



**Auditor of State
Betty Montgomery**

CITY OF WARREN
TRUMBULL COUNTY

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CITY OF WARREN
TRUMBULL COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2004

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Direct Programs:</i>			
Community Development Block Grants / Entitlement Grants			
Grant Year 1998		14.218	\$6,506
Grant Year 1999		14.218	7,045
Grant Year 2000		14.218	164,255
Grant Year 2001		14.218	260,997
Grant Year 2002		14.218	177,292
Grant Year 2003		14.218	765,663
Grant Year 2004		14.218	390,089
Subtotal - Community Development Block Grants / Entitlement Grants			<u>1,771,847</u>
Community Development Block Grants - Section 108 Loan Guarantees		14.248	63,798
HOME Investment Partnerships Program			
Grant Year 2000		14.239	7,730
Grant Year 2001		14.239	47,350
Grant Year 2002		14.239	230,886
Grant Year 2003		14.239	173,674
Grant Year 2004		14.239	68,786
Subtotal - HOME Investment Partnerships Program			<u>528,426</u>
Total U.S. Department of Housing and Urban Development			<u>2,364,071</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Direct Programs:</i>			
Federal Equitable Sharing Agreement		16.000	157,454
Local Law Enforcement Block Grant		16.592	15,407
Public Safety Partnership and Community Policing Grants		16.710	204,499
<i>Passed Through Ohio Attorney General's Office:</i>			
Crime Victim Assistance	2004VAGENE511	16.575	21,549
	2005VAGENE511	16.575	7,343
Subtotal - Crime Victim Assistance			<u>28,892</u>
<i>Passed Through Ohio Department of Youth Services:</i>			
Juvenile Accountability Incentive Block Grant	2003-JB-013-A243	16.523	27,729
Total U.S. Department of Justice			<u>433,981</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed Through Ohio Department of Transportation:</i>			
Highway Planning and Construction:			
West Market Street ODOT Project	76176	20.205	69,223
<i>Passed Through Ohio Department of Public Safety, Governor's Highway Safety Office:</i>			
State and Community Highway Safety	4057.0	20.600	19,283
	5025.0	20.600	7,363
Subtotal - State and Community Highway Safety			<u>26,646</u>
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	4057.0	20.601	11,947
Total U.S. Department of Transportation			<u>107,816</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through Ohio Department of Health:</i>			
Maternal and Child Health Services Block Grant to the States	78-2-001-1-AJ-04	93.994	25,000
<i>Passed Through Trumbull County Health Department:</i>			
Centers for Disease Control and Prevention - Investigations and Technical Assistance	78-1-001-2-BI-05	93.283	7,248
Total U.S. Department of Health and Human Services			<u>32,248</u>
Total			<u>\$2,938,116</u>

**CITY OF WARREN
TRUMBULL COUNTY
YEAR ENDED DECEMBER 31, 2004**

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the City's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - SUBRECIPIENTS

The City passes-through certain Federal assistance received from the United States Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As described in Note A, the City records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the City is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved.

NOTE C - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2004, the gross amount of loans outstanding under this program was \$1,548,104.

NOTE D — MATCHING REQUIREMENTS

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

City of Warren
Trumbull County
391 Mahoning Avenue
Warren, Ohio 44483

To City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warren, Trumbull County, Ohio (the City), as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 29, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the City's management dated June 29, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the City's management dated June 29, 2005, we reported other matters related to noncompliance we deemed immaterial.

City of Warren
Trumbull County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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

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

Betty Montgomery
Auditor of State

June 29, 2005



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

City of Warren
Trumbull County
391 Mahoning Avenue
Warren, Ohio 44483

To City Council:

Compliance

We have audited the compliance of the City of Warren, Trumbull County, Ohio, (the City), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2004. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2004. In a separate letter to the City's management dated June 29, 2005, we reported another matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over federal compliance not requiring inclusion in this report, that we have reported to the City's management in a separate letter dated June 29, 2005.

Federal Awards Expenditures Schedule

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of and for the year ended December 31, 2004, and have issued our report thereon dated June 29, 2005. Our audit was performed to form an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

June 29, 2005

CITY OF WARREN
TRUMBULL COUNTY
DECEMBER 31, 2004

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Community Development Block Grant / 14.218 & HOME Investment Partnership Program / 14.239
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

CITY OF WARREN, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2004

PREPARED BY:

CITY AUDITOR'S OFFICE
DAVID GRIFFING, CITY AUDITOR

391 MAHONING AVENUE, N.W.
WARREN, OH 44483

INTRODUCTORY SECTION

CITY OF WARREN, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2004

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CITY OF WARREN, OHIO

Finance Department

DAVID N. GRIFFING
City Auditor

NANCY E. RUGGIERI
Deputy Auditor

CITY HALL
391 Mahoning Avenue
Warren, Ohio 44483
Telephone: (330) 841-2586
Fax: (330) 841-2676

June 29, 2005

The Honorable Mayor, Members of City Council, and
The Citizens of the City of Warren, Ohio:

The Comprehensive Annual Financial Report (CAFR) of the City of Warren, Ohio, (the "City") for the year ended December 31, 2004, is hereby submitted. This report is prepared in conformance with generally accepted accounting principles (GAAP) in the United States of America as set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City Auditor's office. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The CAFR is presented in the following three sections:

1. *Introductory Section* — This section introduces the reader to the report and contains a title page, table of contents, this transmittal letter, an organizational chart of the City government, a list of principal City officials, and the 2003 Certificate of Achievement for Excellence in Financial Reporting. This section is unaudited.
2. *Financial Section* — Based on the standards prescribed by the new GASB Statement No. 34, this section includes the independent auditor's report, management's discussion and analysis, the basic financial statements and notes, the combining statements for non-major funds, and other relevant supplemental financial statements and schedules for 2004.
3. *Statistical Section* — This section, which is unaudited, presents selected financial, economic, and demographic information relative to the City.

REPORTING ENTITY

For financial reporting purposes, the City includes all funds, agencies, boards, commissions, and departments for which the City is financially accountable. The City is the only governmental unit in the reporting entity; it has no component units.

In determining what constitutes the City's reporting entity, criteria established by GASB Statement No. 14, "The Financial Reporting Entity", were used. The City is comprised of all entities not legally separate from the City. Trumbull County, Warren Township, Howland Township, the Warren City School District and the Trumbull Career and Technical Center are separate governmental jurisdictions that overlap the City's boundaries. However, these entities are not included in the City's financial reports.

The City of Warren, historic capital of the Connecticut Western Reserve and Trumbull County seat, was incorporated as a village in 1843 and attained city status in 1869. Located in northeast Ohio, the City is situated approximately fifty-two miles southeast of Cleveland and fourteen miles northwest of Youngstown, occupies a land area of 16.08 square miles, and serves a population of 46,608 residents.

Warren is easily reached by a variety of rail, highway and air transportations systems. In conjunction with the Conrail and B&O railroads, the City is home to a first-rate network of regional and interstate highways, providing local business and industry with access to major metropolitan markets. State Routes 5, 45, 82 and U.S. Route 422 serve the City directly, while the Ohio Turnpike (I-80) is located six miles west of the corporate limits, I-76 is nine miles south, and State Route 11 is four miles east. Commercial and air freight services are supplied by the Youngstown-Warren Regional Airport; additional air transportation services are provided by Cleveland Hopkins International Airport, Akron-Canton Regional Airport, and Pittsburgh International Airport – all within 75 miles of the City.

Cultural and recreational opportunities abound throughout Warren and the surrounding region. The W.D. Packard Music Hall auditorium (performance seating capacity for 2,500 and banquet seating for 1,000) is home to a variety of music and theatrical productions, the downtown district hosts several summer festivals and outdoor concerts, and local museums, historic and cultural landmarks provide a forum for the notable architectural, educational, and entertainment resources present in the community. The City is home to over 260 acres of public parks, including the newly constructed Riverwalk, Amphitheater, and Women’s Park. These facilities provide a variety of recreational opportunities for local residents, including softball, soccer, biking, and tennis. The City also owns a municipal golf course that is presently leased and operated by a private corporation, and Mosquito Lake and Meander Creek Reservoir provide facilities for swimming, fishing and boating.

In addition to the City’s comprehensive public school system and excellent parochial school system, advanced education can be pursued at the local branch of Kent State University. Several accredited colleges and universities with four-year and advanced degree programs are also located within a short driving distance, including Youngstown State University, Kent State University, Hiram College, and Akron University

A complete discussion of the City’s reporting entity is provided in Note 2 of the BFS.

PROFILE OF THE GOVERNMENT

The City provides a wide range of general governmental services to its residents including: public safety (police and fire), public health, municipal court, highways and streets, public improvements, community development (planning and zoning), water, sewers, sanitation, parks and recreation, and general administrative services. The City is a statutory city that operates under those powers granted by the Ohio Constitution and The Ohio Revised Code. The Mayor is elected at-large to serve a four-year term. The Mayor is responsible for administrating the policies and ordinances adopted by the City Council, for overseeing the day-to-day operations of the City, and for appointing the superintendents of various departments. The 11 members of City Council are elected every 2 years with one serving as the President of Council. Council members serve as the legislative authority and the taxing authority. The Council members create and adopt the annual operating budget of the City.

Aside from the Mayor and Council, citizens elect three other at-large City administrative officials, each of whom is independent within the limits of Ohio law affecting the particular office. These officials, elected to four-year terms, are the Auditor, Treasurer, and Law Director. The Auditor serves as the chief financial officer of the City. As chief financial officer, no contract or obligation involving the City can be made without the Auditor’s certification that appropriations are sufficient and that funds are available, or are in the process of collection, to satisfy the contract or obligation. The Auditor is the central disbursing agent for the City who distributes funds to creditors in payment of liabilities incurred by the City and its departments. In addition, the Auditor is responsible for the preparation of the City payroll and maintaining a permanent accounting system and records.

The Treasurer is the custodian of all City funds. The Treasurer is responsible for the investment of active, inactive, and interim funds as specified by Ohio law. In addition, the Treasurer serves as an internal control function for the Auditor.

The Law Director has the responsibility of the criminal and civil divisions of the City Law Department. The criminal division is responsible for prosecuting all cases arising in the two municipal courts within the City. The Law Director is also responsible for the civil division which prepares all contracts, bonds, legislation, and other instruments in writing. As designated by Ohio law, the Law Director serves as chief legal counsel for all City officials, directors, departments, and boards.

ECONOMIC CONDITION AND OUTLOOK

The City benefits from its prime location as a central component of the regional Cleveland-Pittsburgh American manufacturing belt. Approximately 11,700 manufacturing plants, 12,500 wholesale distribution centers and 46 Fortune 500 industrial, service, and corporate world headquarters are located within 75 miles of the City. Residents derive significant benefit from and have easy access to exceptional employment, educational, recreational, medical, and cultural facilities within and surrounding the greater Youngstown-Warren metropolitan area. Home to a diversified base of industrial and commercial activity, employment within the City is primarily concentrated in the production of steel, automotive and appliance wiring systems, incandescent lamps, industrial pipe, aluminum products, and the assembly of automobiles and parts. Though employment in non-manufacturing sectors has increased as a result of an overall reduction in manufacturing employment since 1983, the City continues to experience economic growth and expansion despite this transition of workforce demographics.

Spearheaded by the Community Development Department and Warren Redevelopment and Planning, Inc. (WRAP), the City's economic development team possesses significant resources to assist any business with establishment, expansion, or relocation within the City. Support is available on a variety of topics, including site selection, financial and tax abatement assistance, and business plan development. The residential and commercial growth taking place in Warren and its surrounding communities represent positive economic trends that are expected to continue into the future.

In 2004, the city allocated Enterprise Zone tax abatements to Diane Sauer Chevrolet. This agreement resulted in a total material investment of between \$2.5 and \$3.3 million dollars, including up to \$1.3 million in improvements to existing buildings, between \$1.6 and \$2.0 million in new construction, and up to \$77,000 in machinery and equipment. This abatement will result in the preservation of 73 jobs, and \$3.2 million in payroll retention. In addition, the firm has pledged to increase workforce numbers by at least five jobs in the next three years, increasing city payrolls by over \$175,000.

Diane Sauer Chevrolet has been serving the Warren area market since 1958. Trumbull County's largest Chevrolet dealer and a frequent award-winning dealership, Diane Sauer Chevrolet recently relocated from a previous West Market Street location to Chestnut and South Streets in downtown Warren. Over and above tax abatement agreements with the City, this long-standing Warren firm is projected to make additional private improvements to the site worth over \$1 million.

Ten small business loans were approved through the City of Warren Revolving Loan Fund and Urban Development Action Grant programs in 2004, totaling roughly \$980,000 in investment within city limits. These six RLF and four UDAG loans secured 122 existing jobs and created 17 new jobs available to residents. In addition, four mini-loans were approved through the county Reinvestment Partnership program, providing the county with over \$380,000 in new investment. These four loans also created 39 new jobs.

Home to one of the most picturesque historic downtown squares in the state, Warren continues to initiate and support the revitalization of these landmark buildings, in order to promote a new attitude of vitality and identity within the community. Currently, two historical landmarks – the Kinsman House and Land Office – are undergoing a complete exterior restoration. Upon completion, this \$500,000 project will provide a dramatic backdrop to local cultural festivals, community events.

In addition, the Warren Community Amphitheater and Riverwalk campus provide recreational and cultural opportunities for residents, visitors, and the general public, greatly improving the quality of life throughout the region while enhancing the beauty of the Mahoning River and downtown Warren. Beginning in fall of 2005, the City will be utilizing \$500,000 in federal funds to construct a stage house at the Amphitheater, improving its ability to host outdoor music and theater performances. As development progresses, \$1.5 million in federal funding has been allocated to further construction of the Riverwalk, enabling its service as a key connector in the Lake-to-River Greenway Trail and other existing pedestrian-bicycle linear parks along natural waterways and abandoned railroad corridors throughout the state.

The City of Warren is also in the process of establishing a strategic development plan for the central business district and surrounding historic neighborhoods. A series of charettes were held in conjunction with the Urban Design Center at Kent State University, which solicited resident opinion regarding economic and community development in the downtown area.

MAJOR INITIATIVES – CURRENT AND FUTURE PROJECTS

Throughout 2004, a number of projects were initiated enabling the City to operate with increased efficiency as well as compete for commercial and industrial development promoting an atmosphere conducive for job retention and growth.

PUBLIC SAFETY

Through the efforts of the Police Department, several grants were received by the City, a Step Grant for traffic enforcement that has reduced the amount of traffic related accidents, a Cops in Shops Grant to put more police officers in the stores around the City to reduce crimes, and Cops in Schools to put three police officers into the schools during school hours. A total of \$214,832 was received in grant funds. This provided nearly 5,000 extra man hours of Law Enforcement activities and generated over 5,000 traffic citations. All of these programs have helped to reduce crime and in some cases increase revenue. The City is currently reviewing the possibility of installing red automated red light cameras and cameras to enforce speeding violations throughout the city.

During 2004, the Fire Department was able to upgrade the radio receiving consoles at the central fire station to improve communications with schools, hospitals, nursing homes and city offices. The fire department did receive delivery of the new Quint apparatus, the cost was \$528,000. This has replaced a 1973 American LaFrance aerial. The Quint has many functions and can operate as a ladder truck as well as an engine and pumper. All new ladders, hoses, exhaust fans, nozzles and tools were received with the new vehicle. All of the department's firefighters were trained on this new piece of equipment. Additionally, forty-eight members of the department were trained to the Hazardous Material Technician level by Cleveland State University.

PUBLIC WORKS

The City engaged in an annual street resurfacing program focusing resources in areas of the community where streets required rehabilitation and resurfacing to prevent further damage. The project cost \$684,812 and was paid from Community Development Block Grant Funds. Several other reconstruction projects were also completed. These projects include the Comstock Street paving and storm sewer project in the amount of \$802,103, the Parkman road reconstruction project in the amount of \$869,852, the Perkins Park Restroom project in the amount of \$ 78,531, and the Mahoning Avenue Sidewalk project in the amount of \$54,871.

The City began a Traffic Signal Closed Loop Project for the amount of \$2,966,666, the purpose of this project is to have a completely interconnected traffic signal system that will recognize traffic flow and automatically compensate for heavy or light traffic. There are 82 traffic signals involved in this project. The outdated electro-mechanical traffic signals will be upgraded to solid-state units. The entire system will be a fully computerized closed loop. All signals will be interconnected with fiber-optic cable. The project is 100% funded through the Federal Highway Administrative Funds and is expected to be completed in February of 2005.

UTILITY SERVICE

The City Water Department instituted a number of changes in 2004. They are now accepting credit card payments and direct debit payments for utility; this has increased collections and reduced delinquencies. A large meter project was completed and 1,159 meters ranging in size from 1" to 10" were installed. The next step will be to replace all of the small meters; this will be funded by the increased revenue from the large meter project. Along with the increase in revenue, the meter replacement projects will allow for the remote reading of the new meters eliminating the need for meter readers to read them manually. In addition, a hydraulic study was performed recommending an additional one million gallon storage tank to improve storage capacity and increase pressure throughout the city.

The Water Filtration Plant completed the \$10.9 million improvement project. A new centrifuge to process the plants sludge was tested and will be bid in early 2005. This will reduce costs and is estimated to have a payback period of less than one year. The plans are being designed for a new chlorine system for the enhancement of a safe work place. Further upgrades to the billing software are being tested; these improvements should improve the efficiency of that operation of the department.

The Environmental Services Department has continued to improve service to its customers over the years; the plan for 2004 was to retro fit the fleet of trucks that were semi automated side loading to a fully automated side loading vehicle. This was to further improve productivity and reduce the number of routes by increasing the number of accounts each truck can collect in a daily route. The first truck was started in June and a newly retrofitted truck was rolled out every other month. Along with those trucks, a roll-off truck was purchased creating a new revenue stream for the department. The department will complete the transition to the fully automated trucks in 2005.

GENERAL GOVERNMENT

The Packard Music Hall saw even more improvements in 2004. The lighting and sound systems were all upgraded to accommodate more shows, the band shell expansion was completed, the mid-house drape was replaced, allowing for the creation of a more intimate setting, a new flag pole was installed in the front of the hall, new equipment was installed to improve concession facilities and new landscaping around the building was installed to improve the overall look of the facility. There were 125 events at the hall, which is 10 more than the prior year, and the hall is on pace to eclipse that by 15 events in 2005. The website was improved to allow for ticket sales and an events calendar. The Packard Music Hall Foundation was finally completed, creating a non profit 501C(3) organization to assist the hall in fund raising efforts. In the first quarter of 2005, the hall has doubled their revenue from the 2004 year which had been the best year ever for the hall. A grant from the State of Ohio was secured for capital improvements in the amount of \$100,000, to make improvements to the dressing rooms, which will be received in 2005. An additional grant of \$1,500,000 was received from the federal government that was secured by our congressman for further improvements to this facility.

The Income Tax Department increased the number of individual taxpayers by 51% and made improvements to the website. They implemented a comparison of the State of Ohio taxpayers and uncovered over \$ 550,000 of income tax revenue. 2004 saw the upgrade of all of the department's computer hardware, the upgrade from a DOS based software system to a windows based system, they began imaging all documents in an effort to begin the conversion to a paperless office. The department reviewed the records retention policy and was able to destroy over 13,000 pounds of old records. The department began an all out effort to take delinquent and non filing tax payers to court to enforce the tax code, this has resulted in additional income tax collections and further increased the number of taxpayers filing returns. The department has future plans for online filing, online payments, ACH deposits, bar-coding and scanning, direct deposit of refunds and updating the tax ordinances and rules and regulations of the city.

FINANCIAL INFORMATION

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

Management of the City is responsible for establishing and maintaining an internal control designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of the BFS in conformity with GAAP. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurances recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management.

The City utilizes a fully automated accounting system as well as automated systems of control for fixed assets and payroll. Combined with the manual audit of each voucher prior to payment, these systems ensure that the financial information generated is accurate and reliable. Those purchase orders which exceed the available appropriations cannot be entered by the departments. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, debt service fund, capital projects fund, enterprise fund and internal service funds are included in the annual appropriated budget. The level of budgetary control (that is, the level which expenditures cannot legally exceed the appropriated amount) is established at the major expenditure object for all funds. Any changes in appropriations outside of the legal level of budgetary control require the approval of Council by an appropriation amendment ordinance. Budget-to-actual comparisons are provided in a report to all departments on a monthly basis for all funds for which an appropriated annual budget has been adopted by City Council. Additional information regarding the City's budgetary accounting controls can be found in the Note 2.F. of the BFS.

FINANCIAL CONDITION

This is the second year the City has prepared financial statements following GASB Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB No. 34 creates new basic financial statements for reporting on the City's financial activities as follows:

Government-wide financial statements – These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Fund financial statements – These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliations to the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statement of budgetary comparisons – These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is also responsible for preparing a Discussion and Analysis of the City. This discussion follows this letter of transmittal, providing an assessment of the City's finances for 2004 and the outlook for the future. Because that discussion focuses on major funds, the financial highlights provided in this letter focus on certain non major funds of the City.

FINANCIAL HIGHLIGHTS

Internal Service Funds - Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost reimbursement basis. The City maintains four internal service funds – Life Insurance and Hospitalization, Workers Compensation, Data Processing and Risk Management. During 2004, the internal service funds had operating revenues of \$7,538,626 and operating expenses of \$7,430,001. The net assets of the internal service funds were \$5,348,610 at December 31, 2004.

Fiduciary Funds - Fiduciary funds account for assets held by the City in a trustee capacity, or as an agent, for individuals, private organizations, other governmental units, and/or other funds. On December 31, 2004, assets held in the City's four agency funds totaled \$1,242,651.

OTHER INFORMATION

INDEPENDENT AUDIT

Included in this report is an unqualified audit opinion rendered on the City's BFS as of and for the year ended December 31, 2004, by our auditor, State of Ohio, Betty Montgomery, Auditor of State. City management intends to continue to subject the BFS to an annual independent audit as part of the preparation of the Comprehensive Annual Financial Report (CAFR). The auditor's report on the BFS and combining and individual fund statements and schedules are included in the financial section of this report. The annual audit serves to maintain and strengthen the City's accounting and budgetary controls. In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1996 and related OMB Circular A-133. The Report of Independent Accountants on the BFS is included at the beginning of the financial section of the CAFR.

USE OF THE REPORT

The report is published to provide City Council and administration, as well as our citizens and other interested persons, detailed information concerning the financial condition of the City with particular emphasis placed on the utilization of resources during the past fiscal year. It is also intended that this report serve as a guide in formulating policies and in conducting the City's future day-to-day activities. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial activity of the City's various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Use of this report by the various officials and departments of the City is encouraged when furnishing information pertaining to the City and its associated activities. Copies of this report are available in the City Auditor's Office for public inspection.

SUBMISSION TO THE ACHIEVEMENT PROGRAM

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 Warren for its comprehensive annual financial report for the year ended December 31, 2003. This was the second year the City received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements and this report will be submitted to the GFOA to determine its eligibility for another certificate.

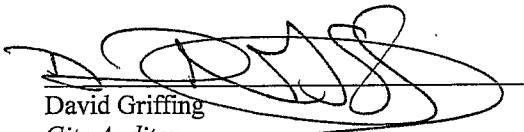
ACKNOWLEDGEMENTS

The publication of this CAFR represents an important achievement in the ability of the City of Warren to provide significantly enhanced financial information and accountability to the citizens of the City of Warren, its elected officials, City management and investors. This report continues the aggressive program of the City Auditor's office to improve the City's overall financial accounting, management and reporting capabilities.

I would like to acknowledge the efforts of the entire staff of the City of Warren Auditor's office for their contributions to this report. Special thanks are extended to Nancy Ruggieri, Deputy Auditor, for her effort and dedication to this project. I would also like to acknowledge the assistance provided by the staff of Trimble Julian & Grube, Inc., Steve Julian, CPA and Carrie Simmons, CPA their guidance and professionalism was invaluable and greatly appreciated.

I would also like to thank all of the elected officials, department heads and their staffs for their assistance and cooperation with the preparation of this CAFR. I know with their continued support, this project and our efforts toward sound financial management of the City of Warren will continue.

Sincerely,



David Griffing
City Auditor

CITY OF WARREN
ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2004

ELECTED OFFICIALS

Executive Branch:

Mayor	Michael J. O'Brien
Auditor	David N. Griffing
Treasurer	John Taylor
Law Director	Gregory V. Hicks
Judge	Thomas Gysegem
Judge	Terry Ivanchak

Legislative Branch:

Council Member – Council President	Robert Marchese
Council Member – 1 st Ward	Virginia Bufano
Council Member – 2 nd Ward	Alford Novak
Council Member – 3 rd Ward	John Homlitas
Council Member – 4 th Ward	Robert Holmes III
Council Member – 5 th Ward	Vincent S. Flask
Council Member – 6 th Ward	James Pugh
Council Member – 7 th Ward	Susan E. Hartman
Council Member – At-Large	Robert L. Dean, Jr.
Council Member – At-Large	Felipe Romain, Jr.
Council Member – At-Large	Gary Fonce

APPOINTED OFFICIALS

Department of Public Safety:

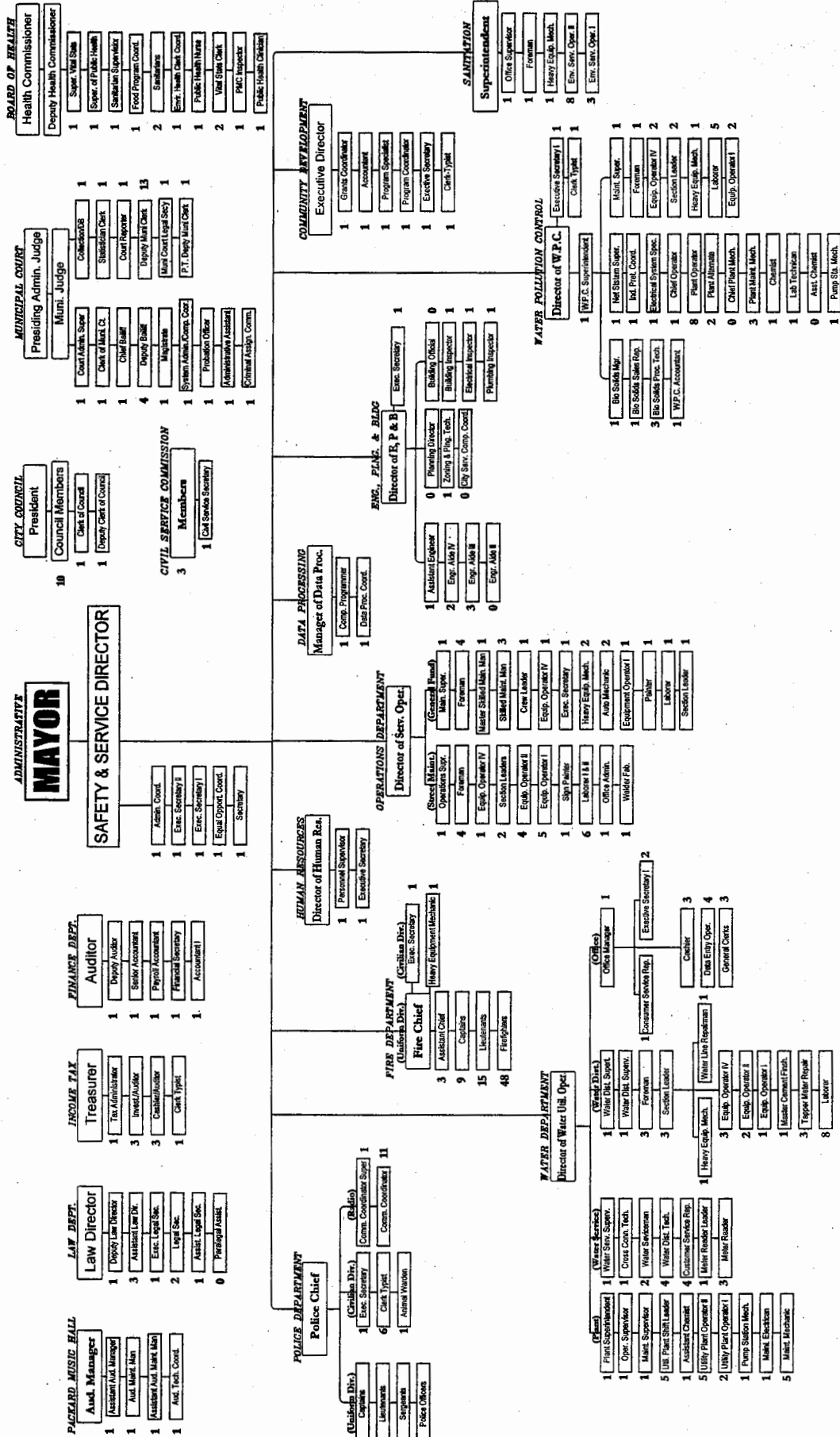
Director of Public Safety	William D. Franklin
Police Chief	John Mandopoulos
Fire Chief	Kenneth Nussle

Department of Public Service:

Director of Public Service	William D. Franklin
Deputy Health Commissioner	Robert Pinti
Director of Engineering	William Totten
Director of Operations	Frank Tempesta
Director of Water Utilities	Robert Davis
Director of Water Pollution Control	Thomas Angelo
Packard Music Hall Manager	Christopher Stephenson
Director of Environmental Services	Renee Cicero
Director of Community Development	Michael Keys

CITY OF WARREN, OHIO

Organization Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Warren,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Ziehl

President

Jeffrey R. Emery

Executive Director

FINANCIAL SECTION



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

City of Warren
Trumbull County
391 Mahoning Avenue
Warren, Ohio 44483

To City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warren, Trumbull County, Ohio (the City), as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warren, Trumbull County, Ohio, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2005 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

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

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

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

Betty Montgomery
Auditor of State

June 29, 2005

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2004 UNAUDITED

The management's discussion and analysis of the City of Warren's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2004. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2004 are as follows:

- The total net assets of the City increased \$5,980,210. Net assets of governmental activities increased \$5,448,126 or 15.08% over 2003 and net assets of business-type activities increased \$532,084 or 2.11% over 2003.
- General revenues accounted for \$25,000,827 or 68.28% of total governmental activities revenue. Program specific revenues accounted for \$11,616,391 or 31.72% of total governmental activities revenue.
- The City had \$30,696,937 in expenses related to governmental activities; \$11,616,391 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$19,060,546 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$25,000,827.
- The general fund had revenues and other financing sources of \$28,276,374 in 2004. This represents a decrease of \$1,389,027 from 2003 revenues and other financing sources. The expenditures and other financing uses of the general fund, which totaled \$29,160,677 in 2004, increased \$1,663,910 from 2003. The net decrease in fund balance for the general fund was \$884,303 or 14.43%.
- The general capital projects fund had revenues and other financing sources of \$5,406,989 in 2004. The expenditures and other financing uses of the general capital projects fund totaled \$5,223,307 in 2004. The net increase in fund balance for the general capital projects fund was \$183,682 or 51.40%.
- Net assets for the business-type activities, which are made up of the Water, Sewer, Sanitation, Packard Music Hall, Downtown Parking, City Redevelopment, and Stormwater Utility enterprise funds, increased in 2004 by \$532,084.
- In the general fund, the actual revenues and other financing sources were \$154,219 lower than in the final budget and actual expenditures and other financing uses were \$1,989,609 less than the amount in the final budget. Budgeted revenues increased \$84,469 from the original to the final budget. Budgeted expenditures and other financing uses increased \$3,797,983 from the original to the final budget.

