks, recreation, street maintenance, planning, zoning and other general government services. Health services are provided by the Summit County Health Department. In addition, water, sanitary sewer, 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 2016 <u>Area Name</u>	Civilian <u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	Unemployment <u>Rate</u>
Barberton	12,600	11,800	700	5.9
Summit County	270,200	256,800	13,400	5.0
Ohio Seasonally Adjusted	5,687,000	5,402,000	284,000	5.0
U.S. Seasonally Adjusted	159,640,000	152,111,000	7,529,000	4.7

Source: Ohio Department of Jobs 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 begun to recover after dropping off from \$396.7 million in tax year 2008 to \$333.7 million in tax year 2016. General Fund property tax collections have fallen from \$1.021 million in 2008 to \$832,346 in 2016.

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 \$1.5 million in 2016 for street improvements.

As a result of this tax increase, construction began on the 9th 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.

A major reconstruction of 31st 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 was 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 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 \$780,473 for 2016 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

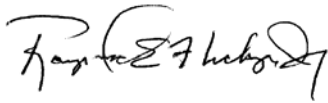
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Barberton, Ohio for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2015. The Certificate 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 26 consecutive years (1990-2015). 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 "Raymond E. Flickinger, Jr.", written in a cursive style.

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

**CITY OF BARBERTON, OHIO
LIST OF PRINCIPAL CITY OFFICIALS
AS OF DECEMBER 31, 2016**

Elected Officials (Four-year terms):

ADMINISTRATION AND MUNICIPAL COURT:

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

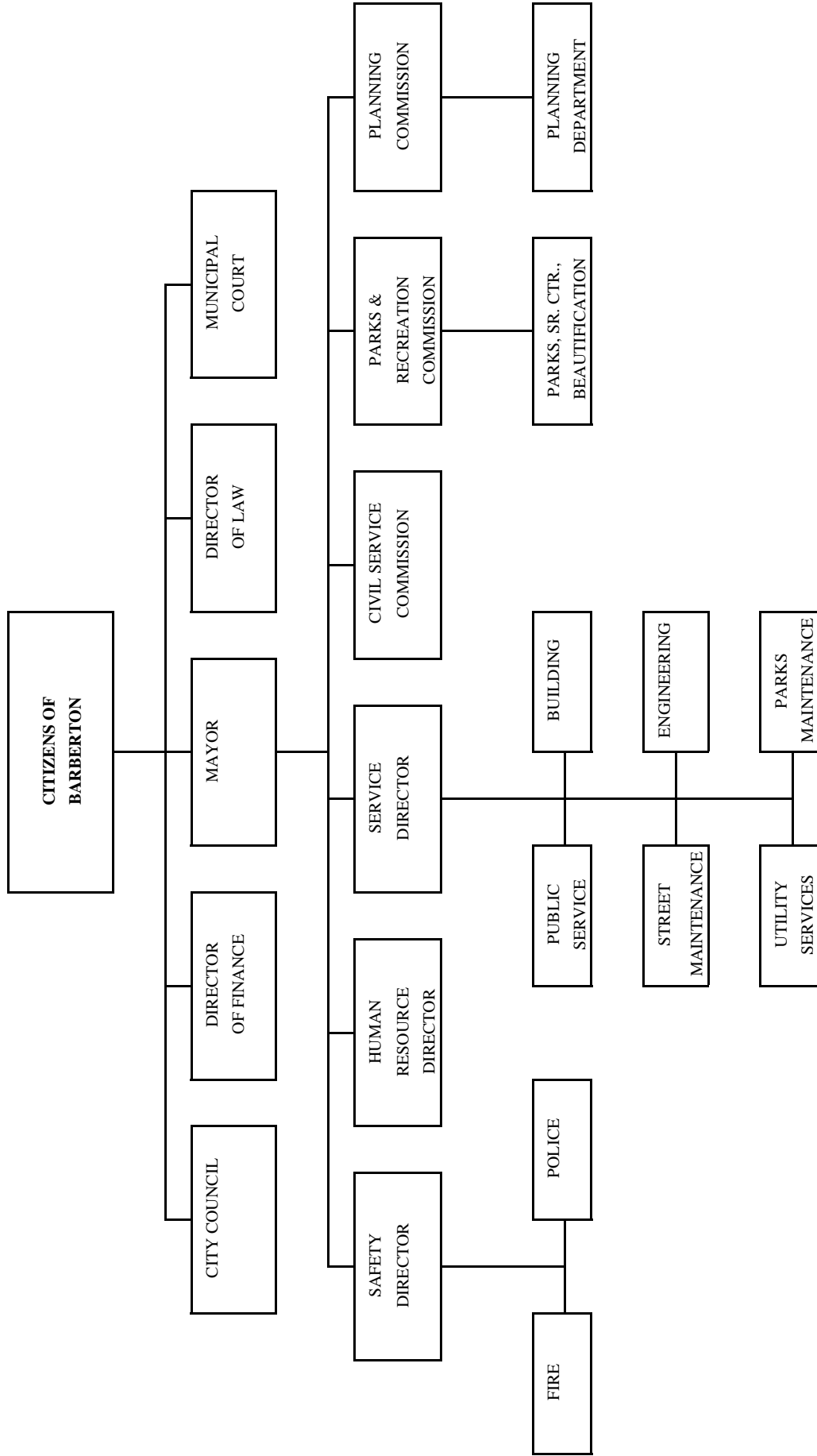
CITY COUNCIL:

President	Frederick S. Maurer	12/31/2017
Members:		
At-Large	Michael R. Soyars	12/31/2017
At-Large	Carla S. Debevec	12/31/2017
Ward 1	Shannon C. Wokojance	12/31/2019
Ward 2	Nina Angeloff	12/31/2019
Ward 3	Elwood Palmer	12/31/2019
Ward 4	Craig Megyes	12/31/2019
Ward 5	Joyce Coburn	12/31/2019
Ward 6	Carol A. Frey	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
Department Heads:	
Police Chief	Vince Morber
Fire Chief	Kim Baldwin
City Engineer	Vacant
Planning Director	Joseph Stefan
Parks Director	Shane McAvinew

**CITY OF BARBERTON, OHIO
 ORGANIZATIONAL CHART
 December 31, 2016**





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, 2015

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, 2016, 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, 2016, 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 statements and schedules 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, these statements and schedules are 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 22, 2017, 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 22, 2017

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (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, 2016. 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 2016 follows:

- The total assets and deferred outflows of the City of Barberton exceeded its liabilities and deferred inflows of resources at December 31, 2016 by \$67,340,125 (net position). Of this amount, \$5,741,806 is considered restricted for various purposes such as capital projects and debt service. Another \$63,749,934 represents the net investment in capital assets and the remaining unrestricted net position is a deficit of \$2,151,615.
- Total net position increased \$1,083,721 as a result of this year's operations. Net position of business-type activities increased \$348,188, or 0.76 percent, while the net position of governmental activities increased \$735,533, or 3.62 percent.
- The total cost of the City's service programs was \$36,889,031, while total revenues amounted to \$37,972,752. Of these amounts the governmental activities represented \$23,514,182 (63.74%) of the expenses and \$24,249,715 (63.86%) of the revenues. The business-type activities represented the remaining \$13,374,849 (36.26%) of expenses and \$13,723,037 (36.14%) of revenues.
- At the end of 2016, the fund balance for the general fund was \$4,768,911 on a modified accrual basis. This balance provides the City with the equivalent of approximately 105 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 2016 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, 2016 (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 51 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, 2016
(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 2016 compared to 2015.

	Governmental Activities		Business-Type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>						
Other assets	\$ 17,272,681	\$ 16,329,048	\$ 14,652,614	\$ 14,196,400	\$ 31,925,295	\$ 30,525,448
Capital assets, net	<u>34,373,764</u>	<u>31,986,850</u>	<u>57,092,368</u>	<u>56,007,286</u>	<u>91,466,132</u>	<u>87,994,136</u>
Total assets	<u>51,646,445</u>	<u>48,315,898</u>	<u>71,744,982</u>	<u>70,203,686</u>	<u>123,391,427</u>	<u>118,519,584</u>
<u>Deferred outflows of resources</u>						
Unamortized deferred charges	159,147	-	78,507	79,189	237,654	79,189
Pension	<u>6,417,213</u>	<u>2,509,346</u>	<u>1,773,592</u>	<u>506,897</u>	<u>8,190,805</u>	<u>3,016,243</u>
Total deferred outflows of resources	<u>6,576,360</u>	<u>2,509,346</u>	<u>1,852,099</u>	<u>586,086</u>	<u>8,428,459</u>	<u>3,095,432</u>
<u>Liabilities</u>						
Current liabilities	2,048,851	1,523,352	675,186	1,065,616	2,724,037	2,588,968
Long-term liabilities:						
Due within one year	3,261,463	4,950,534	1,512,193	1,337,586	4,773,656	6,288,120
Net pension liability	23,385,426	18,344,587	4,553,707	2,894,156	27,939,133	21,238,743
Other amounts	<u>7,052,557</u>	<u>4,388,959</u>	<u>20,438,119</u>	<u>19,508,829</u>	<u>27,490,676</u>	<u>23,897,788</u>
Total liabilities	<u>35,748,297</u>	<u>29,207,432</u>	<u>27,179,205</u>	<u>24,806,187</u>	<u>62,927,502</u>	<u>54,013,619</u>
<u>Deferred inflows of resources</u>						
Property taxes	1,214,571	1,220,549	-	-	1,214,571	1,220,549
Pension	<u>195,425</u>	<u>68,284</u>	<u>142,263</u>	<u>56,160</u>	<u>337,688</u>	<u>124,444</u>
Total deferred inflows of resources	<u>1,409,996</u>	<u>1,288,833</u>	<u>142,263</u>	<u>56,160</u>	<u>1,552,259</u>	<u>1,344,993</u>
<u>Net Position</u>						
Net investment in capital assets	27,880,547	26,141,902	35,869,387	35,691,780	63,749,934	61,833,682
Restricted	5,419,843	5,482,098	321,963	321,963	5,741,806	5,804,061
Unrestricted	<u>(12,235,878)</u>	<u>(11,295,021)</u>	<u>10,084,263</u>	<u>9,913,682</u>	<u>(2,151,615)</u>	<u>(1,381,339)</u>
Total net position	<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>

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.

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (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.

For both the governmental activities and business-type activities, the most significant changes when compared to the prior year were increases in the net pension liability and deferred inflows and outflows of resources related to pensions. See Note 12 in the notes to the basic financial statements for detail regarding these components of net position.

Total assets increased in 2016 by \$4,871,843 (4.11%). This increase is comprised of a \$1,399,847 (4.59%) increase in current assets and an increase of \$3,471,996 (3.95%) in capital assets. The increase in current assets is primarily related to increased cash as revenues exceeded expenses for the year. The increase in net capital assets is mostly due to additions to the City's buildings.

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

Total liabilities increased \$8,913,883 (16.50%) in 2016. Most of this increase is reflected in the long-term liabilities due to an increase in the net pension liability. The City also incurred additional long-term debt in 2016 to finance road improvements and the acquisition of sanitary sewer lines from Summit County.

Total net position increased \$1,083,721 or 1.64%. The net investment in capital assets of \$63,749,934 represents the City's net capital assets, less any outstanding borrowings used to acquire those assets. Another \$5,741,806 represents net position that is subject to external restrictions on its use. The remaining balance of unrestricted net position is a deficit of \$2,151,615. 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 2016 and 2015.

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues						
Program revenues:						
Charges for services	\$ 4,132,815	\$ 4,199,847	\$ 13,409,784	\$ 13,339,202	\$ 17,542,599	\$ 17,539,049
Operating grants and contributions	2,783,793	2,618,738	-	-	2,783,793	2,618,738
Capital grants and contributions	<u>756,976</u>	<u>2,620,245</u>	<u>289,025</u>	<u>890,093</u>	<u>1,046,001</u>	<u>3,510,338</u>
Total program revenues	<u>7,673,584</u>	<u>9,438,830</u>	<u>13,698,809</u>	<u>14,229,295</u>	<u>21,372,393</u>	<u>23,668,125</u>
General revenues:						
Property taxes	1,202,839	1,226,460	-	-	1,202,839	1,226,460
Income taxes	13,752,346	13,228,726	-	-	13,752,346	13,228,726
Grants and entitlements	1,347,149	1,327,145	21,560	21,962	1,368,709	1,349,107
Investment earnings	74,208	85,109	(15,185)	18,155	59,023	103,264
Other	<u>199,589</u>	<u>150,347</u>	<u>17,853</u>	<u>62,548</u>	<u>217,442</u>	<u>212,895</u>
Total general revenues	<u>16,576,131</u>	<u>16,017,787</u>	<u>24,228</u>	<u>102,665</u>	<u>16,600,359</u>	<u>16,120,452</u>
Total revenues	<u>24,249,715</u>	<u>25,456,617</u>	<u>13,723,037</u>	<u>14,331,960</u>	<u>37,972,752</u>	<u>39,788,577</u>
Expenses						
Program expenses:						
General government	5,764,628	5,960,722	-	-	5,764,628	5,960,722
Public safety	12,493,616	11,042,798	-	-	12,493,616	11,042,798
Transportation	2,256,377	3,144,466	-	-	2,256,377	3,144,466
Community environment	1,463,504	1,478,578	-	-	1,463,504	1,478,578
Leisure time activity	1,322,359	1,353,380	-	-	1,322,359	1,353,380
Interest and fiscal charges	213,698	74,699	-	-	213,698	74,699
Water	-	-	5,133,511	5,152,707	5,133,511	5,152,707
Sewer	-	-	5,775,809	5,559,234	5,775,809	5,559,234
Solid waste	-	-	1,697,077	1,649,099	1,697,077	1,649,099
Storm water	-	-	<u>768,452</u>	<u>947,090</u>	<u>768,452</u>	<u>947,090</u>
Total expenses	<u>23,514,182</u>	<u>23,054,643</u>	<u>13,374,849</u>	<u>13,308,130</u>	<u>36,889,031</u>	<u>36,362,773</u>
Change in net position	735,533	2,401,974	348,188	1,023,830	1,083,721	3,425,804
Net position at beginning of year	<u>20,328,979</u>	<u>17,927,005</u>	<u>45,927,425</u>	<u>44,903,595</u>	<u>66,256,404</u>	<u>62,830,600</u>
Net position at end 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>

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (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 $\frac{1}{4}$ 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 $\frac{1}{4}$ percent of the income. On a full accrual basis, the City received \$13,752,346 in income taxes revenue, or 56.71 percent of the total governmental revenues in 2016, compared to \$13,228,726 and 51.97% in 2015. The increase in income taxes revenue in 2016 was a result of collections on business income and withholding taxes.

Intergovernmental revenue (i.e., state shared support) represents the City's second largest source of general revenue for the governmental activities. In 2016, the City received \$1,347,149 in unrestricted intergovernmental revenue or 5.56 percent of total revenues. The other main source of general revenue is property taxes, which accounted for 4.96 percent of total revenues in 2016.

Program revenues include charges for services and operating and capital grants and contributions that are restricted for specific purposes. Program revenues decreased \$1,765,246 in 2016 compared to the prior year, mostly in the capital grants and contributions category. This was a result of additional grant funding from the Ohio Department of Transportation in 2015 that the City used to finance streets infrastructure improvements.

The City's governmental activity expenses totaled \$23,514,182 in 2016, which represents an increase of \$459,539 or 1.99 percent from 2015. 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 53.13 percent and 24.52 percent, respectively.

The public safety classification consists of the Police Department and the Fire Department. As of December 31, 2016, the City employed 44 full-time police officers and 46 full-time firefighters. Public safety expenses totaled \$12,493,616 compared to \$11,042,798 in 2015, an increase of 13.14 percent. This increase is primarily due to a rise in employee wages and benefits costs as well as an increase in pension expense related to the City's proportionate share of the Ohio Police & Fire Pension Fund's net pension liability.

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 2016, community environment expenses accounted for 6.22% of total governmental activities expenses, down slightly from 6.41% in 2015.

Transportation accounted for 9.60 percent of total governmental activities expenses. Transportation expenses were considerably lower in 2016 which is primarily due to a loss on the disposal of streets infrastructure projects in 2015 which were no longer being pursued by the City. 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, 2016, 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 5.62% 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, 2016
(UNAUDITED)*

	Total Cost of Services <u>2016</u>	Net Cost of Services <u>2016</u>	Total Cost of Services <u>2015</u>	Net Cost of Services <u>2015</u>
Program Expenses:				
General government	\$ 5,764,628	\$ 2,743,184	\$ 5,960,722	\$ 3,323,580
Public safety	12,493,616	11,302,348	11,042,798	10,080,004
Transportation	2,256,377	479,330	3,144,466	(977,095)
Community environment	1,463,504	222,272	1,478,578	85,733
Leisure time activities	1,322,359	879,766	1,353,380	1,028,892
Interest and fiscal charges	<u>213,698</u>	<u>213,698</u>	<u>74,699</u>	<u>74,699</u>
Total Expenses	<u>\$ 23,514,182</u>	<u>\$ 15,840,598</u>	<u>\$ 23,054,643</u>	<u>\$ 13,615,813</u>

The dependence upon general revenues for governmental activities is apparent, with 67.37 percent of expenses supported through taxes and other general revenues in 2016 and 59.06 percent in 2015.

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 11,637 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 2016, the rates were established at \$4.57 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 2017.

Water distribution and treatment services are provided to approximately 11,716 customers in and around the Barberton area. Water billing rates are set by the Service Director. In 2016, 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 2016, the monthly rate charged was \$16.25.

Revenues for the business-type activities are derived primarily from user charges. In 2016, charges for services revenue of \$13,409,784 represents an increase of 0.53% from 2015. Total revenues for the business-type activities decreased as a result of a reduction in grant funding from the Ohio Water Development Authority and U.S. Army Corps of Engineers. The City used these grants to help finance a waterline improvements project which was completed in 2016. Total expenses for all the business-type activities amounted to \$13,374,849 in 2016, compared to \$13,308,130 in 2015, an increase of 0.50%. Net position of the business-type activities increased \$348,188 or 0.76%.

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 \$30,844,740 and expenditures and other financing uses of \$30,520,052.

CITY OF BARBERTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2016 (UNAUDITED)

The general fund is the chief operating fund of the City of Barberton. During 2016, the City's general fund's fund balance increased \$285,822. General fund revenues in 2016 increased \$1,182,634 or 7.22% compared to 2015. The general fund's primary source of revenue is the municipal income tax, comprising 68.39 percent of total general fund revenues. Income tax revenues increased in 2016 by \$625,532 (5.50%), primarily due to collections on business income and withholding taxes. Intergovernmental revenues also increased as a result of a \$345,455 federal grant which the City used to acquire a new fire truck.

General fund expenditures in 2016 of \$16,558,525 represents an increase of \$914,882 or 5.85%. Overall, employee wages and benefits increased slightly in 2016, particularly those for the City's Police and Fire department operations. Capital outlay expenditures also increased due to the purchase of a fire truck with the aforementioned grant money.

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 2016 totaled \$6,496,899 while expenditures totaled \$6,966,817. These represent increases from 2015 amounts as the City issued bonds and bond anticipation notes 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 \$13,427,637 and operating expenses of \$12,935,209, resulting in operating income of \$492,428. This represents 3.81 percent of the total operating expenses compared to 7.30 percent in 2015. Operating revenues for both the water and solid waste funds were sufficient to meet the operating expenses in 2016, while the sewer and storm water funds experienced an operating loss. The overall decrease in net position for the sewer fund was \$1,235,424 or 6.13%. Net position for all other funds increased in 2016: \$1,262,641(6.21%) for the water fund, \$183,756 (9.87%) for the solid waste fund, and \$2,903 (0.08%) for the storm water 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 2016, 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 2016 original budgeted revenues and other financing sources were \$15,639,616. This was increased slightly to \$16,052,676 in the final budget. The actual revenue collections were \$16,208,683 or \$156,007 (0.97%) more than the final budget.

During 2016, the City increased general fund appropriations from \$17,312,402 in the original budget to \$17,448,361 in the final budget. Actual expenditures and other financing uses of \$16,636,232 were \$812,129 (4.65%) 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 building inspection department (\$124,797), municipal court judges (\$105,136) and clerk of court (\$97,506).

CITY OF BARBERTON, OHIO

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 5,763,298	\$ 5,789,784	\$ 1,043,728	\$ 1,043,728	\$ 6,807,026	\$ 6,833,512
Construction in progress	5,294,597	3,958,626	10,433,135	22,136,091	15,727,732	26,094,717
Buildings	2,770,119	2,918,266	24,754,658	14,623,658	27,524,777	17,541,924
Vehicles and equipment	3,808,504	3,744,151	1,137,731	1,116,625	4,946,235	4,860,776
Infrastructure						
Street subsystem	15,621,072	14,439,082	-	-	15,621,072	14,439,082
Storm sewer subsystem	-	-	2,435,266	2,669,399	2,435,266	2,669,399
Traffic signals subsystem	1,116,174	1,136,941	-	-	1,116,174	1,136,941
Water lines	-	-	10,196,890	8,685,993	10,196,890	8,685,993
Sewer lines	-	-	7,090,960	5,731,792	7,090,960	5,731,792
Totals	<u>\$ 34,373,764</u>	<u>\$ 31,986,850</u>	<u>\$ 57,092,368</u>	<u>\$ 56,007,286</u>	<u>\$ 91,466,132</u>	<u>\$ 87,994,136</u>

Total capital assets at December 31, 2016 amounted to \$91,466,132, which is an increase of \$3,471,996 or 3.95% from 2015. Total new asset additions were \$7,694,296, depreciation expense was \$4,172,772, and disposals, net of accumulated depreciation, were \$49,528. Additional information regarding the City's capital assets can be found in Note 8 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 \$3.48 million. The City also purchased a \$345,455 pumper truck for the fire department.

For the business-type activities, there were several projects completed and placed into operation in 2016, most of which were in the buildings asset class such as the Snyder Ave. pump station, waste water treatment plant improvements, reservoir oxygenation building and water storage tank improvements. The water intake/valve replacement project at the Wolf Creek Dam was also completed during the year and is included in sewer lines infrastructure. Finally, the City purchased the City of Norton sewer lines from Summit County in 2016 for \$1.75 million.

Debt

Outstanding debt as of December 31, 2016 was \$28,016,519. This balance reflects an increase of \$1,968,483 from the prior year. New debt issues totaled \$9,419,976 in 2016 and debt retirements amounted to \$7,451,493. The City issued general obligation refunding bonds in the amount of \$2,480,000 in 2016 to refinance a previously outstanding bond issue at a lower interest rate. The City also issued general obligation bonds and bond anticipation notes totaling \$4,460,000 in order to finance road and street improvements. Other significant debt issuances include OWDA loans payable of \$620,636 for water and sewer improvement projects and \$1,750,000 owed to Summit County for the acquisition of sewer lines. 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, 2016 (UNAUDITED)

The following table presents the City's outstanding debt obligations at December 31, 2016 and 2015.

	Governmental Activities		Business-type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
General obligation bonds	\$ 4,593,010	\$ 1,762,835	\$ 911,990	\$ 870,000	\$ 5,505,000	\$ 2,632,835
Revenue bonds	-	-	5,835,000	6,350,000	5,835,000	6,350,000
Capital leases	435,419	582,113	47,534	143,172	482,953	725,285
Notes payable	1,715,000	3,500,000	-	-	1,715,000	3,500,000
Loans payable	13,804	40,803	12,889,762	12,799,113	12,903,566	12,839,916
Other debt	-	-	1,575,000	-	1,575,000	-
Total long-term obligations	\$ 6,757,233	\$ 5,885,751	\$ 21,259,286	\$ 20,162,285	\$ 28,016,519	\$ 26,048,036

Economic Factors and the 2017 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 2016 was 5.9 percent, compared to 5.0 percent for Summit County and 5.0 percent for the State of Ohio.
- 2016 income tax revenue amounted to approximately \$13.75 million compared to \$13.23 million in 2015. Income tax receipts through April 2017 are 3.48 percent below April 2016 year to date collections.
- Barberton's assessed real property values have decreased approximately \$62.02 million, or about 15.7% since 2007. 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 2017 are \$16,310,151 and budgeted expenditures are \$17,367,875.

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 2017 and into 2018 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.

CITY OF BARBERTON, OHIO

STATEMENT OF NET POSITION

DECEMBER 31, 2016

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 12,090,128	\$ 13,072,351	\$ 25,162,479
Cash and cash equivalents in segregated accounts . .	213,454	-	213,454
Receivables:			
Property taxes	1,307,676	-	1,307,676
Income taxes	2,379,330	-	2,379,330
Accounts	157,850	1,162,442	1,320,292
Intergovernmental	964,706	21,560	986,266
Accrued interest	46,485	-	46,485
Internal balance	2,346	(2,346)	-
Prepayments	85,683	88,567	174,250
Materials and supplies inventory	-	285,073	285,073
Net pension asset	25,023	24,967	49,990
Capital assets:			
Nondepreciable capital assets	11,057,895	11,476,863	22,534,758
Depreciable capital assets, net	23,315,869	45,615,505	68,931,374
Total capital assets, net	<u>34,373,764</u>	<u>57,092,368</u>	<u>91,466,132</u>
Total assets	<u>51,646,445</u>	<u>71,744,982</u>	<u>123,391,427</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding . . .	159,147	78,507	237,654
Pension - Ohio Police & Fire	4,639,736	-	4,639,736
Pension - OPERS	1,777,477	1,773,592	3,551,069
Total deferred outflows of resources	<u>6,576,360</u>	<u>1,852,099</u>	<u>8,428,459</u>
Liabilities:			
Accounts payable	146,318	276,977	423,295
Contracts payable	777,521	237,527	1,015,048
Retainage payable	79,352	-	79,352
Accrued wages and benefits payable	229,911	124,953	354,864
Intergovernmental payable	266,724	21,598	288,322
Accrued interest payable	27,923	14,131	42,054
Notes payable	175,000	-	175,000
Claims payable	346,102	-	346,102
Long-term liabilities:			
Due within one year	3,261,463	1,512,193	4,773,656
Due in more than one year:			
Net pension liability	23,385,426	4,553,707	27,939,133
Other amounts due in more than one year	7,052,557	20,438,119	27,490,676
Total liabilities	<u>35,748,297</u>	<u>27,179,205</u>	<u>62,927,502</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	1,214,571	-	1,214,571
Pension - Ohio Police & Fire	52,851	-	52,851
Pension - OPERS	142,574	142,263	284,837
Total deferred inflows of resources	<u>1,409,996</u>	<u>142,263</u>	<u>1,552,259</u>
Net position:			
Net investment in capital assets	27,880,547	35,869,387	63,749,934
Restricted for:			
Capital projects	1,214,315	-	1,214,315
Special assessments debt service	372,320	-	372,320
Street construction, maintenance and repair	333,789	-	333,789
Court	2,851,826	-	2,851,826
Recreation	1,410	-	1,410
Community development and improvements	61,489	-	61,489
Law enforcement	541,326	-	541,326
Fire capital	43,368	-	43,368
Sewer replacement and improvement	-	321,963	321,963
Unrestricted (deficit)	<u>(12,235,878)</u>	<u>10,084,263</u>	<u>(2,151,615)</u>
Total net position	<u>\$ 21,064,512</u>	<u>\$ 46,275,613</u>	<u>\$ 67,340,125</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016*

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 5,764,628	\$ 2,869,310	\$ 152,134	\$ -
Public safety	12,493,616	701,689	489,579	-
Transportation	2,256,377	103,035	917,036	756,976
Community environment	1,463,504	325,641	915,591	-
Leisure time activities	1,322,359	133,140	309,453	-
Interest and fiscal charges	213,698	-	-	-
Total governmental activities	<u>23,514,182</u>	<u>4,132,815</u>	<u>2,783,793</u>	<u>756,976</u>
Business-type activities:				
Water	5,133,511	6,181,148	-	289,025
Sewer	5,775,809	4,589,192	-	-
Storm water	768,452	757,575	-	-
Solid waste	1,697,077	1,881,869	-	-
Total business-type activities	<u>13,374,849</u>	<u>13,409,784</u>	<u>-</u>	<u>289,025</u>
Total primary government	<u>\$ 36,889,031</u>	<u>\$ 17,542,599</u>	<u>\$ 2,783,793</u>	<u>\$ 1,046,001</u>

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

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**

Governmental Activities	Business-type Activities	Total
\$ (2,743,184)	\$ -	\$ (2,743,184)
(11,302,348)	-	(11,302,348)
(479,330)	-	(479,330)
(222,272)	-	(222,272)
(879,766)	-	(879,766)
(213,698)	-	(213,698)
<u>(15,840,598)</u>	<u>-</u>	<u>(15,840,598)</u>
-	1,336,662	1,336,662
-	(1,186,617)	(1,186,617)
-	(10,877)	(10,877)
-	184,792	184,792
<u>-</u>	<u>323,960</u>	<u>323,960</u>
(15,840,598)	323,960	(15,516,638)
821,725	-	821,725
211,116	-	211,116
84,999	-	84,999
84,999	-	84,999
12,218,127	-	12,218,127
1,534,219	-	1,534,219
1,347,149	21,560	1,368,709
74,208	(15,185)	59,023
199,589	17,853	217,442
<u>16,576,131</u>	<u>24,228</u>	<u>16,600,359</u>
735,533	348,188	1,083,721
20,328,979	45,927,425	66,256,404
<u>\$ 21,064,512</u>	<u>\$ 46,275,613</u>	<u>\$ 67,340,125</u>

CITY OF BARBERTON, OHIO

*BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016*

	<u>General</u>	<u>Street Capital Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and investments.	\$ 3,814,822	\$ 1,729,552	\$ 5,410,210	\$ 10,954,584
Cash and cash equivalents in segregated accounts	213,454	-	-	213,454
Receivables:				
Property taxes	892,996	-	414,680	1,307,676
Income taxes.	2,113,843	265,487	-	2,379,330
Accounts.	78,219	-	79,631	157,850
Intergovernmental	537,401	-	427,305	964,706
Accrued interest	46,485	-	-	46,485
Due from other funds	77,389	-	-	77,389
Prepayments	75,179	-	10,504	85,683
Total assets	<u>\$ 7,849,788</u>	<u>\$ 1,995,039</u>	<u>\$ 6,342,330</u>	<u>\$ 16,187,157</u>
Liabilities:				
Accounts payable.	\$ 43,545	\$ -	\$ 47,803	\$ 91,348
Contracts payable.	251,126	507,869	18,526	777,521
Retainage payable	-	79,352	-	79,352
Accrued wages and benefits payable	200,529	-	29,382	229,911
Intergovernmental payable	261,661	-	5,063	266,724
Due to other funds	-	-	77,389	77,389
Notes payable	-	175,000	-	175,000
Accrued interest payable	-	1,449	-	1,449
Total liabilities	<u>756,861</u>	<u>763,670</u>	<u>178,163</u>	<u>1,698,694</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	829,465	-	385,106	1,214,571
Delinquent property tax revenue not available.	63,531	-	29,574	93,105
Accrued interest not available	22,967	-	-	22,967
Income tax revenue not available	1,055,756	133,241	-	1,188,997
Intergovernmental revenue not available	352,297	-	248,008	600,305
Total deferred inflows of resources	<u>2,324,016</u>	<u>133,241</u>	<u>662,688</u>	<u>3,119,945</u>
Fund balances:				
Nonspendable	75,179	-	10,504	85,683
Restricted.	-	1,098,128	4,662,153	5,760,281
Committed	61,851	-	883,736	945,587
Assigned	1,210,471	-	-	1,210,471
Unassigned (deficit)	3,421,410	-	(54,914)	3,366,496
Total fund balances.	<u>4,768,911</u>	<u>1,098,128</u>	<u>5,501,479</u>	<u>11,368,518</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,849,788</u>	<u>\$ 1,995,039</u>	<u>\$ 6,342,330</u>	<u>\$ 16,187,157</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, 2016*

Total governmental fund balances		\$ 11,368,518
<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.		34,373,764
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	\$ 93,105	
Municipal income taxes receivable	1,188,997	
Intergovernmental receivable	600,305	
Accrued interest receivable	22,967	
Total	<hr/>	1,905,374
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	25,023	
Deferred outflows of resources	6,417,213	
Deferred inflows of resources	(195,425)	
Net pension liability	(23,385,426)	
Total	<hr/>	(17,138,615)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(3,731,787)	
General obligation bonds payable	(4,593,010)	
Notes payable	(1,540,000)	
State infrastructure bank loan payable	(13,804)	
Capital lease obligation	(435,419)	
Total	<hr/>	(10,314,020)
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		159,147
On the statement of net position interest is accrued on outstanding bonds and loans payable, whereas in governmental funds interest is accrued when due.		(26,474)
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.		734,472
An internal balance is recorded in governmental activities to reflect underpayments to the internal service funds by the business-type activities.		<hr/> 2,346
Net position of governmental activities		<hr/> \$ 21,064,512 <hr/>

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, 2016*

	<u>General</u>	<u>Street Capital Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property and other taxes.	\$ 833,607	\$ -	\$ 386,645	\$ 1,220,252
Municipal income taxes.	12,008,659	1,501,147	-	13,509,806
Charges for services.	1,352,598	-	168,087	1,520,685
Licenses and permits	477,793	-	-	477,793
Fines and forfeitures	74,990	-	1,141,469	1,216,459
Intergovernmental.	1,707,716	710,752	2,133,304	4,551,772
Special assessments	80,178	-	6,614	86,792
Investment income.	54,223	-	6,461	60,684
Contributions and donations.	-	-	22,977	22,977
Other	969,425	-	365,821	1,335,246
Total revenues	<u>17,559,189</u>	<u>2,211,899</u>	<u>4,231,378</u>	<u>24,002,466</u>
Expenditures:				
Current:				
General government	4,735,368	-	913,779	5,649,147
Public safety	10,130,592	-	268,398	10,398,990
Transportation	89,829	-	1,166,056	1,255,885
Community environment	418,114	-	1,139,475	1,557,589
Leisure time activities	724,900	-	401,870	1,126,770
Capital outlay.	408,867	3,362,591	284,151	4,055,609
Debt service:				
Principal retirement.	50,055	3,500,000	350,148	3,900,203
Interest and fiscal charges	800	60,266	65,261	126,327
Debt issuance costs.	-	43,960	37,702	81,662
Total expenditures	<u>16,558,525</u>	<u>6,966,817</u>	<u>4,626,840</u>	<u>28,152,182</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>1,000,664</u>	<u>(4,754,918)</u>	<u>(395,462)</u>	<u>(4,149,716)</u>
Other financing sources (uses):				
Bond issuance.	-	2,745,000	1,660,534	4,405,534
Note issuance	-	1,540,000	-	1,540,000
Sale of capital assets.	-	-	44,398	44,398
Payment to refunded bond escrow agent	-	-	(1,624,868)	(1,624,868)
Capital lease transaction.	-	-	109,340	109,340
Transfers in	14,080	-	728,922	743,002
Transfers (out).	(728,922)	-	(14,080)	(743,002)
Total other financing sources (uses)	<u>(714,842)</u>	<u>4,285,000</u>	<u>904,246</u>	<u>4,474,404</u>
Net change in fund balances	285,822	(469,918)	508,784	324,688
Fund balances at beginning of year	<u>4,483,089</u>	<u>1,568,046</u>	<u>4,992,695</u>	<u>11,043,830</u>
Fund balances at end of year	<u>\$ 4,768,911</u>	<u>\$ 1,098,128</u>	<u>\$ 5,501,479</u>	<u>\$ 11,368,518</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, 2016*

Net change in fund balances - total governmental funds \$ 324,688

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 capital outlays exceeded depreciation expense in the current period.

Capital asset additions	\$	4,205,612	
Current year depreciation		<u>(1,769,170)</u>	
Total			2,436,442

Governmental activities only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (49,528)

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

Delinquent property taxes		(17,413)	
Municipal income taxes		242,540	
Intergovernmental revenues		8,598	
Investment income		<u>13,524</u>	
Total			247,249

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. 3,900,203

The payment to refunded bond escrow agent is an other financing use in governmental funds, but the payment reduces long-term liabilities on the statement of net position. 1,624,868

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		1,823	
Amortization of deferred amounts on refunding		(7,187)	
Amortization of bond discounts		<u>(345)</u>	
Total			(5,709)

Proceeds from capital lease transactions and the issuance of bonds and 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. (6,054,874)

Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,729,508

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. (2,985,778)

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. (278,045)

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. (153,491)

Change in net position of governmental activities \$ 735,533

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, 2016*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other taxes	\$ 785,279	\$ 806,019	\$ 833,607	\$ 27,588
Municipal income taxes	10,228,218	10,498,357	10,700,000	201,643
Charges for services	1,426,072	1,463,736	1,414,924	(48,812)
Licenses and permits	476,472	489,057	536,675	47,618
Fines and forfeitures	78,384	80,455	77,745	(2,710)
Intergovernmental	1,450,844	1,489,162	1,483,573	(5,589)
Special assessments	57,354	58,869	21,619	(37,250)
Investment income	86,032	88,304	174,754	86,450
Other	1,037,505	1,064,905	951,706	(113,199)
Total revenues	<u>15,626,160</u>	<u>16,038,864</u>	<u>16,194,603</u>	<u>155,739</u>
Expenditures:				
Current:				
General government	4,962,347	5,025,247	4,553,292	471,955
Public safety	10,334,941	10,399,100	10,325,182	73,918
Transportation	120,024	120,024	91,012	29,012
Community environment	610,423	610,423	450,935	159,488
Leisure time activities	820,250	829,150	756,070	73,080
Capital outlay	428,882	428,882	426,213	2,669
Debt service:				
Principal retirement	33,265	33,265	33,240	25
Interest and fiscal charges	2,270	2,270	288	1,982
Total expenditures	<u>17,312,402</u>	<u>17,448,361</u>	<u>16,636,232</u>	<u>812,129</u>
Excess of expenditures over revenues	<u>(1,686,242)</u>	<u>(1,409,497)</u>	<u>(441,629)</u>	<u>967,868</u>
Other financing sources:				
Transfers in	13,456	13,812	14,080	268
Total other financing sources	<u>13,456</u>	<u>13,812</u>	<u>14,080</u>	<u>268</u>
Net change in fund balances	<u>(1,672,786)</u>	<u>(1,395,685)</u>	<u>(427,549)</u>	<u>968,136</u>
Fund balance at beginning of year	\$2,428,070	2,428,070	2,428,070	-
Prior year encumbrances appropriated	580,314	580,314	580,314	-
Fund balance at end of year	<u>\$ 1,335,598</u>	<u>\$ 1,612,699</u>	<u>\$ 2,580,835</u>	<u>\$ 968,136</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Solid Waste	Nonmajor Fund	Total	
Assets:						
Current assets:						
Equity in pooled cash and investments	\$ 8,091,165	\$ 1,542,688	\$ 2,194,258	\$ 922,277	\$ 12,750,388	\$ 1,135,544
Receivables:						
Accounts	558,650	463,164	69,303	71,325	1,162,442	-
Intergovernmental	-	-	-	21,560	21,560	-
Prepayments	28,484	58,170	-	1,913	88,567	-
Materials and supplies inventory	185,227	99,846	-	-	285,073	-
Total current assets	<u>8,863,526</u>	<u>2,163,868</u>	<u>2,263,561</u>	<u>1,017,075</u>	<u>14,308,030</u>	<u>1,135,544</u>
Noncurrent assets:						
Net pension asset	11,900	10,912	602	1,553	24,967	-
Restricted assets:						
Equity in pooled cash and investments	-	321,963	-	-	321,963	-
Capital assets:						
Nondepreciable capital assets	10,899,072	199,045	-	378,746	11,476,863	-
Depreciable capital assets, net	17,149,917	25,884,666	-	2,580,922	45,615,505	-
Total noncurrent assets	<u>28,060,889</u>	<u>26,416,586</u>	<u>602</u>	<u>2,961,221</u>	<u>57,439,298</u>	<u>-</u>
Total assets	<u>36,924,415</u>	<u>28,580,454</u>	<u>2,264,163</u>	<u>3,978,296</u>	<u>71,747,328</u>	<u>1,135,544</u>
Deferred outflows of resources:						
Unamortized deferred charges on debt refunding	71,308	7,199	-	-	78,507	-
Pension - OPERS	845,331	775,151	42,760	110,350	1,773,592	-
Total deferred outflows of resources	<u>916,639</u>	<u>782,350</u>	<u>42,760</u>	<u>110,350</u>	<u>1,852,099</u>	<u>-</u>
Liabilities:						
Current liabilities:						
Accounts payable	123,058	145,919	-	8,000	276,977	54,970
Contracts payable	66,425	38,323	132,779	-	237,527	-
Accrued wages and benefits payable	62,699	52,555	2,375	7,324	124,953	-
Intergovernmental payable	10,800	9,097	416	1,285	21,598	-
Accrued interest payable	13,129	151	-	851	14,131	-
Claims payable	-	-	-	-	-	346,102
Current portion of general obligation bonds	55,524	5,605	-	-	61,129	-
Current portion of revenue bonds	525,000	-	-	-	525,000	-
Current portion of compensated absences	77,141	67,578	2,887	1,480	149,086	-
Current portion of OWDA loans	203,926	299,209	-	-	503,135	-
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	384	274	-	23,144	23,802	-
Total current liabilities	<u>1,213,127</u>	<u>793,711</u>	<u>138,457</u>	<u>42,084</u>	<u>2,187,379</u>	<u>401,072</u>
Long-term liabilities:						
General obligation bonds	772,847	78,014	-	-	850,861	-
Revenue bonds	5,310,000	-	-	-	5,310,000	-
Compensated absences	280,412	245,655	10,494	5,379	541,940	-
OWDA loans	4,310,714	5,883,072	-	-	10,193,786	-
OPWC loans	2,117,800	-	-	-	2,117,800	-
Due to Summit County	-	1,400,000	-	-	1,400,000	-
Capital lease obligations	-	-	-	23,732	23,732	-
Net pension liability	2,170,392	1,990,202	109,787	283,326	4,553,707	-
Total long-term liabilities	<u>14,962,165</u>	<u>9,596,943</u>	<u>120,281</u>	<u>312,437</u>	<u>24,991,826</u>	<u>-</u>
Total liabilities	<u>16,175,292</u>	<u>10,390,654</u>	<u>258,738</u>	<u>354,521</u>	<u>27,179,205</u>	<u>401,072</u>
Deferred inflows of resources:						
Pension - OPERS	67,805	62,176	3,430	8,852	142,263	-
Total deferred inflows of resources	<u>67,805</u>	<u>62,176</u>	<u>3,430</u>	<u>8,852</u>	<u>142,263</u>	<u>-</u>
Net position:						
Net investment in capital assets	14,743,807	18,220,788	-	2,904,792	35,869,387	-
Restricted for replacement and improvement	-	321,963	-	-	321,963	-
Unrestricted	6,854,150	367,223	2,044,755	820,481	10,086,609	734,472
Total net position	<u>\$ 21,597,957</u>	<u>\$ 18,909,974</u>	<u>\$ 2,044,755</u>	<u>\$ 3,725,273</u>	<u>46,277,959</u>	<u>\$ 734,472</u>
Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds					(2,346)	
Net position of business-type activities					<u>\$ 46,275,613</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, 2016*

Business-type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Fund</u>	<u>Total</u>
Operating revenues:					
Charges for services	\$ 6,181,148	\$ 4,589,192	\$ 1,881,869	\$ 757,575	\$ 13,409,784
Other	11,373	4,823	1,558	99	17,853
Total operating revenues	<u>6,192,521</u>	<u>4,594,015</u>	<u>1,883,427</u>	<u>757,674</u>	<u>13,427,637</u>
Operating expenses:					
Personal services	2,667,473	2,710,101	138,168	328,783	5,844,525
Contract services	306,133	373,041	1,526,647	30,647	2,236,468
Materials and supplies	1,198,905	1,070,280	34,856	118,792	2,422,833
Claims	-	-	-	-	-
Other	19,599	8,182	-	-	27,781
Depreciation	637,116	1,469,863	-	296,623	2,403,602
Total operating expenses	<u>4,829,226</u>	<u>5,631,467</u>	<u>1,699,671</u>	<u>774,845</u>	<u>12,935,209</u>
Operating income (loss)	<u>1,363,295</u>	<u>(1,037,452)</u>	<u>183,756</u>	<u>(17,171)</u>	<u>492,428</u>
Nonoperating revenues (expenses):					
Investment earnings	(15,185)	-	-	-	(15,185)
Interest and fiscal charges	(358,850)	(195,505)	-	(1,486)	(555,841)
Intergovernmental	-	-	-	21,560	21,560
Bond issuance costs	(15,644)	(2,467)	-	-	(18,111)
Total nonoperating revenues (expenses)	<u>(389,679)</u>	<u>(197,972)</u>	<u>-</u>	<u>20,074</u>	<u>(567,577)</u>
Income (loss) before capital contributions	973,616	(1,235,424)	183,756	2,903	(75,149)
Capital contributions	289,025	-	-	-	289,025
Change in net position	1,262,641	(1,235,424)	183,756	2,903	213,876
Net position at beginning of year	<u>20,335,316</u>	<u>20,145,398</u>	<u>1,860,999</u>	<u>3,722,370</u>	
Net position at end of year	<u>\$ 21,597,957</u>	<u>\$ 18,909,974</u>	<u>\$ 2,044,755</u>	<u>\$ 3,725,273</u>	
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.					<u>134,312</u>
Change in net position of business-type activities.					<u>\$ 348,188</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Governmental
Activities -
Internal
Service Funds**

\$ 3,996,173
27,868

4,024,041

-
41,913
354,576
3,622,842
23,889

-

4,043,220

(19,179)

-
-
-
-

-

(19,179)

-

(19,179)

753,651

\$ 734,472

CITY OF BARBERTON, OHIO

*STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016*

Business-type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Fund</u>	<u>Total</u>
Cash flows from operating activities:					
Cash received from customers.	\$ 6,241,326	\$ 4,518,563	\$ 1,894,669	\$ 763,239	\$ 13,417,797
Cash received from other operations	11,373	4,823	1,558	99	17,853
Cash payments for personal services	(2,613,023)	(2,320,015)	(122,715)	(329,191)	(5,384,944)
Cash payments for contract services.	(268,099)	(572,331)	(1,528,724)	(30,992)	(2,400,146)
Cash payments for materials and supplies.	(1,206,910)	(1,032,486)	(27,322)	(119,312)	(2,386,030)
Cash payments for claims	-	-	-	-	-
Cash payments for other expenses.	(21,184)	(7,340)	-	-	(28,524)
Net cash provided by operating activities	<u>2,143,483</u>	<u>591,214</u>	<u>217,466</u>	<u>283,843</u>	<u>3,236,006</u>
Cash flows from noncapital financing activities:					
Intergovernmental grants	-	-	-	21,962	21,962
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,962</u>	<u>21,962</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(1,202,529)	(2,486,100)	-	(23,816)	(3,712,445)
Capital contributions.	319,020	-	-	-	319,020
Principal retirement	(802,886)	(530,411)	-	(40,158)	(1,373,455)
Bond issuance	744,322	75,144	-	-	819,466
Loan issuance	495,100	1,875,536	-	-	2,370,636
Interest and fiscal charges	(278,692)	(186,484)	-	(2,174)	(467,350)
Bond issuance costs	(15,644)	(2,467)	-	-	(18,111)
Payment to refunded bond escrow agent	(728,337)	(73,530)	-	-	(801,867)
Net cash used in capital and related financing activities	<u>(1,469,646)</u>	<u>(1,328,312)</u>	<u>-</u>	<u>(66,148)</u>	<u>(2,864,106)</u>
Cash flows from investing activities:					
Sale of investments.	<u>5,035,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,035,172</u>
Net cash provided by investing activities.	<u>5,035,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,035,172</u>
Net increase (decrease) in cash and investments	5,709,009	(737,098)	217,466	239,657	5,429,034
Cash and investments at beginning of year	2,382,156	2,601,749	1,976,792	682,620	7,643,317
Cash and investments at end of year	<u>\$ 8,091,165</u>	<u>\$ 1,864,651</u>	<u>\$ 2,194,258</u>	<u>\$ 922,277</u>	<u>\$ 13,072,351</u>

**Governmental
Activities -
Internal
Service Funds**

\$ 4,001,911
27,868
-
(41,913)
(351,549)
(3,435,696)
(23,889)
176,732

-

-

-
-
-
-
-
-
-
-

-

-

-

176,732
958,812
\$ 1,135,544

-- Continued

CITY OF BARBERTON, OHIO

*STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2016*

Business-type Activities - Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Fund</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 1,363,295	\$ (1,037,452)	\$ 183,756	\$ (17,171)	\$ 492,428
Adjustments:					
Depreciation	637,116	1,469,863	-	296,623	2,403,602
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
Decrease in materials and supplies inventory	52,699	3,128	-	-	55,827
(Increase) decrease in accounts receivable	30,130	(69,787)	12,800	5,664	(21,193)
(Increase) decrease in prepayments	(2,070)	(8,278)	47	(45)	(10,346)
(Increase) in net pension asset	(2,372)	(4,770)	(172)	(234)	(7,548)
(Increase) in deferred outflows - pension - OPERS	(568,053)	(596,419)	(30,251)	(71,972)	(1,266,695)
Increase (decrease) in accounts payable	(41,329)	(136,850)	(1,153)	(820)	(180,152)
Increase (decrease) in contracts payable	49,192	(19,496)	6,563	-	36,259
Increase in accrued wages and benefits	4,946	8,436	668	3,614	17,664
(Decrease) in due to other governments	(18,218)	(15,359)	(741)	(2,072)	(36,390)
Increase (decrease) in compensated absences payable	13,802	(13,896)	5,538	1,452	6,896
Increase in claims payable	-	-	-	-	-
Increase in net pension liability	587,260	969,720	38,367	64,204	1,659,551
Increase in deferred inflows - pension - OPERS	37,085	42,374	2,044	4,600	86,103
Net cash provided by operating activities	<u>\$ 2,143,483</u>	<u>\$ 591,214</u>	<u>\$ 217,466</u>	<u>\$ 283,843</u>	<u>\$ 3,236,006</u>
Reconciliation of cash and investments:					
Equity in pooled cash and investments	\$ 8,091,165	\$ 1,542,688	\$ 2,194,258	\$ 922,277	\$ 12,750,388
Restricted equity in pooled cash and investments	-	321,963	-	-	321,963
Total cash and investments	<u>\$ 8,091,165</u>	<u>\$ 1,864,651</u>	<u>\$ 2,194,258</u>	<u>\$ 922,277</u>	<u>\$ 13,072,351</u>

At December 31, 2016, the Water fund purchased \$5,638 in capital assets on account, consisting of contracts payable. At December 31, 2015, the Water fund purchased \$188,232 in capital assets on account, consisting of \$12,265 in accounts payable and \$175,967 in contracts payable.

The fair value adjustment for Water fund investments was \$(10,920) at December 31, 2015.