Using this Comprehensive Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net assets and statement of activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2004 UNAUDITED

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did the City perform financially during 2004?" The statement of net assets and the statement of activities answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting reflects all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net *assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors—some financial, others not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the statement of net assets and the statement of activities, the City is divided into two distinct kinds of activities:

Governmental activities - Most of the City's programs and services are reported here including police, fire and rescue, street maintenance, capital improvements, and general administration. These services are funded primarily by property taxes, income taxes, and intergovernmental revenues including federal and state grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's water, sewer, sanitation, Packard Music hall, downtown parking, city redevelopment, and stormwater utility are reported here.

The City's statement of net assets and statement of activities can be found on pages F17-F19 of this report.

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focuses on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page F10.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2004 UNAUDITED

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund and general capital projects fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages F20 - F24 of this report.

Proprietary Funds

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water, Packard Music Hall, sanitation, downtown parking, city redevelopment, and stormwater utility. The sewer, water and sanitation enterprise funds are considered major funds.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The basic proprietary fund financial statements can be found on pages F26 - F33 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Agency funds are the City's fiduciary fund types. The basic fiduciary fund financial statement can be found on page F34 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F35 - F66 of this report.

Government-Wide Financial Analysis

The statement of net assets provides the perspective of the City as a whole. The table below provides a summary of the City's net assets for 2004 and 2003:

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

Net Assets

	Governmental Activities 2004	Business-type Activities 2004	Governmental Activities 2003	Business-type Activities 2003	2004 Total	2003 Total
<u>Assets</u>						
Current and other assets	\$ 26,402,863	\$ 10,507,890	\$ 27,771,621	\$ 8,848,770	\$ 36,910,753	\$ 36,620,391
Capital assets	<u>38,618,197</u>	<u>55,393,388</u>	<u>32,699,326</u>	<u>55,916,117</u>	<u>94,011,585</u>	<u>88,615,443</u>
Total assets	<u>65,021,060</u>	<u>65,901,278</u>	<u>60,470,947</u>	<u>64,764,887</u>	<u>130,922,338</u>	<u>125,235,834</u>
<u>Liabilities</u>						
Current liabilities	3,681,298	1,593,426	3,560,406	2,097,154	5,274,724	5,657,560
Long-term liabilities	<u>19,752,379</u>	<u>38,510,250</u>	<u>20,771,284</u>	<u>37,402,215</u>	<u>58,262,629</u>	<u>58,173,499</u>
Total liabilities	<u>23,433,677</u>	<u>40,103,676</u>	<u>24,331,690</u>	<u>39,499,369</u>	<u>63,537,353</u>	<u>63,831,059</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	26,382,293	17,311,185	19,496,371	19,168,104	43,693,478	38,664,475
Restricted	9,507,905	-	10,161,287	-	9,507,905	10,161,287
Unrestricted	<u>5,697,185</u>	<u>8,486,417</u>	<u>6,481,599</u>	<u>6,097,414</u>	<u>14,183,602</u>	<u>12,579,013</u>
Total net assets	<u>\$ 41,587,383</u>	<u>\$ 25,797,602</u>	<u>\$ 36,139,257</u>	<u>\$ 25,265,518</u>	<u>\$ 67,384,985</u>	<u>\$ 61,404,775</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2004, the City's assets exceeded liabilities by \$67,384,985, an increase of 9.74% from 2003. At year-end, net assets were \$41,587,383 and \$25,797,602 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 71.81% of total assets, compared to 70.76% at December 31, 2003. Capital assets include land, construction in progress (CIP), land improvements, buildings and improvements, furniture and equipment, vehicles and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2004, were \$26,382,293 and \$17,311,185 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2004, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's net assets, \$9,507,905, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net assets of \$5,697,185 may be used to meet the government's ongoing obligations to citizens and creditors.

The table below shows the changes in net assets for fiscal years 2004 and 2003.

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

	Change in Net Assets					
	Governmental	Business-type	Governmental	Business-type	2004	2003
	Activities	Activities	Activities	Activities	Total	Total
	<u>2004</u>	<u>2004</u>	<u>2003</u>	<u>2003</u>		
Revenues						
Program revenues:						
Charges for services	\$ 3,521,205	\$ 22,149,724	\$ 3,799,373	\$ 21,170,452	\$ 25,670,929	\$ 24,969,825
Operating grants and contributions	4,164,095	-	5,141,369	-	4,164,095	5,141,369
Capital grants and contributions	3,931,091	-	1,147,279	-	3,931,091	1,147,279
Total program revenues	<u>11,616,391</u>	<u>22,149,724</u>	<u>10,088,021</u>	<u>21,170,452</u>	<u>33,766,115</u>	<u>31,258,473</u>
General revenues:						
Property taxes	1,470,837	-	1,517,267	-	1,470,837	1,517,267
Income taxes	18,830,130	-	18,788,667	-	18,830,130	18,788,667
Unrestricted grants and entitlements	3,080,849	-	2,896,927	-	3,080,849	2,896,927
Investment earnings	465,707	9,940	615,974	201,577	475,647	817,551
Miscellaneous	1,153,304	542,264	1,796,888	767,730	1,695,568	2,564,618
Total general revenues	<u>25,000,827</u>	<u>552,204</u>	<u>25,615,723</u>	<u>969,307</u>	<u>25,553,031</u>	<u>26,585,030</u>
Total revenues	<u>36,617,218</u>	<u>22,701,928</u>	<u>35,703,744</u>	<u>22,139,759</u>	<u>59,319,146</u>	<u>57,843,503</u>
Expenses:						
General government	5,364,746	-	5,503,496	-	5,364,746	5,503,496
Security of persons and property	16,118,228	-	15,483,951	-	16,118,228	15,483,951
Public health and welfare	509,570	-	443,174	-	509,570	443,174
Transportation	3,447,063	-	3,581,813	-	3,447,063	3,581,813
Community environment	1,849,861	-	2,017,399	-	1,849,861	2,017,399
Leisure time activity	585,728	-	680,886	-	585,728	680,886
Economic development	2,071,529	-	2,189,572	-	2,071,529	2,189,572
Interest and fiscal charges	730,212	-	630,684	-	730,212	630,684
Sewer	-	8,129,365	-	10,385,641	8,129,365	10,385,641
Water	-	10,240,694	-	8,536,652	10,240,694	8,536,652
Sanitation	-	2,890,149	-	2,822,181	2,890,149	2,822,181
Packard Music Hall	-	643,869	-	528,652	643,869	528,652
City Redevelopment	-	20,399	-	21,589	20,399	21,589
Downtown Parking	-	154,335	-	159,800	154,335	159,800
Stormwater Utility	-	583,188	-	657,073	583,188	657,073
Total expenses	<u>30,676,937</u>	<u>22,661,999</u>	<u>30,530,975</u>	<u>23,111,588</u>	<u>53,338,936</u>	<u>53,642,563</u>
Increase (decrease) before transfers	5,940,281	39,929	5,172,769	(971,829)	5,980,210	4,200,940
Transfers	(492,155)	492,155	(645,036)	645,036	-	-
Change in net assets	5,448,126	532,084	4,527,733	(326,793)	5,980,210	4,200,940
Net assets at beginning of year	36,139,257	25,265,518	31,611,524	25,592,311	61,404,775	57,203,835
Net assets at end of year	<u>\$ 41,587,383</u>	<u>\$ 25,797,602</u>	<u>\$ 36,139,257</u>	<u>\$ 25,265,518</u>	<u>\$ 67,384,985</u>	<u>\$ 61,404,775</u>

CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

Governmental Activities

Governmental activities net assets increased \$5,448,126 in 2004 compared to an increase of \$4,527,733 in 2003. This increase is a result of slightly decreasing revenues, capital grants and contributions, capital asset additions, a reduction in debt obligations and a tighter control of expenses.

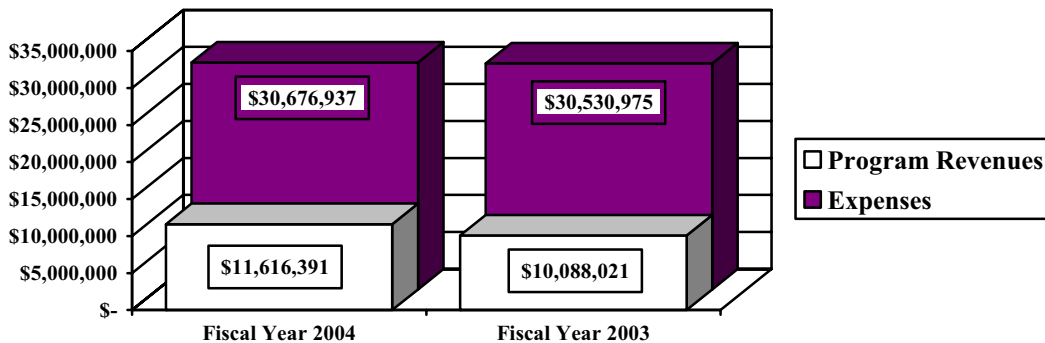
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$16,118,228 and \$15,483,951 of the total expenses of the City during 2004 and 2003, respectively. These expenses were partially funded by \$1,412,462 in 2004 compared to \$1,567,813 in 2003 in direct charges to users of the services. Transportation expenses totaled \$3,447,063 during 2004 and \$3,581,813 during 2003. During 2004, Transportation expenses were partially funded by \$1,872,926 in operating grants and contributions and \$33,050 in charges to users of services.

The state and federal government contributed to the City a total of \$4,164,095 and \$5,141,369 during 2004 and 2003, respectively, in operating grants and contributions. The decrease in operating grants is due to a FEMA grant received during 2003 and expended in 2004, and a decrease in monies received for economic development programs. Capital grants and contributions totaled \$3,931,091 during 2004, a 242.64% increase from 2003. These revenues are restricted to a particular program or purpose. \$1,164,720 of the total capital grants and contributions subsidized general government programs and \$2,766,371 subsidized transportation programs.

General revenues totaled \$25,000,827, and amounted to 68.28% of total governmental revenues during 2004. These revenues primarily consist of property and income tax revenue of \$20,300,967. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$3,080,849. These revenues sources combine for 63.85% of total governmental revenues.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. As can be seen in the graph below, the City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities.

Governmental Activities – Program Revenues vs. Total Expenses



CITY OF WARREN, OHIO

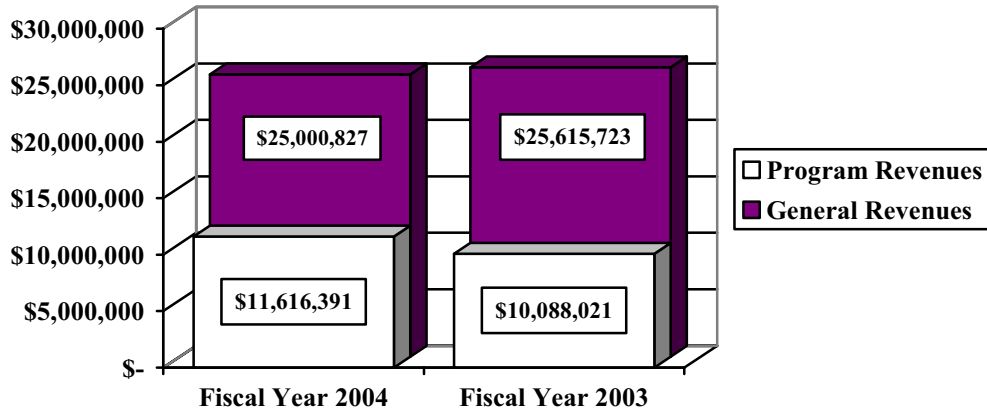
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

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.

	Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2004</u>	<u>2004</u>	<u>2003</u>	<u>2003</u>
Program Expenses:				
General government	\$ 5,364,746	\$ 2,974,519	\$ 5,503,496	\$ 2,885,801
Security of persons and property	16,118,228	14,469,242	15,483,951	13,672,174
Public health and welfare	509,570	378,666	443,174	322,515
Transportation	3,447,063	(1,225,284)	3,581,813	1,852,895
Community environment	1,849,861	1,186,360	2,017,399	1,400,064
Leisure time activity	585,728	568,469	680,886	653,430
Economic development	2,071,529	(21,638)	2,189,572	(974,609)
Interest and fiscal charges	<u>730,212</u>	<u>730,212</u>	<u>630,684</u>	<u>630,684</u>
Total	<u>\$ 30,676,937</u>	<u>\$ 19,060,546</u>	<u>\$ 30,530,975</u>	<u>\$20,442,954</u>

The dependence upon general revenues for governmental activities is apparent, with 62.13% of expenses supported through taxes and other general revenues.

Governmental Activities – General and Program Revenues



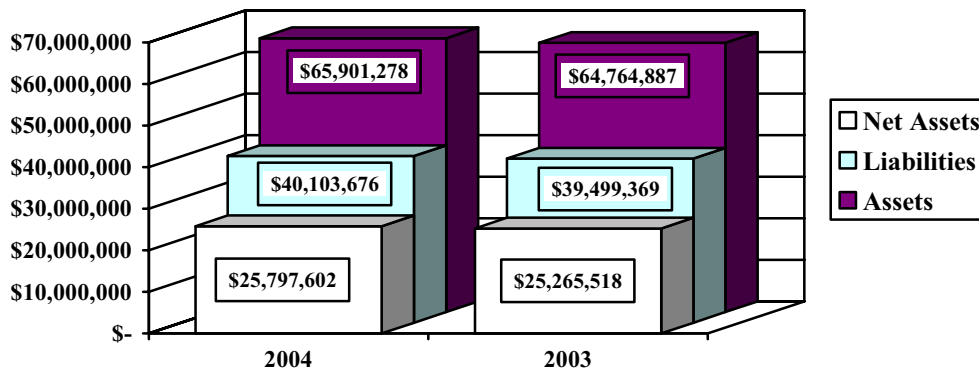
CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

Business-type Activities

Business-type activities include the sewer, water, sanitation, Packard Music Hall, downtown parking, city redevelopment, and stormwater utility enterprise funds. These programs had program revenues of \$22,149,724, general revenues of \$552,204, transfers in of \$492,155, and expenses of \$22,661,999 for 2004. The graph below shows the business-type activities assets, liabilities and net assets at year-end.

Net Assets in Business – Type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

The City's governmental funds (as presented on the balance sheet on page F20) reported a combined fund balance of \$13,940,995 which is \$1,563,012 below last year's total of \$15,504,007. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2004 for all major and nonmajor governmental funds.

	Fund Balances 12/31/04	Fund Balances 12/31/03	Increase (Decrease)
Major funds:			
General	\$ 5,245,100	\$ 6,129,403	\$ (884,303)
General capital projects	541,032	357,350	183,682
Other nonmajor governmental funds	<u>8,154,863</u>	<u>9,017,254</u>	<u>(862,391)</u>
Total	<u>\$ 13,940,995</u>	<u>\$ 15,504,007</u>	<u>\$ (1,563,012)</u>

CITY OF WARREN, OHIO

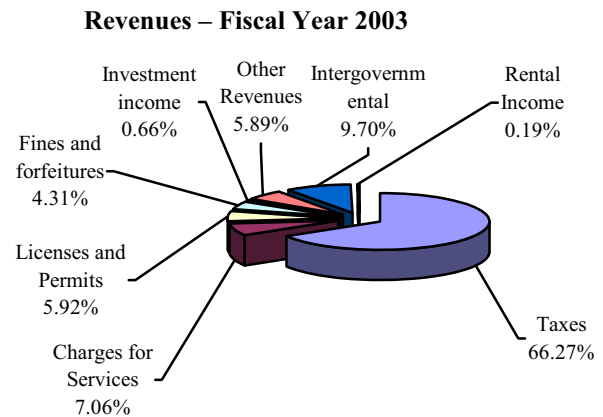
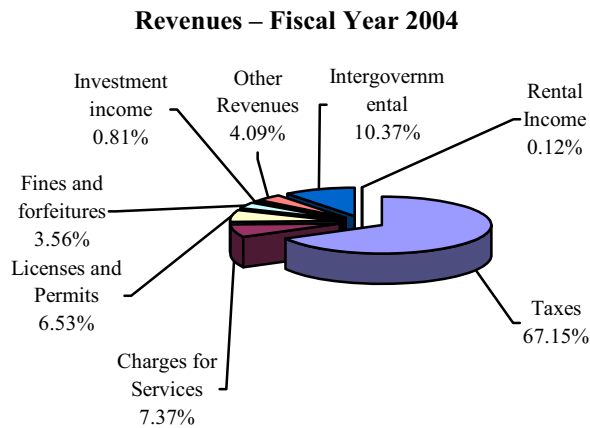
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

General Fund

The City's general fund balance decreased \$884,303, primarily due to increasing expenses and decreasing revenues. The table that follows assists in illustrating the revenues of the general fund.

	2004 <u>Amount</u>	2003 <u>Amount</u>	Percentage <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 18,567,076	\$ 18,825,568	(1.37) %
Charges for services	2,038,980	2,004,483	1.72 %
Licenses and permits	1,806,582	1,682,841	7.35 %
Fines and forfeitures	983,730	1,222,861	(19.56) %
Intergovernmental	2,867,692	2,754,776	4.10 %
Investment income	225,368	186,818	20.64 %
Rental income	34,314	53,048	(35.32) %
Other	1,129,762	1,672,865	(32.47) %
Total	\$ 27,653,504	\$ 28,403,260	(2.64) %

Tax revenue represents 67.14% of all general fund revenue. The increase in investment income is due to a more aggressive approach to investing. The decrease in fines and forfeiture income is due to a decrease in activity at the municipal court. The decrease in rental income while a large percentage is not a significant amount compared to total revenues. All other revenue remained comparable to 2003.



CITY OF WARREN, OHIO

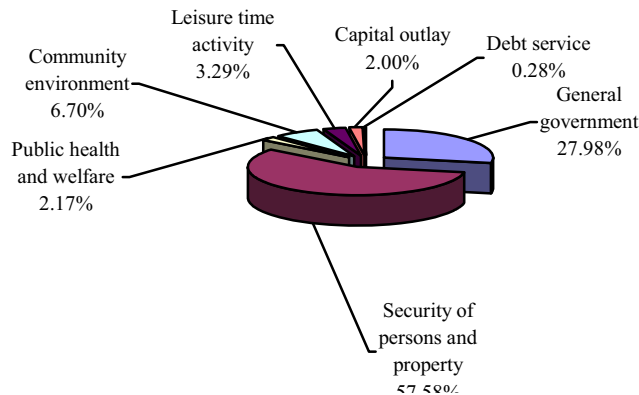
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

The table that follows assists in illustrating the expenditures of the general fund.

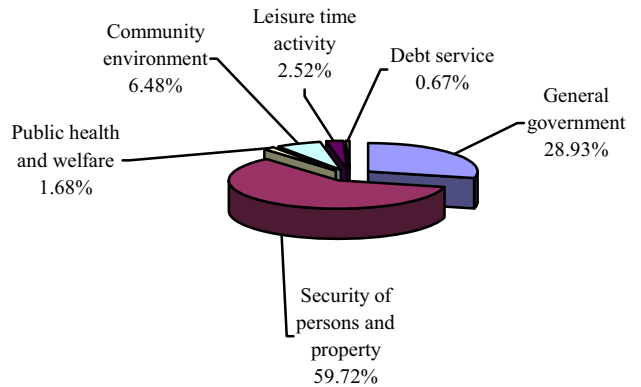
	<u>2004</u> <u>Amount</u>	<u>2003</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 7,540,429	\$ 7,198,106	4.76 %
Security of persons and property	15,520,223	14,860,071	4.44 %
Public health and welfare	585,532	417,382	40.29 %
Community environment	1,806,298	1,611,897	12.06 %
Leisure time activity	885,871	626,762	41.34 %
Capital outlay	538,401	-	100.00 %
Debt service	<u>75,601</u>	<u>167,431</u>	(54.85) %
Total	<u>\$ 26,952,355</u>	<u>\$ 24,881,649</u>	8.32 %

The most significant decrease was in the area of debt service. This decrease is primarily due to the reporting of bond issuance costs related to the refunding of bonds in 2003. The increase in capital outlay is from the City entering into capital leases for copier equipment and a new fire truck. The increase in leisure time activity is due to increased capital outlays for equipment, vehicles, and improvements to the City's parks. The increase in public health and welfare is due to the purchase of new vehicles. The increase in community environment is due to increased costs associated with the CDBG and Home Investment programs. All other expenditures remained comparable to 2004. The largest expenditure line item, security of persons and property, increased slightly, which is primarily attributed to wage and benefit increases.

Expenditures – Fiscal Year 2004



Expenditures – Fiscal Year 2003



General Capital Projects Fund

The general capital projects fund had revenues and other financing sources of \$5,406,989 in 2004. The expenditures and other financing uses of the general capital projects fund totaled \$5,223,307 in 2004. The net increase in fund balance for the general capital projects fund was \$183,682 or 51.40%.

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2004 UNAUDITED

Budgeting Highlights

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

Budgetary information is presented for the general fund. In the general fund, one of the most significant changes was between the original and final budgeted amounts in the area of expenditures and other financing uses, which increased \$3,797,983 from \$27,750,000 to \$31,547,983. This increase was primarily related to an increase in transfers out to other funds and expenditures related to environmental health, weed control, mosquito control, and parks operations which were not included in the original budget. Actual revenues and other financing sources of \$27,680,550 were less than final budgeted revenues of \$27,834,469. Income tax revenue, charges for services, fines and forfeitures, investment income, and rental income were less than anticipated. The other change was between the final budgeted expenditures and actual expenditures. Actual expenditures came in \$1,989,609 lower than the final budgeted amounts.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The only interfund activity reported in the government wide statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2004, the City had \$94,011,585 (net of accumulated depreciation) invested in land, construction in progress (CIP), land improvements, buildings and improvements, furniture and equipment, vehicles and infrastructure. Of this total, \$38,618,197 was reported in governmental activities and \$55,393,388 was reported in business-type activities. See Note 9 to the basic financial statements for detail. The following table shows fiscal 2004 balances compared to 2003:

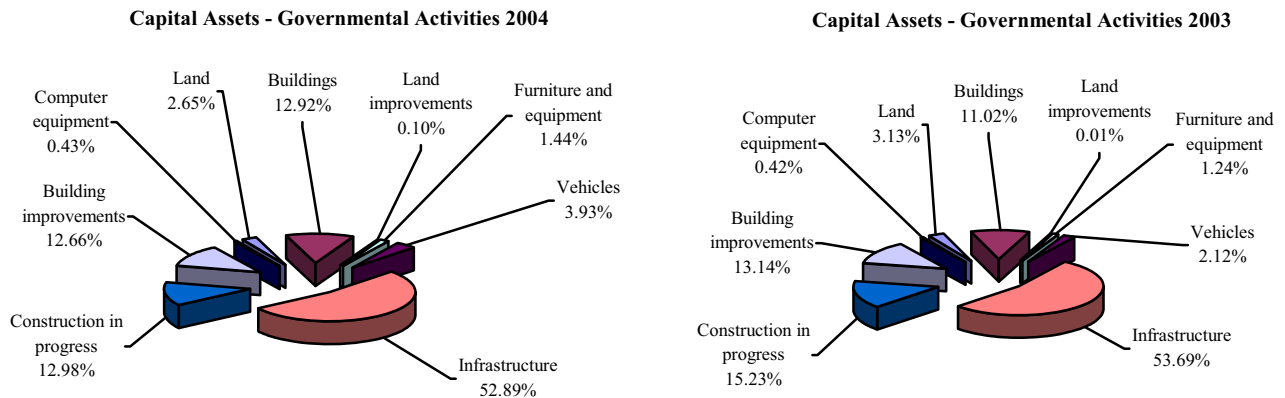
CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

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

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$ 1,024,184	\$ 1,024,184	\$ 384,399	\$ 384,399	\$ 1,408,583	\$ 1,408,583
Construction in progress	5,014,246	4,978,666	13,621,997	13,960,060	18,636,243	18,938,726
Land improvements	38,767	1,133	-	-	38,767	1,133
Buildings	4,987,938	3,603,802	13,450,145	13,395,602	18,438,083	16,999,404
Buildings improvements	4,889,390	4,297,117	189,249	193,235	5,078,639	4,490,352
Computer equipment	167,440	137,729	45,405	5,811	212,845	143,540
Furniture and equipment	555,588	404,085	770,543	757,146	1,326,131	1,161,231
Vehicles	1,517,545	694,727	589,729	254,099	2,107,274	948,826
Infrastructure	20,423,099	17,557,883	26,341,921	26,965,765	46,765,020	44,523,648
Totals	\$ 38,618,197	\$ 32,699,326	\$ 55,393,388	\$ 55,916,117	\$ 94,011,585	\$88,615,443

The following graphs show the breakdown of governmental capital assets by category for 2004 and 2003.



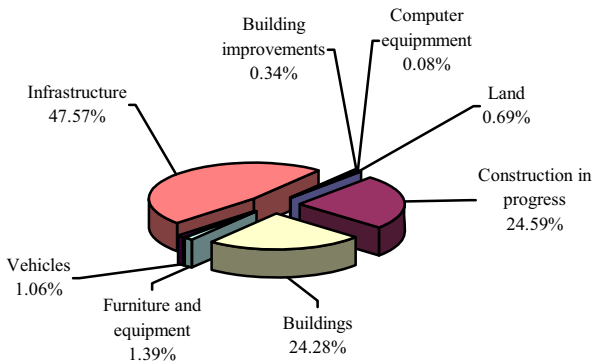
The City's largest capital asset category is infrastructure which includes roads, sidewalks, and curbs. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents 52.88% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category for 2004 and 2003.

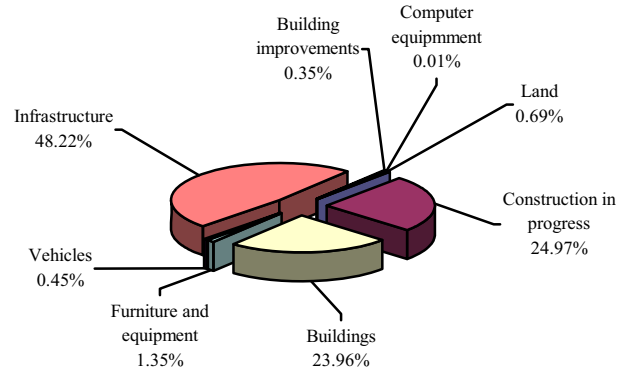
CITY OF WARREN, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

Capital Assets - Business-Type Activities 2004



Capital Assets - Business-Type Activities 2003



The City's largest business-type capital asset category is infrastructure that primarily includes water and sewer lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 48.22% of the City's total business-type capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2004 and 2003 (See Note 12 to the basic financial statements for detail):

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
General obligation bonds	\$ 10,690,995	\$11,987,400
Reinvestment partnership corporation loan	860,000	905,000
OWDA loans	810,635	941,040
Police and fire pension liability	2,896,852	2,942,748
Capital lease obligation	496,639	10,105
Compensated absences	3,997,258	3,984,991
Total long-term obligations	<u>\$ 19,752,379</u>	<u>\$20,771,284</u>
	<u>Business-type Activities</u>	
	<u>2004</u>	<u>2003</u>
General obligation bonds	\$ 4,009,346	\$ 4,732,884
Revenue bonds	10,260,000	10,610,000
OWDA loan	22,988,827	20,878,602
Capital lease obligation	8,179	11,290
Compensated absences	1,243,898	1,169,439
Total long-term obligations	<u>\$ 38,510,250</u>	<u>\$37,402,215</u>

CITY OF WARREN, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2004 UNAUDITED

Economic Conditions and Next Year's General Fund Budget Outlook

The City's Administration considers the impact of various economic factors when establishing the fiscal year 2004 budget. The continued challenges resulting from regional loss of employment, stagnant economic development, and the general national recession, have yielded significant influence on the objectives established in the 2004 budget. The primary objectives include continued improvement to constituent service delivery as well as long-term fiscal stability.

Despite the uncertainty surrounding the economy, the City continues to carefully monitor two primary sources of revenue-local income taxes and shared intergovernmental (state) revenue. In order to stabilize the impact of the fluctuations in these revenue sources, City Council continues to pursue economic development and job creation; maintain the community's reputation for high public safety standards; and adoption of a budget designed to promote long-term fiscal stability. In order to meet the objectives of the 2005 budget, the City emphasized various efforts to continue to contain costs while pursuing new sources of revenue.

Budgeted revenues and other financing sources in the general fund for fiscal year 2005 decreased by \$1,600,783 from final 2004 budgeted revenues and other financing sources or 5.0% due in large part to a reduction in income tax receipts. This reduction is expected based on the increase in tax collections in 2004 due to the efforts of the tax department to enforce compliance and the subsequent collection of prior year taxes that will not be realized in 2005. The 2005 general fund budget is \$30,398,739.

In order to meet these challenges, further cost containment and/or revenue enhancement actions will be essential. With the continuation of conservative budgeting practices, the City's financial position is anticipated to remain stable in future years.

Contacting the City's Financial Management

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact David N. Griffing, Auditor, City of Warren, 391 Mahoning Avenue NW, Warren Ohio 44483-4634.

CITY OF WARREN, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2004

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 13,675,491	\$ 6,685,946	\$ 20,361,437
Receivables (net of allowances for uncollectibles):			
Income taxes	3,409,592	-	3,409,592
Real and other taxes	1,977,282	-	1,977,282
Accounts	616,060	3,097,895	3,713,955
Loans	3,871,590	-	3,871,590
Accrued interest	28,044	-	28,044
Special assessments	358,166	5,618	363,784
Internal balances	396,793	(396,793)	-
Due from other governments	1,886,584	-	1,886,584
Materials and supplies inventory.	53,363	62,304	115,667
Deferred charges	129,898	80,716	210,614
Restricted assets:			
Investments	-	972,204	972,204
Capital assets:			
Land and construction in progress.	6,038,430	14,006,396	20,044,826
Depreciable capital assets, net	32,579,767	41,386,992	73,966,759
Total capital assets.	<u>38,618,197</u>	<u>55,393,388</u>	<u>94,011,585</u>
Total assets.	<u>65,021,060</u>	<u>65,901,278</u>	<u>130,922,338</u>
Liabilities:			
Accounts payable.	657,520	444,501	1,102,021
Contracts payable.	43,225	218,219	261,444
Accrued wages and benefits	642,503	252,634	895,137
Due to other governments	394,586	79,133	473,719
Deferred revenue.	1,630,338	-	1,630,338
Accrued interest payable.	79,267	598,939	678,206
Claims payable.	233,859	-	233,859
Long-term liabilities:			
Due within one year	3,083,709	2,662,001	5,745,710
Due in more than one year	16,668,670	35,848,249	52,516,919
Total liabilities	<u>23,433,677</u>	<u>40,103,676</u>	<u>63,537,353</u>
Net assets:			
Invested in capital assets, net of related debt	26,382,293	17,311,185	43,693,478
Restricted for:			
Capital projects.	541,032	-	541,032
Debt service	338,675	-	338,675
Street maintenance	463,622	-	463,622
State highway	100,897	-	100,897
Law enforcement.	643,336	-	643,336
Courts	782,106	-	782,106
Community developments and improvements	6,447,060	-	6,447,060
Police and fire pension	191,177	-	191,177
Unrestricted.	5,697,185	8,486,417	14,183,602
Total net assets	<u>\$ 41,587,383</u>	<u>\$ 25,797,602</u>	<u>\$ 67,384,985</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General government	\$ 5,364,746	\$ 1,225,507	\$ -	\$ 1,164,720
Security of persons and property	16,118,228	1,412,462	236,524	-
Public health and welfare	509,570	130,904	-	-
Transportation	3,447,063	33,050	1,872,926	2,766,371
Community environment	1,849,861	663,501	-	-
Leisure time activity	585,728	17,259	-	-
Economic development	2,071,529	38,522	2,054,645	-
Interest and fiscal charges	730,212	-	-	-
Total governmental activities	<u>30,676,937</u>	<u>3,521,205</u>	<u>4,164,095</u>	<u>3,931,091</u>
Business-type Activities:				
Sewer	8,129,365	7,653,073	-	-
Water	10,240,694	10,249,483	-	-
Sanitation	2,890,149	3,160,832	-	-
Other enterprise funds:				
Packard Music Hall	643,869	201,112	-	-
City Redevelopment	20,399	42,711	-	-
Downtown Parking	154,335	36,022	-	-
Stormwater Utility	583,188	806,491	-	-
Total business-type activities	<u>22,661,999</u>	<u>22,149,724</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 53,338,936</u>	<u>\$ 25,670,929</u>	<u>\$ 4,164,095</u>	<u>\$ 3,931,091</u>

General Revenues:

Property taxes levied for:

 Debt service

 Fire pension

 Police pension

Income taxes levied for:

 General purposes

Grants and entitlements not restricted to specific programs

Investment earnings

Miscellaneous

Total general revenues

Transfers

Change in net assets

Net assets at beginning of year

Net assets at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (2,974,519)	\$ -	\$ (2,974,519)
(14,469,242)	-	(14,469,242)
(378,666)	-	(378,666)
1,225,284	-	1,225,284
(1,186,360)	-	(1,186,360)
(568,469)	-	(568,469)
21,638	-	21,638
(730,212)	-	(730,212)
<u>(19,060,546)</u>	<u>-</u>	<u>(19,060,546)</u>
-	(476,292)	(476,292)
-	8,789	8,789
-	270,683	270,683
-	(442,757)	(442,757)
-	22,312	22,312
-	(118,313)	(118,313)
-	223,303	223,303
<u>-</u>	<u>(512,275)</u>	<u>(512,275)</u>
<u>(19,060,546)</u>	<u>(512,275)</u>	<u>(19,572,821)</u>
1,218,505	-	1,218,505
126,166	-	126,166
126,166	-	126,166
18,830,130	-	18,830,130
3,080,849	-	3,080,849
465,707	9,940	475,647
1,153,304	542,264	1,695,568
25,000,827	552,204	25,553,031
<u>(492,155)</u>	<u>492,155</u>	<u>-</u>
5,448,126	532,084	5,980,210
36,139,257	25,265,518	61,404,775
<u>\$ 41,587,383</u>	<u>\$ 25,797,602</u>	<u>\$ 67,384,985</u>

CITY OF WARREN, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	<u>General</u>	<u>General Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 3,328,951	\$ 598,470	\$ 4,252,454	\$ 8,179,875
Receivables (net of allowance for uncollectibles):				
Income taxes	3,409,592	-	-	3,409,592
Real and other taxes	-	-	1,977,282	1,977,282
Accounts	586,681	-	29,379	616,060
Loans.	-	-	3,871,590	3,871,590
Accrued interest	28,044	-	-	28,044
Special assessments.	34,769	-	323,397	358,166
Due from other governments	1,080,904	-	805,680	1,886,584
Materials and supplies inventory	8,552	-	44,811	53,363
Total assets	<u>\$ 8,477,493</u>	<u>\$ 598,470</u>	<u>\$ 11,304,593</u>	<u>\$ 20,380,556</u>
Liabilities:				
Accounts payable.	\$ 306,560	\$ 14,213	\$ 283,179	\$ 603,952
Contracts payable.	-	43,225	-	43,225
Accrued wages and benefits	568,726	-	67,515	636,241
Compensated absences payable.	13,581	-	15,392	28,973
Due to other governments	112,793	-	10,127	122,920
Deferred revenue	2,230,733	-	2,773,517	5,004,250
Total liabilities	<u>3,232,393</u>	<u>57,438</u>	<u>3,149,730</u>	<u>6,439,561</u>
Fund Balances:				
Reserved for encumbrances	589,457	589,103	1,067,081	2,245,641
Reserved for materials and supplies inventory.	8,552	-	44,811	53,363
Reserved for loans	-	-	3,871,590	3,871,590
Reserved for tax advance.	-	-	29,450	29,450
Unreserved, undesignated, reported in:				
General fund.	4,647,091	-	-	4,647,091
Special revenue funds	-	-	3,141,354	3,141,354
Debt service fund	-	-	577	577
Capital projects funds	-	(48,071)	-	(48,071)
Total fund balances	<u>5,245,100</u>	<u>541,032</u>	<u>8,154,863</u>	<u>13,940,995</u>
Total liabilities and fund balances	<u>\$ 8,477,493</u>	<u>\$ 598,470</u>	<u>\$ 11,304,593</u>	<u>\$ 20,380,556</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2004

Total governmental fund balances		\$ 13,940,995
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		38,560,159
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Delinquent property taxes	\$ 317,494	
Income taxes	1,189,200	
Accounts	498,660	
Special assessments	358,166	
Intergovernmental revenues	982,348	
Investment income	28,044	
Total	3,373,912	3,373,912
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities (excluding amounts reported in the internal service funds) are as follows:		
General obligation bonds payable	(10,690,995)	
Loans payable	(1,670,635)	
Fire and pension liability	(2,896,852)	
Compensated absences	(3,878,596)	
Capital lease payable	(496,639)	
Total	(19,633,717)	(19,633,717)
In the statement of activities interest is accrued on outstanding bonds, notes and loans payable, whereas in governmental funds, interest expenditures are reported when due.		(79,267)
Bond issuance costs reported as an expenditure in the funds are allocated as an expense over the life of the debt on a full accrual basis.		129,898
Internal service funds are used by management to charge the costs of life and hospitalization insurance, workers compensation, data processing and risk management to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		5,348,610
An internal balance is recorded in governmental activities to reflect overpayments to the internal service fund by the business-type activities.		(53,207)
Net assets of governmental activities		\$ 41,587,383

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>General</u>	<u>General Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Income taxes	\$ 18,567,076	\$ -	\$ -	\$ 18,567,076
Property and other taxes	-	-	1,456,326	1,456,326
Charges for services	2,038,980	-	16,323	2,055,303
Licenses and permits	1,806,582	-	33,160	1,839,742
Fines and forfeitures	983,730	-	438,599	1,422,329
Intergovernmental	2,867,692	3,931,091	4,401,282	11,200,065
Special assessments	-	-	19,828	19,828
Investment income	225,368	-	131,804	357,172
Rental income	34,314	-	-	34,314
Other	1,129,762	-	102,311	1,232,073
Total revenues	<u>27,653,504</u>	<u>3,931,091</u>	<u>6,599,633</u>	<u>38,184,228</u>
Expenditures:				
Current:				
General government	7,540,429	-	69,670	7,610,099
Security of persons and property	15,520,223	-	420,236	15,940,459
Public health and welfare	585,532	-	-	585,532
Transportation	-	-	2,745,117	2,745,117
Community environment	1,806,298	-	-	1,806,298
Leisure time activity	885,871	-	-	885,871
Economic development	-	-	1,984,304	1,984,304
Capital outlay	538,401	5,105,596	385,703	6,029,700
Debt service:				
Principal retirement	65,010	-	1,550,645	1,615,655
Interest and fiscal charges	10,591	-	689,602	700,193
Total expenditures	<u>26,952,355</u>	<u>5,105,596</u>	<u>7,845,277</u>	<u>39,903,228</u>
Excess (deficiency) of revenues over (under) expenditures	<u>701,149</u>	<u>(1,174,505)</u>	<u>(1,245,644)</u>	<u>(1,719,000)</u>
Other financing sources (uses):				
Capital lease transaction	538,401	-	19,307	557,708
Transfers in	84,469	1,475,898	1,467,286	3,027,653
Transfers out	<u>(2,208,322)</u>	<u>(117,711)</u>	<u>(1,103,340)</u>	<u>(3,429,373)</u>
Total other financing sources (uses)	<u>(1,585,452)</u>	<u>1,358,187</u>	<u>383,253</u>	<u>155,988</u>
Net change in fund balances	(884,303)	183,682	(862,391)	(1,563,012)
Fund balances at beginning of year	<u>6,129,403</u>	<u>357,350</u>	<u>9,017,254</u>	<u>15,504,007</u>
Fund balances at end of year	<u>\$ 5,245,100</u>	<u>\$ 541,032</u>	<u>\$ 8,154,863</u>	<u>\$ 13,940,995</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, 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, 2004

Net change in fund balances - total governmental funds \$ (1,563,012)

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

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

Capital asset additions	\$ 8,024,415	
Current year depreciation	(2,050,889)	
Total	5,973,526	5,973,526

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

(2,400)

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

Delinquent property taxes	14,511	
Income taxes	263,054	
Accounts	37,642	
Special assessments	11,878	
Intergovernmental revenues	(29,238)	
Investment income	28,044	
Total	325,891	325,891

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

1,615,655

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expenses when due.

Accrued interest	11,392	
Bond premium	4,582	
Deferred charges on refunding	(31,357)	
Bond issuance costs	(14,636)	
Total	(30,019)	(30,019)

Capital leases transactions are recorded as revenue in the funds, however, on the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets.

(557,708)

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.

(42,216)

Internal service funds are used by management to charge the costs of life and hospitalization insurance, workers compensation, data processing and risk management to individual funds is not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds, including internal balances is allocated among the governmental activities.

(271,591)

Change in net assets of governmental activities **\$ 5,448,126**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, 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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ 18,467,158	\$ 18,550,000	\$ 18,420,741	\$ (129,259)
Charges for services	2,043,224	2,374,020	2,038,980	(335,040)
Licenses and permits	1,804,933	1,707,200	1,800,396	93,196
Fines and forfeitures	996,241	1,203,000	993,737	(209,263)
Intergovernmental	2,940,782	2,763,280	2,932,499	169,219
Investment income	236,920	250,000	236,324	(13,676)
Rental income	34,400	45,000	34,314	(10,686)
Other	1,141,650	557,500	1,138,790	581,290
Total revenues	<u>27,665,308</u>	<u>27,450,000</u>	<u>27,595,781</u>	<u>145,781</u>
Expenditures:				
Current:				
General government	9,606,570	8,602,640	7,909,971	692,669
Security of persons and property	15,623,704	16,492,763	15,762,013	730,750
Public health and welfare	1,242,134	813,209	677,286	135,923
Community environment	1,205,281	1,921,653	1,810,227	111,426
Leisure time activity	-	1,144,120	1,045,928	98,192
Total expenditures	<u>27,677,689</u>	<u>28,974,385</u>	<u>27,205,425</u>	<u>1,768,960</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,381)</u>	<u>(1,524,385)</u>	<u>390,356</u>	<u>1,914,741</u>
Other financing sources (uses):				
Transfers in	84,692	384,469	84,469	(300,000)
Transfers out	<u>(72,311)</u>	<u>(2,573,598)</u>	<u>(2,352,949)</u>	<u>220,649</u>
Total other financing sources (uses)	<u>12,381</u>	<u>(2,189,129)</u>	<u>(2,268,480)</u>	<u>(79,351)</u>
Net change in fund balance	-	(3,713,514)	(1,878,124)	1,835,390
Fund balance at beginning of year	3,448,996	3,448,996	3,448,996	-
Prior year encumbrances appropriated.	<u>870,298</u>	<u>870,298</u>	<u>870,298</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,319,294</u>	<u>\$ 605,780</u>	<u>\$ 2,441,170</u>	<u>\$ 1,835,390</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF WARREN, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2004

	Business-type Activities -Enterprise Funds			
	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor</u>
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents . . .	\$ 417,153	\$ 5,101,572	\$ 518,308	\$ 648,913
Receivables (net of allowance for uncollectibles):				
Accounts	1,410,180	1,003,267	564,840	119,608
Special assessments	549	4,326	688	55
Bonds	-	-	-	-
Notes	-	-	-	-
Materials and supplies inventory	26,671	35,633	-	-
Deferred charges	80,716	-	-	-
Total current assets	<u>1,935,269</u>	<u>6,144,798</u>	<u>1,083,836</u>	<u>768,576</u>
Noncurrent assets:				
Restricted assets:				
Investments	-	972,204	-	-
Capital assets:				
Land and construction in progress	1,020,220	12,667,805	35,091	283,280
Depreciable capital assets, net	17,017,712	22,019,239	259,984	2,090,057
Total capital assets	<u>18,037,932</u>	<u>34,687,044</u>	<u>295,075</u>	<u>2,373,337</u>
Total noncurrent assets	<u>18,037,932</u>	<u>35,659,248</u>	<u>295,075</u>	<u>2,373,337</u>
Total assets	<u>\$ 19,973,201</u>	<u>\$ 41,804,046</u>	<u>\$ 1,378,911</u>	<u>\$ 3,141,913</u>
Liabilities:				
Current liabilities:				
Accounts payable	\$ 121,149	\$ 81,676	\$ 106,586	\$ 135,090
Contracts payable	-	218,219	-	-
Accrued wages and benefits	72,552	137,326	27,842	14,914
Due to other governments	26,433	44,799	4,176	3,725
Claims payable	-	-	-	-
Note payable	-	-	450,000	-
Current portion of general obligation bonds	465,000	-	-	10,000
Current portion of revenue bonds	-	365,000	-	-
Current portion of OWDA loans	961,349	377,760	-	-
Current portion of capital lease obligations	-	3,370	-	-
Current portion of compensated absences	148,205	253,974	59,540	17,803
Accrued interest payable	378,652	209,459	10,725	103
Total current liabilities	<u>2,173,340</u>	<u>1,691,583</u>	<u>658,869</u>	<u>181,635</u>
Long-term liabilities:				
General obligation bonds	3,929,230	-	-	31,000
Revenue bonds	-	9,469,116	-	-
OWDA loans	11,661,648	9,988,070	-	-
Capital lease obligations	-	4,809	-	-
Compensated absences	298,620	404,663	24,312	36,781
Total long-term liabilities	<u>15,889,498</u>	<u>19,866,658</u>	<u>24,312</u>	<u>67,781</u>
Total liabilities	<u>18,062,838</u>	<u>21,558,241</u>	<u>683,181</u>	<u>249,416</u>
Net assets:				
Invested in capital assets, net of related debt	825,935	14,053,035	99,878	2,332,337
Unrestricted	<u>1,084,428</u>	<u>6,192,770</u>	<u>595,852</u>	<u>560,160</u>
Total net assets	<u>\$ 1,910,363</u>	<u>\$ 20,245,805</u>	<u>\$ 695,730</u>	<u>\$ 2,892,497</u>

Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.

Net assets of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 6,685,946	\$ 5,495,616
3,097,895	-
5,618	-
-	-
-	450,000
62,304	-
80,716	-
<u>9,932,479</u>	<u>5,945,616</u>
972,204	-
14,006,396	-
<u>41,386,992</u>	<u>58,038</u>
<u>55,393,388</u>	<u>58,038</u>
<u>56,365,592</u>	<u>58,038</u>
<u>\$ 66,298,071</u>	<u>\$ 6,003,654</u>
\$ 444,501	\$ 53,568
218,219	-
252,634	6,262
79,133	271,666
-	233,859
450,000	-
475,000	-
365,000	-
1,339,109	-
3,370	-
479,522	-
598,939	-
<u>4,705,427</u>	<u>565,355</u>
3,960,230	-
9,469,116	-
21,649,718	-
4,809	-
764,376	89,689
<u>35,848,249</u>	<u>89,689</u>
<u>40,553,676</u>	<u>655,044</u>
17,311,185	58,038
<u>8,433,210</u>	<u>5,290,572</u>
<u>25,744,395</u>	<u>\$ 5,348,610</u>
53,207	
<u>\$ 25,797,602</u>	

CITY OF WARREN, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Sanitation	Nonmajor
Operating revenues:				
Charges for services	\$ 7,649,199	\$ 10,249,483	\$ 3,160,791	\$ 1,064,801
Other	140,728	311,375	59,718	51,854
Total operating revenues	<u>7,789,927</u>	<u>10,560,858</u>	<u>3,220,509</u>	<u>1,116,655</u>
Operating expenses:				
Personal services	2,811,937	5,188,499	1,010,061	742,009
Contract services	847,613	976,093	1,471,149	294,907
Materials and supplies	330,365	850,216	179,339	121,082
Administrative costs	565,926	684,767	156,805	88,407
Utilities	733,940	636,604	17,577	78,623
Claims	-	-	-	-
Other	5,797	245,495	882	3,837
Depreciation	2,057,563	801,253	53,243	90,878
Total operating expenses	<u>7,353,141</u>	<u>9,382,927</u>	<u>2,889,056</u>	<u>1,419,743</u>
Operating income (loss)	<u>436,786</u>	<u>1,177,931</u>	<u>331,453</u>	<u>(303,088)</u>
Nonoperating revenues (expenses):				
Interest revenue	-	9,940	-	-
Special assessments	3,874	122	41	2
Loss on disposal of capital assets	-	(14,381)	-	-
Interest expense and fiscal charges	(865,774)	(994,876)	(32,466)	(1,138)
Total nonoperating revenues (expenses)	<u>(861,900)</u>	<u>(999,195)</u>	<u>(32,425)</u>	<u>(1,136)</u>
Income (loss) before transfers	(425,114)	178,736	299,028	(304,224)
Transfers in	90,544	42,663	60,152	300,000
Transfers out	-	-	(108)	(1,096)
Changes in net assets	(334,570)	221,399	359,072	(5,320)
Net assets at beginning of year	<u>2,244,933</u>	<u>20,024,406</u>	<u>336,658</u>	<u>2,897,817</u>
Net assets at end of year	<u>\$ 1,910,363</u>	<u>\$ 20,245,805</u>	<u>\$ 695,730</u>	<u>\$ 2,892,497</u>

Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.

Changes in net assets of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 22,124,274	\$ 7,492,537
563,675	46,089
<u>22,687,949</u>	<u>7,538,626</u>
9,752,506	244,898
3,589,762	333,097
1,481,002	30,329
1,495,905	294,796
1,466,744	28,358
-	5,820,284
256,011	625,984
<u>3,002,937</u>	<u>52,255</u>
<u>21,044,867</u>	<u>7,430,001</u>
<u>1,643,082</u>	<u>108,625</u>
9,940	1,722
4,039	-
(14,381)	-
<u>(1,894,254)</u>	<u>-</u>
<u>(1,894,656)</u>	<u>1,722</u>
(251,574)	110,347
493,359	-
<u>(1,204)</u>	<u>(90,435)</u>
240,581	19,912
	<u>5,328,698</u>
	<u>\$ 5,348,610</u>
<u>291,503</u>	
<u>\$ 532,084</u>	

CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Business-type Activities - Enterprise Funds			
	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor</u>
Cash flows from operating activities:				
Cash received from customers	\$ 7,793,671	\$ 10,567,178	\$ 3,154,897	\$ 1,035,522
Cash received from other operations.	146,642	311,375	59,718	51,854
Cash payments for personal services	(2,732,334)	(5,126,668)	(1,007,902)	(751,062)
Cash payments for contract services	(1,070,646)	(968,273)	(1,419,594)	(161,189)
Cash payments for materials and supplies . . .	(341,483)	(922,969)	(193,681)	(172,255)
Cash payments for utilities.	(733,940)	(636,604)	(17,577)	(78,623)
Cash payments for claims	-	-	-	-
Cash payments for administrative costs	(565,926)	(684,767)	(156,805)	(88,407)
Cash payments for other expenses	(5,797)	(245,495)	(882)	(3,837)
Net cash provided by (used in) operating activities.	<u>2,490,187</u>	<u>2,293,777</u>	<u>418,174</u>	<u>(167,997)</u>
Cash flows from noncapital financing activities:				
Special assessments.	3,854	-	-	-
Transfers in from other funds	90,544	2,185,980	60,152	300,000
Transfers out from other funds	-	(2,143,317)	(345,288)	(1,096)
Net cash provided by (used in) noncapital financing activities	<u>94,398</u>	<u>42,663</u>	<u>(285,136)</u>	<u>298,904</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets.	(175,263)	(2,433,929)	(195,197)	(174,942)
Principal retirement	(1,752,939)	(719,969)	-	(10,000)
Proceeds of loans	-	3,386,022	-	-
Proceeds of notes	-	-	450,000	-
Interest and fiscal charges	(778,653)	(961,321)	-	(1,164)
Net cash provided by (used in) capital and related financing activities.	<u>(2,706,855)</u>	<u>(729,197)</u>	<u>254,803</u>	<u>(186,106)</u>
Cash flows from investing activities:				
Cash used for internal note disbursements. . .	-	-	-	-
Interest received	-	2,972	-	-
Principal payments received on internal bonds.	-	-	-	-
Net cash provided by (used in) investing activities	<u>-</u>	<u>2,972</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(122,270)	1,610,215	387,841	(55,199)
Cash and cash equivalents at beginning of year	539,423	3,491,357	130,467	704,112
Cash and cash equivalents at end of year . . .	<u>\$ 417,153</u>	<u>\$ 5,101,572</u>	<u>\$ 518,308</u>	<u>\$ 648,913</u>

Total Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 22,551,268	\$ 7,496,539
569,589	46,089
(9,617,966)	(240,026)
(3,619,702)	(289,869)
(1,630,388)	(30,371)
(1,466,744)	(28,358)
-	(5,828,964)
(1,495,905)	(361,265)
(256,011)	(627,059)
<hr/>	<hr/>
5,034,141	136,716
<hr/>	<hr/>
3,854	-
2,636,676	-
(2,489,701)	(90,435)
<hr/>	<hr/>
150,829	(90,435)
<hr/>	<hr/>
(2,979,331)	-
(2,482,908)	-
3,386,022	-
450,000	-
(1,741,138)	-
<hr/>	<hr/>
(3,367,355)	-
<hr/>	<hr/>
-	(450,000)
2,972	1,722
-	134,460
<hr/>	<hr/>
2,972	(313,818)
<hr/>	<hr/>
1,820,587	(267,537)
<hr/>	<hr/>
4,865,359	5,763,153
<u>\$ 6,685,946</u>	<u>\$ 5,495,616</u>

-- continued

CITY OF WARREN, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Sanitation	Nonmajor
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 436,786	\$ 1,177,931	\$ 331,453	\$ (303,088)
Adjustments:				
Depreciation	2,057,563	801,253	53,243	90,878
Changes in assets and liabilities:				
(Increase) decrease in materials and supplies inventory.	(20,612)	(21,558)		290
(Increase) decrease in accounts receivable	150,386	317,695	(5,894)	(29,279)
Increase (decrease) in accounts payable	(202,939)	(67,575)	37,213	82,255
Increase in accrued wages and benefits.	21,010	25,001	4,467	1,856
Increase (decrease) in due to other governments.	(7,449)	27,950	670	176
Increase (decrease) in compensated absences payable.	55,442	33,080	(2,978)	(11,085)
Decrease in claims payable	-	-	-	-
Net cash provided by (used in) operating activities.	<u>\$ 2,490,187</u>	<u>\$ 2,293,777</u>	<u>\$ 418,174</u>	<u>\$ (167,997)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Total Business-Type Activities - Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 1,643,082	\$ 108,625
3,002,937	52,255
(41,880)	-
432,908	4,002
(151,046)	42,111
52,334	1,200
21,347	(66,187)
74,459	3,390
-	(8,680)
<u>\$ 5,034,141</u>	<u>\$ 136,716</u>

CITY OF WARREN, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2004

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 1,031,046
Cash with fiscal and escrow agents	209,053
Receivables:	
Accounts	<u>2,552</u>
Total assets.	<u>\$ 1,242,651</u>
Liabilities:	
Accounts payable	\$ 98,952
Due to other governments.	855,937
Deposits held and due to others.	<u>287,762</u>
Total liabilities	<u>\$ 1,242,651</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 1 - DESCRIPTION OF THE CITY

The City of Warren, Ohio (the "City") was created in 1834. It is located in Trumbull County and is a politic and corporate body established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The City operates under a Council-Mayor form of government and provides the following services to its residents: public safety (police and fire), public health, municipal court, highways and streets, public improvements, community development (planning and zoning), water, sewers, sanitation, parks and recreation, and general administrative services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The City has elected not to apply these FASB Statements and Interpretations. The City's significant accounting policies are described below.

A. Reporting Entity

For financial reporting purposes, the City's BFS include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's BFS to be misleading or incomplete. Based upon the foregoing criteria, the City has no component units.

Included as part of the City's primary government in the determination of the City's reporting entity is the Warren Municipal Court (the "Court"). 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 share of the Court's administrative and operating costs are recorded in the City's general fund. Monies held by the Court in a fiduciary capacity are included in an agency fund in the accompanying BFS.

B. Basis of Presentation - Fund Accounting

The City's (BFS) consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service funds are eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City’s governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental functions are self-financing or draw from the general revenues of the City.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operation. The principal operating revenues of the City’s proprietary funds are charges for services. Operating expenses for the enterprise funds include personnel and other expenses related to sewer, water, sanitation, the Packard Music Hall, City redevelopment, downtown parking, and stormwater 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.

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

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund.

General Capital Projects Fund - This fund accounts for the acquisition and construction of major capital facilities other than those financed by proprietary fund types.

Other governmental funds of the City are used to account for (a) the accumulation of resources for, and payment of, long-term debt principal, interest and related costs and (b) for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds - Proprietary fund reporting focuses on changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds - The enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Sewer Fund - This fund accounts for the operations of providing sewage services to customers and to maintain the local sewer system of the City.

Water Fund - This fund accounts for the operations of providing water services to its customers and to maintain the local water system of the City.

Sanitation Fund - This fund accounts for the operations of providing sanitation services to its customers within the City.

Internal Service Funds - The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds report on the operations of life insurance and hospitalization, workers compensation, data processing and risk management.

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's fiduciary funds are agency funds.

D. Measurement Focus and Basis of Accounting

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and agency funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (see Note 6). Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), fines and forfeitures, fees and special assessments.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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

Property taxes for which there is an enforceable legal claim as of December 31, 2004, but which were levied to finance year 2005 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

F. Budgetary Data

The City follows these procedures in establishing the budgetary data reported in the financial statements:

Tax Budget - A tax budget of estimated revenue and expenditures for all funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds, except agency funds, are legally required to be budgeted; however, only governmental funds are legally required to be reported.

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. On or about January 1, the Certificate is amended to include any unencumbered fund balances at December 31. Further amendments may be made during the year if money from a new revenue source is received or if actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2004.

Appropriations - A temporary appropriation measure to control cash expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the major expenditure object for all funds. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The appropriations for a fund may only be modified during the year by an ordinance of Council. The amounts on the budgetary statement reflect the final appropriation amounts, including all amendments and modifications legally enacted by Council.

Budgeted Level of Expenditures - Administrative control is maintained through the establishment of detailed line-item budgets. Appropriated funds may not be expended for purposes other than those designated in the appropriation ordinance without authority of Council. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation adopted by Council. For all funds, Council appropriations are made by major expenditure object. This is known as the legal level of budgetary control. Any changes in appropriations outside of the legal level of budgetary control require the approval of Council by an appropriation amendment ordinance.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbrances are carried forward and are not reappropriated as part of the subsequent year appropriations.

G. Cash and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2004, investments were limited to U.S. government money market mutual funds, repurchase agreements, federal agency securities and STAR Ohio.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

The City has invested funds in STAR Ohio during fiscal 2004. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2004.

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. During fiscal year 2004, interest revenue in the general fund amounted to \$225,368 which includes \$161,497 assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest bearing depository accounts are presented on the financial statements as "Cash with Fiscal and Escrow Agents" since they are not required to be deposited into the City treasury.

For purposes of the statement of cash flows and for presentation on the statement of net assets, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City, are considered to be cash equivalents. Investments with maturities greater than three months at the time of purchase are not reported as investments.

An analysis of the Treasurer's investment account at year-end is provided in Note 3.

H. Inventories of Materials and Supplies

On government-wide and fund financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On the fund financial statements, reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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

Inventory consists of expendable supplies held for consumption.