At December 31, 2016, the Sewer fund purchased \$29,222 in capital assets on account, consisting of contracts payable. At December 31, 2015, the Sewer fund purchased \$70,012 in capital assets on account, consisting of \$57,995 in accounts payable and \$12,017 in contracts payable.

At December 31, 2016, the Storm Water nonmajor enterprise fund purchased \$8,000 in capital assets on account, consisting of accounts payable. At December 31, 2015, the Storm Water nonmajor enterprise fund purchased \$8,377 in capital assets on account, consisting of accounts payable.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Governmental
Activities -
Internal
Service Funds**

\$ (19,179)

-

-

5,738

-

-

-

3,027

-

-

-

187,146

-

-

\$ 176,732

\$ 1,135,544

-

\$ 1,135,544

CITY OF BARBERTON, OHIO

*STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
DECEMBER 31, 2016*

	<u>Agency</u>
Assets:	
Equity in pooled cash and investments.	\$ 463,039
Receivables:	
Accounts	<u>46,250</u>
Total assets	<u>\$ 509,289</u>
Liabilities:	
Deposits held and due to others	<u>\$ 509,289</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

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, 2016

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, 2016

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, 2016

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.

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, 2016

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, 2016, but which were levied to finance 2017 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, 2016**

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 2016.

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 2016, 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, 2016**

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 2016, 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 2016 amounted to \$54,223 which includes \$44,613 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, 2016 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 fair market values as of the date received. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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, 2016, 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, 2016**

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 expended/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, 2016

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, 2016

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 2016, the City has implemented GASB Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", GASB Statement No. 77, "Tax Abatement Disclosures", GASB Statement No. 78, "Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans" and GASB Statement No. 79, "Certain External Investment Pools and Pool Participants".

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the City.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the City.

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the City.

GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclose certain information about the agreement. GASB Statement No. 77 also requires disclosures related to tax abatement agreements that have been entered into by other governments that reduce the reporting government's tax revenues. The implementation of GASB Statement No. 77 did not have an effect on the financial statements of the City as the City does not have any material GASB Statement No. 77 tax abatements.

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the City.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance also establishes additional note disclosure requirements for governments that participate in those pools. The City participates in STAR Ohio which implemented GASB Statement No. 79 for 2016. The City incorporated the corresponding GASB 79 guidance into its 2016 financial statements; however, there was no effect on beginning net position/fund balance.

B. Deficit Fund Balances

Fund balances at December 31, 2016 included the following individual fund deficit:

<u>Nonmajor fund</u>	<u>Deficit</u>
City grant fund	\$ 54,914

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

This fund, and the community development block grant fund, did not comply with Ohio law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficit in this fund and provides transfers when cash is required, not when accruals occur. The deficit fund balance resulted from advance spending of approved grant monies and adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the City's interim monies available for investment; and,
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

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

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

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

A. Deposits with Financial Institutions

At December 31, 2016, the carrying amount of all City deposits was \$2,963,782. As of December 31, 2016, \$2,009,245 of the City's bank balance of \$3,725,216 was exposed to custodial risk as discussed below, while \$1,715,971 was covered by the FDIC.

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

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of December 31, 2016, the City had the following investments and maturities:

Measurement/ <u>Investment type</u>	Measurement <u>Amount</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
Fair value:						
FHLB Notes	2,269,056	-	-	-	-	2,269,056
FHLMC Notes	5,543,327	-	-	249,945	-	5,293,382
FNMA Notes	4,760,783	-	-	304,793	497,730	3,958,260
Commercial paper	6,477,849	2,965,383	3,512,466	-	-	-
Negotiable CDs	3,100,906	991,565	-	248,454	248,754	1,612,133
U.S. Treasury money market	48,014	48,014	-	-	-	-
Amortized cost:						
STAR Ohio	<u>675,255</u>	<u>675,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 22,875,190</u>	<u>\$ 4,680,217</u>	<u>\$ 3,512,466</u>	<u>\$ 803,192</u>	<u>\$ 746,484</u>	<u>\$ 13,132,831</u>

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 2.13 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, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

The following table includes the percentage of each investment type held by the City at December 31, 2016:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
Fair value:		
FHLB Notes	2,269,056	9.92
FHLMC Notes	5,543,327	24.23
FNMA Notes	4,760,783	20.81
Commercial paper	6,477,849	28.32
Negotiable CDs	3,100,906	13.56
U.S. Treasury money market	48,014	0.21
Amortized cost:		
STAR Ohio	<u>675,255</u>	<u>2.95</u>
Total	<u>\$ 22,875,190</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, 2016:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,963,782
Investments	<u>22,875,190</u>
Total	<u>\$ 25,838,972</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 12,303,582
Business type activities	13,072,351
Agency funds	<u>463,039</u>
Total	<u>\$ 25,838,972</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2016, consisted of the following:

<u>Transfer to</u>	<u>Transfers from</u>	
	<u>General</u>	<u>Nonmajor Governmental Funds</u>
General	\$ -	\$ 14,080
Nonmajor governmental funds	<u>728,922</u>	<u>-</u>
Total	<u>\$ 728,922</u>	<u>\$ 14,080</u>

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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 consist of residual equity transfers in order to close out the funds.

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, 2016 as reported on the fund financial statements consist of \$77,389 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, 2016, 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. 2016 public utility property taxes became a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2017 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, 2016

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, 2016 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 2016 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, 2016 was \$4.25 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2016 property tax receipts were based are as follows:

Real property	\$ 320,433,710
Public utility property	<u>13,248,470</u>
Total assessed value	<u>\$ 333,682,180</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	\$ 382,087
Motor vehicle and gas tax	338,417
Community development and improvement grants	57,578
C.O.P.S. grant	41,388
Homestead and rollback	98,566
Joint Economic Development Zone reimbursements	46,670
 <u>Business-type activities:</u>	
Recycle grant	<u>21,560</u>
Total	<u>\$ 986,266</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 7 - CAPITAL ASSETS

A. Capital asset activity for the year ended December 31, 2016, was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/15</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/16</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,789,784	\$ -	\$ (26,486)	\$ 5,763,298
Construction in progress	<u>3,958,626</u>	<u>1,411,043</u>	<u>(75,072)</u>	<u>5,294,597</u>
Total capital assets, not being depreciated	<u>9,748,410</u>	<u>1,411,043</u>	<u>(101,558)</u>	<u>11,057,895</u>
<i>Capital assets, being depreciated:</i>				
Buildings	7,598,393	150,064	(10,500)	7,737,957
Vehicles and equipment	13,537,211	654,742	(511,743)	13,680,210
Infrastructure:				
Street subsystem	25,925,387	2,026,288	-	27,951,675
Traffic signals subsystem	<u>1,777,402</u>	<u>38,547</u>	<u>-</u>	<u>1,815,949</u>
Total capital assets, being depreciated	<u>48,838,393</u>	<u>2,869,641</u>	<u>(522,243)</u>	<u>51,185,791</u>
Less: accumulated depreciation:				
Buildings	(4,680,127)	(288,656)	945	(4,967,838)
Vehicles and equipment	(9,793,060)	(576,902)	498,256	(9,871,706)
Infrastructure:				
Street subsystem	(11,486,305)	(844,298)	-	(12,330,603)
Traffic signal subsystem	<u>(640,461)</u>	<u>(59,314)</u>	<u>-</u>	<u>(699,775)</u>
Total accumulated depreciation	<u>(26,599,953)</u>	<u>(1,769,170)</u>	<u>499,201</u>	<u>(27,869,922)</u>
Total capital assets being depreciated, net	<u>22,238,440</u>	<u>1,100,471</u>	<u>(23,042)</u>	<u>23,315,869</u>
Governmental activities capital assets, net	<u>\$ 31,986,850</u>	<u>\$ 2,511,514</u>	<u>\$ (124,600)</u>	<u>\$ 34,373,764</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 82,920
Public safety	500,622
Transportation	977,923
Community environment	25,295
Leisure time activities	<u>182,410</u>
Total depreciation expense	<u>\$ 1,769,170</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 7 - CAPITAL ASSETS - (Continued)

B. Capital asset activity for the year ended December 31, 2016 was as follows:

<u>Business-type activities:</u>	<u>Balance</u> <u>12/31/15</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/16</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,043,728	\$ -	\$ -	\$ 1,043,728
Construction in progress	<u>22,136,091</u>	<u>731,720</u>	<u>(12,434,676)</u>	<u>10,433,135</u>
Total capital assets, not being depreciated	<u>23,179,819</u>	<u>731,720</u>	<u>(12,434,676)</u>	<u>11,476,863</u>
<i>Capital assets, being depreciated:</i>				
Buildings	37,337,436	11,327,424	-	48,664,860
Vehicles and equipment	4,855,017	241,114	(26,784)	5,069,347
Infrastructure				
Water lines	15,263,064	1,828,990	-	17,092,054
Sewer lines	17,828,336	1,794,112	-	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>82,425,011</u>	<u>15,191,640</u>	<u>(26,784)</u>	<u>97,589,867</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(22,713,778)	(1,196,424)	-	(23,910,202)
Vehicles and equipment	(3,738,392)	(220,008)	26,784	(3,931,616)
Infrastructure				
Water lines	(6,577,071)	(318,093)	-	(6,895,164)
Sewer lines	(12,096,544)	(434,944)	-	(12,531,488)
Storm sewer lines	<u>(4,471,759)</u>	<u>(234,133)</u>	<u>-</u>	<u>(4,705,892)</u>
Total accumulated depreciation	<u>(49,597,544)</u>	<u>(2,403,602)</u>	<u>26,784</u>	<u>(51,974,362)</u>
Total capital assets, being depreciated, net	<u>32,827,467</u>	<u>12,788,038</u>	<u>-</u>	<u>45,615,505</u>
Business-type activities capital assets, net	<u>\$ 56,007,286</u>	<u>\$ 13,519,758</u>	<u>\$ (12,434,676)</u>	<u>\$ 57,092,368</u>

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

Water	\$ 637,116
Sewer	1,469,863
Storm water	<u>296,623</u>
Total depreciation expense	<u>\$ 2,403,602</u>

NOTE 8 - CAPITAL LEASES

During 2016 and in prior years, the City 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, 2016

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 \$1,313,152 in governmental activities. A liability of \$435,419 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 \$256,034 and \$5,820 in principal and interest payments, respectively, during 2016.

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 \$47,534 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 \$95,638 and \$3,494 in principal and interest payments, respectively, during 2016.

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	\$ 1,313,152	\$ 581,788
Less: accumulated depreciation	<u>(558,889)</u>	<u>(241,330)</u>
Total	<u>\$ 754,263</u>	<u>\$ 340,458</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>
2017	\$ 209,542	\$ 24,997
2018	206,489	24,335
2019	<u>36,738</u>	<u>-</u>
Total	452,769	49,332
Less: amount representing interest	<u>(17,350)</u>	<u>(1,798)</u>
Present value of net minimum lease payments	<u>\$ 435,419</u>	<u>\$ 47,534</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 9 - NOTES PAYABLE

Changes in the City's note activity for the year ended December 31, 2016, were as follows:

	Balance <u>12/31/2015</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>12/31/2016</u>
<u>Governmental fund notes</u>				
Street improvement notes - 1.19%	\$ -	\$ 175,000	\$ -	\$ 175,000
Total governmental fund notes	<u>\$ -</u>	<u>\$ 175,000</u>	<u>\$ -</u>	<u>\$ 175,000</u>

All notes are backed by the full faith and credit of the City. The note liability is reflected in the fund which received the proceeds. The notes were issued in anticipation of long-term bond financing and will be refinanced until such bonds are issued. The notes were issued April 21, 2016 and mature April 21, 2017.

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 Issued</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Year of Maturity</u>
Governmental Activities				
<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	2016	1.19%	1,540,000	2017
<u>Other Debt:</u>				
State Infrastructure Bank Loan	2007	3.00%	193,342	2017
Business-Type Activities				
<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>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

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

<u>Debt issue</u>	<u>Year Issued</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Year of Maturity</u>
Business-Type Activities (Continued)				
<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
<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>Balance</u>	<u>Amounts</u>
	<u>12/31/15</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/16</u>	<u>Due in</u>
					<u>One Year</u>
Governmental activities:					
<u>General Obligation Bonds:</u>					
Various Purpose Improvement Bonds	\$ 1,774,355	\$ -	\$ (1,570,140)	\$ 204,215	100,435
Discount on Various Purpose Improvement Bonds	(11,520)	-	11,520	-	-
Various Purpose Refunding Bonds	-	1,660,534	(16,739)	1,643,795	23,435
Street Improvement Bonds	-	2,745,000	-	2,745,000	255,000
Total General Obligation Bonds	<u>1,762,835</u>	<u>4,405,534</u>	<u>(1,575,359)</u>	<u>4,593,010</u>	<u>378,870</u>
<u>Bond Anticipation Notes</u>					
Street Improvement	3,500,000	1,540,000	(3,500,000)	1,540,000	1,540,000
<u>Other Obligations:</u>					
State Infrastructure Bank Loan	40,803	-	(26,999)	13,804	13,804
Capital Lease	582,113	109,340	(256,034)	435,419	198,998
Compensated Absences	3,453,742	1,179,233	(901,188)	3,731,787	1,129,791
Net Pension Liability	18,344,587	5,040,839	-	23,385,426	-
Total Other Obligations	<u>22,421,245</u>	<u>6,329,412</u>	<u>(1,184,221)</u>	<u>27,566,436</u>	<u>1,342,593</u>
Total Governmental Activities	<u>\$ 27,684,080</u>	<u>\$ 12,274,946</u>	<u>\$ (6,259,580)</u>	<u>\$ 33,699,446</u>	<u>\$ 3,261,463</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Business-type activities:	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
	<u>12/31/15</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/16</u>	<u>Due in</u>
					<u>One Year</u>
General Obligation Bonds:					
Various Purpose - Series 2009	\$ 875,650	\$ -	\$ (774,865)	\$ 100,785	\$ 49,565
Discount on Various Purpose - Series 2009	(5,650)	-	5,650	-	-
Various Purpose Refunding	<u>-</u>	<u>819,466</u>	<u>(8,261)</u>	<u>811,205</u>	<u>11,564</u>
Total General Obligation Bonds	<u>870,000</u>	<u>819,466</u>	<u>(777,476)</u>	<u>911,990</u>	<u>61,129</u>
Revenue Bonds:					
Waterworks System Revenue Bonds, Refunding	6,350,000	-	(515,000)	5,835,000	525,000
Other Obligations:					
OWDA Loans	10,577,083	620,636	(500,798)	10,696,921	503,135
OPWC Loans	2,222,030	-	(29,189)	2,192,841	75,041
Capital Leases	143,172	-	(95,638)	47,534	23,802
Compensated Absences	684,130	115,040	(108,144)	691,026	149,086
Due to Summit County	-	1,750,000	(175,000)	1,575,000	175,000
Net Pension Liability	<u>2,894,156</u>	<u>1,659,551</u>	<u>-</u>	<u>4,553,707</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 23,740,571</u>	<u>\$ 4,964,693</u>	<u>\$ (2,201,245)</u>	<u>\$ 26,504,019</u>	<u>\$ 1,512,193</u>

General Obligation Bonds

All bonds are secured by the full faith and credit of the City. General obligation bonds will be paid from the general obligation bond retirement 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, 2016, the principal amount of defeased debt outstanding was \$2,195,000. The refunding resulted in an economic gain of \$174,267.

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. Prior to the issuance of the financial statements, the 2016 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, 2016**

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.

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.

Net Pension Liability

See Note 12 for more detail.

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, 2016, the principal amount of defeased debt outstanding was \$5,530,000.

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 33.17% of net revenues. The total principal and interest remaining to be paid on the water revenue bonds is \$6,611,763. Principal and interest paid for the current year and net customer revenues were \$663,558 and \$2,000,411, 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 and a dam intake extension. 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 2044. Annual principal and interest payments on the loan for the sewer fund and water fund are expected to require approximately 100% and 23.02%, respectively, of available net revenues. The total principal and interest remaining to be paid on the loans is approximately \$8,540,250 and \$6,233,560 for the sewer and water funds, respectively. Four of the five loans, having an outstanding balance of \$8,920,760, have not been closed out as of December 31, 2016, therefore the future annual debt service principal and interest requirements are not available. Principal and interest paid for the current year totaled \$479,458 for the sewer fund and \$307,796 for the water fund.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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 and a waterline replacement project. The interest-free loans are paid from the water fund in semi-annual installments over a twenty to thirty year period.

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, 2016, are as follows:

Year Ending December 31,	Governmental Activities					
	General Obligation Bonds			State Infrastructure Bank Loan		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 378,870	\$ 90,088	\$ 468,958	\$ 13,804	\$ 618	\$ 14,422
2018	387,215	81,398	468,613	-	-	-
2019	393,914	72,395	466,309	-	-	-
2020	398,914	64,974	463,888	-	-	-
2021	403,914	57,460	461,374	-	-	-
2022 - 2026	2,158,136	169,891	2,328,027	-	-	-
2027 - 2029	472,047	18,475	490,522	-	-	-
Total	<u>\$ 4,593,010</u>	<u>\$ 554,681</u>	<u>\$ 5,147,691</u>	<u>\$ 13,804</u>	<u>\$ 618</u>	<u>\$ 14,422</u>

Year Ending December 31,	Business-Type Activities					
	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 61,130	\$ 19,397	\$ 80,527	\$ 525,000	\$ 136,539	\$ 661,539
2018	62,785	17,437	80,222	535,000	124,254	659,254
2019	66,086	15,367	81,453	550,000	111,735	661,735
2020	66,086	14,079	80,165	565,000	98,865	663,865
2021	66,086	12,790	78,876	575,000	85,644	660,644
2022 - 2026	356,864	43,944	400,808	3,085,000	219,726	3,304,726
2027 - 2029	232,953	9,117	242,070	-	-	-
Total	<u>\$ 911,990</u>	<u>\$ 132,131</u>	<u>\$ 1,044,121</u>	<u>\$ 5,835,000</u>	<u>\$ 776,763</u>	<u>\$ 6,611,763</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	Business-Type Activities					
	OWDA Loan			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 109,921	\$ 37,775	\$ 147,696	\$ 75,041	\$ -	\$ 75,041
2018	112,308	35,388	147,696	75,041	-	75,041
2019	114,747	32,949	147,696	75,041	-	75,041
2020	117,239	30,457	147,696	75,041	-	75,041
2021	119,785	27,911	147,696	75,041	-	75,041
2022 - 2026	639,091	99,385	738,476	375,203	-	375,203
2027 - 2031	563,070	27,708	590,778	375,203	-	375,203
2032 - 2036	-	-	-	375,203	-	375,203
2037 - 2041	-	-	-	375,203	-	375,203
2042 - 2044	-	-	-	316,824	-	316,824
Total	\$ 1,776,161	\$ 291,573	\$ 2,067,734	\$ 2,192,841	\$ -	\$ 2,192,841

Year Ending December 31,	Business-Type Activities		
	Due to Summit County		
	Principal	Interest	Total
2017	\$ 175,000	\$ -	\$ 175,000
2018	175,000	-	175,000
2019	175,000	-	175,000
2020	175,000	-	175,000
2021	175,000	-	175,000
2022 - 2025	700,000	-	700,000
Total	\$ 1,575,000	\$ -	\$ 1,575,000

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, 2016, the City's total debt margin was \$29,559,295 and the unvoted debt margin was \$12,847,520.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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 2016 payroll is 2.603%.

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 \$346,102 reported in the internal service fund at December 31, 2016 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 2015 and 2016 are:

	<u>Balance at Beginning of Year</u>	<u>Current Claims</u>	<u>Claims Payment</u>	<u>Balance at End of Year</u>
2016	\$ 158,956	\$ 3,622,842	\$ (3,435,696)	\$ 346,102
2015	109,866	3,011,961	(2,962,871)	158,956

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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 included in *due to other governments/pension and postemployment benefits 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, 2016

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):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 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, 2016**

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 percent 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 3 percent.

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 1.0% 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 3% 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, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2016 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	*	**
2016 Actual Contribution Rates			
Employer:			
Pension	12.0 %	16.1 %	16.1 %
Post-employment Health Care Benefits	<u>2.0 %</u>	<u>2.0</u>	<u>2.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

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 \$847,920 for 2016. Of this amount, \$28,149 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 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.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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
2016 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2016 Actual Contribution Rates		
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 \$1,305,084 for 2016. Of this amount \$32,858 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 and Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2015, 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, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. 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, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.05317200%	0.28618560%	
Proportion of the net pension liability current measurement date	<u>0.05263700%</u>	<u>0.29257800%</u>	
Change in proportionate share	<u>-0.00053500%</u>	<u>0.00639240%</u>	
Proportion of the net pension asset prior measurement date	0.10025100%		
Proportion of the net pension asset current measurement date	<u>0.11419900%</u>		
Change in proportionate share	<u>0.01394800%</u>		
Proportionate share of the net pension liability	\$ 9,117,392	\$ 18,821,741	\$ 27,939,133
Proportionate share of the net pension asset	49,990	-	49,990
Pension expense	1,273,338	2,607,347	3,880,685

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred OPERS</u>	<u>Deferred OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 307	\$ -	\$ 307
Net difference between projected and actual earnings on pension plan investments	2,701,578	3,063,458	5,765,036
Changes in employer's proportionate percentage/ difference between employer contributions	1,264	271,194	272,458
City contributions subsequent to the measurement date	<u>847,920</u>	<u>1,305,084</u>	<u>2,153,004</u>
Total deferred outflows of resources	<u>\$ 3,551,069</u>	<u>\$ 4,639,736</u>	<u>\$ 8,190,805</u>
	<u>Deferred OPERS</u>	<u>Deferred OP&F</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 198,959	\$ 52,851	\$ 251,810
Changes in employer's proportionate percentage/ difference between employer contributions	<u>85,878</u>	<u>-</u>	<u>85,878</u>
Total deferred inflows of resources	<u>\$ 284,837</u>	<u>\$ 52,851</u>	<u>\$ 337,688</u>

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

\$2,153,004 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, 2017.

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

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2017	\$ 550,307	\$ 849,325	\$ 1,399,632
2018	592,255	849,325	1,441,580
2019	678,281	849,321	1,527,602
2020	608,580	684,683	1,293,263
2021	(2,843)	41,302	38,459
Thereafter	<u>(8,268)</u>	<u>7,845</u>	<u>(423)</u>
Total	<u>\$ 2,418,312</u>	<u>\$ 3,281,801</u>	<u>\$ 5,700,113</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.

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/asset in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.75 percent
Future salary increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3 percent, simple Post 1/7/2013 retirees: 3 percent, simple through 2018, then 2.80% simple
Investment rate of return	8 percent
Actuarial cost method	Individual entry age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 401 (h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. 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 money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.40 percent for 2015.

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 2015 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 %	2.31 %
Domestic equities	20.70	5.84
Real estate	10.00	4.25
Private equity	10.00	9.25
International equities	18.30	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.27 %</u>

Discount Rate - The discount rate used to measure the total pension liability/asset was 8 percent for both the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. 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 8 percent, 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 (7 percent) or one-percentage-point higher (9 percent) than the current rate:

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 14,526,233	\$ 9,117,392	\$ 4,555,206
Combined Plan	(1,026)	(49,946)	(89,297)
Member-Directed Plan	116	(44)	(116)

Changes Between Measurement Date and Report Date - In October 2016, the OPERS Board of Trustees adopted certain assumption changes which impacted their annual actuarial valuation prepared as of December 31, 2016. The most significant changes are a reduction in the expected investment return to 7.50% from 8.00%, the expected long-term average wage inflation was reduced to 3.25% from 3.75%, the expected long-term average price inflation was reduced to 2.50% from 3.00% and a change to various demographic assumptions. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, 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, 2015, are presented below:

Valuation date	January 1, 2015
Actuarial cost method	Entry age normal
Investment rate of return	8.25 percent
Projected salary increases	4.25 percent to 11 percent
Payroll increases	3.75 percent
Inflation assumptions	3.25 percent
Cost of living adjustments	2.60 and 3.00 percent 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, 2011. The recommended assumption changes based on this experience study were adopted by OPF's Board and were effective beginning with the January 1, 2012 actuarial valuation.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

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, 2015 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Real Rate of Return **</u>	<u>30 Year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	6.50 %	7.80 %
Non-US Equity	16.00	6.70	8.00
Core Fixed Income *	20.00	3.50	5.35
Global Inflation			
Protected Securities *	20.00	3.50	4.73
High Yield	15.00	6.35	7.21
Real Estate	12.00	5.80	7.43
Private Markets	8.00	9.50	10.73
Timber	5.00	6.55	7.35
Master Limited Partnerships	8.00	9.65	10.75
Total	<u>120.00 %</u>		

* 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 percent. 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 percent. 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.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 percent, 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 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 24,823,364	\$ 18,821,741	\$ 13,737,788

NOTE 13 - POSTEMPLOYMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

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

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

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/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.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2016, 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 2016 was 2.00%.

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.

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 13 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2016, 2015, and 2014 were \$143,854, \$138,280, and \$137,413, respectively; 97.16% has been contributed for 2016 and 100% has been contributed for 2015 and 2014. The remaining 2016 post-employment health care benefits liability has been reported as an intergovernmental payable in 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.

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

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

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 13 - POSTEMPLOYMENT BENEFIT PLANS - (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2016 thru December 31, 2016. 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 \$14,322 and \$16,188 for the year ended December 31, 2016, \$14,184 and \$15,402 for the year ended December 31, 2015, and \$12,918 and \$15,091, for the year ended December 31, 2014. 100% has been contributed for 2015 and 2014. 97.49% has been contributed for police and 97.58% has been contributed for firefighters for 2016. The remaining 2016 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.