I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of traffic signals, sidewalks, storm sewers, streets, and water, and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-type Activities Estimated Lives</u>
Autos and trucks	4	5
Machinery, equipment, furniture and fixtures	5 - 20	10
Building improvements	15	15
Sewer and water treatment plants and buildings	N/A	20
Other buildings	40	40
Infrastructure	15 - 30	20 - 70

J. Compensated Absences

Compensated absences of the City consist of vacation leave and sick leave to the extent that payment to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the City and the employee.

In conformity with GASB Statement No. 16, "Accounting for Compensated Absences", vacation benefits are accrued as a liability as the benefits are earned if the employees' 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. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

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

For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age fifty (50) or greater with at least ten (10) years of service or any employee with at least twenty (20) years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Prepayments

Payments made to vendors for services that will benefit beyond December 31, 2004, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which it was consumed.

L. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions 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.

M. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." On fund financial statements, long-term interfund loans are classified as "advances to/from other funds" on the balance sheet and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources. These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

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

N. 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.

O. Fund Balance Reserves

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or use. The unreserved portions of fund equity reflected in the governmental funds are available for use within the specific purposes of the funds.

The City reports a reservation of fund balance for amounts representing encumbrances outstanding, materials and supplies inventory, tax advance unavailable for appropriation, and loans receivable in the governmental fund financial statements.

The City reports amounts representing assets being held by a trustee to service principal and interest debt service in a bond reserve as a reservation of fund balance in the enterprise funds. These amounts are required to be maintained by the trustee in accordance with the bond indenture.

P. 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.

Q. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as revenue in the proprietary fund financial statements.

R. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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

S. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sewer, water, Packard Music Hall, sanitation, downtown parking, city redevelopment, and stormwater utility programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

NOTE 3 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The City maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Equity in Pooled Cash and Cash Equivalents." Statutes require the classification of monies held by the City into three categories:

Active Monies: those monies required to be kept in a "cash" or "near-cash" status for immediate use by the City. Such monies must by law be maintained either as cash in the City treasury; in depository accounts payable or withdrawable on demand; including negotiable order of withdrawal (NOW) account; or in money market deposit accounts.

Inactive Monies: those monies not required for use within the current two year period of designation of depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories or as savings or deposit accounts including, but not limited to, passbook accounts.

Interim Monies: 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 monies must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit accounts including passbook accounts.

Interim moneys 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 division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 3 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

6. The State Treasurer's investment pool (STAR Ohio).
7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the City's interim monies available for investment; and
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the City's interim monies available for investment.

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

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

In accordance with the Ohio Revised Code, public depositories must provide security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation or may pledge a pool of securities with a market value of at least 105% of the total uninsured amount of public monies on deposit at the institution.

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

Deposits: At year-end, the carrying amount of the City's deposits, including nonnegotiable certificates of deposit and cash with fiscal and escrow agents, was \$13,261,797 and the bank balance, including nonnegotiable certificates of deposit and cash with fiscal and escrow agents, was \$13,871,512. Of the bank balance:

1. \$314,789 was covered by federal deposit insurance; and
2. \$13,556,723 was uninsured and uncollateralized as defined by GASB even though it was covered by collateral held by a third party trustee, pursuant to Ohio Revised Code Section 135.181, in collateralized pools securing all public funds on deposits with specific depository institutions. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 3 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

Investments: The City's investments are required to be categorized to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name. The U.S. Government Money Market Mutual Funds and STAR Ohio are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category			Reported Amount	Fair Value
	1	2	3		
Federal agency securities	\$ 1,500,000	\$ -	\$ 3,961,685	\$ 5,461,685	\$ 5,461,685
Repurchase agreements	-	-	2,534,070	2,534,070	2,534,070
Total	\$ 1,500,000	\$ -	\$ 6,495,755		
U.S. Government money market mutual funds				1,290,052	1,290,052
Investment in STAR Ohio				26,136	26,136
Total investments				\$ 9,311,943	\$ 9,311,943

The classification of cash and cash equivalents on the financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

A reconciliation between the classifications of pooled cash and cash equivalents on the financial statements and the classifications of deposits and investments presented in this footnote is as follows:

A summary of deposits and investments as of December 31, 2004:

Deposits	\$ 13,261,797
Investments	9,311,943
Total	\$ 22,573,740

The above amounts are classified in the financial statements as follows:

Equity in pooled cash and cash equivalents	\$ 21,392,483
Cash with fiscal and escrow agents	209,053
Investments (restricted)	972,204
Total	\$ 22,573,740

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2004, consisted of the following, as reported in the fund financial statements:

<u>Transfers to</u>	<u>Transfers from:</u>					<u>Total</u>
	<u>General</u>	<u>General Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>	<u>Internal Service</u>	
General	\$ -	\$ -	\$ 84,469	\$ -	\$ -	\$ 84,469
General Capital Projects	726,832		747,631	1,204	231	1,475,898
Nonmajor Governmental	1,181,490	31,110	164,482	-	90,204	1,467,286
Water	-	42,663	-	-	-	42,663
Sewer	-	43,938	46,606	-	-	90,544
Sanitation	-	-	60,152	-	-	60,152
Nonmajor Enterprise	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
	<u>\$ 2,208,322</u>	<u>\$ 117,711</u>	<u>\$ 1,103,340</u>	<u>\$ 1,204</u>	<u>\$ 90,435</u>	<u>\$ 3,521,012</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Taxes collected from real property (other than public utility) in one calendar year are levied on January 1 in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years with a triennial update. The last revaluation was completed in 2003. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20, with the remainder payable June 20. In certain instances, state statute permits earlier or later payment dates to be established.

Taxpayers (other than public utilities) become liable for tangible personal property taxes on January 1st of the current calendar year based on tax rates determined in the preceding year and assessed values determined at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-City taxpayers are due September 20. Single City taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable by September 20. Under Ohio law personal property taxes do not attach as a lien on the personal property. Public utility real and tangible personal property taxes collected in one calendar year are levied on January 1 in the preceding calendar year on assessed values determined as of January 1 of the preceding year, the lien date.

The County Treasurer collects property taxes on behalf of all taxing districts in the City, including the City of Warren. The County Auditor periodically remits to the City its portion of the taxes collected with final settlement in June and December for taxes payable in the first and second halves of the year, respectively. The assessed value upon which the 2003 levy (collected in 2004) was based was \$475,346,480. Ohio law limits unvoted property taxation, combined for all overlapping taxing authorities, to 10 mills. The City's current share of property tax is 3.5 mills of assessed value, all of which is unvoted.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 5 - PROPERTY TAXES - (Continued)

Accrued taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable and unpaid as of December 31, 2004. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2005 operations. Accordingly, the receivable is offset by a credit to "Deferred Revenue."

NOTE 6 - LOCAL INCOME TAX

The 2 percent City income tax, of which .5% will be subject to renewal after December 31, 2004, is levied on substantially all income earned within the City. In addition, the residents of the City are required to pay City income tax on income they earn outside the City; however, full credit is allowed for all income taxes these residents pay to other municipalities. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City at least quarterly. Major employers are required to remit withholdings to the City monthly. Corporations and self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the City. Income tax revenue is reported to the extent that it is measurable and available to finance current operations at December 31, 2004. Income tax revenue for 2004 was \$18,567,076. Income tax revenue is reported in the general fund.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2004, consisted of taxes, accounts (billings for user charged services), special assessments and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as "Due From Other Governments" on the BFS. Receivables have been recorded to the extent that they are measurable at December 31, 2004, as well as intended to finance fiscal 2004 operations.

A summary of the principal items of receivables reported on the statement of net assets follows:

Governmental Activities:

Income taxes	\$ 3,409,592
Real and other taxes	1,977,282
Accounts	616,060
Special assessments	358,166
Due from other governments	1,886,584

Business-type Activities:

Accounts	3,097,895
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Receivables have been disaggregated on the face of the BFS. The only receivable not expected to be collected within the subsequent year are the special assessments which are collected over the life of the assessment.

NOTE 8 - LOANS RECEIVABLE

Loans receivable represent low interest loans made by the City for development projects and small businesses under the Federal Community Development Block Grant (CDBG) program, Home Investment Partnership (HIP) program and Reinvestment Partnership Corporation. The loans bear interest at annual rates ranging between 4 and 9 percent. The loans are to be repaid over period ranging from 5 to 20 years.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2004, was as follows:

<u>Governmental Activities:</u>	<u>Balance</u> 01/01/04	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> 12/31/04
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,024,184	\$ -	\$ -	\$ 1,024,184
Construction in progress	4,978,666	5,986,840	(5,951,260)	5,014,246
Total capital assets, not being depreciated	<u>6,002,850</u>	<u>5,986,840</u>	<u>(5,951,260)</u>	<u>6,038,430</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	477,217	39,401		516,618
Buildings	8,621,830	1,613,294	-	10,235,124
Buildings and improvements	4,409,014	727,231	-	5,136,245
Computer equipment	628,783	132,671	(25,600)	735,854
Furniture and equipment	1,305,674	229,002	-	1,534,676
Vehicles	3,960,566	1,144,029	(99,111)	5,005,484
Infrastructure	28,477,488	4,103,207	-	32,580,695
Total capital assets, being depreciated	<u>47,880,572</u>	<u>7,988,835</u>	<u>(124,711)</u>	<u>55,744,696</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(476,084)	(1,767)		(477,851)
Buildings	(5,018,028)	(229,158)	-	(5,247,186)
Buildings and improvements	(111,897)	(134,958)	-	(246,855)
Computer equipment	(491,054)	(102,960)	25,600	(568,414)
Furniture and equipment	(901,589)	(77,499)	-	(979,088)
Vehicles	(3,265,839)	(318,811)	96,711	(3,487,939)
Infrastructure	(10,919,605)	(1,237,991)	-	(12,157,596)
Total accumulated depreciation	<u>(21,184,096)</u>	<u>(2,103,144)</u>	<u>122,311</u>	<u>(23,164,929)</u>
Total capital assets, being depreciated, net	<u>26,696,476</u>	<u>5,885,691</u>	<u>(2,400)</u>	<u>32,579,767</u>
Governmental activities capital assets, net	<u>\$ 32,699,326</u>	<u>\$11,872,531</u>	<u>\$ (5,953,660)</u>	<u>\$ 38,618,197</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 9 - CAPITAL ASSETS - (Continued)

<u>Business-type Activities:</u>	<u>Balance</u> 01/01/04	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> 12/31/04
<i>Capital assets, not being depreciated:</i>				
Land	\$ 384,399	\$ -	\$ -	\$ 384,399
Construction in progress	<u>13,960,060</u>	<u>1,777,087</u>	<u>(2,115,150)</u>	<u>13,621,997</u>
Total capital assets, not being depreciated	<u>14,344,459</u>	<u>1,777,087</u>	<u>(2,115,150)</u>	<u>14,006,396</u>
<i>Capital assets, being depreciated:</i>				
Buildings	51,578,932	2,128,259	-	53,707,191
Building improvements	234,847	8,650	-	243,497
Water and sewer lines	43,819,614	-	-	43,819,614
Computer equipment	191,469	69,063	(31,854)	228,678
Furniture and equipment	1,557,839	127,897	(20,390)	1,665,346
Vehicles	<u>2,741,802</u>	<u>498,783</u>	<u>(75,760)</u>	<u>3,164,825</u>
Total capital assets, being depreciated	<u>100,124,503</u>	<u>2,832,652</u>	<u>(128,004)</u>	<u>102,829,151</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(38,183,330)	(2,073,716)	-	(40,257,046)
Building improvements	(41,612)	(12,636)	-	(54,248)
Water and sewer lines	(16,853,849)	(623,844)	-	(17,477,693)
Computer equipment	(185,658)	(29,469)	31,854	(183,273)
Furniture and equipment	(800,693)	(100,119)	6,009	(894,803)
Vehicles	<u>(2,487,703)</u>	<u>(163,153)</u>	<u>75,760</u>	<u>(2,575,096)</u>
Total accumulated depreciation	<u>(58,552,845)</u>	<u>(3,002,937)</u>	<u>113,623</u>	<u>(61,442,159)</u>
Total capital assets, being depreciated, net	<u>41,571,658</u>	<u>(170,285)</u>	<u>(14,381)</u>	<u>41,386,992</u>
Business-type activities capital assets, net	<u>\$ 55,916,117</u>	<u>\$ 1,606,802</u>	<u>\$ (2,129,531)</u>	<u>\$ 55,393,388</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 9 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 267,484
Security of persons and property	246,299
Public health and welfare	14,815
Transportation	1,355,157
Leisure time activity	74,873
Community environment	14,030
Economic development	78,231
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>52,255</u>
Total depreciation expense - governmental activities	<u>\$ 2,103,144</u>

NOTE 10 - VACATION AND SICK LEAVE LIABILITY

Vacation and sick leave accumulated by governmental fund type employees has been recorded in the statement of net assets to the extent the liability was due at year-end. Vacation and sick leave earned by proprietary funds type employees is expensed when earned and has been recorded in the fund.

Upon termination of City service, a fully vested employee is entitled to a percentage of their accumulated sick leave based on their years of service. At December 31, 2004, vested benefits for vacation leave for governmental fund type employees, totaled \$2,657,301 and vested benefits for sick leave, totaled \$1,339,957. For proprietary fund types, vested benefits for vacation leave totaled \$785,500 and vested benefits for sick leave totaled \$458,398 at December 31, 2004. Included in the vested benefits for sick leave figures is an additional liability to accrue and record termination (severance) payments for employees expected to become eligible to retire in the future in accordance with GASB Statement No. 16.

NOTE 11 - LEASES

A. Governmental Capital Leases - Lessee Disclosure

In a prior year, the City entered into a capitalized lease for equipment. During 2004, the City entered into capitalized lease agreements for equipment and a fire truck. These lease agreements meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the combined BFS for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

General capital assets consisting of equipment and vehicles have been capitalized in the statement of net assets in the amount of \$39,093 and \$528,720, respectively. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the statement of net assets. Principal payments in fiscal year 2004 totaled \$65,010 paid by the general fund and \$6,164 paid by the Street Maintenance special revenue fund.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 11 - LEASES - (Continued)

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2004:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2005	\$ 74,904
2006	74,904
2007	72,411
2008	69,023
2009	64,654
2010 - 2013	<u>255,496</u>
Total	611,392
Less: amount representing interest	<u>(114,753)</u>
Present value of net minimum lease payments	<u>\$496,639</u>

B. Proprietary Capital Leases - Lessee Disclosure

In a prior year, capital assets consisting of copier equipment have been capitalized in the Water enterprise fund. These lease agreements meet the criteria of a capital lease as defined by FASB Statement No. 13 "Accounting for Leases", which defines a capital lease as one which transfers benefits and risks of ownership to the lessee. The amount of the \$11,290 represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the Water enterprise fund. Principal payments in fiscal year 2004 totaled \$3,111.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2004:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2005	\$ 3,902
2006	3,902
2007	<u>1,177</u>
Total	8,981
Less: amount representing interest	<u>(802)</u>
Present value of net minimum lease payments	<u>\$ 8,179</u>

C. Operating Lease - Lessor Disclosure

On November 15, 1993, the City entered into a lease agreement with Avalon South Management, Inc. for the lease of the City owned golf course. The lease is for a 15 year term and calls for an annual fee for the management, operation and maintenance of the golf course based upon a percentage of gross receipts as defined by the agreement. Due to pending litigation, this amount for 2004 was paid into an escrow account.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 12 - LONG-TERM OBLIGATIONS

A. During the fiscal year 2004, the following changes occurred in governmental activities long-term obligations:

Governmental Activities:	Interest Rate	Balance at 12/31/2003	Additions	Reductions	Balance at 12/31/2004	Amounts Due in One Year
<u>General Obligation Bonds</u>						
Correctional facility	4.50-5.85%	\$ 688,000	\$ -	\$ (114,490)	\$ 573,510	\$ 122,515
Various purpose refunding, series 2003	2.00-4.00%	6,045,000	-	(524,000)	5,521,000	550,000
Various purpose, series 2003	2.00-2.40%	1,231,000	-	(172,000)	1,059,000	175,000
Multi purpose refunding, series 1996	3.80-6.25%	2,490,000	-	(315,000)	2,175,000	325,000
Land acquisition	3.85-4.75%	555,000	-	(45,000)	510,000	160,000
Communication system	3.85-4.75%	1,125,000	-	(95,000)	1,030,000	330,000
Energy conservation	4.20%	117,810	-	(57,690)	60,120	60,120
Total general obligations bonds		<u>12,251,810</u>	<u>-</u>	<u>(1,323,180)</u>	<u>10,928,630</u>	<u>1,722,635</u>
<u>Other Long-Term Obligations</u>						
Reinvestment partnership corporation loan	6.09%	905,000	-	(45,000)	860,000	50,000
OWDA loan	3.75%	941,040	-	(130,405)	810,635	135,341
Police and fire pension liability		2,942,748	-	(45,896)	2,896,852	47,868
Capital lease obligation		10,105	557,708	(71,174)	496,639	51,884
Compensated absences		3,984,991	1,101,440	(1,089,173)	3,997,258	1,075,981
Total other long-term obligations		<u>8,783,884</u>	<u>1,659,148</u>	<u>(1,381,648)</u>	<u>9,061,384</u>	<u>1,361,074</u>
Total governmental activities long-term obligations		21,035,694	<u>\$ 1,659,148</u>	<u>\$ (2,704,828)</u>	19,990,014	<u>\$ 3,083,709</u>
Add: Unamortized premium on bond issue		45,245			40,663	
Less: Unamortized deferred charges on refundings		<u>(309,655)</u>			<u>(278,298)</u>	
Total reported on the Statement of Net Assets		<u>\$ 20,771,284</u>			<u>\$ 19,752,379</u>	

In accordance with State of Ohio law, the City may not incur non-exempt general long-term indebtedness in excess of 10.5 percent of the total value of all property listed and assessed for taxation and 5.5 percent of such value without voter approval.

Compensated Absences - Compensated absences will be paid from the fund which the employees' salaries are paid. The payments will be made from the general and Street Maintenance funds.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

Police and Fire Pension Liability - The City pays installments on the police and fire pension liability incurred when the State of Ohio established the statewide system for police and firemen in 1967. The liability is paid semi-annually from the general fund. Payment is made from unvoted property tax revenues received into the Police and Fire special revenue funds. These funds transfer money to the general fund to retire the semi-annual payments.

The following is a summary of the City's future annual debt service principal and interest requirements for the police and fire pension liability:

Year Ended December 31,	Police and Fire Pension Liability		
	Principal	Interest	Total
2005	\$ 47,868	\$ 122,613	\$ 170,481
2006	49,923	120,557	170,480
2007	52,067	118,413	170,480
2008	54,303	116,176	170,479
2009	56,636	113,844	170,480
2010 - 2014	321,828	530,573	852,401
2015 - 2019	397,140	455,259	852,399
2020 - 2024	490,079	362,323	852,402
2025 - 2029	604,762	247,636	852,398
2030 - 2034	746,289	106,112	852,401
2035	<u>75,957</u>	<u>1,614</u>	<u>77,571</u>
Total	<u>\$ 2,896,852</u>	<u>\$ 2,295,120</u>	<u>\$ 5,191,972</u>

General Obligation Bonds:

On November 11, 1995, Trumbull County issued general obligation bonds to finance the construction of a new correctional facility. The City entered into an agreement with Trumbull County to service a portion of the bonds. As part of this agreement, the City is allocated a portion of the correctional facility bonds. The City's share of the bonds at December 31, 2004 was \$573,510. These bonds are scheduled to mature December 1, 2010.

In 1993, the City issued \$2,575,000 in general obligation storm drainage bonds that were to mature in 2013. The City planned to use the proceeds to create a storm drainage utility. However, this did not occur, so on November 15, 1996, the City used the proceeds to purchase U.S. Government State and Local Government Series securities (SLGS) that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the storm drainage bonds. The refunded bonds are not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding.

On May 15, 1993, the City issued \$7,990,000 general obligation various purpose refunding bonds. The bonds bear interest at rates ranging from 4.10 percent to 5.50 percent per annum and mature in various installments through November 15, 2013. The proceeds of the bonds were used to advance refund all the City's 1988 general obligation term bonds by purchasing SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

The assets held in trust as a result of the advance refundings described above are not included in the accompanying BFS.

On November 13, 2003, the City issued \$6,045,000 in general obligation various purpose refunding bonds to currently refund the callable portion of the 1993 general obligation various purpose refunding bonds (principal \$6,235,000; interest rate 5.10%). The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets. The principal balance of the general obligation various purpose refunded bonds at December 31, 2004 was \$5,521,000.

The 2003 general obligation various purpose refunding issue is comprised of current interest bonds, par value \$6,045,000, with an annual interest rate ranging from 2.00% - 4.00%. The reacquisition price exceeded the net carrying amount of the old debt by \$313,575. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

During 2003, the City also issued \$1,282,000 in various purpose general obligation bonds to provide fire, police, health, engineering and operations improvements. The issue is comprised of current interest bonds with an annual interest rate ranging from 2.00% - 2.40%.

The following is a summary of the City's future annual debt service requirements for the general obligation bonds:

Year Ended December 31,	General Obligation Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 1,722,635	\$ 413,535	\$ 2,136,170
2006	1,725,435	351,368	2,076,803
2007	1,694,890	288,263	1,983,153
2008	1,117,074	223,216	1,340,290
2009	1,021,492	187,211	1,208,703
2010-2013	<u>3,647,104</u>	<u>339,339</u>	<u>3,986,443</u>
Total	<u>\$ 10,928,630</u>	<u>\$ 1,802,932</u>	<u>\$ 12,731,562</u>

Reinvestment Partnership Corporation Loan - On April 29, 1999, the City received a \$985,000 loan from the Reinvestment Partnership Corporation. This loan was made through the Federal 108 Loan Guarantee Program. In 2000, the City began disbursing the loan proceeds for economic development and housing rehabilitation projects throughout the City. Interest payments (at 6.09 percent) on the loan began in 1999, and principal payments began August 1, 2002. Principal and interest payments will be made out of the Guarantee Loan special revenue fund using future grant receipts and principal and interest payments received on amounts the City loans for economic development and housing rehabilitation.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the City's future annual debt service principal and interest requirements for the general obligation loan payable:

Year Ended December 31,	Loan Payable		
	Principal	Interest	Total
2005	\$ 50,000	\$ 53,130	\$ 103,130
2006	55,000	50,296	105,296
2007	55,000	47,134	102,134
2008	55,000	43,954	98,954
2009	60,000	40,743	100,743
2010-2014	390,000	142,393	532,393
2015-2016	<u>195,000</u>	<u>19,346</u>	<u>214,346</u>
Total	<u>\$ 860,000</u>	<u>\$ 396,996</u>	<u>\$ 1,256,996</u>

OWDA Loan - During 2000, the City entered into a debt financing arrangement through the Ohio Water Development Authority (OWDA) to fund the Mahoningside Redevelopment Project. The loan agreement functions similar to a line-of-credit agreement. At December 31, 2004, the City had outstanding borrowings of \$810,635. The loan agreement requires semi-annual payments. The principal and interest payments will be made out of the debt service fund.

The following is a summary of the City's future annual debt service principal and interest requirements for the OWDA loan:

Year Ended December 31,	OWDA Loan Payable		
	Principal	Interest	Total
2005	\$ 135,341	\$ 29,141	\$ 164,482
2006	140,463	24,019	164,482
2007	145,780	18,702	164,482
2008	151,298	13,184	164,482
2009	157,025	7,457	164,482
2010-2011	<u>80,728</u>	<u>1,514</u>	<u>82,242</u>
Total	<u>\$ 810,635</u>	<u>\$ 94,017</u>	<u>\$ 904,652</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

B. Enterprise Fund Obligations

The City had the following long-term obligations outstanding at year-end related to enterprise fund operations:

	Interest Rate	Balance at 12/31/2003	Additions	Reductions	Balance at 12/31/2004	Amounts Due in One Year
<u>General Obligation Bonds</u>						
Refunding sewer improvements	2.00-4.00%	\$ 5,043,000	\$ -	\$ (454,000)	\$ 4,589,000	\$ 465,000
Packard Hall various improvements	2.00-2.40%	51,000	-	(10,000)	41,000	10,000
Sanitation	3.85-4.60%	330,000	-	(330,000)	-	-
Total general obligations bonds		<u>5,424,000</u>	<u>-</u>	<u>(794,000)</u>	<u>4,630,000</u>	<u>475,000</u>
<u>Revenue Bonds</u>						
Water system	3.80-5.00%	10,610,000	-	(350,000)	10,260,000	365,000
Total revenue bonds		<u>10,610,000</u>	<u>-</u>	<u>(350,000)</u>	<u>10,260,000</u>	<u>365,000</u>
Total enterprise bonds		<u>16,034,000</u>	<u>-</u>	<u>(1,144,000)</u>	<u>14,890,000</u>	<u>840,000</u>
<u>OWDA Loans</u>						
Sewer system	10.16%	4,538,903	-	(362,109)	4,176,794	398,898
Buckeye	3/54%	905,972	-	(68,684)	837,288	71,136
Warren commerce park - phase I	4.80%	132,068	-	(10,570)	121,498	11,083
Wastewater treatment plant and pump station improvements	3.04%	773,573	-	(47,129)	726,444	48,573
Biosolids facility	3.04%	5,366,776	-	(331,867)	5,034,909	339,452
Griswold street sanitary sewer	4.12%	1,147,302	-	(56,609)	1,090,693	58,965
Warren commerce park - phase II	3.04%	510,686	-	(24,380)	486,306	25,360
Warren commerce park - phase II	3.79%	156,656	-	(7,591)	149,065	7,882
Water system improvements	3.95%	7,346,666	3,386,022	(366,858)	10,365,830	377,760
Total OWDA loans		<u>20,878,602</u>	<u>3,386,022</u>	<u>(1,275,797)</u>	<u>22,988,827</u>	<u>1,339,109</u>
Total bonds and loans		<u>36,912,602</u>	<u>3,386,022</u>	<u>(2,419,797)</u>	<u>37,878,827</u>	<u>2,179,109</u>
<u>Other Long-Term Obligations</u>						
Capital lease obligation	4.50-5.85%	11,290	-	(3,111)	8,179	3,370
Compensated absences	4.20%	1,169,439	542,113	(467,654)	1,243,898	479,522
Total other long-term obligations		<u>1,180,729</u>	<u>542,113</u>	<u>(470,765)</u>	<u>1,252,077</u>	<u>482,892</u>
Total business-type activities		38,093,331	<u>\$ 3,928,135</u>	<u>\$ (2,890,562)</u>	39,130,904	<u>\$ 2,662,001</u>
Add: Unamortized premium on bond issue		32,596			29,295	
Less: Unamortized deferred charges on refundings		<u>(723,712)</u>			<u>(649,949)</u>	
Total reported on the Statement of Net Assets		<u>\$ 37,402,215</u>			<u>\$ 38,510,250</u>	

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

General obligation bonds are expected to be retired with revenues of the enterprise funds. General obligation bonds are secured by the City's ability to levy a voted or unvoted property tax within limitations of Ohio law.

General Obligation Bonds:

On November 15, 1993, the City issued \$10,430,000 general obligation sewer system improvement bonds. The bonds bear interest at rates ranging from 2.90 percent to 5.20 percent per annum and mature at various installments through November 15, 2013. A portion of the proceeds of the bonds were used for the advance refunding of the 1990 sewer system improvement bonds. The proceeds were used to purchase SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The refunded bonds are not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding.

On November 13, 2003, the City issued \$5,043,000 in sewer system improvements refunding bonds to currently refund the callable portion of the 1993 sewer system improvement refunding bonds (principal \$5,215,000; interest rate 4.50%). The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets. The principal balance of the sewer system improvements refunded bonds at December 31, 2004 was \$4,589,000.

The 2003 sewer system improvements refunding issue is comprised of current interest bonds, par value \$5,043,000, with an annual interest rate ranging from 2.00% - 4.00%. The reacquisition price exceeded the net carrying amount of the old debt by \$252,468. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to interest expense through the year 2013 using the straight-line method.

Revenue Bonds:

On December 30, 1997, the City issued \$11,380,000 water system revenue bonds. The bonds bear interest at rates ranging from 3.80 percent to 5.00 percent per annum and mature at various installments through November 1, 2022. A portion of the proceeds of the bonds were used for the advance refunding of the 1992 water system improvement bonds. The proceeds were used to purchase SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The refunded bonds are not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding. The principal balance of the water system revenue bonds at December 31, 2004 was \$10,260,000.

The 1992 water system improvement bonds advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$463,893. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to interest expense through the year 2012 using the straight-line method.

The assets held in trust as a result of the advance refunding described above are not included in the accompanying BFS.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

OWDA Loans:

The City has entered into debt financing arrangements through the OWDA to fund construction projects. The amounts due to the OWDA are payable solely from sewer revenues. The loan agreements function similar to a line-of-credit agreement. At December 31, 2004, the City has outstanding borrowings of \$22,988,827. The loan agreements require semi-annual payments based on the permissible borrowings rather than the actual amount loaned. These payments are reflected in the future maturities of principal and interest table and are subject to revision if the total amount is not drawn down. The Biosolids Facility and Water System Improvement projects financed through OWDA loans are not closed out as of December 31, 2004. Future annual debt service principal and interest requirements for these loans, which have balances at December 31, 2004 of \$5,034,909 and \$10,365,830, are not available.