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 480-900 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 (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 AFSCME 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.

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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.

Net Change in Fund Balance

	<u>General</u>
Budget basis	\$ (427,549)
Net adjustment for revenue accruals	(206,412)
Net adjustment for expenditure accruals	191,913
Funds budgeted elsewhere	561,623
Adjustment for encumbrances	166,247
GAAP basis	\$ 285,822

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.

CITY OF BARBERTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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 2016, the City received \$42,816 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.

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, 2016.

B. Litigation

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

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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	\$ 75,179	\$ -	\$ 10,504	\$ 85,683
Total nonspendable	<u>75,179</u>	<u>-</u>	<u>10,504</u>	<u>85,683</u>
Restricted:				
Capital projects	-	1,098,128	-	1,098,128
Special assessments debt service	-	-	372,320	372,320
Street construction, maintenance and repair	-	-	639,564	639,564
Court	-	-	2,950,589	2,950,589
Recreation	-	-	1,410	1,410
Community development and improvement	-	-	149,208	149,208
Law enforcement	-	-	528,904	528,904
Police and fire pension	-	-	6,771	6,771
Fire capital	-	-	13,387	13,387
Total restricted	<u>-</u>	<u>1,098,128</u>	<u>4,662,153</u>	<u>5,760,281</u>
Committed:				
Insurance premiums	61,851	-	-	61,851
Street construction, maintenance and repair	-	-	16,409	16,409
Recreation	-	-	125,395	125,395
Law enforcement	-	-	14,010	14,010
Community development and improvement	-	-	170,304	170,304
Animal control	-	-	6,262	6,262
Capital projects	-	-	523,690	523,690
General obligation debt service	-	-	27,666	27,666
Total committed	<u>61,851</u>	<u>-</u>	<u>883,736</u>	<u>945,587</u>

-Continued

CITY OF BARBERTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 19 - FUND BALANCE - (Continued)

Fund balance (continued)	General	Street Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assigned:				
Subsequent year appropriations	1,057,724	-	-	1,057,724
Police operations	35,842	-	-	35,842
Fire operations	16,311	-	-	16,311
Parks and recreation	14,496	-	-	14,496
Community development and improvement	15,789	-	-	15,789
Capital expenditures	17,346	-	-	17,346
Other purposes	52,963	-	-	52,963
Total assigned	<u>1,210,471</u>	-	-	<u>1,210,471</u>
Unassigned (deficit)	<u>3,421,410</u>	-	<u>(54,914)</u>	<u>3,366,496</u>
Total fund balances	<u>\$ 4,768,911</u>	<u>\$ 1,098,128</u>	<u>\$ 5,501,479</u>	<u>\$ 11,368,518</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>	Year-End <u>Encumbrances</u>
General fund	\$ 158,247
Street capital improvement fund	687,413
Nonmajor governmental funds	<u>555,323</u>
Total	<u>\$ 1,400,983</u>

NOTE 21 - SUBSEQUENT EVENTS

On April 20, 2017, the City issued bond anticipation notes in the amount of \$1,540,000 for road repairs and improvements and \$500,000 for radio metering system equipment. The notes mature April 20, 2018 with interest at 1.49%.

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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 THREE YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>			
City's proportion of the net pension liability	0.052637%	0.053172%	0.053172%
City's proportionate share of the net pension liability	\$ 9,117,392	\$ 6,413,136	\$ 6,268,286
City's covered-employee payroll	\$ 6,116,500	\$ 6,547,517	\$ 6,862,777
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	149.06%	97.95%	91.34%
Plan fiduciary net position as a percentage of the total pension liability	81.08%	86.45%	86.36%
<i>Combined Plan:</i>			
City's proportion of the net pension asset	0.102640%	0.100251%	0.100251%
City's proportionate share of the net pension asset	\$ 49,946	\$ 38,599	\$ 10,519
City's covered-employee payroll	\$ 353,008	\$ 366,458	\$ 325,369
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	14.15%	10.53%	3.23%
Plan fiduciary net position as a percentage of the total pension asset	116.90%	114.83%	104.56%
<i>Member Directed Plan:</i>			
City's proportion of the net pension asset	0.011559%	n/a	n/a
City's proportionate share of the net pension asset	\$ 44	n/a	n/a
City's covered-employee payroll	\$ 64,375	n/a	n/a
City's proportionate share of the net pension asset as a percentage of its covered-employee payroll	0.07%	n/a	n/a
Plan fiduciary net position as a percentage of the total pension asset	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 THREE YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	0.29257800%	0.28618560%	0.28618560%
City's proportionate share of the net pension liability	\$ 18,821,741	\$ 14,825,607	\$ 13,938,137
City's covered-employee payroll	\$ 5,842,665	\$ 5,619,508	\$ 5,515,942
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	322.14%	263.82%	252.69%
Plan fiduciary net position as a percentage of the total pension liability	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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 801,274	\$ 733,980	\$ 785,702	\$ 892,161
Contributions in relation to the contractually required contribution	<u>(801,274)</u>	<u>(733,980)</u>	<u>(785,702)</u>	<u>(892,161)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 6,677,283	\$ 6,116,500	\$ 6,547,517	\$ 6,862,777
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 38,395	\$ 42,361	\$ 43,975	\$ 42,298
Contributions in relation to the contractually required contribution	<u>(38,395)</u>	<u>(42,361)</u>	<u>(43,975)</u>	<u>(42,298)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 319,958	\$ 353,008	\$ 366,458	\$ 325,369
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 8,251	\$ 7,725		
Contributions in relation to the contractually required contribution	<u>(8,251)</u>	<u>(7,725)</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>		
City's covered-employee payroll	\$ 68,758	\$ 64,375		
Contributions as a percentage of covered-employee payroll	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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 674,967	\$ 670,020	\$ 682,128	\$ 673,853	\$ 576,754	\$ 717,781
<u>(674,967)</u>	<u>(670,020)</u>	<u>(682,128)</u>	<u>(673,853)</u>	<u>(576,754)</u>	<u>(717,781)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,749,670	\$ 6,700,200	\$ 7,650,034	\$ 8,293,575	\$ 8,239,343	\$ 8,596,180
10.00%	10.00%	8.92%	8.13%	7.00%	8.35%
\$ 23,378	\$ 19,127	\$ 23,677			
<u>(23,378)</u>	<u>(19,127)</u>	<u>(23,677)</u>			
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
\$ 294,063	\$ 240,591	\$ 244,429			
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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Police:</i>				
Contractually required contribution	\$ 544,230	\$ 524,819	\$ 490,915	\$ 421,155
Contributions in relation to the contractually required contribution	<u>(544,230)</u>	<u>(524,819)</u>	<u>(490,915)</u>	<u>(421,155)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 2,864,368	\$ 2,762,205	\$ 2,583,763	\$ 2,651,553
Contributions as a percentage of covered-employee payroll	19.00%	19.00%	19.00%	15.88%
<i>Fire:</i>				
Contractually required contribution	\$ 760,854	\$ 723,908	\$ 713,400	\$ 583,858
Contributions in relation to the contractually required contribution	<u>(760,854)</u>	<u>(723,908)</u>	<u>(713,400)</u>	<u>(583,858)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 3,237,677	\$ 3,080,460	\$ 3,035,745	\$ 2,864,389
Contributions as a percentage of covered-employee payroll	23.50%	23.50%	23.50%	20.38%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 316,159	\$ 313,634	\$ 340,343	\$ 360,242	\$ 345,852	\$ 339,810
<u>(316,159)</u>	<u>(313,634)</u>	<u>(340,343)</u>	<u>(360,242)</u>	<u>(345,852)</u>	<u>(339,810)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,479,678	\$ 2,459,875	\$ 2,669,357	\$ 2,825,427	\$ 2,712,565	\$ 2,665,176
12.75%	12.75%	12.75%	12.75%	12.75%	12.75%
\$ 496,300	\$ 478,711	\$ 511,488	\$ 518,567	\$ 517,757	\$ 492,796
<u>(496,300)</u>	<u>(478,711)</u>	<u>(511,488)</u>	<u>(518,567)</u>	<u>(517,757)</u>	<u>(492,796)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,877,101	\$ 2,775,136	\$ 2,965,148	\$ 3,006,186	\$ 3,001,490	\$ 2,856,788
17.25%	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, 2016

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. 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.

Lake Cinema Complex Maintenance Fund

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

Project Impact Fund

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

CITY OF BARBERTON, OHIO

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Beautification Fund

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

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 FUNDS

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

Senior Center Construction Fund

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

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, 2016*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
Revenues:				
Property and other taxes	\$ 785,279	\$ 806,019	\$ 833,607	\$ 27,588
Municipal income taxes.	10,228,218	10,498,357	10,700,000	201,643
Charges for services.	1,426,072	1,463,736	1,414,924	(48,812)
Licenses and permits	476,472	489,057	536,675	47,618
Fines and forfeitures	78,384	80,455	77,745	(2,710)
Intergovernmental	1,450,844	1,489,162	1,483,573	(5,589)
Special assessments.	57,354	58,869	21,619	(37,250)
Investment income	86,032	88,304	174,754	86,450
Other	1,037,505	1,064,905	951,706	(113,199)
Total revenues.	15,626,160	16,038,864	16,194,603	155,739
Expenditures:				
Current:				
General government				
City council				
Personal services.	201,174	201,174	198,279	2,895
Operating.	12,912	12,912	10,832	2,080
Municipal court judges				
Personal services.	540,990	540,990	442,039	98,951
Operating.	19,909	19,909	13,724	6,185
Clerk of court				
Personal services.	789,910	789,910	700,921	88,989
Operating.	91,487	91,487	82,970	8,517
Mayor				
Personal services.	54,722	54,722	50,171	4,551
Operating.	29,626	29,626	15,407	14,219
Service director				
Personal services.	21,168	22,668	22,018	650
Operating.	286,045	304,045	301,767	2,278
Civil service commission				
Personal services.	8,822	8,822	8,065	757
Operating.	11,850	11,850	9,112	2,738
Finance department				
Personal services.	300,888	318,888	317,427	1,461
Operating.	93,261	93,261	91,908	1,353
Law department				
Personal services.	359,001	359,001	340,580	18,421
Operating.	146,279	166,279	139,093	27,186
Safety director				
Personal services.	35,240	36,040	35,650	390
Operating.	836,325	836,325	833,449	2,876
Human resources				
Personal services.	14,965	14,965	13,925	1,040
Operating.	55,875	60,475	38,353	22,122
Information systems				
Personal services.	67,905	67,905	42,829	25,076
Operating.	108,243	108,243	92,014	16,229

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, 2016*

	<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.	\$ 82,713	\$ 82,713	\$ 78,181	\$ 4,532
Operating.	181,570	181,570	162,534	19,036
Probation				
Personal services.	237,500	237,500	156,553	80,947
Operating.	9,270	9,270	5,435	3,835
Other				
Personal services.	61,500	61,500	56,573	4,927
Operating.	303,197	303,197	293,483	9,714
Total general government.	<u>4,962,347</u>	<u>5,025,247</u>	<u>4,553,292</u>	<u>471,955</u>
Public safety				
Police department				
Personal services.	4,650,793	4,670,793	4,655,256	15,537
Operating.	520,660	532,660	495,812	36,848
Fire department				
Personal services.	4,819,363	4,844,363	4,828,244	16,119
Operating.	344,125	351,284	345,870	5,414
Total public safety	<u>10,334,941</u>	<u>10,399,100</u>	<u>10,325,182</u>	<u>73,918</u>
Transportation				
Paint/signal				
Personal services.	87,122	87,122	86,810	312
Operating.	32,902	32,902	4,202	28,700
Total transportation.	<u>120,024</u>	<u>120,024</u>	<u>91,012</u>	<u>29,012</u>
Leisure time activities				
Parks administration				
Personal services.	228,165	228,165	224,253	3,912
Operating.	27,119	27,119	25,275	1,844
Senior center				
Personal services.	31,468	33,468	33,408	60
Operating.	34,668	34,668	34,253	415
Recreation programs				
Personal services.	15,569	18,469	18,445	24
Operating.	10,833	10,833	10,608	225
Parks maintenance				
Personal services.	372,927	372,927	322,741	50,186
Operating.	99,501	103,501	87,087	16,414
Total leisure time activities	<u>820,250</u>	<u>829,150</u>	<u>756,070</u>	<u>73,080</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, 2016*

	<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.	\$ 291,936	\$ 291,936	\$ 182,276	\$ 109,660
Operating.	71,353	71,353	56,216	15,137
Planning				
Personal services.	143,011	143,011	141,329	1,682
Operating.	104,123	104,123	71,114	33,009
Total community environment	<u>610,423</u>	<u>610,423</u>	<u>450,935</u>	<u>159,488</u>
Capital outlay				
Finance department.	34,927	34,927	34,927	-
Fire department.	345,455	345,455	345,455	-
Parks maintenance	30,000	30,000	29,010	990
Transportation	18,500	18,500	16,821	1,679
Total capital outlay	<u>428,882</u>	<u>428,882</u>	<u>426,213</u>	<u>2,669</u>
Debt service:				
Principal retirement.	33,265	33,265	33,240	25
Interest and fiscal charges	2,270	2,270	288	1,982
Total debt service	<u>35,535</u>	<u>35,535</u>	<u>33,528</u>	<u>2,007</u>
Total expenditures.	<u>17,312,402</u>	<u>17,448,361</u>	<u>16,636,232</u>	<u>812,129</u>
Excess of expenditures over revenues.	<u>(1,686,242)</u>	<u>(1,409,497)</u>	<u>(441,629)</u>	<u>967,868</u>
Other financing sources:				
Transfers in	13,456	13,812	14,080	268
Total other financing sources	<u>13,456</u>	<u>13,812</u>	<u>14,080</u>	<u>268</u>
Net change in fund balance	(1,672,786)	(1,395,685)	(427,549)	968,136
Fund balance at beginning of year.	2,428,070	2,428,070	2,428,070	-
Prior year encumbrances appropriated	580,314	580,314	580,314	-
Fund balance at end of year	<u>\$ 1,335,598</u>	<u>\$ 1,612,699</u>	<u>\$ 2,580,835</u>	<u>\$ 968,136</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INCOME TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Municipal income taxes	\$ 890,000	\$ 890,000	\$ 1,356,665	\$ 466,665
Intergovernmental	178,000	178,000	280,219	102,219
Total revenues.	<u>1,068,000</u>	<u>1,068,000</u>	<u>1,636,884</u>	<u>568,884</u>
Expenditures:				
Current:				
General government				
Operating	303,000	303,000	280,254	22,746
Total expenditures.	<u>303,000</u>	<u>303,000</u>	<u>280,254</u>	<u>22,746</u>
Excess of revenues over expenditures	<u>765,000</u>	<u>765,000</u>	<u>1,356,630</u>	<u>591,630</u>
Other financing uses:				
Transfers out	(764,000)	(787,922)	(787,922)	-
Total other financing uses	<u>(764,000)</u>	<u>(787,922)</u>	<u>(787,922)</u>	<u>-</u>
Net change in fund balance.	1,000	(22,922)	568,708	591,630
Fund balance at beginning of year	<u>110,863</u>	<u>110,863</u>	<u>110,863</u>	<u>-</u>
Fund balance at end of year	<u>\$ 111,863</u>	<u>\$ 87,941</u>	<u>\$ 679,571</u>	<u>\$ 591,630</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General government				
Operating	\$ 46,035	\$ 46,035	\$ 4,500	\$ 41,535
Total expenditures	<u>46,035</u>	<u>46,035</u>	<u>4,500</u>	<u>41,535</u>
Excess of expenditures over revenues	<u>(46,035)</u>	<u>(46,035)</u>	<u>(4,500)</u>	<u>41,535</u>
Other financing sources:				
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.	(6,035)	(6,035)	35,500	41,535
Fund balance at beginning of year	20,816	20,816	20,816	-
Prior year encumbrances appropriated . . .	<u>1,035</u>	<u>1,035</u>	<u>1,035</u>	<u>-</u>
Fund balance at end of year	<u>\$ 15,816</u>	<u>\$ 15,816</u>	<u>\$ 57,351</u>	<u>\$ 41,535</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 7,500	\$ 7,500	\$ 4,223	\$ (3,277)
Total revenues	<u>7,500</u>	<u>7,500</u>	<u>4,223</u>	<u>(3,277)</u>
Expenditures:				
Current:				
Community environment				
Operating	<u>200</u>	<u>200</u>	<u>199</u>	<u>1</u>
Total expenditures	<u>200</u>	<u>200</u>	<u>199</u>	<u>1</u>
Excess of revenues over expenditures	<u>7,300</u>	<u>7,300</u>	<u>4,024</u>	<u>(3,276)</u>
Other financing sources:				
Transfers in	<u>19,000</u>	<u>19,000</u>	<u>19,000</u>	<u>-</u>
Total other financing sources	<u>19,000</u>	<u>19,000</u>	<u>19,000</u>	<u>-</u>
Net change in fund balance	26,300	26,300	23,024	(3,276)
Fund balance at beginning of year	<u>579,764</u>	<u>579,764</u>	<u>579,764</u>	<u>-</u>
Fund balance at end of year	<u>\$ 606,064</u>	<u>\$ 606,064</u>	<u>\$ 602,788</u>	<u>\$ (3,276)</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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ 1,500	\$ 1,500	\$ 696	\$ (804)
Total revenues	1,500	1,500	696	(804)
Expenditures:				
Current:				
Public safety				
Operating	-	1,000	1,000	-
Total expenditures	-	1,000	1,000	-
Net change in fund balance	1,500	500	(304)	(804)
Fund balance at beginning of year	2,634	2,634	2,634	-
Fund balance at end of year	\$ 4,134	\$ 3,134	\$ 2,330	\$ (804)

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments.	\$ 4,486,534	\$ 399,986	\$ 523,690	\$ 5,410,210
Receivables:				
Property taxes.	414,680	-	-	414,680
Accounts	79,631	-	-	79,631
Intergovernmental	427,305	-	-	427,305
Prepayments	10,504	-	-	10,504
Total assets	<u>\$ 5,418,654</u>	<u>\$ 399,986</u>	<u>\$ 523,690</u>	<u>\$ 6,342,330</u>
Liabilities:				
Accounts payable	\$ 47,803	\$ -	\$ -	\$ 47,803
Contracts payable	18,526	-	-	18,526
Accrued wages and benefits payable.	29,382	-	-	29,382
Intergovernmental payable.	5,063	-	-	5,063
Due to other funds	77,389	-	-	77,389
Total liabilities	<u>178,163</u>	<u>-</u>	<u>-</u>	<u>178,163</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	385,106	-	-	385,106
Delinquent property tax revenue not available.	29,574	-	-	29,574
Intergovernmental revenue not available	248,008	-	-	248,008
Total deferred inflows of resources	<u>662,688</u>	<u>-</u>	<u>-</u>	<u>662,688</u>
Fund balances:				
Nonspendable	10,504	-	-	10,504
Restricted.	4,289,833	372,320	-	4,662,153
Committed	332,380	27,666	523,690	883,736
Unassigned (deficit)	(54,914)	-	-	(54,914)
Total fund balances	<u>4,577,803</u>	<u>399,986</u>	<u>523,690</u>	<u>5,501,479</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,418,654</u>	<u>\$ 399,986</u>	<u>\$ 523,690</u>	<u>\$ 6,342,330</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and other taxes	\$ 386,645	\$ -	\$ -	\$ 386,645
Charges for services	168,087	-	-	168,087
Fines and forfeitures	1,141,469	-	-	1,141,469
Intergovernmental	2,087,080	-	46,224	2,133,304
Special assessments	5,367	1,247	-	6,614
Investment income	3,067	-	3,394	6,461
Contributions and donations	22,977	-	-	22,977
Other	365,821	-	-	365,821
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	4,180,513	1,247	49,618	4,231,378
Expenditures:				
Current:				
General government	913,779	-	-	913,779
Public safety	268,398	-	-	268,398
Transportation	1,166,056	-	-	1,166,056
Community environment.	1,139,475	-	-	1,139,475
Leisure time activities	401,870	-	-	401,870
Capital outlay.	268,597	-	15,554	284,151
Debt service:				
Principal retirement.	350,148	-	-	350,148
Interest and fiscal charges	65,261	-	-	65,261
Debt issuance costs.	32,703	4,999	-	37,702
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	4,606,287	4,999	15,554	4,626,840
Excess (deficiency) of revenues over (under) expenditures	<hr/> (425,774) <hr/>	<hr/> (3,752) <hr/>	<hr/> 34,064 <hr/>	<hr/> (395,462) <hr/>
Other financing sources:				
Bonds issued	1,660,534	-	-	1,660,534
Sale of assets.	44,398	-	-	44,398
Payment to refunded bond escrow agent	(1,624,868)	-	-	(1,624,868)
Capital lease transaction	109,340	-	-	109,340
Transfers in.	628,922	-	100,000	728,922
Transfers out	-	-	(14,080)	(14,080)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources.	818,326	-	85,920	904,246
Net change in fund balances	392,552	(3,752)	119,984	508,784
Fund balances at beginning of year	<hr/> 4,185,251 <hr/>	<hr/> 403,738 <hr/>	<hr/> 403,706 <hr/>	<hr/> 4,992,695 <hr/>
Fund balances at end of year	<hr/> <u>\$ 4,577,803</u> <hr/>	<hr/> <u>\$ 399,986</u> <hr/>	<hr/> <u>\$ 523,690</u> <hr/>	<hr/> <u>\$ 5,501,479</u> <hr/>

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2016*

	Street Construction Maintenance and Repair	State Highway Improvement	Permissive License Tax	Residential Street
Assets:				
Equity in pooled cash and investments.	\$ 365,740	\$ 7,389	\$ 128,085	\$ 18,944
Receivables (net of allowances for uncollectibles):				
Property taxes.	-	-	-	-
Accounts	-	-	-	-
Intergovernmental.	313,036	25,381	-	-
Prepayments	10,358	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 689,134</u>	<u>\$ 32,770</u>	<u>\$ 128,085</u>	<u>\$ 18,944</u>
 Liabilities:				
Accounts payable	\$ 13,470	\$ -	\$ -	\$ -
Contracts payable	-	-	-	2,535
Accrued wages and benefits payable.	22,723	-	-	-
Intergovernmental payable.	3,876	32	-	-
Due to other funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>40,069</u>	<u>32</u>	<u>-</u>	<u>2,535</u>
 Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Intergovernmental revenue not available.	200,653	16,045	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	<u>200,653</u>	<u>16,045</u>	<u>-</u>	<u>-</u>
 Fund balances:				
Nonspendable	10,358	-	-	-
Restricted.	438,054	16,693	128,085	-
Committed	-	-	-	16,409
Unassigned (deficit)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances (deficits).	<u>448,412</u>	<u>16,693</u>	<u>128,085</u>	<u>16,409</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 689,134</u>	<u>\$ 32,770</u>	<u>\$ 128,085</u>	<u>\$ 18,944</u>

Fire Capital Levy	Animal Control	Probation Services	Court Special Projects Operating	Court Computer	Court Special Project
\$ 13,387	\$ 6,262	\$ 378,060	\$ 304,717	\$ 315,171	\$ 1,815,186
229,922	-	-	-	-	-
-	-	6,303	39,627	7,512	15,262
17,394	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 260,703</u>	<u>\$ 6,262</u>	<u>\$ 384,363</u>	<u>\$ 344,344</u>	<u>\$ 322,683</u>	<u>\$ 1,830,448</u>
\$ -	\$ -	\$ -	\$ 5,943	\$ 3,280	\$ 8,213
-	-	-	-	-	-
-	-	1,585	854	-	-
-	-	266	155	8	-
-	-	-	-	-	-
-	-	1,851	6,952	3,288	8,213
213,492	-	-	-	-	-
16,430	-	-	-	-	-
17,394	-	-	-	-	-
<u>247,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
13,387	-	382,512	337,392	319,395	1,822,235
-	6,262	-	-	-	-
-	-	-	-	-	-
<u>13,387</u>	<u>6,262</u>	<u>382,512</u>	<u>337,392</u>	<u>319,395</u>	<u>1,822,235</u>
<u>\$ 260,703</u>	<u>\$ 6,262</u>	<u>\$ 384,363</u>	<u>\$ 344,344</u>	<u>\$ 322,683</u>	<u>\$ 1,830,448</u>

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CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)
DECEMBER 31, 2016*

	Computer Legal Research	Indigent Drivers Alcohol Treatment	Sports Complex Operating	Parks Recreation Improvement
Assets:				
Equity in pooled cash and investments.	\$ 92,473	\$ 464,806	\$ 2,664	\$ 1,410
Receivables (net of allowances for uncollectibles):				
Property taxes.	-	-	-	-
Accounts	2,225	4,402	-	-
Intergovernmental.	-	-	-	-
Prepayments	-	-	-	-
Total assets	<u>\$ 94,698</u>	<u>\$ 469,208</u>	<u>\$ 2,664</u>	<u>\$ 1,410</u>
Liabilities:				
Accounts payable	\$ 5,643	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-
Accrued wages and benefits payable.	-	-	-	-
Intergovernmental payable.	-	-	8	-
Due to other funds	-	-	-	-
Total liabilities	<u>5,643</u>	<u>-</u>	<u>8</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Intergovernmental revenue not available.	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted.	89,055	469,208	-	1,410
Committed	-	-	2,656	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficits).	<u>89,055</u>	<u>469,208</u>	<u>2,656</u>	<u>1,410</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 94,698</u>	<u>\$ 469,208</u>	<u>\$ 2,664</u>	<u>\$ 1,410</u>

Gas and Oil Royalty	D.A.R.E. Program	Mandatory Drug Fines	Local Law Enforcement Trust	Parks Revolving Loan	Sidewalk Improvement Program
\$ 14,010	\$ 2,980	\$ 12,680	\$ 43,986	\$ 97,632	\$ 56,732
-	-	-	-	-	-
-	-	50	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 14,010</u>	<u>\$ 2,980</u>	<u>\$ 12,730</u>	<u>\$ 43,986</u>	<u>\$ 97,632</u>	<u>\$ 56,732</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	573	-
-	-	-	-	113	-
-	-	-	-	-	-
-	-	-	-	686	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
14,010	2,980	12,730	43,986	-	56,732
-	-	-	-	96,946	-
-	-	-	-	-	-
<u>14,010</u>	<u>2,980</u>	<u>12,730</u>	<u>43,986</u>	<u>96,946</u>	<u>56,732</u>
<u>\$ 14,010</u>	<u>\$ 2,980</u>	<u>\$ 12,730</u>	<u>\$ 43,986</u>	<u>\$ 97,632</u>	<u>\$ 56,732</u>

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CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)
DECEMBER 31, 2016*

	<u>City Grant</u>	<u>Rental Registration Program</u>	<u>Community Development Block Grant</u>	<u>Business Incentive Program</u>
Assets:				
Equity in pooled cash and investments.	\$ -	\$ 83,476	\$ 4,038	\$ 45,250
Receivables (net of allowances for uncollectibles):				
Property taxes.	-	-	-	-
Accounts	-	-	-	-
Intergovernmental.	-	-	57,578	-
Prepayments	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 83,476</u>	<u>\$ 61,616</u>	<u>\$ 45,250</u>
Liabilities:				
Accounts payable	\$ 11,254	\$ -	\$ -	\$ -
Contracts payable	5,491	-	10,500	-
Accrued wages and benefits payable.	-	438	2,296	-
Intergovernmental payable.	-	78	354	-
Due to other funds	38,169	-	39,220	-
Total liabilities	<u>54,914</u>	<u>516</u>	<u>52,370</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	-	-	-
Delinquent property tax revenue not available	-	-	-	-
Intergovernmental revenue not available.	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted.	-	-	9,246	-
Committed	-	82,960	-	45,250
Unassigned (deficit)	(54,914)	-	-	-
Total fund balances (deficits).	<u>(54,914)</u>	<u>82,960</u>	<u>9,246</u>	<u>45,250</u>
Total liabilities, deferred inflows of resources and fund balances.	<u>\$ -</u>	<u>\$ 83,476</u>	<u>\$ 61,616</u>	<u>\$ 45,250</u>

Tax Increment Financing	Vacation Property Registration	Project Impact	Beautification	Senior Center Trust	Fire Pension
\$ 33,082	\$ 37,987	\$ 28,407	\$ 79,063	\$ 26,146	\$ 1,573
-	-	-	-	-	92,379
-	4,250	-	-	-	-
-	-	-	-	-	6,958
-	-	-	-	146	-
<u>\$ 33,082</u>	<u>\$ 42,237</u>	<u>\$ 28,407</u>	<u>\$ 79,063</u>	<u>\$ 26,292</u>	<u>\$ 100,910</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	124	-	487	302	-
-	19	-	103	51	-
-	-	-	-	-	-
-	143	-	590	353	-
-	-	-	-	-	85,807
-	-	-	-	-	6,572
-	-	-	-	-	6,958
-	-	-	-	-	99,337
-	-	-	-	146	-
33,082	-	28,407	78,473	-	1,573
-	42,094	-	-	25,793	-
-	-	-	-	-	-
<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>\$ 33,082</u>	<u>\$ 42,237</u>	<u>\$ 28,407</u>	<u>\$ 79,063</u>	<u>\$ 26,292</u>	<u>\$ 100,910</u>

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CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)
DECEMBER 31, 2016*

	Police Pension	Total Nonmajor Special Revenue Funds
Assets:		
Equity in pooled cash and investments.	\$ 5,198	\$ 4,486,534
Receivables (net of allowances for uncollectibles):		
Property taxes.	92,379	414,680
Accounts	-	79,631
Intergovernmental.	6,958	427,305
Prepayments	-	10,504
	<hr/>	<hr/>
Total assets	<u>\$ 104,535</u>	<u>\$ 5,418,654</u>
 Liabilities:		
Accounts payable	\$ -	\$ 47,803
Contracts payable	-	18,526
Accrued wages and benefits payable.	-	29,382
Intergovernmental payable.	-	5,063
Due to other funds	-	77,389
	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>178,163</u>
 Deferred inflows of resources:		
Property taxes levied for the next fiscal year.	85,807	385,106
Delinquent property tax revenue not available	6,572	29,574
Intergovernmental revenue not available.	6,958	248,008
	<hr/>	<hr/>
Total deferred inflows of resources	<u>99,337</u>	<u>662,688</u>
 Fund balances:		
Nonspendable	-	10,504
Restricted.	5,198	4,289,833
Committed	-	332,380
Unassigned (deficit)	-	(54,914)
	<hr/>	<hr/>
Total fund balances (deficits).	<u>5,198</u>	<u>4,577,803</u>
 Total liabilities, deferred inflows of resources and fund balances.	<u>\$ 104,535</u>	<u>\$ 5,418,654</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, 2016*

	Street Construction Maintenance and Repair	State Highway Improvement	Permissive License Tax	Residential Street
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	846,320	55,808	68,211	-
Special assessments	-	-	-	3,002
Investment income	2,006	127	715	-
Contributions and donations	-	-	-	-
Other	4,798	-	-	-
Total revenues	853,124	55,935	68,926	3,002
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	1,081,107	55,802	47	14,225
Community environment.	-	-	-	-
Leisure time activities	-	-	-	-
Capital outlay.	33,749	-	-	29,852
Debt service:				
Principal retirement.	133,168	-	26,999	-
Interest and fiscal charges.	2,416	-	1,844	-
Debt issuance costs	-	-	-	-
Total expenditures	1,250,440	55,802	28,890	44,077
Excess (deficiency) of revenues over (under) expenditures	(397,316)	133	40,036	(41,075)
Other financing sources:				
Bonds issued	-	-	-	-
Capital lease transaction.	-	-	-	-
Sale of assets.	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	600,000	-	-	-
Total other financing sources	600,000	-	-	-
Net change in fund balances.	202,684	133	40,036	(41,075)
Fund balances (deficit) at beginning of year	245,728	16,560	88,049	57,484
Fund balances (deficit) at end of year	\$ 448,412	\$ 16,693	\$ 128,085	\$ 16,409

Fire Capital Levy	Animal Control	Probation Services	Court Special Projects Operating	Court Computer	Court Special Project
\$ 214,189	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	849	111,975	592,179	114,159	224,734
35,004	-	145,934	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>249,193</u>	<u>849</u>	<u>257,909</u>	<u>592,179</u>	<u>114,159</u>	<u>224,734</u>
-	-	94,820	726,664	47,361	8,213
44,179	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
26,193	-	-	-	39,064	-
151,583	-	-	-	-	-
60,767	-	-	-	-	-
32,703	-	-	-	-	-
<u>315,425</u>	<u>-</u>	<u>94,820</u>	<u>726,664</u>	<u>86,425</u>	<u>8,213</u>
<u>(66,232)</u>	<u>849</u>	<u>163,089</u>	<u>(134,485)</u>	<u>27,734</u>	<u>216,521</u>
1,660,534	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(1,624,868)	-	-	-	-	-
-	-	-	-	-	-
<u>35,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(30,566)</u>	<u>849</u>	<u>163,089</u>	<u>(134,485)</u>	<u>27,734</u>	<u>216,521</u>
<u>43,953</u>	<u>5,413</u>	<u>219,423</u>	<u>471,877</u>	<u>291,661</u>	<u>1,605,714</u>
<u>\$ 13,387</u>	<u>\$ 6,262</u>	<u>\$ 382,512</u>	<u>\$ 337,392</u>	<u>\$ 319,395</u>	<u>\$ 1,822,235</u>

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CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016*

	Computer Legal Research	Indigent Drivers Alcohol Treatment	Sports Complex Operating	Parks Recreation Improvement
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	56,358	-
Fines and forfeitures	31,837	64,871	-	-
Intergovernmental	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	-	-	4
Contributions and donations	-	-	-	-
Other	-	-	-	2,170
Total revenues	31,837	64,871	56,358	2,174
Expenditures:				
Current:				
General government	10,103	22,686	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Community environment.	-	-	-	-
Leisure time activities	-	-	72,923	2,502
Capital outlay.	-	-	-	-
Debt service:				
Principal retirement.	-	-	-	-
Interest and fiscal charges.	-	-	-	-
Debt issuance costs	-	-	-	-
Total expenditures	10,103	22,686	72,923	2,502
Excess (deficiency) of revenues over (under) expenditures	21,734	42,185	(16,565)	(328)
Other financing sources:				
Bonds issued	-	-	-	-
Capital lease transaction.	-	-	-	-
Sale of assets.	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	-	11,922	12,000	-
Total other financing sources	-	11,922	12,000	-
Net change in fund balances.	21,734	54,107	(4,565)	(328)
Fund balances (deficit) at beginning of year	67,321	415,101	7,221	1,738
Fund balances (deficit) at end of year	\$ 89,055	\$ 469,208	\$ 2,656	\$ 1,410

Gas and Oil Royalty	D.A.R.E. Program	Mandatory Drug Fines	Local Law Enforcement Trust	Parks Revolving Loan	Sidewalk Improvement Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	56,453	-
-	-	865	-	-	-
-	-	-	-	11,542	-
-	-	-	-	-	2,365
-	-	-	-	-	-
-	-	-	-	14,757	-
1,250	200	-	-	151,705	1,018
1,250	200	865	-	234,457	3,383
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	14,875
-	-	-	-	-	-
-	-	-	-	150,626	-
-	-	-	99,637	-	406
-	-	-	30,611	-	-
-	-	-	205	-	-
-	-	-	-	-	-
-	-	-	130,453	150,626	15,281
1,250	200	865	(130,453)	83,831	(11,898)
-	-	-	-	-	-
-	-	-	89,398	-	-
-	-	-	44,398	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	133,796	-	-
1,250	200	865	3,343	83,831	(11,898)
12,760	2,780	11,865	40,643	13,115	68,630
\$ 14,010	\$ 2,980	\$ 12,730	\$ 43,986	\$ 96,946	\$ 56,732

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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, 2016*

	<u>City Grant</u>	<u>FEMA</u>	<u>Rental Registration Program</u>	<u>Community Development Block Grant</u>
Revenues:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	34,947	-
Fines and forfeitures	-	-	-	-
Intergovernmental	218,351	-	-	601,873
Special assessments	-	-	-	-
Investment income	-	-	-	-
Contributions and donations	-	-	-	-
Other	-	-	-	44,069
Total revenues	<u>218,351</u>	<u>-</u>	<u>34,947</u>	<u>645,942</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	31,219	-	-
Transportation	-	-	-	-
Community environment.	238,972	-	26,363	528,624
Leisure time activities	-	-	-	-
Capital outlay.	19,754	-	-	19,942
Debt service:				
Principal retirement.	-	-	-	7,787
Interest and fiscal charges.	-	-	-	29
Debt issuance costs	-	-	-	-
Total expenditures	<u>258,726</u>	<u>31,219</u>	<u>26,363</u>	<u>556,382</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,375)</u>	<u>(31,219)</u>	<u>8,584</u>	<u>89,560</u>
Other financing sources:				
Bonds issued	-	-	-	-
Capital lease transaction.	-	-	-	19,942
Sale of assets.	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,942</u>
Net change in fund balances.	<u>(40,375)</u>	<u>(31,219)</u>	<u>8,584</u>	<u>109,502</u>
Fund balances (deficit) at beginning of year	<u>(14,539)</u>	<u>31,219</u>	<u>74,376</u>	<u>(100,256)</u>
Fund balances (deficit) at end of year	<u><u>\$ (54,914)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 82,960</u></u>	<u><u>\$ 9,246</u></u>

Business Incentive Program	Tax Increment Financing	Vacant Property Registration	Lake Cinema Complex Maintenance	Project Impact	Beautification
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	75,448	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20,250	-	-	-	-	140,359
<u>20,250</u>	<u>75,448</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,359</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	117,560	227,706	-	250	-
-	-	-	2,474	-	138,237
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>117,560</u>	<u>227,706</u>	<u>2,474</u>	<u>250</u>	<u>138,237</u>
20,250	(42,112)	(227,706)	(2,474)	(250)	2,122
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	5,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
20,250	(42,112)	(227,706)	(2,474)	(250)	7,122
25,000	75,194	269,800	2,474	28,657	71,351
<u>\$ 45,250</u>	<u>\$ 33,082</u>	<u>\$ 42,094</u>	<u>\$ -</u>	<u>\$ 28,407</u>	<u>\$ 78,473</u>

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CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016*

	Senior Center Trust	Fire Pension	Police Pension	Total Nonmajor Special Revenue Funds
Revenues:				
Property and other taxes	\$ -	\$ 86,228	\$ 86,228	\$ 386,645
Charges for services	20,329	-	-	168,087
Fines and forfeitures	-	-	-	1,141,469
Intergovernmental	-	14,132	14,457	2,087,080
Special assessments	-	-	-	5,367
Investment income	215	-	-	3,067
Contributions and donations	8,220	-	-	22,977
Other	2	-	-	365,821
Total revenues	28,766	100,360	100,685	4,180,513
Expenditures:				
Current:				
General government	-	1,966	1,966	913,779
Public safety	-	98,000	95,000	268,398
Transportation	-	-	-	1,166,056
Community environment.	-	-	-	1,139,475
Leisure time activities	35,108	-	-	401,870
Capital outlay.	-	-	-	268,597
Debt service:				
Principal retirement.	-	-	-	350,148
Interest and fiscal charges.	-	-	-	65,261
Debt issuance costs	-	-	-	32,703
Total expenditures	35,108	99,966	96,966	4,606,287
Excess (deficiency) of revenues over (under) expenditures	(6,342)	394	3,719	(425,774)
Other financing sources:				
Bonds issued	-	-	-	1,660,534
Capital lease transaction.	-	-	-	109,340
Sale of assets.	-	-	-	44,398
Payment to refunded bond escrow agent	-	-	-	(1,624,868)
Transfers in	-	-	-	628,922
Total other financing sources	-	-	-	818,326
Net change in fund balances.	(6,342)	394	3,719	392,552
Fund balances (deficit) at beginning of year	32,281	1,179	1,479	4,185,251
Fund balances (deficit) at end of year	\$ 25,939	\$ 1,573	\$ 5,198	\$ 4,577,803