The following is a summary of the City's future annual debt service principal and interest requirements for enterprise fund obligations:

Year Ended December 31,	Bonds Payable			OWDA Loans Payable		
	Principal	Interest	Total	Principal	Interest	Total
2005	\$ 840,000	\$ 654,255	\$ 1,494,255	\$ 621,899	\$ 549,810	\$ 1,171,709
2006	863,500	628,330	1,491,830	670,769	500,942	1,171,711
2007	891,000	601,373	1,492,373	724,073	447,636	1,171,709
2008	914,000	572,659	1,486,659	782,244	389,466	1,171,710
2009	935,500	541,386	1,476,886	845,755	325,847	1,171,602
2010-2014	4,736,000	2,082,350	6,818,350	3,161,225	622,399	3,783,624
2015-2019	3,305,000	1,115,500	4,420,500	782,122	67,464	849,586
2020-2022	2,405,000	244,250	2,649,250	-	-	-
Total	<u>\$ 14,890,000</u>	<u>\$6,440,103</u>	<u>\$ 21,330,103</u>	<u>\$ 7,588,087</u>	<u>\$2,903,564</u>	<u>\$10,491,651</u>

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 13 - INTERNAL NOTE AND BOND PAYABLE

The City had the following internal note and bond activity for fiscal year 2004:

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance at 12/31/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 12/31/04</u>
<u>General Fund</u>							
<i>General Obligation Bonds</i>							
Police Car Acquisition	5.00%	09/15/99	1/01/05	\$ 134,460	\$ -	\$ (134,460)	\$ -
<u>Sanitation Enterprise Fund</u>							
<i>General Obligation Notes</i>							
Environmental Services							
Vehicle Acquisition	3.175%	4/01/04	4/01/05	\$ -	\$ 450,000	\$ -	\$ 450,000

The note and bonds payable at December 31, 2004 are internal City of Warren notes and bonds that represent amounts borrowed from other funds of the City. These notes and bonds are structured in essentially the same manner as note and bond agreements with outside institutions. The fund which loaned the monies (The Workers Compensation Retro Plan internal service fund) has reported "notes receivable" on the fund financial statements for the principal amounts outstanding at December 31, 2004. On the statement of net assets, the "notes receivable" and "notes payable" have been presented as an internal balance.

NOTE 14 - RISK MANAGEMENT

The City is exposed to various risks of loss during the normal course of its operations including, but not limited to, loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The City utilizes three funds relating to its risk management program. All of the funds have been classified as internal service funds.

The City maintains a Hospitalization Self-Insurance Fund which has been classified as an internal service fund in the accompanying BFS. The purpose of this fund is to pay the cost of medical benefits provided to City employees and their covered dependents for which the City is self-insured. The City is self-insured for the first \$75,000 per participant; annual claims above such amount are paid for by stop-loss insurance which the City maintains.

In the last three years, the City had one occurrence in which settled claims exceeded the self-insurance amount. The liability for unpaid claims of \$233,859 reported in the internal service fund at December 31, 2004, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by FASB Statement No. 30 "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

The City maintains a Risk Management fund which has also been classified as an internal service fund in the accompanying BFS. The purpose of this fund is to pay any general liability claims the City may have levied against it, except for police liability, which remains insured through a private insurance carrier.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 14 - RISK MANAGEMENT - (Continued)

Another self-insurance fund which the City maintains is the Workers' Compensation Fund which is classified as an internal service fund in the accompanying BFS. This fund is used to account for claims applicable to years in which the City elects to be partially self-insured under a retrospective rating plan with the State of Ohio. The initial premium savings between a retrospective plan and a fully insured plan for a given year is transferred into the fund from other City funds. Subsequent claims for a ten-year period are then the City's responsibility (subject to a stop-loss maximum) and are paid from the fund.

Changes in the fund's liability for the current and previous years are as follows:

<u>Fund</u>	<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
Hospitalization self-insurance	2004	\$ 242,539	\$ 5,273,516	\$ (5,282,196)	\$ 233,859
	2003	405,965	5,217,036	(5,380,462)	242,539
Risk management	2004	-	143,334	(143,334)	-
	2003	-	303,153	(303,153)	-
Workers' compensation	2004	337,094	270,625	(337,094)	270,625
	2003	163,598	337,094	(163,598)	337,094

The City purchases insurance policies in varying amounts for general liability, property damage, and employee and public officials' liability, including errors and omissions of the City's safety forces. Settled claims have not exceeded the City's insurance coverage in any of the past three years.

NOTE 15 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

For the year ended December 31, 2004, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5% of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1% of their annual covered salary; members in public safety contributed 9%. The City's contribution rate for pension benefits for 2004 was 9.55%, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.7% of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2004, 2003, and 2002 were \$1,814,412, \$1,713,293, and \$1,698,387, respectively; 100% has been contributed for 2004, 2003 and 2002. The City and plan members did not make any contributions to the member-directed plan for 2004.

B. Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary to fund pension obligations while the City is required to contribute 11.75% for police officers and 16.25% for firefighters. Contributions are authorized by State statute. The City's contributions to the fund for the police and firefighters were \$1,719,189 and \$1,660,776, and \$1,650,328 for the years ended December 31, 2004, 2003, and 2002. The full amount has been contributed for 2003 and 2002. 76.37% for police and 76.90% for firefighters has been contributed for 2004 with the remainder being reported as a liability.

NOTE 16 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2004 local government employer contribution rate was 13.55% of covered payroll (16.70% for public safety and law enforcement); 4.00% of covered payroll was the portion that was used to fund health care.

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.00%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.3% based on additional annual pay increases. Health care premiums were assumed to increase 4.00% annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$535,620. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003 (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement 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. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll, of which 7.75% of covered payroll was applied to the postemployment health care program during 2004. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2004 that were used to fund postemployment benefits was \$306,954 for police and \$305,560 for firefighters. The OP&F's total health care expense for the year ended December 31, 2003 (the latest information available) was \$150,853,148, which was net of member contributions of \$17,207,506. The number of OP&F participants eligible to receive health care benefits as of December 31, 2003 (the latest information available), was 13,662 for police and 10,474 for firefighters.

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund and major special revenue 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 are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

CITY OF WARREN, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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 all governmental funds for which a budgetary basis statement is presented.

Net Change in Fund Balance

	<u>General</u>
Budget basis	\$ (1,878,124)
Net adjustment for revenue accruals	57,723
Net adjustment for expenditure accruals	(642,947)
Net adjustment for other financing sources/uses	683,028
Adjustment for encumbrances	<u>896,017</u>
GAAP basis	<u>\$ (884,303)</u>

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 is 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, 2004.

B. Litigation

Several claims and lawsuits are pending against the City. In the opinion of the City Law Director, any potential liability would not have a material effect on the BFS.

On October 20, 2002, the Avalon South Management, Inc. filed a lawsuit against the City for breach of contract. The outcome of this lawsuit is not presently determinable and it is the opinion of the City's counsel that the range of any potential loss cannot be reasonably estimated. In accordance with FASB Statement No. 5, "Accounting for Contingencies", no liability has been reported in the financial statements

CITY OF WARREN, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 18 - CONTINGENCIES - (Continued)

C. Debt

On August 28, 2001, the City and Austin Village Plaza entered into a \$350,000 promissory note with Second National Bank. In the event of default by Austin Village Plaza, the City may be called upon to repay the outstanding debt obligation. At this time, it is not determinable whether the City will sustain a liability related to this matter, therefore, in accordance with FASB Statement No. 5, "Accounting or Contingencies," a liability has not been reported in the financial statements.

COMBINING STATEMENTS
AND INDIVIDUAL
FUND SCHEDULES

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CITY OF WARREN, 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.

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:

Court Computerization

To account for revenues collected by the courts to be used for computer maintenance of the courts.

Street Maintenance

To account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance and repair of dedicated streets within the City.

Drivers Alcohol Treatment

To account for fines collected to be used for expenditures related to drunk driving enforcement and treatment.

Drug Law Enforcement

To account for fines of the Municipal Court designated to subsidize each agency's law enforcement efforts that pertain to drug offenses.

Law Enforcement Trust

To account for monies received from the Federal Law Enforcement agencies designated for law enforcement purposes.

Enforcement and Education

To account for grant monies received from DUI arrests to be used for enforcement and education and for DUI housing reimbursements pursuant to Ohio Revised Code Section 4511.191.

Federal Forfeitures

To account for revenues received from Federal forfeitures to be used for expenditures related to drug enforcement and education.

Probation - Municipal Court

To account for revenues received from municipal probation.

Special Projects - Courts

To account for revenues collected by the courts to be used on various projects in the courts.

Legal Research - Courts

To account for revenues collected by the courts to be used for legal research.

Police Pension

To accumulate property taxes levied for the payment of the current and accrued liability for police disability and pension benefits.

CITY OF WARREN, OHIO
INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - (Continued)

Fire Pension

To accumulate property taxes levied for the payment of the current and accrued liability for fire disability and pension benefits.

Community Development Block Grant (CDBG)

To account for monies received from the state government under the federal government under the Community Development Block Grant program for providing decent housing and a suitable living environment and expanded economic opportunities principally for persons of low and moderate income and the allowable administrative costs associated with those projects.

Guarantee Loan

To account for monies related to a loan received from the Reinvestment Partnership Corporation through the Federal 108 Loan Guarantee Program.

Highway Construction

To account for revenues generated from license and gasoline taxes to be used on State highways located within the City.

Motor Vehicle Levy

To account for resources received as a result of the County's levied motor vehicle license tax to assist in maintaining those City streets.

Home Investment

To account for monies received through the Home Investment Partnership Program.

FEMA Fund

To account 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. The program and funding resulted from President George W. Bush's Presidential Declaration of Trumbull County as a federal disaster area resulting from the heavy rainfall flooding on July 27, 2003.

Nonmajor Debt Service Fund

General Bond Payment

The General Bond Payment debt service fund is established to account for the accumulation of resources for, and the payment of, principal and interest on long-term debt and related costs.

Major Capital Projects Fund

General Capital Improvements

The General Capital Improvements capital projects fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary fund types.

CITY OF WARREN, 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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Income taxes	\$ 18,467,158	\$ 18,550,000	\$ 18,420,741	\$ (129,259)
Charges for services	2,043,224	2,374,020	2,038,980	(335,040)
Licenses, permits and fees	1,804,933	1,707,200	1,800,396	93,196
Fines and forfeitures	996,241	1,203,000	993,737	(209,263)
Intergovernmental	2,940,782	2,763,280	2,932,499	169,219
Investment income	236,920	250,000	236,324	(13,676)
Rental income	34,400	45,000	34,314	(10,686)
Other	1,141,650	557,500	1,138,790	581,290
Total revenues	<u>27,665,308</u>	<u>27,450,000</u>	<u>27,595,781</u>	<u>145,781</u>
Expenditures:				
Current:				
General government				
City council				
Personal services	242,108	244,608	242,671	1,937
Contractual services	32,200	34,700	32,083	2,617
Materials and supplies.	3,800	4,074	3,739	335
Total city council	<u>278,108</u>	<u>283,382</u>	<u>278,493</u>	<u>4,889</u>
Municipal court				
Personal services	1,610,545	1,581,802	1,576,258	5,544
Contractual services	99,344	107,570	90,402	17,168
Materials and supplies.	21,450	21,881	18,970	2,911
Total municipal court.	<u>1,731,339</u>	<u>1,711,253</u>	<u>1,685,630</u>	<u>25,623</u>
Victims of crimes				
Personal services	-	39,980	39,446	534
Contractual services	-	134	84	50
Materials and supplies.	-	1,040	1,039	1
Total victims of crimes	<u>-</u>	<u>41,154</u>	<u>40,569</u>	<u>585</u>
Operations - general				
Personal services	220,002	190,612	170,701	19,911
Contractual services	31,175	27,010	25,200	1,810
Materials and supplies.	577	500	364	136
Total operations - general	<u>251,754</u>	<u>218,122</u>	<u>196,265</u>	<u>21,857</u>
Operations - maintenance				
Personal services	1,010,172	875,222	825,303	49,919
Contractual services	500,275	433,443	375,481	57,962
Materials and supplies.	114,788	99,453	71,540	27,913
Capital outlay	350,664	303,818	303,818	-
Total operations - maintenance.	<u>1,975,899</u>	<u>1,711,936</u>	<u>1,576,142</u>	<u>135,794</u>

Continued

CITY OF WARREN, 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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Mayor				
Personal services	\$ 406,390	\$ 430,258	\$ 381,682	\$ 48,576
Contractual services	26,200	25,705	19,614	6,091
Materials and supplies.	5,600	11,271	8,946	2,325
Total mayor.	<u>438,190</u>	<u>467,234</u>	<u>410,242</u>	<u>56,992</u>
Purchasing				
Personal services	161,535	170,535	166,444	4,091
Contractual services	16,645	21,645	16,050	5,595
Materials and supplies.	3,290	4,351	3,738	613
Total purchasing	<u>181,470</u>	<u>196,531</u>	<u>186,232</u>	<u>10,299</u>
Finance				
Personal services	496,518	496,518	432,450	64,068
Contractual services	66,900	66,940	46,665	20,275
Materials and supplies.	9,000	9,792	7,717	2,075
Capital outlay	-	12,500	12,500	-
Total finance	<u>572,418</u>	<u>585,750</u>	<u>499,332</u>	<u>86,418</u>
Human resources				
Personal services	258,884	262,884	257,767	5,117
Contractual services	45,650	63,083	53,508	9,575
Materials and supplies.	1,500	1,692	753	939
Total human resources	<u>306,034</u>	<u>327,659</u>	<u>312,028</u>	<u>15,631</u>
Law department				
Personal services	750,990	750,990	743,108	7,882
Contractual services	50,994	57,494	50,169	7,325
Materials and supplies.	4,250	6,500	5,752	748
Capital outlay	-	11,000	10,529	471
Total law department.	<u>806,234</u>	<u>825,984</u>	<u>809,558</u>	<u>16,426</u>
Civil service				
Personal services	9,538	15,538	10,258	5,280
Contractual services	57,660	51,660	21,073	30,587
Materials and supplies.	250	250	-	250
Total civil service.	<u>67,448</u>	<u>67,448</u>	<u>31,331</u>	<u>36,117</u>
Administrative support				
Contractual services	1,212,000	1,399,854	1,190,598	209,256
Materials and supplies.	10,000	20,818	15,628	5,190
Capital outlay	-	17,400	15,686	1,714
Other	1,181,841	100,278	87,300	12,978
Total administrative support	<u>2,403,841</u>	<u>1,538,350</u>	<u>1,309,212</u>	<u>229,138</u>

Continued

CITY OF WARREN, 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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Income tax				
Personal services	\$ 472,287	\$ 456,287	\$ 423,723	\$ 32,564
Contractual services	99,798	102,798	88,716	14,082
Materials and supplies.	21,750	33,708	29,722	3,986
Capital outlay	-	35,044	32,776	2,268
Total income tax	<u>593,835</u>	<u>627,837</u>	<u>574,937</u>	<u>52,900</u>
Total general government	<u>9,606,570</u>	<u>8,602,640</u>	<u>7,909,971</u>	<u>692,669</u>
Security of persons and property				
Police				
Personal services	7,870,806	7,870,806	7,412,659	458,147
Contractual services	1,153,831	1,231,219	1,187,590	43,629
Materials and supplies.	120,900	177,218	161,609	15,609
Capital outlay	-	301,876	195,112	106,764
Total police.	<u>9,145,537</u>	<u>9,581,119</u>	<u>8,956,970</u>	<u>624,149</u>
Fire				
Personal services	6,247,682	6,472,682	6,422,063	50,619
Contractual services	148,805	218,520	182,000	36,520
Materials and supplies.	81,680	107,028	101,880	5,148
Capital outlay	-	90,155	87,794	2,361
Total fire	<u>6,478,167</u>	<u>6,888,385</u>	<u>6,793,737</u>	<u>94,648</u>
Bio-Terrorism				
Personal services	-	7,991	440	7,551
Contractual services	-	4,154	2,520	1,634
Materials and supplies.	-	9,178	6,410	2,768
Capital outlay	-	1,936	1,936	-
Total fire	<u>-</u>	<u>23,259</u>	<u>11,306</u>	<u>11,953</u>
Total security of persons and property	<u>15,623,704</u>	<u>16,492,763</u>	<u>15,762,013</u>	<u>730,750</u>
Public health and welfare				
Health				
Personal services	899,087	336,489	330,770	5,719
Contractual services	102,736	51,990	42,412	9,578
Materials and supplies.	50,311	27,187	26,504	683
Capital outlay	-	108,000	108,000	-
Other.	190,000	251,870	142,194	109,676
Total health	<u>1,242,134</u>	<u>775,536</u>	<u>649,880</u>	<u>125,656</u>
Dental				
Contractual services	-	32,437	22,294	10,143
Materials and supplies.	-	5,236	5,112	124
Total dental.	<u>-</u>	<u>37,673</u>	<u>27,406</u>	<u>10,267</u>
Total public health and welfare	<u>1,242,134</u>	<u>813,209</u>	<u>677,286</u>	<u>135,923</u>

Continued

CITY OF WARREN, 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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Community environment				
Environmental health				
Personal services	\$ -	\$ 537,726	\$ 515,817	\$ 21,909
Contractual services	-	28,598	14,361	14,237
Materials and supplies.	-	9,720	7,097	2,623
Other.	-	10,348	6,095	4,253
Total environmental health	-	586,392	543,370	43,022
Weed control				
Personal services	-	12,581	10,977	1,604
Contractual services	-	8,925	3,076	5,849
Materials and supplies.	-	2,367	1,551	816
Total weed control	-	23,873	15,604	8,269
Mosquito control				
Contractual services	-	1,425	465	960
Materials and supplies.	-	6,123	4,947	1,176
Total mosquito control	-	7,548	5,412	2,136
Engineering building and plant department				
Personal services	960,200	960,200	918,061	42,139
Contractual services	219,081	239,927	234,440	5,487
Materials and supplies.	21,000	21,713	18,137	3,576
Capital outlay	-	65,000	64,831	169
Other	5,000	17,000	10,372	6,628
Total engineering building and plant department.	1,205,281	1,303,840	1,245,841	57,999
Total community environment.	1,205,281	1,921,653	1,810,227	111,426
Leisure time activity				
Operations - parks				
Personal services	-	455,408	426,904	28,504
Contractual services	-	267,419	236,470	30,949
Materials and supplies.	-	141,202	103,393	37,809
Capital outlay	-	274,941	274,941	-
Other.	-	5,150	4,220	930
Total operations - parks.	-	1,144,120	1,045,928	98,192
Total leisure time activity.	-	1,144,120	1,045,928	98,192
Total expenditures.	27,677,689	28,974,385	27,205,425	1,768,960

Continued

CITY OF WARREN, 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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Excess (deficiency) of revenues over (under) expenditures.	\$ (12,381)	\$ (1,524,385)	\$ 390,356	\$ 1,914,741
Other financing sources (uses):				
Transfers in	84,692	384,469	84,469	(300,000)
Transfers out	(72,311)	(2,573,598)	(2,352,949)	220,649
Total other financing sources (uses). . .	<u>12,381</u>	<u>(2,189,129)</u>	<u>(2,268,480)</u>	<u>(79,351)</u>
Net change in fund balance	-	(3,713,514)	(1,878,124)	1,835,390
Fund balance at beginning of year	3,448,996	3,448,996	3,448,996	-
Prior year encumbrances appropriated .	<u>870,298</u>	<u>870,298</u>	<u>870,298</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,319,294</u>	<u>\$ 605,780</u>	<u>\$ 2,441,170</u>	<u>\$ 1,835,390</u>

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 4,251,877	\$ 577	\$ 4,252,454
Receivables (net of allowances of uncollectibles):			
Real and other taxes	339,188	1,638,094	1,977,282
Accounts.	29,379	-	29,379
Loans receivable.	3,871,590	-	3,871,590
Special assessments	274,913	48,484	323,397
Due from other governments	724,227	81,453	805,680
Materials and supplies inventory	44,811	-	44,811
Total assets.	<u>\$ 9,535,985</u>	<u>\$ 1,768,608</u>	<u>\$ 11,304,593</u>
Liabilities:			
Accounts payable	\$ 283,179	\$ -	\$ 283,179
Accrued wages and benefits.	67,515	-	67,515
Compensated absences payable	15,392	-	15,392
Due to other governments	10,127	-	10,127
Deferred revenue.	1,029,884	1,743,633	2,773,517
Total liabilities	<u>1,406,097</u>	<u>1,743,633</u>	<u>3,149,730</u>
Fund balances:			
Reserved for encumbrances.	1,067,081	-	1,067,081
Reserved for materials and supplies inventory	44,811	-	44,811
Reserved for loans	3,871,590	-	3,871,590
Reserved for tax advance	5,052	24,398	29,450
Unreserved, undesignated, reported in:			
Special revenue funds	3,141,354	-	3,141,354
Debt service fund	-	577	577
Total fund balances	<u>8,129,888</u>	<u>24,975</u>	<u>8,154,863</u>
Total liabilities and fund equity	<u>\$ 9,535,985</u>	<u>\$ 1,768,608</u>	<u>\$ 11,304,593</u>

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
Property and other local taxes	\$ 249,850	\$ 1,206,476	\$ 1,456,326
Charges for services	16,323	-	16,323
Licenses and permits.	33,160	-	33,160
Fines and forfeitures.	438,599	-	438,599
Intergovernmental	4,238,377	162,905	4,401,282
Special assessments	9,122	10,706	19,828
Investment income.	131,804	-	131,804
Other.	102,311	-	102,311
	<hr/>	<hr/>	<hr/>
Total revenues.	5,219,546	1,380,087	6,599,633
Expenditures:			
Current:			
General government	45,521	24,149	69,670
Security of persons and property	420,236	-	420,236
Transportation	2,745,117	-	2,745,117
Economic development.	1,984,304	-	1,984,304
Capital outlay	385,703	-	385,703
Debt service:			
Principal retirement	97,060	1,453,585	1,550,645
Interest and fiscal charges.	181,461	508,141	689,602
	<hr/>	<hr/>	<hr/>
Total expenditures.	5,859,402	1,985,875	7,845,277
Excess (deficiency) of revenues over (under) expenditures	<hr/> (639,856) <hr/>	<hr/> (605,788) <hr/>	<hr/> (1,245,644) <hr/>
Other financing sources (uses):			
Capital lease transaction	19,307	-	19,307
Transfers in	883,961	583,325	1,467,286
Transfers out	<hr/> (1,103,340) <hr/>	<hr/> - <hr/>	<hr/> (1,103,340) <hr/>
Total other financing sources (uses)	<hr/> (200,072) <hr/>	<hr/> 583,325 <hr/>	<hr/> 383,253 <hr/>
Net change in fund balance	(839,928)	(22,463)	(862,391)
Fund balances at beginning of year	<hr/> 8,969,816 <hr/>	<hr/> 47,438 <hr/>	<hr/> 9,017,254 <hr/>
Fund balances at end of year.	<hr/> <u>\$ 8,129,888</u> <hr/>	<hr/> <u>\$ 24,975</u> <hr/>	<hr/> <u>\$ 8,154,863</u> <hr/>

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2004

	<u>Court Computerization</u>	<u>Street Maintenance</u>	<u>Drivers Alcohol Treatment</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 124,865	\$ 215,503	\$ 136,366
Receivables (net of allowances for uncollectibles):			
Real and other taxes.	-	-	-
Accounts	8,880	-	576
Loans	-	-	-
Special assessments.	-	-	-
Due from other governments	-	654,311	-
Materials and supplies inventory	-	2,621	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 133,745</u>	<u>\$ 872,435</u>	<u>\$ 136,942</u>
Liabilities:			
Accounts payable	\$ -	\$ 176,314	\$ 557
Accrued wages and benefits	-	56,800	-
Compensated absences payable	-	15,392	-
Due to other governments	-	8,520	-
Deferred revenue.	-	373,673	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>630,699</u>	<u>557</u>
Fund Equity:			
Reserved for encumbrances	3,987	-	-
Reserved for materials and supplies inventory	-	2,621	-
Reserved for loans.	-	-	-
Reserved for tax advance	-	-	-
Unreserved:			
Undesignated.	129,758	239,115	136,385
	<hr/>	<hr/>	<hr/>
Total fund equity	<u>133,745</u>	<u>241,736</u>	<u>136,385</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund equity.	<u>\$ 133,745</u>	<u>\$ 872,435</u>	<u>\$ 136,942</u>

<u>Drug Law Enforcement</u>	<u>Law Enforcement Trust</u>	<u>Enforcement and Education</u>	<u>Federal Forfeitures</u>	<u>Probation - Municipal Court</u>	<u>Special Projects - Courts</u>
\$ 30,076	\$ 94,041	\$ 8,717	\$ 390,351	\$ 164,843	\$ 326,967
-	-	-	-	-	-
-	-	200	-	4,321	12,704
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 30,076</u>	<u>\$ 94,041</u>	<u>\$ 8,917</u>	<u>\$ 390,351</u>	<u>\$ 169,164</u>	<u>\$ 339,671</u>
\$ -	\$ -	\$ -	\$ 16,434	\$ 2,160	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>16,434</u>	<u>2,160</u>	<u>-</u>
-	-	-	734	2,160	17,582
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>30,076</u>	<u>94,041</u>	<u>8,917</u>	<u>373,183</u>	<u>164,844</u>	<u>322,089</u>
<u>30,076</u>	<u>94,041</u>	<u>8,917</u>	<u>373,917</u>	<u>167,004</u>	<u>339,671</u>
<u>\$ 30,076</u>	<u>\$ 94,041</u>	<u>\$ 8,917</u>	<u>\$ 390,351</u>	<u>\$ 169,164</u>	<u>\$ 339,671</u>

Continued

CITY OF WARREN, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2004

	<u>Legal Research - Courts</u>	<u>Police Pension</u>	<u>Fire Pension</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 138,988	\$ 65,126	\$ 49,671
Receivables (net of allowances for uncollectibles):			
Real and other taxes.	-	169,594	169,594
Accounts	2,698	-	-
Loans	-	-	-
Special assessments.	-	-	-
Due from other governments	-	8,432	8,432
Materials and supplies inventory	-	-	-
Total assets	<u>\$ 141,686</u>	<u>\$ 243,152</u>	<u>\$ 227,697</u>
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-
Compensated absences payable	-	-	-
Due to other governments	-	-	-
Deferred revenue.	-	175,500	175,500
Total liabilities	<u>-</u>	<u>175,500</u>	<u>175,500</u>
Fund Equity:			
Reserved for encumbrances	150	-	-
Reserved for materials and supplies inventory	-	-	-
Reserved for loans.	-	-	-
Reserved for tax advance	-	2,526	2,526
Unreserved:			
Undesignated.	<u>141,536</u>	<u>65,126</u>	<u>49,671</u>
Total fund equity	<u>141,686</u>	<u>67,652</u>	<u>52,197</u>
Total liabilities and fund equity.	<u>\$ 141,686</u>	<u>\$ 243,152</u>	<u>\$ 227,697</u>

<u>CDBG</u>	<u>Guarantee Loan</u>	<u>Highway Construction</u>	<u>Motor Vehicle Levy</u>	<u>Home Investment</u>	<u>FEMA</u>	<u>Total</u>
\$ 701,469	\$ 287,769	\$ 44,296	\$ 18,363	\$ 1,454,451	\$ 15	\$ 4,251,877
-	-	-	-	-	-	339,188
-	-	-	-	-	-	29,379
1,559,793	443,350	-	-	1,868,447	-	3,871,590
274,913	-	-	-	-	-	274,913
-	-	53,052	-	-	-	724,227
-	-	3,549	38,641	-	-	44,811
<u>\$ 2,536,175</u>	<u>\$ 731,119</u>	<u>\$ 100,897</u>	<u>\$ 57,004</u>	<u>\$ 3,322,898</u>	<u>\$ 15</u>	<u>\$ 9,535,985</u>
\$ 30,206	\$ -	\$ -	\$ 1,843	\$ 55,665	\$ -	\$ 283,179
10,715	-	-	-	-	-	67,515
-	-	-	-	-	-	15,392
1,607	-	-	-	-	-	10,127
274,913	-	30,298	-	-	-	1,029,884
<u>317,441</u>	<u>-</u>	<u>30,298</u>	<u>1,843</u>	<u>55,665</u>	<u>-</u>	<u>1,406,097</u>
214,615	-	8,123	15,987	803,743	-	1,067,081
-	-	3,549	38,641	-	-	44,811
1,559,793	443,350	-	-	1,868,447	-	3,871,590
-	-	-	-	-	-	5,052
<u>444,326</u>	<u>287,769</u>	<u>58,927</u>	<u>533</u>	<u>595,043</u>	<u>15</u>	<u>3,141,354</u>
<u>2,218,734</u>	<u>731,119</u>	<u>70,599</u>	<u>55,161</u>	<u>3,267,233</u>	<u>15</u>	<u>8,129,888</u>
<u>\$ 2,536,175</u>	<u>\$ 731,119</u>	<u>\$ 100,897</u>	<u>\$ 57,004</u>	<u>\$ 3,322,898</u>	<u>\$ 15</u>	<u>\$ 9,535,985</u>

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Court Computerization</u>	<u>Street Maintenance</u>	<u>Drivers Alcohol Treatment</u>
Revenues:			
Property and other taxes	\$ -	\$ -	\$ -
Charges for services.	-	-	-
Licenses permits and fees	-	33,050	-
Fines and forfeitures.	124,809	-	21,731
Intergovernmental.	-	1,452,875	-
Special assessment	-	-	-
Investment income	-	-	-
Other	-	78,769	-
	<hr/>	<hr/>	<hr/>
Total revenues.	124,809	1,564,694	21,731
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current operations:			
General government	40,925	-	-
Security of persons and property	-	-	24,276
Transportation.	-	2,745,117	-
Economic development	-	-	-
Capital outlay.	-	19,307	-
Debt service:			
Principal retirement	-	6,164	-
Interest and fiscal charges	-	1,235	-
	<hr/>	<hr/>	<hr/>
Total expenditures	40,925	2,771,823	24,276
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	83,884	(1,207,129)	(2,545)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Capital lease transaction	-	19,307	-
Transfers in.	-	825,000	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	844,307	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance.	83,884	(362,822)	(2,545)
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year.	49,861	604,558	138,930
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 133,745	\$ 241,736	\$ 136,385
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Drug Law Enforcement	Law Enforcement Trust	Enforcement and Education	Federal Forfeitures	Probation - Municipal Court	Special Projects - Courts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	110	-	-	-	-
5,208	8,288	2,925	-	63,812	174,022
-	16,885	-	214,431	-	-
-	-	-	-	-	-
-	-	-	4,300	-	-
-	500	-	-	-	-
<u>5,208</u>	<u>25,783</u>	<u>2,925</u>	<u>218,731</u>	<u>63,812</u>	<u>174,022</u>
-	-	-	-	-	-
23,625	30,472	283	173,749	40,328	121,298
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>23,625</u>	<u>30,472</u>	<u>283</u>	<u>173,749</u>	<u>40,328</u>	<u>121,298</u>
<u>(18,417)</u>	<u>(4,689)</u>	<u>2,642</u>	<u>44,982</u>	<u>23,484</u>	<u>52,724</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(18,417)</u>	<u>(4,689)</u>	<u>2,642</u>	<u>44,982</u>	<u>23,484</u>	<u>52,724</u>
<u>48,493</u>	<u>98,730</u>	<u>6,275</u>	<u>328,935</u>	<u>143,520</u>	<u>286,947</u>
<u>\$ 30,076</u>	<u>\$ 94,041</u>	<u>\$ 8,917</u>	<u>\$ 373,917</u>	<u>\$ 167,004</u>	<u>\$ 339,671</u>

Continued

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

	Legal Research - Courts	Police Pension	Fire Pension
	<hr/>	<hr/>	<hr/>
Revenues:			
Property and other taxes	\$ -	\$ 124,925	\$ 124,925
Charges for services.	-	-	-
Licenses permits and fees	-	-	-
Fines and forfeitures.	37,804	-	-
Intergovernmental.	-	16,864	16,864
Special assessment	-	-	-
Investment income	-	71	60
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues.	37,804	141,860	141,849
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current operations:			
General government	-	2,298	2,298
Security of persons and property	6,205	-	-
Transportation.	-	-	-
Economic development	-	-	-
Capital outlay.	-	-	-
Debt service:			
Principal retirement	-	20,869	25,027
Interest and fiscal charges	-	56,649	67,935
	<hr/>	<hr/>	<hr/>
Total expenditures	6,205	79,816	95,260
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	31,599	62,044	46,589
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Capital lease transaction	-	-	-
Transfers in.	-	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance.	31,599	62,044	46,589
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year.	110,087	5,608	5,608
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 141,686	\$ 67,652	\$ 52,197
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CDBG	Guarantee Loan	Highway Construction	Motor Vehicle Levy	Home Investment	FEMA	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 249,850
-	-	-	-	16,323	-	16,323
-	-	-	-	-	-	33,160
-	-	-	-	-	-	438,599
1,507,833	-	117,802	348,011	546,812	-	4,238,377
9,122	-	-	-	-	-	9,122
78,244	2,297	334	539	45,944	15	131,804
20,933	-	-	-	2,109	-	102,311
<u>1,616,132</u>	<u>2,297</u>	<u>118,136</u>	<u>348,550</u>	<u>611,188</u>	<u>15</u>	<u>5,219,546</u>
-	-	-	-	-	-	45,521
-	-	-	-	-	-	420,236
-	-	-	-	-	-	2,745,117
1,212,503	3,832	-	-	767,969	-	1,984,304
-	-	83,520	282,876	-	-	385,703
-	45,000	-	-	-	-	97,060
-	55,642	-	-	-	-	181,461
<u>1,212,503</u>	<u>104,474</u>	<u>83,520</u>	<u>282,876</u>	<u>767,969</u>	<u>-</u>	<u>5,859,402</u>
<u>403,629</u>	<u>(102,177)</u>	<u>34,616</u>	<u>65,674</u>	<u>(156,781)</u>	<u>15</u>	<u>(639,856)</u>
-	-	-	-	-	-	19,307
1,961	-	-	57,000	-	-	883,961
<u>(750,182)</u>	<u>-</u>	<u>-</u>	<u>(161,931)</u>	<u>-</u>	<u>(191,227)</u>	<u>(1,103,340)</u>
<u>(748,221)</u>	<u>-</u>	<u>-</u>	<u>(104,931)</u>	<u>-</u>	<u>(191,227)</u>	<u>(200,072)</u>
<u>(344,592)</u>	<u>(102,177)</u>	<u>34,616</u>	<u>(39,257)</u>	<u>(156,781)</u>	<u>(191,212)</u>	<u>(839,928)</u>
<u>2,563,326</u>	<u>833,296</u>	<u>35,983</u>	<u>94,418</u>	<u>3,424,014</u>	<u>191,227</u>	<u>8,969,816</u>
<u>\$ 2,218,734</u>	<u>\$ 731,119</u>	<u>\$ 70,599</u>	<u>\$ 55,161</u>	<u>\$ 3,267,233</u>	<u>\$ 15</u>	<u>\$ 8,129,888</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COURT COMPUTERIZATION
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<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	\$ 150,000	\$ 150,000	\$ 126,351	\$ (23,649)
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>126,351</u>	<u>(23,649)</u>
Expenditures:				
Current:				
General government				
Contractual services.	54,000	54,000	36,074	17,926
Materials and supplies.	25,000	25,000	7,213	17,787
Capital outlay	20,000	20,000	1,625	18,375
Total general government	<u>99,000</u>	<u>99,000</u>	<u>44,912</u>	<u>54,088</u>
Total expenditures	<u>99,000</u>	<u>99,000</u>	<u>44,912</u>	<u>54,088</u>
Net change in fund balance.	51,000	51,000	81,439	30,439
Fund balance at beginning of year	<u>39,439</u>	<u>39,439</u>	<u>39,439</u>	<u>-</u>
Fund balance at end of year	<u>\$ 90,439</u>	<u>\$ 90,439</u>	<u>\$ 120,878</u>	<u>\$ 30,439</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET MAINTENANCE
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses, permits and fees	\$ 50,000	\$ 50,000	\$ 33,050	\$ (16,950)
Intergovernmental	1,150,000	1,150,000	1,326,828	176,828
Investment income	10,000	10,000	-	(10,000)
Other	40,000	40,000	78,769	38,769
Total revenues	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,438,647</u>	<u>188,647</u>
Expenditures:				
Current:				
Transportation				
Personal services	1,882,884	1,882,925	1,649,288	233,637
Contractual services.	557,551	575,069	536,178	38,891
Materials and supplies.	84,650	237,720	209,901	27,819
Capital outlay	-	378,746	352,215	26,531
Total transportation	<u>2,525,085</u>	<u>3,074,460</u>	<u>2,747,582</u>	<u>326,878</u>
Total expenditures	<u>2,525,085</u>	<u>3,074,460</u>	<u>2,747,582</u>	<u>326,878</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(1,275,085)</u>	<u>(1,824,460)</u>	<u>(1,308,935)</u>	<u>515,525</u>
Other financing sources (uses):				
Transfers in.	<u>1,275,085</u>	<u>1,275,085</u>	<u>825,000</u>	<u>(450,085)</u>
Total other financing sources (uses).	<u>1,275,085</u>	<u>1,275,085</u>	<u>825,000</u>	<u>(450,085)</u>
Net change in fund balance	-	(549,375)	(483,935)	65,440
Fund balance at beginning of year	251,963	251,963	251,963	-
Prior year encumbrances appropriated	<u>297,412</u>	<u>297,412</u>	<u>297,412</u>	<u>-</u>
Fund balance at end of year	<u>\$ 549,375</u>	<u>\$ -</u>	<u>\$ 65,440</u>	<u>\$ 65,440</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRIVERS ALCOHOL TREATMENT
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<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	\$ 20,000	\$ 20,000	\$ 21,925	\$ 1,925
Investment income	5,000	5,000	-	(5,000)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>21,925</u>	<u>(3,075)</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services.	25,000	45,000	36,879	8,121
Total security of persons and property.	<u>25,000</u>	<u>45,000</u>	<u>36,879</u>	<u>8,121</u>
Total expenditures	<u>25,000</u>	<u>45,000</u>	<u>36,879</u>	<u>8,121</u>
Net change in fund balance	-	(20,000)	(14,954)	5,046
Fund balance at beginning of year	<u>151,320</u>	<u>151,320</u>	<u>151,320</u>	<u>-</u>
Fund balance at end of year	<u>\$ 151,320</u>	<u>\$ 131,320</u>	<u>\$ 136,366</u>	<u>\$ 5,046</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG LAW ENFORCEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<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	\$ 5,000	\$ 5,000	\$ 5,208	\$ 208
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>5,208</u>	<u>208</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services.	-	5,000	5,000	-
Materials and supplies.	5,000	5,000	5,000	-
Capital outlay	-	38,501	13,625	24,876
Total security of persons and property.	<u>5,000</u>	<u>48,501</u>	<u>23,625</u>	<u>24,876</u>
Total expenditures	<u>5,000</u>	<u>48,501</u>	<u>23,625</u>	<u>24,876</u>
Net change in fund balance	-	(43,501)	(18,417)	25,084
Fund balance at beginning of year	<u>48,493</u>	<u>48,493</u>	<u>48,493</u>	<u>-</u>
Fund balance at end of year	<u>\$ 48,493</u>	<u>\$ 4,992</u>	<u>\$ 30,076</u>	<u>\$ 25,084</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRUST
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses, permits and fees	\$ -	\$ -	\$ 110	\$ 110
Fines and forfeitures	5,000	5,000	8,288	3,288
Intergovernmental	-	-	16,885	16,885
Investment income	5,000	5,000	-	(5,000)
Other	-	-	500	500
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>25,783</u>	<u>15,783</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	-	25,400	-	25,400
Contractual services.	5,000	6,000	-	6,000
Materials and supplies.	5,000	7,100	2,678	4,422
Capital outlay	-	34,465	27,794	6,671
Total security of persons and property.	<u>10,000</u>	<u>72,965</u>	<u>30,472</u>	<u>42,493</u>
Total expenditures	<u>10,000</u>	<u>72,965</u>	<u>30,472</u>	<u>42,493</u>
Net change in fund balance	-	(62,965)	(4,689)	58,276
Fund balance at beginning of year	79,065	79,065	79,065	-
Prior year encumbrances appropriated .	<u>19,665</u>	<u>19,665</u>	<u>19,665</u>	<u>-</u>
Fund balance at end of year	<u>\$ 98,730</u>	<u>\$ 35,765</u>	<u>\$ 94,041</u>	<u>\$ 58,276</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENFORCEMENT AND EDUCATION
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<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	\$ 3,000	\$ 3,000	\$ 3,033	\$ 33
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>3,033</u>	<u>33</u>
Expenditures:				
Current:				
Security of persons and property				
Materials and supplies.	3,000	3,000	283	2,717
Total security of persons and property.	<u>3,000</u>	<u>3,000</u>	<u>283</u>	<u>2,717</u>
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>283</u>	<u>2,717</u>
Net change in fund balance	-	-	2,750	2,750
Fund balance at beginning of year	<u>5,967</u>	<u>5,967</u>	<u>5,967</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,967</u>	<u>\$ 5,967</u>	<u>\$ 8,717</u>	<u>\$ 2,750</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FEDERAL FORFEITURES

FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 214,431	\$ 189,431
Investment income	-	-	4,300	4,300
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>218,731</u>	<u>193,731</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services.	10,000	10,000	8,175	1,825
Materials and supplies.	15,000	20,000	6,649	13,351
Capital outlay	-	294,341	159,798	134,543
Total security of persons and property.	<u>25,000</u>	<u>324,341</u>	<u>174,622</u>	<u>149,719</u>
Total expenditures	<u>25,000</u>	<u>324,341</u>	<u>174,622</u>	<u>149,719</u>
Net change in fund balance	-	(299,341)	44,109	343,450
Fund balance at beginning of year	259,733	259,733	259,733	-
Prior year encumbrances appropriated .	<u>69,341</u>	<u>69,341</u>	<u>69,341</u>	<u>-</u>
Fund balance at end of year	<u>\$ 329,074</u>	<u>\$ 29,733</u>	<u>\$ 373,183</u>	<u>\$ 343,450</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PROBATION - MUNICIPAL COURT
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses, permits and fees	\$ 60,000	\$ 60,000	\$ 64,496	\$ 4,496
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>64,496</u>	<u>4,496</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services.	27,000	37,160	36,080	1,080
Capital outlay	10,000	10,000	8,568	1,432
Total security of persons and property.	<u>37,000</u>	<u>47,160</u>	<u>44,648</u>	<u>2,512</u>
Total expenditures	<u>37,000</u>	<u>47,160</u>	<u>44,648</u>	<u>2,512</u>
Net change in fund balance	23,000	12,840	19,848	7,008
Fund balance at beginning of year	138,515	138,515	138,515	-
Prior year encumbrances appropriated .	<u>2,160</u>	<u>2,160</u>	<u>2,160</u>	<u>-</u>
Fund balance at end of year	<u>\$ 163,675</u>	<u>\$ 153,515</u>	<u>\$ 160,523</u>	<u>\$ 7,008</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL PROJECTS - COURTS
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<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	\$ 125,000	\$ 125,000	\$ 175,140	\$ 50,140
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>175,140</u>	<u>50,140</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services.	1,950	1,950	537	1,413
Materials and supplies.	24,800	24,800	4,513	20,287
Capital outlay	15,000	161,333	133,830	27,503
Total security of persons and property.	<u>41,750</u>	<u>188,083</u>	<u>138,880</u>	<u>49,203</u>
Total expenditures	<u>41,750</u>	<u>188,083</u>	<u>138,880</u>	<u>49,203</u>
Net change in fund balance	83,250	(63,083)	36,260	99,343
Fund balance at beginning of year	126,792	126,792	126,792	-
Prior year encumbrances appropriated .	<u>146,333</u>	<u>146,333</u>	<u>146,333</u>	<u>-</u>
Fund balance at end of year	<u>\$ 356,375</u>	<u>\$ 210,042</u>	<u>\$ 309,385</u>	<u>\$ 99,343</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LEGAL RESEARCH - COURTS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

	<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	\$ 30,000	\$ 30,000	\$ 38,239	\$ 8,239
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>38,239</u>	<u>8,239</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services.	11,790	15,525	9,233	6,292
Materials and supplies.	1,000	1,000	422	578
Total security of persons and property.	<u>12,790</u>	<u>16,525</u>	<u>9,655</u>	<u>6,870</u>
Total expenditures	<u>12,790</u>	<u>16,525</u>	<u>9,655</u>	<u>6,870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,210</u>	<u>13,475</u>	<u>28,584</u>	<u>15,109</u>
Other financing sources (uses):				
Transfers out	-	(3,797)	-	3,797
Total other financing sources (uses).	<u>-</u>	<u>(3,797)</u>	<u>-</u>	<u>3,797</u>
Net change in fund balance	17,210	9,678	28,584	18,906
Fund balance at beginning of year	106,519	106,519	106,519	-
Prior year encumbrances appropriated	<u>3,735</u>	<u>3,735</u>	<u>3,735</u>	<u>-</u>
Fund balance at end of year	<u>\$ 127,464</u>	<u>\$ 119,932</u>	<u>\$ 138,838</u>	<u>\$ 18,906</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE PENSION
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 130,923	\$ 130,923	\$ 126,814	\$ (4,109)
Intergovernmental	14,548	14,548	16,864	2,316
Investment income	-	-	71	71
Total revenues	<u>145,471</u>	<u>145,471</u>	<u>143,749</u>	<u>(1,722)</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services.	<u>2,400</u>	<u>2,400</u>	<u>2,298</u>	<u>102</u>
Total general government	<u>2,400</u>	<u>2,400</u>	<u>2,298</u>	<u>102</u>
Debt service:				
Principal retirement.	25,000	25,000	20,869	4,131
Interest and fiscal charges	65,000	65,000	56,649	8,351
Total debt service	<u>90,000</u>	<u>90,000</u>	<u>77,518</u>	<u>12,482</u>
Total expenditures	<u>92,400</u>	<u>92,400</u>	<u>79,816</u>	<u>12,584</u>
Excess (deficiency) of revenues over (under) expenditures	53,071	53,071	63,933	10,862
Other financing sources (uses):				
Transfers out	<u>(53,071)</u>	<u>(53,071)</u>	<u>-</u>	<u>53,071</u>
Total other financing sources (uses)	<u>(53,071)</u>	<u>(53,071)</u>	<u>-</u>	<u>53,071</u>
Net change in fund balance	-	-	63,933	63,933
Fund balance at beginning of year	<u>1,193</u>	<u>1,193</u>	<u>1,193</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,193</u>	<u>\$ 1,193</u>	<u>\$ 65,126</u>	<u>\$ 63,933</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FIRE PENSION

FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 130,923	\$ 130,923	\$ 126,814	\$ (4,109)
Intergovernmental	14,548	14,548	16,864	2,316
Investment income	-	-	60	60
Total revenues	<u>145,471</u>	<u>145,471</u>	<u>143,738</u>	<u>(1,733)</u>
Expenditures:				
Current:				
Security of persons and property				
Contractual services.	<u>2,400</u>	<u>2,400</u>	<u>2,298</u>	<u>102</u>
Total general government	<u>2,400</u>	<u>2,400</u>	<u>2,298</u>	<u>102</u>
Debt service:				
Principal retirement.	25,050	25,050	25,027	23
Interest and fiscal charges	74,950	74,950	67,935	7,015
Total debt service	<u>100,000</u>	<u>100,000</u>	<u>92,962</u>	<u>7,038</u>
Total expenditures	<u>102,400</u>	<u>102,400</u>	<u>95,260</u>	<u>7,140</u>
Excess (deficiency) of revenues over (under) expenditures	<u>43,071</u>	<u>43,071</u>	<u>48,478</u>	<u>5,407</u>
Other financing sources (uses):				
Transfers out	<u>(43,071)</u>	<u>(43,071)</u>	<u>-</u>	<u>43,071</u>
Total other financing sources (uses).	<u>(43,071)</u>	<u>(43,071)</u>	<u>-</u>	<u>43,071</u>
Net change in fund balance	-	-	48,478	48,478
Fund balance at beginning of year	<u>1,193</u>	<u>1,193</u>	<u>1,193</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,193</u>	<u>\$ 1,193</u>	<u>\$ 49,671</u>	<u>\$ 48,478</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY DEVELOPMENT BLOCK GRANT
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<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	\$ 413,879	\$ 260,000	\$ 419,402	\$ 159,402
Intergovernmental	1,512,844	2,220,000	1,623,030	(596,970)
Special assessments	9,002	15,000	9,122	(5,878)
Investment income	41,683	110,000	47,991	(62,009)
Other	20,657	15,000	20,933	5,933
Total revenues	<u>1,998,065</u>	<u>2,620,000</u>	<u>2,120,478</u>	<u>(499,522)</u>
Expenditures:				
Current:				
Economic development and assistance				
Personal services	347,100	347,100	312,543	34,557
Contractual services.	120,300	185,162	155,963	29,199
Materials and supplies.	9,600	9,768	4,990	4,778
Capital outlay	270,000	510,280	341,019	169,261
Other	1,253,000	2,005,392	1,583,770	421,622
Total economic development and assistance.	<u>2,000,000</u>	<u>3,057,702</u>	<u>2,398,285</u>	<u>659,417</u>
Total expenditures	<u>2,000,000</u>	<u>3,057,702</u>	<u>2,398,285</u>	<u>659,417</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,935)</u>	<u>(437,702)</u>	<u>(277,807)</u>	<u>159,895</u>
Other financing sources (uses):				
Transfers in	1,935	-	1,961	1,961
Transfers out	-	(750,200)	(750,182)	18
Total other financing sources (uses).	<u>1,935</u>	<u>(750,200)</u>	<u>(748,221)</u>	<u>1,979</u>
Net change in fund balance	-	(1,187,902)	(1,026,028)	161,874
Fund balance at beginning of year	1,229,773	1,229,773	1,229,773	-
Prior year encumbrances appropriated	252,903	252,903	252,903	-
Fund balance at end of year	<u>\$ 1,482,676</u>	<u>\$ 294,774</u>	<u>\$ 456,648</u>	<u>\$ 161,874</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GUARANTEE LOAN
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 2,297	\$ 2,297
Other	110,000	110,000	105,000	(5,000)
Total revenues	<u>110,000</u>	<u>110,000</u>	<u>107,297</u>	<u>(2,703)</u>
Expenditures:				
Current:				
Economic development and assistance				
Contractual services.	-	2,100	1,050	1,050
Other	110,000	217,358	22,782	194,576
Total economic development and assistance.	<u>110,000</u>	<u>219,458</u>	<u>23,832</u>	<u>195,626</u>
Debt service:				
Principal retirement.	-	45,001	45,000	1
Interest and fiscal charges	-	57,845	55,642	2,203
Total debt service	<u>-</u>	<u>102,846</u>	<u>100,642</u>	<u>2,204</u>
Total expenditures	<u>110,000</u>	<u>322,304</u>	<u>124,474</u>	<u>197,830</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(212,304)</u>	<u>(17,177)</u>	<u>195,127</u>
Other financing sources (uses):				
Transfers in	-	98,000	100,642	2,642
Transfers out	-	(100,642)	(100,642)	-
Total other financing sources (uses).	<u>-</u>	<u>(2,642)</u>	<u>-</u>	<u>2,642</u>
Net change in fund balance	-	(214,946)	(17,177)	197,769
Fund balance at beginning of year	<u>304,946</u>	<u>304,946</u>	<u>304,946</u>	<u>-</u>
Fund balance at end of year	<u>\$ 304,946</u>	<u>\$ 90,000</u>	<u>\$ 287,769</u>	<u>\$ 197,769</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HIGHWAY CONSTRUCTION
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 90,000	\$ 90,000	\$ 107,581	\$ 17,581
Investment income	-	-	334	334
Total revenues	<u>90,000</u>	<u>90,000</u>	<u>107,915</u>	<u>17,915</u>
Expenditures:				
Capital outlay				
Materials and supplies	90,000	119,663	101,653	18,010
Total capital outlay	<u>90,000</u>	<u>119,663</u>	<u>101,653</u>	<u>18,010</u>
Total expenditures	<u>90,000</u>	<u>119,663</u>	<u>101,653</u>	<u>18,010</u>
Net change in fund balance	-	(29,663)	6,262	35,925
Fund balance at beginning of year	15,248	15,248	15,248	-
Prior year encumbrances appropriated .	<u>14,663</u>	<u>14,663</u>	<u>14,663</u>	<u>-</u>
Fund balance at end of year	<u>\$ 29,911</u>	<u>\$ 248</u>	<u>\$ 36,173</u>	<u>\$ 35,925</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOTOR VEHICLE LEVY
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 380,000	\$ 395,000	\$ 373,887	(21,113)
Investment income	-	-	539	539
Total revenues	<u>380,000</u>	<u>395,000</u>	<u>374,426</u>	<u>(20,574)</u>
Expenditures:				
Capital outlay				
Contractual services	118,000	118,000	109,001	8,999
Materials and supplies	160,000	185,829	185,814	15
Total capital outlay	<u>278,000</u>	<u>303,829</u>	<u>294,815</u>	<u>9,014</u>
Total expenditures	<u>278,000</u>	<u>303,829</u>	<u>294,815</u>	<u>9,014</u>
Excess (deficiency) of revenues over (under) expenditures	<u>102,000</u>	<u>91,171</u>	<u>79,611</u>	<u>(11,560)</u>
Other financing sources (uses):				
Transfers in	50,000	50,000	57,000	7,000
Transfers out	(152,000)	(167,000)	(161,931)	5,069
Total other financing sources (uses)	<u>(102,000)</u>	<u>(117,000)</u>	<u>(104,931)</u>	<u>12,069</u>
Net change in fund balance	-	(25,829)	(25,320)	509
Fund balance at beginning of year	10,524	10,524	10,524	-
Prior year encumbrances appropriated	<u>15,329</u>	<u>15,329</u>	<u>15,329</u>	<u>-</u>
Fund balance at end of year	<u>\$ 25,853</u>	<u>\$ 24</u>	<u>\$ 533</u>	<u>\$ 509</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HOME INVESTMENT
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<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	\$ 26,328	\$ 140,250	\$ 16,323	\$ (123,927)
Intergovernmental	941,916	798,250	583,976	(214,274)
Investment income	28,354	56,000	17,579	(38,421)
Other	3,402	5,500	2,109	(3,391)
Total revenues	<u>1,000,000</u>	<u>1,000,000</u>	<u>619,987</u>	<u>(380,013)</u>
Expenditures:				
Current:				
Economic development and assistance				
Personal services	70,000	80,000	77,088	2,912
Contractual services.	30,200	31,501	13,379	18,122
Materials and supplies.	5,000	5,000	90	4,910
Capital outlay	15,000	15,000	2,274	12,726
Other	879,800	1,618,898	1,520,295	98,603
Total economic development and assistance.	<u>1,000,000</u>	<u>1,750,399</u>	<u>1,613,126</u>	<u>137,273</u>
Total expenditures	<u>1,000,000</u>	<u>1,750,399</u>	<u>1,613,126</u>	<u>137,273</u>
Net change in fund balance	-	(750,399)	(993,139)	(242,740)
Fund balance at beginning of year	1,191,486	1,191,486	1,191,486	-
Prior year encumbrances appropriated .	396,696	396,696	396,696	-
Fund balance at end of year	<u>\$ 1,588,182</u>	<u>\$ 837,783</u>	<u>\$ 595,043</u>	<u>\$ (242,740)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEMA FUND
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ -	\$ -	\$ 15	\$ 15
Total revenues	<u>-</u>	<u>-</u>	<u>15</u>	<u>15</u>
Other financing sources (uses):				
Transfers out	-	(191,227)	(191,227)	-
Total other financing sources (uses)	<u>-</u>	<u>(191,227)</u>	<u>(191,227)</u>	<u>-</u>
Net change in fund balance	-	(191,227)	(191,212)	15
Fund balance at beginning of year	<u>191,227</u>	<u>191,227</u>	<u>191,227</u>	<u>-</u>
Fund balance at end of year	<u>\$ 191,227</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 15</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL BOND PAYMENT
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 1,112,407	\$ 1,264,341	\$ 1,224,713	\$ (39,628)
Intergovernmental	147,967	140,482	162,905	22,423
Investment income	-	25,000	-	(25,000)
Special assessments	9,724	-	10,706	10,706
Total revenues	<u>1,270,098</u>	<u>1,429,823</u>	<u>1,398,324</u>	<u>(31,499)</u>
Expenditures:				
Current:				
General government				
Contractual services.	21,405	26,208	24,149	2,059
Total general government	<u>21,405</u>	<u>26,208</u>	<u>24,149</u>	<u>2,059</u>
Debt service:				
Principal retirement.	1,747,542	1,918,045	1,918,045	-
Interest and fiscal charges	475,877	533,488	533,488	-
Total debt service	<u>2,223,419</u>	<u>2,451,533</u>	<u>2,451,533</u>	<u>-</u>
Total expenditures	<u>2,244,824</u>	<u>2,477,741</u>	<u>2,475,682</u>	<u>2,059</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(974,726)</u>	<u>(1,047,918)</u>	<u>(1,077,358)</u>	<u>(29,440)</u>
Other financing sources (uses):				
Transfers in	974,726	1,044,000	1,073,132	29,132
Total other financing sources (uses)	<u>974,726</u>	<u>1,044,000</u>	<u>1,073,132</u>	<u>29,132</u>
Net change in fund balance	-	(3,918)	(4,226)	(308)
Fund balance at beginning of year	<u>4,803</u>	<u>4,803</u>	<u>4,803</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,803</u>	<u>\$ 885</u>	<u>\$ 577</u>	<u>\$ (308)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL CAPITAL PROJECTS
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 3,868,905	\$ 4,166,371	\$ 3,931,091	\$ (235,280)
Investment income	-	35,000	-	(35,000)
Total revenues	<u>3,868,905</u>	<u>4,201,371</u>	<u>3,931,091</u>	<u>(270,280)</u>
Expenditures:				
Capital outlay				
Contractual services.	35,000	60,000	42,563	17,437
Capital outlay	<u>5,231,371</u>	<u>7,058,443</u>	<u>5,759,247</u>	<u>1,299,196</u>
Total capital outlay	<u>5,266,371</u>	<u>7,118,443</u>	<u>5,801,810</u>	<u>1,316,633</u>
Total expenditures	<u>5,266,371</u>	<u>7,118,443</u>	<u>5,801,810</u>	<u>1,316,633</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,397,466)</u>	<u>(2,917,072)</u>	<u>(1,870,719)</u>	<u>1,046,353</u>
Other financing sources (uses):				
Transfers in	1,397,466	1,090,000	1,475,898	385,898
Transfers out	-	(150,000)	(117,711)	32,289
Total other financing sources (uses)	<u>1,397,466</u>	<u>940,000</u>	<u>1,358,187</u>	<u>418,187</u>
Net change in fund balance	-	(1,977,072)	(512,532)	1,464,540
Fund balance at beginning of year	<u>(1,362,610)</u>	<u>(1,362,610)</u>	<u>(1,362,610)</u>	<u>-</u>
Prior year encumbrances appropriated	<u>1,827,071</u>	<u>1,827,071</u>	<u>1,827,071</u>	<u>-</u>
Fund balance at end of year	<u>\$ 464,461</u>	<u>\$ (1,512,611)</u>	<u>\$ (48,071)</u>	<u>\$ 1,464,540</u>

CITY OF WARREN, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - ENTERPRISE FUNDS**

Enterprise Funds

The enterprise funds are used to account for the City's sewer, water and sanitation operations. These operations are financed and operated in a manner similar to that of a private business enterprise. The intent of the City is that the costs (expenses including depreciation) of providing goods and services on a continuing basis be recovered primarily through user charges. Following is a description of the City's enterprise funds:

Major Enterprise Funds

Sewer

To account for the operations of providing sewage services to customers and to maintain the local sewer system of the City.

Water

To account for the operations of providing water services to customers and to maintain the local water system of the City.

Sanitation

To account for the operations of providing sanitation services to customers within the City.

Nonmajor Enterprise Funds

Packard Music Hall

To account for the operations of the Packard Music Hall.

City Redevelopment

To account for the purchase, leasing and eventual sale of land and buildings by the City.

Downtown Parking

To account for user fees and related operations of various city-owned downtown parking facilities.

Stormwater Utility

To account for the storm drainage runoff service provided to the residential and commercial users of the City and to some residents of the County.