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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 865,000	\$ 865,000	\$ 826,344	\$ (38,656)
Investment income	75	75	2,006	1,931
Other	15,000	15,000	4,798	(10,202)
Total revenues.	<u>880,075</u>	<u>880,075</u>	<u>833,148</u>	<u>(46,927)</u>
Expenditures:				
Current:				
Transportation				
Personal services	912,571	912,571	764,824	147,747
Operating	549,743	542,243	429,232	113,011
Capital outlay	33,000	40,500	40,029	471
Debt service:				
Principal retirement	133,185	133,185	133,168	17
Interest and fiscal charges	7,160	7,160	2,416	4,744
Total expenditures	<u>1,635,659</u>	<u>1,635,659</u>	<u>1,369,669</u>	<u>265,990</u>
Excess of expenditures over revenues	<u>(755,584)</u>	<u>(755,584)</u>	<u>(536,521)</u>	<u>219,063</u>
Other financing sources:				
Transfers in.	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Total other financing sources.	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Net change in fund balance.	(155,584)	(155,584)	63,479	219,063
Fund balance at beginning of year	189,767	189,767	189,767	-
Prior year encumbrances appropriated . . .	<u>61,859</u>	<u>61,859</u>	<u>61,859</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 96,042</u>	<u>\$ 96,042</u>	<u>\$ 315,105</u>	<u>\$ 219,063</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 55,000	\$ 55,000	\$ 53,964	\$ (1,036)
Investment income	70	70	127	57
Total revenues.	<u>55,070</u>	<u>55,070</u>	<u>54,091</u>	<u>(979)</u>
Expenditures:				
Current:				
Transportation				
Personal services	57,300	57,300	57,049	251
Operating	<u>25</u>	<u>25</u>	<u>8</u>	<u>17</u>
Total expenditures.	<u>57,325</u>	<u>57,325</u>	<u>57,057</u>	<u>268</u>
Net change in fund balance	(2,255)	(2,255)	(2,966)	(711)
Fund balance at beginning of year.	<u>8,778</u>	<u>8,778</u>	<u>8,778</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,523</u>	<u>\$ 6,523</u>	<u>\$ 5,812</u>	<u>\$ (711)</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 150,000	\$ 50,000	\$ 68,211	\$ 18,211
Investment income	100	100	715	615
Total revenues.	<u>150,100</u>	<u>50,100</u>	<u>68,926</u>	<u>18,826</u>
Expenditures:				
Current:				
Transportation				
Operating.	38,159	8,159	48	8,111
Debt service:				
Principal retirement.	27,020	27,020	26,999	21
Interest and fiscal charges.	<u>1,850</u>	<u>1,850</u>	<u>1,844</u>	<u>6</u>
Total expenditures.	<u>67,029</u>	<u>37,029</u>	<u>28,891</u>	<u>8,138</u>
Net change in fund balance	83,071	13,071	40,035	26,964
Fund balance at beginning of year.	79,991	79,991	79,991	-
Prior year encumbrances appropriated	<u>8,059</u>	<u>8,059</u>	<u>8,059</u>	<u>-</u>
Fund balance at end of year	<u>\$ 171,121</u>	<u>\$ 101,121</u>	<u>\$ 128,085</u>	<u>\$ 26,964</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessments	\$ 7,500	\$ 3,002	\$ 3,002	\$ -
Total revenues	<u>7,500</u>	<u>3,002</u>	<u>3,002</u>	<u>-</u>
Expenditures:				
Current:				
Transportation				
Operating	25,356	25,356	23,732	1,624
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>29,853</u>	<u>147</u>
Total expenditures	<u>55,356</u>	<u>55,356</u>	<u>53,585</u>	<u>1,771</u>
Net change in fund balance.	(47,856)	(52,354)	(50,583)	1,771
Fund balance at beginning of year	32,128	32,128	32,128	-
Prior year encumbrances appropriated . . .	<u>25,356</u>	<u>25,356</u>	<u>25,356</u>	<u>-</u>
Fund balance at end of year	<u>\$ 9,628</u>	<u>\$ 5,130</u>	<u>\$ 6,901</u>	<u>\$ 1,771</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, 2016*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other taxes	\$ 201,389	\$ 201,389	\$ 214,189	\$ 12,800
Intergovernmental.	47,065	47,065	35,004	(12,061)
Total revenues	<u>248,454</u>	<u>248,454</u>	<u>249,193</u>	<u>739</u>
Expenditures:				
Current:				
Public safety				
Operating	50,382	50,382	49,261	1,121
Capital outlay	33,000	33,000	26,193	6,807
Debt service:				
Principal retirement	137,190	137,190	151,583	(14,393)
Interest and fiscal charges	77,775	77,775	60,767	17,008
Debt issue costs	-	-	32,703	(32,703)
Total expenditures	<u>298,347</u>	<u>298,347</u>	<u>320,507</u>	<u>(22,160)</u>
Excess of expenditures over revenues	<u>(49,893)</u>	<u>(49,893)</u>	<u>(71,314)</u>	<u>(21,421)</u>
Other financing sources (uses):				
Bonds issued	-	1,660,534	1,660,534	-
Payment to refunded bond escrow agent.	-	(1,624,868)	(1,624,868)	-
Total other financing sources (uses)	<u>-</u>	<u>35,666</u>	<u>35,666</u>	<u>-</u>
Net change in fund balance	(49,893)	(14,227)	(35,648)	(21,421)
Fund balance at beginning of year.	4,653	4,653	4,653	-
Prior year encumbrances appropriated	<u>44,382</u>	<u>44,382</u>	<u>44,382</u>	<u>-</u>
Fund balance at end of year	<u>\$ (858)</u>	<u>\$ 34,808</u>	<u>\$ 13,387</u>	<u>\$ (21,421)</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures.	\$ 600	\$ 600	\$ 849	\$ 249
Total revenues.	<u>600</u>	<u>600</u>	<u>849</u>	<u>249</u>
Net change in fund balance	600	600	849	249
Fund balance at beginning of year.	<u>5,413</u>	<u>5,413</u>	<u>5,413</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,013</u>	<u>\$ 6,013</u>	<u>\$ 6,262</u>	<u>\$ 249</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 125,000	\$ 125,000	\$ 114,200	\$ (10,800)
Intergovernmental.	162,226	212,926	145,934	(66,992)
Total revenues	<u>287,226</u>	<u>337,926</u>	<u>260,134</u>	<u>(77,792)</u>
Expenditures:				
Current:				
General government				
Personal services	79,845	89,845	88,656	1,189
Operating	<u>71,250</u>	<u>71,250</u>	<u>10,371</u>	<u>60,879</u>
Total expenditures.	<u>151,095</u>	<u>161,095</u>	<u>99,027</u>	<u>62,068</u>
Net change in fund balance	136,131	176,831	161,107	(15,724)
Fund balance at beginning of year.	209,911	209,911	209,911	-
Prior year encumbrances appropriated . . .	<u>1,250</u>	<u>1,250</u>	<u>1,250</u>	<u>-</u>
Fund balance at end of year	<u>\$ 347,292</u>	<u>\$ 387,992</u>	<u>\$ 372,268</u>	<u>\$ (15,724)</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 104,875	\$ 104,875	\$ 114,691	\$ 9,816
Intergovernmental.	-	-	-	-
Total revenues	<u>104,875</u>	<u>104,875</u>	<u>114,691</u>	<u>9,816</u>
Expenditures:				
Current:				
General government				
Personal services	-	265	261	4
Operating	325,270	284,250	44,855	239,395
Capital outlay	-	41,020	39,064	1,956
Total expenditures.	<u>325,270</u>	<u>325,535</u>	<u>84,180</u>	<u>241,355</u>
Net change in fund balance	(220,395)	(220,660)	30,511	251,171
Fund balance at beginning of year.	283,466	283,466	283,466	-
Prior year encumbrances appropriated . . .	<u>80</u>	<u>80</u>	<u>80</u>	<u>-</u>
Fund balance at end of year	<u>\$ 63,151</u>	<u>\$ 62,886</u>	<u>\$ 314,057</u>	<u>\$ 251,171</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 215,000	\$ 215,000	\$ 225,918	\$ 10,918
Total revenues	<u>215,000</u>	<u>215,000</u>	<u>225,918</u>	<u>10,918</u>
Expenditures:				
Current:				
General government				
Operating	<u>1,000,000</u>	<u>1,000,000</u>	<u>17,800</u>	<u>982,200</u>
Total expenditures.	<u>1,000,000</u>	<u>1,000,000</u>	<u>17,800</u>	<u>982,200</u>
Net change in fund balance	(785,000)	(785,000)	208,118	993,118
Fund balance at beginning of year.	<u>1,589,268</u>	<u>1,589,268</u>	<u>1,589,268</u>	<u>-</u>
Fund balance at end of year	<u>\$ 804,268</u>	<u>\$ 804,268</u>	<u>\$ 1,797,386</u>	<u>\$ 993,118</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INDIGENT DRIVERS ALCOHOL TREATMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 72,078	\$ 72,078	\$ 63,455	\$ (8,623)
Total revenues	<u>72,078</u>	<u>72,078</u>	<u>63,455</u>	<u>(8,623)</u>
Expenditures:				
Current:				
General government				
Operating	183,160	183,160	104,204	78,956
Total expenditures	<u>183,160</u>	<u>183,160</u>	<u>104,204</u>	<u>78,956</u>
Excess of expenditures over revenues	<u>(111,082)</u>	<u>(111,082)</u>	<u>(40,749)</u>	<u>70,333</u>
Other financing sources:				
Transfers in	11,922	11,922	11,922	-
Total other financing sources	<u>11,922</u>	<u>11,922</u>	<u>11,922</u>	<u>-</u>
Net change in fund balance.	(99,160)	(99,160)	(28,827)	70,333
Fund balance at beginning of year	403,955	403,955	403,955	-
Prior year encumbrances appropriated	<u>8,160</u>	<u>8,160</u>	<u>8,160</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 312,955</u></u>	<u><u>\$ 312,955</u></u>	<u><u>\$ 383,288</u></u>	<u><u>\$ 70,333</u></u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPORTS COMPLEX OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 62,500	\$ 62,500	\$ 56,358	\$ (6,142)
Total revenues	<u>62,500</u>	<u>62,500</u>	<u>56,358</u>	<u>(6,142)</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services.	14,454	17,454	17,102	352
Operating.	<u>55,375</u>	<u>58,375</u>	<u>57,551</u>	<u>824</u>
Total expenditures	<u>69,829</u>	<u>75,829</u>	<u>74,653</u>	<u>1,176</u>
Excess of expenditures over revenues	<u>(7,329)</u>	<u>(13,329)</u>	<u>(18,295)</u>	<u>(4,966)</u>
Other financing sources:				
Transfers in	-	12,000	12,000	-
Total other financing sources	<u>-</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Net change in fund balance	(7,329)	(1,329)	(6,295)	(4,966)
Fund balance at beginning of year	7,221	7,221	7,221	-
Prior year encumbrances appropriated	<u>125</u>	<u>125</u>	<u>125</u>	<u>-</u>
Fund balance at end of year	<u>\$ 17</u>	<u>\$ 6,017</u>	<u>\$ 1,051</u>	<u>\$ (4,966)</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 75	\$ 75	\$ 4	\$ (71)
Other	20,000	1,706	2,170	464
Total revenues	<u>20,075</u>	<u>1,781</u>	<u>2,174</u>	<u>393</u>
Expenditures:				
Current:				
Leisure time activities				
Operating	6,075	2,781	2,502	279
Capital outlay	15,000	-	-	-
Total expenditures	<u>21,075</u>	<u>2,781</u>	<u>2,502</u>	<u>279</u>
Net change in fund balance	(1,000)	(1,000)	(328)	672
Fund balance at beginning of year	738	738	738	-
Prior year encumbrances appropriated. . .	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 738</u>	<u>\$ 738</u>	<u>\$ 1,410</u>	<u>\$ 672</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GAS AND OIL ROYALTY FUND
FOR THE YEAR ENDED DECEMBER 31, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 1,500	\$ 1,500	\$ 1,250	\$ (250)
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>1,250</u>	<u>(250)</u>
Expenditures:				
Current:				
Community environment				
Operating	12,000	12,000	-	12,000
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>12,000</u>
Net change in fund balance.	(10,500)	(10,500)	1,250	11,750
Fund balance at beginning of year	<u>12,760</u>	<u>12,760</u>	<u>12,760</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,260</u>	<u>\$ 2,260</u>	<u>\$ 14,010</u>	<u>\$ 11,750</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ -	\$ -	\$ 200	\$ 200
Total revenues	-	-	200	200
Expenditures:				
Current:				
Public safety				
Operating	2,000	2,000	-	2,000
Total expenditures	2,000	2,000	-	2,000
Net change in fund balance.	(2,000)	(2,000)	200	2,200
Fund balance at beginning of year	<u>2,780</u>	<u>2,780</u>	<u>2,780</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 780</u>	<u>\$ 780</u>	<u>\$ 2,980</u>	<u>\$ 2,200</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 750	\$ 750	\$ 1,015	\$ 265
Total revenues	<u>750</u>	<u>750</u>	<u>1,015</u>	<u>265</u>
Expenditures:				
Current:				
Public safety				
Operating	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Total expenditures	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Net change in fund balance.	(6,750)	(6,750)	1,015	7,765
Fund balance at beginning of year	<u>11,665</u>	<u>11,665</u>	<u>11,665</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 4,915</u>	<u>\$ 4,915</u>	<u>\$ 12,680</u>	<u>\$ 7,765</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Public safety				
Operating.	\$ 4,500	\$ 4,500	\$ -	\$ 4,500
Capital outlay.	40,739	10,239	10,239	-
Debt service:				
Principal retirement.	-	30,615	30,611	4
Interest and fiscal charges.	-	205	205	-
Total expenditures.	<u>45,239</u>	<u>45,559</u>	<u>41,055</u>	<u>4,504</u>
Excess of expenditures over revenues.	<u>(45,239)</u>	<u>(45,559)</u>	<u>(41,055)</u>	<u>4,504</u>
Other financing sources:				
Sale of assets	<u>12,750</u>	<u>12,750</u>	<u>44,398</u>	<u>31,648</u>
Total other financing sources.	<u>12,750</u>	<u>12,750</u>	<u>44,398</u>	<u>31,648</u>
Net change in fund balance.	(32,489)	(32,809)	3,343	36,152
Fund balance at beginning of year	30,404	30,404	30,404	-
Prior year encumbrances appropriated	<u>10,239</u>	<u>10,239</u>	<u>10,239</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 8,154</u>	<u>\$ 7,834</u>	<u>\$ 43,986</u>	<u>\$ 36,152</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services.	\$ 43,000	\$ 43,000	\$ 56,453	\$ 13,453
Intergovernmental.	12,543	12,543	11,542	(1,001)
Contributions and donations.	30,717	30,717	14,757	(15,960)
Other	145,990	145,990	151,705	5,715
Total revenues.	<u>232,250</u>	<u>232,250</u>	<u>234,457</u>	<u>2,207</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services	38,544	39,744	39,741	3
Operating	<u>117,582</u>	<u>117,582</u>	<u>115,561</u>	<u>2,021</u>
Total expenditures.	<u>156,126</u>	<u>157,326</u>	<u>155,302</u>	<u>2,024</u>
Net change in fund balance	76,124	74,924	79,155	4,231
Fund balance at beginning of year.	13,217	13,217	13,217	-
Prior year encumbrances appropriated	<u>1,039</u>	<u>1,039</u>	<u>1,039</u>	<u>-</u>
Fund balance at end of year	<u>\$ 90,380</u>	<u>\$ 89,180</u>	<u>\$ 93,411</u>	<u>\$ 4,231</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessment	\$ 3,500	\$ 3,500	\$ 2,365	\$ (1,135)
Other	-	-	1,018	1,018
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>3,383</u>	<u>(117)</u>
Expenditures:				
Current:				
Transportation				
Operating	20,000	20,000	14,875	5,125
Capital outlay	<u>19,510</u>	<u>19,510</u>	<u>3,181</u>	<u>16,329</u>
Total expenditures	<u>39,510</u>	<u>39,510</u>	<u>18,056</u>	<u>21,454</u>
Net change in fund balance.	(36,010)	(36,010)	(14,673)	21,337
Fund balance at beginning of year	64,120	64,120	64,120	-
Prior year encumbrances appropriated . . .	<u>4,510</u>	<u>4,510</u>	<u>4,510</u>	<u>-</u>
Fund balance at end of year	<u>\$ 32,620</u>	<u>\$ 32,620</u>	<u>\$ 53,957</u>	<u>\$ 21,337</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 400,000	\$ 540,431	\$ 218,351	\$ (322,080)
Total revenues.	<u>400,000</u>	<u>540,431</u>	<u>218,351</u>	<u>(322,080)</u>
Expenditures:				
Current:				
Community environment				
Operating	466,064	547,064	547,064	-
Capital outlay	-	26,826	26,690	136
Total expenditures	<u>466,064</u>	<u>573,890</u>	<u>573,754</u>	<u>136</u>
Net change in fund balance.	(66,064)	(33,459)	(355,403)	(321,944)
Fund balance (deficit) at beginning of year .	(80,603)	(80,603)	(80,603)	-
Prior year encumbrances appropriated . . .	<u>66,064</u>	<u>66,064</u>	<u>66,064</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (80,603)</u>	<u>\$ (47,998)</u>	<u>\$ (369,942)</u>	<u>\$ (321,944)</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, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Public safety				
Operating.	\$ 47,316	\$ 47,316	\$ 47,316	\$ -
Total expenditures	<u>47,316</u>	<u>47,316</u>	<u>47,316</u>	<u>-</u>
Net change in fund balance	(47,316)	(47,316)	(47,316)	-
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated . . .	<u>47,316</u>	<u>47,316</u>	<u>47,316</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RENTAL REGISTRATION PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 60,000	\$ 60,000	\$ 34,947	\$ (25,053)
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>34,947</u>	<u>(25,053)</u>
Expenditures:				
Current:				
Community environment				
Personal services	37,243	37,243	25,529	11,714
Operating	<u>20,350</u>	<u>20,350</u>	<u>1,065</u>	<u>19,285</u>
Total expenditures	<u>57,593</u>	<u>57,593</u>	<u>26,594</u>	<u>30,999</u>
Net change in fund balance.	2,407	2,407	8,353	5,946
Fund balance at beginning of year	<u>74,559</u>	<u>74,559</u>	<u>74,559</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 76,966</u>	<u>\$ 76,966</u>	<u>\$ 82,912</u>	<u>\$ 5,946</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,742,989	\$ 1,432,012	\$ 619,086	\$ (812,926)
Other	-	-	45,856	45,856
Total revenues	<u>1,742,989</u>	<u>1,432,012</u>	<u>664,942</u>	<u>(767,070)</u>
Expenditures:				
Current:				
Community environment				
Operating	<u>759,100</u>	<u>1,453,990</u>	<u>731,236</u>	<u>722,754</u>
Total expenditures	<u>759,100</u>	<u>1,453,990</u>	<u>731,236</u>	<u>722,754</u>
Net change in fund balance.	983,889	(21,978)	(66,294)	(44,316)
Fund balance (deficit) at beginning of year. .	(383,888)	(383,888)	(383,888)	-
Prior year encumbrances appropriated . . .	<u>314,028</u>	<u>314,028</u>	<u>314,028</u>	-
Fund balance (deficit) at end of year	<u>\$ 914,029</u>	<u>\$ (91,838)</u>	<u>\$ (136,154)</u>	<u>\$ (44,316)</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ 73,100	\$ 73,100	\$ 75,448	\$ 2,348
Total revenues.	<u>73,100</u>	<u>73,100</u>	<u>75,448</u>	<u>2,348</u>
Expenditures:				
Current:				
Community environment				
Operating.	203,500	203,500	180,878	22,622
Total expenditures	<u>203,500</u>	<u>203,500</u>	<u>180,878</u>	<u>22,622</u>
Net change in fund balance	(130,400)	(130,400)	(105,430)	24,970
Fund balance at beginning of year	<u>137,314</u>	<u>137,314</u>	<u>137,314</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 6,914</u>	<u>\$ 6,914</u>	<u>\$ 31,884</u>	<u>\$ 24,970</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAKE CINEMA COMPLEX MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Leisure time activity				
Operating	\$ 2,474	\$ 2,474	\$ 2,474	\$ -
Total expenditures	<u>2,474</u>	<u>2,474</u>	<u>2,474</u>	<u>-</u>
Net change in fund balance	(2,474)	(2,474)	(2,474)	-
Fund balance at beginning of year	<u>2,474</u>	<u>2,474</u>	<u>2,474</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PROJECT IMPACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Community environment				
Operating	\$ 10,517	\$ 10,767	\$ 2,645	\$ 8,122
Total expenditures	<u>10,517</u>	<u>10,767</u>	<u>2,645</u>	<u>8,122</u>
Net change in fund balance.	(10,517)	(10,767)	(2,645)	8,122
Fund balance at beginning of year	20,535	20,535	20,535	-
Prior year encumbrances appropriated . . .	<u>10,517</u>	<u>10,517</u>	<u>10,517</u>	-
Fund balance at end of year	<u>\$ 20,535</u>	<u>\$ 20,285</u>	<u>\$ 28,407</u>	<u>\$ 8,122</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, 2016*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Other.	\$ 121,000	\$ 136,000	\$ 140,359	\$ 4,359
Total revenues.	<u>121,000</u>	<u>136,000</u>	<u>140,359</u>	<u>4,359</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services	61,042	61,042	58,287	2,755
Operating	<u>81,558</u>	<u>91,558</u>	<u>84,037</u>	<u>7,521</u>
Total expenditures.	<u>142,600</u>	<u>152,600</u>	<u>142,324</u>	<u>10,276</u>
Excess of expenditures over revenues.	<u>(21,600)</u>	<u>(16,600)</u>	<u>(1,965)</u>	<u>14,635</u>
Other financing sources:				
Transfers in.	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total other financing sources.	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balance.	(16,600)	(11,600)	3,035	14,635
Fund balance at beginning of year	68,435	68,435	68,435	-
Prior year encumbrances appropriated	<u>3,858</u>	<u>3,858</u>	<u>3,858</u>	<u>-</u>
Fund balance at end of year	<u>\$ 55,693</u>	<u>\$ 60,693</u>	<u>\$ 75,328</u>	<u>\$ 14,635</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SENIOR CENTER TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 21,500	\$ 21,500	\$ 20,329	\$ (1,171)
Investment income	120	120	215	95
Contributions and donations	8,750	8,750	8,220	(530)
Other	10,500	10,500	2	(10,498)
Total revenues.	<u>40,870</u>	<u>40,870</u>	<u>28,766</u>	<u>(12,104)</u>
Expenditures:				
Current:				
Leisure time activities				
Personal services	9,636	11,636	11,180	456
Operating	30,126	30,126	25,543	4,583
Capital outlay	5,000	5,000	-	5,000
Total expenditures	<u>44,762</u>	<u>46,762</u>	<u>36,723</u>	<u>10,039</u>
Net change in fund balance.	(3,892)	(5,892)	(7,957)	(2,065)
Fund balance at beginning of year	31,485	31,485	31,485	-
Prior year encumbrances appropriated . . .	743	743	743	-
Fund balance at end of year	<u>\$ 28,336</u>	<u>\$ 26,336</u>	<u>\$ 24,271</u>	<u>\$ (2,065)</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes.	\$ 76,664	\$ 76,664	\$ 86,228	\$ 9,564
Intergovernmental	23,262	23,262	14,132	(9,130)
Total revenues	<u>99,926</u>	<u>99,926</u>	<u>100,360</u>	<u>434</u>
Expenditures:				
Current:				
General government				
Operating	2,500	2,500	1,966	534
Public safety				
Personal services.	<u>98,000</u>	<u>98,000</u>	<u>98,000</u>	<u>-</u>
Total expenditures	<u>100,500</u>	<u>100,500</u>	<u>99,966</u>	<u>534</u>
Net change in fund balance.	(574)	(574)	394	968
Fund balance at beginning of year	<u>1,179</u>	<u>1,179</u>	<u>1,179</u>	<u>-</u>
Fund balance at end of year	<u>\$ 605</u>	<u>\$ 605</u>	<u>\$ 1,573</u>	<u>\$ 968</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes.	\$ 76,664	\$ 76,664	\$ 86,228	\$ 9,564
Intergovernmental	23,167	23,167	14,457	(8,710)
Total revenues	<u>99,831</u>	<u>99,831</u>	<u>100,685</u>	<u>854</u>
Expenditures:				
Current:				
General government				
Operating	2,500	2,500	1,966	534
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>96,966</u>	<u>534</u>
Net change in fund balance.	2,331	2,331	3,719	1,388
Fund balance at beginning of year	<u>1,479</u>	<u>1,479</u>	<u>1,479</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 3,810</u>	<u>\$ 3,810</u>	<u>\$ 5,198</u>	<u>\$ 1,388</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 375,000	\$ 375,000	\$ 598,242	\$ 223,242
Total revenues	<u>375,000</u>	<u>375,000</u>	<u>598,242</u>	<u>223,242</u>
Expenditures:				
Current:				
General government				
Personal services	65,710	70,710	69,934	776
Operating	<u>660,382</u>	<u>660,382</u>	<u>653,392</u>	<u>6,990</u>
Total expenditures.	<u>726,092</u>	<u>731,092</u>	<u>723,326</u>	<u>7,766</u>
Net change in fund balance	(351,092)	(356,092)	(125,084)	231,008
Fund balance at beginning of year.	426,286	426,286	426,286	-
Prior year encumbrances appropriated . . .	<u>382</u>	<u>382</u>	<u>382</u>	<u>-</u>
Fund balance at end of year	<u>\$ 75,576</u>	<u>\$ 70,576</u>	<u>\$ 301,584</u>	<u>\$ 231,008</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 28,000	\$ 28,000	\$ 31,944	\$ 3,944
Total revenues	<u>28,000</u>	<u>28,000</u>	<u>31,944</u>	<u>3,944</u>
Expenditures:				
Current:				
General government				
Operating	10,075	10,075	9,985	90
Total expenditures.	<u>10,075</u>	<u>10,075</u>	<u>9,985</u>	<u>90</u>
Net change in fund balance	17,925	17,925	21,959	4,034
Fund balance at beginning of year.	64,914	64,914	64,914	-
Prior year encumbrances appropriated . . .	<u>75</u>	<u>75</u>	<u>75</u>	<u>-</u>
Fund balance at end of year	<u>\$ 82,914</u>	<u>\$ 82,914</u>	<u>\$ 86,948</u>	<u>\$ 4,034</u>

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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ -	\$ -	\$ 20,250	\$ 20,250
Total revenues.	-	-	20,250	20,250
Net change in fund balance	-	-	20,250	20,250
Fund balance at beginning of year.	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 45,250</u>	<u>\$ 20,250</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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 30,250	\$ 30,250	\$ 35,400	\$ 5,150
Total revenues	30,250	30,250	35,400	5,150
Expenditures:				
Current:				
Community environment				
Personal services	10,530	10,530	7,579	2,951
Operating	18,850	18,850	934	17,916
Total expenditures.	29,380	29,380	8,513	20,867
Excess (deficiency) of revenues over (under) expenditures.	870	870	26,887	26,017
Other financing uses:				
Transfers out	-	-	(218,500)	(218,500)
Total other financing uses	-	-	(218,500)	(218,500)
Net change in fund balance	870	870	(191,613)	(192,483)
Fund balance at beginning of year.	229,100	229,100	229,100	-
Fund balance at end of year	\$ 229,970	\$ 229,970	\$ 37,487	\$ (192,483)

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2016*

	General Obligation Bond Retirement	Special Assesment Bond Retirement	Total Nonmajor Debt Service Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in pooled cash and investments	\$ 27,666	\$ 372,320	\$ 399,986
Total assets	<u>\$ 27,666</u>	<u>\$ 372,320</u>	<u>\$ 399,986</u>
Fund balances:			
Restricted.	-	372,320	372,320
Committed	<u>27,666</u>	-	<u>27,666</u>
Total fund balances	<u>27,666</u>	<u>372,320</u>	<u>399,986</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,666</u>	<u>\$ 372,320</u>	<u>\$ 399,986</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, 2016*

	General Obligation Bond Retirement	Special Assesment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Special assessments.	\$ -	\$ 1,247	\$ 1,247
Total revenues.	<u>-</u>	<u>1,247</u>	<u>1,247</u>
Expenditures:			
Debt service:			
Debt issuance costs	<u>4,999</u>	<u>-</u>	<u>4,999</u>
Total expenditures	<u>4,999</u>	<u>-</u>	<u>4,999</u>
Net change in fund balances.	(4,999)	1,247	(3,752)
Fund balances at beginning of year	<u>32,665</u>	<u>371,073</u>	<u>403,738</u>
Fund balances at end of year	<u>\$ 27,666</u>	<u>\$ 372,320</u>	<u>\$ 399,986</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Debt service:				
Debt issuance costs.	\$ 5,000	\$ 5,000	\$ 4,999	\$ 1
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>4,999</u>	<u>1</u>
Net change in fund balance	(5,000)	(5,000)	(4,999)	1
Fund balance at beginning of year	<u>32,665</u>	<u>32,665</u>	<u>32,665</u>	<u>-</u>
Fund balance at end of year	<u>\$ 27,665</u>	<u>\$ 27,665</u>	<u>\$ 27,666</u>	<u>\$ 1</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessments.	\$ 20,000	\$ 1,248	\$ 1,247	\$ (1)
Total revenues.	<u>20,000</u>	<u>1,248</u>	<u>1,247</u>	<u>(1)</u>
Net change in fund balance	20,000	1,248	1,247	(1)
Fund balance at beginning of year.	<u>371,073</u>	<u>371,073</u>	<u>371,073</u>	<u>-</u>
Fund balance at end of year	<u>\$ 391,073</u>	<u>\$ 372,321</u>	<u>\$ 372,320</u>	<u>\$ (1)</u>

CITY OF BARBERTON, OHIO

*COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2016*

	Infrastructure Improvement Reserve	Total Nonmajor Capital Projects Funds
	<u> </u>	<u> </u>
Assets:		
Equity in pooled cash and investments	\$ 523,690	\$ 523,690
	<u> </u>	<u> </u>
Total assets.	<u>\$ 523,690</u>	<u>\$ 523,690</u>
 Fund balances:		
Committed	<u>523,690</u>	<u>523,690</u>
Total fund balances	<u>523,690</u>	<u>523,690</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 523,690</u>	 <u>\$ 523,690</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, 2016*

	Senior Center Construction	Infrastructure Improvement Reserve	Total Nonmajor Capital Projects Funds
Revenues:			
Intergovernmental	\$ -	\$ 46,224	\$ 46,224
Investment income	6	3,388	3,394
Total revenues	6	49,612	49,618
Expenditures:			
Capital outlay	-	15,554	15,554
Total expenditures	-	15,554	15,554
Excess of revenues over expenditures.	6	34,058	34,064
Other financing sources (uses):			
Transfers in	-	100,000	100,000
Transfers out	(14,080)	-	(14,080)
Total other financing sources (uses)	(14,080)	100,000	85,920
Net change in fund balances.	(14,074)	134,058	119,984
Fund balances at beginning of year	14,074	389,632	403,706
Fund balances at end of year.	\$ -	\$ 523,690	\$ 523,690

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SENIOR CENTER CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 60	\$ 62	\$ 6	\$ (56)
Total revenues.	<u>60</u>	<u>62</u>	<u>6</u>	<u>(56)</u>
Expenditures:				
Capital outlay:				
Operating	<u>1</u>	<u>3</u>	<u>-</u>	<u>3</u>
Total expenditures.	<u>1</u>	<u>3</u>	<u>-</u>	<u>3</u>
Excess of revenues over expenditures	<u>59</u>	<u>59</u>	<u>6</u>	<u>(53)</u>
Other financing uses:				
Transfers out.	<u>(14,077)</u>	<u>(14,077)</u>	<u>(14,080)</u>	<u>(3)</u>
Total other financing uses	<u>(14,077)</u>	<u>(14,077)</u>	<u>(14,080)</u>	<u>(3)</u>
Net change in fund balance	(14,018)	(14,018)	(14,074)	(56)
Fund balance at beginning of year.	<u>14,074</u>	<u>14,074</u>	<u>14,074</u>	<u>-</u>
Fund balance at end of year	<u>\$ 56</u>	<u>\$ 56</u>	<u>\$ -</u>	<u>\$ (56)</u>

CITY OF BARBERTON, OHIO

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INFRASTRUCTURE IMPROVEMENT RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental.	\$ -	\$ -	\$ 46,224	\$ 46,224
Investment income	1,750	1,750	3,388	1,638
Total revenues.	<u>1,750</u>	<u>1,750</u>	<u>49,612</u>	<u>47,862</u>
Expenditures:				
Capital outlay:				
Operating	400	400	184	216
Capital outlay	115,059	115,059	77,008	38,051
Total expenditures.	<u>115,459</u>	<u>115,459</u>	<u>77,192</u>	<u>38,267</u>
Excess of expenditures over revenues	<u>(113,709)</u>	<u>(113,709)</u>	<u>(27,580)</u>	<u>86,129</u>
Other financing sources:				
Transfers in.	300,000	100,000	100,000	-
Total other financing sources.	<u>300,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance.	186,291	(13,709)	72,420	86,129
Fund balance at beginning of year	328,163	328,163	328,163	-
Prior year encumbrances appropriated . . .	<u>115,059</u>	<u>115,059</u>	<u>115,059</u>	<u>-</u>
Fund balance at end of year	<u>\$ 629,513</u>	<u>\$ 429,513</u>	<u>\$ 515,642</u>	<u>\$ 86,129</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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes.	\$ 1,828,000	\$ 1,903,000	\$ 1,507,133	\$ (395,867)
Total revenues.	1,828,000	1,903,000	1,507,133	(395,867)
Expenditures:				
Capital outlay:				
Operating	32,500	32,500	34,706	(2,206)
Capital outlay	1,718,823	3,436,823	3,304,489	132,334
Debt service:				
Principal retirement.	3,500,000	3,500,000	3,500,000	-
Interest and fiscal charges.	35,000	59,270	58,817	453
Bond issue costs.	-	-	43,960	(43,960)
Total expenditures.	5,286,323	7,028,593	6,941,972	86,621
Excess of expenditures over revenues.	(3,458,323)	(5,125,593)	(5,434,839)	(309,246)
Other financing sources:				
Notes issued.	-	1,715,000	1,715,000	-
Bonds issued	2,745,000	2,745,000	2,745,000	-
Total other financing sources	2,745,000	4,460,000	4,460,000	-
Net change in fund balance.	(713,323)	(665,593)	(974,839)	(309,246)
Fund balance at beginning of year	1,242,019	1,242,019	1,242,019	-
Prior year encumbrances appropriated	296,383	296,383	296,383	-
Fund balance at end of year.	\$ 825,079	\$ 872,809	\$ 563,563	\$ (309,246)

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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 6,347,500	\$ 6,544,998	\$ 6,241,326	\$ (303,672)
Other	-	-	11,373	11,373
Total revenues	6,347,500	6,544,998	6,252,699	(292,299)
Operating expenses:				
Personal services	2,798,744	2,798,744	2,642,657	156,087
Contractual services	832,639	969,347	815,812	153,535
Materials and supplies	1,377,084	1,356,084	1,298,155	57,929
Other	22,199	20,361	21,184	(823)
Capital outlay	5,730,949	5,908,307	2,363,074	3,545,233
Total expenses	10,761,615	11,052,843	7,140,882	3,911,961
Operating loss	(4,414,115)	(4,507,845)	(888,183)	3,619,662
Nonoperating revenues (expenses):				
Investment income	6,000	6,000	-	(6,000)
Bonds issued	-	728,337	744,322	15,985
Loans issued	-	495,100	495,100	-
Payment to refunded bond escrow agent	-	(728,337)	(728,337)	-
Debt service:				
Principal retirement	(843,586)	(843,586)	(800,636)	42,950
Interest and fiscal charges	(288,000)	(288,000)	(278,624)	9,376
Debt issuance costs	-	-	(15,644)	(15,644)
Total nonoperating revenues (expenses)	(1,125,586)	(630,486)	(583,819)	46,667
Net loss before capital contributions	(5,539,701)	(5,138,331)	(1,472,002)	3,666,329
Capital contributions	-	289,025	319,020	29,995
Net change in fund equity	(5,539,701)	(4,849,306)	(1,152,982)	3,696,324
Fund equity at beginning of year	1,518,082	1,518,082	1,518,082	-
Prior year encumbrances appropriated	5,271,729	5,271,729	5,271,729	-
Fund equity at end of year	\$ 1,250,110	\$ 1,940,505	\$ 5,636,829	\$ 3,696,324

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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Operating revenues:				
Charges for services	\$ 4,358,000	\$ 4,683,000	\$ 4,518,563	\$ (164,437)
Other	2,500	2,500	4,823	2,323
Total revenues	<u>4,360,500</u>	<u>4,685,500</u>	<u>4,523,386</u>	<u>(162,114)</u>
Operating expenses:				
Personal services	2,434,259	2,434,259	2,351,430	82,829
Contractual services	1,011,018	1,219,073	877,477	341,596
Materials and supplies	1,565,656	1,360,916	1,085,288	275,628
Other	20,864	17,549	7,340	10,209
Capital outlay	1,375,826	1,250,619	1,086,575	164,044
Total expenses	<u>6,407,623</u>	<u>6,282,416</u>	<u>5,408,110</u>	<u>874,306</u>
Operating loss	<u>(2,047,123)</u>	<u>(1,596,916)</u>	<u>(884,724)</u>	<u>712,192</u>
Nonoperating revenues (expenses):				
Bonds issued	-	73,530	75,144	1,614
Loans issued	-	524,793	125,536	(399,257)
Payment to refunded bond escrow agent	-	(73,530)	(73,530)	-
Debt service:				
Principal retirement	(352,980)	(527,980)	(528,807)	(827)
Interest and fiscal charges	(211,040)	(208,060)	(186,435)	21,625
Debt issuance costs	-	(2,980)	(2,467)	513
Total nonoperating revenues (expenses)	<u>(564,020)</u>	<u>(214,227)</u>	<u>(590,559)</u>	<u>(376,332)</u>
Net change in fund equity	(2,611,143)	(1,811,143)	(1,475,283)	335,860
Fund equity at beginning of year	1,960,998	1,960,998	1,960,998	-
Prior year encumbrances appropriated	<u>613,355</u>	<u>613,355</u>	<u>613,355</u>	<u>-</u>
Fund equity at end of year	<u>\$ (36,790)</u>	<u>\$ 763,210</u>	<u>\$ 1,099,070</u>	<u>\$ 335,860</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 1,900,000	\$ 1,900,000	\$ 1,894,669	\$ (5,331)
Other.	-	-	1,558	1,558
Total revenues	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,896,227</u>	<u>(3,773)</u>
Operating expenses:				
Personal services.	116,661	126,661	124,313	2,348
Contractual services	2,040,583	2,040,583	1,654,170	386,413
Materials and supplies	38,105	38,105	34,812	3,293
Total expenses	<u>2,195,349</u>	<u>2,205,349</u>	<u>1,813,295</u>	<u>392,054</u>
Net change in fund equity	(295,349)	(305,349)	82,932	388,281
Fund equity at beginning of year.	1,849,790	1,849,790	1,849,790	-
Prior year encumbrances appropriated	<u>125,612</u>	<u>125,612</u>	<u>125,612</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,680,053</u>	<u>\$ 1,670,053</u>	<u>\$ 2,058,334</u>	<u>\$ 388,281</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 780,000	\$ 780,000	\$ 763,239	\$ (16,761)
Other.	1,000	1,000	99	(901)
Total revenues	<u>781,000</u>	<u>781,000</u>	<u>763,338</u>	<u>(17,662)</u>
Operating expenses:				
Personal services.	336,526	336,526	332,623	3,903
Contractual services	76,961	76,961	49,366	27,595
Materials and supplies	196,078	196,078	151,845	44,233
Capital outlay	406,791	406,791	72,381	334,410
Total expenses	<u>1,016,356</u>	<u>1,016,356</u>	<u>606,215</u>	<u>410,141</u>
Operating income (loss)	<u>(235,356)</u>	<u>(235,356)</u>	<u>157,123</u>	<u>392,479</u>
Nonoperating revenues (expenses):				
Intergovernmental.	-	-	21,962	21,962
Debt service:				
Principal retirement.	(40,180)	(40,180)	(40,158)	22
Interest and fiscal charges.	(2,190)	(2,190)	(2,174)	16
Total nonoperating revenues (expenses) . . .	<u>(42,370)</u>	<u>(42,370)</u>	<u>(20,370)</u>	<u>22,000</u>
Net change in fund equity	(277,726)	(277,726)	136,753	414,479
Fund equity at beginning of year.	598,211	598,211	598,211	-
Prior year encumbrances appropriated . . .	<u>80,159</u>	<u>80,159</u>	<u>80,159</u>	<u>-</u>
Fund equity at end of year	<u>\$ 400,644</u>	<u>\$ 400,644</u>	<u>\$ 815,123</u>	<u>\$ 414,479</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2016*

	Health Insurance	Internal Allocation	Total Internal Service Funds
	<hr/>	<hr/>	<hr/>
Assets:			
Current assets:			
Equity in pooled cash and investments.	\$ 1,112,960	\$ 22,584	\$ 1,135,544
Total assets	<hr/> 1,112,960	<hr/> 22,584	<hr/> 1,135,544
Liabilities:			
Current liabilities:			
Accounts payable.	-	54,970	54,970
Claims payable	<hr/> 346,102	<hr/> -	<hr/> 346,102
Total liabilities	<hr/> 346,102	<hr/> 54,970	<hr/> 401,072
Net position:			
Unrestricted (deficit)	766,858	(32,386)	734,472
Total net position	<hr/> <hr/> \$ 766,858	<hr/> <hr/> \$ (32,386)	<hr/> <hr/> \$ 734,472

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016*

	Health Insurance	Internal Allocation	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 3,674,076	\$ 322,097	\$ 3,996,173
Other	27,868	-	27,868
Total operating revenues.	<u>3,701,944</u>	<u>322,097</u>	<u>4,024,041</u>
Operating expenses:			
Contract services.	41,913	-	41,913
Materials and supplies	-	354,576	354,576
Claims	3,622,842	-	3,622,842
Other	23,889	-	23,889
Total operating expenses.	<u>3,688,644</u>	<u>354,576</u>	<u>4,043,220</u>
Changes in net position.	13,300	(32,479)	(19,179)
Net position at beginning of year	<u>753,558</u>	<u>93</u>	<u>753,651</u>
Net position (deficit) at end of year.	<u>\$ 766,858</u>	<u>\$ (32,386)</u>	<u>\$ 734,472</u>

CITY OF BARBERTON, OHIO

*COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016*

	Health Insurance	Internal Allocation	Total Internal Service Funds
Cash flows from operating activities:			
Cash received from customers	\$ 3,674,076	\$ 327,835	\$ 4,001,911
Cash received from other operations.	27,868	-	27,868
Cash payments for contract services	(41,913)	-	(41,913)
Cash payments for materials and supplies	-	(351,549)	(351,549)
Cash payments for claims	(3,435,696)	-	(3,435,696)
Cash payments for other expenses	(23,889)	-	(23,889)
Net increase (decrease) in cash and investments.	200,446	(23,714)	176,732
Cash and investments at beginning of year	912,514	46,298	958,812
Cash and investments at end of year	<u>\$ 1,112,960</u>	<u>\$ 22,584</u>	<u>\$ 1,135,544</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 13,300	\$ (32,479)	\$ (19,179)
Changes in assets and liabilities:			
Decrease in accounts receivable	-	5,738	5,738
Increase in accounts payable.	-	3,027	3,027
Increase in claims payable	187,146	-	187,146
Net cash provided by (used in) operating activities	<u>\$ 200,446</u>	<u>\$ (23,714)</u>	<u>\$ 176,732</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 3,431,500	\$ 3,431,500	\$ 3,674,076	\$ 242,576
Other.	5,000	5,000	27,868	22,868
Total revenues	<u>3,436,500</u>	<u>3,436,500</u>	<u>3,701,944</u>	<u>265,444</u>
Operating expenses:				
Contractual services	44,200	44,200	41,913	2,287
Claims	3,255,665	3,555,665	3,435,696	119,969
Other.	30,010	30,010	27,039	2,971
Total expenses	<u>3,329,875</u>	<u>3,629,875</u>	<u>3,504,648</u>	<u>125,227</u>
Net change in fund equity	106,625	(193,375)	197,296	390,671
Fund equity at beginning of year.	910,789	910,789	910,789	-
Prior year encumbrances appropriated . . .	<u>1,725</u>	<u>1,725</u>	<u>1,725</u>	<u>-</u>
Fund equity at end of year	<u>\$ 1,019,139</u>	<u>\$ 719,139</u>	<u>\$ 1,109,810</u>	<u>\$ 390,671</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 509,500	\$ 547,800	\$ 327,835	\$ (219,965)
Total revenues	<u>509,500</u>	<u>547,800</u>	<u>327,835</u>	<u>(219,965)</u>
Operating expenses:				
Materials and supplies	585,745	585,745	366,049	219,696
Total expenses	<u>585,745</u>	<u>585,745</u>	<u>366,049</u>	<u>219,696</u>
Net change in fund equity	(76,245)	(37,945)	(38,214)	(269)
Fund equity at beginning of year.	24,353	24,353	24,353	-
Prior year encumbrances appropriated . . .	<u>21,945</u>	<u>21,945</u>	<u>21,945</u>	<u>-</u>
Fund equity (deficit) at end of year.	<u>\$ (29,947)</u>	<u>\$ 8,353</u>	<u>\$ 8,084</u>	<u>\$ (269)</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, 2016*

	Beginning Balance 12/31/2015	Additions	Reductions	Ending Balance 12/31/2016
Deposit				
Assets:				
Equity in pooled cash and investments.	\$ 32,002	\$ 409,037	\$ -	\$ 441,039
Receivables:				
Accounts	-	46,250	-	46,250
Total assets.	<u>\$ 32,002</u>	<u>\$ 455,287</u>	<u>\$ -</u>	<u>\$ 487,289</u>
Liabilities:				
Deposits held and due to others	\$ 32,002	\$ 455,287	\$ -	\$ 487,289
Total liabilities	<u>\$ 32,002</u>	<u>\$ 455,287</u>	<u>\$ -</u>	<u>\$ 487,289</u>
 New Haven/Forest City				
Assets:				
Equity in pooled cash and investments.	\$ 22,000	\$ -	\$ -	\$ 22,000
Total assets.	<u>\$ 22,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,000</u>
Liabilities:				
Deposits held and due to others	\$ 22,000	\$ -	\$ -	\$ 22,000
Total liabilities	<u>\$ 22,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,000</u>
 Total Agency Funds				
Assets:				
Equity in pooled cash and investments.	\$ 54,002	\$ 409,037	\$ -	\$ 463,039
Receivables:				
Accounts	-	46,250	-	46,250
Total assets.	<u>\$ 54,002</u>	<u>\$ 455,287</u>	<u>\$ -</u>	<u>\$ 509,289</u>
Liabilities:				
Deposits held and due to others	\$ 54,002	\$ 455,287	\$ -	\$ 509,289
Total liabilities	<u>\$ 54,002</u>	<u>\$ 455,287</u>	<u>\$ -</u>	<u>\$ 509,289</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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	166-175
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources; income and property taxes.	176-183
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	184-191
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	192-193
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	194-199

Sources: Sources are noted on the individual schedules.

CITY OF BARBERTON, OHIO

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental Activities				
Net investment in capital assets	\$ 27,880,547	\$ 26,141,902	\$ 24,516,073	\$ 23,611,193
Restricted for:				
Capital projects	1,214,315	1,667,101	1,272,184	13,989
Debt service	372,320	371,073	384,276	387,469
Transportation projects	333,789	156,342	487,752	325,916
Community development projects	61,489	103,851	232,228	156,812
Other projects	3,437,930	3,183,731	2,773,322	2,051,785
Unrestricted	<u>(12,235,878)</u>	<u>(11,295,021)</u>	<u>(11,738,830)</u>	<u>4,084,879</u>
Total governmental activities net position	<u>\$ 21,064,512</u>	<u>\$ 20,328,979</u>	<u>\$ 17,927,005</u>	<u>\$ 30,632,043</u>
Business-type Activities				
Net investment in capital assets	\$ 35,869,387	\$ 35,691,780	\$ 35,824,961	\$ 36,308,495
Restricted for:				
Other projects	321,963	321,963	321,963	321,963
Unrestricted	<u>10,084,263</u>	<u>9,913,682</u>	<u>8,756,671</u>	<u>9,425,873</u>
Total business-type activities net position	<u>\$ 46,275,613</u>	<u>\$ 45,927,425</u>	<u>\$ 44,903,595</u>	<u>\$ 46,056,331</u>
Total Primary Government				
Net investment in capital assets	\$ 63,749,934	\$ 61,833,682	\$ 60,341,034	\$ 59,919,688
Restricted for:				
Capital projects	1,214,315	1,667,101	1,272,184	13,989
Debt service	372,320	371,073	384,276	387,469
Transportation projects	333,789	156,342	487,752	325,916
Community development projects	61,489	103,851	232,228	156,812
Other projects	3,759,893	3,505,694	3,095,285	2,373,748
Unrestricted	<u>(2,151,615)</u>	<u>(1,381,339)</u>	<u>(2,982,159)</u>	<u>13,510,752</u>
Total primary government net position	<u>\$ 67,340,125</u>	<u>\$ 66,256,404</u>	<u>\$ 62,830,600</u>	<u>\$ 76,688,374</u>

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

2012	2011	2010	2009	2008	2007
\$ 20,259,877	\$ 19,800,292	\$ 19,684,621	\$ 18,536,399	\$ 17,207,130	\$ 17,895,365
13,978	13,961	17,514	1,142,832	633,917	779,845
388,438	391,077	388,275	415,866	299,259	506,371
673,038	863,555	865,379	881,165	1,204,290	1,221,355
90,316	151,125	617,997	588,994	1,028,741	997,544
1,667,946	1,437,828	1,390,848	1,223,244	1,269,994	1,050,941
4,196,682	4,662,644	2,131,736	401,450	3,298,794	2,914,075
<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>	<u>\$ 25,365,496</u>
\$ 36,273,472	\$ 34,551,830	\$ 33,376,864	\$ 30,422,322	\$ 31,995,482	\$ 31,383,963
345,427	419,483	566,545	801,222	1,039,101	1,008,948
8,676,308	8,781,726	8,881,635	8,211,503	6,806,972	6,485,673
<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>	<u>\$ 38,878,584</u>
\$ 56,533,349	\$ 54,352,122	\$ 53,061,485	\$ 48,958,721	\$ 49,202,612	\$ 49,279,328
13,978	13,961	17,514	1,142,832	633,917	779,845
388,438	391,077	388,275	415,866	299,259	506,371
673,038	863,555	865,379	881,165	1,204,290	1,221,355
90,316	151,125	617,997	588,994	1,028,741	997,544
2,013,373	1,857,311	1,957,393	2,024,466	2,309,095	2,059,889
12,872,990	13,444,370	11,013,371	8,612,953	10,105,766	9,399,748
<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>	<u>\$ 64,244,080</u>

CITY OF BARBERTON, OHIO

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 2,869,310	\$ 2,612,322	\$ 2,643,878	\$ 2,574,433
Public safety	701,689	801,105	654,036	703,890
Health and welfare	-	-	-	-
Transportation	103,035	88,894	82,032	90,413
Community environment	325,641	578,647	242,385	306,094
Leisure time activities	133,140	118,879	117,156	95,759
Operating grants and contributions	2,783,793	2,618,738	2,650,831	4,402,420
Capital grants and contributions	756,976	2,620,245	1,268,540	3,016,298
Total governmental activities program revenues	<u>7,673,584</u>	<u>9,438,830</u>	<u>7,658,858</u>	<u>11,189,307</u>
Business-type activities:				
Charges for services:				
Water	6,181,148	6,274,503	5,841,318	5,751,556
Sewer	4,589,192	4,381,027	4,372,354	3,991,723
Storm Water	757,575	774,231	769,099	784,719
Solid Waste	1,881,869	1,909,441	1,893,792	1,926,288
Community Center	-	-	-	-
Capital grants and contributions	289,025	890,093	363,719	270,164
Total business-type activities program revenues	<u>13,698,809</u>	<u>14,229,295</u>	<u>13,240,282</u>	<u>12,724,450</u>
Total primary government	<u>\$ 21,372,393</u>	<u>\$ 23,668,125</u>	<u>\$ 20,899,140</u>	<u>\$ 23,913,757</u>
Expenses:				
Governmental activities:				
General government	\$ 5,764,628	\$ 5,960,722	\$ 4,529,680	\$ 4,485,947
Public safety	12,493,616	11,042,798	10,867,615	10,692,505
Health and welfare	-	-	-	-
Transportation	2,256,377	3,144,466	1,997,575	2,227,248
Community environment	1,463,504	1,478,578	1,106,684	3,108,590
Leisure time activities	1,322,359	1,353,380	1,380,232	1,468,383
Intergovernmental	-	-	-	-
Interest and fiscal charges	213,698	74,699	134,565	129,056
Total governmental activities expenses	<u>23,514,182</u>	<u>23,054,643</u>	<u>20,016,351</u>	<u>22,111,729</u>
Business-type activities:				
Water	5,133,511	5,152,707	4,500,198	4,389,879
Sewer	5,775,809	5,559,234	5,241,551	5,004,111
Solid Waste	1,697,077	1,649,099	1,475,887	1,786,391
Storm Water	768,452	947,090	807,629	892,421
Community Center	-	-	-	-
Lake Cinema	-	-	-	-
Total business-type activities expenses	<u>13,374,849</u>	<u>13,308,130</u>	<u>12,025,265</u>	<u>12,072,802</u>
Total primary government	<u>\$ 36,889,031</u>	<u>\$ 36,362,773</u>	<u>\$ 32,041,616</u>	<u>\$ 34,184,531</u>
Governmental activities	\$ (15,840,598)	\$ (13,615,813)	\$ (12,357,493)	\$ (10,922,422)
Business-type activities	323,960	921,165	1,215,017	651,648
Total primary government net expense	<u>\$ (15,516,638)</u>	<u>\$ (12,694,648)</u>	<u>\$ (11,142,476)</u>	<u>\$ (10,270,774)</u>

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 2,133,191	\$ 2,148,444	\$ 1,824,354	\$ 1,892,083	\$ 1,786,759	\$ 1,547,954
743,319	677,035	777,898	603,223	621,327	523,684
-	20	296,202	616,814	798,884	973,909
85,187	41,657	42,851	46,636	79,507	4,520
316,971	334,881	120,405	167,840	172,991	179,663
103,380	106,764	91,785	130,748	94,240	138,278
4,081,718	3,863,176	5,092,156	4,164,877	3,855,139	3,521,558
250,412	459,731	67,564	145,229	147,321	152,821
<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>	<u>7,042,387</u>
5,651,426	5,063,541	5,100,123	4,594,956	4,574,609	4,242,131
4,115,822	4,066,329	4,163,396	4,096,518	4,289,991	4,347,404
772,796	782,248	770,433	743,787	796,332	775,680
2,031,897	2,023,183	2,002,081	1,939,373	1,835,994	1,839,605
-	-	-	-	-	80,666
953,470	547,789	2,547,429	-	-	-
<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>11,285,486</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>	<u>\$ 18,327,873</u>
\$ 4,150,178	\$ 4,408,029	\$ 4,259,141	\$ 4,554,994	\$ 4,619,097	\$ 3,883,172
10,221,486	10,096,123	10,082,932	11,207,888	11,339,496	10,049,252
-	28,342	847,498	1,511,973	1,889,854	2,343,579
2,725,173	2,730,584	1,866,192	2,340,290	2,265,378	2,025,147
2,109,074	2,741,517	3,321,424	2,292,939	1,855,258	1,535,323
1,334,529	1,328,524	1,314,014	1,294,285	1,636,664	1,240,444
-	-	-	-	-	1,578,763
188,459	233,974	268,040	289,245	253,275	265,787
<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>	<u>22,921,467</u>
4,335,601	4,058,731	4,364,080	4,158,746	3,778,649	4,241,689
4,987,464	4,598,025	4,277,917	4,497,443	4,542,875	4,284,959
1,894,645	1,872,929	1,868,090	1,760,928	1,773,299	1,785,145
817,705	786,687	703,295	684,083	650,516	648,268
-	-	-	-	131,104	362,163
-	-	-	-	-	2,005
<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>11,324,229</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>	<u>\$ 34,245,696</u>
\$ (13,014,721)	\$ (13,935,385)	\$ (13,646,026)	\$ (15,724,164)	\$ (16,302,854)	\$ (15,879,080)
1,489,996	1,166,718	3,370,080	273,434	620,483	(38,743)
<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>	<u>\$ (15,917,823)</u>

CITY OF BARBERTON, OHIO

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Revenues and Other Changes in Net Position:				
Governmental activities				
Taxes:				
Property taxes levied for:				
General purposes	\$ 821,725	\$ 838,174	\$ 821,891	\$ 819,091
Fire capital levy	211,116	214,886	212,496	211,786
Police pension	84,999	86,700	85,016	84,714
Fire pension	84,999	86,700	85,016	84,714
Municipal income taxes levied for:				
General purposes	12,218,127	11,777,925	11,105,638	11,304,650
Capital outlay	1,534,219	1,450,801	1,315,595	-
Grants and entitlements				
not restricted to specific programs	1,347,149	1,327,145	1,396,374	1,574,050
Investment earnings	74,208	85,109	55,658	17,499
Other	199,589	150,347	287,063	167,686
Transfers	-	-	-	-
Total governmental activities	<u>16,576,131</u>	<u>16,017,787</u>	<u>15,364,747</u>	<u>14,264,190</u>
Business-type activities				
Grants and entitlements				
not restricted to specific programs	21,560	21,962	18,686	-
Investment earnings	(15,185)	18,155	6,808	35,066
Other	17,853	62,548	56,373	74,410
Transfers	-	-	-	-
Special item - disposal of community center	-	-	-	-
Total business-type activities	<u>24,228</u>	<u>102,665</u>	<u>81,867</u>	<u>109,476</u>
Total primary government	<u>\$ 16,600,359</u>	<u>\$ 16,120,452</u>	<u>\$ 15,446,614</u>	<u>\$ 14,373,666</u>
Change in Net Position:				
Governmental activities	\$ 735,533	\$ 2,401,974	\$ 3,007,254	\$ 3,341,768
Business-type activities	348,188	1,023,830	1,296,884	761,124
Total primary government	<u>\$ 1,083,721</u>	<u>\$ 3,425,804</u>	<u>\$ 4,304,138</u>	<u>\$ 4,102,892</u>

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 637,608	\$ 1,023,447	\$ 1,272,525	\$ 1,188,981	\$ 1,209,964	\$ 1,334,131
211,858	264,636	259,904	239,362	288,602	-
84,744	105,855	103,960	95,772	104,512	116,625
84,744	105,855	103,960	95,772	104,512	116,911
9,913,010	12,086,007	10,849,848	10,320,696	10,859,015	11,254,122
-	-	-	-	-	-
1,965,699	2,322,927	2,571,074	2,159,444	2,821,199	2,885,135
31,249	39,742	40,544	72,965	398,822	681,251
86,748	304,492	350,631	141,724	199,199	109,704
(31,146)	-	-	(149,385)	(106,342)	(410,000)
<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>	<u>16,087,879</u>
-	-	-	-	-	-
6,071	11,031	4,516	10,580	163,851	505,193
14,955	4,960	15,401	8,716	72,295	52,500
31,146	-	-	149,385	106,342	410,000
-	-	-	(848,623)	-	-
<u>52,172</u>	<u>15,991</u>	<u>19,917</u>	<u>(679,942)</u>	<u>342,488</u>	<u>967,693</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>	<u>\$ 17,055,572</u>
\$ (30,207)	\$ 2,317,576	\$ 1,906,420	\$ (1,558,833)	\$ (423,371)	\$ 208,799
1,542,168	1,182,709	3,389,997	(406,508)	962,971	928,950
<u>\$ 1,511,961</u>	<u>\$ 3,500,285</u>	<u>\$ 5,296,417</u>	<u>\$ (1,965,341)</u>	<u>\$ 539,600</u>	<u>\$ 1,137,749</u>

CITY OF BARBERTON, OHIO

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:						
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-
Nonspendable	75,179	71,604	80,673	68,219	60,328	56,998
Committed	61,851	21,851	-	11,840	21,271	8,533
Assigned	1,210,471	1,597,877	835,457	742,993	1,257,550	236,644
Unassigned	<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>	<u>4,383,296</u>
Total general fund	<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>	<u>\$ 4,685,471</u>
All Other Governmental Funds:						
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:						
Special revenue funds	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-
Nonspendable	10,504	10,135	12,059	9,473	8,202	8,200
Restricted	5,760,281	5,743,323	4,846,873	2,798,672	2,640,966	2,503,349
Committed	883,736	922,078	951,876	1,168,115	1,412,462	1,259,417
Unassigned (deficit), reported in:						
Special revenue funds	(54,914)	(114,795)	(137,620)	(35,005)	(930,972)	(483,537)
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(83,737)</u>	<u>(203,358)</u>
Total all other governmental funds	<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>	<u>\$ 3,084,071</u>

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

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 549,557	\$ 355,293	\$ 323,073	\$ 272,616
3,050,628	1,779,411	3,053,359	3,713,078
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 3,600,185</u>	<u>\$ 2,134,704</u>	<u>\$ 3,376,432</u>	<u>\$ 3,985,694</u>
\$ 2,502,925	\$ 2,017,577	\$ 2,037,009	\$ 1,477,235
225,878	661,851	1,757,970	1,992,357
472,837	619,490	(1,793,737)	(84,211)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 3,201,640</u>	<u>\$ 3,298,918</u>	<u>\$ 2,001,242</u>	<u>\$ 3,385,381</u>