CITY OF WARREN, OHIO

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
 DECEMBER 31, 2004

	<u>Packard Music Hall</u>	<u>City Redevelopment</u>	<u>Downtown Parking</u>	<u>Stormwater Utility</u>	<u>Totals</u>
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 107,157	\$ 111,993	\$ 34,486	\$ 395,277	\$ 648,913
Receivables (net of allowances for uncollectibles):					
Accounts	-	-	-	119,608	119,608
Special assessments	-	-	-	55	55
Total current assets	<u>107,157</u>	<u>111,993</u>	<u>34,486</u>	<u>514,940</u>	<u>768,576</u>
Noncurrent assets:					
Capital assets:					
Land and construction in progress	-	133,280	150,000	-	283,280
Depreciable capital assets, net	<u>201,415</u>	<u>364,782</u>	<u>1,417,734</u>	<u>106,126</u>	<u>2,090,057</u>
Total capital assets	<u>201,415</u>	<u>498,062</u>	<u>1,567,734</u>	<u>106,126</u>	<u>2,373,337</u>
Total noncurrent assets	<u>201,415</u>	<u>498,062</u>	<u>1,567,734</u>	<u>106,126</u>	<u>2,373,337</u>
Total assets	<u>\$ 308,572</u>	<u>\$ 610,055</u>	<u>\$ 1,602,220</u>	<u>\$ 621,066</u>	<u>\$ 3,141,913</u>
Liabilities:					
Current liabilities:					
Accounts payable	\$ 40,347	\$ -	\$ 92,255	\$ 2,488	\$ 135,090
Accrued wages and benefits	7,972	-	-	6,942	14,914
Due to other governments	1,196	-	-	2,529	3,725
Current portion of general obligation bonds payable	10,000	-	-	-	10,000
Current portion of compensated absences payable	17,803	-	-	-	17,803
Accrued interest payable	<u>103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103</u>
Total current liabilities	<u>77,421</u>	<u>-</u>	<u>92,255</u>	<u>11,959</u>	<u>181,635</u>
Long-term liabilities:					
General obligation bonds payable	31,000	-	-	-	31,000
Compensated absences payable	<u>32,128</u>	<u>-</u>	<u>-</u>	<u>4,653</u>	<u>36,781</u>
Total long-term liabilities	<u>63,128</u>	<u>-</u>	<u>-</u>	<u>4,653</u>	<u>67,781</u>
Total liabilities	<u>140,549</u>	<u>-</u>	<u>92,255</u>	<u>16,612</u>	<u>249,416</u>
Net Assets:					
Investment in capital assets, net of related debt	160,415	498,062	1,567,734	106,126	2,332,337
Unrestricted	<u>7,608</u>	<u>111,993</u>	<u>(57,769)</u>	<u>498,328</u>	<u>560,160</u>
Total net assets	<u>\$ 168,023</u>	<u>\$ 610,055</u>	<u>\$ 1,509,965</u>	<u>\$ 604,454</u>	<u>\$ 2,892,497</u>

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

	Packard Music Hall	City Redevelopment	Downtown Parking	Stormwater Utility	Totals
Operating revenues:					
Charges for services	\$ 201,112	\$ 42,711	\$ 36,022	\$ 784,956	\$ 1,064,801
Other operating revenues	30,321	-	-	21,533	51,854
Total operating revenues	<u>231,433</u>	<u>42,711</u>	<u>36,022</u>	<u>806,489</u>	<u>1,116,655</u>
Operating expenses:					
Personal services	335,133	-	-	406,876	742,009
Contractual services.	160,586	2,182	96,616	35,523	294,907
Materials and supplies.	36,098	93	-	84,891	121,082
Administrative costs.	34,902	-	-	53,505	88,407
Utilities	65,629	3,333	9,661	-	78,623
Other.	3,280	-	-	557	3,837
Depreciation.	15,448	14,791	48,058	12,581	90,878
Total operating expenses.	<u>651,076</u>	<u>20,399</u>	<u>154,335</u>	<u>593,933</u>	<u>1,419,743</u>
Operating income (loss)	<u>(419,643)</u>	<u>22,312</u>	<u>(118,313)</u>	<u>212,556</u>	<u>(303,088)</u>
Nonoperating revenues (expenses):					
Special assessments	-	-	-	2	2
Interest and fiscal charges	(1,138)	-	-	-	(1,138)
Total nonoperating revenues (expenses).	<u>(1,138)</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>(1,136)</u>
Net income (loss) before transfers	(420,781)	22,312	(118,313)	212,558	(304,224)
Transfers in	300,000	-	-	-	300,000
Transfers out.	(836)	(260)	-	-	(1,096)
Changes in net assets	(121,617)	22,052	(118,313)	212,558	(5,320)
Net assets at beginning of year.	<u>289,640</u>	<u>588,003</u>	<u>1,628,278</u>	<u>391,896</u>	<u>2,897,817</u>
Net assets at end of year	<u>\$ 168,023</u>	<u>\$ 610,055</u>	<u>\$ 1,509,965</u>	<u>\$ 604,454</u>	<u>\$ 2,892,497</u>

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004**

	Packard Music Hall	City Redevelopment	Downtown Parking	Stormwater Utility	Totals
Cash flows from operating activities:					
Cash received from customers	\$ 201,112	\$ 42,711	\$ 36,022	\$ 755,677	\$ 1,035,522
Cash received from other operations	30,321	-	-	21,533	51,854
Cash payments for personal services	(321,627)	-	-	(429,435)	(751,062)
Cash payments for contractual services.	(114,331)	(2,182)	(7,087)	(37,589)	(161,189)
Cash payments for materials and supplies	(77,223)	(93)	-	(94,939)	(172,255)
Cash payments for utilities	(65,629)	(3,333)	(9,661)	-	(78,623)
Cash payments for administrative costs.	(34,902)	-	-	(53,505)	(88,407)
Cash payments for other expenses	(3,280)	-	-	(557)	(3,837)
Net cash provided by (used in) operating activities	<u>(385,559)</u>	<u>37,103</u>	<u>19,274</u>	<u>161,185</u>	<u>(167,997)</u>
Cash flows from noncapital financing activities:					
Transfers in from other funds	300,000	-	-	-	300,000
Transfers out to other funds	(836)	(260)	-	-	(1,096)
Net cash provided by (used in) noncapital financing activities	<u>299,164</u>	<u>(260)</u>	<u>-</u>	<u>-</u>	<u>298,904</u>
Cash flows from capital and related financing activities:					
Aquisition of capital assets	(62,046)	-	-	(112,896)	(174,942)
Principial retirement.	(10,000)	-	-	-	(10,000)
Interest and fiscal charges	(1,164)	-	-	-	(1,164)
Net cash used in capital and related financing activities	<u>(73,210)</u>	<u>-</u>	<u>-</u>	<u>(112,896)</u>	<u>(186,106)</u>
Net increase (decrease) in cash and cash equivalents . .	(159,605)	36,843	19,274	48,289	(55,199)
Cash and cash equivalents at beginning of year. . . .	<u>266,762</u>	<u>75,150</u>	<u>15,212</u>	<u>346,988</u>	<u>704,112</u>
Cash and cash equivalents at end of year	<u><u>107,157</u></u>	<u><u>111,993</u></u>	<u><u>34,486</u></u>	<u><u>395,277</u></u>	<u><u>648,913</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss).	(419,643)	22,312	(118,313)	212,556	(303,088)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	15,448	14,791	48,058	12,581	90,878
Changes in assets and liabilities:					
Decrease in materials and supplies inventory.	290	-	-	-	290
(Increase) in accounts receivable.	-	-	-	(29,279)	(29,279)
Increase (decrease) in accounts payable	4,840	-	89,529	(12,114)	82,255
Increase (decrease) in accrued wages and benefits . . .	1,968	-	-	(112)	1,856
Increase (decrease) in due to other governments	295	-	-	(119)	176
Increase (decrease) in compensated absences payable .	11,243	-	-	(22,328)	(11,085)
Net cash provided by (used in) operating activities.	<u><u>\$ (385,559)</u></u>	<u><u>\$ 37,103</u></u>	<u><u>\$ 19,274</u></u>	<u><u>\$ 161,185</u></u>	<u><u>\$ (167,997)</u></u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

SEWER

FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
Charges for services	\$ 7,373,755	\$ 7,988,103	\$ 7,793,671	\$ (194,432)
Other operating revenues	138,741	19,136	146,642	127,506
Total operating revenues	<u>7,512,496</u>	<u>8,007,239</u>	<u>7,940,313</u>	<u>(66,926)</u>
Operating expenses:				
Personal services	2,579,279	2,773,779	2,732,334	41,445
Contractual services	1,119,433	1,410,877	1,085,566	325,311
Materials and supplies	401,146	530,066	444,811	85,255
Capital outlay	-	55,000	276,902	(221,902)
Administrative costs	551,661	565,969	565,926	43
Utilities	715,733	749,726	734,240	15,486
Other operating expenses	5,000	21,000	5,827	15,173
Total operating expenses	<u>5,372,252</u>	<u>6,106,417</u>	<u>5,845,606</u>	<u>260,811</u>
Operating income	<u>2,140,244</u>	<u>1,900,822</u>	<u>2,094,707</u>	<u>193,885</u>
Nonoperating revenues (expenses):				
Investment earnings	-	20,934	-	(20,934)
Special assessments	3,646	2,969	3,854	885
Debt service:				
Principal retirement	(1,365,199)	(1,365,199)	(1,752,939)	(387,740)
Interest and fiscal charges	(778,691)	(778,691)	(778,653)	38
Total nonoperating revenues (expenses)	<u>(2,140,244)</u>	<u>(2,119,987)</u>	<u>(2,527,738)</u>	<u>(407,751)</u>
Net loss before operating transfers	-	(219,165)	(433,031)	(213,866)
Operating transfers in	-	77,606	90,544	12,938
Net change in fund balance	-	(141,559)	(342,487)	(200,928)
Fund balance at beginning of year	413,664	413,664	413,664	-
Prior year encumbrances appropriated	125,759	125,759	125,759	-
Fund balance at end of year	<u>\$ 539,423</u>	<u>\$ 397,864</u>	<u>\$ 196,936</u>	<u>\$ (200,928)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WATER
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
Charges for services	\$ 7,283,466	\$ 10,399,456	\$ 10,567,178	\$ 167,722
Other operating revenues	210,148	196,000	311,375	115,375
Total operating revenues	<u>7,493,614</u>	<u>10,595,456</u>	<u>10,878,553</u>	<u>283,097</u>
Operating expenses:				
Personal services	5,357,701	5,362,553	5,126,668	235,885
Contractual services	1,038,845	1,191,674	1,061,854	129,820
Materials and supplies	1,207,200	1,246,629	924,775	321,854
Capital outlay	50,000	3,778,973	3,538,417	240,556
Administrative costs	669,929	726,000	684,767	41,233
Utilities	664,192	738,429	678,903	59,526
Other operating expenses	-	270,195	245,521	24,674
Total operating expenses	<u>8,987,867</u>	<u>13,314,453</u>	<u>12,260,905</u>	<u>1,053,548</u>
Operating loss	<u>(1,494,253)</u>	<u>(2,718,997)</u>	<u>(1,382,352)</u>	<u>1,336,645</u>
Nonoperating revenues (expenses):				
Investment earnings	6,851	134,000	9,940	(124,060)
Proceeds of loans	2,333,828	-	3,386,022	3,386,022
Debt service:				
Principal retirement	(590,000)	(716,858)	(716,858)	-
Interest and fiscal charges	(794,290)	(780,432)	(960,530)	(180,098)
Total nonoperating revenues (expenses)	<u>956,389</u>	<u>(1,363,290)</u>	<u>1,718,574</u>	<u>3,081,864</u>
Net loss before transfers	(537,864)	(4,082,287)	336,222	4,418,509
Transfers in	1,511,162	3,243,000	2,185,980	(1,057,020)
Transfers out	(898,298)	(2,153,103)	(2,143,317)	9,786
Net change in fund balance	75,000	(2,992,390)	378,885	3,371,275
Fund balance at beginning of year	3,116,409	3,116,409	3,116,409	-
Prior year encumbrances appropriated	1,340,184	1,340,184	1,340,184	-
Fund balance at end of year	<u>\$ 4,531,593</u>	<u>\$ 1,464,203</u>	<u>\$ 4,835,478</u>	<u>\$ 3,371,275</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SANITATION
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 2,456,315	\$ 3,125,997	\$ 3,154,897	\$ 28,900
Other operating revenues	46,495	1,250	59,718	58,468
Total operating revenues	<u>2,502,810</u>	<u>3,127,247</u>	<u>3,214,615</u>	<u>87,368</u>
Operating expenses:				
Personal services.	946,485	1,014,466	1,007,902	6,564
Contractual services	1,430,585	1,553,461	1,504,750	48,711
Materials and supplies.	173,750	196,604	188,320	8,284
Capital outlay	-	450,000	448,541	1,459
Administrative costs.	-	180,548	156,805	23,743
Utilities	-	19,475	17,577	1,898
Other operating expenses	3,891	4,000	898	3,102
Total operating expenses	<u>2,554,711</u>	<u>3,418,554</u>	<u>3,324,793</u>	<u>93,761</u>
Operating loss	<u>(51,901)</u>	<u>(291,307)</u>	<u>(110,178)</u>	<u>181,129</u>
Nonoperating revenues (expenses):				
Investment earnings	-	9,753	-	(9,753)
Proceeds of notes	350,357	450,000	450,000	-
Total nonoperating revenues (expenses)	<u>350,357</u>	<u>459,753</u>	<u>450,000</u>	<u>(9,753)</u>
Net income before transfers.	298,456	168,446	339,822	171,376
Transfers in	46,833	60,152	60,152	-
Transfers out	<u>(345,289)</u>	<u>(345,288)</u>	<u>(345,288)</u>	<u>-</u>
Net change in fund balance.	-	(116,690)	54,686	171,376
Fund balance at beginning of year	84,886	84,886	84,886	-
Prior year encumbrances appropriated	<u>45,581</u>	<u>45,581</u>	<u>45,581</u>	<u>-</u>
Fund balance at end of year	<u>\$ 130,467</u>	<u>\$ 13,777</u>	<u>\$ 185,153</u>	<u>\$ 171,376</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PACKARD MUSIC HALL
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 189,216	\$ 259,000	\$ 201,112	\$ (57,888)
Other operating revenues	28,528	5,000	30,321	25,321
Total operating revenues	<u>217,744</u>	<u>264,000</u>	<u>231,433</u>	<u>(32,567)</u>
Operating expenses:				
Personal services.	313,636	321,702	321,627	75
Contractual services.	146,933	154,683	154,117	566
Materials and supplies.	34,731	41,603	39,252	2,351
Capital outlay	-	134,550	134,373	177
Administrative costs.	-	40,729	34,902	5,827
Utilities	-	65,641	65,845	(204)
Other operating expenses	4,700	4,700	3,280	1,420
Total operating expenses	<u>500,000</u>	<u>763,608</u>	<u>753,396</u>	<u>10,212</u>
Operating loss	<u>(282,256)</u>	<u>(499,608)</u>	<u>(521,963)</u>	<u>(22,355)</u>
Nonoperating revenues (expenses):				
Investment earnings.	-	6,000	-	(6,000)
Debt service:				
Principal retirement.	-	(10,000)	(10,000)	-
Interest and fiscal charges	-	(1,164)	(1,164)	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>(5,164)</u>	<u>(11,164)</u>	<u>(6,000)</u>
Net loss before transfers.	(282,256)	(504,772)	(533,127)	(28,355)
Transfers in	282,256	250,000	300,000	50,000
Transfers out	-	(2,000)	(836)	1,164
Net change in fund balance.	-	(256,772)	(233,963)	22,809
Fund balance at beginning of year	252,139	252,139	252,139	-
Prior year encumbrances appropriated	14,623	14,623	14,623	-
Fund balance at end of year	<u>\$ 266,762</u>	<u>\$ 9,990</u>	<u>\$ 32,799</u>	<u>\$ 22,809</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY REDEVELOPMENT
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<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	\$ 40,000	\$ 40,000	\$ 42,711	\$ 2,711
Total operating revenues	<u>40,000</u>	<u>40,000</u>	<u>42,711</u>	<u>2,711</u>
Operating expenses:				
Contractual services	7,300	3,717	2,182	1,535
Materials and supplies.	500	500	93	407
Utilities	-	3,583	3,440	143
Total operating expenses	<u>7,800</u>	<u>7,800</u>	<u>5,715</u>	<u>2,085</u>
Net income before transfers.	32,200	32,200	36,996	4,796
Transfers out	<u>(32,200)</u>	<u>(32,200)</u>	<u>(260)</u>	<u>31,940</u>
Net change in fund balance.	-	-	36,736	36,736
Fund balance at beginning of year	<u>75,150</u>	<u>75,150</u>	<u>75,150</u>	<u>-</u>
Fund balance at end of year	<u>\$ 75,150</u>	<u>\$ 75,150</u>	<u>\$ 111,886</u>	<u>\$ 36,736</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOWNTOWN PARKING
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<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	\$ 110,000	\$ 74,000	\$ 36,022	\$ (37,978)
Total operating revenues	<u>110,000</u>	<u>74,000</u>	<u>36,022</u>	<u>(37,978)</u>
Operating expenses:				
Contractual services	108,000	98,400	98,287	113
Materials and supplies.	2,000	2,000	-	2,000
Utilities	-	11,485	10,308	1,177
Total operating expenses	<u>110,000</u>	<u>111,885</u>	<u>108,595</u>	<u>3,290</u>
Net loss before transfers.	-	(37,885)	(72,573)	(34,688)
Transfers in	-	36,000	-	(36,000)
Net change in fund balance.	-	(1,885)	(72,573)	(70,688)
Fund balance at beginning of year	13,327	13,327	13,327	-
Prior year encumbrances appropriated . .	<u>1,885</u>	<u>1,885</u>	<u>1,885</u>	<u>-</u>
Fund balance at end of year	<u>\$ 15,212</u>	<u>\$ 13,327</u>	<u>\$ (57,361)</u>	<u>\$ (70,688)</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STORMWATER UTILITY
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<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	\$ 729,221	\$ 735,000	\$ 755,677	\$ 20,677
Other operating revenues	20,779	7,500	21,533	14,033
Total operating revenues	<u>750,000</u>	<u>742,500</u>	<u>777,210</u>	<u>34,710</u>
Operating expenses:				
Personal services.	588,128	588,028	429,435	158,593
Contractual services	92,341	39,936	37,589	2,347
Materials and supplies.	44,620	53,438	43,261	10,177
Capital outlay	24,911	194,864	169,026	25,838
Administrative costs.	-	53,505	53,505	-
Other operating expenses	-	1,500	1,201	299
Total operating expenses	<u>750,000</u>	<u>931,271</u>	<u>734,017</u>	<u>197,254</u>
Net income (loss).	-	(188,771)	43,193	231,964
Nonoperating revenues (expenses):				
Investment earnings	-	7,500	-	(7,500)
Total nonoperating revenues	<u>-</u>	<u>7,500</u>	<u>-</u>	<u>(7,500)</u>
Net change in fund balance.	-	(181,271)	43,193	224,464
Fund balance at beginning of year	222,217	222,217	222,217	-
Prior year encumbrances appropriated	<u>124,771</u>	<u>124,771</u>	<u>124,771</u>	<u>-</u>
Fund balance at end of year	<u>\$ 346,988</u>	<u>\$ 165,717</u>	<u>\$ 390,181</u>	<u>\$ 224,464</u>

CITY OF WARREN, OHIO

INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - INTERNAL SERVICE FUNDS

Nonmajor Internal Service Funds

The internal service funds are used to account for the financing of goods or services provided by one department or agency to another departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis. Following is a description of the City's internal service funds:

Life Insurance and Hospitalization

To account for the revenues and expenses associated with medical benefits provided to City employees and their covered dependents for which the City is self-insured.

Workers Compensation

To account for claims applicable to years in which the City elects to be partially self-insured under a retrospective rating plan with the State of Ohio.

Data Processing

To account for operations of the data processing department which provides services to various City departments on a cost-reimbursement basis.

Risk Management

To account for expenses related to the general liability claims the City may have levied against it, except for police liability, which remains insured through a private insurance carrier.

CITY OF WARREN, OHIO

COMBINING STATEMENT OF NET ASSETS
NONMAJOR INTERNAL SERVICE FUNDS
 DECEMBER 31, 2004

	Life				
	Insurance and	Workers	Data	Risk	Totals
	Hospitalization	Compensation	Processing	Management	
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 995,838	\$ 3,559,322	\$ 333,044	\$ 607,412	\$ 5,495,616
Receivables (net of allowances for uncollectibles):					
Notes.	-	450,000	-	-	450,000
Total current assets	<u>995,838</u>	<u>4,009,322</u>	<u>333,044</u>	<u>607,412</u>	<u>5,945,616</u>
Noncurrent assets:					
Capital assets:					
Depreciable capital assets, net	-	-	58,038	-	58,038
Total capital assets	<u>-</u>	<u>-</u>	<u>58,038</u>	<u>-</u>	<u>58,038</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>58,038</u>	<u>-</u>	<u>58,038</u>
Total assets	<u>\$ 995,838</u>	<u>\$ 4,009,322</u>	<u>\$ 391,082</u>	<u>\$ 607,412</u>	<u>\$ 6,003,654</u>
Liabilities:					
Current liabilities:					
Accounts payable.	\$ -	\$ -	\$ 47,303	\$ 6,265	\$ 53,568
Accrued wages and benefits	-	-	6,262	-	6,262
Due to other governments	-	270,625	1,041	-	271,666
Claims payable	233,859	-	-	-	233,859
Total current liabilities.	<u>233,859</u>	<u>270,625</u>	<u>54,606</u>	<u>6,265</u>	<u>565,355</u>
Long-term liabilities:					
Compensated absences payable.	-	-	89,689	-	89,689
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>89,689</u>	<u>-</u>	<u>89,689</u>
Total liabilities.	<u>233,859</u>	<u>270,625</u>	<u>144,295</u>	<u>6,265</u>	<u>655,044</u>
Net Assets:					
Investment in capital assets, net of related debt.	-	-	58,038	-	58,038
Unrestricted	761,979	3,738,697	188,749	601,147	5,290,572
Total net assets	<u>\$ 761,979</u>	<u>\$ 3,738,697</u>	<u>\$ 246,787</u>	<u>\$ 601,147</u>	<u>\$ 5,348,610</u>

CITY OF WARREN, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
NONMAJOR INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Operating revenues:					
Charges for services	\$ 5,406,859	\$ 1,269,309	\$ 565,247	\$ 251,122	\$ 7,492,537
Other operating revenues.	-	-	21,749	24,340	46,089
Total operating revenues.	<u>5,406,859</u>	<u>1,269,309</u>	<u>586,996</u>	<u>275,462</u>	<u>7,538,626</u>
Operating expenses:					
Personal services	-	-	244,898	-	244,898
Contractual services	-	3,226	180,272	149,599	333,097
Materials and supplies	-	-	30,329	-	30,329
Administrative costs	-	269,595	25,201	-	294,796
Utilities	-	-	28,358	-	28,358
Claims.	5,273,516	546,768	-	-	5,820,284
Other	-	625,984	-	-	625,984
Depreciation	-	-	52,255	-	52,255
Total operating expenses.	<u>5,273,516</u>	<u>1,445,573</u>	<u>561,313</u>	<u>149,599</u>	<u>7,430,001</u>
Operating income (loss)	<u>133,343</u>	<u>(176,264)</u>	<u>25,683</u>	<u>125,863</u>	<u>108,625</u>
Nonoperating revenues (expenses):					
Interest revenue	-	1,722	-	-	1,722
Total nonoperating revenues (expenses).	<u>-</u>	<u>1,722</u>	<u>-</u>	<u>-</u>	<u>1,722</u>
Net income (loss) before transfers	133,343	(174,542)	25,683	125,863	110,347
Transfers out.	-	-	(90,435)	-	(90,435)
Changes in net assets	133,343	(174,542)	(64,752)	125,863	19,912
Net assets at beginning of year.	<u>628,636</u>	<u>3,913,239</u>	<u>311,539</u>	<u>475,284</u>	<u>5,328,698</u>
Net assets at end of year	<u>\$ 761,979</u>	<u>\$ 3,738,697</u>	<u>\$ 246,787</u>	<u>\$ 601,147</u>	<u>\$ 5,348,610</u>

CITY OF WARREN, OHIO

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004**

	Life Insurance and Hospitalization	Workers Compensation	Data Processing	Risk Management	Totals
Cash flows from operating activities:					
Cash received from customers	\$ 5,410,861	\$ 1,269,309	\$ 565,247	\$ 251,122	\$ 7,496,539
Cash received from other operations	-	-	21,749	24,340	46,089
Cash payments for personal services	-	-	(240,026)	-	(240,026)
Cash payments for contractual services.	-	(3,226)	(143,309)	(143,334)	(289,869)
Cash payments for materials and supplies	-	-	(30,371)	-	(30,371)
Cash payments for utilities	-	-	(28,358)	-	(28,358)
Cash payments for claims expense	(5,282,196)	(546,768)	-	-	(5,828,964)
Cash payments for administrative costs.	-	(336,064)	(25,201)	-	(361,265)
Cash payments for other expenses	-	(627,059)	-	-	(627,059)
Net cash provided by (used in) operating activities	<u>128,665</u>	<u>(243,808)</u>	<u>119,731</u>	<u>132,128</u>	<u>136,716</u>
Cash flows from noncapital financing activities:					
Transfers out to other funds	-	-	(90,435)	-	(90,435)
Net cash used in noncapital financing activities.	<u>-</u>	<u>-</u>	<u>(90,435)</u>	<u>-</u>	<u>(90,435)</u>
Cash flows from investing activities:					
Cash used for internal note disbursement	-	(450,000)	-	-	(450,000)
Interest received.	-	1,722	-	-	1,722
Principal payment received on internal bonds.	-	134,460	-	-	134,460
Net cash used in investing activities	<u>-</u>	<u>(313,818)</u>	<u>-</u>	<u>-</u>	<u>(313,818)</u>
Net increase (decrease) in cash and cash equivalents. . .	128,665	(557,626)	29,296	132,128	(267,537)
Cash and cash equivalents at beginning of year	<u>867,173</u>	<u>4,116,948</u>	<u>303,748</u>	<u>475,284</u>	<u>5,763,153</u>
Cash and cash equivalents at end of year	<u><u>\$ 995,838</u></u>	<u><u>\$ 3,559,322</u></u>	<u><u>\$ 333,044</u></u>	<u><u>\$ 607,412</u></u>	<u><u>\$ 5,495,616</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 133,343	\$ (176,264)	\$ 25,683	\$ 125,863	\$ 108,625
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	52,255	-	52,255
Changes in assets and liabilities:					
Decrease in accounts receivable	4,002	-	-	-	4,002
Increase (decrease) in accounts payable	-	(1,075)	36,921	6,265	42,111
Increase in accrued wages and benefits	-	-	1,200	-	1,200
Increase (decrease) in due to other governments	-	(66,469)	282	-	(66,187)
Increase in compensated absences payable.	-	-	3,390	-	3,390
Decrease in claims payable.	(8,680)	-	-	-	(8,680)
Net cash provided by (used in) operating activities	<u><u>\$ 128,665</u></u>	<u><u>\$ (243,808)</u></u>	<u><u>\$ 119,731</u></u>	<u><u>\$ 132,128</u></u>	<u><u>\$ 136,716</u></u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIFE INSURANCE AND HOSPITALIZATION
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 5,000,000	\$ 5,000,000	\$ 5,410,861	\$ 410,861
Total operating revenues	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,410,861</u>	<u>410,861</u>
Operating expenses:				
Claims expense	5,000,000	5,600,000	5,284,858	315,142
Total operating expenses	<u>5,000,000</u>	<u>5,600,000</u>	<u>5,284,858</u>	<u>315,142</u>
Net change in fund balance	-	(600,000)	126,003	726,003
Fund balance at beginning of year	<u>867,173</u>	<u>867,173</u>	<u>867,173</u>	<u>-</u>
Fund balance at end of year	<u>\$ 867,173</u>	<u>\$ 267,173</u>	<u>\$ 993,176</u>	<u>\$ 726,003</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WORKERS COMPENSATION
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 1,298,239	\$ 1,150,000	\$ 1,269,309	\$ 119,309
Total operating revenues	1,298,239	1,150,000	1,269,309	119,309
Operating expenses:				
Contractual services	12,500	12,500	4,157	8,343
Claims expense	466,235	546,768	546,768	-
Administrative costs	286,565	337,094	336,064	1,030
Other operating expenses	534,700	654,178	627,059	27,119
Total operating expenses	1,300,000	1,550,540	1,514,048	36,492
Operating loss	(1,761)	(400,540)	(244,739)	155,801
Nonoperating revenues:				
Investment earnings	1,761	150,000	1,722	(148,278)
Total nonoperating revenues	1,761	150,000	1,722	(148,278)
Net change in fund balance	-	(250,540)	(243,017)	7,523
Fund balance at beginning of year	4,250,868	4,250,868	4,250,868	-
Prior year encumbrances appropriated	540	540	540	-
Fund balance at end of year	\$ 4,251,408	\$ 4,000,868	\$ 4,008,391	\$ 7,523

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA PROCESSING
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<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	\$ 577,769	\$ 574,200	\$ 565,247	\$ (8,953)
Other operating revenues	22,231	14,800	21,749	6,949
Total operating revenues	<u>600,000</u>	<u>589,000</u>	<u>586,996</u>	<u>(2,004)</u>
Operating expenses:				
Personal services.	240,695	243,695	240,026	3,669
Contractual services.	171,241	163,333	146,444	16,889
Materials and supplies.	21,890	22,107	13,857	8,250
Capital outlay	78,000	79,188	17,785	61,403
Administrative costs	-	29,000	25,201	3,799
Utilities	-	35,735	30,079	5,656
Total operating expenses	<u>511,826</u>	<u>573,058</u>	<u>473,392</u>	<u>99,666</u>
Operating income.	<u>88,174</u>	<u>15,942</u>	<u>113,604</u>	<u>97,662</u>
Nonoperating revenues:				
Investment earnings.	-	11,000	-	(11,000)
Total nonoperating revenues	<u>-</u>	<u>11,000</u>	<u>-</u>	<u>(11,000)</u>
Net income before transfers	88,174	26,942	113,604	86,662
Transfers out	<u>(88,174)</u>	<u>(90,436)</u>	<u>(90,435)</u>	<u>1</u>
Net change in fund balance.	-	(63,494)	23,169	86,663
Fund balance at beginning of year	300,518	300,518	300,518	-
Prior year encumbrances appropriated . .	<u>3,230</u>	<u>3,230</u>	<u>3,230</u>	<u>-</u>
Fund balance at end of year	<u>\$ 303,748</u>	<u>\$ 240,254</u>	<u>\$ 326,917</u>	<u>\$ 86,663</u>

CITY OF WARREN, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RISK MANAGEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<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	\$ 182,328	\$ 175,000	\$ 251,122	\$ 76,122
Other operating revenues	17,672	-	24,340	24,340
Total operating revenues	<u>200,000</u>	<u>175,000</u>	<u>275,462</u>	<u>100,462</u>
Operating expenses:				
Contractual services	200,000	250,000	149,600	100,400
Total operating expenses	<u>200,000</u>	<u>250,000</u>	<u>149,600</u>	<u>100,400</u>
Operating loss	-	(75,000)	125,862	200,862
Nonoperating revenues:				
Investment earnings	-	25,000	-	(25,000)
Total nonoperating revenues	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Net change in fund balance	-	(50,000)	125,862	175,862
Fund balance at beginning of year	<u>475,284</u>	<u>475,284</u>	<u>475,284</u>	<u>-</u>
Fund balance at end of year	<u>\$ 475,284</u>	<u>\$ 425,284</u>	<u>\$ 601,146</u>	<u>\$ 175,862</u>

CITY OF WARREN, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - AGENCY FUNDS**

Agency Funds

Agency funds maintain assets held by the City as an agent for individuals, private organizations, other governmental units and/or funds. These funds are purely custodial (assets equal liabilities) and therefore do not involve the measurement of results of operation. The following are the City's agency funds:

Highway Patrol Fines

To account for Highway Patrol fines due to other entities.