CITY OF BARBERTON, OHIO

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues					
Taxes	\$ 14,730,058	\$ 14,015,406	\$ 13,951,825	\$ 12,368,144	\$ 11,293,820
Charges for services	1,520,685	1,914,225	1,529,314	1,795,854	2,111,961
Licenses and permits	477,793	490,637	408,808	482,369	494,997
Fines and forfeitures	1,216,459	1,157,006	1,254,398	846,510	502,636
Intergovernmental	4,551,772	6,421,875	4,006,819	8,606,417	5,180,429
Special assessments	86,792	106,712	192,030	94,334	110,140
Investment income	60,684	78,678	55,559	18,825	33,874
Contributions and donations	22,977	-	-	548,013	547,490
Other	1,335,246	874,559	1,183,255	1,200,321	580,194
Total revenues	<u>24,002,466</u>	<u>25,059,098</u>	<u>22,582,008</u>	<u>25,960,787</u>	<u>20,855,541</u>
Expenditures					
Current:					
General government	5,649,147	5,122,202	4,349,902	4,381,217	4,075,595
Public safety	10,398,990	9,903,619	10,292,503	10,511,629	9,856,203
Health and welfare	-	-	-	-	-
Transportation	1,255,885	1,417,219	1,260,053	1,529,068	1,336,031
Community environment	1,557,589	1,427,336	1,497,352	3,120,414	2,040,029
Leisure time activity	1,126,770	1,126,374	1,193,344	1,281,488	1,126,958
Capital outlay	4,055,609	6,643,420	3,209,208	4,057,346	1,809,875
Intergovernmental	-	-	-	-	-
Debt service:					
Principal retirement	3,900,203	2,191,983	275,445	1,390,388	1,135,496
Interest and fiscal charges	126,327	94,853	93,688	148,048	182,083
Debt issuance costs	81,662	4,962	-	-	-
Total expenditures	<u>28,152,182</u>	<u>27,931,968</u>	<u>22,171,495</u>	<u>26,419,598</u>	<u>21,562,270</u>
Excess of revenues over (under) expenditures	<u>(4,149,716)</u>	<u>(2,872,870)</u>	<u>410,513</u>	<u>(458,811)</u>	<u>(706,729)</u>
Other Financing Sources (Uses)					
Notes issued	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	109,340	518,800	-	67,240	207,780
Sale of capital assets	44,398	24,175	1,777	565,053	16,189
Transfers in	743,002	555,621	671,000	1,037,100	1,277,944
Transfers (out)	(743,002)	(555,621)	(671,000)	(1,037,100)	(1,277,944)
Loans issued	-	-	-	-	3,036
Total other financing sources (uses)	<u>4,474,404</u>	<u>4,042,975</u>	<u>2,001,777</u>	<u>632,293</u>	<u>227,005</u>
Net change in fund balances	<u>\$ 324,688</u>	<u>\$ 1,170,105</u>	<u>\$ 2,412,290</u>	<u>\$ 173,482</u>	<u>\$ (479,724)</u>
Capital expenditures	4,205,612	6,467,888	4,329,891	4,065,048	974,169
Debt service as a percentage of noncapital expenditures.	16.81%	10.65%	2.07%	6.88%	6.40%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 12,592,379	\$ 12,521,891	\$ 12,126,149	\$ 12,601,886	\$ 12,732,465
2,061,212	2,206,082	2,335,224	2,348,503	2,146,709
556,560	252,107	333,555	483,615	611,907
414,678	418,311	432,347	202,586	178,769
6,284,638	6,712,451	5,742,603	5,646,214	5,428,350
154,792	157,474	161,493	187,152	129,680
37,271	38,593	76,849	434,513	669,402
555,990	627,447	623,630	981,965	177,625
458,214	703,746	814,483	568,318	1,169,287
<u>23,115,734</u>	<u>23,638,102</u>	<u>22,646,333</u>	<u>23,454,752</u>	<u>23,244,194</u>
4,345,238	4,017,338	4,396,948	4,177,189	3,864,219
9,773,245	9,223,191	10,653,804	10,273,963	9,876,927
9,531	971,656	1,472,491	1,793,038	2,397,461
1,398,722	1,417,513	1,471,332	1,611,276	1,328,988
2,676,716	3,202,840	2,213,192	1,680,902	1,428,273
1,066,909	1,068,312	1,217,596	1,368,699	1,084,396
1,556,168	1,202,654	2,122,784	3,552,712	1,557,554
-	-	-	-	1,578,763
1,120,994	1,129,672	1,045,558	932,580	856,591
224,929	258,650	278,130	253,241	252,483
-	-	83,445	10,745	10,292
<u>22,172,452</u>	<u>22,491,826</u>	<u>24,955,280</u>	<u>25,654,345</u>	<u>24,235,947</u>
<u>943,282</u>	<u>1,146,276</u>	<u>(2,308,947)</u>	<u>(2,199,593)</u>	<u>(991,753)</u>
-	-	-	-	20,000
-	-	2,310,000	-	-
-	-	(16,555)	-	-
-	-	-	17,282	-
-	-	-	-	-
-	112,089	-	300,000	211,276
24,435	109,838	32,213	79,843	10,388
1,434,900	1,779,079	1,875,327	1,771,349	1,853,518
(1,434,900)	(1,779,079)	(1,836,090)	(1,962,282)	(2,288,518)
-	-	-	-	-
<u>24,435</u>	<u>221,927</u>	<u>2,364,895</u>	<u>206,192</u>	<u>(193,336)</u>
<u>\$ 967,717</u>	<u>\$ 1,368,203</u>	<u>\$ 55,948</u>	<u>\$ (1,993,401)</u>	<u>\$ (1,185,089)</u>
806,628	1,435,291	1,904,639	2,916,887	1,571,458
6.30%	6.59%	5.74%	5.22%	4.89%

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)
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
2007	395,700,530	1,130,572,943	11,588,150	13,168,352	27,517,101	220,136,808

Source: Summit County, Ohio; Fiscal Officer

(a) Real property is assessed at 35% of actual value.

(b) Public utility is assessed at 88% percent of actual value.

(c) For 2005 and prior, tangible personal is assessed at 25% of true value for capital assets and 23% of true value for inventory included in tangible personal property.

For 2006, tangible personal is assessed at 18.75% of property value, including inventory.

For 2007, tangible personal is assessed at 12.50% of property value, including inventory.

For 2008, tangible personal is assessed at 6.25% of property value, including inventory.

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

Total

Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Ratio
\$ 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%
434,805,781	1,363,878,103	3.50	31.88%

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 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
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
2007	2.90	0.60	-	3.50	14.57	58.94	1.37	74.88	78.38

Source: Summit County, Ohio; Fiscal Officer

CITY OF BARBERTON, OHIO

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

December 31, 2016			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Summa Barberton Citizens Hospital	\$ 2,598,520	1	0.81%
Babcock & Wilcox Power Generation Group	2,565,980	2	0.80%
DFP Barberton LLC	2,097,650	3	0.65%
K L Morris Family Limited Liability	1,711,340	4	0.53%
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%
WM Bernard Realty Co.	1,189,960	8	0.37%
Malco Products, Inc.	886,200	9	0.28%
Littman & Benedik Austin Lake Apartments	872,650	10	0.27%
Total, Top Ten Principal Real Property Taxpayers	\$ 16,633,500		5.19%
Total City Real Property Tax Assessed Valuation	\$ 320,433,710		

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Barberton Health System LLC	\$ 9,170,520	1	2.32%
Kimco of Ohio, Inc.	2,097,800	2	0.53%
Babcock & Wilcox Power Generation Group	1,723,870	3	0.44%
BWX Technologies, Inc.	1,663,990	4	0.42%
B&C Diversified Products Inc.	1,415,730	5	0.36%
B&C Research Inc.	1,290,890	6	0.33%
LRC Magic Investors LTD	1,171,640	7	0.30%
Daniel L. Pohl Family Limited Partnership	1,042,620	8	0.26%
Heritage Place Limited Partnership	988,740	9	0.25%
Littman & Benedik Austin Lake Apartments	959,000	10	0.24%
Total, Top Ten Principal Real Property Taxpayers	\$ 21,524,800		5.45%
Total City Real Property Tax Assessed Valuation	\$ 395,700,530		

Source: Summit County, Ohio; Fiscal Officer

CITY OF BARBERTON, OHIO

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

December 31, 2016			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison Co.	\$ 7,561,350	1	57.1%
American Transmission	3,270,880	2	24.7%
East Ohio Gas Co.	2,416,240	3	18.2%
Total, Top Three Principal Public Utility Property Taxpayers	<u>\$ 13,248,470</u>		<u>100.0%</u>
Total City Public Utility Property Tax Assessed Valuation	<u>\$ 13,248,470</u>		

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Assessed Value
Ohio Edison Co.	\$ 5,194,940	1	44.83%
American Transmission	1,704,390	2	14.71%
East Ohio Gas Co.	1,094,010	3	9.44%
CSX	172,540	4	1.49%
Akron & Barberton RR	105,320	5	0.91%
Total, Top Five Principal Public Utility Property Taxpayers	<u>\$ 8,271,200</u>		<u>71.38%</u>
Total City Public Utility Property Tax Assessed Valuation	<u>\$ 11,588,150</u>		

Source: Summit County, Ohio; Fiscal Officer

CITY OF BARBERTON, OHIO

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

Year	Total Levy	Current Collection (a)	Percent of Current Collections to Tax Levy	Delinquent Collections	Total Collections (b)	Percent of Total Collections to Tax Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Tax Levy
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%
2007	1,535,079	1,451,556	94.56%	83,524	1,535,080	100.00%	176,270	11.48%

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*

Year	Tax Rate (A)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits
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%
2007	2.00%	11,379,007	9,545,043	83.88%	813,468	7.15%

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.

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

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
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
2007	4,044,510	201,800	1,095,000	-	20,000	342,481	3,686,429	8,981,318

Sources:

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

Business-Type Activities, continued

OWDA Loans	OPWC Loans	Other Notes and Loans	Capital Leases	(a) Total Primary Government	(b) Total Personal Income	Percentage of Personal Income	(b) Population	Per Capita
\$ 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
-	-	1,590,000	125,839	20,087,377	495,597,836	4.05%	27,899	720

CITY OF BARBERTON, OHIO

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

Year	Population (a)	Estimated Actual Value of Taxable Property (b)	Bonded Debt (c)	Ratio of Bonded Debt to Estimated Actual Value of Property	Bonded Debt Per Capita
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
2007	27,899	1,363,878,103	7,730,939	0.57%	277

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, 2016*

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Direct and Overlapping Debt
Direct:			
City of Barberton	\$ 6,582,233	100.00%	\$ 6,582,233
Total direct debt			<u>6,582,233</u>
Overlapping debt:			
Barberton City School District	29,470,000	97.63%	28,771,561
Summit County	61,905,000	2.88%	1,782,864
Coventry Local School District	28,298,425	2.14%	605,586
Akron-Summit County Library District	19,200,000	0.08%	15,360
Norton City School District	22,584,210	0.13%	29,359
Total overlapping debt			<u>31,204,730</u>
Total direct and overlapping debt			<u><u>\$ 37,786,963</u></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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Assessed Value (a)	\$ 333,682,180	\$ 336,235,040	\$ 348,803,910	\$ 353,566,730
Legal debt margin:				
Debt limitation - 10.5% of Assessed Value	35,036,629	35,304,679	36,624,411	37,124,507
Outstanding Debt Obligations:				
General Obligation Bonds	5,505,000	2,650,005	2,790,005	2,960,005
Revenue Bonds	5,835,000	6,350,000	6,850,000	6,755,000
Special Assessment Bond	-	-	13,467	26,416
Notes	1,540,000	3,500,000	2,000,000	160,000
Capital Leases	482,953	725,285	358,397	448,245
OPWC/OWDA/SIB/HUD/Other Loans	14,478,566	12,839,916	10,121,723	5,372,576
Gross Indebtedness (Total Voted and Unvoted Debt)	<u>27,841,519</u>	<u>26,065,206</u>	<u>22,133,592</u>	<u>15,722,242</u>
Less: Debt Outside Limitations				
Revenue Bonds	(5,835,000)	(6,350,000)	(6,850,000)	(6,755,000)
Special Assessment Bond	-	-	(13,467)	(26,416)
Notes	(1,540,000)	(3,500,000)	(2,000,000)	(160,000)
Capital Leases	(482,953)	(725,285)	(358,397)	(448,245)
OPWC/OWDA/SIB/HUD/Other Loans	(14,478,566)	(12,839,916)	(10,121,723)	(5,372,576)
Total Debt Outside Limitations	<u>(22,336,519)</u>	<u>(23,415,201)</u>	<u>(19,343,587)</u>	<u>(12,762,237)</u>
Total Debt Applicable to 10.5% Limitation	5,505,000	2,650,005	2,790,005	2,960,005
Less: Amount Available in Debt Service Fund to pay debt applicable to limitation	<u>(27,666)</u>	<u>(32,665)</u>	<u>(37,627)</u>	<u>(37,627)</u>
Net Debt Within 10.5% Limitation	<u>5,477,334</u>	<u>2,617,340</u>	<u>2,752,378</u>	<u>2,922,378</u>
Overall Debt Margin Within 10.5% Limitation	<u>\$ 29,559,295</u>	<u>\$ 32,687,339</u>	<u>\$ 33,872,033</u>	<u>\$ 34,202,129</u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 18,352,520	\$ 18,492,927	\$ 19,184,215	\$ 19,446,170
Gross Indebtedness Authorized by Council	27,841,519	26,065,206	22,133,592	15,722,242
Less: Debt Outside Limitation:				
Total Debt Outside Limitation	<u>(22,336,519)</u>	<u>(23,415,201)</u>	<u>(19,343,587)</u>	<u>(12,762,237)</u>
Debt Within 5.5% Limitation	<u>5,505,000</u>	<u>2,650,005</u>	<u>2,790,005</u>	<u>2,960,005</u>
Unvoted Debt Margin Within 5.5% Limitation	<u>\$ 12,847,520</u>	<u>\$ 15,842,922</u>	<u>\$ 16,394,210</u>	<u>\$ 16,486,165</u>

Source: City of Barberton financial records

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

2012	2011	2010	2009	2008	2007
\$ 350,711,010	\$ 398,515,680	\$ 398,606,530	\$ 399,532,150	\$ 405,001,640	\$ 403,765,630
36,824,656	41,844,146	41,853,686	41,950,876	42,525,172	42,395,391
3,845,005	5,430,005	6,960,011	8,440,017	6,380,017	7,730,007
7,130,000	7,490,000	7,835,000	8,170,000	8,495,000	8,805,000
38,868	50,841	91,053	129,522	166,466	201,800
330,000	565,000	800,000	550,000	4,360,000	2,765,000
577,916	234,272	418,769	523,101	730,388	468,320
5,687,837	3,843,223	910,509	1,047,560	980,000	1,095,000
<u>17,609,626</u>	<u>17,613,341</u>	<u>17,015,342</u>	<u>18,860,200</u>	<u>21,111,871</u>	<u>21,065,127</u>
(7,130,000)	(7,490,000)	(7,835,000)	(8,170,000)	(8,495,000)	(8,805,000)
(38,868)	(50,841)	(91,053)	(129,522)	(166,466)	(201,800)
(330,000)	(565,000)	(800,000)	(550,000)	(4,360,000)	(2,765,000)
(577,916)	(234,272)	(418,769)	(523,101)	(730,388)	(468,320)
(5,687,837)	(3,843,223)	(910,509)	(1,047,560)	(980,000)	(1,095,000)
<u>(13,764,621)</u>	<u>(12,183,336)</u>	<u>(10,055,331)</u>	<u>(10,420,183)</u>	<u>(14,731,854)</u>	<u>(13,335,120)</u>
3,845,005	5,430,005	6,960,011	8,440,017	6,380,017	7,730,007
<u>(1,067)</u>	<u>(2,658)</u>	<u>(60)</u>	<u>(428)</u>	<u>(23,302)</u>	<u>(18,797)</u>
<u>3,843,938</u>	<u>5,427,347</u>	<u>6,959,951</u>	<u>8,439,589</u>	<u>6,356,715</u>	<u>7,711,210</u>
<u>\$ 32,980,718</u>	<u>\$ 36,416,799</u>	<u>\$ 34,893,735</u>	<u>\$ 33,511,287</u>	<u>\$ 36,168,457</u>	<u>\$ 34,684,181</u>
\$ 19,289,106	\$ 21,918,362	\$ 21,923,359	\$ 21,974,268	\$ 22,275,090	\$ 22,207,110
17,609,626	17,613,341	17,015,342	18,860,200	21,111,871	21,065,127
<u>(13,764,621)</u>	<u>(12,183,336)</u>	<u>(10,055,331)</u>	<u>(10,420,183)</u>	<u>(14,731,854)</u>	<u>(13,335,120)</u>
<u>3,845,005</u>	<u>5,430,005</u>	<u>6,960,011</u>	<u>8,440,017</u>	<u>6,380,017</u>	<u>7,730,007</u>
<u>\$ 15,444,101</u>	<u>\$ 16,488,357</u>	<u>\$ 14,963,348</u>	<u>\$ 13,534,251</u>	<u>\$ 15,895,073</u>	<u>\$ 14,477,103</u>

CITY OF BARBERTON, OHIO

*PLEDGED REVENUE COVERAGE - SEWER FUND
LAST SIX 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>	
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 in 2011; therefore, 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>	
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
2007	4,246,190	3,087,191	1,158,999	300,000	388,941	688,941	1.68

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 Debt Service</u>	<u>Debt Service Requirements (b)</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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*

Year	Population (a)	Personal Income	Per Capita Personal Income (b)	Annual Average Unemployment Rates (c)			
				City of Barberton	Summit County	Ohio	United States
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%
2007	27,899	495,597,836	17,764	6.7%	5.4%	5.6%	4.6%

Sources:

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

(b) U.S. Census Bureau per capita personal income for the prior year (the latest information available).

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

CITY OF BARBERTON, OHIO

*PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO*

Employer	2016			2007		
	Withholdings (b)	Rank (b)	Percentage of Total City Withholdings	Employees (a)	Rank (c)	Percentage of Total City Employment
Babcock and Wilcox Companies	\$2,118,477	1	20.95%	1,391	2	10.21%
Summa Health Systems/QHG of Barberton (2007)	1,154,281	2	11.41%	1,335	3	9.80%
Barberton Board of Education	536,113	3	5.30%	795	4	5.84%
Preferred Compounding Corp Deronde Acq. Corp.	502,740	4	4.97%			
B&C Companies/Industries&Research (e)	419,422	5	4.15%	2,571	1, 5 & 9	18.88%
City of Barberton	282,069	6	2.79%	388	8	2.85%
Malco Products Inc.	185,228	7	1.83%			
PPG Industries Inc	155,961	8	1.54%			
Wright Tool Company	139,605	9	1.38%			
Christian Brotherhood Newsletter	138,519	10	1.37%			
Reiter Dairy Corp				270	10	1.98%
BWX Technologies				633	6	4.65%
Kellou LLC				423	7	3.11%
Total	\$5,632,415		55.69%	7,806		57.32%
Total City Employment (d)	11,800			13,620		
Total City Withholding (b)	\$10,112,112					

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 2007

Note: An accurate employee count for individual companies in 2016 was not provided, and the withholding amounts for 2007 were not able to be obtained. Therefore, 2016 principal employers are ranked by withholding taxes while 2007 principal employers are ranked by number of employees.

CITY OF BARBERTON, OHIO

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

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009
General Government								
Clerk of Council	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Municipal Court - Judges	8.00	6.78	7.40	7.40	7.21	7.00	7.00	7.00
Municipal Clerk of Courts	12.00	12.22	13.23	12.23	10.58	10.34	12.34	14.31
Probation	4.12	3.00	3.38	3.24	2.74	2.00	2.00	2.00
Mayor	0.51	0.51	0.51	0.84	0.84	0.84	0.84	2.00
Service Director	0.20	0.20	0.20	0.34	0.34	0.34	0.34	0.84
Finance	3.68	2.68	4.00	4.00	4.00	4.00	5.00	5.00
Law	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Safety Director	0.34	0.34	0.34	0.34	0.34	0.34	0.34	1.00
Human Resources	0.27	0.34	0.27	0.27	0.27	0.27	0.27	1.00
Information Systems	0.50	0.50	0.50	0.50	0.89	0.89	0.89	0.91
Income Tax	-	-	-	-	-	-	1.00	1.00
Other	0.07	1.00	1.00	4.45	3.81	3.07	4.00	4.00
Public Safety								
Police/Dispatch (a)	44.00	38.00	41.00	47.00	50.00	49.00	50.00	55.00
Fire	46.00	43.00	44.00	45.00	41.00	41.00	45.00	46.00
Health and Welfare								
Health District (b)	-	-	-	-	-	-	-	18.00
Transportation								
Signal	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Streets	11.00	10.00	12.00	12.00	10.00	13.00	13.00	13.00
Community Environment								
Engineering/Building	3.94	4.07	3.53	6.06	5.76	6.06	7.00	7.34
Planning	2.60	3.00	2.89	3.00	3.00	3.60	3.00	3.00
Leisure Time Activity								
Parks Administration	1.75	2.50	2.25	2.00	2.00	2.00	2.00	5.00
Parks Maintenance	4.00	5.00	6.00	6.00	6.00	5.00	6.00	6.00
Beautification	1.00	0.50	0.50	1.00	1.00	1.00	1.00	1.00
Utility Services								
Water	32.82	34.82	29.25	30.32	31.65	28.15	29.15	30.50
Sewer	28.12	25.46	23.37	26.46	26.80	26.30	25.95	25.30
Storm Water	5.00	5.00	5.00	5.00	4.00	4.00	3.00	3.00
Solid Waste	3.10	1.10	1.35	0.80	0.80	0.80	0.80	0.80
Total	219.02	206.02	207.97	224.25	220.03	216.00	226.92	260.00

(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. Based on where employee is charged to.

<u>2008</u>	<u>2007</u>
1.00	1.00
6.00	6.00
11.28	11.28
2.00	2.00
2.00	2.00
0.84	0.84
5.20	5.20
4.00	4.00
0.50	1.00
1.50	-
0.93	0.93
1.00	1.00
3.00	3.00
51.00	54.00
43.00	46.00
20.00	23.00
2.00	2.00
19.00	16.00
6.83	6.59
3.00	3.50
5.35	4.00
5.00	4.00
1.00	1.00
28.65	28.53
30.12	21.33
3.00	3.00
0.80	0.80
<u>258.00</u>	<u>252.00</u>

CITY OF BARBERTON, OHIO

*OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS*

Function	2016	2015	2014	2013	2012	2011	2010
General Government							
Positions Filled	43	34	7	22	13	13	12
Building Permits Issued	717	693	742	830	805	653	916
Building Inspections Performed	2,762	6,876	7,196	7,792	7,880	6,777	9,660
Ordinances & Resolutions	162	205	179	217	232	201	204
Public Safety							
Police:							
Physical Arrests	1,266	1,571	2,101	1,885	2,128	2,154	2,123
Parking Violations	1,223	1,809	1,833	2,091	1,389	1,153	1,340
Traffic Violations	1,845	1,457	1,792	1,443	1,833	971	1,919
Fire:							
Emergency Responses	3,636	3,660	3,272	3,820	3,854	3,991	3,907
Fire Responses	1,107	1,006	1,113	621	661	594	512
Inspections conducted	280	300	368	180	280	380	940
Leisure Time Activities							
Recreation Center Attendance	8,226	9,974	12,320	8,036	7,036	6,936	6,215
Recreation Center Memberships	231	836	1,032	1,232	1,159	1,145	1,011
Transportation							
Street Resurfacing (miles)	N/A	N/A	N/A	1.91	1.80	4.37	0.41
Tons of salt used	3,660	4,965	5,436	3,404	3,206	2,203	4,352
Water							
New Connections	5	11	54	19	40	14	37
Water Main Breaks	65	111	121	67	127	126	124

Source: City of Barberton Departments.

N/A- Not available

<u>2009</u>	<u>2008</u>	<u>2007</u>
10	9	22
843	1,008	293
6,924	2,762	1,593
248	231	213
2,154	2,149	2,062
1,414	1,476	1,560
1,972	2,579	1,724
3,909	3,479	4,022
505	611	749
930	819	124
6,333	5,735	N/A
1,288	999	701
1.13	1.66	1.42
3,100	4,049	2,750
29	32	60
125	128	131

CITY OF BARBERTON, OHIO

*CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN YEARS*

Function	2016	2015	2014	2013	2012	2011	2010
Public Safety							
Police Stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire Stations	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Leisure Time Activities							
Parks	16.00	16.00	16.00	16.00	16.00	16.00	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	7.00	7.00	7.00	7.00	7.00
Transportation							
Streets (Paved Miles)	130.99	130.99	130.99	130.99	130.99	130.99	130.99
Utility Services							
Water Mains (miles)	130.00	130.00	130.00	137.50	137.50	137.50	137.50
Sanitary Sewers (miles)	134.92	110.00	110.00	92.50	92.50	92.50	92.50

Source: City of Barberton Departments.

<u>2009</u>	<u>2008</u>	<u>2007</u>
1.00	1.00	1.00
2.00	2.00	2.00
16.00	16.00	16.00
161.00	161.00	161.10
6.00	8.00	8.00
11.00	11.00	11.00
7.00	7.00	7.00
130.99	130.99	130.99
137.50	137.50	136.70
92.50	92.50	91.25

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