Auditors Escrow

To account for various deposits received by the City in a fiduciary role.

Payroll

To account for the next payroll, payroll taxes, and other related payroll deductions accumulated from the governmental, proprietary, and fiduciary funds for the distribution to employees, other governmental units, and private organizations.

Municipal Court

To account for the activities within the Municipal Court.

CITY OF WARREN, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Balance</u> <u>1/1/2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2004</u>
Highway Patrol Fines				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 37,494	\$ 37,494	\$ -
Accounts receivable	3,215	-	663	2,552
Total assets.	<u>\$ 3,215</u>	<u>\$ 37,494</u>	<u>\$ 38,157</u>	<u>\$ 2,552</u>
Liabilities:				
Deposits held and due to others	\$ 3,215	\$ 37,494	\$ 38,157	\$ 2,552
Total liabilities	<u>\$ 3,215</u>	<u>\$ 37,494</u>	<u>\$ 38,157</u>	<u>\$ 2,552</u>
Auditors Escrow				
Assets:				
Equity in pooled cash and cash equivalents	\$ 554,360	\$ 226,187	\$ 495,337	\$ 285,210
Total assets.	<u>\$ 554,360</u>	<u>\$ 226,187</u>	<u>\$ 495,337</u>	<u>\$ 285,210</u>
Liabilities:				
Deposits held and due to others	\$ 554,360	\$ 226,187	\$ 495,337	\$ 285,210
Total liabilities	<u>\$ 554,360</u>	<u>\$ 226,187</u>	<u>\$ 495,337</u>	<u>\$ 285,210</u>
Payroll				
Assets:				
Equity in pooled cash and cash equivalents	\$ 679,193	\$ 83,179	\$ 16,536	\$ 745,836
Total assets.	<u>\$ 679,193</u>	<u>\$ 83,179</u>	<u>\$ 16,536</u>	<u>\$ 745,836</u>
Liabilities:				
Due to other governments	\$ 679,193	\$ 83,179	\$ 16,536	\$ 745,836
Total liabilities	<u>\$ 679,193</u>	<u>\$ 83,179</u>	<u>\$ 16,536</u>	<u>\$ 745,836</u>
Municipal Court				
Assets:				
Cash with fiscal and escrow agents.	\$ 245,043	\$ 1,314,839	\$ 1,350,829	\$ 209,053
Total assets.	<u>\$ 245,043</u>	<u>\$ 1,314,839</u>	<u>\$ 1,350,829</u>	<u>\$ 209,053</u>
Liabilities:				
Accounts payable	\$ 111,908	\$ 98,952	\$ 111,908	\$ 98,952
Due to other governments	133,135	1,215,887	1,238,921	110,101
Total liabilities	<u>\$ 245,043</u>	<u>\$ 1,314,839</u>	<u>\$ 1,350,829</u>	<u>\$ 209,053</u>

Continued

CITY OF WARREN, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Balance</u> <u>1/1/2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2004</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,233,553	\$ 346,860	\$ 549,367	\$ 1,031,046
Cash with fiscal and escrow agents.	245,043	1,314,839	1,350,829	209,053
Accounts receivable	3,215	-	663	2,552
Total assets.	<u>\$ 1,481,811</u>	<u>\$ 1,661,699</u>	<u>\$ 1,900,859</u>	<u>\$ 1,242,651</u>
Liabilities:				
Accounts payable	\$ 111,908	\$ 98,952	\$ 111,908	\$ 98,952
Due to other governments	812,328	1,299,066	1,255,457	855,937
Deposits held and due to others	557,575	263,681	533,494	287,762
Total liabilities	<u>\$ 1,481,811</u>	<u>\$ 1,661,699</u>	<u>\$ 1,900,859</u>	<u>\$ 1,242,651</u>

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STATISTICAL SECTION

STATISTICAL SECTION

THE FOLLOWING UNAUDITED STATISTICAL TABLES
REFLECT SOCIAL AND ECONOMIC DATA FINANCIAL TRENDS AND
FISCAL CAPACITY OF THE CITY

CITY OF WARREN, OHIO

GENERAL GOVERNMENT EXPENDITURES BY FUNCTION
LAST TEN YEARS (1)

<u>Year</u>	<u>General Government</u>	<u>Security of Persons and Property</u>	<u>Public Health and Welfare</u>	<u>Transportation</u>	<u>Community Environment</u>
2004	\$ 7,610,099	\$ 15,940,459	\$ 585,532	\$ 2,745,117	\$ 1,806,298
2003	7,300,180	15,028,195	417,382	2,365,061	1,611,897
2002	7,067,691	14,768,585	432,401	2,638,201	1,776,919
2001	6,926,161	12,931,874	375,277	2,122,212	1,577,698
2000	6,449,633	11,677,787	313,128	2,231,622	1,289,926
1999	6,386,935	12,926,018	339,617	2,091,105	1,617,439
1998	6,133,328	11,511,145	347,371	1,954,228	1,632,107
1997	6,038,109	11,691,884	355,612	1,972,657	1,573,074
1996	6,559,461	11,451,738	732,925	2,546,423	4,604,960
1995	6,040,039	10,416,233	644,571	2,343,139	4,624,944

(1) Includes general, special revenue, debt service and capital projects funds.

Note: 1997-2004 amounts reflect GAAP basis reporting; prior years reflect cash basis accounting.

Source: Warren City Auditor's Office

Leisure Time Activity	Economic Development	Capital Outlay	Debt Service	Total
\$ 885,871	\$ 1,984,304	\$ 6,029,700	\$ 2,315,848	\$ 39,903,228
626,762	2,198,894	3,411,525	1,769,408	34,729,304
563,994	1,604,649	6,887,754	2,323,056	38,063,250
274,719	1,467,464	3,433,672	2,042,472	31,151,549
239,038	1,639,421	4,327,789	2,008,448	30,176,792
560,031	2,632,464	3,969,685	1,816,919	32,340,213
540,848	1,236,605	7,719,035	1,753,635	32,828,302
607,954	1,785,832	3,456,747	1,576,303	29,058,172
609,246	-	3,393,762	2,443,851	32,342,366
569,097	-	3,193,755	1,810,749	29,642,527

CITY OF WARREN, OHIO

GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN YEARS (1)

<u>Year</u>	<u>Taxes</u>	<u>Charges for Services</u>	<u>Licenses, Permits and Fees</u>	<u>Fines and Forfeitures</u>	<u>Special Assessments</u>
2004	\$ 20,023,402	\$ 2,055,303	\$ 1,839,742	\$ 1,422,329	\$ 19,828
2003	20,318,716	2,120,940	1,726,971	1,733,026	100,189
2002	19,916,368	2,158,369	1,678,306	1,511,535	9,777
2001	16,928,002	1,714,490	1,407,022	1,133,342	10,526
2000	15,827,320	1,869,173	1,464,433	1,262,522	29,470
1999	16,043,491	1,933,471	1,519,125	1,168,795	1,954
1998	15,486,257	1,975,399	1,338,647	1,388,009	13,422
1997	15,754,892	2,542,427	874,622	1,113,945	10,927
1996	15,347,952	1,636,467	1,776,643	-	-
1995	14,812,066	1,445,473	1,927,258	-	-

(1) Includes general, special revenue, debt service and capital projects funds.

Note: 1997-2003 amounts reflect GAAP basis reporting; prior years reflect cash basis accounting.

Source: Warren City Auditor's Office

<u>Intergovernmental</u>	<u>Investment Income</u>	<u>Rental Income</u>	<u>Other</u>	<u>Total</u>
\$ 11,200,065	\$ 357,172	\$ 34,314	\$ 1,232,073	\$ 38,184,228
9,223,005	428,636	53,048	1,796,889	37,501,420
10,797,033	472,571	47,115	2,919,419	39,510,493
9,820,979	509,357	45,818	973,075	32,542,611
9,069,513	461,352	129,890	613,317	30,726,990
9,281,582	395,244	123,283	915,883	31,382,828
7,688,710	558,269	106,758	511,877	29,067,348
6,577,131	551,262	63,291	368,627	27,857,124
8,970,125	-	-	2,131,355	29,862,542
7,708,253	-	-	1,773,228	27,666,278

CITY OF WARREN, OHIO

ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Year	Real Property		Public Utilities		Personal Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2004	\$ 395,601,480	\$ 1,130,289,943	\$ 17,397,860	\$ 19,770,295	\$ 62,347,140	\$ 249,388,560
2003	394,126,290	1,126,075,114	18,187,880	20,668,045	61,982,078	247,928,312
2002	377,707,860	1,079,165,314	17,604,360	20,004,955	72,590,158	290,360,632
2001	374,592,740	1,070,264,971	28,796,520	32,723,318	81,416,955	325,667,820
2000	374,824,460	1,070,927,029	28,552,120	32,445,591	77,083,732	308,334,928
1999	342,569,900	978,771,143	32,054,070	36,425,080	78,637,234	314,548,936
1998	334,716,710	956,333,457	32,611,680	37,058,727	79,088,747	316,354,988
1997	327,969,350	937,055,286	33,646,060	38,234,159	74,739,319	298,957,276
1996	307,858,570	879,595,914	35,222,060	40,025,068	75,775,744	303,102,976
1995	306,808,930	876,596,943	36,881,750	41,911,080	69,237,236	276,948,944

(1) This is calculated by dividing the assessed value by the assessment percentage. The percentages for 2002 were thirty-five percent (35%) for all real property, eighty-eight (88%) for public utility property and twenty-five percent (25%) for tangible personal property.

Source: Trumbull County Auditor

Total Assessed Value	Total Estimated Value	Percentage of Assessed Value To Estimated True Value
\$ 475,346,480	\$ 1,399,448,798	33.97%
474,296,248	1,394,671,472	34.01%
467,902,378	1,389,530,901	33.67%
484,806,215	1,428,656,109	33.93%
480,460,312	1,411,707,548	34.03%
453,261,204	1,329,745,159	34.09%
446,417,137	1,309,747,172	34.08%
436,354,729	1,274,246,721	34.24%
418,856,374	1,222,723,958	34.26%
412,927,916	1,195,456,967	34.54%

CITY OF WARREN, OHIO

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

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Collections to Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Collections to Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percentage of Outstanding Delinquent Taxes to Total Levy</u>
2004	\$ 1,444,415	\$ 1,363,730	94.4%	\$ 63,714	\$ 1,427,444	98.8%	\$ 157,103	10.9%
2003	1,441,977	1,373,142	95.2%	67,022	1,440,164	99.9%	164,882	11.4%
2002	1,382,548	1,312,330	94.9%	64,438	1,376,768	99.6%	169,323	12.2%
2001	1,407,161	1,341,960	95.4%	59,286	1,401,246	99.6%	194,425	13.8%
2000	1,410,785	1,333,773	94.5%	61,208	1,394,981	98.9%	189,985	13.5%
1999	1,310,301	1,211,862	92.5%	52,619	1,264,481	96.5%	150,681	11.5%
1998	1,284,789	1,217,951	94.8%	55,067	1,273,018	99.1%	98,910	7.7%
1997	1,266,732	1,218,076	96.2%	47,729	1,265,805	99.9%	103,310	8.2%
1996	1,200,017	1,157,075	96.4%	40,201	1,197,276	99.8%	87,868	7.3%
1995	1,202,135	1,155,068	96.1%	45,557	1,200,625	99.9%	98,528	8.2%

Source: Trumbull County Auditor

CITY OF WARREN, OHIO

**TANGIBLE PERSONAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Collections to Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Collections to Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percentage of Outstanding Delinquent Taxes to Total Levy</u>
2004	\$ 218,215	\$ 212,989	97.6%	\$ 10,414	\$ 223,403	102.4%	\$ 84,485	38.7%
2003	216,937	205,165	94.6%	9,799	214,964	99.1%	42,505	19.6%
2002	253,789	241,310	95.1%	34,484	275,794	108.7%	33,089	13.0%
2001	284,209	270,497	95.2%	20,881	291,378	102.5%	47,705	16.8%
2000	268,923	264,056	98.2%	7,455	271,511	101.0%	48,003	17.9%
1999	274,265	262,372	95.7%	13,164	275,536	100.5%	43,517	15.9%
1998	275,933	255,500	92.6%	3,054	258,554	93.7%	40,865	14.8%
1997	260,797	246,390	94.5%	32,180	278,570	106.8%	30,141	11.6%
1996	264,470	239,902	90.7%	8,784	248,686	94.0%	39,132	14.8%
1995	241,635	237,517	98.3%	3,577	241,094	99.8%	37,428	15.5%

Source: Trumbull County Auditor

CITY OF WARREN, OHIO

**SPECIAL ASSESSMENT TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Collections to Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Collections to Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percentage of Outstanding Delinquent Taxes to Total Levy</u>
2004	\$ 36,256	\$ 17,179	47.4%	\$ 9,300	\$ 26,479	73.0%	\$ 273,406	754.1%
2003	35,309	9,507	26.9%	17,957	27,464	77.8%	314,870	891.8%
2002	76,589	14,790	19.3%	40,275	55,065	71.9%	286,141	373.6%
2001	28,122	7,808	27.8%	15,362	23,170	82.4%	359,743	1279.2%
2000	142,383	42,463	29.8%	10,543	53,006	37.2%	284,546	199.8%
1999	26,666	15,710	58.9%	5,644	21,354	80.1%	234,723	880.2%
1998	17,159	12,543	73.1%	18,490	31,033	180.9%	271,620	1583.0%
1997	12,762	16,173	126.7%	11,111	27,284	213.8%	289,433	2267.9%
1996	37,264	29,737	79.8%	6,130	35,867	96.3%	289,060	775.7%
1995	23,376	15,896	68.0%	-	15,896	68.0%	285,456	1221.1%

Source: Trumbull County Auditor

CITY OF WARREN, OHIO

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

Year	City of Warren	County	School	Vocational School	Township	Library	Total
2003 for 2004	3.50	10.35	59.65	2.40	11.50	0.40	87.80
2002 for 2003	3.50	10.35	52.55	2.40	11.50	0.40	80.70
2001 for 2002	3.50	10.35	52.55	2.40	11.50	0.40	80.70
2000 for 2001	3.50	10.35	52.38	2.40	11.50	0.40	80.53
1999 for 2000	3.50	10.35	51.94	2.40	11.50	0.40	80.09
1998 for 1999	3.50	10.35	52.64	2.40	11.50	0.40	80.79
1997 for 1998	3.50	9.30	53.35	2.40	10.50	0.40	79.45
1996 for 1997	3.50	9.30	53.45	2.40	10.50	0.40	79.55
1995 for 1996	3.50	9.30	54.15	2.40	10.50	0.40	80.25
1994 for 1995	3.50	9.30	54.25	2.40	10.50	-	79.95

Source: Trumbull County Auditor

CITY OF WARREN, OHIO

RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUATION AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN YEARS

<u>Year</u>	<u>Estimated Population (1)</u>	<u>Assessed Valuation (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Less: Debt Service Fund Equity (3)</u>	<u>Less: Payable from Enterprise Revenues (3)</u>	<u>Net Bonded Debt</u>
2004	46,608	\$ 475,346,480	\$ 25,818,630	\$ 24,975	\$ 14,890,000	\$ 10,903,655
2003	46,608	474,296,248	28,620,810	47,438	16,034,000	12,539,372
2002	46,100	467,902,378	28,790,320	38,596	16,825,000	11,926,724
2001	46,466	484,806,215	30,601,180	106,769	17,505,000	12,989,411
2000	46,832	480,460,312	32,366,145	68,428	18,210,000	14,087,717
1999	47,845	453,261,204	34,082,795	1,052	18,900,000	15,181,743
1998	48,458	446,417,137	35,392,875	237,186	19,595,000	15,560,689
1997	49,033	436,354,729	36,999,010	6,079	20,325,000	16,667,931
1996	49,613	418,856,374	27,521,400	10,602	12,435,000	15,075,798
1995	50,039	412,927,916	26,485,045	2,568	15,280,000	11,202,477

(1) U.S. Census Bureau and the National Sales & Marketing Management

(2) Trumbull County Auditor

(3) Warren City Auditor's Office

Ratio of Net General Bonded Debt to Assessed Value		Net General Bonded Debt Per Capita
2.29%	\$	233.94
2.64%		269.04
2.55%		258.71
2.68%		279.55
2.93%		300.81
3.35%		317.31
3.49%		321.12
3.82%		339.93
3.60%		303.87
2.71%		223.87

CITY OF WARREN, OHIO

COMPUTATION OF LEGAL DEBT MARGIN (1)
DECEMBER 31, 2004

	<u>Total Debt Limit (2)</u>	<u>Total Unvoted Debt Limit (3)</u>
Assessed valuation of the City	\$ 475,346,480	\$475,346,480
Legal debt margin:		
Debt limitation	49,911,380	26,144,056
Debt applicable to limitation		
Total bonded debt	25,818,630	25,818,630
Exemptions:		
Debt service fund balance	24,975	24,975
Debt supported by enterprise fund operations	<u>(14,890,000)</u>	<u>(14,890,000)</u>
Net debt applicable to limitation:	<u>10,953,605</u>	<u>10,953,605</u>
Total legal debt margin (debt limitation minus total debt applicable to limitation)	<u>\$ 38,957,775</u>	<u>\$ 15,190,451</u>

(1) Computation based upon the provision of Section 133, the Uniform Bond Act of the Ohio Revised Code

(2) The Statutory Total Debt Limitation is calculated as follows:
Ten and one-half percent (10 1/2%) of the assessed valuation

(3) The Direct Limitation on unvoted debt is calculated as follows:
Five and one-half percent (5 1/2%) of the total assessed valuation

CITY OF WARREN, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2004

<u>Jurisdiction</u>	<u>Net General Bonded Debt</u>	<u>Percentage Applicable to the City</u>	<u>Amount Applicable to the City</u>
Direct:			
City of Warren	\$ 10,928,630	100.00%	\$ 10,928,630
Overlapping Debt:			
Trumbull County	13,704,421	14.48%	1,984,400
Warren City School District	38,474,665	100.00%	38,474,665
La Brae Local School District	8,311,515	15.46%	1,284,960
Lakeview Local School District	4,624,472	0.04%	1,850
Total Overlapping Debt			41,745,875
Total Direct and Overlapping Debt			\$ 52,674,505

Sources: Warren City Auditor's Office, Trumbull County Auditor, La Brae Local School District and Lakeview Local School District.

Note: The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

CITY OF WARREN, OHIO

RATIO OF ANNUAL DEBT PRINCIPAL AND INTEREST EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL
GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN YEARS (1)

<u>Year</u>	<u>Principal (2)</u>	<u>Interest and Fiscal Charges (2)</u>	<u>Total</u>	<u>Total General Expenditures (3)</u>	<u>Ratio of Debt Service to General Expenditures</u>
2004	\$ 1,323,180	\$ 476,538	\$ 1,799,718	\$ 39,903,228	4.51%
2003	754,510	292,787	1,047,297	34,729,304	3.02%
2002	1,130,860	687,109	1,817,969	38,063,250	4.78%
2001	1,059,965	741,195	1,801,160	31,151,549	5.78%
2000	1,026,650	791,668	1,818,318	30,176,792	6.03%
1999	1,029,880	809,569	1,839,449	32,340,213	5.69%
1998	968,635	858,708	1,827,343	32,828,302	5.57%
1997	722,390	825,697	1,548,087	29,058,172	5.33%
1996	383,645	600,508	984,153	32,342,366	3.04%
1995	290,000	596,715	886,715	29,642,527	2.99%

(1) Total general expenditures include general, special revenue, debt service and capital projects funds.

(2) Excludes general obligation debt reported in the enterprise funds.

(3) Warren City Auditor's Office

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CITY OF WARREN, OHIO

REVENUE BOND COVERAGE - WATER
LAST TEN YEARS (1)

Year	Gross Revenues (1)	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements		
				Principal	Interest	Total
2004	\$ 10,560,858	\$ 8,581,674	\$ 1,979,184	\$ 350,000	\$ 533,097	\$ 883,097
2003	10,665,756	8,631,104	2,034,652	335,000	547,670	882,670
2002	9,438,057	7,798,305	1,639,752	20,000	548,520	568,520
2001	8,784,860	7,619,648	1,165,212	75,000	551,632	626,632
2000	7,749,739	7,205,496	544,243	70,000	554,503	624,503
1999	7,768,877	7,292,035	476,842	110,000	558,903	668,903
1998	7,481,114	6,848,084	633,030	160,000	517,900	677,900
1997	7,658,723	6,482,272	1,176,451	200,000	345,168	545,168
1996	7,831,024	6,924,805	906,219	185,000	354,788	539,788
1995	7,693,049	6,889,158	803,891	180,000	363,338	543,338

(1) 1997-2004 amounts reflect GAAP basis reporting; prior years reflect cash basis accounting.

Note: Total operating expenses are exclusive of depreciation.

Source: Warren City Auditor's Office

Coverage

2.24

2.31

2.88

1.86

0.87

0.71

0.93

2.16

1.68

1.48

CITY OF WARREN, OHIO

**DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

Year	Estimated Population (1)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (4)
2004	46,608	N/A	6,861	8.30%
2003	46,608	26,361	6,918	7.70%
2002	46,100	24,950	6,986	6.80%
2001	46,466	24,322	7,059	6.00%
2000	46,832	24,177	7,244	5.30%
1999	47,845	23,354	7,296	5.50%
1998	48,458	22,649	7,348	5.90%
1997	49,033	22,013	7,296	5.80%
1996	49,613	21,045	7,212	6.30%
1995	50,039	21,626	7,190	6.30%

N/A indicates that the information was not available.

Sources:

- (1) U.S. Census Bureau and the National Sales & Marketing Management
- (2) Bureau of Economic Analysis
- (3) Ohio Department of Education
- (4) U.S Department of Labor, Bureau of Labor Statistics

CITY OF WARREN, OHIO
PROPERTY VALUE AND CONSTRUCTION
LAST TEN YEARS

Year	Property Value (1)			Building Permits Issued (2)		Estimated Value of Construction (2)
	Commercial	Residential	Total	Commercial	Residential	
2004	\$ 317,164,571	\$ 813,125,371	\$1,130,289,942	254	1,774	\$29,473,740
2003	318,448,000	807,627,114	1,126,075,114	543	1,840	22,974,054
2002	323,168,829	755,996,486	1,079,165,315	273	924	19,674,935
2001	320,343,771	749,921,200	1,070,264,971	193	581	16,232,342
2000	326,433,086	744,493,943	1,070,927,029	122	414	16,515,922
1999	316,828,200	661,942,943	978,771,143	138	502	16,347,311
1998	296,904,200	659,429,257	956,333,457	161	535	15,987,727
1997	278,215,286	658,840,000	937,055,286	104	511	15,879,620
1996	273,123,743	606,472,171	879,595,914	150	548	16,169,482
1995	271,632,429	604,964,514	876,596,943	141	524	39,980,621

N/A indicates that the information was not available.

(1) Trumbull County Auditor

(2) City of Warren Engineering Department

CITY OF WARREN, OHIO

PRINCIPAL TAXPAYERS
REAL PROPERTY TAX (1)
DECEMBER 31, 2004

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Delphi Automotive	\$ 1,916,670	0.48%
Rydyl I LLC	1,794,000	0.45%
Trumbull Plaza	1,788,930	0.45%
Simon-Northbury	1,756,270	0.44%
River Road Investments	1,563,310	0.40%
Lowes Home Center	1,541,470	0.39%
Warren Consolidated	1,496,150	0.38%
Nationwide Health	1,333,120	0.34%
Warren Plaza Co.	1,179,430	0.30%
K B Portfolio	<u>1,149,090</u>	<u>0.29%</u>
Totals, Top Ten Principal Real Property Taxpayers	<u>\$ 15,518,440</u>	<u>3.92%</u>
Total City Assessed Valuation	<u>\$ 395,601,480</u>	

(1) Source: Trumbull County Auditor

CITY OF WARREN, OHIO

PRINCIPAL TAXPAYERS
PUBLIC UTILITY PROPERTY TAX (1)
DECEMBER 31, 2004

Taxpayer	Assessed Valuation	Percent of Total Assessed Valuation
Ohio Edison	\$ 10,162,870	58.41%
United Telephone	7,007,790	40.28%
East Ohio Gas	1,822,780	10.48%
American Transmission Systems	1,617,310	9.30%
Qwest Communications	344,370	1.98%
Youngstown-Warren MSA	258,930	1.49%
Ohio Telephone	219,020	1.26%
Sprintcom	198,480	1.14%
Norfolk Southern Combined	150,720	0.87%
Level 3 Communications	120,180	0.69%
Totals, Top Ten Principal Public Utility Taxpayers	<u>\$ 21,902,450</u>	<u>125.89%</u>
Total City Assessed Valuation	<u>\$ 17,397,860</u>	

(1) Source: Trumbull County Auditor

Note: Certain adjustments were made to the assessed valuation of Ohio Edison that are not reflected in the City's public utility assessed valuation at year-end. These adjustments will be reflected in the City's public utility assessed valuation in the next fiscal year.

CITY OF WARREN, OHIO

**PRINCIPAL TAXPAYERS
PERSONAL PROPERTY TAX (1)
DECEMBER 31, 2004**

Taxpayer	Assessed Valuation	Percent of Total Assessed Valuation
Alcan Fabrication Corp.	\$ 4,779,530	7.67%
Excel Extrusions Inc.	4,461,010	7.16%
GE Lighting Inc.	4,032,540	6.47%
Delphi Automotive	3,383,800	5.43%
AVI Food Systems Inc.	2,298,410	3.69%
WCI Steel Inc.	2,179,570	3.50%
Diane Sauer Chevrolet	1,949,650	3.13%
Sims Buick GMC Truck	1,832,710	2.94%
Time Warner	1,397,450	2.24%
Trumbull Industries	<u>1,340,410</u>	<u>2.15%</u>
Totals, Top Ten Principal Personal Property Taxpayers	<u>\$ 27,655,080</u>	<u>44.36%</u>
Total City Assessed Valuation	<u>\$ 62,347,140</u>	

(1) Source: Trumbull County Auditor

CITY OF WARREN, OHIO

MISCELLANEOUS STATISTICS
DECEMBER 31, 2004

According to the US Census Bureau in 2000, the population in Warren, Ohio was 46,832. The age group of the population is comprised of the following:

<u>Age</u>	<u>Number</u>	<u>% of Population</u>
19 and under	13,502	29%
20-44	15,619	33%
45-59	7,860	17%
60+	9,851	21%

The City of Warren is home to a variety of businesses and services. The City of Warren had the following breakdown of businesses, according to the economic census:

<u>Industry</u>	<u>Number of Establishments</u>	<u>Number of Employees</u>	<u>Annual Payroll (\$1,000)</u>	<u>Shipment/Sales or Receipts (\$1,000)</u>
Manufacturing	69	12,471	\$ 629,742	\$ 3,247,441
Wholesale trade	62	728	19,195	265,227
Retail trade	281	4,639	82,118	761,250
Real estate and rental & leasing	57	267	4,979	28,442
Professional, scientific & technical	127	715	21,098	50,267
Administrative & support, waste management & remediation services	56	1,787	29,605	63,231
Educational services	7	26	245	682
Health care & social assistance	211	1,996	52,964	122,049
Arts, entertainment & recreation	13	110	1,688	5,304
Accommodations and food service	137	2,415	18,360	67,946
Other services (except public administration)	104	481	7,455	30,025

The City of Warren is located midway between New York and Chicago, and the following infrastructure allows for easy transportation:

<u>Railroads</u>	<u>Four-Lane Highways</u>	<u>Ports</u>	<u>Airports</u>
Amtrack	Ohio Turnpike	Ashtabula	Cleveland Hopkins International
CSX	I-76/I-80	Conneaut	Pittsburgh International
Norfolk-Southern	I-79	Cleveland	Youngstown-Warren Regional
	State Route 82	Erie	Akron-Canton Regional
	State Route 11	East Liverpool	Erie Municipal
		Lorain	
		Pittsburgh	
		Wellsville	

CITY OF WARREN, OHIO

MISCELLANEOUS STATISTICS (CONTINUED)
DECEMBER 31, 2004

The City of Warren offers an abundance of recreational, educational, and other opportunities:

<u>Feature</u>	<u>Within the Warren Metropolitan Area</u>	<u>Within a Two-Hour Drive</u>
Hospitals	Forum Health St. Joseph's	More than 100
Colleges and universities	Kent State Trumbull Branch	72 colleges and university campuses
Cultural/recreational activities	Butler Art Institute Ballet Company Packard Music Hall Trumbull Art Gallery Public Library	More than 70 museums, art galleries, zoos, symphonies, ballet and opera companies More than 25 live theater/performance centers 5 amusement parks Pro Football Hall of Fame Rock and Roll Hall of Fame
Parks	Packard Park Perkins Park 20 parks in the City of Warren	3 National parks 24 additional Ohio/Pennsylvania parks
Sports	Mahoning Valley Scrappers, Class A Baseball	Youngstown State University, NCAA AA football Cleveland Indians, Cleveland Browns, Cleveland Cavaliers, Cleveland Crunch Pittsburgh Pirates, Pittsburgh Steelers, Pittsburgh Penguins Thistledown - horse racing Northfield Park - harness racing Cleveland Grand Prix - auto racing
Golf Courses	46 public courses 8 private courses	More than 200

Source: City of Warren, Economic Development



**Auditor of State
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Facsimile 614-466-4490

CITY OF WARREN

TRUMBULL COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 28, 2006**